

TEMPLATE 2025-12-17

LEASE AGREEMENT

by and between

CITY OF ALAMEDA,
a charter city and municipal corporation
as LANDLORD

and

PLAYHOUSE, LLC DBA DIRECTOR'S CUT,
a California limited liability company
as TENANT

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INDEX OF EXHIBITS

Exhibit

- A PREMISES
- B COMMENCEMENT LETTER
- C RENEWAL NOTICE
- D ACKNOWLEDGMENT OF RECEIPT
- E ENVIRONMENTAL QUESTIONNAIRE
- F RULES AND REGULATIONS

BASIC LEASE INFORMATION

Lease Date: Dated as of _____, 2026, for reference purposes only.

<i>Landlord:</i>	City of Alameda, a charter city and municipal corporation
<i>Landlord's Address:</i>	City of Alameda Alameda City Hall 2263 Santa Clara Ave Alameda, CA 94501 Tel: (510) 748-4509 Attn: City Manager Notice Copy to: Lincoln Property Company (LPC West LP), as Agent for City of Alameda 950 W. Mall Square Suite, Suite 239 Alameda, CA 94501 Tel: (510) 749-0304
<i>Tenant:</i>	Playhouse, LLC DBA Director's Cut
<i>Tenant's Address:</i>	2319 Central Ave, Alameda CA 94501
<i>Premises:</i> <i>(Section 1)</i>	2319 Central Ave, Alameda CA 94501, as depicted on Exhibit A.
<i>Rentable Area of Premises:</i>	Approximately 1,850 rentable square feet.
<i>Building:</i>	Historic Alameda Theater Building
<i>Term:</i> <i>(Section 2)</i>	Thirty-six (36) months

Estimated Commencement Date:

_____, 2026

Estimated Expiration Date:

_____, 2026

Extension Option:
(Section 2.2)

Tenant has 1(one) option to renew for thirty-six (36) months.

Early Termination Option:
(Section 2.3)

Landlord has an early termination right as set forth in Section 2.3.

Base Rent:
(Section 3)

<i>Months</i>	<i>Base Rent</i>
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2 - 12	\$5,865/month
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13 – 24	\$6,041/month
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25 – 36	\$6,222/month
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Rent Abatement:

One (1) full month Base Rent.

Payment of Operating Expenses, Taxes and Utilities:
(Section 4)

Tenant shall pay Tenant’s Share of the Operating Expenses and Taxes, and all charges for Utilities and other taxes for which Tenant is directly responsible.

Tenant’s Share:
(Section 4.1)

5.31%

Security Deposit:
(Section 6)

\$13,061

Permitted Use:
(Section 5.1)

Restaurant with service of alcoholic beverages to persons 21 years of age and over.

<p><i>Parking:</i> <i>(Section 1.2)</i></p>	<p>No exclusive parking, street parking only.</p>
<p><i>Brokers:</i> <i>(Section 26.8)</i></p>	<p>Cushman & Wakefield (Landlord Broker)</p>
<p><i>Surplus Land Act Compliance:</i> <i>(Section 26.2)</i></p>	<p>The City has reviewed the terms of the Lease for the Premises in accordance with the terms, provisions and requirements of the California Surplus Land Act (California Government Code Sections 54220-54233) (the “SLA”). The Lease does not constitute a disposition of the Premises for purposes of the SLA pursuant to Government Code Section 54221(d)(2)(A) because the term of the Lease is for a period of less than 15 years, and 54221(d)(2)(B) because no construction or demolition would occur on the Premises under the Lease</p>
<p><i>Guarantor:</i></p>	<p>Husam Haddad</p>

LEASE AGREEMENT

THIS LEASE AGREEMENT is made and entered into as of the ___ day of _____, 2026, by and between CITY OF ALAMEDA, a charter city and municipal corporation (“**Landlord**”) and Playhouse, LLC DBA Director’s Cut, a California limited liability company (“**Tenant**”). The Basic Lease Information and the exhibits attached hereto shall be construed together with this Lease Agreement as a single instrument collectively referred to as the “**Lease**”. To the extent of any conflict between the Basic Lease Information and the provisions of the Lease Agreement, the provisions of this Lease Agreement shall prevail.

1. PREMISES.

1.1 Premises. Landlord leases to Tenant and Tenant leases from Landlord, upon the terms and conditions set forth in this Lease, those Premises specified in the Basic Lease Information, including the improvements thereon. The Premises have the address and contain the square footage specified in the Basic Lease Information (the “**Property**”); provided, however, that any statement of square footage set forth in this Lease is an approximation which Landlord and Tenant agree is reasonable, and no economic terms of this Lease based on square footage shall be subject to revision regardless of whether the actual square footage is more or less

1.2 Land and Parking Intentionally omitted.

1.3 Common Areas. In addition to the Premises, and subject to the rules and regulations attached hereto as **Exhibit F**, Tenant shall have the non-exclusive right, in common with all other parties

occupying the Building, to use the areas designated by Landlord as depicted in **Exhibit A** (the “**Common Areas**”). The use of the Common Areas shall be for the non-exclusive use of Tenant and Tenant’s employees, agents, suppliers, customers and patrons, in common with Landlord and all other tenants of the Building and such other persons to whom Landlord has previously granted, or may hereafter grant, rights of usage. Tenant shall not be entitled to use the Common Areas for storage of goods, vehicles, refuse or any other items. Landlord reserves the right to alter, modify, enlarge, diminish, reduce or eliminate the Common Areas from time to time in its sole discretion. If Tenant uses any of the Common Areas for storage of any items, Tenant shall (i) immediately pay all fines and other charges imposed upon either Landlord or Tenant by any fire, building or other regulatory body, and (ii) be responsible for and pay for all costs incurred by Landlord to clear that portion of the Common Areas so used by Tenant and to dispose of such items.

1.4 Possession. Landlord will deliver possession of the Premises to Tenant on the Commencement Date (as defined herein). If for any reason Landlord has not delivered to Tenant possession of the Premises by the Commencement Date, this Lease shall nonetheless remain in effect and Landlord shall not be in default or be liable to Tenant for any loss or damage resulting from such delay, nor shall such delay affect the obligations of Tenant hereunder.

1.5 As-Is Condition. Tenant has had the opportunity to inspect the Premises, has determined that the Premises is acceptable for Tenant's intended use, and accepts the Premises in its “AS IS” “WITH ALL FAULTS” condition and configuration without any representations or warranties by Landlord, and subject to all matters of record, the Restrictions (as defined herein) and all applicable laws, ordinances, rules and regulations, with no obligation of Landlord to maintain, repair or make alterations or improvements to the Premises. Tenant acknowledges that neither Landlord nor any agent of Landlord has made any representation or warranty with respect to the suitability of the Premises, Building, Parking Area, or infrastructure for the conduct of Tenant’s business. Landlord shall not be liable for any latent or patent defects in the Building, Parking Area or Premises. Tenant shall be responsible for requesting an inspection and obtaining a Certificate of Occupancy from the City of Alameda. Tenant shall be responsible at its sole cost for meeting all requirements mandated by the Certificate of Occupancy inspection, including any necessary fire sprinkler upgrades, electrical service upgrades, and compliance with the ADA (as defined herein).

Landlord has not made and specifically disclaims any representations, warranties or promises, and Tenant specifically waives any express or implied warranty, related to (a) the Premises or Landlord’s interest in the Premises; (b) the value, nature, quality or condition of the Premises, including the improvements, and the soil, topography, environmental condition, Hazardous Materials (as defined herein) and/or geology of the Premises; (c) the income of the Premises; (d) the suitability or fitness of the Premises for any and all activities and uses which Tenant intends to conduct thereon; (e) the compliance or status of the Premises with respect to any entitlements, permits or Laws (including, without limitation any environmental protection, pollution, zoning, land use or Hazardous Materials Laws); (f) the habitability, merchantability, marketability, profitability or fitness for a particular purpose of the Premises; (g) the future rights, entitlements, permits, or developability of the Premises; (h) the zoning of the Premises; (i) governmental approvals or agreements concerning the Premises; (j) existing permits; (k) the title condition of the Premises; (l) any fixtures, systems, utilities or equipment located at or servicing the Premises;

or (m) any other matter with respect to the Premises. TENANT EXPRESSLY WAIVES ANY AND ALL EXPRESS AND IMPLIED WARRANTIES OF CONDITION, HABITABILITY, SUITABILITY FOR OCCUPANCY, USE, HABITATION, FITNESS FOR A PARTICULAR PURPOSE AND MERCHANTABILITY RELATING TO THE PREMISES. This Lease is subject to no contingencies whatsoever in favor of Tenant.

1.6 Security. Landlord shall have no obligation to provide security service or take security measures with respect to the Premises, and makes no warranties, express or implied, relating to the security of the Premises, the Building or the Property. Tenant shall be responsible for obtaining and maintaining any and all security it desires with respect to the Premises, and Tenant agrees that Landlord shall have no liability to Tenant or any Tenant Related Parties (as defined herein) for any criminal activity or breach of security, or the implementation or exercise of, or failure to implement or exercise, any security measures with respect to the Premises, the Building or the Property.

1.7 Landlord's Reserved Rights. Landlord reserves the right, and at any time and from time to time, without constituting an actual or constructive eviction and without creating any liability to Tenant, to make alterations, additions, changes, repairs, improvements to or in all or any part of the Building and/or Common Areas within and around the Building, and to change the arrangement and/or location of entrances or passageways, doors and doorways, corridors, elevators, stairs, toilets and other public parts of the Building and parking areas, drive isles, landscaping, curb cuts and paved and unpaved portions of the exterior Common Areas. Without limiting the foregoing, Landlord reserves the right from time to time to install, use, maintain, repair, relocate and replace pipes, ducts, conduits, wires, meters and equipment for services to the Premises or those parts of the Building which are above the ceiling surfaces, below the floor surfaces, within the walls and in the central core areas of the Building which are located within the Premises or located elsewhere in the Building. In connection with any of the foregoing activities, Landlord shall use reasonable efforts to minimize any interference with Tenant's use of the Premises and shall not, without the prior written approval of Tenant, (a) materially change the location, size or configuration of the Premises; or (b) do anything which would have a material and adverse effect on access and/or ingress and egress to the Premises. No rights to any view or to light or air over any property, whether belonging to Landlord or any other person, are granted to Tenant by this Lease.

2. TERM.

2.1 Term. The term of this Lease ("**Term**") shall be for the period specified in the Basic Lease Information, commencing on the later of (a) the Estimated Commencement Date or (b) thirty (30) days after this Lease has been approved by the City Council upon second reading, in the City Council's sole and absolute discretion, the date of which approval shall be deemed to be the effective date of an ordinance approving this Lease as required by the City Charter ("**Commencement Date**"). If the Commencement Date is not on the first day of a calendar month, the Term shall be computed from the first day of the next calendar month after the Commencement Date, with prorated Base Rent and Additional Rent payable by Tenant for any partial period between the Commencement Date and the first day of the next calendar month. This Lease shall terminate at midnight on the last day of the last calendar month of the Term ("**Expiration Date**"), unless sooner terminated or extended (if applicable). Promptly following

the Commencement Date, Landlord and Tenant shall enter into a letter agreement substantially in the form attached hereto as **Exhibit B**, specifying and confirming the Commencement Date and the Expiration Date; if Tenant fails to execute and deliver such letter agreement to Landlord within ten (10) business days after Landlord's delivery of the same to Tenant, said letter agreement as completed by Landlord will be deemed final and binding upon Tenant.

2.2 Option to Renew.

(a) Renewal Options. Tenant shall have one (1) option(s) to extend the Term (each a "**Renewal Option**") for a period of thirty-six (36) months ("**Renewal Term**") each Renewal Option. The Renewal Option may be exercised only by the Tenant identified in the Basic Lease Information or an assignee that is a Tenant Affiliate (as defined herein) and may not be exercised by any other sublessee or assignee or by any other successor or assignee. The Renewal Option shall be effective only if Tenant is not in Default under this Lease, either at the time of exercise of the Renewal Option or the time of commencement of the Renewal Term. Tenant shall exercise its Renewal Option, if at all, by written notice ("**Election Notice**") from Tenant to Landlord, in a form substantially the same as **Exhibit C**, given no more than twelve (12) months but no less than nine (9) months prior to expiration of the initial Term or any current Renewal Term, as applicable. Any such notice given by Tenant to Landlord shall be irrevocable. If Tenant fails to exercise the Renewal Option in a timely manner as provided for above, the Renewal Option shall be void. The City Manager is authorized to negotiate and execute an amendment to this Lease and any other documents necessary to effectuate the Renewal Option, should Tenant exercise it pursuant to this section.

(b) Terms and Conditions. If Tenant exercises the Renewal Option, the Term shall be extended for an additional period of thirty-six (36) months upon the same terms and conditions as the initial Term except that (i) there shall be no further Renewal Options available to Tenant at the expiration of the Renewal Term, (ii) Tenant shall continue to occupy the Premises in its "as-is" condition without any tenant improvement allowance from Landlord, and (iii) the Base Rent during the Renewal Term (the "**Renewal Base Rent**") shall be determined as set forth in Section 2.2 (c) below and payable on the first day of each month during the Renewal Term.

Tenant shall be responsible for all brokerage costs and/or finder's fees associated with Tenant's exercise of the Renewal Option made by parties claiming through Tenant. Landlord shall be responsible for all brokerage costs and/or finder fees associated with Tenant's exercise of the Renewal Options made by parties claiming through Landlord.

(c) Renewal Base Rent. The Renewal Base Rent for the first year of any Renewal Term shall be three percent (3%) higher than the Base Rent in effect immediately before the beginning of the Renewal Term. Thereafter, the Renewal Base Rent shall increase annually by three percent (3 %) on each anniversary date of the Renewal Term for the remainder of such Renewal Term.

2.3 Early Termination Right. Intentionally omitted.

3. RENT.

3.1 Base Rent.

(a) Generally. From and after the Commencement Date, Tenant shall pay to Landlord, in advance of the first day of each calendar month, without any setoff or deduction and without further notice or demand, the monthly installments of rent specified in the Basic Lease Information (“**Base Rent**”). One full installment of Base Rent shall be due and payable on the date of execution of this Lease by Tenant and shall be applied to the first full calendar month for which the Base Rent is due. If the Commencement Date is a date other than the first day of a calendar month, the Base Rent paid for any fractional month during the Term shall be prorated based upon a thirty (30) day calendar month.

(b) Abatement. Tenant shall be entitled to an abatement of Base Rent for the first full one (1) calendar month of the Term (“**Abatement Period**”). The total amount of Base Rent abated during the Abatement period is referred to herein as the “**Abated Base Rent**”.

3.2 Additional Rent. As used in this Lease, the term “**Additional Rent**” shall mean all sums of money, other than Base Rent, that are due and payable by Tenant under the terms of this Lease, whether or not expressly designated as Additional Rent. The term “**Rent**” shall mean all Base Rent, Additional Rent and all other amounts payable hereunder from Tenant to Landlord. Unless otherwise specified, all items of Rent other than Base Rent shall be due and payable by Tenant on or before the date that is thirty (30) days after billing by Landlord, unless a different time period is specified in this Lease.

3.3 Late Charge. Other remedies for non-payment of Rent notwithstanding, if any Base Rent or Additional Rent is not received by Landlord on or before the fifth (5th) day following the due date, or if any other payment owed by Tenant which does not have a scheduled due date is not received by Landlord on or before the thirtieth (30th) day following the date Tenant was invoiced for such charge, a late fee of five percent (5%) of the past due amount shall be immediately due and payable as Additional Rent.

3.4 Interest. Any installment of Rent and any other sum due from Tenant under this Lease which is not received by Landlord within five (5) days of its due date shall bear interest from the due date until paid at the lesser of: (a) an annual rate equal to the maximum rate of interest permitted by law, or (b) ten percent (10%) per annum (the “**Interest Rate**”). Payment of such interest shall not excuse or cure any Default by Tenant.

3.5 Payment of Rent and Security Deposit after Default If Tenant fails to pay Rent or any other monetary obligation when due, after Tenant’s third failure to pay any monetary obligation on the date it is due, at Landlord’s option, all monetary obligations of Tenant under this Lease shall thereafter be paid by cashier’s check, and/or Tenant shall provide Landlord with an additional security deposit equal to three (3) months’ Base Rent. If Landlord has required Tenant to make payments by cashier’s check or to provide an additional security deposit, Tenant’s failure to make a payment by cashier’s check or to provide the additional security deposit shall be a material default.

4. OPERATING EXPENSES AND TAXES.

4.1 Definitions. For purposes of this Section 4, the following terms shall have the following meanings:

(a) **“Tenant’s Share”** shall mean the percentage specified in the Basic Lease Information. Tenant’s Share has been computed by dividing the rentable area of the Premises by the total rentable area of the Building. The rentable area of the Premises specified in the Basic Lease Information is conclusive and binding upon Tenant. In the event that either the rentable area of the Premises or the total rentable area of the Building is changed or remeasured by Landlord (which Landlord shall have the right to do from time to time), Tenant’s Share and the rentable area of the Premises and Building will be appropriately adjusted; and, as to the Tax and Expense Year in which such change occurs, for purposes of this Section 4, Tenant’s Share shall be determined on the basis of the number of days during such Tax and Expense Year that each such percentage is applicable.

(b) **“Tax and Expense Year”** shall mean the twelve (12) consecutive month period commencing July 1st and ending on June 30th of each year or partial year during the Term, provided that Landlord, upon notice to Tenant, may change the Tax and Expense Year from time to time (but not more frequently than once in any twelve (12) month period) to any other twelve (12) consecutive month period and, in the event of any such change, Tenant’s Share of Taxes and Operating Expenses shall be equitably adjusted for the Tax and Expense Years involved in any such change.

(c) **“Taxes”** shall mean all taxes, assessments, fees, impositions and charges levied (if at all) upon or with respect to the Building, Land or Common Areas, any personal property of Landlord used in the operation of the Building, Land, or Common Areas, or Landlord’s interest in the Building, Land or Common Areas, other than Tenant Taxes which are the subject of Section 8. Taxes shall include, without limitation and whether now existing or hereafter enacted or imposed, all general real property taxes, (i) all general and special bonds and assessments, (ii) all charges, fees and levies for or with respect to transit, housing, police, fire, flood control, infrastructure, or other governmental or quasi-governmental services or purported benefits to or burdens attributable to the Land or Building or any occupants thereof, (iii) all service payments in lieu of taxes, and (iv) any tax, fee or excise on the act of entering into this Lease or any other lease of space in the Building or any occupants thereof, on the use or occupancy of the Building, on the rent payable under any lease or in connection with the business of renting space in the Building. Taxes also include any government or private assessments (or the Building’s contribution toward a government or private cost-sharing agreement) for the purpose of augmenting or improving the quality of services and amenities normally provided by government agencies. The amount of Taxes for any Tax and Expense Year shall be calculated without any reduction by reason of Section 51(a)(2) of the California Revenue and Taxation Code (“Proposition 8”). Notwithstanding the foregoing, in the event Landlord has the right to elect to have assessments amortized over different time periods, Landlord will elect (or will charge such assessment through to Tenant as if Landlord had elected) to have such assessment amortized over the longest period permitted by the assessing authority, and only the amortized portion of such assessment (with interest at the lesser of the actual interest rate paid by Landlord or the then maximum rate of interest not

prohibited or made usurious by Law) shall be included in Taxes on an annual basis. Taxes shall not include any franchise, transfer or inheritance or capital stock taxes, or any income taxes measured by the net income of Landlord from all sources, unless due to a change in the method of taxation any such taxes are levied or assessed against Landlord as a substitute for, or as an addition to, in whole or in part, any other tax that would otherwise constitute a Tax. Taxes shall also include reasonable legal fees and other costs and disbursements incurred by Landlord in connection with proceedings to contest, determine or reduce Taxes provided, however, that Landlord shall pay to Tenant promptly after receipt by Landlord an amount equal to Tenant's Share of any refunded or recovered Tax previously paid by Tenant.

(d) **“Operating Expenses”** shall mean all costs and expenses paid or incurred by Landlord in connection with the management, operation, maintenance, insurance and repair of the Building, Common Areas, Land, Parking Area and all related improvements constructed thereon.

4.2 Determination and Payment of Operating Expenses and Taxes. Tenant shall pay to Landlord as Additional Rent one-twelfth (1/12th) of Tenant's Share of the Taxes and the Operating Expenses for each Tax and Expense Year, or portion thereof, on or before the first day of each month during such Tax and Expense Year, in advance, in an amount estimated by Landlord set forth in an annual statement delivered by Landlord to Tenant; provided that Landlord shall have the right to revise such estimates not more than twice per Tax and Expense Year and Tenant shall thereafter make Additional Rent payments on the basis of such revised estimates. After the end of each Tax and Expense Year, Landlord shall submit to Tenant a statement showing the actual amount which should have been paid by Tenant with respect to Taxes and Operating Expenses for the past Tax and Expense Year, the amount actually paid during that year by Tenant, and the amount of the resulting balance due or overpayment made, as the case may be (**“Landlord's Statement”**). Landlord's Statement shall set forth in reasonable detail, and shall contain a line-item breakdown showing at least the following major categories: (i) maintenance and repairs; (ii) landscaping; (iii) utilities (electricity; gas; water and sewer); and (iv) insurance. Any balance shown to be due on the Landlord's Statement shall be paid by Tenant to Landlord within thirty (30) days following Tenant's receipt thereof; and any overpayment shall be immediately credited against Tenant's obligation to make monthly payments for Taxes and Operating Expenses for the then current Tax and Expense Year, or, if by reason of any termination of this Lease no such obligation exists, any such overpayment shall be refunded to Tenant. As an alternative to the monthly payment of Tenant's Share of Taxes and Operating Expenses, and at Landlord's sole discretion, Landlord may direct Tenant to pay, within thirty (30) days of Landlord's delivery of Landlord's Statement, the full annual amount set forth therein. If the Expiration Date occurs on a date other than the last day of a Tax and Expense Year, Tenant's Share of Taxes and Operating Expenses for the Tax and Expense Year in which the Expiration Date occurs shall be on a pro rata basis from and including the first day of the Tax and Expense Year in which the Expiration Date occurs to and including the Expiration Date, based on a 365 day year. Where the calculation of Operating Expenses and Taxes for a Tax and Expense Year cannot be made until after expiration or termination of this Lease, the obligation of Tenant to pay its proportionate share as Additional Rent shall survive the expiration or termination hereof and such Additional Rent for such period shall be payable by Tenant upon demand by Landlord.

4.3 Transportation Demand Management Fee and Benefits. Intentionally omitted.

5. USE; COMPLIANCE WITH LAWS AND RESTRICTIONS.

5.1 Use. The Premises shall be used for the Permitted Use identified in the Basic Lease Information and for no other use whatsoever. At no time shall Tenant have the right to install, operate or maintain telecommunications or any other equipment on the roof or exterior areas of the Building, except as may be necessary for Tenant's Permitted Use of the Premises and provided Tenant's installation of such equipment is done in full compliance with Section 9. Tenant acknowledges that neither Landlord nor any agent of Landlord has made any representation or warranty with respect to the Premises or Building, or with respect to the suitability or fitness of either for the conduct Tenant's business or for any other purpose.

5.2 Prohibited Use and Items. Tenant shall not commit, or suffer to be committed, any waste upon the Premises or any public or private nuisance, or other act or thing which disturbs the quiet enjoyment of any other tenant in the Building, nor shall Tenant store any materials on the Premises which are visible from areas adjacent to the Premises, unless otherwise specifically set forth in this Lease. Tenant shall not permit any objectionable odor to escape or be emitted from the Premises and shall ensure that the Premises remain free from infestation from rodents or insects. Tenant shall not do or permit anything to be done on or about the Premises or bring or keep anything onto the Premises which will in any way increase the rate of, invalidate, or prevent the procuring of any insurance, protecting against loss or damage to the Building or any of its contents by fire or other casualty or against liability for damage to property or injury to person in or about the Building. Tenant shall not use or occupy, nor permit or suffer the Premises or any part thereof to be used or occupied for any unlawful, illegal, or extra hazardous business, use, or purpose, or in such manner as to constitute a nuisance of any kind (public or private), or for any purpose or in any way in violation of any applicable permit, approval, certificate of occupancy or Laws, or which may make void or voidable any insurance then in force related to the Premises. Tenant shall take, immediately upon the discovery of any such unpermitted, unlawful, illegal, or extra hazardous use, all necessary actions, legal and equitable, to compel the discontinuance of such use. Tenant shall not transport or permit to be transported to or from the Premises any Controlled Substance (as defined in 21 U.S.C. §802), cannabis (in any form) or any Hazardous Materials. In addition, Tenant shall not (i) possess, or permit any person or entity to possess, at the Premises any cannabis, marijuana or cannabinoid product or compound (collectively "Cannabis"), or any substance regulated under any state or federal Law ("Regulated Substances"), or (ii) use the Premises (or any portion thereof), or permit the Premises (or any portion thereof) to be used, for the growing, cultivation, manufacturing, administration, distribution (including without limitation, any retail sales), possession, use or consumption of any Cannabis or any Regulated Substance.

5.3 Compliance with Laws. Tenant shall at its sole cost comply with all laws, ordinances, rules, regulations, codes and requirements of all municipal, county, state and federal authorities, including the Americans With Disabilities Act, as amended (42 U.S.C. Section 1201 et seq., and Title 24 of the California Code of Regulations, as amended [collectively, the "ADA"]) Hazardous Materials Laws (as defined herein), and the Occupational Safety and Health Act (29 U.S.C. §§ 651 to 678) as amended (collectively, "Laws") pertaining to the Premises and Tenant's use and occupancy of the Premises and conduct of its business. Tenant shall be solely responsible for making and paying for all improvements and alterations necessary to bring the

Premises into compliance with applicable ADA requirements, including correcting any construction-related accessibility standards within the Premises, and to ensure that the Premises remain in compliance throughout the Term of this Lease.

5.4 Compliance with Restrictions. Intentionally omitted.

5.5 Use Permit. Tenant and its subtenants (if any), each at its own expense, shall acquire and maintain a City of Alameda Use Permit and all other City permits, certificates, licenses and approvals required for their business and use of the Premises (collectively “**Use Permit**”).

5.6 Business License. Tenant, at its sole expense, shall obtain and maintain during the Term of the Lease a City of Alameda Business License.

6. SECURITY DEPOSIT.

Concurrently with its execution of this Lease, Tenant shall deliver to Landlord the Security Deposit identified in the Basic Lease Information, to be held by Landlord without liability for interest (unless required by Law) as security for the performance of Tenant’s obligations under this Lease. The Security Deposit is not an advance payment of Rent or a measure of damages. Landlord may from time to time and without prejudice to any other remedy provided in this Lease or by Law, use all or a portion of the Security Deposit to the extent necessary to satisfy past due Rent or to satisfy Tenant’s Default under this Lease or to reimburse or compensate Landlord for any liability, expense, loss or damage which Landlord may suffer or incur by reason thereof. If Landlord so uses or applies all or any portion of the Security Deposit, then Tenant shall deposit cash with Landlord in an amount sufficient to restore the deposit to the full original amount within fifteen (15) days after Landlord’s demand to replenish the deposit, and Tenant’s failure to do so shall constitute a Default under this Lease. If there are no payments to be made from the Security Deposit as set out in this paragraph, or if there is any balance of the Security Deposit remaining after all payments have been made, the Security Deposit, or its remaining balance, will be refunded to Tenant after the expiration or earlier termination of this Lease. In the event of an act of bankruptcy by or insolvency of Tenant or the appointment of a receiver for Tenant or general assignment for the benefit of Tenant’s creditors, the Security Deposit shall be deemed immediately assigned to Landlord. Tenant hereby waives the provisions of Section 1950.7 of the California Civil Code and all other provisions of law, now or hereafter in effect, which provide that Landlord may claim from a security deposit only those sums reasonably necessary to remedy defaults in the payment of rent, to repair damage caused by Tenant or to clean the Premises, it being agreed that Landlord may, in addition, apply the Security Deposit to any and all of Landlord's damages under this Lease and California law including, but not limited to any damages accruing upon termination of this Lease under Section 1951.2 of the California Civil Code and/or those sums reasonably necessary to compensate Landlord for any other loss or damage, foreseeable or unforeseeable, caused by the acts or omissions of Tenant or any officer, employee, agent, contractor or invitee of Tenant.

7. UTILITIES.

7.1 Payments for Utilities and Services. Tenant shall contract directly with the providers of, and shall pay all charges for, all water, sewer, storm water, gas, electricity, heat, cooling, telephone,

internet service, refuse collection, janitorial, pest control, security and monitoring services furnished to the Premises, together with all related installation or connection charges or deposits (“**Utilities**”). If any Utilities are provided by Alameda Municipal Power (“**AMP**”) it is understood and agreed that such entity is separate and distinct from Landlord and Tenant must contract directly with AMP for any such Utilities. If any such Utilities are not separately metered or billed to Tenant but rather are billed to and paid by Landlord, Landlord shall include such costs in Operating Expenses and Tenant shall pay to Landlord, as Additional Rent, its pro rata share of the cost of such services, as reasonably determined by Landlord. If any Utilities are not separately metered, Landlord shall have the right to determine Tenant's consumption by either submetering, survey or other methods designed to measure consumption with reasonable accuracy.

7.2 Excess Usage. Tenant shall not use Building utilities or services in excess of those used by the average building tenant using its premises for ordinary office use. Tenant shall not install at the Premises office machines, lighting fixtures or other equipment which will generate above average heat, noise or vibration at the Premises or which will adversely affect the temperature maintained by the HVAC system. If Tenant uses Building utilities or services in excess of those used by the average office building tenant, Landlord shall have the right, in addition to any other rights or remedies it may have under this Lease, to (a) at Tenant’s expense, install separate metering devices at the Premises, and to charge Tenant for its usage (and for the cost of Landlord’s administration of the same), (b) require Tenant to pay to Landlord all costs, expenses and damages incurred by Landlord as a result of such usage, (c) at Tenant’s expense, require Tenant to install supplemental HVAC equipment, and (d) require Tenant to stop using excess utilities or services.

7.3 No Liability of Landlord. Except in the case of Landlord’s gross negligence or willful misconduct, in no event shall Landlord be liable or responsible for any loss, damages, expense or liability arising from any failure, interruption or inadequacy of any Utilities or any other utility or services provided to the Premises or the Building due to any cause whatsoever. IF ANY UTILITIES OR OTHER SERVICES TO THE PREMISES OR BUILDING FAIL OR ARE INTERRUPTED, TENANT SHALL HAVE NO CLAIM FOR ABATEMENT, REDUCTION OR REBATE OF RENT, DAMAGES (INCLUDING, WITHOUT LIMITATION, DAMAGES FOR BUSINESS INTERRUPTION OR CONSEQUENTIAL DAMAGES) OR EVICTION AND SHALL NOT BE RELIEVED FROM ITS OBLIGATIONS UNDER THIS LEASE ON ACCOUNT THEREOF, AND TENANT HEREBY WAIVES THE PROVISIONS OF CALIFORNIA CIVIL CODE §1932(1) AND ANY OTHER APPLICABLE LAWS PERMITTING THE TERMINATION OF THIS LEASE DUE TO SUCH FAILURE OR INTERRUPTION. Landlord may comply with voluntary controls or guidelines promulgated by any governmental entity relating to the use or conservation of energy, water, gas, light or electricity or the reduction of automobile or other emissions without creating any liability of Landlord to Tenant under this Lease.

8. TAXES FOR WHICH TENANT IS DIRECTLY RESPONSIBLE.

8.1 Tenant’s Tax Obligation. “**Tenant Taxes**” shall mean all taxes, assessments, fees, impositions and governmental charges, whether general or special, ordinary or extraordinary, foreseen or unforeseen, now existing or hereafter arising (a) measured by or reasonably

attributable to the cost or value of Tenant's equipment, furniture, fixtures and other personal property located at the Premises or the cost or value of any leasehold improvements made in or to the Premises by or for Tenant ("**Personal Property Taxes**"); (b) assessed on or related to the possession, leasing, operation, management, maintenance, alteration, repair, use, or occupancy by Tenant of the Premises, Land, Parking Area or Property, including any Possessory Interest Taxes (as defined herein); and (c) assessed either on this lease transaction or on any document to which Tenant is a party that creates or transfers an interest or an estate in the Premises, whether or not directly paid by Landlord, but excluding those Taxes paid by Landlord as defined herein.

8.2 Notice of Possessory Interest Taxes. Tenant's interest created by this Lease may at some time be subject to property taxation under the laws of the State of California ("**Possessory Interest Taxes**"). If such taxes are imposed, the party in whom the possessory interest is vested may be subject to the payment of the taxes levied on such interest. This notice is included in this Lease pursuant to the requirements of Section 107.6 (a) of the Revenue and Taxation Code of the State of California.

8.3 Payment of Tenant Taxes. Tenant shall timely pay all Tenant Taxes in accordance with the instructions of the taxing entity. Tenant shall pay any Tenant Taxes originally imposed upon Landlord as Additional Rent upon Landlord's election either (a) annually within thirty (30) days after the date Landlord provides Tenant with a statement setting forth in reasonable detail such Taxes, or (b) monthly in advance based on estimates provided by Landlord based upon the previous year's tax bill. All Tenant Taxes originally imposed upon Landlord and payable by Tenant with respect to the Premises shall be prorated on a per diem basis for any partial tax year included in the Term. Tenant's obligation to pay Tenant Taxes during the last year of the Term shall survive the expiration or termination of this Lease.

9. ALTERATIONS.

9.1 Landlord Consent Required. Tenant shall not make any changes, alterations, improvements, or additions (each an "**Alteration**") to, in or about the Premises or any part thereof without the prior written consent of Landlord, which consent may be reasonably conditioned upon criteria and/or requirements deemed necessary by Landlord in its proprietary capacity only; provided, however, that Landlord shall have the right in its sole and absolute discretion to withhold its consent to any Alteration which affects the structural components of the Building, including the roof, support structures, foundations, the exterior of the Building and/or the systems serving the Premises or the Building. Any such approval by Landlord shall be in its proprietary capacity as Landlord and no such approval shall be deemed an approval by the City of Alameda in its regulatory capacity. Notwithstanding the foregoing, Tenant shall have the right to make Alterations to the Premises with prior written notice to, but without the consent of, Landlord provided that such Alterations (a) do not require the procurement of a building permit, (b) do not affect the structural portion of the Building or the systems serving the Building, (c) the reasonably estimated costs of the Alterations, together with the costs of any other Alteration made during the immediately preceding twelve (12) month period, do not exceed Twenty Five Thousand Dollars (\$25,000) and, (d) are performed in full compliance with the terms and provisions of this Lease.

9.2 Alterations. Any Alterations to the Premises shall be at Tenant's sole cost and expense, and made in compliance with all applicable Laws and all reasonable requirements requested by Landlord. Prior to starting work, Tenant shall furnish Landlord with plans and specifications (which shall be in CAD format if requested by Landlord); names of contractors reasonably acceptable to Landlord; required permits and approvals; evidence of contractors and subcontractors insurance in amounts reasonably required by Landlord, and naming Landlord the managing agent for the Building and such other persons or entities as Landlord may reasonably request, as additional insureds; and any security for payment in performance and amounts reasonably required by Landlord. In addition, if any such Alteration requires the removal of asbestos, an appropriate asbestos disposal plan, identifying the proposed disposal site of all such asbestos, must be included with the plans and specifications provided to Landlord. Tenant shall reimburse Landlord for any sums paid by Landlord for third party examination of Tenant's plans for Alterations. Landlord agrees to respond to Tenant's request for consent to any Alterations within fifteen (15) days following Tenant's delivery of such request, accompanied by plans and specifications depicting the proposed Alterations ("**Plans**") and a designation of Tenant's general contractor (and major subcontractors) to perform such work. Landlord's response shall be in writing and, if Landlord withholds its consent to any Alterations, Landlord shall specify in reasonable detail in Landlord's notice of disapproval, the basis for such disapproval. If Landlord fails to timely notify Tenant of Landlord's approval or disapproval of any such Plans, Tenant shall have the right to provide Landlord with a second written request for approval (a "**Second Request**") that specifically identifies the applicable Plans and contains the following statement in bold and capital letters: "**THIS IS A SECOND REQUEST FOR APPROVAL OF PLANS PURSUANT TO THE PROVISIONS OF THE LEASE.** If Landlord fails to respond to such Second Request within five (5) business days after receipt by Landlord, the Plans in question shall be deemed disapproved by Landlord. If Landlord disapproves of any Plans, Tenant may revise Tenant's Plans and resubmit such Plans to Landlord; in such event the scope of Landlord's review of such Plans shall be limited to Tenant's correction of the items to which Landlord had previously objected. Landlord's review and approval (or deemed approval) of such revised Plans shall be governed by the provisions as set forth above in this Lease. The procedure set forth above for approval of Tenant's Plans will also apply to any change, addition or amendments to Tenant's Plans. Landlord's approval of an Alteration shall not be deemed a representation by Landlord that the Alteration complies with Law. In addition, Tenant shall pay Landlord a fee for Landlord's oversight and coordination of any Alteration equal to five percent (5%) of the total costs of the Alteration, to the extent the costs of the Alteration is equal to or less than \$100,000; plus four percent (4%) of the costs of the Alteration to the extent that the costs of the Alteration is in excess of \$100,000, but not more than \$500,000; plus three percent (3%) of any portion of the costs of the Alteration in excess of \$500,000. Upon completion, Tenant shall furnish Landlord with at least three (3) sets of "as built" Plans (as well as a set in CAD format, if requested by Landlord) for the Alterations, completion affidavit and full and final unconditional waivers of liens and will cause a Notice of Completion to be timely recorded in the Office of the Recorder of the County of Alameda in accordance with California Civil Code §§8182-8184 (former CC §3093) or any successor statute. Any Alteration shall at once become the property of Landlord; provided, however, that Landlord, at its option, may require Tenant to remove any Alterations prior to the expiration or sooner termination of this Lease. If Tenant serves a request in writing together with Tenant's request for Landlord's consent to any such Alterations ("**Removal Request**"), Landlord will notify Tenant at the time of Landlord's consent to any

such Alterations as to whether Landlord requires their removal. All costs of any Alterations (including, without limitation, the removal thereof, if required) shall be borne by Tenant. If Tenant fails to promptly complete the removal of any Alterations and/or to repair any damage caused by the removal, Landlord may repair such damage and charge the reasonable costs of the repair to Tenant. All Alterations shall be made in a good and workmanlike manner and in a manner that will not disturb other tenants, in accordance with Landlord's then-current guideline for construction, and Tenant shall maintain appropriate liability and builders' risk insurance throughout the construction. Tenant shall indemnify, defend, protect and hold Landlord harmless from and against any and all claims for injury to or death of persons or damage or destruction of property arising out of or relating to the performance of any Alterations by or on behalf of Tenant. Under no circumstances shall Landlord be required to pay, during the Term (as the same may be extended or renewed) any ad valorem or other Taxes on such Alterations, Tenant hereby covenanting to pay all such taxes when they become due.

9.3 Excavations In the event Tenant intends to perform any Alterations requiring excavations below the surface of the Premises (whether inside or outside of the Building) or construction of a permanent structure on the Premises, Tenant must determine the actual location of all utilities using standard methods (i.e., potholing, metal fish line, etc.) and submit this information with an application to excavate or application to build a permanent structure to Landlord for approval (which shall also include the approval of other applicable governmental authorities). The application shall include a site plan showing the location of utilities and that construction will not take place above the utility line or within the utility easement, specifically showing that no permanent structure will be constructed in these areas.

9.4 Liens Tenant shall pay when due all claims for labor or materials furnished Tenant for use in the Premises. Tenant shall not permit any mechanic liens, stop notices, or any other liens against the Premises, Building, Alterations or any of Tenant's interests under this Lease for any labor or materials furnished to Tenant in connection with work performed on or about the Premises by or at the direction of Tenant. Tenant shall indemnify, hold harmless and defend Landlord (by counsel reasonably satisfactory to Landlord) from any liens and encumbrances arising out of any work performed or materials furnished by or at the direction or request of Tenant. In the event Tenant does not, within ten (10) days following the imposition of any such lien or stop notice, cause such lien or stop notice to be released of record by payment or posting of a proper bond, Landlord shall have, in addition to all other remedies provided herein or by law, the right, but not the obligation, to cause the same to be released by such means as it may deem proper, including payment of the claim giving rise to such lien. All such sums paid by Landlord and expenses reasonably incurred in connection therewith, including attorneys' fees and costs, shall be payable to Landlord by Tenant on demand.

9.5 Electric Vehicle Charging Stations. Landlord and Tenant acknowledge that the Premises and the Building are exempt from the provisions of California Civil Code §1952.7 because the Building includes fewer than fifty (50) parking spaces

10. MAINTENANCE AND REPAIR OF PREMISES.

10.1 Maintenance and Repair by Tenant.

(a) **Tenant Maintenance.** Tenant shall, at its sole cost and expense, inspect and maintain all aspects of the Premises, including the roof, all improvements, Alterations, fixtures, systems, equipment, appurtenances, and every part thereof that may exist on, in, or be made a part of the Premises in good repair and in a neat and clean, first-class condition, including making all necessary repairs and replacements. Tenant shall provide Landlord documentation of annual inspection of the roof and drainage system and undertake required maintenance, as well as repair to non-structural components, at Tenant’s expense. Tenant’s repair and maintenance obligations include, without limitation, repairs to: (i) floor coverings; (ii) interior partitions; (iii) doors; (iv) the interior side of demising walls; (v) the roof of the Building (vi) fire life safety systems, including sprinklers, pumps, control panel, fire alarms and/or smoke detectors; (vii) Alterations, described in Section 9; (viii) heating, ventilation and air conditioning (HVAC) systems exclusively serving the Premises; (ix) kitchens; (x) plumbing and similar facilities exclusively serving the Premises, whether such items are installed by or on behalf of Tenant or are currently existing at the Premises; and (xi) telephone and data equipment, and cabling.

(b) **Tenant Repair.** Tenant shall further, at its own costs and expense, repair or restore any damage or injury to all or any part of the Building or Premises caused by Tenant or Tenant’s agents, employees, invitees, licensees, visitors or contractors, including but not limited to repairs or replacements necessitated by (i) the construction or installation of improvements to the Premises by or on behalf of Tenant; (ii) the moving of any property into or out of the Premises; or (iii) Tenant’s use and occupancy of the Premises. If Tenant fails to make such repairs or replacement within fifteen (15) days after notice from Landlord, then Landlord may, at its option, upon prior reasonable notice to Tenant (except in an emergency) make the required repairs and replacements, and the costs of such repairs or replacements (including Landlord’s administrative charge) shall be charged to Tenant as Additional Rent and shall become due and payable by Tenant with the next monthly installment of Base Rent due.

10.2 Maintenance and Repair by Landlord. Landlord shall maintain in good repair (i) the structural elements of the Building, including structural elements of exterior walls and foundations, but excluding any glass and exterior doors; and (ii) Common Areas, if any, provided such repairs are not necessitated by the actions or inactions of Tenant or its employees, contractors, agents, principals, members, officers, directors, managers, beneficiaries, trustees, partners, property managers, mortgagees, consultants, representatives, successors, assigns, invitees, licensees, subtenants, concessionaires, affiliated parties and any other occupants of or persons coming to the Premises or under the control of Tenant (collectively, the “**Tenant Related Parties**”). **TENANT HEREBY WAIVES ALL RIGHTS TO MAKE REPAIRS AT THE EXPENSE OF LANDLORD OR IN LIEU THEREOF TO VACATE THE PREMISES AND WAIVES ITS OTHER SIMILAR RIGHTS AS PROVIDED IN CALIFORNIA CIVIL CODE §§ 1932(1), 1932(2), 1933(4), 1941 AND 1942 OR ANY OTHER LAWS (WHETHER NOW OR HEREAFTER IN EFFECT).** Tenant shall immediately give Landlord written notice of the need for repair of the items for which Tenant claims Landlord is responsible. If Tenant or

any Tenant Related Party caused any damages necessitating such repair, then Tenant shall pay to Landlord the cost of the repair, immediately upon Landlord's demand . EXCEPT AS OTHERWISE EXPRESSLY SET FORTH IN THIS LEASE, TENANT ALSO WAIVES AND RELEASES THE PROVISIONS OF CALIFORNIA CIVIL CODE SECTIONS 1932(2) OR 1933(4), AS THE SAME MAY BE AMENDED OR RE-CODIFIED OR ANY SIMILAR OR SUCCESSOR LAW NOW OR HEREAFTER IN EFFECT, WOULD PERMIT TERMINATION OF OR AUTOMATICALLY TERMINATE THIS LEASE. The parties intend that the terms of this Lease shall govern their respective obligations as to the maintenance and repair of the Premises, and they expressly waive the benefit of any other statute now or hereafter in effect to the extent it is inconsistent with the terms of this Lease. Tenant waives any right to terminate this Lease or offset or abate Rent by reason of any failure of Landlord to make repairs to the Premises or Building.

10.3 Energy Usage Reporting. Tenant acknowledges that applicable Laws (including but not limited to California Public Resources Code § 25402.10) may require disclosure of certain energy consumption data for the Premises. Landlord is hereby authorized to request, on behalf of Tenant, Tenant's utility consumption data from the applicable utility provider. Tenant agrees to retain, and on request, provide Landlord with information (for example, copies of Tenant's utility bills and invoices) about Tenant's separately metered (if any) energy consumption at the Premises as may be reasonably necessary. Tenant authorizes Landlord to receive aggregated energy usage data or, where applicable, individual customer usage information, relating to the Premises and Tenant's occupancy thereof. Tenant agrees this Section 10.3 shall constitute written consent and authorization by Tenant for the purpose of California Public Resources Code § 25402.10, or any successor or replacement statutes or laws, and any implementing regulations. Tenant further agrees, on Landlord's request, to provide any additional written or electronic consent for the delivery of the Tenant's energy usage data to the Landlord, its agent or operator, or utility, or such other instruments as may be required to expedite the data collection process or enable Landlord to obtain such information from the energy provider.

11. ENVIRONMENTAL PROTECTION PROVISIONS.

11.1 Hazardous Materials. “**Hazardous Materials**” shall mean any material, substance or waste that is or has the characteristic of being hazardous, toxic, ignitable, reactive, flammable, explosive, radioactive or corrosive, including, without limitation, petroleum, solvents, lead, acids, pesticides, paints, printing ink, PCBs, asbestos, materials commonly known to cause cancer or reproductive harm and those materials, substances and/or wastes which are or later become regulated by any local governmental authority, the state in which the Premises are located or the United States Government, including, but not limited to, substances defined as “hazardous substances,” “hazardous materials,” “toxic substances” or “hazardous wastes” in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. §9601, et seq.; the Hazardous Materials Transportation Act, 49 U.S.C. §1801, et seq.; the Resource Conservation and Recovery Act; all environmental laws of the state where the Premises are located, and any other environmental law, regulation or ordinance now existing or hereafter enacted. “**Hazardous Materials Laws**” shall mean all present and future federal, state and local laws, ordinances and regulations, prudent industry practices, requirements of governmental entities and manufacturer’s instructions relating to industrial hygiene, environmental protection or the use, analysis, generation, manufacture, storage, presence,

disposal or transportation of any Hazardous Materials, including without limitation the laws, regulations and ordinances referred to in the preceding sentence. “**Release**” or “**Released**” shall mean any use, generating, producing, refining, processing, spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, storing, escaping, leaching, dumping, discarding, burying, abandoning, releasing or disposing of Hazardous Materials in violation of applicable Hazardous Materials Laws. “**Remedial Action**” shall mean the investigation, response, treatment, clean up, remediation, prevention, mitigation and/or removal of any Hazardous Materials necessary to comply with any Hazardous Materials Laws. “**Environmental Liabilities**” shall mean any loss, cost, expense, claim, demand, liability, obligation, action, or other responsibility of whatever kind, based upon or required under Hazardous Materials Laws or otherwise relating to: (a) any environmental, health, or safety matter or condition (including, but not limited to, on-site or off-site pollution or contamination, the welfare, safety, and health of people at the Premises or elsewhere, and the regulation of chemical substances or products); (b) fines, penalties, judgments, awards, settlements, legal or administrative proceedings, damages, losses, claims, demands, responses, and remedial, investigative, or inspection costs and expenses arising under or caused by application of Hazardous Materials Laws (including, but not limited to, fees for attorneys, engineers, and other professionals); (c) financial responsibility under Hazardous Materials Laws for Remedial Action or for any damages to natural resources; or (d) any other Remedial Actions required under Hazardous Materials Laws.

11.2 Reportable Uses Required Consent. Except as permitted in this Section 11, Tenant and the Tenant Related Parties shall not cause or permit any Hazardous Materials to be used, generated, manufactured, refined, produced, processed, stored or disposed of, on, under or about the Premises or Building or transported to or from the Premises or Building without the express prior written consent of Landlord, which consent may be withheld in Landlord’s sole and absolute discretion or limited in scope and predicated on strict compliance by Tenant with all applicable Hazardous Materials Laws and such other reasonable rules, regulations and safeguards as may be required by Landlord (or any insurance carrier, environmental consultant or lender of Landlord, or environmental consultant retained by any lender of Landlord) in connection with using, generating, manufacturing, refining, producing, processing, storing or disposing of Hazardous Materials on, under or about the Premises or the Building. In connection therewith, Tenant shall, at its own expense, procure, maintain in effect and comply with all conditions of any and all permits, licenses and other governmental and regulatory approvals required for the storage or use by Tenant or any Tenant Related Parties of Hazardous Materials on the Premises or the Building, including without limitation, discharge of (appropriately treated) materials or wastes into or through any sanitary sewer serving the Premises or the Building.. The foregoing notwithstanding, Tenant may use ordinary and customary materials reasonably required to be used in the course of the Permitted Use, ordinary office supplies (copier, toner, liquid paper, glue, etc.) and common household cleaning materials, so long as such use is in compliance with all Hazardous Materials Laws and does not expose the Premises or neighboring property to any material risk of contamination or damage or expose Landlord to any liability therefor.

11.3 Remediation Obligations. If at any time during the Term, any Release of Hazardous Materials at or affecting the Premises, Building or any part of the Property is caused by the act or omission of Tenant or Tenant Related Parties (“**Tenant’s Release**”), then Tenant, at Tenant’s sole cost and expense, shall promptly and diligently remediate such Release to the extent required to comply with all applicable Hazardous Materials Laws. Tenant shall not take any

remedial action or enter into any settlement agreement, consent, decree or other compromise in respect to any claims relating to any Tenant's Release without first obtaining the prior written consent of Landlord, which may be subject to conditions imposed by Landlord as determined in Landlord's sole discretion. Such prior written consent shall not be required to the extent the delay caused by the requirement to obtain consent may increase the damage to the Premises or the risk of harm to human health, safety, the environment or security caused by the Tenant's Release; provided that in all events Tenant shall notify Landlord in advance of any environmental remediation it plans to undertake. Landlord and Tenant shall jointly prepare a remediation plan in compliance with all Hazardous Materials Laws and the provisions of this Lease. In addition to all other rights and remedies of Landlord under this Lease, if Tenant does not promptly and diligently take all steps to prepare and obtain all necessary approvals of a remediation plan for any Tenant's Release, and thereafter commence the required remediation of any Hazardous Materials released or discharged in connection with Tenant's Release within thirty (30) days after all necessary approvals and consents have been obtained, and thereafter continue to prosecute such remediation to completion in accordance with the approved remediation plan, then Landlord, at its sole discretion, shall have the right, but not the obligation, to cause such remediation to be accomplished, and Tenant shall reimburse Landlord within fifteen (15) business days of Landlord's demand for reimbursement of all amounts reasonably paid by Landlord (together with interest on such amounts at the highest lawful rate until paid), when such demand is accompanied by proof of payment by Landlord of the amounts demanded. Tenant shall promptly deliver to Landlord, copies of hazardous waste manifests reflecting the legal and proper disposal of all Hazardous Materials removed from the Premises as part of Tenant's remediation of any Tenant's Release. The foregoing notwithstanding, any Release at or affecting the Premises before the Commencement Date which was not caused by Tenant or any Tenant Related Parties, shall not be a Tenant's Release and it shall not be Tenant's responsibility to take Remedial Action relating to any such Release.

11.4 Environmental Permits. Tenant and Tenant Related Parties shall be solely responsible for obtaining and complying with, at their cost and sole expense, any environmental permits, licenses and approvals required for Tenant's operations or use of the Premises under this Lease, independent of any existing permits which may be held by Landlord. Tenant shall not conduct operations or activities under any environmental permit that names Landlord as a secondary discharger or co-permittee. Tenant shall provide prior written notice to Landlord of all environmental permits and permit applications required for any of Tenant's operations or activities. Tenant acknowledges that Landlord will not consent to being named a secondary discharger or co-permittee for any operations or activities of Tenant, its contractors, assigns or subtenants. Tenant shall strictly comply with any and all environmental permits (including any hazardous waste permit required under the Resource Conservation and Recovery Act or its state equivalent) and must provide, at its own expense, any hazardous waste management facilities complying with all Hazardous Material Laws.

11.5 Landlord's Inspection Right. Landlord shall have the right to inspect, upon reasonable notice to Tenant, the Premises for Tenant's compliance with this Section 11. Landlord normally will give Tenant twenty-four (24) hours' prior notice of its intention to enter the Premises unless it determines the entry is required for exigent circumstances related to health, safety, or security; provided, however, Landlord agrees to use its best commercial efforts to provide Tenant with the maximum advance notice of any such entrance and will, without representation or warranty,

attempt to structure such entrance in the least intrusive manner possible. Tenant shall have no claim against Landlord, or any officer, agent, employee, contractor or subcontractor of Landlord by reason of entrance of such Landlord officer, agent, employee, contractor or subcontractor onto the Premises.

11.6 Hazardous Materials Handling Plan. Prior to the execution of this Lease, Tenant shall complete, execute and deliver to Landlord an Environmental Questionnaire Disclosure Statement (the “**Environmental Questionnaire**”), in the form of **Exhibit E** attached hereto and shall require any Subtenant who will bring to, or use at the Premises, any Hazardous Materials to also execute and deliver to Landlord an Environmental Questionnaire. To the extent Tenant intends to store, use, treat or dispose of Hazardous Materials on the Premises, Tenant shall prepare and submit together with the Environmental Questionnaire a Hazardous Materials Handling Plan (the “**Hazardous Materials Handling Plan**”). For a period of fifteen (15) days following Landlord’s receipt of the Environmental Questionnaire and Hazardous Materials Handling Plan, if applicable, Landlord shall have the right to approve or disapprove such documents. The failure of Landlord to approve such documents shall be deemed Landlord’s disapproval thereof. Landlord approval of the Environmental Questionnaire and, if applicable, the Hazardous Materials Handling Plan shall constitute approval for Tenant’s use of the Hazardous Materials set forth therein in compliance with Hazardous Materials Laws and the Hazardous Materials Handling Plan. If applicable, Tenant shall comply with the Hazardous Materials Handling Plan throughout the Term following its approval. To the extent Tenant is permitted to utilize Hazardous Materials upon the Premises, such use shall be limited to the items set forth in the Environmental Questionnaire and shall comply with Hazardous Materials Laws and the Hazardous Materials Handling Plan, and Tenant shall promptly provide Landlord with complete and legible copies of all the following related environmental items: reports filed pursuant to any self-reporting requirements; permit applications, permits, monitoring reports, workplace exposure and community exposure warnings or notices and all other reports, disclosures, plans or documents relating to water discharges, air pollution, waste generation or disposal, and underground storage tanks for hazardous materials; orders, reports, notices, listing and correspondence of or concerning the release, investigation of, compliance, cleanup, remedial and corrective actions, and abatement of hazardous materials; and all complaints, pleadings and other legal documents filed by or against Tenant related to Tenant’s use, handling, storage or disposal of Hazardous Materials. If, in conjunction with Tenant’s Permitted Use of the Premises, Tenant desires to commence the use, treatment, storage or disposal of previously undisclosed Hazardous Materials, Tenant shall, prior to such usage, notify Landlord by written summary detailing the scope of such proposed usage and updating the Hazardous Materials Handling Plan to the extent required by such proposed usage. For a period of fifteen (15) days following Landlord’s receipt of such notice, Landlord shall have the right to approve or disapprove of such documents. The failure of Landlord to approve of such documents within such time period shall be deemed Landlord’s disapproval.

11.7 Hazardous Materials Indemnity. In addition to any other provisions of this Lease, Tenant shall defend, indemnify and hold harmless Landlord and its employees, contractors, agents, councilmembers, trustees, principals, members, officers, directors, managers, beneficiaries, trustees, partners, property managers, mortgagees, consultants, representatives, successors, assigns, invitees, licensees and affiliated parties (collectively, the “**Landlord Related Parties**”) from and against any and all Environmental Liabilities arising from the occupancy, use or

operations at or affecting the Premises or the Property by Tenant or Tenant Related Parties or any other act or omission by Tenant or any Tenant Related Parties. This provision shall survive the expiration or termination of this Lease.

12. ASSIGNMENT AND SUBLETTING.

12.1 Landlord Consent Required. Tenant shall not voluntarily or by operation of law, (a) mortgage, pledge, hypothecate or encumber this Lease or any interest in this Lease, (b) assign or transfer this Lease or any interest in this Lease, (c) sublease the Premises or any part thereof or any right or privilege appurtenant thereto (each of the foregoing is a “**Transfer**”), or (d) allow any other person (the employees and invitees of Tenant excepted) to occupy or use the Premises, without first obtaining the written consent of Landlord, which consent *may* be granted, withheld or conditioned in Landlord’s sole and absolute discretion.

A transfer of greater than fifty percent (50%) interest (whether stock, partnership interest, membership interest or otherwise) of Tenant, either in a single transaction or a series of transactions, shall be deemed to be a Transfer under this Lease.

12.2 Landlord Recapture. In the event of an assignment of this Lease or subletting of more than fifty percent (50%) of the rentable square footage of the Premises, Landlord shall have the right to recapture the portion of the Premises that Tenant is proposing to transfer. If Landlord exercises its right to recapture, this Lease shall automatically be amended (or terminated if the entire Premises is being assigned or sublet) to delete the applicable portion of the Premises effective on the proposed effective date of the Transfer, although Landlord may require Tenant to execute a reasonable amendment or other document reflecting such reduction or termination.

12.3 Consent. If Tenant intends to assign this Lease or sublet the Premises or any part of the Premises, Tenant shall give Landlord written notice of such intent (“**Transfer Notice**”). Tenant’s Transfer Notice shall be accompanied by a copy of the proposed assignment or sublease between Tenant and the proposed assignee or subtenant, together with current and three (3) years’ prior financial statements, if available, for the proposed assignee or subtenant, which financial statement shall be prepared in accordance with generally accepted accounting principles. Tenant shall provide Landlord with any additional information or documentation reasonably requested by Landlord within ten (10) business days after receiving Landlord’s request. Landlord shall then have a period of one hundred and twenty (120) days following receipt of such additional information (or 120 days after receipt of Tenant’s Transfer Notice if no additional information is requested) within which to notify Tenant in writing that Landlord elects either (a) to exercise its recapture rights in accordance with Section 12.2, in which event Tenant will be relieved of all further obligations under the Lease with respect to the relevant space as of the effective date of the Transfer, (b) to permit Tenant to assign this Lease or sublet such space as described in the Transfer Notice, , or (c) deny Tenant’s request to assign this Lease or sublet such space. Among the factors upon which Landlord may withhold its consent are the following: (i) the use of the Premises by such proposed assignee or subtenant would not be a Permitted Use; (ii) the financial condition of the proposed assignee or subtenant is such that, in Landlord’s reasonable determination, it would be unable to perform its obligations under the proposed sublease or assignment; (iii) the portion of the Premises proposed to be sublet is irregular in shape and/or does not permit safe or otherwise appropriate means of ingress and egress, or does

not comply with other Laws or regulations; (iv) Landlord or Landlord's agents have negotiated with the proposed assignee or subtenant with regard to the leasing of space at the Property, at any time within the preceding six (6) months; or (v) any other reasonable basis that Landlord may assert. Landlord's rights under this Section 12.3 shall only be exercised by the City Council, unless Council first delegates such exercise to the City Manager. Additionally, if City Council is unable to meet within the 120-day period for Landlord to make an election in response to the request under the Transfer Notice, due to emergency or for any other reason, then such 120-day period shall extend to the first available City Council meeting at which such request may be agendaized for City Council hearing, unless the City Council has already delegated the election to the City Manager.

12.4 Transfer Premium; Audit. If Landlord consents to any requested assignment or sublease (each a "**Transfer**") and the assignee or subtenant pays to Tenant an amount in excess of the Rent due under this Lease (after deducting Tenant's reasonable, actual expenses in obtaining such assignment or sublease, such expenses being limited to (a) any Alterations to the subject space made in order to achieve the Transfer, or contributions to the cost thereof, amortized in equal monthly installments over the then remainder of the Term, and (b) any commercially reasonable brokerage commissions, reasonable attorneys' fees and reasonable advertising and marketing costs incurred by Tenant in connection with the Transfer) ("**Transfer Premium**"), then Tenant shall pay fifty percent (50%) of such Transfer Premium to Landlord as and when the payments are received by Tenant. On Landlord's request, Tenant will furnish a complete statement, certified by an independent certified public accountant or Tenant's chief financial officer, describing in detail the computation of any Transfer Premium that Tenant has derived or will derive from the Transfer. If Landlord's independent certified public accountant finds that the Transfer Premium for any Transfer has been understated, Tenant must, within thirty (30) days after demand, pay the deficiency and Landlord's costs of that audit. If Tenant has understated the Transfer Premium by more than ten percent (10%), Landlord may, at its option, declare Tenant in material and incurable default under Section 17 notwithstanding any applicable cure period specified in Section 17.

12.6 No Release. No Transfer shall release or discharge Tenant from any liability under this Lease, and Tenant shall continue to be fully liable hereunder. Each subtenant or assignee shall agree, in a form reasonably satisfactory to Landlord, to comply with and be bound by all of the terms, covenants, conditions, provisions and agreements of this Lease. The assignment or sublease agreement, after approval by Landlord, shall not be amended without Landlord's prior written consent, and shall contain a provision directing the assignee or subtenant to pay the rent and other sums due under its assignment or sublease directly to Landlord upon receiving written notice from Landlord that Tenant is in Default under this Lease with respect to the payment of Rent. In the event that, notwithstanding the giving of such notice, Tenant collects any rent or other sums from the assignee or subtenant, then Tenant shall hold such sums in trust for the benefit of Landlord and shall immediately forward the same to Landlord. Landlord's collection of such rent and other sums shall not constitute an acceptance by Landlord of attornment by such assignee or subtenant. Tenant shall deliver to Landlord promptly after execution an executed copy of each Transfer agreement and an agreement of compliance by each such subtenant or assignee.

12.7 Expenses and Attorneys' Fees. Tenant shall pay to Landlord all costs and expenses (including without limitation, the fees of Landlord's counsel) incurred in connection Landlord's review and processing of documents regarding any proposed Transfer (which under no circumstances shall be less than \$750 per proposed Transfer).

12.8 Limitations on Transfer Reasonable. Tenant acknowledges and agrees that the restrictions, conditions, and limitations imposed by this Section 12 on Tenant's ability to assign or transfer this Lease or sublet the Premises are, for purposes of California Civil Code Section 1951.4 (as amended) and for all other purposes, reasonable at the time this Lease was entered into and shall be deemed to be reasonable at the time that Tenant seeks to make a Transfer. TENANT HEREBY WAIVES, RELINQUISHES AND RELEASES ANY AND ALL RIGHTS TO DAMAGES OF ANY KIND, OR THE RIGHT TO TERMINATE THIS LEASE UNDER SECTION 1995.310 OF THE CALIFORNIA CIVIL CODE, AND UNDER ALL SIMILAR LAWS NOW OR HEREAFTER IN EFFECT.

13. INDEMNITY AND WAIVER OF CLAIMS.

13.1 Tenant Indemnification. Tenant shall defend, indemnify, and hold harmless Landlord and the Landlord Related Parties from and against all liabilities, obligations, damages, penalties, claims, actions, costs, charges, judgments, orders and expenses (including reasonable attorneys' fees, costs and disbursements) (collectively referred to as "Losses"), arising from (a) the use of, or any activity done, permitted or suffered in or about the Premises, (b) any activity done, permitted or suffered by Tenant or any Tenant Related Parties in or about the Building, Premises, Land or Property, (c) any act, omission, neglect, fault, misconduct of Tenant or Tenant Related Parties, or (d) any breach or default in the terms of this Lease by Tenant or Tenant Related Parties, except to the extent such claims arise out of or relate to the gross negligence or willful misconduct of Landlord. If any action or proceeding is brought against Landlord by reason of any such claim, upon notice from Landlord, Tenant shall defend the same at Tenant's expense by counsel reasonably satisfactory to Landlord. As a material part of the consideration to Landlord, Tenant hereby releases Landlord and the Landlord Related Parties from responsibility for, waives its entire claim of recovery for and assumes all risks of (i) damage to property or injury to person in or about the Premises, Building or Land from any cause whatsoever except to the extent caused by the gross negligence or willful misconduct of Landlord or any Landlord Related Parties, or (ii) loss resulting from business interruption or loss of income at the Premises.

13.2 Waiver and Release of Claims. Except in the event of its own gross negligence or willful misconduct, Landlord shall not be liable to Tenant, and Tenant hereby waives all claims against Landlord and the Landlord Related Parties for any injury or damage to any person or property occurring or incurred in connection with or in any way relating to the Premises, Building or Land from any cause. Without limiting the foregoing, neither Landlord nor any Landlord Related Party shall be liable for and there shall be no abatement rent for (a) any damage to Tenant's property stored with or entrusted to Landlord or any Landlord Related Party, (b) loss of or damage to any property by theft or any other wrongful or illegal act, or (c) any injury or damage to person or property resulting from fire, explosion, falling plaster, steam, gas, electricity, water or rain which may leak from any part of the Premises or Building or from the pipes, appliances, appurtenance or plumbing works thereof or from the roof, street or surface or from any other place or resulting from dampness or any other cause whatsoever or from the acts or omissions of

other tenants, occupants or other visitors to the Premises or Building or from any other cause whatsoever, (d) any diminution or shutting off of light, air or view by any structure which may be erected on lands adjacent to the Premises or (e) any latent or other defects in the Premises, Building, Land or Property. Tenant agrees that in no case shall Landlord or any Landlord Related Party be responsible or liable, on any basis or theory, for any injury to Tenant’s business, loss of profits, loss of income or any other form of consequential damage. Except as otherwise expressly set forth in this Lease, Tenant and anyone claiming by, through or under Tenant hereby fully and irrevocably releases Landlord and the Landlord Related Parties from any and all claims that it or they may now have or hereafter acquire against Landlord and/or the Landlord Related Parties for any cost, loss, liability, responsibility, damage, expense, demand, action or cause of action arising from the Premises. This release includes claims of which Tenant is presently unaware of or which Tenant does not presently suspect to exist in its favor which, if known by Tenant, would materially affect Tenant’s release. TENANT SPECIFICALLY WAIVES THE PROVISIONS OF CALIFORNIA CIVIL CODE SECTION 1542, WHICH PROVIDES AS FOLLOWS:

“A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY”.

Initials by Tenant: HH

13.3 Survival; No Impairment; Fairness. The obligations of Tenant under this Section 13 shall survive any termination of this Lease. The foregoing indemnity obligations shall not relieve any insurance carrier of its obligations under any policies required to be carried by either party pursuant to this Lease, to the extent that such policies cover the peril or currents that results in the claims that is subject to the foregoing indemnity. Tenant agrees that the provisions of this Section 13 were negotiated with Landlord and that Tenant had a fair opportunity to negotiate, accept, reject or modify them.

14. INSURANCE.

14.1 Tenant’s Insurance.

(a) Liability Insurance. Tenant shall maintain in full force throughout the Term, commercial general liability insurance providing coverage on an occurrence form basis with limits of not less than Two Million Dollars (\$2,000,000.00) each occurrence for bodily injury and property damage combined, or such larger amount as Landlord may prudently require from time to time, covering bodily injury and property damage liability and product liability if a product is sold from the Premises. Each policy of liability insurance required by this Section shall: (i) contain a cross liability endorsement or separation of insureds clause; (ii) provide that any waiver of subrogation rights or release prior to a loss does not void coverage; (iii) provide that it is primary to and not contributing with, any policy of insurance carried by Landlord covering the same loss; (iv) provide that any failure to comply with the reporting provisions shall not affect coverage provided to Landlord, its partners, property

managers and Mortgagees; and (v) name Landlord, Lincoln Property Services and such other parties in interest as Landlord may from time to time reasonably designate to Tenant in writing, as additional insureds in an Additional Insured Endorsement. Such additional insureds shall be provided at least the same extent of coverage as is provided to Tenant under such policies. The additional insured endorsement shall be in a form at least as broad as endorsement form number CG 20 11 01 96 promulgated by the Insurance Services Office.

(b) Personal Property Insurance. Tenant shall maintain in full force and effect on all of its personal property, furniture, furnishings, trade fixtures and equipment from time to time located in, on or upon the Premises (“**Tenant’s Property**”), and any Alterations (as defined in Section 9) in an amount not less than one hundred percent (100%) of their full replacement value from time to time during the Term, providing protection against all perils, included within the standard form of “all-risk” (i.e., “Special Cause of Loss”) fire and casualty insurance policy. Landlord shall have no interest in the insurance upon Tenant’s Property or Alterations and will sign all documents reasonably necessary in connection with the settlement of any claims or loss by Tenant. Landlord will not carry insurance on Tenant’s Property or Alterations.

(c) Worker’s Compensation Insurance; Employer’s Liability Insurance. Tenant shall, at Tenant’s expense, maintain in full force and effect during the Term of this Lease, worker’s compensation insurance with not less than the minimum limits required by law, and employer’s liability insurance with a minimum limit of coverage of One Million Dollars (\$1,000,000.00).

(d) Pollution Legal Liability.

(i) Intentionally omitted.

(e) Business Interruption Insurance. Tenant shall, at Tenant’s expense, maintain in full force and effect during the Term of this Lease, Business Interruption Insurance with a limit of liability of at least twelve (12) months estimated gross earning, as defined in the standard form of business interruption insurance policy, of Tenant at the Premises, which insurance shall be on an “all risk” basis (or its equivalent).

(f) Automobile Liability. Tenant shall, at Tenant’s expense, maintain in full force and effect during the Term of this Lease, Commercial Automobile Liability. Such policy shall be in an amount of not less than One Million Dollars (\$1,000,000.00) combined singled limit.

(g) Liquor Liability Coverage. Tenant shall at its own cost and expense, obtain and maintain Liquor Liability Coverage with minimum limits of not less than \$1,000,000 per occurrence and \$2,000,000 aggregate.

14.2 Requirements For All Policies. Each policy of insurance required under this Lease shall: (a) be in a form, and written by an insurer, reasonably acceptable to Landlord, (b) be maintained at Tenant’s sole cost and expense, and (c) require at least thirty (30) days’ written notice to Landlord prior to any cancellation, nonrenewal or modification of insurance coverage. Insurance companies issuing such policies shall have rating classifications of “A-” or better and financial

size category ratings of “VII” or better according to the latest edition of the Best Key Rating Guide. All insurance companies issuing such policies shall be admitted carriers licensed to do business in the state where the Property is located. Any deductible amount under such insurance shall not exceed Five Thousand Dollars (\$5,000.00). Tenant shall provide to Landlord, upon request, evidence that the insurance required to be carried by Tenant pursuant to this Lease, including any endorsement affecting the additional insured status, is in full force and effect and that premiums therefor have been paid. Tenant shall, at least thirty (30) days prior to expiration of each policy, furnish Landlord with certificates of renewal thereof and shall provide Landlord with at least thirty days prior written notice of any cancellation or modification.

14.3 Certificates of Insurance. Upon execution of this Lease by Tenant, and not less than thirty (30) days prior to expiration of any policy thereafter, Tenant shall furnish to Landlord a certificate of insurance reflecting that the insurance required by this Section 14 is in force, accompanied by an endorsement(s) showing the required additional insureds satisfactory to Landlord in substance and form.

14.4 Landlord’s Insurance. Landlord may in its sole and absolute discretion maintain property insurance covering the Building (but not covering any Alterations or any of Tenant’s Property) with such limits and deductibles as Landlord deems advisable, and such other types of insurance coverage, if any, as it may choose. Any and all insurance policies held by Landlord shall be in excess and not contributing to the insurance required to be maintained by Tenant pursuant to this Lease. The cost of the premiums for the insurance policies held by Landlord shall be an Operating Expense.

15. DAMAGE OR DESTRUCTION.

15.1 Definitions. For purposes of this Section 15, the following terms shall have the following meanings:

(a) **“Premises Partial Damage”** shall mean damage or destruction to the improvements on the Premises (or Hazardous Material Condition for which Tenant is not responsible), other than Tenant’s Property (as defined herein), or Alterations (as defined in Section 9), which can reasonably be repaired in six (6) months or less from the date of the damage or destruction. Landlord shall notify Tenant in writing within thirty (30) days from the date of the damage or destruction as to whether or not the damage is Partial or Total and the estimated time for repairing said damage. Notwithstanding the foregoing, Premises Partial Damage shall not include damage to windows, doors, and/or other similar items which Tenant has the responsibility to repair or replace pursuant to the provisions of Section 10.1.

(b) **“Premises Total Destruction”** shall mean damage or destruction to the Premises (or Hazardous Material Condition for which Tenant is not responsible), other than Tenant’s Property (as defined at Section 14.1(b)), or Alterations (as defined at Section 9), which cannot reasonably be repaired in six (6) months or less from the date of the damage or destruction. Landlord shall notify Tenant in writing within thirty (30) days from the date of the damage or destruction as to whether or not the damage is Partial or Total.

(c) **“Insured Loss”** shall mean damage or destruction to improvements on the Premises, other than Tenant’s Property (as defined herein), or Alterations (as defined herein), which was caused by an event required to be covered by the insurance described in this Lease, irrespective of any deductible amounts or coverage limits involved.

(d) **“Replacement Cost”** shall mean the cost to repair or rebuild the improvements owned by Landlord (excluding Alterations) at the time of the occurrence to their condition existing immediately prior to such occurrence, including demolition, debris removal and upgrading required by the operation of Laws governing the Premises, and without deduction for depreciation.

(e) **“Hazardous Material Condition”** shall mean the occurrence or discovery of a condition involving the presence of, or a contamination by, a Hazardous Material (as defined herein) in, on, or under the Premises which requires repair, remediation, or restoration.

15.2 Partial Damage - Insured Loss. If a Premises Partial Damage that is an Insured Loss occurs, Landlord shall repair such damage (but not Tenant’s Property or Alterations) as soon as reasonably possible and this Lease shall continue in full force and effect; provided, however, that Tenant shall, at Landlord’s election, make the repair of any damage or destruction if the total cost to repair is \$10,000 or less, and, in such event, Landlord shall make any applicable insurance proceeds available to Tenant on a reasonable basis for that purpose. Notwithstanding the foregoing, if the required insurance was not in force or the insurance proceeds are not sufficient to effect such repair, Tenant shall promptly contribute the shortage in proceeds (except as to the deductible which is Tenant’s responsibility) as and when required to complete said repairs. In the event such shortage was due to the unique nature of the improvements, so that full replacement cost insurance coverage was not commercially reasonable and available, Landlord shall have no obligation to fully restore the unique aspects of the Premises unless Tenant provides Landlord with the funds to cover same, or adequate assurance thereof, within ten (10) days following receipt of written notice of such shortage and request for funds to cover the shortage. If Landlord receives said funds or adequate assurance of the funds within the ten (10) day period, the party responsible for making the repairs shall complete them as soon as reasonably possible and this Lease shall remain in full force and effect. If such funds or assurance are not timely received, Landlord may nevertheless elect by written notice to Tenant within ten (10) days thereafter to: (a) make such restoration and repair as is commercially reasonable with Landlord paying any shortage in proceeds, in which case this Lease shall remain in full force and effect, or (b) have this Lease terminate thirty (30) days thereafter. Tenant shall not be entitled to reimbursement of any funds contributed by Tenant to repair any such damage or destruction. Premises Partial Damage due to flood or earthquake shall be subject to Section 15.3, notwithstanding that there may be some insurance coverage, but the net proceeds of any such insurance shall be made available for the repairs if made by either Party.

15.3 Partial Damage - Uninsured Loss. If a Premises Partial Damage that is not an Insured Loss occurs, unless caused by a negligent or willful act of Tenant (in which event Tenant shall make the repairs at Tenant’s expense), Landlord may either: (a) repair such damage as soon as reasonably possible at Landlord’s expense, in which event this Lease shall continue in full force and effect, or (b) terminate this Lease by giving written notice to Tenant within thirty (30) days

after receipt by Landlord of knowledge of the occurrence of such damage. Such termination shall be effective sixty (60) days following the date of such notice. In the event Landlord elects to terminate this Lease, Tenant shall have the right within ten (10) days after receipt of the termination notice to give written notice to Landlord of Tenant's commitment to pay for the repair of such damage without reimbursement from Landlord. Tenant shall provide Landlord with said funds or satisfactory assurance thereof within thirty (30) days after making such commitment. In such event this Lease shall continue in full force and effect, and Landlord shall proceed to make such repairs as soon as reasonably possible after the required funds are available. If Tenant does not make the required commitment, this Lease shall terminate as of the date specified in the termination notice.

15.4 Total Destruction. Notwithstanding any other provision hereof, if a Premises Total Destruction occurs, this Lease shall terminate sixty (60) days following such Destruction. If the damage or destruction was caused by the gross negligence or willful misconduct of Tenant, Landlord shall have the right to recover Landlord's damages from Tenant.

15.5 Damage Near End of Term. If at any time during the last six (6) months of this Lease Term (or the last 6 months of any Renewal Term) there is damage for which the cost to repair exceeds one month's Base Rent, whether or not an Insured Loss, Landlord may terminate this Lease effective sixty (60) days following the date of occurrence of such damage by giving a written termination notice to Tenant within thirty (30) days after the date of occurrence of such damage. Notwithstanding the foregoing, if Tenant at that time has an exercisable option to extend this Lease or to purchase the Premises, then Tenant may preserve this Lease by (a) exercising such option and (b) providing Landlord with any shortage in insurance proceeds (or adequate assurance thereof) needed to make the repairs on or before the earlier of (i) the date which is ten (10) days after Tenant's receipt of Landlord's written notice purporting to terminate this Lease, or (ii) the day prior to the date upon which such option expires. If Tenant duly exercises such option during such period and provides Landlord with funds (or adequate assurance thereof) to cover any shortage in insurance proceeds, Landlord shall, at Landlord's commercially reasonable expense, repair such damage as soon as reasonably possible and this Lease shall continue in full force and effect. If Tenant fails to exercise such option and provide such funds or assurance during such period, then this Lease shall terminate on the date specified in the termination notice and Tenant's option shall be extinguished.

15.6 Abatement of Rent. In the event of Premises Partial Damage, Premises Total Destruction or Hazardous Material Condition for which Tenant is not responsible under this Lease, the Rent payable by Tenant for the period required for the repair, remediation or restoration of such damage shall be abated in proportion to the degree to which Tenant's use of the Premises is impaired, and such abatement shall be Tenant's sole remedy for such impairment of use. All other obligations of Tenant under this Lease shall be performed by Tenant, and Landlord shall have no liability for any such damage, destruction, Hazardous Material Condition, remediation, repair or restoration except as otherwise provided herein.

15.7 Waiver of Statutory Termination Rights. The provisions of this Lease, including this Section 15, constitute an express agreement between Landlord and Tenant with respect to any and all damage to, or destruction of, all or any part of the Premises or the Building. TENANT HEREBY WAIVES ANY COMMON LAW OR STATUTE OF THE STATE OF

CALIFORNIA, INCLUDING, WITHOUT LIMITATION, CALIFORNIA CIVIL CODE §§ 1932(2), 1933(4), 1941 AND 1942, WITH RESPECT TO ANY RIGHTS OR OBLIGATIONS CONCERNING DAMAGE OR DESTRUCTION IN THE ABSENCE OF AN EXPRESS AGREEMENT BETWEEN THE PARTIES. COMMON LAW OR ANY OTHER STATUTE, NOW OR HEREAFTER IN EFFECT, SHALL HAVE NO APPLICATION TO ANY DAMAGE, DESTRUCTION, OR CASUALTY TO ALL OR ANY PART OF THE PREMISES OR THE BUILDING.

16. CONDEMNATION.

If the whole or if any material part of the Premises or Building is taken or condemned for any public or quasi-public use under either state or federal law, by eminent domain or purchase in lieu thereof (a **“Taking”**), and (a) such Taking renders the Premises or Building unsuitable, in Landlord’s reasonable opinion, for the purposes for which they were constructed; or (b) the Premises or Building cannot be repaired, restored or replaced at reasonable expense to an economically profitable unit, then Landlord may, at its option, terminate this Lease as of the date possession vests in the condemning party. If twenty-five percent (25%) or more of the Premises is taken and if the Premises remaining after such Taking and any repairs by Landlord would be untenable (in Tenant’s reasonable opinion) for the conduct of Tenant’s business operations, Tenant shall have the right to terminate this Lease as of the date possession vests in the condemning party. The terminating party shall provide written notice of termination to the other party within thirty (30) days after it first receives notice of the Taking. The termination shall be effective as of the effective date of any order granting possession to, or vesting legal title in, the condemning authority. If this Lease is not terminated, Base Rent shall be appropriately adjusted to account for any reduction in the square footage of the Premises. If only a part of the Premises is subject to a Taking and this Lease is not terminated, Landlord, with reasonable diligence, will restore the remaining portion of the Premises as nearly as practicable to the condition immediately prior to the Taking. Landlord shall be entitled to any and all compensation, damages, income, rent, awards or any interest thereon which may be paid or made in connection with any such Taking, and Tenant shall have no claim against Landlord for the value of any expired term of this Lease or otherwise; provided, however, that Tenant shall be entitled to receive any award separately allocated by the condemning authority to Tenant for Tenant’s relocation expenses, the value of Tenant’s fixture, equipment and personal property (specifically excluding components of the Premises which under this Lease or by law are or at the expiration of the Term will become the property of Landlord, including, without limitation, fixtures and Alterations), or Tenant’s loss of business goodwill, provided that such award does not reduce any award otherwise allocable or payable to Landlord. TENANT HEREBY WAIVES ANY AND ALL RIGHTS IT MIGHT OTHERWISE HAVE UNDER CALIFORNIA CODE OF CIVIL PROCEDURE §§ 1265.110-1265.160 AND ANY OTHER LAW OR COMMON LAW WITH RESPECT TO TERMINATION RIGHTS UPON A TAKING OF ALL OR ANY PART OF THE PREMISES OR THE PROPERTY.

17. DEFAULT.

17.1 Events of Default The occurrence of any of the following shall constitute a material **“Default”** by Tenant:

(a) Tenant fails to make any payment of Rent when due, or any amount required to replenish the security deposit, if payment in full is not received by Landlord within three (3) days after written notice that it is past due; provided, however, with respect to payments of Base Rent, Tenant shall only be entitled to one such notice and cure period during any twelve (12)-month period.

(b) Tenant abandons the Premises as defined in Section 1951.3 of the California Civil Code.

(c) Tenant fails timely to deliver any subordination document or estoppel certificate requested by Landlord within the applicable time period specified in this Lease.

(d) Tenant violates the restrictions on Transfer as set forth in this Lease.

(e) Tenant ceases doing business as a going concern; makes an assignment for the benefit of creditors; is adjudicated an insolvent, files a petition (or files an answer admitting the material allegations of a petition) seeking relief under any state or federal bankruptcy or other statute, law or regulation affecting creditors' rights; all or substantially all of Tenant's assets are subject to judicial seizure or attachment and are not released within thirty (30) days; or Tenant consents to or acquiesces in the appointment of a trustee, receiver or liquidator for Tenant or for all or any substantial part of Tenant's assets.

(f) Tenant fails to perform or comply with any provision of this Lease other than those described in (a) through (e) above, and does not fully cure such failure within fifteen (15) days after notice to Tenant or, if such failure cannot be cured within such fifteen (15)-day period, Tenant fails within such fifteen (15)-day period to commence, and thereafter diligently proceed with, all actions necessary to cure such failure as soon as reasonably possible but in all events within ninety (90) days of such notice.

17.2 Remedies. Upon the occurrence of any Default under this Lease, whether enumerated in this Lease or not, Landlord shall have the option to pursue any one or more of the following remedies without any notice (except as expressly prescribed herein) or demand whatsoever.

(a) Terminate this Lease and Tenant's right to possession of the Premises and recover from Tenant an award of damages equal to the sum of the following:

(i) The Worth at the Time of Award of the unpaid Rent which had been earned at the time of termination;

(ii) The Worth at the Time of Award of the amount by which the unpaid Rent which would have been earned after termination until the time of award exceeds the amount of such Rent loss that Tenant affirmatively proves could have been reasonably avoided;

(iii) The Worth at the Time of Award of the amount by which the unpaid Rent for the balance of the Term after the time of award exceeds the amount of

such Rent loss that Tenant affirmatively proves could be reasonably avoided discounted to the then present value;

(iv) Any other amount necessary to compensate Landlord for all the detriment either proximately caused by Tenant's failure to perform Tenant's obligations under this Lease or which in the ordinary course of things would be likely to result therefrom; and

(v) All such other amounts in addition to or in lieu of the foregoing as may be permitted from time to time under applicable law.

The "**Worth at the Time of Award**" of the amounts referred to in parts (i) and (ii) above, shall be computed by allowing interest at the lesser of a per annum rate equal to: (A) the greatest per annum rate of interest permitted from time to time under applicable law, or (B) the Prime Rate plus 5% as determined by Landlord, and as referred to in part (iii) above, shall be computed by discounting such amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of the award plus one percent (1%).

(b) Employ the remedy described in California Civil Code §1951.4 (Landlord may continue this Lease in effect after Tenant's breach and abandonment and enforce all of its rights and remedies under this Lease, including the right to recover Rent as it becomes due, if Tenant has the right to sublet or assign, subject only to reasonable limitations). Notwithstanding Landlord's exercise of the remedy described in California Civil Code §1951.4 in respect of an event or events of Default, at such time thereafter as Landlord may elect in writing, to terminate this Lease and Tenant's right to possession of the Premises and recover an award of damages as provided above.

17.3 No Waiver. The subsequent acceptance of Rent by Landlord shall not be deemed to be a waiver of any preceding breach by Tenant of any term, covenant or condition of this Lease, other than the failure of Tenant to pay the particular Rent so accepted, regardless of Landlord's knowledge of such preceding breach at the time of acceptance of such Rent. No waiver by Landlord of any breach hereof shall be effective unless such waiver is in writing and signed by Landlord.

17.4 Waiver of Redemption, Reinstatement, or Restoration. Tenant hereby waives any and all rights conferred by Section 3275 of the Civil Code of California and by Sections 1174(c) and 1179 of the Code of Civil Procedure of California and any and all other laws and rules of law from time to time in effect during the Lease Term or thereafter providing that Tenant shall have any right to redeem, reinstate or restore this Lease following its termination as a result of Tenant's breach.

17.5 Remedies Cumulative. No right or remedy conferred upon or reserved to Landlord in this Lease is intended to be exclusive of any other right or remedy, and each and every right and remedy shall be cumulative and in addition to any other right or remedy given under this Lease or now or hereafter existing by agreement, applicable Law or in equity. In addition to other remedies provided in this Lease, Landlord shall be entitled, to the extent permitted by applicable Law, to injunctive relief, or to a decree compelling performance of any of the covenants,

agreements, conditions or provisions of this Lease, or to any other remedy allowed to Landlord at law or in equity. Forbearance by Landlord to enforce one or more of the remedies provided in this Lease upon an event of Default shall not be deemed or construed to constitute a waiver of such Default.

17.6 Landlord's Right to Perform Tenant's Obligations. If Tenant is in Default of any of its obligations under this Lease, in addition to the other rights and remedies of Landlord provided in this Lease, then Landlord may at Landlord's option, but without any obligation to do so and without further notice to Tenant, perform any such term, provision, covenant or condition and Landlord by reason of doing so shall not be liable or responsible for any loss or damage thereby sustained by Tenant. If Landlord performs any of Tenant's obligations in accordance with this Section 17.6, the full amount of the costs and expense incurred or the amount of the loss so sustained shall be immediately be owed by Tenant to Landlord, and Tenant shall promptly pay to Landlord upon demand, as Additional Rent, the full amount thereof with interest thereon from the day of payment by Landlord at the Interest Rate.

Replacement of Statutory Notice Requirements. Whenever this Lease requires service of a notice, that notice will replace rather than supplement any equivalent or similar statutory notice, including any notices required by California Code of Civil Procedure Sections 1161 et seq. or any similar or successor statute. When a statute requires service of a notice in a particular manner, service of that notice (or a similar notice required by this Lease) in the manner required by this Lease will replace and satisfy the statutory service-of-notice procedures, including those required by California Code of Civil Procedure Sections 1162 et seq. or any similar or successor statute. Without limiting the generality of the foregoing, Tenant hereby specifically waives notice and demand for payment of Rent or other obligations, and waives any and all other notices or demand requirements imposed by applicable Law, including but not limited to California Code of Civil Procedure Sections 1161 et seq.

17.8 Severability. This Section 17 shall be enforceable to the maximum extent such enforcement is not prohibited by applicable Law, and the unenforceability of any portion thereof shall not thereby render unenforceable any other portion.

17.9 Landlord's Default; Time Limit for Action. Landlord shall not be in default under this Lease unless Landlord fails to perform obligations required of Landlord within thirty (30) days after written notice by Tenant to Landlord specifying the details of Landlord's failure to perform; provided, however, that if the nature of Landlord's obligation is such that more than thirty (30) days are required for its cure, then Landlord shall not be in default if Landlord commences performance within such thirty (30) day period and thereafter diligently pursues the same to completion. In no event shall Tenant have the right to terminate this Lease as a result of Landlord's default, and Tenant's remedies shall be limited to damages and/or an injunction. Tenant hereby waives its right to recover consequential damages (including, but not limited to, lost profits) or punitive damages arising out of a Landlord default. This Lease and the obligations of Tenant hereunder shall not be affected or impaired because Landlord is unable to fulfill any of its obligations hereunder or is delayed in doing so, if such inability or delay is caused by reason of a Force Majeure Event, and the time for Landlord's performance shall be extended for the period of any such delay. ANY CLAIM, DEMAND, RIGHT OR DEFENSE BY TENANT THAT ARISES OUT OF THIS LEASE OR THE NEGOTIATIONS WHICH

PRECEDED THIS LEASE SHALL BE BARRED UNLESS TENANT COMMENCES AN ACTION THEREON, OR INTERPOSES A DEFENSE BY REASON THEREOF, WITHIN SIX (6) MONTHS AFTER THE DATE OF THE INACTION, OMISSION, EVENT OR ACTION THAT GAVE RISE TO SUCH CLAIM, DEMAND, RIGHT OR DEFENSE.

18. LIMITATION OF LIABILITY.

Notwithstanding anything to the contrary contained in this Lease, the liability of Landlord (and of any successor landlord) shall be governed by applicable state and federal laws for so long as Landlord is a public entity and, at any time thereafter, shall be limited to the net interest of Landlord in the Building as the same may from time to time be encumbered. Tenant shall look solely to Landlord's interest in the Building for the recovery of any judgment, writ or other charge. Neither Landlord nor any Landlord Related Party shall be personally liable for any judgment, writ or other charge or deficiency or otherwise personally liable in any way or named as a party in any lawsuit with respect to this Lease, and in no event shall Landlord or any Landlord Related Party be liable to Tenant for any lost profit, damage to or loss of business or a form of special, indirect or consequential damage. Before filing suit for an alleged default by Landlord, Tenant shall give Landlord and the Mortgagee(s) whom Tenant has been notified hold Mortgages (defined in Article 22 below), notice and reasonable time to cure the alleged default.

19. SURRENDER OF PREMISES.

At the termination of this Lease or Tenant's right of possession, Tenant shall remove Tenant's property from the Premises including any furniture, fixtures, systems, equipment and cabling installed by or for the benefit of Tenant, and quit and surrender the Premises to Landlord, broom clean, and in good order, condition and repair, ordinary wear and tear and damage which Landlord is obligated to repair hereunder (if any) excepted. Landlord may, by notice to Tenant not less than sixty (60) days prior to the Expiration Date (except in the event of a termination of this Lease prior to the scheduled Expiration Date, in which event no advance notice shall be required) require Tenant, at Tenant's expense, to remove any Alterations (except as otherwise specifically provided in this Lease) and repair any damage caused by such removal. If Tenant fails to remove any of Tenant's property, or to restore the Premises to the required condition, Landlord, at Tenant's sole cost and expense, shall be entitled (but not obligated) to remove and store Tenant's property and/or perform such restoration of the Premises. Landlord shall not be responsible for the value, preservation or safekeeping of Tenant's property. Tenant shall pay Landlord, upon demand, the expenses and storage charges incurred plus interest at the Interest Rate from the date Landlord incurred the charges. If Tenant fails to remove Tenant's property from the Premises or storage, within thirty (30) days after notice, Landlord may deem all or any part of Tenant's property to be abandoned and, at Landlord's option, title to Tenant's property shall vest in Landlord or Landlord may dispose of Tenant's property in any manner Landlord deems appropriate. WITH RESPECT TO ANY TENANT OWNED PROPERTY THAT TENANT ELECTS TO LEAVE IN THE PREMISES, TENANT WAIVES ANY AND ALL RIGHTS IT MAY HAVE UNDER CALIFORNIA CIVIL CODE §§ 1980 ET SEQ. AND 1993 ET SEQ. AND SECTION 1174 OF THE CALIFORNIA CODE OF CIVIL PROCEDURE. TENANT FURTHER WAIVES AND RELEASES LANDLORD FROM ANY CLAIM OR LIABILITY IN CONNECTION WITH THE REMOVAL OF SUCH PROPERTY FROM THE PREMISES AND THE STORAGE THEREOF. TENANT'S OBLIGATIONS UNDER THIS

SECTION 19 SHALL SURVIVE THE EXPIRATION OR EARLIER TERMINATION OF THIS LEASE.

20. HOLDING OVER.

If Tenant fails to surrender all or any part of the Premises at the termination of this Lease, Tenant's occupancy of the Premises after termination shall be that of a tenancy at sufferance. Tenant's occupancy shall be subject to all the terms and provisions of this Lease and Tenant shall pay Landlord a monthly amount (without reduction for partial months during the holdover) equal to 200% of the sum of the Base Rent in effect for the month immediately preceding the holdover. No holding over by Tenant shall operate to extend the Term. If Tenant does not surrender possession at the end of the Term or sooner termination of this Lease, Tenant shall indemnify and hold Landlord harmless from and against any and all losses or liability resulting from delay in Tenant so surrendering the Premises including, without limitations, any loss or liability resulting from any claim against Landlord made by any succeeding tenant or prospective tenant founded on or resulting from such delay. Any holding over by Tenant with the written consent of Landlord shall thereafter constitute a lease from month to month. THE PARTIES HEREBY WAIVE THE PROVISIONS OF CALIFORNIA CIVIL CODE § 1945.

21. MORTGAGES.

21.1 Subordination to Mortgages. This Lease shall be automatically subject and subordinate to any mortgage(s), deed(s) of trust, ground lease(s) and any other hypothecation or security now existing or subsequently arising placed upon the Premises or any building thereon (each referred to as a "**Mortgage**"), and to any other agreements or covenants running with the land now existing or subsequently arising, and to all renewals, modifications, refinancing and extensions of any of the foregoing. The party having the benefit of a Mortgage shall be referred to as a "**Mortgagee**". This clause shall be self-operative, but upon request from a Mortgagee, Tenant shall, within ten (10) days written request from Landlord, execute a commercially reasonable subordination agreement in favor of the Mortgagee. Landlord shall use commercially reasonable efforts to obtain for Tenant a non-disturbance provision in any such subordination agreement. As an alternative, a Mortgagee shall have the right at any time to subordinate its Mortgage to this Lease. Upon request, Tenant, shall attorn to any successor to Landlord's interest in this Lease.

21.2 Mortgage Protection. Tenant shall give any Mortgagee, in accordance with the notice requirements of this Lease, at the same time as it is given to Landlord, a copy of any notices of default given to Landlord, provided that, prior to such notice, Tenant has been notified in writing (by way of notice of assignment of rent and leases, or otherwise) of the existence and address of such Mortgagee. Tenant further agrees that, if Landlord shall have failed to cure such default within the time provided for in this Lease, then the Mortgagee shall have an additional reasonable period of time within which to cure such default, or if such default cannot be cured without Mortgagee pursuing its remedies against Landlord, then Mortgagee shall have such additional time as may be necessary to commence and complete a foreclosure proceeding. If, in connection with obtaining financing, Landlord's lender shall request reasonable modifications to this Lease as a condition to such financing, Tenant shall not unreasonably withhold, delay or defer its consent to such modifications, provided that such modifications do not materially adversely affect Tenant's rights or increase Tenant's obligations under this Lease.

22. TENANT’S ESTOPPEL CERTIFICATE.

Within ten (10) days after written request therefor, Tenant shall execute and deliver to Landlord, in a form provided by or satisfactory to Landlord, an estoppel certificate stating, that this Lease is in full force and effect, describing any amendments or modifications thereto, acknowledging that this Lease is subordinate or prior, as the case may be, to any Mortgage and stating any other information Landlord may reasonably request, including the Term, the monthly Base Rent, the date to which Rent has been paid, the amount of any security deposit or prepaid rent, whether either party hereto is in default under the terms of the Lease, and whether Landlord has completed any construction obligations under this Lease. Any such estoppel certificate may be relied upon by any person or entity purchasing, acquiring an interest in or extending finance with respect to the Building, or any part thereof. If Tenant fails to provide such certificate within the ten (10) days, such failure shall at Landlord’s election, constitute a Default and Tenant shall be deemed to have given such certificate as above provided without modification and shall be deemed to have admitted the accuracy of any information supplied by Landlord to a prospective purchaser or mortgagee or deed of trust holder.

23. RELOCATION.

Intentionally omitted.

24. NOTICE.

All notices shall be in writing and (i) delivered by hand, (ii) sent by registered, express, or certified mail, with return receipt requested or with delivery confirmation requested from the U.S. postal service, or (iii) sent by overnight or same day courier service at the party’s respective Notice Address(es) set forth in the Basic Lease Information (“**Notice Address**”). Each notice shall be deemed to have been received on the earlier to occur of actual delivery or the date on which delivery is refused, or, if Tenant has vacated the Premises or any other Notice Address of Tenant without providing a new Notice Address, three (3) days after notice is deposited in the U.S. mail or with a courier service in the manner described above. Either party may, at any time, change its Notice Address (other than to a post office box address) by giving the other party written notice of the new address. Any notice shall be deemed personally delivered to Tenant on the date the notice is personally delivered to any employee of Tenant at the Premises. All notices and demands delivered by a party’s attorney on a party’s behalf shall be deemed to have been delivered by such party.

25. LABOR PROVISIONS.

25.1 Equal Opportunity. During the Term, and with respect to person(s) in or at the Building or Premises or employment or employees at the Premises, Tenant agrees as follows:

(a) Tenant will not discriminate against any guest, visitor, invitee, customer, employee of Tenant or applicant for employment because of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender identity, gender expression, age, sexual orientation, or military and veteran status. The employees of Tenant shall be treated without regard to their employment because of race, religious creed, color, national origin, ancestry,

physical disability, mental disability, medical condition, genetic information, marital status, sex, gender identity, gender expression, age, sexual orientation, or military and veteran status. Such action shall include, but not be limited to, the following: employment, upgrading demotion, or transfer, recruitment or recruitment advertising, layoff or termination, rate of pay or other forms of compensation, selection for training, including apprenticeship. Tenant agrees to post in conspicuous places, notices to be provided by the applicable government agencies, setting forth the provisions of this nondiscrimination provision.

(b) Tenant will, in all solicitations or advertisements for employees placed by or on behalf of Tenant, state that all qualified applicants will receive consideration for employment without regard to employment because of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender identity, gender expression, age, sexual orientation, or military and veteran status.

(c) Tenant will send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding a notice advising the labor union or worker's representative of Tenant's commitments under this Equal Opportunity Clause, and Tenant shall post copies of the notice in conspicuous places available to employees and applications for employment.

(d) Tenant, through any approved sublease, shall require each of its subtenants to comply with the nondiscrimination provisions contained in this Section 25.1.

25.2 Convict Labor. In connection with the performance of work required by this Lease, Tenant agrees not to employ any person undergoing a sentence of imprisonment at hard labor.

25.3 Prevailing Wages and Related Requirements. Tenant acknowledges the Premises are within a public building and, as such, alterations, improvements or additions ("Alterations") are subject to the payment of prevailing wage under the provisions of the California Labor Code and Section 2-67 of the Alameda Municipal Code. Tenant further acknowledges and agrees any Alterations made by or on behalf of Tenant to the Premises, or any portion thereof, which are paid for in whole or in part by Landlord or which are considered to have been paid for in whole or in part by Landlord (e.g. by virtue of any rents that are reduced, waived or forgiven) will constitute "public works," as that term is defined in California Labor Code section 1720, subject to prevailing wage requirements. In such case, the following shall apply:

(a) Tenant shall comply with any applicable laws, rules and regulations related to construction wages and other construction matters, if and to the extent applicable to the Premises after the Commencement Date including, but not limited to: (i) paying prevailing wages in the construction of any Alterations as those wages are determined pursuant to Labor Code Sections 1720 et seq.; (ii) employing apprentices as required by Labor Code Sections 1777.5 et seq.; (iii) complying with the other applicable provisions of Labor Code Sections 1720 et seq., 1725.5, 1771, 1771.1, 1771.4, 1776, 1777.5 et seq., and 1810-1815; (iv) implementing the regulations of the Department of Industrial Relations (the "DIR") for all such Labor Code sections; and (v) complying with Section 2-67 of the Alameda Municipal Code for payment of prevailing wages.

(b) From and after the Commencement Date, Tenant shall indemnify, hold harmless, and defend (with counsel reasonably acceptable to Landlord) the Landlord Related Parties against any claim for damages, compensation, fines, penalties or other amounts arising out of the failure or alleged failure of any person or entity (including Tenant and its contractors) to (i) pay prevailing wages as determined pursuant to Labor Code Sections 1720 et seq., (2) to employ apprentices pursuant to Labor Code Sections 1777.5 et seq., (iii) to require any contractor or subcontractor listed on a bid proposal for a public works project be registered with the Department of Industrial Relations pursuant to Labor Code Section 1725.5, (iv) to comply with the other applicable provisions of Labor Code Sections 1720 et seq., 1725.5, 1771, 1771.1, 1771.4, 1776, 1777.5 et seq., and 1810-1815; (iv) to meet the conditions of Section 1771.4 of the Labor Code, to require the general contractor for any prevailing wage work to furnish electronic certified payroll records directly to the Labor Commissioner at: <https://www.dir.ca.gov/Public-Works/Certified-Payroll-Reporting.html>, and/or (v) to comply with any other regulation related to public contracts. Tenant's obligation to indemnify, defend and hold harmless under this Section 25.3 shall survive termination of this Lease, and shall be interpreted broadly so as to apply to any legal or administrative proceeding, arbitration, or enforcement action.

26. MISCELLANEOUS.

26.1 Governing Law. This Lease shall be interpreted under, and enforced by the laws of the State of California without regard to any choice of law rules which may direct the application of laws of another jurisdiction. The Agreement and obligations of the parties are subject to all valid laws, orders, rules, and regulations of the authorities having jurisdiction over this Agreement (or the successors of those authorities). Any suits brought pursuant to this Agreement shall be filed with the courts of the County of Alameda, State of California.

26.2 Surplus Land Act. The City has reviewed the terms of the Lease for the Premises in accordance with the terms, provisions and requirements of the California Surplus Land Act (California Government Code Sections 54220-54233) (the "SLA"). The Lease does not constitute a disposition of the Premises for purposes of the SLA pursuant to Government Code Section 54221(d)(2)(A) because the term of the Lease is for a period of less than 15 years, and 54221(d)(2)(B) because no construction or demolition would occur on the Premises under the Lease. Therefore, this Lease is not subject to the SLA.

26.3 Severability. If any section, term or provision of this Lease is held invalid by a court of competent jurisdiction, all other sections, terms or severable provisions of this Lease shall not be affected thereby, but shall remain in full force and effect.

26.4 No Recovery of Attorney's Fees or Costs. In the event of any litigation or administrative or arbitration proceeding relating to this Lease, the parties and litigants shall bear their own attorney's fees and costs. No party or litigant shall be entitled to recover any attorneys' fees or costs from any other party or litigant, regardless of which party or litigant might prevail.

26.5 Force Majeure Events. If a party's performance of an obligation under this Lease is prevented or delayed due to a Force Majeure Event (defined below), the period of time for the performance of such obligation shall be extended by the number of days that the performance is

actually prevented or delayed by the Force Majeure Event. Notwithstanding anything to the contrary in this Lease, no Force Majeure Event shall (1) excuse or delay Tenant's obligations to timely pay rent (including Base Rent) or other charges as and when due pursuant to this Lease, (2) be grounds for Tenant to abate any portion of rent (including, Base Rent) due pursuant to this Lease, (3) entitle either Party to terminate this Lease, or (4) excuse Tenant's obligations to timely maintain the insurance required by this Lease. "**Force Majeure Event**" means strikes, lockouts, labor disputes, acts of God, acts of war, terrorist acts, inability to obtain services, labor, or materials or reasonable substitutes therefor, civil commotions, casualty, actual public health emergency (including epidemic, pandemic, famine, disease, plague, quarantine, and other significant public health risk), governmental edicts, actions, orders, declarations or restrictions (including (i) any states of emergency and quarantines imposed by a governmental entity or agency, and (ii) any government imposed shelter-in-place orders, stay at home orders and/or restrictions on travel related thereto that preclude Tenant, its agents, contractors or its employees from accessing the Premises), breaches in cybersecurity, and other causes beyond the reasonable control of the party obligated to perform regardless of whether such other causes are foreseeable or unforeseeable. TENANT HEREBY WAIVES ANY AND ALL RIGHTS IT MIGHT OTHERWISE HAVE PURSUANT TO SECTION 1511 OF THE CALIFORNIA CIVIL CODE, AND HEREBY AGREES THAT THIS SECTION 26.5 IS AN EXPRESS PROVISION TO THE CONTRARY.

26.6 Right to Lease, Sell. Landlord reserves the absolute right to allow such other tenancies in the Building and Property as Landlord in its sole discretion shall determine, and Tenant is not relying on any representation that any specific tenant, type of tenant or number of tenants will occupy the Building or Property. Landlord shall have the right to sell, transfer and assign any or all of its rights and obligations in and to this Lease, the Building and/or the Property. Upon such sale, transfer or assignment, Landlord shall automatically be released from any and all further obligations under this Lease and Tenant agrees to look solely to the successor in interest of Landlord for the performance of such obligations

26.7 Signs. Tenant shall not place any sign upon the Premises without Landlord's prior written consent. All signage shall comply with Landlord's signage design criteria, as exist from time to time. In addition, any style, size, materials and attachment method of any such signage shall be subject to Landlord's prior written consent. The installation of any sign on the Premises by or for Tenant shall be subject to the provisions of this Lease. Tenant shall maintain any such signs installed on the Premises. Unless otherwise expressly agreed, Landlord reserves the right to install, and retain all revenues from the installation of, such advertising signs on the Premises, including the roof, as do not unreasonably interfere with the conduct of Tenant's business.

26.8 Brokers. Landlord and Tenant each represents and warrants to the other that neither it nor its officers or agents nor anyone acting on its behalf has dealt with any real estate broker except the Broker(s) specified in the Basic Lease Information in the negotiating or making of this Lease. Each party agrees to indemnify, defend and hold harmless the other from any claim or claims, and costs and expenses, including attorneys' fees, incurred by the indemnified party in conjunction with any such claim or claims of any other broker or brokers to a commission in connection with this Lease as a result of the actions of the indemnifying party. Provided that this Lease is fully executed by all parties, Landlord shall pay any commission that may be due to Landlord's Broker pursuant to a separate written agreement between Landlord and Landlord's

Broker, and Landlord's Broker shall be responsible for any fee or commission payable to Tenant's Broker, if any. No broker or agent is a party to or third-party beneficiary of this Lease or has any right to enforce any provision of this Lease.

26.9 Access by Landlord. In addition to access provided by this Lease, Landlord shall be allowed access to the Premises at all reasonable times throughout the term of this Lease, for any reasonable purpose upon prior written notice to Tenant. Landlord will normally give Tenant a minimum of twenty-four (24) hours prior notice of an intention to enter the Premises, unless the entry is reasonably required on an emergency basis for health, safety, environmental, operations or security purposes. Tenant shall ensure that a telephone roster is maintained at all times for on-call persons representing Tenant who will be available on short notice, 24 hours a day, 365 days per year, and have authority to use all keys necessary to gain access to the Premises to facilitate entry in time of emergency. Tenant shall ensure that Landlord has a current roster of such on-call personnel and their phone numbers. Tenant shall not change any existing locks, or attach any additional locks or similar devices to any door or window, without providing a set of all keys to Landlord. All keys must be returned to Landlord at the expiration or termination of this Lease. Tenant shall have no claim against Landlord for exercise of its rights of access hereunder. Portions of the utilities systems serving the former Naval Air Station Alameda may be located within the Building or Premises. Tenant agrees to allow Landlord and its utility supplier reasonable access to the Premises for operation, maintenance, repair and replacement of these utilities systems as may be required. In executing operation, maintenance, repair or replacement of these systems, Landlord agrees to take commercially reasonable steps to limit interference with the use of the Premises by Tenant.

26.10 Waiver of Right to Jury Trial. Landlord and Tenant waive their respective rights to trial by jury of any contract or tort claim, counterclaim, cross-complaint, or cause of action in any action, proceeding, or hearing brought by either party against the other on any matter arising out of or in any way connected with this Lease, the relationship of Landlord and Tenant, or Tenant's use or occupancy of the Premises, including without limitation any claim of injury or damage or the enforcement of any remedy under any current or future law, statute, regulation, code, or ordinance. Landlord and Tenant agree that this paragraph constitutes a written consent to waiver of trial by jury within the meaning of California Code of Civil Procedure Section 631(f)(2), and Tenant does hereby authorize and empower Landlord to file this paragraph and/or this Lease, as required, with the clerk or judge of any court of competent jurisdiction as a written consent to waiver of jury trial. If the waiver set forth in this Section 26.10 is determined by any court to be invalid because it was executed prior to the commencement of any action, then Landlord and Tenant each covenant and agree to execute and deliver to the other, within five (5) days of a written request by the other, a waiver of the right to trial by jury similar in terms and scope to the waiver set forth in this Section 26.10 at such time following the commencement of such action as such waiver, if then made, would be valid.

26.11 Recordation. Neither this Lease, nor any memorandum, affidavit nor other writing with respect thereto, shall be recorded by Tenant or by anyone acting through, under or on behalf of Tenant without the prior written consent of Landlord, which consent may be granted or withheld in Landlord's sole and absolute discretion. Any recording in violation of this provision shall make this Lease null and void at Landlord's election.

26.12 Headings; Gender; Exhibits. Any captions or headings used in this Lease are for convenience only and do not define or limit the scope of this Lease. In this Lease, the singular includes the plural and vice versa whenever the context so requires, and the use of any gender shall include all genders. All exhibits attached to this Lease are incorporated herein by this reference.

26.13 Authority. Tenant is a corporation, trust, limited liability company, partnership, association or other entity. Tenant, and each individual executing this Lease on behalf of such entity, represents and warrants that (a) such entity is duly formed and validly existing under the laws of its state of origin and qualified to do business in California, (b) such individual is duly authorized to execute and deliver this Lease on behalf of such entity, and (c) such entity is duly authorized to enter into this Lease and this Lease is enforceable against such entity in accordance with its terms. Tenant shall deliver to Landlord upon demand evidence of such authority satisfactory to Landlord.

26.14 Quiet Possession. Upon Tenant's payment of Rent and observing and performing all other terms, covenants, obligations and provisions of this Lease, and subject to Landlord's rights under this Lease, Tenant shall have quiet possession of the Premises throughout the Term.

26.15 Asbestos Notification for Commercial Property Constructed Before 1979. Tenant acknowledges that Landlord has advised Tenant that, because of their age, any buildings constructed at the Premises before 1979 may contain asbestos-containing materials ("ACMs"). If Tenant undertakes any Alterations or repairs to the Premises, Tenant shall, in addition to complying with the requirements of this Lease, undertake the Alterations or repairs in a manner that avoids disturbing any ACMs present at the Premises. If ACMs are likely to be disturbed in the course of such work, Tenant shall encapsulate or remove the ACMs in accordance with an approved asbestos-removal plan and otherwise in accordance with all applicable Hazardous Materials Laws, including giving all notices required by the California Health & Safety Code including Sections 25915-25919.7.

26.16 Lead Warning Statement. Tenant acknowledges that Landlord has advised Tenant that any buildings built before 1978 may contain lead-based paints ("LBP"). Lead from paint, paint chips and dust can pose health hazards if not managed properly. Subject to Section 9 of this Lease, Tenant may at its sole cost and expense, have a state certified LBP Inspector complete a LBP inspection and abatement and provide an abatement certification to Landlord. Landlord has no specific knowledge of the presence of lead-based paint in the Premises.

26.17 OFAC Certification. Tenant represents, warrants and covenants that: (a) Tenant and its principals are not acting, and will not act, directly or indirectly, for or on behalf of any person, group, entity, or nation named by any Executive Order or the United States Treasury Department as a terrorist, "**Specially Designated and Blocked Person**" or other banned or blocked person, entity, nation, or transaction pursuant to any law, order, rule or regulation that is enforced or administered by the Office of Foreign Assets Control; and (b) Tenant acknowledges that the breach of this representation, warranty and covenant by Tenant shall be an immediate Default under the Lease.

26.18 Certified Access Specialist Disclosure. Inspection by Certified Access Specialist. Landlord discloses that the Premises have not undergone inspection by a Certified Access Specialist as referenced in California Civil Code (“Civil Code”) Section 1938 subsection (e) which provides: "A Certified Access Specialist (CASp) can inspect the subject premises and determine whether the subject premises comply with all of the applicable construction-related accessibility standards under state law. Although state law does not require a CASp inspection of the subject premises, the commercial property owner or lessor may not prohibit the lessee or tenant from obtaining a CASp inspection of the subject premises for the occupancy or potential occupancy of the lessee or tenant, if requested by the lessee or tenant. The parties shall mutually agree on the arrangements for the time and manner of the CASp inspection, the payment of the fee for the CASp inspection, and the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the premises." Pursuant to Civil Code Section 1938(e), Tenant acknowledges and agrees if Tenant wishes to have the Premises inspected by a CASp: (i) Tenant must notify Landlord on or before the date when Tenant executes this Lease pursuant to the election below; (ii) Tenant shall, at its cost, retain a CASp approved by Landlord (provided that Landlord may designate the CASp, at Landlord’s option) to perform the inspection of the Premises at a time agreed upon by the parties; (iii) the inspection must be scheduled through Landlord and in coordination with the property manager of the Premises (if any); (iv) Tenant shall promptly complete at its sole cost any repairs or modifications necessary to correct any violation of construction-related accessibility standards that are noted in the CASp report; and (v) Tenant must provide a copy of the CASp report to Landlord on completion. Tenant agrees to keep the information in the CASp Report confidential except as necessary for Tenant to complete such modifications. By initialing below, Tenant represents that:

Tenant wishes to have a CASp inspection of the Premises Initials: _____

Tenant waives its right to a CASp inspection of the Premises Initials: HH

26.19 Time of the Essence. Time is of the essence for this Lease and each of its provisions.

26.20 Entire Agreement; Amendment; Interpretation. This Lease contains all of the agreements of the parties hereto with respect to any matter covered or mentioned in this Lease, and no prior agreements or understandings pertaining to any such matter shall be effective for any purpose. This Lease may be not amended except by an agreement in writing signed by both Landlord and Tenant or their respective successors-in-interest. This Lease shall be interpreted as if it was prepared by both parties and ambiguities shall not be resolved in favor of one party because all or a portion of this Lease was prepared by the other party.

26.21 Rules and Regulations. Tenant shall faithfully observe and comply with the non-discriminatory rules and regulations attached hereto as **Exhibit F** and incorporated herein by this reference, as the same may be modified from time to time by Landlord in its sole and absolute discretion. Any additions or modifications to those rules shall be binding upon Tenant upon Landlord’s delivery of a copy to Tenant.

26.22 Financial Statement. Within thirty (30) days after Landlord’s written request, Tenant shall deliver to Landlord the then current financial statements of Tenant, including a balance sheet and profit and loss statement for the most recent prior year, all prepared in accordance with generally

accepted accounting principles consistently applied and shall be certified as accurate in all material respects by an officer of Tenant.

26.23 Relocation Benefits. Tenant acknowledges that upon the expiration or earlier termination of this Lease, for any reason other than a Taking as defined at Section 16, Tenant shall not be a displaced person, and therefore waives any and all claims for relocation benefits, assistances and/or payments under Government Code Sections 7260 et seq., 25 California Code of Regulations Sections 600 et seq., 42 U.S.C. 4601 et seq., 29 C.F.R. Sections 121 et seq. and 49 C.F.R Sections 24.1 et seq. (collectively the “**Relocation Assistance Laws**”). Tenant further acknowledges and agrees that upon the expiration or earlier termination of this Lease for any reason, other than a Taking, no claim shall arise, nor shall Tenant assert any claim for loss of business goodwill (as that term is defined at CCP §1263.510) and no compensation for loss of business goodwill shall be paid by Landlord.

26.24 Park Street Historic District. Tenant acknowledges that the Building is located within the Park Street Historic District and has been designated as contributing to the Historic District. In granting, denying or conditioning its consent to any Alterations in accordance with this Lease or the placement of any signs in accordance with Section 26.7, Landlord’s decision will be guided by the terms and conditions of the City’s Historic Preservation Ordinance and other planning and regulatory documents governing properties located within the Park Street Historic District.

26.25 Subdivision and Development of Property. Tenant acknowledges that, without any form of representation or warranty, Landlord (or its successor) may cause the Property to be subdivided or existing parcels to be assembled to facilitate the sale, development or redevelopment of portions of Property which may or may not include those portions of the Property upon which the Premises are located. Such activities may require the reservation of easements for utilities and access to adjacent properties or buildings. As a material inducement for Landlord to enter into this Lease, Tenant agrees not to take any actions, oral or in writing, in opposition to such activities or the planning thereof by Landlord (or its successor) unless such activity threatens to materially disrupt Tenant’s rights under this Lease.

26.26 Environmental and Planning Documents. Tenant acknowledges that its use of the Premises and any Alterations thereto shall comply with the terms, conditions and requirements of: (a) the Environmental Impact Report for Alameda Point and the Mitigation Monitoring and Reporting Program adopted pursuant thereto; (b) the Master Infrastructure Plan; (c) the Town Center and Waterfront Precise Plan (as applicable); and (d) the Alameda Point Transportation Demand Management Plan. Compliance with the foregoing may include the preparation of a Compliance Strategy consistent with the Transportation Demand Management Plan and payment of transportation program fees.

26.27 Easements. Landlord reserves to itself the right, from time to time, to grant such easements, rights and dedications that Landlord deems necessary or desirable, and to cause the recordation of parcel maps and restrictions, so long as such easements, rights, dedications, maps and restrictions do not unreasonably interfere with the use of the Premises by Tenant. Tenant shall sign any of the aforementioned documents within ten (10) days after Landlord’s request and Tenant’s failure to do so shall constitute a material default by Tenant. The obstruction of

Tenant's view, air, or light by any structure erected in the vicinity of the Property, whether by Landlord or third parties, shall in no way affect this Lease or impose any liability upon Landlord.

26.28 Transportation Management. Tenant shall fully comply with all present or future programs implemented or required by any governmental or quasi-governmental entity or Landlord to manage parking, transportation, air pollution, or traffic in and around the Premises or the area in which the Premises is located.

26.29 Multiple Parties. If more than one person or entity is named as Tenant, the obligations of Tenant shall be the joint and several responsibility of all persons and entities named as Tenant. Service of a notice in accordance with this Lease on one Tenant shall be deemed service of notice on all Tenants.

26.30 Landlord's Lien and Security Interest. Tenant unconditionally grants to Landlord a continuing lien and security interest in and to all personal property of Tenant located at the Premises, the security deposit, any advance rent payment or other deposit now or hereafter in the control of Landlord, and any profits or proceeds from any of the foregoing property. This security interest secures payment and performance of all obligations of Tenant under this Lease, and constitutes a security agreement under the laws of the State of California. In the event of a default under this Lease which is not cured within the applicable grace period, if any, Landlord shall be entitled to all the rights, powers and remedies granted a secured party under the Uniform Commercial Code in effect in the State of California and otherwise available at law or in equity, without additional notice or demand regarding this security interest. Tenant agrees that it will execute such other documents or instruments as may be reasonably necessary to carry out the purpose of this paragraph, including without limitation a UCC 1 financing statement. Tenant's failure to execute such documents within ten (10) days after written demand shall constitute a material default by Tenant and, at Landlord's option, Landlord shall have the right to execute such documents on behalf of Tenant as Tenant's attorney-in-fact. Tenant does hereby make, constitute and irrevocably appoint Landlord as Tenant's attorney-in-fact, and Landlord shall have the right to execute such documents in Tenant's name. Landlord's rights under this paragraph are in addition to Landlord's other rights under this Lease.

26.31 Mold. Landlord shall not be liable for any loss, damage or personal injury suffered by Tenant or any Tenant Related Parties due to the presence of mold in or around the Premises. It shall be Tenant's responsibility to take necessary measures to prevent mold from accumulating within the Premises, including, but not limited to, the following: (i) maintaining appropriate climate control within the Premises; (ii) maintaining the cleanliness of the Premises; (iii) removing visible moisture accumulations on windows, window sills, walls, floors, ceilings and other surfaces as soon as reasonably possible; and (iv) not blocking or covering any heating, ventilating or air conditioning ducts within the Premises. Tenant shall report immediately in writing to Landlord any evidence of mold, a water leak or excessive moisture within the Premises or the Building. Should Tenant desire a mold inspection or additional information about mold, Tenant should contact a professional in this field.

26.32 Radon Disclosure. Tenant is hereby advised that radon is a naturally occurring radioactive gas that, when it has accumulated in a building in sufficient quantities, may present health risks to persons who are exposed to it over time. Levels of radon that exceed federal and state

guidelines have been found in buildings in California. Additional information regarding radon and radon testing may be obtained from your county public health unit. The foregoing disclosure is for informational purposes only. Landlord has not conducted radon testing with respect to the Building and specifically disclaims any and all representations and warranties as to the absence of radon gas or radon producing conditions in connection with the Building and the Premises.

26.33 Survival of Obligations. All obligations of Tenant under this Lease which are not fully performed before the termination of this Lease, shall survive such termination.

26.34 Independent Covenants. Tenant's covenants to pay Rent and other sums due hereunder are independent of Landlord's covenants hereunder, and Tenant shall have no right to withhold any payments on account of any alleged failure by Landlord to comply with any of Landlord's covenants.

26.35 Waiver. No waiver of any provision or right under this Lease shall be a waiver of any other provision or right, whether or not similar, nor shall any waiver constitute a continuing waiver. The acceptance of Rent by Landlord shall not constitute a waiver of any preceding breach by Tenant of any provision or right under this Lease, regardless of Landlord's knowledge of such preceding breach at the time Landlord accepted such Rent. Failure by Landlord to enforce any provision or right under this Lease shall not be deemed a waiver of Landlord's right to insist strict performance by Tenant. No waiver shall be binding unless it is executed in writing by the party making the waiver.

26.36 Successors. The provisions of this Lease shall be binding upon and inure to the benefit of Landlord and Tenant, respectively, and their respective successors, assigns, heirs, executors, and administrators. Tenant agrees to become the tenant of Landlord's successor in interest under the same terms and conditions of its tenancy hereunder.

26.37 Counterparts. This Lease may be executed in multiple counterparts, each of which shall be deemed an original, but all of which, together, shall constitute one and the same instrument. The signature of any party transmitted by electronic signature software or service, facsimile or e-mail (PDF or other image) shall be deemed an original signature of the transmitting party for any and all purposes.

[SIGNATURES APPEAR ON NEXT PAGE]

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, Landlord and Tenant have duly executed this Lease as of the date first above written.

LANDLORD:

TENANT:

CITY OF ALAMEDA,
a charter city and municipal corporation

PLAYHOUSE, LLC, dba DIRECTOR'S
CUT,
a California limited liability company

By: _____
Adam W. Politzer
Interim City Manager

By: hhaddad
Name: _____
H Haddad
Title: _____
OWNER

Date: _____

Date: 02/03/2026

Approved as to Form

By: ^{DocuSigned by:} Len Aslanian
^{765D25E99B18464}
Len Aslanian
Assistant City Attorney

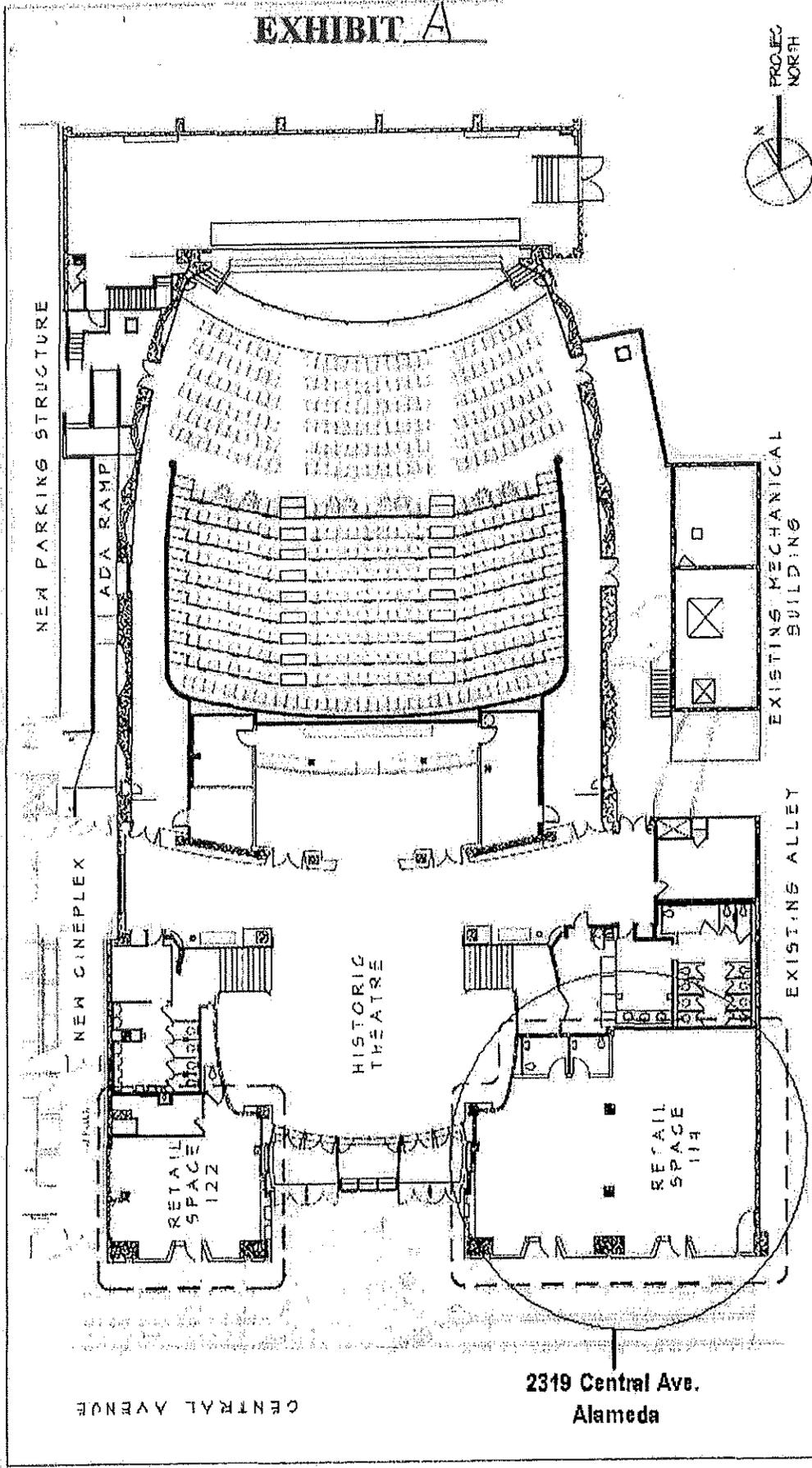
Recommended for Approval

By: ^{Signed by:} Abigail Thorne-Lyman
^{2E1D71136B954F6...}

Abigail Thorne-Lyman
Director, Base Reuse and Economic Development

EXHIBIT A
PREMISES

EXHIBIT A



SCALE	AS SHOWN
DATE	7 MARCH 2007
PROJECT NO.	0807B.0
SHEET NO.	REF

SHEET TITLE
 REFERENCE FLOOR PLAN FOR RETAIL SPACES 119 AND 122
 ALAMEDA THEATRE BUILDING - FIRST FLOOR PLAN
 PROJECT TITLE
 ALAMEDA THEATRE

ARCHITECTURAL RESOURCES GROUP
 Architecture, Interiors & Construction, Inc.
 1000 California Street, Suite 1000
 San Francisco, CA 94108
 415.774.8888



**EXHIBIT B
COMMENCEMENT LETTER**

Date: _____

Re: Lease dated as of _____, 20__, by and between City of Alameda, as Landlord, and _____, a _____, as Tenant, for _____ rentable square feet in the Building ____ located at _____, Alameda, California.

Dear _____:

In accordance with the terms and conditions of the above referenced Lease, Tenant accepts possession of the Premises described therein and agrees:

1. The Commencement Date of the Lease is _____;
2. The Expiration Date of the Lease is _____.

Please acknowledge your acceptance of possession and agreement to the terms set forth above by digitally signing this Commencement Letter in the space provided and returning to my attention.

Sincerely	Agreed and Accepted:
Landlord: City of Alameda	Tenant: _____
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____

[Exhibit - Do not sign]

EXHIBIT C
RENEWAL NOTICE

Date: _____

Re: Lease dated as of _____, 20 __, by and between City of Alameda, as Landlord, and
_____, a _____, as Tenant.

Dear _____:

In accordance with the terms, provisions and requirements of the above referenced Lease, by this notice Tenant hereby irrevocably exercises its Renewal Option for the Renewal Term, at the Renewal Base Rent rate and upon the terms and conditions specified.

Sincerely:

[Name of Tenant]

By: _____

Its: _____

EXHIBIT D

INTENTIONALLY OMITTED

Date: _____

EXHIBIT E

ENVIRONMENTAL QUESTIONNAIRE

The purpose of this form is to obtain information regarding the use, if any, of hazardous substances in the process proposed on the premises to be leased. Any such use must be approved in writing by Landlord. Prospective tenants should answer the questions in light of their proposed operations on the premises. Existing tenants should answer the questions as they relate to ongoing operations on the premises and should update any information previously submitted. If additional space is needed to answer the questions, you may attach separate sheets of paper to this form.

Your cooperation in this matter is appreciated. Any questions should be directed to, and when completed, the form should be mailed to:

Lincoln Property Company (LPC West, LP),
as Agent for City of Alameda
950 W. Mall Square Suite, Suite 239
Alameda, CA 94501

1. General Information.

Name of Responding Company: play House, LLC

Check the Applicable Status: _____

Prospective Tenant Existing Tenant

Mailing Address: 3031 2nd street
San Francisco, CA 94110

Contact Person and Title: Husam Haddad - owner

Telephone Number: (415) 269-5569

Alameda Point Address of Proposed Premises to be Leased: 2319 Central Ave
Alameda, CA 94501

Length of Lease Term: 3 years + 3 years option

Your Standard Industrial Classification (SIC) Code Number: 722513

Describe the proposed operations to take place on the property, including principal products manufactured, services, and a brief process flow description to be conducted. Existing tenants should describe any proposed changes to ongoing operations.

Burgers, salads and sandwiches.

2. Use and/or Storage of Hazardous Materials.

2.1 Will any hazardous materials be used or stored onsite?

Hazardous Wastes Yes No
Hazardous Chemical Products Yes No

2.2 Attach the list of any hazardous materials/wastes to be used, stored, or generated the quantities that will be onsite at any given time, and the location and method of storage (e.g., 55-gallon drums on concrete pad).

2.3 Does your company handle hazardous materials in a quantity equal to or exceeding an aggregate of 500 pounds, 55 gallons, or 200 cubic feet?

Yes No

If yes, please provide Material Safety Data Sheets (MSDS) on such materials.

2.4 Has your business filed for a Consolidated Hazardous Materials Permit from the Alameda County Environmental Management Department?

Yes No

If yes, attach a copy of the permit application.

2.5 Are any of the chemicals used in your operations regulated under Proposition 65?

Yes No

If yes, describe the actions taken, or proposed to be taken, to comply with Proposition 65 requirements.

2.6 Do you store or use or intend to store or use acutely hazardous materials above threshold quantities requiring you to prepare a risk management plan (RMP)?

Yes No

2.7 Describe the procedures followed to comply with OSHA Hazard Communication Standard requirements. _____

3. Storage Tanks and Pumps.

3.1 Are any above or below ground storage of gasoline, diesel, or other hazardous substances in tanks or pumps being used as a part of your present process or proposed for use on this leased premises?

Yes No

If yes, describe the materials to be stored, and the type, size and construction of the pump or tank. Attach copies of any permits obtained for the storage of such substances. _____

3.2 If you have an above ground storage tank (AST), do you have a spill prevention containment and countermeasures (SPCC) plan?

Yes No Not Applicable

3.3 Have any tanks, pumps or piping at you existing facilities been inspected or tested for leakage?

Yes No Not Applicable

If yes, attach the results.

3.4 Have any spills or leaks occurred from such tanks, pumps or piping?

Yes No Not Applicable

If yes, describe. _____

3.5 Were any regulatory agencies notified of any spills or leaks?

Yes No Not Applicable

If yes, attach copies of any spill reports filed, any clearance letters or other correspondence from regulatory agencies relating to the spill or leak.

3.6 Have any underground storage tanks, sumps or piping been taken out of service or removed at the proposed facility or facilities that you operate?

Yes No Not Applicable

If yes, attach copies of any closure permits and clearance obtained from regulatory agencies relating to closure and removal of such tanks.

4. Spills.

4.1 During the past year, have any spills occurred on any site you occupy?

Yes No Not Applicable

If yes, please describe the spill and attach the results of any process conducted to determine the extent of such spills.

4.2 Were any agencies notified in connection with such spills?

Yes No Not Applicable

If no, attach copies of any spill reports or other correspondence with regulatory agencies.

4.3 Were any clean-up actions undertaken in connection with the spills?

Yes No Not Applicable

If yes, briefly describe the actions taken. Attach copies of any clearance letters obtained from any regulatory agencies involved and the results of any final soil or groundwater sampling done upon completion of the clean-up work _____

5. Waste Management.

5.1 Has your business filed a Hazardous Material Plan with the Alameda County Environmental Management Department?

Yes No

5.2 Has your company been issued an EPA Hazardous Waste Generator I.D. Number?

Yes No

If yes: EPA ID# _____

5.3 Has your company filed a biennial report as a hazardous waste generator?

Yes No

If yes, attach a copy of the most recent report filed.

5.4 Are hazardous wastes stored in secondary containments?

Yes No

5.5 Do you utilize subcontractors for lighting/electrical, plumbing, HVAC, pest services, landscaping and/or building maintenance services?

Yes No

If yes, do any of these subcontractors store, mix or utilize chemicals on site?

Yes No

If yes, what types and quantities? _____

Attach the list of the hazardous waste, if any, generated or to be generated at the premises, its hazard class and the quantity generated on a monthly basis.

Describe the method(s) of disposal for each waste. Indicate where and how often disposal will take place. _____

Indicate the name of the person(s) responsible for maintaining copies of hazardous waste manifests completed for offsite shipments of hazardous waste. _____

Is any treatment, processing and recycling of hazardous wastes currently conducted or proposed to be conducted at the premises:

Yes No

If yes, please describe any existing or proposed treatment, processing or recycling methods. _____

Attach copies of any hazardous waste permits or licenses issued to your company with respect to its operations on the premises.

6. Wastewater Treatment/Discharge.

6.1 Will your proposed operation require the discharge of wastewater to (answer Yes or No to each of the following)?

No storm drain No sewer
No surface water Yes no industrial discharge

6.2 Does your business have a Sewer Use Questionnaire on file with Alameda County Sanitation District?

Yes No

6.3 Is your wastewater treated before discharge?

Yes No Not Applicable

If yes, describe the type of treatment conducted.

6.4 Does your business conduct operations outside the Building or store materials outside?

Yes No Not Applicable

6.5 Do you have a Storm Water Pollution Prevention Plan (SWPPP)?

Yes No Not Applicable

6.6 Does your business have a General Permit for storm water discharge associated with industrial activity?

Yes No Not Applicable

6.7 Does your business operate under a National Pollution Discharge Elimination System (NPDES) Permit?

Yes No Not Applicable

Attach copies of any wastewater discharge permits issued to your company with respect to its operations on the premises.

7. Air Discharges.¹

7.1 Do you have or intend to have any air filtration systems or stacks that discharge into the air?

Yes No

Hood

¹ NOTE: Businesses will have to comply with prohibitory rules regardless of whether they have or need a permit.

7.2 Do you operate or plan to operate any of the following types of equipment, or any other equipment requiring an air emissions permit (answer Yes or No to each of the following)?

Spray booth	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Dip tank	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Drying oven	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Incinerator	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Other (please describe)	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Boiler	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
I/C Engine	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Emergency Backup Generator	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Processes that apply coatings, inks, adhesives or use solvents	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>

7.3 Do you emit or plan to emit any toxic air contaminants?

Yes No

7.4 Are air emissions from your operations monitored?

Yes No

If yes, indicate the frequency of monitoring and a description of the monitoring results. _____

Attach copies of any air emissions permits pertaining to your operations on the premises.

8. Enforcement Actions, Complaints.

8.1 Has your company, within the past five years, ever been subject to any agency enforcement actions, administrative orders, or consent decrees?

Yes No

If yes, describe the actions and any continuing compliance obligations imposed as a result of these actions. _____

8.2 Has your company ever received requests for information, notice or demand letters, or any other inquiries regarding its operations?

Yes No

8.3 Have there ever been, or are there now pending, any lawsuits against the company regarding any environmental or health and safety concerns?

Yes

No

8.4 Has any environmental audit ever been conducted at your company's current facility?

Yes

No

If yes, discuss the results of the audit. _____

8.5 Have there been any problems or complaints from neighbors at the company's current facility?

Yes

No

Please describe: _____

The undersigned hereby certifies that all of the information contained in this questionnaire is accurate and correct.

a _____

By: Husam Haddad

Title: owner

Date: 2/04/2026

EXHIBIT F

RULES AND REGULATIONS

Tenant shall faithfully observe and comply with the following Rules and Regulations. Landlord shall not be responsible to Tenant for the non-performance of any of said Rules and Regulations by or otherwise with respect to the acts or omissions of any other tenants or occupants of the Building. In the event of any conflicts between the Rules and Regulations and other provisions of this Lease, the latter shall control.

1. Landlord shall have the right to control and operate the public portions of the Building and the public facilities, as well as facilities furnished for the common use of the tenants, in such manner as it deems best for the benefit of the tenants generally.

2. No advertisements, pictures or signs of any sort shall be displayed on or outside the Premises or Building without the prior written consent of Landlord. This prohibition shall include any portable signs or vehicles placed within the parking lot, common areas or on streets adjacent thereto for the purpose of advertising or display. Landlord shall have the right to remove any such unapproved item without notice and at Tenant's expense.

3. Storage of forklift propane tanks, whether interior or exterior, shall be in secured and protected storage and enclosure approved by the local fire department and, if exterior, shall be located in areas specifically designated by Landlord. Tenant shall protect electrical panels and building mechanical equipment from damage from forklift trucks.

4. Machinery, equipment and apparatus belonging to Tenant which causes noise or vibration that may be transmitted to the structure of the Building to such a degree as to be objectionable to Landlord or other tenants or to cause harm to the Building, shall be placed and maintained by Tenant, at Tenant's expense, on vibration eliminators or other devices sufficient to eliminate the transmission of such noise and vibration. Tenant shall cease using any such machinery which causes objectionable noise and vibration which cannot be sufficiently mitigated.

5. All goods, including materials used to store goods, delivered to the Premises shall be immediately moved into the Premises and shall not be left in parking or exterior loading areas overnight.

6. Tractor trailers which must be unhooked or parked with dolly wheels beyond the concrete loading areas must use steel plates or wood blocks of sufficient size to prevent damage to the asphalt paving surfaces. No parking or storage of such trailers will be permitted in the auto parking areas adjacent to the Premises or on streets adjacent thereto.

7. Tenant is responsible for the safe storage and removal of all pallets. Pallets shall be stored behind screen enclosures at locations approved by Landlord.

8. Tenant shall not store or permit the storage or placement of merchandise in or around the common areas surrounding the Premises. No displays or sales of merchandise shall be allowed in the parking lots or other common areas.

9. Tenant is responsible for the storage and removal of all trash and refuse. All such trash and refuse shall be contained in suitable receptacles stored behind screen enclosures at locations approved by Landlord.

10. The toilet rooms, urinals, wash bowls and other apparatus shall not be used for any purpose other than that for which they were constructed and no foreign substances of any kind whatsoever shall be thrown therein. The expense of the repair of any breakage, stoppage or damage resulting from the violation of this rule shall be borne by the tenant who, or whose employees, agents, visitors or licensees shall have caused the same.

11. Tenant shall cooperate fully with Landlord to ensure the effective operation of the Building's air conditioning systems. If Tenant's use of the Premises creates noxious or objectionable fumes, vapors and/or odors, then Tenant shall provide proper ventilation equipment for the discharge of such fumes, vapors and odors to prevent them from entering into the air conditioning system or being discharged into other vents or flues of the building or annoying any of the other tenants of the Building or adjacent property. The design, location and installation of such equipment shall be subject to the Landlord's approval.

12. All window coverings installed by Tenant and visible from the outside of the Building require the prior written approval of Landlord.

13. The sashes, sash doors, skylights, windows and doors that reflect or admit light or air into the halls, passageways or other public places in the Building shall not be covered or obstructed by Tenant.

14. Tenant shall not overload the floor of the Premises.

15. No awnings or other projections over or around the windows or entrances of the Premises shall be installed by any tenant without the prior written consent of Landlord.

16. Tenant shall not permit any animal, including, but not limited to, household pets (but excluding service animals, which are permitted), or bird to be brought or kept in or about the Premises or Building or any of the common areas.

17. Tenant hereby acknowledges that Landlord shall have no obligation to provide guard service or other security measures for the benefit of the Premises or Building. Tenant hereby assumes all responsibility for the protection of Tenant and its agents, employees, contractors, invitees and guests, and the property thereof, from acts of third parties, including keeping doors locked and other means of entry to the Premises closed.

18. No auction, liquidation, fire sale, going out of business or bankruptcy sale shall be conducted in or about the Premises without the prior written consent of Landlord.

19. No tenant shall use or permit the use of any portion of the Premises for living quarters, sleeping apartments or lodging rooms.

20. Tenant, Tenant's agents, employees, contractors, licensees, or visitors shall not park any vehicles in driveways, service entrances, or areas posted as no parking.

21. If the Premises are or become infested with vermin as a result of the use or any misuse or neglect of the Premises by Tenant, its agents, employees, contractors, visitors or licensees, Tenant shall, at Tenant's expense, cause the same to be exterminated from time to time to the satisfaction of Landlord by licensed exterminators as shall be approved in writing in advance by Landlord.

22. Tenant shall not use the name of the Building for any purpose other than as the address of the business to be conducted by Tenant in the Premises, nor shall Tenant use any picture of the Building in its advertising, stationary or in any other manner without the prior written permission of Landlord. Landlord expressly reserves the right at any time to change the name of the Building without incurring any liability to Tenant.

23. Tenant, its employees and agents shall not loiter in or on the entrances, corridors, sidewalks, lobbies, courts, halls, stairways, elevators, vestibules or any common areas of the Building for the purpose of smoking tobacco products or for any other purposes, nor in any way obstruct such areas, and shall use them only as a mean of ingress and egress from the Premises.

24. Landlord reserves the right to exclude from the Building or the Common Areas any person who, in the judgment of Landlord, is intoxicated or under the influence of liquor or drugs, or who shall in any manner do any act in violation of these Rules and Regulations.

25. Landlord reserves the right at any time to change or rescind any one or more of these Rules and Regulations, or to make such other and further reasonable Rules and Regulations as in Landlord's judgment may from time to time be necessary for the management, safety, care and cleanliness of the Premises, common areas of the Building and Building, and for the preservation of good order therein, as well as for the convenience of other Building occupants and tenants. Landlord may waive any one or more of these Rules and Regulations for the benefit of any particular tenant, but no such waiver by Landlord shall be construed as a waiver of such Rules and Regulations in favor of any other tenant, nor prevent Landlord from enforcing any such Rules and Regulations against any or all tenants of the Building. Tenant shall be deemed to have read these Rules and Regulations and to have agreed to abide by them as a condition to its occupancy of the Premises.



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
10/14/2025

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER 1Broker Insurance Services 1615 Hill Road Suite 21 Novato CA 94947	CONTACT NAME: Loran McBride PHONE (A/C, No, Ext): (415) 601-8510 FAX (A/C, No): E-MAIL ADDRESS: lmcbride@1brokerins.com												
INSURER(S) AFFORDING COVERAGE													
INSURED Play House, LLC 2319 Central Ave Alameda CA 94501-4513	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>INSURER A: Travelers Casualty Insurance Company of America</td> <td style="text-align: right;">NAIC # 19046</td> </tr> <tr> <td>INSURER B:</td> <td></td> </tr> <tr> <td>INSURER C:</td> <td></td> </tr> <tr> <td>INSURER D:</td> <td></td> </tr> <tr> <td>INSURER E:</td> <td></td> </tr> <tr> <td>INSURER F:</td> <td></td> </tr> </table>	INSURER A: Travelers Casualty Insurance Company of America	NAIC # 19046	INSURER B:		INSURER C:		INSURER D:		INSURER E:		INSURER F:	
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INSURER B:													
INSURER C:													
INSURER D:													
INSURER E:													
INSURER F:													

COVERAGES **CERTIFICATE NUMBER:** CL25101400760 **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS														
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:	Y	Y	680A2036190	10/11/2025	10/11/2026	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td>EACH OCCURRENCE</td><td style="text-align: right;">\$ 2,000,000</td></tr> <tr><td>DAMAGE TO RENTED PREMISES (Ea occurrence)</td><td style="text-align: right;">\$ 300,000</td></tr> <tr><td>MED EXP (Any one person)</td><td style="text-align: right;">\$ 5,000</td></tr> <tr><td>PERSONAL & ADV INJURY</td><td style="text-align: right;">\$ 2,000,000</td></tr> <tr><td>GENERAL AGGREGATE</td><td style="text-align: right;">\$ 4,000,000</td></tr> <tr><td>PRODUCTS - COMP/OP AGG</td><td style="text-align: right;">\$ 4,000,000</td></tr> <tr><td></td><td style="text-align: right;">\$</td></tr> </table>	EACH OCCURRENCE	\$ 2,000,000	DAMAGE TO RENTED PREMISES (Ea occurrence)	\$ 300,000	MED EXP (Any one person)	\$ 5,000	PERSONAL & ADV INJURY	\$ 2,000,000	GENERAL AGGREGATE	\$ 4,000,000	PRODUCTS - COMP/OP AGG	\$ 4,000,000		\$
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A	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS ONLY <input checked="" type="checkbox"/> NON-OWNED AUTOS ONLY	Y	Y	680A2036190	10/11/2025	10/11/2026	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td>COMBINED SINGLE LIMIT (Ea accident)</td><td style="text-align: right;">\$ 2,000,000</td></tr> <tr><td>BODILY INJURY (Per person)</td><td style="text-align: right;">\$</td></tr> <tr><td>BODILY INJURY (Per accident)</td><td style="text-align: right;">\$</td></tr> <tr><td>PROPERTY DAMAGE (Per accident)</td><td style="text-align: right;">\$</td></tr> <tr><td></td><td style="text-align: right;">\$</td></tr> </table>	COMBINED SINGLE LIMIT (Ea accident)	\$ 2,000,000	BODILY INJURY (Per person)	\$	BODILY INJURY (Per accident)	\$	PROPERTY DAMAGE (Per accident)	\$		\$				
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EACH OCCURRENCE	\$																				
AGGREGATE	\$																				
	\$																				
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) <input type="checkbox"/> Y / N If yes, describe under DESCRIPTION OF OPERATIONS below		N/A				<table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td>PER STATUTE</td><td style="text-align: right;">\$</td></tr> <tr><td>OTH-ER</td><td style="text-align: right;">\$</td></tr> <tr><td>E.L. EACH ACCIDENT</td><td style="text-align: right;">\$</td></tr> <tr><td>E.L. DISEASE - EA EMPLOYEE</td><td style="text-align: right;">\$</td></tr> <tr><td>E.L. DISEASE - POLICY LIMIT</td><td style="text-align: right;">\$</td></tr> </table>	PER STATUTE	\$	OTH-ER	\$	E.L. EACH ACCIDENT	\$	E.L. DISEASE - EA EMPLOYEE	\$	E.L. DISEASE - POLICY LIMIT	\$				
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DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

City of Alameda, LPC West LP, their officers & employees, the United States Department of the Navy, and any other party designated by the Licensor are named as additional insured. Blanket Additional Insured & Blanket Waiver of Subrogation applies to the General Liability & Hired & Non-Owned Auto and endorsements are attached. 30 days' Notice of Cancellation as required by written contract.

CERTIFICATE HOLDER

CANCELLATION

City of Alameda c/o LPC West 950 West Mall Square Alameda CA 94501	<p>SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.</p> <p>AUTHORIZED REPRESENTATIVE</p>
---	--



Report Claims Immediately by Calling*
1-800-238-6225

*Speak directly with a claim professional
24 hours a day, 365 days a year*

*Unless Your Policy Requires **Written** Notice or Reporting

RESTAURANT PAC

FAST FOOD - ALL OTHER



A Custom Insurance Policy Prepared for:

**PLAY HOUSE, LLC
2319 CENTRAL AVE
ALAMEDA CA 94501-4513**

Presented by: 1BROKER INS SERVICES



One Tower Square, Hartford, Connecticut 06183

CHANGE ENDORSEMENT

INSURING COMPANY:

TRAVELERS CASUALTY INSURANCE COMPANY OF AMERICA

Named Insured: PLAY HOUSE, LLC

Policy Number: 680-A2036190-25-42

Policy Effective Date: 10/11/2025

Policy Expiration Date: 10/11/2026

Issue Date: 10/13/2025

ADDITIONAL Premium \$ 111.00

Effective from 10/11/25 at the time of day the policy becomes effective.

THIS INSURANCE IS AMENDED AS FOLLOWS:

Under the Commercial General Liability Coverage Part, Who Is An Insured is changed to include Blanket Additional Insured - Owners, Lessees or Contractors as provided under endorsement CG D1 05.

Premium Basis and/or Rates are changed. Exposures are changed.

A revised Declarations Premium Schedule is attached.

On the Businessowners Coverage Part Declarations (Loss Payee), the following Loss Payee(s) is/are added:

PREM LOC. NO.	BLDG NO.	LOSS PAYEE NAME and MAILING ADDRESS
1	1	CITY OF ALAMEDA C/O RIVERROCK REAL ESTATE GROUP 950 W MALL SQ RM 239 ALAMEDA, CA 94501-7575

The following forms and/or endorsements is/are included with this change. These forms are added to the policy or replace forms already existing on the policy:

- CG T0 07 04 09
- IL T0 07 09 87
- CG D1 05 04 94
- CP 12 18 10 12

Rates and/or premiums have been changed to reflect a change in the exposure and/or rating procedure

NAME AND ADDRESS OF AGENT OR BROKER

1BROKER INS SERVICES
1615 HILL RD STE 21

NOVATO

CA 949474304

Countersigned by

Authorized Representative

DATE: 10/13/2025

POLICY NUMBER: 680-A2036190-25-42

EFFECTIVE DATE: 10/11/2025

ISSUE DATE: 10/13/2025

LISTING OF FORMS, ENDORSEMENTS AND SCHEDULE NUMBERS

THIS LISTING SHOWS THE NUMBER OF FORMS, SCHEDULES AND ENDORSEMENTS BY LINE OF BUSINESS

* IL T0 07 09 87 CHANGE ENDORSEMENT
 IL T0 19 02 05 COMMON POLICY DECLARATIONS
 MP T0 01 02 05 BUSINESSOWNERS COVERAGE PART DECLARATIONS
 * IL T8 01 01 01 FORMS ENDORSEMENTS AND SCHEDULE NUMBERS
 IL T3 15 09 07 COMMON POLICY CONDITIONS

BUSINESSOWNERS

* CP 12 18 10 12 LOSS PAYABLE PROVISIONS
 MP T1 30 02 05 TABLE OF CONTENTS - BUSINESSOWNERS COVERAGE PART - DELUXE PLAN
 MP T1 02 02 05 BUSINESSOWNERS PROPERTY COVERAGE SPECIAL FORM
 MP T3 66 08 15 RESTAURANT AND PERISHABLE GOODS PREMIER ENDORSEMENT
 MP T5 22 08 07 CALIFORNIA AMENDATORY PROVISIONS
 MP T3 06 02 07 SEWER OR DRAIN BACK UP EXTENSION
 MP T3 07 03 97 PROTECTIVE SAFEGUARDS ENDORSEMENT FOR SPRINKLERED LOCATIONS AND RESTAURANTS
 MP T3 25 01 21 FEDERAL TERRORISM RISK INSURANCE ACT DISCLOSURE
 MP T3 50 11 06 EQUIPMENT BREAKDOWN - SERVICE INTERRUPTION LIMITATION
 MP T3 56 02 08 AMENDATORY PROVISIONS - GREEN BUILDING AND BUSINESS PERSONAL PROP COV ENHANCEMENTS
 MP T9 73 02 05 SPOILAGE COVERAGE
 MP T4 90 05 10 LIMIT OF INS/OCCURRENCE ENDT - CALIFORNIA
 MP T5 08 02 20 CALIFORNIA CHANGES

COMMERCIAL GENERAL LIABILITY

* CG T0 07 04 09 DECLARATIONS PREMIUM SCHEDULE
 CG T0 08 07 86 KEY TO DECLARATIONS PREMIUM SCHEDULE
 CG T0 34 02 19 TABLE OF CONTENTS - COMMERCIAL GENERAL LIABILITY COVERAGE FORM CG T1 00 02 19
 CG T1 00 02 19 COMMERCIAL GENERAL LIABILITY COVERAGE FORM
 CG D3 09 02 19 AMENDATORY ENDORSEMENT - PRODUCTS-COMPLETED OPERATIONS HAZARD
 CG D9 10 09 21 AMENDMENT OF INTELLECTUAL PROPERTY EXCLUSION
 * CG D1 05 04 94 BLANKET ADDITIONAL INSURED - OWNERS, LESSEES OR CONTRACTORS
 CG D2 03 12 97 AMEND - NON CUMULATION OF EACH OCC
 CG M3 01 02 05 PRODUCTS/COMPLETED OPERATIONS HAZARDS REDEFINED - CHANGES
 CG D8 42 02 19 XTEND ENDORSEMENT FOR SMALL BUSINESSES
 MP T1 25 11 03 HIRED AUTO AND NON-OWNED AUTO LIABILITY

* TEXT IN THIS FORM HAS CHANGED, OR THE FORM WAS NOT ON POLICY BEFORE.

POLICY NUMBER: 680-A2036190-25-42

EFFECTIVE DATE: 10/11/2025

ISSUE DATE: 10/13/2025

COMMERCIAL GENERAL LIABILITY (CONTINUED)

CG D4 21 07 08 AMEND CONTRAL LIAB EXCL - EXC TO NAMED INS
CG D6 18 10 11 EXCLUSION - VIOLATION OF CONSUMER FINANCIAL PROTECTION
LAWS
CG D9 44 01 23 EXCLUSION - VIOLATION OF BIOMETRIC INFORMATION PRIVACY
LAWS
CG D1 09 08 03 EXCLUSION - COMMUNICABLE DISEASES
CG D1 42 02 19 EXCLUSION - DISCRIMINATION
CG T3 56 07 86 AMENDMENT OF COVERAGE C - MEDICAL PAYMENTS (LIMITED
PRODUCTS HAZARD INCLUSION)

LIQUOR LIABILITY

MP T1 13 11 03 LIQUOR LIABILITY COVERAGE ENDORSEMENT

MULTIPLE SUBLINE ENDORSEMENTS

CG T3 33 11 03 LIMITATION WHEN TWO OR MORE POLICIES APPLY

INTERLINE ENDORSEMENTS

IL T4 12 03 15 AMNDT COMMON POLICY COND-PROHIBITED COVG
IL T4 14 01 21 CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM
IL T4 40 10 20 PROTECTION OF PROPERTY
IL T3 82 05 13 EXCLUSION OF LOSS DUE TO VIRUS OR BACTERIA
IL 00 21 09 08 NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT (BROAD
FORM)
IL 01 04 07 20 CALIFORNIA CHANGES
IL 02 70 07 20 CALIFORNIA CHANGES - CANCELLATION AND NONRENEWAL

POLICY HOLDER NOTICES

PN MP 59 04 19 IMPORTANT NOTICE - PRODUCT AVAILABILITY
PN T4 54 01 08 IMPORTANT NOTICE REGARDING INDEPENDENT AGENT AND
BROKER COMPENSATION
PN MP 57 04 17 IMP NOT PROT SAFEGUARDS SPRK AND REST
PN MP 64 10 23 IMPORTANT INFORMATION ABOUT YOUR CALIFORNIA WILDFIRE
RISK CLASSIFICATION
PN MP 38 01 11 IMPORTANT NOTICE - JURISDICTIONAL INSPECTIONS

* TEXT IN THIS FORM HAS CHANGED, OR THE FORM WAS NOT ON POLICY BEFORE.

TRAVELERS PROPERTY



TRAVELERS PROPERTY

POLICY NUMBER: 680-A2036190-25-42

COMMERCIAL PROPERTY
ISSUE DATE: 10/13/2025

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LOSS PAYABLE PROVISIONS

This endorsement modifies insurance provided under the following:

- BUILDERS' RISK COVERAGE FORM
- BUILDING AND PERSONAL PROPERTY COVERAGE FORM
- CONDOMINIUM ASSOCIATION COVERAGE FORM
- CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM
- STANDARD PROPERTY POLICY

SCHEDULE

Location Number: 001	Building Number: 001	Applicable Clause (Enter C.1., C.2., C.3. or C.4.): C.4
Description Of Property: BUILDING		
Loss Payee Name: CITY OF ALAMEDA C/O RIVERROCK REAL ESTATE GROUP		
Loss Payee Address: 950 W MALL SQ RM 239 ALAMEDA CA 94501-7575		
Location Number:	Building Number:	Applicable Clause (Enter C.1., C.2., C.3. or C.4.):
Description Of Property:		
Loss Payee Name:		
Loss Payee Address:		
Location Number:	Building Number:	Applicable Clause (Enter C.1., C.2., C.3. or C.4.):
Description Of Property:		
Loss Payee Name:		
Loss Payee Address:		
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.		

COMMERCIAL PROPERTY

- A. When this endorsement is attached to the Standard Property Policy **CP 00 99**, the term Coverage Part in this endorsement is replaced by the term Policy.
- B. Nothing in this endorsement increases the applicable Limit of Insurance. We will not pay any Loss Payee more than their financial interest in the Covered Property, and we will not pay more than the applicable Limit of Insurance on the Covered Property.
- C. The following is added to the **Loss Payment** Loss Condition, as indicated in the Declarations or in the Schedule:

1. Loss Payable Clause

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

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

2. Lender's Loss Payable Clause

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

- (1) Warehouse receipts;
- (2) A contract for deed;
- (3) Bills of lading;
- (4) Financing statements; or
- (5) Mortgages, deeds of trust, or security agreements.

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

- (1) We will pay for covered loss or damage to each Loss Payee in their order of precedence, as interests may appear.
- (2) The Loss Payee has the right to receive loss payment even if the Loss Payee has started foreclosure or similar action on the Covered Property.

(3) If we deny your claim because of your acts or because you have failed to comply with the terms of the Coverage Part, the Loss Payee will still have the right to receive loss payment if the Loss Payee:

- (a) Pays any premium due under this Coverage Part at our request if you have failed to do so;
- (b) Submits a signed, sworn proof of loss within 60 days after receiving notice from us of your failure to do so; and
- (c) Has notified us of any change in ownership, occupancy or substantial change in risk known to the Loss Payee.

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

(4) If we pay the Loss Payee for any loss or damage and deny payment to you because of your acts or because you have failed to comply with the terms of this Coverage Part:

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

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

c. If we cancel this policy, we will give written notice to the Loss Payee at least:

- (1) 10 days before the effective date of cancellation if we cancel for your nonpayment of premium; or
- (2) 30 days before the effective date of cancellation if we cancel for any other reason.

d. If we elect not to renew this policy, we will give written notice to the Loss Payee at least 10 days before the expiration date of this policy.

3. Contract Of Sale Clause

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

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

4. Building Owner Loss Payable Clause

- a. The Loss Payee shown in the Schedule or in the Declarations is the owner of the described building in which you are a tenant.
- b. We will adjust losses to the described building with the Loss Payee. Any loss payment made to the Loss Payee will satisfy your claims against us for the owner's property.
- c. We will adjust losses to tenants' improvements and betterments with you, unless the lease provides otherwise.

GENERAL LIABILITY



GENERAL LIABILITY

DECLARATIONS PREMIUM SCHEDULE
Issue Date: 10/13/2025

Policy Number: 680-A2036190-25-42

This Schedule applies to the Declarations for the period of 10/11/2025 to 10/11/2026.

It shows all of your known rating classes as of the effective date. Any exceptions will be so noted. This includes all locations you own, rent or occupy.

STATE ZIP	CLASS DESCRIPTION/CODE NUMBER	PREMIUM BASE/ EXPOSURE	RATES	ADVANCE PREMIUM
CA 94501	Liquor Liab - Subject to Premium Audit	s 20,000	8.653	-8

*Subject to Audit

Premium Base Legend:

Premium Base
a = area
c = cost
e = employees
m = admissions
p = payroll
r = receipts

How Rates Apply
per 1000 sq. feet
per \$1000 of total cost
per employee
per 1000 of admissions
per \$1000 of payroll
per \$1000 of receipts

Premium Base
s = gross sales
u = units
t =

How Rates Apply
per \$1000 of gross sales
per unit
This premium base is reserved for unusual applications. Base and how rates apply are shown above.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BLANKET ADDITIONAL INSURED – OWNERS, LESSEES OR CONTRACTORS

This endorsement modifies insurance provided under the following:
COMMERCIAL GENERAL LIABILITY COVERAGE PART

PROVISIONS:

1. WHO IS AN INSURED (SECTION II) is amended to include as an insured any person or organization (called hereafter "additional insured") whom you have agreed in a written contract, executed prior to loss, to name as additional insured, but only with respect to liability arising out of "your work" or your ongoing operations for that additional insured performed by you or for you.
2. With respect to the insurance afforded to Additional Insureds the following conditions apply:
 - a. Limits of Insurance – The following limits of liability apply:
 1. The limits which you agreed to provide; or
 2. The limits shown on the declarations, whichever is less.
 - b. This insurance is excess over any valid and collectible insurance unless you have agreed in a written contract for this insurance to apply on a primary or contributory basis.
3. This insurance does not apply:
 - a. on any basis to any person or organization for whom you have purchased an Owners and Contractors Protective policy.
 - b. to "bodily injury," "property damage," "personal injury," or "advertising injury" arising out of the rendering of or the failure to render any professional services by or for you, including:
 1. The preparing, approving or failing to prepare or approve maps, drawings, opinions, reports, surveys, change orders, designs or specifications; and
 2. Supervisory, inspection or engineering services.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

XTEND ENDORSEMENT FOR SMALL BUSINESSES

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

GENERAL DESCRIPTION OF COVERAGE – This endorsement broadens coverage. However, coverage for any injury, damage or medical expenses described in any of the provisions of this endorsement may be excluded or limited by another endorsement to this Coverage Part, and these coverage broadening provisions do not apply to the extent that coverage is excluded or limited by such an endorsement. The following listing is a general coverage description only. Read all the provisions of this endorsement and the rest of your policy carefully to determine rights, duties, and what is and is not covered.

- | | |
|---|--|
| <p>A. Who Is An Insured – Unnamed Subsidiaries</p> <p>B. Who Is An Insured – Employees And Volunteer Workers – Bodily Injury To Co-Employees And Co-Volunteer Workers</p> | <p>C. Who Is An Insured – Newly Acquired Or Formed Limited Liability Companies</p> <p>D. Incidental Medical Malpractice</p> <p>E. Blanket Waiver Of Subrogation</p> |
|---|--|

PROVISIONS

A. WHO IS AN INSURED – UNNAMED SUBSIDIARIES

The following is added to **SECTION II – WHO IS AN INSURED**:

Any of your subsidiaries, other than a partnership or joint venture, that is not shown as a Named Insured in the Declarations is a Named Insured if:

- a. You are the sole owner of, or maintain an ownership interest of more than 50% in, such subsidiary on the first day of the policy period; and
- b. Such subsidiary is not an insured under similar other insurance.

No such subsidiary is an insured for "bodily injury" or "property damage" that occurred, or "personal and advertising injury" caused by an offense committed:

- a. Before you maintained an ownership interest of more than 50% in such subsidiary; or
- b. After the date, if any, during the policy period that you no longer maintain an ownership interest of more than 50% in such subsidiary.

For purposes of Paragraph 1. of Section II – Who Is An Insured, each such subsidiary will be deemed to be designated in the Declarations as:

- a. A limited liability company;

- b. An organization other than a partnership, joint venture or limited liability company; or

- c. A trust;

as indicated in its name or the documents that govern its structure.

B. WHO IS AN INSURED – EMPLOYEES AND VOLUNTEER WORKERS – BODILY INJURY TO CO-EMPLOYEES AND CO-VOLUNTEER WORKERS

The following is added to Paragraph 2.a.(1) of **SECTION II – WHO IS AN INSURED**:

Paragraphs (1)(a), (b) and (c) above do not apply to "bodily injury" to a co-"employee" while in the course of the co-"employee's" employment by you or performing duties related to the conduct of your business, or to "bodily injury" to your other "volunteer workers" while performing duties related to the conduct of your business.

C. WHO IS AN INSURED – NEWLY ACQUIRED OR FORMED LIMITED LIABILITY COMPANIES

1. The following replaces the first sentence of Paragraph 3. of **SECTION II – WHO IS AN INSURED**:

Any organization you newly acquire or form, other than a partnership or joint venture, and of which you are the sole owner or in which you maintain an ownership interest of more than 50%, will qualify as a Named Insured if

COMMERCIAL GENERAL LIABILITY

there is no other similar insurance available to that organization.

2. The following replaces the last sentence of Paragraph 3. of **SECTION II – WHO IS AN INSURED**:

For the purposes of Paragraph 1. of Section II – Who Is An Insured, each such organization will be deemed to be designated in the Declarations as:

- a. A limited liability company;
 - b. An organization other than a partnership, joint venture or limited liability company; or
 - c. A trust;
- as indicated in its name or the documents that govern its structure.

D. INCIDENTAL MEDICAL MALPRACTICE

1. The following replaces Paragraph b. of the definition of "occurrence" in the **DEFINITIONS** Section:

b. An act or omission committed in providing or failing to provide "incidental medical services", first aid or "Good Samaritan services" to a person, unless you are in the business or occupation of providing professional health care services.

2. The following replaces the last paragraph of Paragraph 2.a.(1) of **SECTION II – WHO IS AN INSURED**:

Unless you are in the business or occupation of providing professional health care services, Paragraphs (1)(a), (b), (c) and (d) above do not apply to "bodily injury" arising out of providing or failing to provide:

- (a) "Incidental medical services" by any of your "employees" who is a nurse, nurse assistant, emergency medical technician, paramedic, athletic trainer, audiologist, dietician, nutritionist, occupational therapist or occupational therapy assistant, physical therapist or speech-language pathologist; or
- (b) First aid or "Good Samaritan services" by any of your "employees" or "volunteer workers", other than an employed or volunteer doctor. Any such "employees" or "volunteer workers" providing or failing to provide first aid or "Good Samaritan services" during their work hours for you will be deemed to be acting within the

scope of their employment by you or performing duties related to the conduct of your business.

3. The following replaces the last sentence of Paragraph 5. of **SECTION III – LIMITS OF INSURANCE**:

For the purposes of determining the applicable Each Occurrence Limit, all related acts or omissions committed in providing or failing to provide "incidental medical services", first aid or "Good Samaritan services" to any one person will be deemed to be one "occurrence".

4. The following exclusion is added to Paragraph 2., **Exclusions**, of **SECTION I – COVERAGES – COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY**:

Sale Of Pharmaceuticals

"Bodily injury" or "property damage" arising out of the violation of a penal statute or ordinance relating to the sale of pharmaceuticals committed by, or with the knowledge or consent of, the insured.

5. The following is added to the **DEFINITIONS** Section:

"Incidental medical services" means:

- a. Medical, surgical, dental, laboratory, x-ray or nursing service or treatment, advice or instruction, or the related furnishing of food or beverages; or
- b. The furnishing or dispensing of drugs or medical, dental, or surgical supplies or appliances.

6. The following is added to Paragraph 4.b., **Excess Insurance**, of **SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS**:

This insurance is excess over any valid and collectible other insurance, whether primary, excess, contingent or on any other basis, that is available to any of your "employees" for "bodily injury" that arises out of providing or failing to provide "incidental medical services" to any person to the extent not subject to Paragraph 2.a.(1) of Section II – Who Is An Insured.

E. BLANKET WAIVER OF SUBROGATION

The following is added to Paragraph 8., **Transfer Of Rights Of Recovery Against Others To Us**,

COMMERCIAL GENERAL LIABILITY

of **SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS:**

If the insured has agreed in a contract or agreement to waive that insured's right of recovery against any person or organization, we waive our right of recovery against such person or organization, but only for payments we make because of:

- a. "Bodily injury" or "property damage" that occurs; or
- b. "Personal and advertising injury" caused by an offense that is committed; subsequent to the execution of the contract or agreement.



EVIDENCE OF PROPERTY INSURANCE

DATE (MM/DD/YYYY)
10/14/2025

THIS EVIDENCE OF PROPERTY INSURANCE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE ADDITIONAL INTEREST NAMED BELOW. THIS EVIDENCE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS EVIDENCE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE ADDITIONAL INTEREST.

AGENCY 1Broker Insurance Services 1615 Hill Road Suite 21 Novato CA 94947		PHONE (A/C, No, Ext): (415) 601-8510	COMPANY Travelers Casualty Insurance Company of America 1 Tower Square 8PBA Hartford CT 06183	
FAX (A/C, No): 0DRK510000	E-MAIL ADDRESS: lmcbride@1brokerins.com			
AGENCY CUSTOMER ID #: 00000086		SUB CODE:		
INSURED Play House, LLC 2319 Central Ave Alameda CA 94501-4513		LOAN NUMBER	POLICY NUMBER 680A2036190	
		EFFECTIVE DATE 10/11/2025	EXPIRATION DATE 10/11/2026	<input type="checkbox"/> CONTINUED UNTIL TERMINATED IF CHECKED
THIS REPLACES PRIOR EVIDENCE DATED:				

PROPERTY INFORMATION

LOCATION/DESCRIPTION
 Loc# 00001/Bldg# 00001
 2319 Central Ave., Alameda, CA 94501 CA 94501-4513

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS EVIDENCE OF PROPERTY INSURANCE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

COVERAGE INFORMATION	PERILS INSURED				AMOUNT OF INSURANCE	DEDUCTIBLE
	BASIC	BROAD	<input checked="" type="checkbox"/> SPECIAL	OTHER		
Business Personal Property - Replacement Cost Valuation Business Income - 12 Months Actual Loss Sustained "Special Form" coverage is comprehensive subject to policy exclusions such as earthquake and flood			<input checked="" type="checkbox"/>		30,500	1,000

REMARKS (Including Special Conditions)

CANCELLATION
 SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

ADDITIONAL INTEREST

NAME AND ADDRESS City of Alameda c/o LPC West LP 950 West Maill Square Alameda CA 94501	<input type="checkbox"/> ADDITIONAL INSURED	<input type="checkbox"/> LENDER'S LOSS PAYABLE	<input checked="" type="checkbox"/> LOSS PAYEE
	<input type="checkbox"/> MORTGAGEE		
	LOAN #		
AUTHORIZED REPRESENTATIVE 			

ADDITIONAL COVERAGES

Ref #	Description RPGPC	Coverage Code RPGPC	Form No.	Edition Date	
Limit 1 10,000	Limit 2	Limit 3	Deductible Amount 1,000	Deductible Type	Premium
Ref #	Description BI from dependent props	Coverage Code BIDP	Form No.	Edition Date	
Limit 1 50,000	Limit 2	Limit 3	Deductible Amount 1,000	Deductible Type	Premium
Ref #	Description Business Income with Extra Expense	Coverage Code BUSIN	Form No.	Edition Date	
Limit 1	Limit 2	Limit 3	Deductible Amount 0	Deductible Type	Premium
Ref #	Description Fine Arts Floater	Coverage Code FIART	Form No.	Edition Date	
Limit 1 25,000	Limit 2	Limit 3	Deductible Amount 1,000	Deductible Type	Premium
Ref #	Description Interrptn Computer Svcs	Coverage Code BICO	Form No.	Edition Date	
Limit 1 25,000	Limit 2	Limit 3	Deductible Amount 1,000	Deductible Type	Premium
Ref #	Description Glass	Coverage Code GLASS	Form No.	Edition Date	
Limit 1	Limit 2	Limit 3	Deductible Amount 1,000	Deductible Type	Premium
Ref #	Description	Coverage Code	Form No.	Edition Date	
Limit 1	Limit 2	Limit 3	Deductible Amount	Deductible Type	Premium
Ref #	Description	Coverage Code	Form No.	Edition Date	
Limit 1	Limit 2	Limit 3	Deductible Amount	Deductible Type	Premium
Ref #	Description	Coverage Code	Form No.	Edition Date	
Limit 1	Limit 2	Limit 3	Deductible Amount	Deductible Type	Premium
Ref #	Description	Coverage Code	Form No.	Edition Date	
Limit 1	Limit 2	Limit 3	Deductible Amount	Deductible Type	Premium

BUSINESSOWNERS PROPERTY COVERAGE SPECIAL 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 Paragraph G – PROPERTY DEFINITIONS.

A. COVERAGE

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

1. Covered Property

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

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

- (1) Completed additions;
- (2) Fences;
- (3) Fixtures, including outdoor fixtures;
- (4) Retaining walls, whether or not attached;
- (5) Permanently attached:
 - (a) Machinery; and
 - (b) Equipment;
- (6) Outdoor swimming pools;
- (7) Personal property owned by you that is used to maintain or service the building or structure or its premises, including:
 - (a) Fire extinguishing equipment;
 - (b) Outdoor furniture;
 - (c) Floor coverings;
 - (d) Lobby and hallway furnishings;
 - (e) Appliances used for refrigerating, ventilating, cooking, dishwashing or laundering;

(f) Lawn maintenance and snow removal equipment; and

(g) Alarm systems; and

(8) If not covered by other insurance:

(a) Additions under construction, alterations and repairs to the building or structure; and

(b) Materials, equipment, supplies and temporary structures, on or within 1,000 feet of the described premises, used for making additions, alterations or repairs to the building or structure.

b. Business Personal Property located in or on the buildings described in the Declarations or in the open (or in a vehicle) within 1,000 feet of the described premises, including:

- (1) Property owned by you and used in your business;
- (2) Property of others that is in your care, custody or control;
- (3) Your use interest as tenant in improvements and betterments. Improvements and betterments are fixtures, alterations, installations or additions:
 - (a) Made a part of the building or structure you rent, lease or occupy but do not own; and
 - (b) You acquired or made at your expense but are not permitted to remove; and
- (4) "Money" and "Securities".

2. Property Not Covered

Unless the following is added by endorsement to this Coverage Form, Covered Property does not include:

BUSINESSOWNERS

- a. Aircraft;
- b. Automobiles held for sale;
- c. Vehicles or self-propelled machines that are:
 - (1) Licensed for use on public roads; or
 - (2) Operated principally away from the described premises;

This paragraph does not apply to:

- (1) Vehicles or self-propelled machines or autos you manufacture, process or warehouse;
- (2) Vehicles or self-propelled machines, other than autos, you hold for sale; or
- (3) Trailers or semi-trailers, except as provided in the Non-Owned Detached Trailers Coverage Extension.
- d. Dams or dikes;
- e. Contraband, or property in the course of illegal transportation or trade;
- f. The cost of excavating, grading, backfilling or filling (except those costs made necessary due to repair of buildings insured under this Coverage Form from a Covered Cause of Loss), reclaiming or restoring land or water;
- g. Water or land whether in its natural state or otherwise (including land on which the property is located), land improvements, growing crops or standing timber;
- h. Outdoor trees, shrubs, plants and lawns, other than "stock" except as provided in the Outdoor Trees, Shrubs, Plants and Lawns Coverage Extension.
- i. The following property while outside of the buildings:
 - (1) Bridges, walks, roadways, patios or other paved surfaces; or
 - (2) Outdoor radio or television antennas, (including satellite dishes) and including their lead-in wiring, masts or towers;

except as provided in the Outdoor Property Coverage Extension;
- j. Watercraft (including motors, equipment and accessories) while afloat;
- k. Accounts and bills, except as provided in the Accounts Receivable Coverage Extension;

- l. "Valuable Papers and Records", except as provided in the Valuable Papers and Records Coverage Extension;
- m. Property that is covered under another Coverage Form of this or any other policy in which it is more specifically described, except for the excess of the amount due (whether you can collect on it or not) from that other insurance;
- n. "Fine Arts" except as provided in the Fine Arts Additional Coverage;
- o. Bullion, gold, silver, platinum and other precious alloys or metals, except if they are used in your "operations" (theft limitation applies);
- p. "Electronic Data Processing Equipment" (not including "stock") except as provided in the Electronic Data Processing Coverage Extension;
- q. "Electronic Data Processing Data and Media" (not including "stock") except as provided in the Electronic Data Processing Coverage Extension or in the Accounts Receivable Coverage Extension; or
- r. Outdoor signs, except as provided in the Signs Coverage Extension.

3. Business Income and Extra Expense

Business Income and Extra Expense is provided at the premises described in the Declarations when the Declarations show that you have coverage for Business Income and Extra Expense.

a. Business Income

(1) Business Income means:

- (a) Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred, including:
 - (i) "Rental Value"; and
 - (ii) "Maintenance Fees", if you are a condominium association; and

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

(2) We will pay for the actual loss of Business Income you sustain due to the necessary "suspension" of your "operations" during the "period of restoration". The "suspension" must be

caused by direct physical loss of or damage to property at the described premises. The loss or damage must be caused by or result from a Covered Cause of Loss. With respect to loss of or damage to personal property in the open or personal property in a vehicle, the described premises include the area within 1,000 feet of the site at which the described premises are located.

- (3) With respect to the requirements set forth in Paragraph (2) above, if you rent, lease or occupy only part of the site at which the described premises are located, the described premises means:

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

b. Extra Expense

- (1) Extra Expense means reasonable and necessary expenses you incur during the "period of restoration" that you would not have incurred if there had been no direct physical loss of or damage to property caused by or resulting from a Covered Cause of Loss.
- (2) We will pay Extra Expense (other than the expense to repair or replace property) to:
 - (a) Avoid or minimize the "suspension" of business and to continue "operations" at the described premises or at replacement premises or temporary locations, including relocation expenses and costs to equip and operate the replacement premises or temporary locations; or
 - (b) Minimize the "suspension" of business if you cannot continue "operations".
- (3) We will also pay Extra Expense (including Expediting Expenses) to repair or replace the property, but only

to the extent it reduces the amount of loss that otherwise would have been payable under Paragraph a. Business Income, above.

c. Extended Business Income

If the necessary "suspension" of your "operations" produces a Business Income loss payable under Paragraph a. Business Income above, we will also pay for the actual loss of Business Income you sustain during the period that:

- (1) Begins on the date property is actually repaired, rebuilt or replaced and "operations" are resumed; and
- (2) Ends on the earlier of:
 - (a) The date you could restore your "operations" with reasonable speed, to the level which would generate the Business Income amount that would have existed if no direct physical loss or damage occurred; or
 - (b) Sixty consecutive days after the date determined in Paragraph (1) above.

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

d. If the Declarations show for Business Income and Extra Expense:

- (1) Actual loss for 12 consecutive months, then we will pay for loss of Business Income and Extra Expense that occurs within 12 consecutive months following the date of direct physical loss or damage; or
- (2) Actual loss up to 12 consecutive months subject to a maximum dollar limit, then we will pay for loss of Business Income and Extra Expense that occurs within 12 consecutive months following the date of direct physical loss or damage, subject to the limit shown in any one occurrence.

4. Covered Causes of Loss

RISKS OF DIRECT PHYSICAL LOSS unless the loss is:

BUSINESSOWNERS

- a. Limited in Paragraph **A.5.**, Limitations; or
- b. Excluded in Paragraph **B.**, Exclusions.

5. Limitations

- a. We will not pay for loss of or damage to:
 - (1) The "interior of any building or structure" or to personal property in the building or structure, caused by rain, snow, sleet, ice, sand or dust, whether driven by wind or not, unless:
 - (a) The building or structure first sustains damage by a Covered Cause of Loss to its roof or walls through which the rain, snow, sleet, ice, sand or dust enters; or
 - (b) The loss or damage is caused by or results from thawing of snow, sleet or ice on the building or structure.
 - (2) Steam boilers, steam pipes, steam engines, or steam turbines, caused by or resulting from any condition or event inside such equipment. But we will pay for loss of or damage to such equipment caused by or resulting from an explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.
 - (3) Hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment, other than explosion.
- b. We will not pay for loss of or damage to the following types of property unless caused by any of the "specified causes of loss" or building glass breakage:
 - (1) Live animals, birds or fish, and then only if they are killed or their destruction is made necessary.
 - (2) Fragile articles such as glassware, statuary, marbles, chinaware and porcelains, if broken. This limitation does not apply to:
 - (a) Glass that is part of the exterior or interior of a building or structure;

- (b) Containers of property held for sale; or
- (c) Photographic or scientific instrument lenses.

- c. For loss or damage by "theft", the most we will pay in any one occurrence for the following types of property is:
 - (1) \$2,500 for all furs, fur garments and garments trimmed with fur.
 - (2) \$5,000 for all jewelry, watches, watch movements, jewels, pearls, precious and semi-precious stones, bullion, gold, silver, platinum and other precious alloys or metals. This limit does not apply to jewelry and watches worth \$500 or less per item.
 - (3) \$2,500 for all patterns, dies, molds and forms.
- d. We will not pay for any loss or damage caused by any of the following, even if they are Covered Causes of Loss, if the building where loss or damage occurs has been "vacant" for more than 60 consecutive days before that loss or damage occurs:
 - (1) Vandalism;
 - (2) Sprinkler Leakage, unless you have protected the system against freezing;
 - (3) Building glass breakage;
 - (4) Discharge or leakage of water;
 - (5) "Theft"; or
 - (6) Attempted "theft".

With respect to Covered Causes of Loss other than those listed in Paragraphs (1) through (6) above, we will reduce the amount we would otherwise pay for the loss or damage by 15%.

- e. Coverage for Business Income and Extra Expense does not apply to any loss or increase in loss caused by direct physical loss of or damage to "Electronic Data Processing Data and Media", except as provided in the Interruption of Computer Operations Coverage Extension.

6. Additional Coverages

Unless otherwise stated, payments made under the following Additional Coverages are in addition to the applicable Limits of Insurance.

a. Arson and Theft Reward

- (1) We will pay for reasonable expenses you incur for rewards that lead to:
 - (a) An arson conviction in connection with a covered fire or explosion loss, or
 - (b) A "theft" conviction in connection with a covered "theft" loss.
- (2) The most we will pay under this Additional Coverage in connection with a particular loss is \$5,000.

b. Claim Data Expense

- (1) We will pay the reasonable expenses you incur in preparing claim data when we require such data to show the extent of loss. This includes the cost of taking inventories, making appraisals, preparing income statements, and preparing other documentation.
- (2) Under this Additional Coverage, we will not pay for:
 - (a) Any expenses incurred, directed, or billed by or payable to attorneys, insurance adjusters or their associates or subsidiaries;
 - (b) Any costs in connection with Paragraph E.2., Appraisal; or
 - (c) Any expenses incurred, directed, or billed by or payable to insurance brokers or agents, or their associates or subsidiaries, without our written consent prior to such expenses being incurred.
- (3) The most we will pay for preparation of claim data under this Additional Coverage in any one occurrence is \$5,000 regardless of the number of premises involved.

c. Debris Removal

- (1) We will pay your expense to remove debris of Covered Property, other than outdoor trees, shrubs, plants and lawns as described in the Outdoor Trees, Shrubs, Plants and Lawns Coverage Extension, caused by or resulting from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writ-

ing within 180 days of the date of direct physical loss or damage.

- (2) Debris Removal does not apply to costs to:
 - (a) Extract "pollutants" from land or water; or
 - (b) Remove, restore or replace polluted land or water.
- (3) Except as provided in Paragraph (4) below, payment for Debris Removal is included within the applicable Limit of Insurance shown in the Declarations. The most we will pay under this Additional Coverage is 25% of:
 - (a) The amount we pay for the direct physical loss or damage to Covered Property; plus
 - (b) The deductible in this Coverage Form applicable to that loss or damage.
- (4) When the debris removal expense exceeds the 25% limitation in Paragraph (3) above or when the sum of the debris removal expense and the amount we pay for the direct physical loss of or damage to Covered Property exceeds the applicable Limit of Insurance, we will pay up to an additional \$25,000 for debris removal expense in any one occurrence, at each described premises.

d. Employee Dishonesty

- (1) We will pay for loss of or damage to Covered Property resulting directly from "employee dishonesty".
We will pay for loss or damage you sustain through acts committed or events occurring during the Policy Period. Regardless of the number of years this insurance remains in force or the number of premiums paid, no Limit of Insurance cumulates year to year or period to period.
- (2) Paragraphs B.2.h. and B.2.o. do not apply to this Additional Coverage.
- (3) We will not pay for loss resulting from the dishonest acts of any "employee" if coverage for that "employee" was either cancelled or excluded from any previous insurance policy of yours

BUSINESSOWNERS

providing "employee dishonesty" coverage.

(4) This Additional Coverage is cancelled as to any "employee" immediately upon discovery by:

(a) You; or

(b) Any of your partners, "members", "managers", officers, directors or trustees, not in collusion with the "employee",

of any fraudulent dishonest act committed by that "employee" before or after being employed by you.

(5) We will pay for covered loss or damage only if discovered no later than one year from the end of the Policy Period.

(6) The most we will pay for loss or damage under this Additional Coverage in any one occurrence is \$25,000.

(7) With respect to this Additional Coverage, occurrence means all loss or damage caused by or involving the same "employee(s)" whether the result of a single act or series of acts.

(8) If, during the period of any prior "Employee Dishonesty" insurance, you (or any predecessor in interest) sustained loss or damage that you could have recovered under that insurance, except that the time within which to discover loss or damage has expired, we will pay for it under this Additional Coverage, subject to the following:

(a) This insurance became effective at the time of cancellation or termination of the prior insurance; and

(b) The loss or damage would have been covered by this insurance had it been in effect when the acts or events causing the loss or damage were committed or occurred.

(9) The insurance provided under Paragraph (8) above is part of, not in addition to the Limit of Insurance described in Paragraph (6) above and is limited to the lesser of the amount recoverable under:

(a) This Additional Coverage, as of its effective date; or

(b) The prior "Employee Dishonesty" insurance, had it remained in effect.

e. Expediting Expenses

(1) In the event of direct physical loss of or damage to Covered Property caused by or resulting from a Covered Cause of Loss, we will pay for the reasonable and necessary additional expenses you incur to make temporary repairs, expedite permanent repairs, or expedite permanent replacement, at the premises sustaining loss or damage. Expediting expenses include overtime wages and the extra cost of express or other rapid means of transportation. Expediting expenses do not include expenses you incur for the temporary rental of property or temporary replacement of damaged property.

(2) With respect to this Additional Coverage, "breakdown" to "covered equipment" will not be considered a Covered Cause of Loss, even if otherwise covered elsewhere in this Coverage Form.

(3) The most we will pay under this Additional Coverage in any one occurrence is \$25,000, regardless of the number of premises involved.

f. Fine Arts

(1) When a Limit of Insurance is shown in the Declarations for Business Personal Property at any described premises, we will pay for direct physical loss of or damage to "fine arts" which are owned by:

(a) You; or

(b) Others and in your care, custody, or control;

caused by or resulting from a Covered Cause of Loss, including while on exhibit, anywhere within the Coverage Territory.

(2) The breakage limitation under Paragraph A.5.b.(2) does not apply to this Additional Coverage.

(3) The following exclusions apply to this Additional Coverage:

- (a)** We will not pay for loss or damage caused by or resulting from wear and tear, any quality in the property that causes it to damage or destroy itself, gradual deterioration, insects, birds, rodents or other animals;
- (b)** We will not pay for loss or damage caused by or resulting from dampness or dryness of atmosphere, or changes in or extremes of temperature;
- (c)** We will not pay for loss or damage caused by or resulting from any repairing, restoration or re-touching process;
- (d)** We will not pay for loss or damage caused by or resulting from faulty packing;
- (e)** Paragraph **B.1.b.** Earth Movement;
- (f)** Paragraph **B.1.c.** Governmental Action;
- (g)** Paragraph **B.1.d.** Nuclear Hazard;
- (h)** Paragraph **B.1.f.** War and Military Action;
- (i)** Paragraph **B.1.g.** Water;
- (j)** Paragraph **B.1.h.** Neglect; and
- (k)** Paragraph **B.2.g.**

No other exclusions in Paragraph **B.** Exclusions apply to this Additional Coverage. However, if any exclusions are added by endorsement to this Coverage Form, such exclusions will apply to this Additional Coverage.

(4) The most we pay for loss or damage under this Additional Coverage in any one occurrence is \$25,000, or the amount shown in the Declarations for "fine arts", whichever is greater. This limit applies regardless of the number of premises involved.**g. Fire Department Service Charge**

When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay up to \$25,000 in any one occurrence for your

liability for fire department service charges:

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

h. Fire Protective Equipment Discharge

(1) If fire protective equipment discharges accidentally or to control a Covered Cause of Loss we will pay your cost to:

- (a)** Refill or recharge the system with the extinguishing agents that were discharged; and
- (b)** Replace or repair faulty valves or controls which caused the discharge.

(2) The most we will pay under this Additional Coverage in any one occurrence is \$10,000, regardless of the number of premises involved.

i. Forgery or Alteration

(1) We will pay for loss resulting directly from "forgery" or alteration of checks, drafts, promissory notes, or similar written promises, orders or directions to pay a sum certain in money that are made or drawn by or drawn upon you, or made or drawn by one acting as an agent or purported to have been so made or drawn.

We will consider signatures that are produced or reproduced electronically, mechanically or by facsimile the same as handwritten signatures.

We will pay for loss that you sustain through acts committed or events occurring during the Policy Period. Regardless of the number of years this insurance remains in force or the number of premiums paid, no Limit of Insurance cumulates from year to year or period to period.

(2) We will not pay for loss resulting from any dishonest or criminal acts committed by you or any of your partners, "employees", "members", "managers", officers, directors or trustees whether acting alone or in collusion with other persons.

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- (3)** We will pay for covered loss discovered no later than one year from the end of the Policy Period.
- (4)** The most we will pay for loss under this Additional Coverage in any one occurrence is \$25,000, regardless of the number of premises involved.
- (5)** With respect to this Additional Coverage, occurrence means all loss caused by any person, or in which that person is concerned or implicated, either resulting from a single act or any number of such acts, whether the loss involves one or more instruments.
- (6)** If, during the period of any prior Forgery or Alteration insurance, you (or any predecessor in interest) sustained loss or damage that you could have recovered under that insurance, except that the time within which to discover loss or damage has expired, we will pay for it under this Additional Coverage provided:
 - (a)** This insurance became effective at the time of cancellation or termination of the prior insurance; and
 - (b)** The loss would have been covered by this insurance had it been in effect when the acts or events causing the loss were committed or occurred.
- (7)** The insurance provided under Paragraph **(6)** above is part of, and not in addition to the limit described in Paragraph **(4)** above and is limited to the lesser of the amount recoverable under:
 - (a)** This Additional Coverage up to the applicable Limit of Insurance under this Coverage Form, as of its effective date; or
 - (b)** The prior Forgery or Alteration insurance, had it remained in effect.
- (8)** If you are sued for refusing to pay any covered instrument described in Paragraph **(1)** above on the basis that it has been forged or altered, and you have our written consent to de-

fend against the suit, we will pay for any reasonable legal expenses that you incur and pay in that defense. The amount we will pay for these legal expenses will be part of and not in addition to the limit described in Paragraph **(4)** above.

j. Newly Acquired or Constructed Property

(1) Buildings

(a) We will pay for direct physical loss of or damage to the following property caused by or resulting from a Covered Cause of Loss:

(i) Your:

- a)** New buildings while being built on a premises shown in the Declarations;
- b)** New buildings while being built on newly acquired premises; and
- c)** Materials, equipment, supplies and temporary structures used in connection with such buildings while they are being built; or

(ii) Buildings you acquire by purchase or lease at any premises, including those premises shown in the Declarations.

(b) The most we will pay for loss of or damage to newly constructed buildings or newly acquired buildings under this Additional Coverage in any one occurrence is \$500,000 at each premises.

(2) Business Personal Property

(a) When a Limit of Insurance is shown in the Declarations for Business Personal Property at any described premises, we will pay for direct physical loss of or damage to the following property caused by or resulting from a Covered Cause of Loss:

- (i)** Business Personal Property, including such property that you newly acquire, at a build-

ing you acquire by purchase or lease at any premises, including those premises shown in the Declarations; and

- (ii) Business Personal Property that you newly acquire at a described premises.
- (b) The most we will pay for loss of or damage to Business Personal Property under this Additional Coverage in any one occurrence is \$250,000 at each premises.

(3) Period Of Coverage

- (a) With respect to insurance under this Additional Coverage, coverage will end when any of the following first occurs:
 - (i) This policy expires;
 - (ii) 180 days expire after you acquire the property or begin to construct the property;
 - (iii) You report values to us; or
 - (iv) The property is more specifically insured.
- (b) We will charge you additional premium for values reported to us from the date construction begins or you acquire the property.

k. Ordinance or Law

- (1) In the event of damage by a Covered Cause of Loss to a building that is Covered Property, we will pay for:
 - (a) Loss in value of the undamaged portion of the building as a consequence of enforcement of the minimum requirements of any ordinance or law that requires the demolition of undamaged parts of the same building;
 - (b) Demolition cost, meaning the cost to demolish and clear the site of undamaged parts of the same building as a consequence of enforcement of the minimum requirements of any ordinance or law that required demolition of such undamaged property; and
 - (c) The increased cost of construction, meaning the increased cost to repair, rebuild or construct the

property as a consequence of enforcement of the minimum requirements of any ordinance or law. This increased cost of construction coverage applies only if:

- (i) The building is insured for replacement cost;
- (ii) The building is repaired, rebuilt or reconstructed; and
- (iii) The repaired, rebuilt or reconstructed building is intended for similar occupancy as the current building, unless otherwise required by zoning or land use ordinance or law.

- (2) The ordinance or law referred to in this Additional Coverage is an ordinance or Law that:

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

- (3) We will not pay under this Additional Coverage for:

- (a) Loss due to any ordinance or law that:
 - (i) You were required to comply with before the loss, even if the building was undamaged; and
 - (ii) You failed to comply with; or
- (b) Costs associated with the enforcement of any ordinance or law that 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".

- (4) Paragraph **B.1.a.** does not apply to this Additional Coverage.
- (5) Subject to the limit described in Paragraph **(6)** below:
 - (a) The insurance provided under this Additional Coverage for loss in value to the undamaged portion of the building is limited as follows:

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- (i) If Replacement Cost Coverage applies and the building is repaired or replaced on the same or another premises, we will not pay more than the lesser of:
 - a) The amount you actually spend to repair, rebuild or reconstruct the undamaged portion of the building; or
 - b) The amount it would cost to restore the undamaged portion of the building on the same premises and to the same height, floor area, style and comparable quality of the original undamaged portion of the building; or
- (ii) If Replacement Cost Coverage applies and the building is not repaired or replaced, or if Replacement Cost Coverage does not apply, we will not pay more than the actual cash value of the undamaged portion of the building at the time of loss.
- (b) We will not pay more for demolition costs than the amount you actually spend to demolish and clear the site of the described premises.
- (c) The insurance provided under this Additional Coverage for increased cost of construction is limited as follows:
 - (i) If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay is the increased cost of construction at the same premises; or
 - (ii) If the ordinance or law requires relocation to another premises, the most we will pay is the increased cost of construction at the new premises.
- (6) The most we will pay for loss under this Additional Coverage for the total of all coverages described in Paragraph (1) above in any one occurrence is \$25,000 at each described premises.
- I. Outdoor Trees, Shrubs, Plants and Lawns**
 - (1) We will pay for direct physical loss of or damage to outdoor trees, shrubs, plants (other than "stock" of trees, shrubs or plants) and lawns located at the described premises caused by or resulting from a Covered Cause of Loss.
 - (2) The most we will pay for loss or damage under this Additional Coverage in any one occurrence is \$3,000 at each described premises.
 - (3) Debris removal, because of covered loss or damage to outdoor trees, shrubs, plants and lawns, is included within the limits described in Paragraph (2) above.
- m. Pollutant Cleanup and Removal**
 - (1) We will pay your necessary and reasonable expense to extract "pollutants" from land or water at the described premises, if the discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused by or results from a "specified cause of loss" which occurs:
 - (a) At the described premises;
 - (b) To Covered Property; and
 - (c) During the policy period.
 - (2) The expenses will be paid only if they are reported to us in writing within 180 days of the date on which the "specified cause of loss" occurs.
 - (3) This Additional Coverage does not apply to costs to test for, monitor or assess the existence, concentration or effects of "pollutants". But we will pay for testing which is performed in the course of extracting the "pollutants" from the land or water.
 - (4) The most we will pay under this Additional Coverage is \$25,000 for the sum of all covered expenses arising

out of all Covered Causes of Loss occurring during each separate 12 month period of this policy beginning with the effective date of this policy. This amount applies regardless of the number of premises involved.

n. Preservation of Property

(1) If it is necessary to move Covered Property from the described premises to preserve it from loss or damage by a Covered Cause of Loss, we will pay for:

(a) Any direct physical loss of or damage to such property while:

(i) Being moved; or

(ii) Temporarily stored at another location only if the loss or damage occurs within 90 days after the property is first moved; and

(b) The costs incurred to:

(i) Remove such property from the described premises; and

(ii) Return such property to the described premises.

(2) Coverage under this Additional Coverage will end when any of the following first occurs:

(a) When the policy is amended to provide insurance at the new location;

(b) The property is returned to the original described premises;

(c) 90 days expire after the property is first moved; or

(d) This policy expires.

(3) Payments under this Additional Coverage are subject to and not in addition to the applicable Limit of Insurance.

o. Temporary Relocation of Property

(1) If Covered Property is removed from the described premises and stored temporarily at a location you own, lease or operate while the described premises is being renovated or remodeled, we will pay for direct physical loss of or damage to that stored property:

(a) Caused by or resulting from a Covered Cause of Loss;

(b) Up to \$50,000 at each temporary location in any one occurrence; and

(c) During the storage period of up to 90 consecutive days but not beyond expiration of this policy.

(2) This Additional Coverage does not apply if the stored property is more specifically insured.

p. Water Damage, Other Liquids, Powder or Molten Material Damage

(1) If loss or damage caused by or resulting from covered water or other liquid, powder or molten material damage occurs, we will also pay the cost to tear out and replace any part of the building or structure to repair damage to the system or appliance from which the water or other substance escapes.

(2) We will not pay the cost to repair any defect to a system or appliance from which the water, other liquid, powder or molten material escapes. But we will pay the cost to repair or replace damaged parts of fire extinguishing equipment if the damage:

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

(b) Is directly caused by freezing.

(3) Payments under this Additional Coverage are subject to and not in addition to the applicable Limit of Insurance.

7. Coverage Extensions

Unless otherwise stated, payments made under the following Coverage Extensions are subject to and not in addition to the applicable Limits of Insurance.

a. Accounts Receivable

(1) When a Limit of Insurance is shown in the Declarations for Business Personal Property at the described premises, you may extend that insurance to apply to loss, as described in Paragraph (2) below, due to direct physical loss of or damage to your

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records of accounts receivable (including those on electronic data processing media) caused by or resulting from a Covered Cause of Loss. Credit card company media will be considered accounts receivable until delivered to the credit card company.

- (2) We will pay for:
- (a) All amounts due from your customers that you are unable to collect;
 - (b) Interest charges on any loan required to offset amounts you are unable to collect pending our payment of these amounts;
 - (c) Collection expenses in excess of your normal collection expenses that are made necessary by the loss or damage; and
 - (d) Other reasonable expenses that you incur to re-establish your records of accounts receivable.
- (3) The following exclusions apply to this Coverage Extension:
- (a) We will not pay for loss caused by or resulting from bookkeeping, accounting or billing errors or omissions;
 - (b) We will not pay for loss that requires an audit of records or any inventory computation to prove its factual existence;
 - (c) We will not pay for loss caused by or resulting from alteration, falsification, concealment or destruction of records of accounts receivable done to conceal the wrongful giving, taking or withholding of money, securities or other property. But this exclusion applies only to the extent of the wrongful giving, taking or withholding;
 - (d) Paragraph **B.1.b.** Earth Movement;
 - (e) Paragraph **B.1.c.** Governmental Action;
 - (f) Paragraph **B.1.d.** Nuclear Hazard;

(g) Paragraph **B.1.f.** War and Military Action;

(h) Paragraph **B.1.g.** Water;

(i) Paragraph **B.1.h.** Neglect; and

(j) Paragraph **B.2.g.**

No other exclusions in Paragraph **B.** Exclusions apply to this Coverage Extension. However, if any exclusions are added by endorsement to this Coverage Form, such exclusions will apply to this Coverage Extension.

- (4) The most we will pay under this Coverage Extension for loss of or damage to records of accounts receivable in any one occurrence while in transit or at a premises other than the described premises is \$25,000.
 - (5) The most we will pay under this Coverage Extension for loss of or damage to records of accounts receivable in any one occurrence at each described premises is \$25,000 or the amount shown in the Declarations for Accounts Receivable, whichever is greater.
 - (6) Payments made under this Coverage Extension are in addition to the applicable Limits of Insurance.
- b. Appurtenant Buildings and Structures**
- (1) When a Limit of Insurance is shown in the Declarations for Building at the described premises, you may extend that insurance to apply to direct physical loss of or damage to incidental appurtenant buildings or structures, within 1,000 feet of that described premises, caused by or resulting from a Covered Cause of Loss.
 - (2) When a Limit of Insurance is shown in the Declarations for Business Personal Property at the described premises, you may extend that insurance to apply to direct physical loss of or damage to Business Personal Property within incidental appurtenant buildings or structures within 1,000 feet of that described premises, caused by or resulting from a Covered Cause of Loss.

(3) Incidental appurtenant buildings or structures include:

- (a)** Storage buildings;
- (b)** Carports;
- (c)** Garages;
- (d)** Pump houses; or
- (e)** Above ground tanks;

which have not been specifically described in the Declarations.

(4) The most we will pay for loss or damage under this Coverage Extension in any one occurrence for any combination of loss of or damage to Building and Business Personal Property is \$50,000, regardless of the number of described premises involved.

(5) Payments made under this Coverage Extension are in addition to the applicable Limits of Insurance.

c. Building Glass

(1) If:

- (a)** You are the building owner; and
- (b)** A Limit of Insurance is shown in the Declarations for Building at the described premises;

you may extend that insurance to apply to direct physical loss of or damage to all exterior and interior building glass caused by or resulting from a Covered Cause of Loss, including glass breakage and damage to glass by chemicals accidentally or maliciously applied to glass.

(2) If:

- (a)** You are a tenant;
- (b)** A Limit of Insurance is shown in the Declarations for Building or Business Personal Property at the described premises; and
- (c)** You are contractually obligated to repair or replace building glass at the described premises;

you may extend that insurance to apply to direct physical loss of or damage to all exterior and interior building glass caused by or resulting from a Covered Cause of Loss, including glass breakage and damage to glass

by chemicals accidentally or maliciously applied to glass.

(3) We will also pay for necessary expenses in connection with loss or damage covered in Paragraphs **(1)** or **(2)** above, incurred by you to:

- (a)** Put up temporary plates or board up openings;
- (b)** Repair or replace encasing frames; and
- (c)** Remove or replace obstructions.

(4) The following exclusions apply to this Coverage Extension:

- (a)** We will not pay for loss or damage caused by or resulting from:
 - (i)** Wear and tear;
 - (ii)** Hidden or latent defect;
 - (iii)** Corrosion; or
 - (iv)** Rust;
- (b)** Paragraph **B.1.b.** Earth Movement;
- (c)** Paragraph **B.1.c.** Governmental Action;
- (d)** Paragraph **B.1.d.** Nuclear Hazard;
- (e)** Paragraph **B.1.f.** War and Military Action; and
- (f)** Paragraph **B.1.g.** Water.

No other exclusions in Paragraph **B.** Exclusions apply to this Coverage Extension. However, if any exclusions are added by endorsement to this Coverage Form, such exclusions will apply to this Coverage Extension.

d. Business Income and Extra Expense From Dependent Property

(1) When the Declarations show that you have coverage for Business Income and Extra Expense, you may extend that insurance to apply to the actual loss of Business Income you sustain and reasonable and necessary Extra Expense you incur due to the "suspension" of your "operations" during the "period of restoration". The "suspension" must be caused by direct physical loss or damage at the premises of a Dependent Property, caused

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by or resulting from a Covered Cause of Loss.

- (2)** Dependent Property means property operated by others whom you depend on to:
 - (a)** Deliver materials or services (other than "water supply services", "communication supply services" or "power supply services") to you, or to others for your account (Contributing Locations);
 - (b)** Accept your products or services (Recipient Locations);
 - (c)** Manufacture products for delivery to your customers under contract of sale (Manufacturing Locations); or
 - (d)** Attract customers to your business (Leader Locations).
- (3)** With respect to this Coverage Extension, the "period of restoration":
 - (a)** Begins 24 hours after the time of direct physical loss or damage caused by or resulting from any Covered Cause of Loss at the premises of the Dependent Property;
 - (b)** Ends on the date when the property at the premises of the Dependent Property should be repaired, rebuilt or replaced with reasonable speed and similar quality; and
 - (c)** Does not include any increased period required due to the enforcement of any ordinance or law that:
 - (i)** Regulates the construction, use or repair, or requires the tearing down of any property; or
 - (ii)** Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".

- (4)** This Coverage Extension:
 - (a)** Applies to Dependent Property premises located within the Coverage Territory; and
 - (b)** Does not apply when you have more specific insurance under any other policy.
- (5)** We will reduce the amount of your Business Income loss, other than Extra Expense, to the extent you can resume "operations" in whole or in part, by using any other available:
 - (a)** Source of materials; or
 - (b)** Outlet for your products.
- (6)** The most we will pay for Business Income and Extra Expense under this Coverage Extension in any one occurrence is \$10,000, regardless of the number of described premises or number of Dependent Properties involved.
- (7)** Payments made under this Coverage Extension are in addition to the applicable Limits of Insurance.

e. Business Income and Extra Expense – Newly Acquired Premises

- (1)** When the Declarations show that you have coverage for Business Income and Extra Expense, you may extend that insurance to apply to the actual loss of Business Income you sustain and reasonable and necessary Extra Expense you incur due to the "suspension" of your "operations" during the "period of restoration". The "suspension" must be caused by direct physical loss or damage caused by or resulting from a Covered Cause of Loss at any premises you newly acquire by purchase or lease (other than at fairs, trade shows or exhibitions).
- (2)** The most we will pay under this Coverage Extension for the sum of Business Income and Extra Expense you incur in any one occurrence is \$250,000 at each newly acquired premises.
- (3)** Insurance under this Coverage Extension for each newly acquired

premises will end when any of the following first occurs:

- (a) This policy expires;
- (b) 90 days expire after you acquire that premises;
- (c) You report that premises to us; or
- (d) The Business Income or Extra Expense is more specifically insured.

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

- (4) Payments made under this Coverage Extension are in addition to the applicable Limits of Insurance.

f. Business Personal Property Off Premises

- (1) When a Limit of Insurance is shown in the Declarations for Business Personal Property at the described premises, you may extend that insurance to apply to direct physical loss of or damage to such property caused by or resulting from a Covered Cause of Loss while:

- (a) In the course of transit to or from the described premises; or
- (b) Temporarily away from the described premises, and:
 - (i) At a premises you do not own, lease or operate; or
 - (ii) At any fair, trade show or exhibition at a premises you do not own or regularly occupy.

- (2) This Coverage Extension does not apply to property:

- (a) While in the custody of the United States Postal Service;
- (b) Rented or leased to others;
- (c) After delivery to customers;
- (d) In the care, custody or control of your salespersons, unless the property is in such care, custody or control at a fair, trade show or exhibition;
- (e) Temporarily at a premises for more than 60 consecutive days, except "money" and "securities" at a "banking premises";

- (f) Otherwise covered under the Fine Arts Additional Coverage; or

- (g) Otherwise covered under the following Coverage Extensions:

- (i) Accounts Receivable;
- (ii) Electronic Data Processing;
- (iii) Personal Effects; or
- (iv) Valuable Papers and Records.

g. Civil Authority

- (1) When the Declarations show that you have coverage for Business Income and Extra Expense, you may extend that insurance to apply to the actual loss of Business Income you sustain and reasonable and necessary Extra Expense you incur caused by action of civil authority that prohibits access to the described premises. The civil authority action must be due to direct physical loss of or damage to property at locations, other than described premises, that are within 100 miles of the described premises, caused by or resulting from a Covered Cause of Loss.
- (2) The coverage for Business Income will begin 24 hours after the time of that action and will apply for a period of three consecutive weeks after coverage begins.
- (3) The coverage for Extra Expense will begin immediately after the time of that action and will end when your Business Income coverage ends for this Coverage Extension.

h. Electronic Data Processing

- (1) When a Limit of Insurance is shown in the Declarations for Business Personal Property at the described premises, you may extend that insurance to apply to direct physical loss of or damage to "Electronic Data Processing Equipment" and to "Electronic Data Processing Data and Media", caused by or resulting from a Covered Cause of Loss.
- (2) Worldwide coverage is provided under this Coverage Extension. The coverage territory as described in

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Paragraph **F.8.b.** does not apply to this Coverage Extension.

- (3)** This Coverage Extension does not apply to:
 - (a)** "Stock"; or
 - (b)** Property that is leased or rented to others.
- (4)** The following exclusions as described in Paragraph **B.** Exclusions do not apply to this Coverage Extension:
 - (a)** Paragraph **1.e.** Utility Services;
 - (b)** Paragraph **2.a.**; or
 - (c)** Paragraph **2.d.(6).**
- (5)** The following additional exclusions apply to this Coverage Extension:
 - (a)** We will not pay for loss or damage caused by or resulting from any of the following:
 - (i)** Programming errors, omissions or incorrect instructions to a machine. But if programming errors, omissions or incorrect instructions to a machine results in a "specified cause of loss" or mechanical breakdown of "Electronic Data Processing Equipment", we will pay for the loss or damage caused by that "specified cause of loss" or mechanical breakdown of "Electronic Data Processing Equipment";
 - (ii)** Unauthorized viewing, copying or use of "Electronic Data Processing Data and Media" (or any proprietary or confidential information or intellectual property) by any person, even if such activity is characterized as "theft";
 - (iii)** Errors or deficiency in design, installation, maintenance, repair or modification of your computer systems or any computer system or network to which your system is connected or on which your system depends (including electronic data). But if errors or

deficiency in design, installation, maintenance, repair or modification of your computer system or any computer system or network to which your system is connected or on which your system depends (including electronic data) results in a "specified cause of loss" or mechanical breakdown of "Electronic Data Processing Equipment", we will pay for the loss or damage caused by that "specified cause of loss" or mechanical breakdown of "Electronic Data Processing Equipment";

- (iv)** Unexplained or indeterminable failure, malfunction or slowdown of a computer system, including "Electronic Data Processing Data and Media" or the inability to access or properly manipulate "Electronic Data Processing Data and Media"; or
- (v)** "Electronic Vandalism" except as provided in Paragraph **(9)** below.
- (6)** The most we will pay under this Coverage Extension for loss of or damage to "Electronic Data Processing Equipment" and to "Electronic Data Processing Data and Media", while in transit or at a premises other than the described premises, in any one occurrence, is \$25,000.
- (7)** The most we will pay under this Coverage Extension for loss of or damage to duplicates of your "Electronic Data Processing Data and Media" while stored at a separate premises from where your original "Electronic Data Processing Data and Media" are kept, in any one occurrence, is \$25,000.
- (8)** The most we will pay under this Coverage Extension for loss or damage to "Electronic Data Processing Equipment", including such property you newly acquire in any one occurrence is \$25,000 at each newly acquired premises. With respect to insurance

under this Coverage Extension on newly acquired "Electronic Data Processing Equipment", coverage will end when any of the following first occurs:

- (a) This policy expires;
 - (b) 180 days expire after you acquire the "Electronic Data Processing Equipment"; or
 - (c) You report values to us.
- (9) The most we will pay under this Coverage Extension for loss of or damage to "Electronic Data Processing Data and Media" caused by or resulting from "electronic vandalism", in any one occurrence is \$25,000, regardless of the number of the number of premises involved. Such limit also applies to any otherwise covered loss of Business Income or Extra Expense.
- (10) The most we will pay under this Coverage Extension for loss of or damage to "Electronic Data Processing Equipment" and to "Electronic Data Processing Data and Media", at the described premises, in any one occurrence, is the Limit of Insurance shown in the Declarations for Business Personal Property at such premises or \$50,000, whichever is less.

i. Equipment Breakdown

- (1) When a Limit of Insurance is shown in the Declarations for Building or Business Personal Property at the described premises, you may extend that insurance to apply to direct physical loss of or damage to Covered Property at the described premises caused by or resulting from a "breakdown" to "covered equipment".

With respect to otherwise covered Business Income and Extra Expense, "breakdown" to "covered equipment" will be considered a Covered Cause of Loss.

If an initial "breakdown" causes other "breakdowns", all will be considered one "breakdown". All "breakdowns" that manifest themselves at the same

time and are the result of the same cause will also be considered one "breakdown".

- (2) Under this Coverage Extension, the following coverages also apply:

- (a) Expediting Expenses
 - (i) In the event of direct physical loss of or damage to Covered Property caused by or resulting from a "breakdown" to "covered equipment", we will pay for the reasonable additional expenses you necessarily incur to make temporary repairs to, or expedite the permanent repair or replacement of, the lost or damaged Covered Property.
 - (ii) Expediting expenses include overtime wages and the extra cost of express or other rapid means of transportation.
 - (iii) The most we will pay under this Coverage Extension for all Expediting Expenses arising out of any one "breakdown" is \$25,000. This limit is part of and not in addition to the Limit of Insurance that applies to lost or damaged Covered Property.

(b) "Pollutants"

- (i) In the event of direct physical loss of or damage to Covered Property caused by or resulting from a "breakdown" to "covered equipment", we will pay for the additional cost to repair or replace Covered Property because of contamination by "pollutants". This includes the additional expenses to clean up or dispose of such property. Additional costs mean those beyond what would have been required had no "pollutants" been involved.
- (ii) The most we will pay under this Coverage Extension for loss or damage to Covered Property caused by contamination by "pollutants" arising

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out of any one "breakdown" is \$25,000. This limit is subject to and not in addition to the Limit of Insurance that applies to lost or damaged Covered Property.

(c) Service Interruption

When the Declarations show that you have coverage for Business Income and Extra Expense, you may extend that insurance to apply to loss caused by or resulting from a "breakdown" to equipment that is owned, operated or controlled by a local public or private utility or distributor that directly generates, transmits, distributes or provides the following utility services:

- (i)** "Water Supply Services";
- (ii)** "Communication Supply Services"; or
- (iii)** "Power Supply Services".

(3) We will not pay under this Coverage Extension for loss or damage caused by or resulting from any of the following tests:

- (a)** A hydrostatic, pneumatic or gas pressure test of any boiler or pressure vessel; or
- (b)** An insulation breakdown test of any type of electrical equipment.

(4) We will not pay under this Coverage Extension for loss or damage caused by or resulting from a change in:

- (a)** Temperature; or
 - (b)** Humidity;
- as a consequence of "breakdown" to "covered equipment".

(5) The following limitations in Paragraph A.5. do not apply to this Coverage Extension:

- (a)** Paragraph a.(2); and
- (b)** Paragraph a.(3).

(6) The following exclusions in Paragraph B. Exclusions do not apply to this Coverage Extension:

- (a)** Paragraph 2.a.;
- (b)** Paragraph 2.d.(6); and

(c) Paragraph 2.e.

(7) With respect to this Coverage Extension, the following condition is added to Paragraph F. Commercial Property Conditions:

Suspension

If any "covered equipment" is found to be in, or exposed to a dangerous condition, any of our representatives may immediately suspend the insurance provided by this Coverage Form for loss or damage caused by or resulting from a "breakdown" to that "covered equipment". This can be done by delivering or mailing a notice of suspension to:

- 1. Your last known address; or
- 2. The address where the "covered equipment" is located.

Once suspended in this way, such insurance can only be reinstated by a written endorsement issued by us. If we suspend your insurance, you will get a pro rata refund of premium for that "covered equipment". But the suspension will be effective even if we have not yet made or offered a refund.

(8) The most we will pay under this Coverage Extension for all direct physical loss of or damage to:

- (a)** "Diagnostic Equipment";
- (b)** "Power Generating Equipment"; or
- (c)** "Production Equipment";

caused by or resulting from a "breakdown" to "covered equipment" in any one occurrence is \$100,000.

j. Interruption of Computer Operations

(1) When the Declarations show that you have coverage for Business Income and Extra Expense, you may extend that insurance to apply to a "suspension" of "operations" caused by an interruption of computer operations due to direct physical loss of or damage to "Electronic Data Processing Data and Media" at the described premises caused by or resulting from a Covered Cause of Loss.

- (2) The most we will pay under this Coverage Extension is \$25,000 for the sum of all covered interruptions arising out of all Covered Causes of Loss occurring during each separate 12 month period of this policy beginning with the effective date of this policy.
- (3) Payments made under this Coverage Extension are in addition to the applicable Limits of Insurance.

k. Money Orders and Counterfeit Paper Currency

When a Limit of Insurance is shown in the Declarations for Business Personal Property at the described premises, you may extend that insurance to apply to loss due to the good faith acceptance of:

- (1) Any U.S. or Canadian post office or express money order, issued or purporting to have been issued by any post office or express company, if the money order is not paid upon presentation; or
- (2) Counterfeit United States or Canadian paper currency;

in exchange for merchandise, "money" or services or as part of a normal business transaction.

l. Non-Owned Detached Trailers

- (1) When a Limit of Insurance is shown in the Declarations for Business Personal Property at the described premises, you may extend that insurance to apply to direct physical loss of or damage to trailers or semi-trailers that you do not own, provided that:
 - (a) The trailer or semi-trailer is used in your business;
 - (b) The trailer or semi-trailer is in your care, custody or control at the described premises; and
 - (c) You have a contractual responsibility to pay for loss of or damage to the trailer or semi-trailer.
- (2) We will not pay for loss or damage that occurs:
 - (a) While the trailer or semi-trailer is attached to any motor vehicle or motorized conveyance, whether

or not the motor vehicle or motorized conveyance is in motion; or

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

- (3) The most we will pay for loss or damage under this Coverage Extension in any one occurrence is \$5,000 regardless of the number of described premises, trailers or semi-trailers involved.

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

m. Ordinance or Law – Increased Period of Restoration

- (1) When:
 - (a) A Covered Cause of Loss occurs to property at the described premises; and
 - (b) The Declarations show that you have coverage for Business Income and Extra Expense;

you may extend that insurance to apply to the amount of actual loss of Business Income you sustain and reasonable and necessary Extra Expense you incur during the increased period of "suspension" of "operations" caused by or resulting from the enforcement of any ordinance or law that:

- (a) Regulates the construction, repair or replacement of any property;
- (b) Requires the tearing down or replacement of any parts of property not damaged by a Covered Cause of Loss; and
- (c) Is in force at the time of loss.
- (2) This Coverage Extension applies only to the period that would be required, with reasonable speed, to reconstruct, repair or replace the property to comply with the minimum requirements of the ordinance or law.
- (3) This Coverage Extension does not apply to:

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- (a) Loss due to an ordinance or law that:
 - (i) You were required to comply with before the loss, even if the property was undamaged; and
 - (ii) You failed to comply with; or
- (b) Costs associated with the enforcement of any ordinance or law that 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".
- (4) Paragraph **B.1.a.**, does not apply to this Coverage Extension.
- (5) The most we will pay for loss under this Coverage Extension in any one occurrence is \$25,000 at each described premises.
- (6) Payments made under this Coverage Extension are in addition to the applicable Limits of Insurance.

n. Outdoor Property

- (1) When a Limit of Insurance is shown in the Declarations for Building or Business Personal Property at the described premises, you may extend that insurance to apply to direct physical loss of or damage to the following types of outdoor property at that described premises caused by or resulting from a Covered Cause of Loss:
 - (a) Radio or television antennas (including microwave or satellite dishes) and their lead-in wiring, masts or towers; or
 - (b) Bridges, walks, roadways, patios and other paved surfaces.
- (2) The most we will pay for loss or damage under this Coverage Extension in any one occurrence is \$10,000 at each described premises.

o. Personal Effects

- (1) When a Limit of Insurance is shown in the Declarations for Business Personal Property at the described premises, you may extend that insurance

to apply to direct physical loss of or damage to personal effects owned by:

- (a) You; or
- (b) Your officers, partners, "members", "managers", "employees", directors or trustees;

caused by or resulting from a Covered Cause of Loss.

- (2) Such property must be located at a described premises.
- (3) The most we will pay for loss or damage under this Coverage Extension in any one occurrence is \$25,000 at each described premises.
- (4) Payments under this Coverage Extension are in addition to the applicable Limits of Insurance.

p. Signs

- (1) If:
 - (a) You are the building owner; and
 - (b) A Limit of Insurance is shown in the Declarations for Building;

at the described premises, you may extend that insurance to apply to direct physical loss of or damage to outdoor signs attached to the building, or on or within 1,000 feet of the described premises, caused by or resulting from a Covered Cause of Loss.

- (2) If:
 - (a) You are a tenant;
 - (b) A Limit of Insurance is shown in the Declarations for Business Personal Property; and
 - (c) You own or are contractually obligated to repair or replace outdoor signs;

at the described premises, you may extend that insurance to apply to direct physical loss of or damage to outdoor signs attached to the building, or on or within 1,000 feet of the described premises, caused by or resulting from a Covered Cause of Loss.

q. Spoilage – Consequential Loss

(1) When a Limit of Insurance is shown in the Declarations for Business Personal Property at the described premises, you may extend that insurance to apply to consequential loss to your Business Personal Property caused by a change in:

- (a) Temperature; or
- (b) Humidity;

caused by or resulting from a Covered Cause of Loss to any of the following types of equipment situated within the building at the described premises:

- (a) Refrigerating;
- (b) Cooling;
- (c) Humidifying;
- (d) Air-conditioning;
- (e) Heating;
- (f) Generating or converting power; or
- (g) Connections, supply or transmission lines and pipes associated with the above equipment.

(2) With respect to this Coverage Extension, "breakdown" to "covered equipment" will not be considered a Covered Cause of Loss, even if otherwise covered elsewhere in this Coverage Form.

(3) Paragraphs **B.2.d.(7)(a)** and **B.2.d.(7)(b)** do not apply to this Coverage Extension.

r. Theft Damage to Rented Property

(1) When a Limit of Insurance is shown in the Declarations for Business Personal Property at the described premises, you may extend that insurance to apply to direct physical loss of or damage to the following caused by or resulting by "theft" or attempted "theft":

- (a) That part of a building you occupy, but do not own, which contains Covered Property; and
- (b) Property within such non-owned building used for maintenance or

service of such non-owned building.

(2) We will not pay under this Coverage Extension for loss or damage:

- (a) Caused by or resulting from fire or explosion; or
- (b) To glass (other than glass building blocks) or to any lettering, ornamentation or burglar alarm tape on glass.

(3) This Coverage Extension applies only if you are a tenant and you are contractually obligated to insure this exposure.

s. Valuable Papers and Records

(1) When a Limit of Insurance is shown in the Declarations for Business Personal Property at the described premises, you may extend that insurance to apply to direct physical loss of or damage to "valuable papers and records", that:

- (a) You own; or
- (b) Are owned by others, but in your care, custody or control;

caused by or resulting from a Covered Cause of Loss.

(2) This Coverage Extension includes the cost to research, replace or restore the lost information on "valuable papers and records" for which duplicates do not exist.

(3) The following exclusions apply to this Coverage Extension:

- (a) We will not pay for any loss or damage to "valuable papers and records" caused by or resulting from any errors or omissions in processing or copying. But if errors or omissions in processing or copying results in fire or explosion, we will pay for the resulting loss or damage caused by that fire or explosion.
- (b) Paragraph **B.1.b.** Earth Movement;
- (c) Paragraph **B.1.c.** Governmental Action;
- (d) Paragraph **B.1.d.** Nuclear Hazard;

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- (e) Paragraph **B.1.f.** War and Military Action;
- (f) Paragraph **B.1.g.** Water;
- (g) Paragraph **B.1.h.** Neglect; and
- (h) Paragraph **B.2.g.**

No other exclusions in Paragraph **B.** Exclusions apply to this Coverage Extension. However, if any exclusions are added by endorsement to this Coverage Form, such exclusions will apply to this Coverage Extension.

- (4) The most we will pay under this Coverage Extension for loss of or damage to "valuable papers and records" in any one occurrence while in transit or at a premises other than the described premises is \$25,000.
- (5) The most we will pay under this Coverage Extension for loss of or damage to "valuable papers and records" in any one occurrence at each described premises is \$25,000 or the amount shown in the Declarations for Valuable Papers and Records, whichever is greater.
- (6) Payments made under this Coverage Extension are in addition to the applicable Limits of Insurance.

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. These exclusions apply whether or not the loss event results in widespread damage or affects a substantial area.

a. Ordinance or Law

- (1) The enforcement of any ordinance or law:
 - (a) Regulating the construction, use or repair of any property; or
 - (b) Requiring the tearing down of any property, including the cost of removing its debris.
- (2) 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 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; or
- (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;

all whether naturally occurring or due to man made or other artificial causes.

But if Earth Movement, as described in Paragraphs (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 or volcanic action, we will pay for the loss or damage caused by that fire or volcanic action.

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

- (a) Airborne volcanic blast or airborne shock waves;

(b) Ash, dust, or particulate matter;
or

(c) Lava flow.

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

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

c. Governmental Action

Seizure or destruction of property by order of governmental authority.

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

d. Nuclear Hazard

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

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

e. Utility Services

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

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

f. War and Military Action

(1) War, including undeclared or civil war;

(2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or

(3) Insurrection, rebellion, revolution, usurped power or action taken by

governmental authority in hindering or defending against any of these.

g. Water

(1) Flood, surface water, waves, tides, tidal waves, overflow of any body of water, or their spray, all whether driven by wind or not;

(2) Mudslide or mudflow;

(3) Water or sewage that backs up or overflows from a sewer, drain or sump; or

(4) Water under the ground surface pressing on, or flowing or seeping through:

(a) Foundations, walls, floors or paved surfaces;

(b) Basements, whether paved or not; or

(c) Doors, windows or other openings;

all whether naturally occurring or due to man made or other artificial causes.

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

h. Neglect

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

i. Collapse of Buildings

Collapse of buildings meaning an abrupt falling down or caving in of a building or any part of a building with the result being that the building or part of a building cannot be occupied for its intended purpose.

(1) This exclusion does not apply to collapse of buildings if caused only by one or more of the following:

(a) A "specified cause of loss" or breakage of building glass;

(b) Decay, insect or vermin damage that is hidden from view, unless the presence of such decay or insect or vermin damage is known to an insured prior to collapse;

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- (c) Weight of people or personal property;
- (d) Weight of rain that collects on a roof; or
- (e) Use of defective material or methods in construction, remodeling or renovation if the collapse occurs during the course of construction, remodeling or renovation; or
- (f) Use of defective material or methods in construction, remodeling or renovation if the collapse occurs after construction, remodeling, or renovation is complete and is caused in part by a cause of loss listed in Paragraphs (a) through (d) above.

In the event collapse results in a Covered Cause of Loss, we will only pay for the resulting loss or damage by that Covered Cause of Loss.

- (2) We will not pay for loss of or damage to the following types of property, if otherwise covered in this Coverage Form under Paragraphs (1)(b) through (1)(f) above, unless the loss or damage is a direct result of the collapse of a building:
 - (a) Awnings, gutters and downspouts;
 - (b) Outdoor radio or television antennas (including microwave or satellite dishes) and their lead-in wiring, masts or towers;
 - (c) Fences;
 - (d) Piers, wharves and docks;
 - (e) Beach or diving platforms or appurtenances;
 - (f) Retaining walls;
 - (g) Walks, roadway and other paved surfaces;
 - (h) Yard fixtures; or
 - (i) Outdoor swimming pools.
- (3) A building or part of a building that:
 - (a) Is in imminent danger of abruptly falling down or caving in; or
 - (b) Suffers a substantial impairment of structural integrity;

is not considered to have collapsed but is considered to be in a state of imminent collapse.

- (4) With respect to buildings in a state of imminent collapse, we will not pay for loss or damage unless the state of imminent collapse first manifests itself during the policy period and is caused only by one or more of the following which occurs during the policy period:
 - (a) A "specified cause of loss" or breakage of glass;
 - (b) Weight of people or personal property;
 - (c) Weight of rain that collects on a roof; or
 - (d) Use of defective material or methods in construction, remodeling or renovation if the state of imminent collapse occurs during the course of construction, remodeling or renovation.

- 2. We will not pay for loss or damage caused by or resulting from any of the following:
 - a. Artificially generated electrical current, including electric arcing that disturbs electrical devices, appliances or wires unless caused by a "specified cause of loss".
But if artificially generated electrical current results in fire, we will pay for the loss or damage caused by that fire.
 - b. Delay, loss of use or loss of market.
 - c. Smoke, vapor or gas from agricultural smudging or industrial operations.
 - d. (1) Wear and tear;
(2) Rust, corrosion, fungus, decay, deterioration, wet or dry rot, mold, hidden or latent defect or any quality in property that causes it to damage or destroy itself;
(3) Smog;
(4) Settling, cracking, shrinking or expansion;
(5) Nesting or infestation, or discharge or release of waste products or secretions, by insects, birds, rodents or other animals;

- (6)** Mechanical breakdown, including rupture or bursting caused by centrifugal force. But if mechanical breakdown results in elevator collision, we will pay for the loss or damage caused by that elevator collision;
- (7)** The following causes of loss to personal property:
 - (a)** Dampness or dryness of atmosphere;
 - (b)** Changes in or extremes of temperature;
 - (c)** Marring or scratching;
 - (d)** Changes in flavor, color, texture or finish;
 - (e)** Evaporation or leakage; or
- (8)** Contamination by other than "pollutants".

But if an excluded cause of loss that is listed in Paragraphs **(1)** through **(8)** above results in a "specified cause of loss", building glass breakage or "breakdown" to "covered equipment" (only if otherwise a Covered Cause of Loss), we will pay for the loss or damage caused by that "specified cause of loss", building glass breakage or "breakdown" to "covered equipment" (only if otherwise a Covered Cause of Loss).

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

tems) caused by or resulting from freezing, unless:

- (1)** You do your best to maintain heat in the building or structure; or
 - (2)** You drain the equipment and shut off the water supply if the heat is not maintained.
- h.** Dishonest or criminal acts by you, or any of your partners, "members", officers, "managers", "employees" (including leased employees), directors, trustees, authorized representatives or anyone to whom you entrust the property for any purpose:
 - (1)** Acting alone or in collusion with others; or
 - (2)** Whether or not occurring during the hours of employment.

This exclusion does not apply to acts of destruction by your "employees" (including leased employees), but "theft" by "employees" (including leased employees) is not covered.

- i.** Voluntary parting with any property by you or anyone else to whom you have entrusted the property.
- j.** Rain, snow, sand, dust, ice or sleet to personal property in the open.
- k.** Discharge, dispersal, seepage, migration, release or escape of "pollutants" unless the discharge, dispersal, seepage, migration, release or escape is itself caused by any of the "specified causes of loss". But if the discharge, dispersal, seepage, migration, release or escape of "pollutants" results in a "specified cause of loss", we will pay for the loss or damage caused by that "specified cause of loss".

This exclusion, **k.** does not apply to damage to glass caused by chemicals applied to the glass.

- l.** Default on any credit sale, loan, or similar transaction.
- m.** Property that is missing, where the only evidence of the loss or damage is a shortage disclosed on taking inventory, or other instances where there is no physical evidence to show what happened to the property. This exclusion does not apply to "money" and "securities".

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- n. Loss of property or that part of any loss, the proof of which as to its existence or amount is dependent on:
 - (1) Any inventory computation; or
 - (2) A profit and loss computation.
 - o. The transfer of property to a person or to a place outside the described premises on the basis of unauthorized instructions.
 - p. Loss of "money" or "securities" caused by or resulting from accounting or arithmetic errors or omissions.
 - q. The cost of correcting or making good the damage to personal property attributable to such property being processed, manufactured, tested, repaired, restored, re-touched or otherwise being worked upon.
3. We will not pay for loss or damage caused by or resulting from any of the following under Paragraphs **a.** through **c.** But if an excluded cause of loss that is listed in Paragraphs **a.** and **b.** below results in a Covered Cause of Loss, we will pay for the resulting loss or damage caused by that Covered Cause of Loss.
- a. Weather conditions, but this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in Paragraph **B.1.** above to produce the loss or damage.
 - b. Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.
 - c. Faulty, inadequate or defective:
 - (1) Planning, zoning, development, surveying, siting;
 - (2) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
 - (3) Materials used in repair, construction, renovation or remodeling; or
 - (4) Maintenance;
 of part or all of any property on or off the described premises.
 If an excluded cause of loss that is listed in Paragraphs (1) through (4) above results in a Covered Cause of Loss, we will pay for the resulting loss or damage caused by that Covered Cause of Loss. But we will not pay for:

- (1) Any cost of correcting or making good the fault, inadequacy or defect itself, including any cost incurred to tear down, tear out, repair or replace any part of any property to correct the fault, inadequacy or defect; or
- (2) Any resulting loss or damage by a Covered Cause of Loss to the property that has the fault, inadequacy or defect until the fault, inadequacy or defect is corrected.

4. Business Income and Extra Expense Exclusions

We will not pay for:

- a. Any Extra Expense, or increase of Business Income loss, caused by or resulting from:
 - (1) Delay in rebuilding, repairing or replacing the property or resuming "operations", due to interference by strikers or other persons at the location of the rebuilding, repair or replacement; or
 - (2) Suspension, lapse or cancellation of any license, lease or contract. But if the suspension, lapse or cancellation is directly caused by the "suspension" of "operations", we will cover such loss that affects your Business Income during the "period of restoration" and the period of Extended Business Income; or
- b. Any other consequential loss.

C. LIMITS OF INSURANCE

- 1. The most we will pay for loss or damage in any one occurrence is the applicable Limit of Insurance shown in the Declarations, Schedules, Coverage Forms, or endorsements.
- 2. Inflation Guard
 - a. When a percentage for Inflation Guard is shown in the Declarations, the Limit of Insurance for property to which this coverage applies will automatically increase by that annual percentage.
 - b. The amount of increase will be:
 - (1) The Limit of Insurance that applied on the most recent of the policy inception date, the policy anniversary date, or any other policy change amending the Limit of Insurance, multiplied by

- (2) The percentage of annual increase shown in the Declarations, expressed as a decimal (example: 8% is .08), multiplied by
- (3) The number of days since the beginning of the current policy year or the effective date of the most recent policy change amending the Limit of Insurance, divided by 365.

Example:

If:

The applicable Building limit is \$100,000
 The annual percentage increase is 8%
 The number of days since the beginning of the policy year (or last policy change) is 146
 The amount of increase is
 $\$100,000 \times .08 \times (146/365) = \$3,200$

3. Business Personal Property Limit – Seasonal Increase

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

D. DEDUCTIBLES

- 1. We will not pay for loss or damage in any one occurrence until the amount of loss or damage exceeds the Businessowners Property Coverage Deductible shown in the Declarations. We will then pay the amount of covered loss or damage in excess of that Deductible. But we will not pay more than the applicable Limit of Insurance.
- 2. Regardless of the amount of the Businessowners Property Coverage Deductible, the most we will deduct from any loss or damage under the Building Glass Coverage Extension

in any one occurrence is the Building Glass Deductible shown in the Declarations.

- 3. The Businessowners Property Coverage Deductible does not apply to any of the following:
 - a. Fire Department Service Charge;
 - b. Business Income and Extra Expense;
 - c. Arson and Theft Reward; and
 - d. Accounts Receivable.
- 4. If more than one deductible applies to loss or damage in any one occurrence, we will apply each deductible separately. But the total of all deductible amounts applied in any one occurrence will not exceed the largest applicable deductible.

E. PROPERTY LOSS CONDITIONS

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

1. Abandonment

There can be no abandonment of any property to us.

2. Appraisal

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

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

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

3. Duties in the Event of Loss or Damage

- a. You must see that the following are done in the event of loss or damage to Covered Property:
 - (1) Notify the police if a law may have been broken. This duty does not ap-

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ply to loss or damage arising from "employee dishonesty" and "forgery" or alteration.

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

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

- (7) For loss or damage from other than "employee dishonesty" or "forgery" or alteration send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.
- (8) For loss or damage resulting from "employee dishonesty" or "forgery" or alteration, give us a detailed, sworn proof of loss within 120 days after you discover a loss or situation that

may result in loss of or damage to Covered Property.

- (9) Cooperate with us in the investigation and settlement of the claim.

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

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

4. Loss Payment – Building and Personal Property

- a. In the event of loss or damage covered by this Coverage Form, at our option, we will either:

- (1) Pay the value of lost or damaged property;
- (2) Pay the cost of repairing or replacing the lost or damaged property, subject to Paragraph **b.** below;
- (3) Take all or any part of the property at an agreed or appraised value; or
- (4) Repair, rebuild or replace the property with other property of like kind and quality, subject to Paragraph **b.** below.

We will determine the value of lost or damaged property, or the cost of its repair or replacement, in accordance with the applicable terms of Paragraph **e.** below or any applicable provision which amends or supersedes these valuation conditions.

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

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

(1) At replacement cost (without deduction for depreciation), except as provided in Paragraphs (2) through (18) below.

(a) You may make a claim for loss or damage covered by this insurance on an actual cash value basis instead of on a replacement cost basis. In the event you elect to have loss or damage settled on an actual cash value basis, you may still make a claim on a replacement cost basis if you notify us of your intent to do so within 180 days after the loss or damage.

(b) We will not pay on a replacement cost basis for any loss or damage:

(i) Until the lost or damaged property is actually repaired or replaced; and

(ii) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage.

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

a) If the conditions in Paragraphs (i) and (ii) above are not met, the value of tenants' improvements and betterments will be determined as a proportion of your original cost, as set forth under Paragraph e.(7) below; and

b) We will not pay for loss or damage to tenants' improvements and betterments if others pay for repairs or replacement.

(c) We will not pay more for loss or damage on a replacement cost basis than the least of Paragraphs (i), (ii) or (iii) subject to Paragraph (d) below:

(i) The Limit of Insurance applicable to the lost or damaged property;

(ii) The cost to replace the lost or damaged property with other property:

a) Of comparable material and quality; and

b) Used for the same purpose; or

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

If a building is rebuilt at a new premises, the cost described in Paragraph (ii) above is limited to the cost which would have been incurred if the building had been rebuilt at the original premises.

(d) The cost of repair or replacement does not include the increased cost attributable to enforcement of any ordinance or law regulating the construction, use or repair of any property.

(2) If the Declarations indicate that Actual Cash Value applies to Buildings or Business Personal Property, Paragraph (1) above does not apply to the property for which Actual Cash Value is indicated.

(3) Personal Property of others at the amount for which you are liable plus the cost of labor, materials or services furnished or arranged by you on personal property of others, not to exceed the replacement cost.

(4) The following property at actual cash value:

(a) Used or second-hand merchandise held in storage or for sale;

(b) Household furnishings; and

(c) Personal effects.

(5) "Fine Arts" as follows:

(a) If there is a schedule of "fine arts" on file which includes a description and value of the lost or damaged item, we will pay the value as stated in the schedule for that

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item if there is a total loss to that item. If there is a partial loss to an item, we will pay the cost of reasonably restoring or repairing that item.

- (b)** For "fine arts" without a schedule on file as described in Paragraph **(a)** above, the value of "fine arts" will be the least of the following amounts:
- (i)** Market value of the lost or damaged item at the time and place of loss;
 - (ii)** The cost of reasonably restoring the lost or damaged item; or
 - (iii)** The cost of replacing that lost or damaged item with property substantially the same.
- (6)** Glass at the cost of replacement with safety glazing material if required by law.
- (7)** Tenants' Improvements and Betterments at:
- (a)** Replacement cost if you make repairs promptly.
 - (b)** A proportion of your original cost if you do not make repairs promptly. We will determine the proportionate value as follows:
 - (i)** Multiply the original cost by the number of days from the loss or damage to the expiration of the lease; and
 - (ii)** Divide the amount determined in Paragraph **(i)** above by the number of days from the installation of improvements to the expiration of the lease.

If your lease contains a renewal option, the expiration of the renewal option period will replace the expiration of the lease in this procedure.
 - (c)** Nothing, if others pay for repairs or replacement.
- (8)** "Valuable Papers and Records" at the cost of restoration or replacement. To the extent that the contents of the "valuable papers and records" are not restored or replaced, the "valuable papers and records" will be valued at the cost of replacement with blank material of substantially identical type.
- (9)** "Stock" you have sold but not delivered at the selling price less discounts and expenses you otherwise would have had.
- (10)** Property in transit (other than "stock" you have sold) at the amount of invoice, including your prepaid or advanced freight charges and other charges which may have accrued or become legally due from you since the shipment. If you have no invoice, actual cash value will apply.
- (11)** "Money" at its face value.
- (12)** "Securities" at their value at the close of business on the day the loss is discovered.
- (13)** Accounts Receivable as follows:
- (a)** If you cannot accurately establish the amount of Accounts Receivable outstanding as of the time of loss, we will:
 - (i)** Determine the total of the average monthly amounts of Accounts Receivable for the 12 months immediately preceding the month in which the loss occurs; and
 - (ii)** Adjust that total for any normal fluctuations in the amount for Accounts Receivable for the month in which the loss occurred or for any demonstrated variance from the average for that month.
 - (b)** If you can accurately establish the amount of Accounts Receivable outstanding, that amount will be used in the determination of loss.
 - (c)** The following will be deducted from the total amount of Accounts Receivable, however that amount is established:
 - (i)** The amount of the accounts for which there was no loss;

- (ii) The amount of the accounts that you are able to re-establish or collect;
 - (iii) An amount to allow for probable bad debts that you are normally unable to collect; and
 - (iv) All unearned interest and service charges.
 - (14) "Electronic Data Processing Equipment" at replacement cost as of the time and place of loss, without deduction for physical deterioration, depreciation, obsolescence or depletion. However, in the event replacement of "Electronic Data Processing Equipment" with identical property is impossible, the replacement cost will be the cost of items that are similar to the damaged or destroyed equipment and intended to perform the same function, but which may include technological advances.

"Electronic Data Processing Equipment" that is obsolete or no longer used by you will be valued at actual cash value.
 - (15) "Electronic Data Processing Data and Media" for which duplicates do not exist will be valued as follows:
 - (a) The cost of blank media; and
 - (b) Your cost to research, replace or restore the lost electronic data on lost, damaged or destroyed "Electronic Data Processing Data and Media" but only if the lost electronic data is actually replaced or restored.
 - (16) Duplicate "Electronic Data Processing Data and Media" at the cost of:
 - (a) Blank media; and
 - (b) Labor to copy the electronic data, but only if the electronic data is actually copied.
 - (17) The value of United States Government Internal Revenue taxes and custom duties and refundable state and local taxes paid or fully determined on the following property held for sale will not be considered in determining the value of Covered Property:
 - (a) Distilled spirits;
 - (b) Wines;
 - (c) Rectified products; or
 - (d) Beer.
 - (18) Lottery tickets at their initial cost to you except for winning tickets at their redeemed value.
- f. Our payment for loss of or damage to personal property of others will only be for the account of the owners of the property. We may adjust losses with the owners of lost or damaged property, if other than you. If we pay the owners, such payments will satisfy your claims against us for the owners' property. We will not pay the owners more than their financial interest in the Covered Property.
 - g. We have the right but not the duty to defend you against suits arising from claims of owners of property. We will do so at our expense.
 - h. We will pay for covered loss or damage within 30 days after we receive the sworn proof of loss provided you have complied with all of the terms of this policy; and
 - (1) We have reached agreement with you on the amount of loss; or
 - (2) An appraisal award has been made.
 - i. At our option, we may make a partial payment toward any claim, subject to the policy provisions and our normal adjustment process. To be considered for partial claim payment, you must submit a partial sworn proof of loss with supporting documentation. Any applicable policy deductibles must be satisfied before any partial payments are made.
- 5. Loss Payment – Business Income and Extra Expense**
- a. The amount of Business Income loss will be determined based on:
 - (1) The Net Income of the business before the direct physical loss or damage occurred;
 - (2) The likely Net Income of the business if no physical loss or damage occurred, but not including any likely increase in Net Income attributable to

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an increase in the volume of business as a result of favorable business conditions caused by the impact of the Covered Cause of Loss on customers or on other businesses;

- (3)** The operating expenses, including payroll expenses, necessary to resume "operations" with the same quality of service that existed just before the direct physical loss or damage; and
- (4)** Other relevant sources of information, including:
 - (a)** Your financial records and accounting procedures;
 - (b)** Bills, invoices and other vouchers; and
 - (c)** Deeds, liens or contracts.
- b.** The amount of Extra Expense will be determined based on:
 - (1)** All reasonable and necessary expenses that exceed the normal operating expenses that would have been incurred by "operations" during the "period of restoration" if no direct physical loss or damage had occurred. We will deduct from the total of such expenses:
 - (a)** The salvage value that remains of any property bought for temporary use during the "period of restoration", once "operations" are resumed; and
 - (b)** Any Extra Expense that is paid for by other insurance, except for insurance that is written subject to the same plan, terms, conditions and provisions as this insurance; and
 - (2)** All reasonable and necessary expenses that reduce the Business Income loss that otherwise would have been incurred.
- c.** We will reduce the amount of your:
 - (1)** Business Income loss, other than Extra Expense, to the extent you can resume your "operations", in whole or in part, by using damaged or undamaged property (including "stock") at

the described premises or elsewhere; or

- (2)** Extra Expense loss to the extent you can return "operations" to normal and discontinue such Extra Expense.
- d.** If you do not resume "operations", or do not resume "operations" as quickly as possible, we will pay based on the length of time it would have taken to resume "operations" as quickly as possible.
- e.** We will pay for covered loss or damage within 30 days after we receive your sworn proof of loss provided you have complied with all of the terms of this policy; and
 - (1)** We have reached agreement with you on the amount of loss; or
 - (2)** An appraisal award has been made.

6. Recovered Property

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

7. Noncumulative Limit

No Limit of Insurance cumulates from policy period to policy period.

F. COMMERCIAL PROPERTY CONDITIONS

1. Concealment, Misrepresentation or Fraud

This Coverage Form is void in any case of fraud by you. It is also void if you or any other insured, at any time, intentionally conceal or misrepresent a material fact concerning:

- a.** This Coverage Form;
- b.** The Covered Property;
- c.** Your interest in the Covered Property; or
- d.** A claim under this Coverage Form.

2. Control of Property

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

The breach of any condition of this Coverage Form at any one or more premises will not affect coverage at any premises where, at the time of loss or damage, the breach of condition does not exist.

3. Insurance Under Two or More Coverages

If two or more coverages under this Coverage Form apply to the same loss or damage, we will not pay more than the actual amount of the loss or damage.

4. Legal Action Against Us

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

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

5. Liberalization

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

6. No Benefit to Bailee

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

7. Other Insurance

- a. You may have other insurance subject to the same plan, terms, conditions and provisions as the insurance under this Coverage Form. If you do, we will pay our share of the covered loss or damage. Our share is the proportion that the applicable Limit of Insurance under this Coverage Form bears to the Limits of Insurance of all insurance covering on the same basis.
- b. If there is other insurance covering the same loss or damage, other than that described in Paragraph **a.** above, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not. But we will not pay more than the applicable Limit of Insurance.

8. Policy Period, Coverage Territory

Under this Coverage Form:

- a. We cover loss or damage you sustain through acts committed or events occurring:
 - (1) During the policy period shown in the Declarations; and

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

9. Transfer of Rights of Recovery Against Others to Us.

If any person or organization to or for whom we make payment under this Coverage Form has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair them. But you may waive your rights against another party in writing:

- a. Prior to a loss to your Covered Property or Covered Income; or
- b. After a loss to your Covered Property or Covered Income only if, at time of loss, that party is one of the following:
 - (1) Someone insured by this insurance;
 - (2) A business firm:
 - (a) Owned or controlled by you; or
 - (b) That owns or controls you; or
 - (3) Your tenant.

This will not restrict your insurance.

10. Coinsurance

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

- a. We will not pay the full amount of any loss if the value of Covered Property at the time of loss multiplied by the Coinsurance percentage shown for it in the Declarations is greater than the Limit of Insurance for the property.

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

- (1) Multiply the value of Covered Property at the time of loss by the Coinsurance percentage;
- (2) Divide the Limit of Insurance of the property by the figure determined in step (1);
- (3) Multiply the total amount of the covered loss, before the application of

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any deductible, by the figure determined in step (2); and

- (4) Subtract the deductible from the figure determined in step (3).

We will pay the amount determined in step (4) or the limit of insurance, whichever is less.

For the remainder, you will either have to rely on other insurance or absorb the loss yourself.

Example No. 1 (Under insurance):

When:

The value of the property is	\$250,000
The Coinsurance percent for it is	90%
The Limit of Insurance for it is	\$112,500
The Deductible is	\$250
The amount of loss is	\$40,000

Step (1): $\$250,000 \times 90\% = \$225,000$
(the minimum amount of insurance to meet your Coinsurance requirements)

Step (2): $\$112,500 / \$225,000 = .50$

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

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

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

Example No. 2 (Adequate Insurance):

When:

The value of the property is	\$250,000
The Coinsurance percentage for it is	90%
The Limit of Insurance for it is	\$225,000
The Deductible is	\$250
The amount of loss is	\$40,000

The minimum amount of insurance to meet your Coinsurance requirement is \$225,000 ($\$250,000 \times 90\%$).

Therefore, the Limit of Insurance in this Example is adequate and no penalty applies. We will pay no more than \$39,750 (\$40,000 amount of loss minus the deductible of \$250).

- b. Coinsurance does not apply to:
 - (1) "Money" and "securities";

- (2) Additional Coverages;
- (3) Coverage Extensions; or
- (4) Loss or damage in any one occurrence totaling less than \$2,500.

11. Mortgageholders

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

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

- e. If we pay the mortgageholder for any loss or damage and deny payment to you because of your acts or because you have failed to comply with the terms of this Coverage Form:
 - (1) The mortgageholder's rights under the mortgage will be transferred to us to the extent of the amount we pay; and
 - (2) The mortgageholder's rights to recover the full amount of the mortgageholder's claim will not be impaired.

At our option, we may pay to the mortgageholder the whole principal on the mortgage plus any accrued in-

terest. In this event, your mortgage and note will be transferred to us and you will pay your remaining mortgage debt to us.

- f. If we cancel this policy, we will give written notice to the mortgageholder at least:
- (1) 10 days before the effective date of cancellation if we cancel for your non-payment of premium; or
 - (2) 30 days before the effective date of cancellation if we cancel for any other reason.
- g. If we elect not to renew this policy, we will give written notice to the mortgageholder at least 10 days before the expiration date of this policy.

G. PROPERTY DEFINITIONS

1. **"Banking Premises"** means the interior of that portion of any building which is occupied by a banking institution or similar safe depository.
2. **"Breakdown"**
 - a. Means:
 - (1) Failure of pressure or vacuum equipment;
 - (2) Mechanical failure, including rupture or bursting caused by centrifugal force; or
 - (3) Electrical failure including arcing; that causes physical damage to "covered equipment" and necessitates its repair or replacement; and
 - b. Does not mean:
 - (1) Malfunction, including but not limited to adjustment, alignment, calibration, cleaning or modification;
 - (2) Leakage at any valve, fitting, shaft seal, gland packing, joint or connection;
 - (3) Damage to any vacuum tube, gas tube, or brush;
 - (4) Damage to any structure or foundation supporting the "covered equipment" or any of its parts;
 - (5) The functioning of any safety or protective device; or

- (6) The cracking of any part on any internal combustion gas turbine exposed to the products of combustion.

3. "Communication Supply Services"

- a. Means property supplying communication services, including telephone, radio, microwave or television services, to the described premises, such as:
 - (1) Communication transmission lines, including fiber optic transmission lines;
 - (2) Coaxial cables; and
 - (3) Microwave radio relays, except satellites; and
- b. Does not mean overhead transmission lines.

4. "Covered Equipment"

- a. Means the following types of equipment:
 - (1) Equipment designed and built to operate under internal pressure or vacuum other than weight of contents;
 - (2) Electrical or mechanical equipment that is used in the generation, transmission or utilization of energy;
 - (3) Fiber optic cable; and
 - (4) Hoists and cranes;
- b. Does not mean any:
 - (1) "Electronic Data Processing Equipment";
 - (2) "Electronic Data Processing Data and Media";
 - (3) Part of pressure or vacuum equipment that is not under internal pressure of its contents or internal vacuum;
 - (4) Insulating or refractory material;
 - (5) Pressure vessels and piping that are buried below ground and require the excavation of materials to inspect, remove, repair or replace;
 - (6) Structure, foundation, cabinet or compartment supporting or containing the "covered equipment" or part of the "covered equipment" including penstock, draft tube or well casing;
 - (7) Vehicle, aircraft, self-propelled equipment or floating vessel, including any

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equipment mounted on or used solely with any vehicle, aircraft, self-propelled equipment or floating vessel;

- (8) Elevator or escalator, but not excluding any electrical machine or apparatus mounted on or used with this equipment; or
- (9) Equipment or any part of such equipment manufactured by you for sale.

5. **"Diagnostic Equipment"** means any:

- a. Equipment; or
- b. Apparatus;

used solely for research, diagnostic, medical, surgical, therapeutic, dental or pathological purposes.

6. **"Electronic Data Processing Data and Media"**

- a. Means any of the following used in your computer operations:

- (1) Data stored as or on, created or used on, or transmitted to or from computer software (including systems and applications) on electronic data processing, recording or storage media such as 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;
- (2) The electronic media on which the data is stored; and
- (3) Programming records and instructions used for "Electronic Data Processing Equipment"; and

- b. Does not mean "Valuable Papers and Records".

7. **"Electronic Data Processing Equipment"**

- a. Means any of the following equipment used in your operations:

- (1) Electronic data processing equipment, facsimile machines, word processors, multi-functional telephone equipment and laptop and portable computers; and
- (2) Any component parts and peripherals of such equipment, including related surge protection devices; and

- b. Does not mean equipment used to operate production type of:

- (1) Machinery; or
- (2) Equipment.

8. **"Electronic Vandalism"** means any acts by persons, other than "employees", involving any of the following:

- a. Willful or malicious destruction of computer programs, content, instructions or other electronic or digital data stored within computer systems; or
- b. Unauthorized computer code or programming that:

- (1) Deletes, distorts, corrupts or manipulates computer programs, contents, instructions or other electronic or digital data, or otherwise results in damage to computers or computer systems or networks to which is introduced;
- (2) Replicates itself, impairing the performance of computers or computer systems or networks; or
- (3) Gains remote control access to data and programming within computers or computers systems or networks to which it is introduced, for uses other than those intended for authorized users of the computers or computer systems or networks.

9. **"Employee(s)"**

- a. Means:

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

- (3) Your directors or trustees while acting as a member of any of your elected or appointed committees to perform on your behalf specific, as distinguished from general, directorial acts; and
- b. Does not mean any agent, broker, person leased to you by a labor leasing firm, factor, commission merchant, consignee, independent contractor or representative of the same general character.
- 10. "Employee Dishonesty"** means only dishonest acts, committed by an "employee", whether identified or not, acting alone or in collusion with other persons, except you, a partner, a "member", or a "manager" with the manifest intent to:
- a. Cause you to sustain loss; and also
- b. Obtain financial benefit (other than salaries, commissions, fees, bonuses, promotions, awards, profit sharing, pensions or other employee benefits earned in the normal course of employment) for:
- (1) The "employee"; or
- (2) Any person or organization intended by the "employee" to receive that benefit.
- 11. "Fine Arts"**
- a. Means paintings, etchings, pictures, tapestries, art glass windows, valuable rugs, statuary, marbles, bronzes, antique furniture, rare books, antique silver, porcelains, rare glass, bric-a-brac, and similar property with historical value, or artistic merit; and
- b. Does not mean any glass that is part of a building or structure.
- 12. "Forgery"** means the signing of the name of another person or organization with intent to deceive. "Forgery" does not mean a signature which consists in whole or in part of one's own name signed with or without authority, in any capacity for any purpose.
- 13. "Interior of any building or structure"** means all portions of the building or structure that are within the exterior facing surface material of the building or structure.
- 14. "Maintenance Fees"** means the regular payment made to you by unit-owners and used to service the common property.
- 15. "Manager"** means a person serving in a directorial capacity for a limited liability company.
- 16. "Member"** means an owner of a limited liability company represented by its membership interest, who also may service as a "manager".
- 17. "Money"** means currency and coins in current use, bank notes, travelers checks, register checks and money orders held for sale to the public.
- 18. "Operations"** means your business activities occurring at the described premises and the tenantability of the described premises.
- 19. "Period of Restoration"**
- a. Means the period of time that:
- (1) Begins:
- (i) For Business Income coverage:
- a) With the date of direct physical loss or damage, if the Declarations show Immediately for Period of Restoration – Time Period; or
- b) 72 hours after the time of direct physical loss or damage, if the Declarations show 72 hours for Period of Restoration – Time Period; or
- (ii) For Extra Expense coverage with the date of direct physical loss or damage;
- caused by or resulting from any Covered Cause of Loss at the described premises; and
- (2) Ends on the earlier of:
- (i) The date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality; or
- (ii) The date when business is resumed at a new permanent location; and
- b. Does not mean any increased period required due to the enforcement of any law that:
- (1) Regulates the construction, use or repair, or requires the tearing down of any property; or

BUSINESSOWNERS

- (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".

20. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals, waste, and any unhealthful or hazardous building materials (including but not limited to asbestos and lead products or materials containing lead). Waste includes materials to be recycled, reconditioned or reclaimed.

21. "Power Generating Equipment"

a. Means the following types of equipment or apparatus:

- (1) Pressure;
 (2) Mechanical; or
 (3) Electrical;

used in or associated with the generation of electric power; and

b. Does not mean such equipment that is used solely to generate emergency power that is less than or equal to 1000KW.

22. "Power Supply Services"

a. Means the following types of property supplying electricity, steam or gas to the described premises:

- (1) Utility generating plants;
 (2) Switching stations;
 (3) Substations;
 (4) Transformers; and
 (5) Transmission lines; and

b. Does not mean overhead transmission lines.

23. "Production Equipment"

a. Means any:

- (1) Production machinery; or
 (2) Process machinery;
 that processes, shapes, forms or grinds:
 (1) Raw materials;
 (2) Materials in process; or
 (3) Finished products; and

b. Includes "covered equipment" that is used solely with or forms an integral part of the:

- (1) Production;
 (2) Process; or
 (3) Apparatus.

24. "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 the 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.

25. "Securities" means all negotiable and non-negotiable instruments or contracts representing either "money" or other property and includes revenue or other stamps in current use, tokens, tickets and credit card slips for sales made by you and held by you for reimbursement from companies issuing credit cards, but does not include "money". Lottery tickets held for sale are not securities.

26. "Specified Causes of Loss" means the following:

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

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

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

- b. Falling objects does not include loss of or damage to:
 - (1) Personal Property in the open; or
 - (2) The "interior of a building or structure", or property inside a building or structure, unless the roof or an outside wall of the building or structure is first damaged by a falling object.
 - c. Water damage means accidental discharge or leakage of water or steam as the direct result of the breaking apart or cracking of any part of a system or appliance (other than a sump system including its related equipment and parts) that is located on the described premises and contains water or steam.
27. **"Stock"** means merchandise held in storage or for sale, raw materials and in-process or finished goods, including supplies used in their packing or shipping.
28. **"Suspension"** means:
- a. The partial or complete cessation of your business activities; or
 - b. That a part or all of the described premises is rendered untenable.
29. **"Theft"** means any act of stealing.
30. **"Vacant"** means the following:
- (1) When this policy is issued to a tenant, and with respect to that tenant's interest in Covered Property, building means the unit or suite rented or leased to the tenant. Such building is vacant when it does not contain enough business personal property to conduct customary operations.
 - (2) When this policy is issued to the owner or general lessee of a building, building means the entire building. Such building is vacant unless at least 31% of its total square footage is:
 - (a) Rented to a lessee or sub-lessee and used by the lessee or sub-lessee to conduct its customary operations; or
 - (b) Used by the building owner to conduct customary operations.
31. **"Valuable Papers and Records"**
- a. Means inscribed, printed or written:
 - (1) Documents;
 - (2) Manuscripts; or
 - (3) Records;
 - including abstracts, books, deeds, drawings, films, maps or mortgages; and
 - b. Does not mean "money" or "securities" or "Electronic Data Processing Data and Media".
32. **"Water Supply Services"** means the following types of property supplying water to the described premises:
- a. Pumping stations; and
 - b. Water mains.



Report Claims Immediately by Calling*
1-800-238-6225

*Speak directly with a claim professional
24 hours a day, 365 days a year*

*Unless Your Policy Requires **Written** Notice or Reporting

RESTAURANT PAC

FAST FOOD - ALL OTHER



A Custom Insurance Policy Prepared for:

**PLAY HOUSE, LLC
2319 CENTRAL AVE
ALAMEDA CA 94501-4513**

Presented by: 1BROKER INS SERVICES



One Tower Square, Hartford, Connecticut 06183

COMMON POLICY DECLARATIONS
RESTAURANT PAC
BUSINESS:FAST FOOD - ALL

POLICY NO.: 680-A2036190-25-42
ISSUE DATE: 08/27/2025

INSURING COMPANY:
TRAVELERS CASUALTY INSURANCE COMPANY OF AMERICA

1. NAMED INSURED AND MAILING ADDRESS:

PLAY HOUSE, LLC
2319 CENTRAL AVE
ALAMEDA CA 94501-4513

2. POLICY PERIOD: From 10/11/2025 to 10/11/2026 12:01 A.M. Standard Time at your mailing address.

3. DESCRIPTION OF PREMISES:

PREM. LOC.	BLDG. NO.	OCCUPANCY	ADDRESS
001	001	FAST FOOD - ALL	(same as Mailing Address unless specified otherwise) 2319 CENTRAL AVE ALAMEDA CA 94501-4513

4. COVERAGE PARTS AND SUPPLEMENTS FORMING PART OF THIS POLICY AND INSURING COMPANIES

COVERAGE PARTS and SUPPLEMENTS	INSURING COMPANY
Businessowners Coverage Part	ACJ

5. The COMPLETE POLICY consists of this declarations and all other declarations, and the forms and endorse - ments for which symbol numbers are attached on a separate listing.

6. SUPPLEMENTAL POLICIES: Each of the following is a separate policy containing its complete provisions.

POLICY	POLICY NUMBER	INSURING COMPANY
--------	---------------	------------------

DIRECT BILL

7. PREMIUM SUMMARY:

SUBJECT TO AUDIT

Provisional Premium	\$	2,505.00
Due at Inception	\$	
Due at Each	\$	

NAME AND ADDRESS OF AGENT OR BROKER

COUNTERSIGNED BY:

1BROKER INS SERVICES DRK51
1615 HILL RD STE 21

Authorized Representative

NOVATO CA 949474304

DATE: 08/27/2025

IL TO 19 02 05 (Page 1 of 01)
Office: WALNUT CREEK CA DOWN



One Tower Square, Hartford, Connecticut 06183

BUSINESSOWNERS COVERAGE PART DECLARATIONS

RESTAURANT PAC

POLICY NO.: 680-A2036190-25-42

ISSUE DATE: 08/27/2025

INSURING COMPANY:

TRAVELERS CASUALTY INSURANCE COMPANY OF AMERICA

POLICY PERIOD:

From 10-11-25 to 10-11-26 12:01 A.M. Standard Time at your mailing address

FORM OF BUSINESS: LIMITED LIABILITY COMPANY

COVERAGES AND LIMITS OF INSURANCE: Insurance applies only to an item for which a "limit" or the word "included" is shown.

COMMERCIAL GENERAL LIABILITY COVERAGE

OCCURRENCE FORM	LIMITS OF INSURANCE
General Aggregate (except Products-Completed Operations Limit)	\$ 4,000,000
Products-completed Operations Aggregate Limit	\$ 4,000,000
Personal and Advertising Injury Limit	\$ 2,000,000
Each Occurrence Limit	\$ 2,000,000
Damage to Premises Rented to You	\$ 300,000
Medical Payments Limit (any one person)	\$ 5,000

BUSINESSOWNERS PROPERTY COVERAGE

DEDUCTIBLE AMOUNT: Businessowners Property Coverage: \$ 1,000 per occurrence.
 Building Glass: \$ 1,000 per occurrence.

BUSINESS INCOME/EXTRA EXPENSE LIMIT: Actual loss for 12 consecutive months

Period of Restoration-Time Period: Immediately

ADDITIONAL COVERAGE:

Fine Arts: \$ 25,000

Other additional coverages apply and may be changed by an endorsement. Please read the policy.

SPECIAL PROVISIONS:

**COMMERCIAL GENERAL LIABILITY COVERAGE
IS SUBJECT TO A GENERAL AGGREGATE LIMIT**

BUSINESSOWNERS PROPERTY COVERAGE

PREMISES LOCATION NO.: 001 BUILDING NO. : 001

COVERAGE		LIMIT OF INSURANCE	VALUATION	COINSURANCE	INFLATION GUARD
BUSINESS PERSONAL PROPERTY	\$	30,500	RC*	N/A	0.0%
*Replacement Cost					

COVERAGE EXTENSIONS:

Accounts Receivable	\$	25,000
Valuable Papers	\$	25,000

Other coverage extensions apply and may be changed by an endorsement. Please read the policy.

POLICY NUMBER: 680-A2036190-25-42

EFFECTIVE DATE: 10/11/2025

ISSUE DATE: 08/27/2025

LISTING OF FORMS, ENDORSEMENTS AND SCHEDULE NUMBERS

THIS LISTING SHOWS THE NUMBER OF FORMS, SCHEDULES AND ENDORSEMENTS BY LINE OF BUSINESS

IL T0 19 02 05	COMMON POLICY DECLARATIONS
MP T0 01 02 05	BUSINESSOWNERS COVERAGE PART DECLARATIONS
IL T8 01 01 01	FORMS ENDORSEMENTS AND SCHEDULE NUMBERS
IL T3 15 09 07	COMMON POLICY CONDITIONS

BUSINESSOWNERS

MP T1 30 02 05	TABLE OF CONTENTS - BUSINESSOWNERS COVERAGE PART - DELUXE PLAN
MP T1 02 02 05	BUSINESSOWNERS PROPERTY COVERAGE SPECIAL FORM
MP T3 66 08 15	RESTAURANT AND PERISHABLE GOODS PREMIER ENDORSEMENT
MP T5 22 08 07	CALIFORNIA AMENDATORY PROVISIONS
MP T3 06 02 07	SEWER OR DRAIN BACK UP EXTENSION
MP T3 07 03 97	PROTECTIVE SAFEGUARDS ENDORSEMENT FOR SPRINKLERED LOCATIONS AND RESTAURANTS
MP T3 25 01 21	FEDERAL TERRORISM RISK INSURANCE ACT DISCLOSURE
MP T3 50 11 06	EQUIPMENT BREAKDOWN - SERVICE INTERRUPTION LIMITATION
MP T3 56 02 08	AMENDATORY PROVISIONS - GREEN BUILDING AND BUSINESS PERSONAL PROP COV ENHANCEMENTS
MP T9 73 02 05	SPOILAGE COVERAGE
MP T4 90 05 10	LIMIT OF INS/OCCURRENCE ENDT - CALIFORNIA
MP T5 08 02 20	CALIFORNIA CHANGES

COMMERCIAL GENERAL LIABILITY

CG T0 07 04 09	DECLARATIONS PREMIUM SCHEDULE
CG T0 08 07 86	KEY TO DECLARATIONS PREMIUM SCHEDULE
CG T0 34 02 19	TABLE OF CONTENTS - COMMERCIAL GENERAL LIABILITY COVERAGE FORM CG T1 00 02 19
CG T1 00 02 19	COMMERCIAL GENERAL LIABILITY COVERAGE FORM
CG D3 09 02 19	AMENDATORY ENDORSEMENT - PRODUCTS-COMPLETED OPERATIONS HAZARD
CG D9 10 09 21	AMENDMENT OF INTELLECTUAL PROPERTY EXCLUSION
CG D2 03 12 97	AMEND - NON CUMULATION OF EACH OCC
CG M3 01 02 05	PRODUCTS/COMPLETED OPERATIONS HAZARDS REDEFINED - CHANGES
CG D8 42 02 19	XTEND ENDORSEMENT FOR SMALL BUSINESSES
MP T1 25 11 03	HIRED AUTO AND NON-OWNED AUTO LIABILITY
CG D4 21 07 08	AMEND CONTRAL LIAB EXCL - EXC TO NAMED INS
CG D6 18 10 11	EXCLUSION - VIOLATION OF CONSUMER FINANCIAL PROTECTION LAWS
CG D9 44 01 23	EXCLUSION - VIOLATION OF BIOMETRIC INFORMATION PRIVACY LAWS
CG D1 09 08 03	EXCLUSION - COMMUNICABLE DISEASES

POLICY NUMBER: 680-A2036190-25-42

EFFECTIVE DATE: 10/11/2025

ISSUE DATE: 08/27/2025

COMMERCIAL GENERAL LIABILITY (CONTINUED)

CG D1 42 02 19 EXCLUSION - DISCRIMINATION
CG T3 56 07 86 AMENDMENT OF COVERAGE C - MEDICAL PAYMENTS (LIMITED
PRODUCTS HAZARD INCLUSION)

LIQUOR LIABILITY

MP T1 13 11 03 LIQUOR LIABILITY COVERAGE ENDORSEMENT

MULTIPLE SUBLINE ENDORSEMENTS

CG T3 33 11 03 LIMITATION WHEN TWO OR MORE POLICIES APPLY

INTERLINE ENDORSEMENTS

IL T4 12 03 15 AMNDT COMMON POLICY COND-PROHIBITED COVG
IL T4 14 01 21 CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM
IL T4 40 10 20 PROTECTION OF PROPERTY
IL T3 82 05 13 EXCLUSION OF LOSS DUE TO VIRUS OR BACTERIA
IL 00 21 09 08 NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT (BROAD
FORM)
IL 01 04 07 20 CALIFORNIA CHANGES
IL 02 70 07 20 CALIFORNIA CHANGES - CANCELLATION AND NONRENEWAL

POLICY HOLDER NOTICES

PN MP 59 04 19 IMPORTANT NOTICE - PRODUCT AVAILABILITY
PN T4 54 01 08 IMPORTANT NOTICE REGARDING INDEPENDENT AGENT AND
BROKER COMPENSATION
PN MP 57 04 17 IMP NOT PROT SAFEGUARDS SPRK AND REST
PN MP 64 10 23 IMPORTANT INFORMATION ABOUT YOUR CALIFORNIA WILDFIRE
RISK CLASSIFICATION
PN MP 38 01 11 IMPORTANT NOTICE - JURISDICTIONAL INSPECTIONS

COMMON POLICY CONDITIONS

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

A. CANCELLATION

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

B. CHANGES

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

C. EXAMINATION OF YOUR BOOKS AND RECORDS

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

D. INSPECTIONS AND SURVEYS

1. We have the right to:
 - a. Make inspections and surveys at any time;
 - b. Give you reports on the conditions we find; and
 - c. Recommend changes.
2. We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:
 - a. Are safe or healthful; or
 - b. Comply with laws, regulations, codes or standards.
3. Paragraphs 1. and 2. of this condition apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.
4. Paragraph 2. of this condition does not apply to any inspections, surveys, reports or recommendations we may make relative to certification, under state or municipal statutes, ordinances or regulations, of boilers, pressure vessels or elevators.

E. PREMIUMS

1. The first Named Insured shown in the Declarations:
 - a. Is responsible for the payment of all premiums; and
 - b. Will be the payee for any return premiums we pay.

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

F. TRANSFER OF YOUR RIGHTS AND DUTIES UNDER THIS POLICY

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

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

G. BUSINESSOWNERS COVERAGE PART – REFERENCES TO FORMS AND ENDORSEMENTS

In some instances, the Common Policy Declarations may list endorsements included in the Businessowners Coverage Part that reference:

- 1. The Commercial Property Coverage Part;
- 2. The Commercial General Liability or Liquor Liability Coverage Part; or

- 3. Standard Property forms including, but not limited to, the following:

- a. Building and Personal Property Coverage Form;
- b. Business Income Coverage Form;
- c. Commercial Property Conditions;
- d. Condominium Association Coverage Form;
- e. Condominium Commercial Unit-Owners Coverage Form;
- f. Causes of Loss Basic Form;
- g. Causes of Loss Special Form; and
- h. Causes of Loss Earthquake Form.

Endorsements referencing the Commercial Property Coverage Part or the Standard Property Forms referenced above apply to the Businessowners Property Coverage Special Form in the same manner as they apply to the forms they reference.

Endorsements referencing the Commercial General Liability Coverage Part apply to the Commercial General Liability Coverage Form (included in the Businessowners Coverage Part) in the same manner as they apply to the form they reference.

H. INSURANCE UNDER TWO OR MORE COVERAGE PARTS

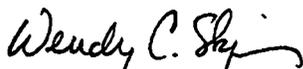
If two or more of this policy's Coverage Parts apply to the same loss or damage, we will not pay more than the actual amount of the loss or damage.

This policy consists of the Common Policy Declarations and the Coverage Parts and endorsements listed in that declarations form.

In return for payment of the premium, we agree with the Named Insured to provide the insurance afforded by a Coverage Part forming part of this policy. That insurance will be provided by the company indicated as insuring company in the Common Policy Declarations by the abbreviation of its name opposite that Coverage Part.

One of the companies listed below (each a stock company) has executed this policy, and this policy is countersigned by the officers listed below:

- The Travelers Indemnity Company (IND)
- The Phoenix Insurance Company (PHX)
- The Charter Oak Fire Insurance Company (COF)
- Travelers Property Casualty Company of America (TIL)
- The Travelers Indemnity Company of Connecticut (TCT)
- The Travelers Indemnity Company of America (TIA)
- Travelers Casualty Insurance Company of America (ACJ)


Secretary


President

TRAVELERS PROPERTY



TRAVELERS PROPERTY

TABLE OF CONTENTS
BUSINESSOWNERS COVERAGE PART
DELUXE PLAN

The following indicates the contents of the principal forms which may be attached to your policy. It contains no reference to the Declarations or Endorsements which also may be attached.

BUSINESSOWNERS PROPERTY COVERAGE
SPECIAL FORM MP T1 02

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BUSINESSOWNERS PROPERTY COVERAGE SPECIAL 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 Paragraph G – PROPERTY DEFINITIONS.

A. COVERAGE

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

1. Covered Property

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

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

- (1) Completed additions;
- (2) Fences;
- (3) Fixtures, including outdoor fixtures;
- (4) Retaining walls, whether or not attached;
- (5) Permanently attached:
 - (a) Machinery; and
 - (b) Equipment;
- (6) Outdoor swimming pools;
- (7) Personal property owned by you that is used to maintain or service the building or structure or its premises, including:
 - (a) Fire extinguishing equipment;
 - (b) Outdoor furniture;
 - (c) Floor coverings;
 - (d) Lobby and hallway furnishings;
 - (e) Appliances used for refrigerating, ventilating, cooking, dishwashing or laundering;

(f) Lawn maintenance and snow removal equipment; and

(g) Alarm systems; and

(8) If not covered by other insurance:

(a) Additions under construction, alterations and repairs to the building or structure; and

(b) Materials, equipment, supplies and temporary structures, on or within 1,000 feet of the described premises, used for making additions, alterations or repairs to the building or structure.

b. Business Personal Property located in or on the buildings described in the Declarations or in the open (or in a vehicle) within 1,000 feet of the described premises, including:

- (1) Property owned by you and used in your business;
- (2) Property of others that is in your care, custody or control;
- (3) Your use interest as tenant in improvements and betterments. Improvements and betterments are fixtures, alterations, installations or additions:
 - (a) Made a part of the building or structure you rent, lease or occupy but do not own; and
 - (b) You acquired or made at your expense but are not permitted to remove; and
- (4) "Money" and "Securities".

2. Property Not Covered

Unless the following is added by endorsement to this Coverage Form, Covered Property does not include:

BUSINESSOWNERS

- a. Aircraft;
- b. Automobiles held for sale;
- c. Vehicles or self-propelled machines that are:
 - (1) Licensed for use on public roads; or
 - (2) Operated principally away from the described premises;

This paragraph does not apply to:

- (1) Vehicles or self-propelled machines or autos you manufacture, process or warehouse;
 - (2) Vehicles or self-propelled machines, other than autos, you hold for sale; or
 - (3) Trailers or semi-trailers, except as provided in the Non-Owned Detached Trailers Coverage Extension.
- d. Dams or dikes;
 - e. Contraband, or property in the course of illegal transportation or trade;
 - f. The cost of excavating, grading, backfilling or filling (except those costs made necessary due to repair of buildings insured under this Coverage Form from a Covered Cause of Loss), reclaiming or restoring land or water;
 - g. Water or land whether in its natural state or otherwise (including land on which the property is located), land improvements, growing crops or standing timber;
 - h. Outdoor trees, shrubs, plants and lawns, other than "stock" except as provided in the Outdoor Trees, Shrubs, Plants and Lawns Coverage Extension.
 - i. The following property while outside of the buildings:
 - (1) Bridges, walks, roadways, patios or other paved surfaces; or
 - (2) Outdoor radio or television antennas, (including satellite dishes) and including their lead-in wiring, masts or towers;
 except as provided in the Outdoor Property Coverage Extension;
 - j. Watercraft (including motors, equipment and accessories) while afloat;
 - k. Accounts and bills, except as provided in the Accounts Receivable Coverage Extension;

- l. "Valuable Papers and Records", except as provided in the Valuable Papers and Records Coverage Extension;
- m. Property that is covered under another Coverage Form of this or any other policy in which it is more specifically described, except for the excess of the amount due (whether you can collect on it or not) from that other insurance;
- n. "Fine Arts" except as provided in the Fine Arts Additional Coverage;
- o. Bullion, gold, silver, platinum and other precious alloys or metals, except if they are used in your "operations" (theft limitation applies);
- p. "Electronic Data Processing Equipment" (not including "stock") except as provided in the Electronic Data Processing Coverage Extension;
- q. "Electronic Data Processing Data and Media" (not including "stock") except as provided in the Electronic Data Processing Coverage Extension or in the Accounts Receivable Coverage Extension; or
- r. Outdoor signs, except as provided in the Signs Coverage Extension.

3. Business Income and Extra Expense

Business Income and Extra Expense is provided at the premises described in the Declarations when the Declarations show that you have coverage for Business Income and Extra Expense.

a. Business Income

(1) Business Income means:

- (a) Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred, including:

- (i) "Rental Value"; and
- (ii) "Maintenance Fees", if you are a condominium association; and

- (b) Continuing normal operating expenses incurred, including payroll.

- (2) We will pay for the actual loss of Business Income you sustain due to the necessary "suspension" of your "operations" during the "period of restoration". The "suspension" must be

caused by direct physical loss of or damage to property at the described premises. The loss or damage must be caused by or result from a Covered Cause of Loss. With respect to loss of or damage to personal property in the open or personal property in a vehicle, the described premises include the area within 1,000 feet of the site at which the described premises are located.

- (3)** With respect to the requirements set forth in Paragraph **(2)** above, if you rent, lease or occupy only part of the site at which the described premises are located, the described premises means:

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

b. Extra Expense

- (1)** Extra Expense means reasonable and necessary expenses you incur during the "period of restoration" that you would not have incurred if there had been no direct physical loss of or damage to property caused by or resulting from a Covered Cause of Loss.
- (2)** We will pay Extra Expense (other than the expense to repair or replace property) to:
- (a)** Avoid or minimize the "suspension" of business and to continue "operations" at the described premises or at replacement premises or temporary locations, including relocation expenses and costs to equip and operate the replacement premises or temporary locations; or
- (b)** Minimize the "suspension" of business if you cannot continue "operations".
- (3)** We will also pay Extra Expense (including Expediting Expenses) to repair or replace the property, but only

to the extent it reduces the amount of loss that otherwise would have been payable under Paragraph **a.** Business Income, above.

c. Extended Business Income

If the necessary "suspension" of your "operations" produces a Business Income loss payable under Paragraph **a.** Business Income above, we will also pay for the actual loss of Business Income you sustain during the period that:

- (1)** Begins on the date property is actually repaired, rebuilt or replaced and "operations" are resumed; and
- (2)** Ends on the earlier of:
- (a)** The date you could restore your "operations" with reasonable speed, to the level which would generate the Business Income amount that would have existed if no direct physical loss or damage occurred; or
- (b)** Sixty consecutive days after the date determined in Paragraph **(1)** above.

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

- d.** If the Declarations show for Business Income and Extra Expense:
- (1)** Actual loss for 12 consecutive months, then we will pay for loss of Business Income and Extra Expense that occurs within 12 consecutive months following the date of direct physical loss or damage; or
- (2)** Actual loss up to 12 consecutive months subject to a maximum dollar limit, then we will pay for loss of Business Income and Extra Expense that occurs within 12 consecutive months following the date of direct physical loss or damage, subject to the limit shown in any one occurrence.

4. Covered Causes of Loss

RISKS OF DIRECT PHYSICAL LOSS unless the loss is:

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- a. Limited in Paragraph **A.5.**, Limitations; or
- b. Excluded in Paragraph **B.**, Exclusions.

5. Limitations

a. We will not pay for loss of or damage to:

(1) The "interior of any building or structure" or to personal property in the building or structure, caused by rain, snow, sleet, ice, sand or dust, whether driven by wind or not, unless:

- (a) The building or structure first sustains damage by a Covered Cause of Loss to its roof or walls through which the rain, snow, sleet, ice, sand or dust enters; or
- (b) The loss or damage is caused by or results from thawing of snow, sleet or ice on the building or structure.

(2) Steam boilers, steam pipes, steam engines, or steam turbines, caused by or resulting from any condition or event inside such equipment. But we will pay for loss of or damage to such equipment caused by or resulting from an explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.

(3) Hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment, other than explosion.

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

(1) Live animals, birds or fish, and then only if they are killed or their destruction is made necessary.

(2) Fragile articles such as glassware, statuary, marbles, chinaware and porcelains, if broken. This limitation does not apply to:

- (a) Glass that is part of the exterior or interior of a building or structure;

(b) Containers of property held for sale; or

(c) Photographic or scientific instrument lenses.

c. For loss or damage by "theft", the most we will pay in any one occurrence for the following types of property is:

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

(2) \$5,000 for all jewelry, watches, watch movements, jewels, pearls, precious and semi-precious stones, bullion, gold, silver, platinum and other precious alloys or metals. This limit does not apply to jewelry and watches worth \$500 or less per item.

(3) \$2,500 for all patterns, dies, molds and forms.

d. We will not pay for any loss or damage caused by any of the following, even if they are Covered Causes of Loss, if the building where loss or damage occurs has been "vacant" for more than 60 consecutive days before that loss or damage occurs:

(1) Vandalism;

(2) Sprinkler Leakage, unless you have protected the system against freezing;

(3) Building glass breakage;

(4) Discharge or leakage of water;

(5) "Theft"; or

(6) Attempted "theft".

With respect to Covered Causes of Loss other than those listed in Paragraphs (1) through (6) above, we will reduce the amount we would otherwise pay for the loss or damage by 15%.

e. Coverage for Business Income and Extra Expense does not apply to any loss or increase in loss caused by direct physical loss of or damage to "Electronic Data Processing Data and Media", except as provided in the Interruption of Computer Operations Coverage Extension.

6. Additional Coverages

Unless otherwise stated, payments made under the following Additional Coverages are in addition to the applicable Limits of Insurance.

a. Arson and Theft Reward

- (1) We will pay for reasonable expenses you incur for rewards that lead to:
 - (a) An arson conviction in connection with a covered fire or explosion loss, or
 - (b) A "theft" conviction in connection with a covered "theft" loss.
- (2) The most we will pay under this Additional Coverage in connection with a particular loss is \$5,000.

b. Claim Data Expense

- (1) We will pay the reasonable expenses you incur in preparing claim data when we require such data to show the extent of loss. This includes the cost of taking inventories, making appraisals, preparing income statements, and preparing other documentation.
- (2) Under this Additional Coverage, we will not pay for:
 - (a) Any expenses incurred, directed, or billed by or payable to attorneys, insurance adjusters or their associates or subsidiaries;
 - (b) Any costs in connection with Paragraph E.2., Appraisal; or
 - (c) Any expenses incurred, directed, or billed by or payable to insurance brokers or agents, or their associates or subsidiaries, without our written consent prior to such expenses being incurred.
- (3) The most we will pay for preparation of claim data under this Additional Coverage in any one occurrence is \$5,000 regardless of the number of premises involved.

c. Debris Removal

- (1) We will pay your expense to remove debris of Covered Property, other than outdoor trees, shrubs, plants and lawns as described in the Outdoor Trees, Shrubs, Plants and Lawns Coverage Extension, caused by or resulting from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writ-

ing within 180 days of the date of direct physical loss or damage.

- (2) Debris Removal does not apply to costs to:
 - (a) Extract "pollutants" from land or water; or
 - (b) Remove, restore or replace polluted land or water.
- (3) Except as provided in Paragraph (4) below, payment for Debris Removal is included within the applicable Limit of Insurance shown in the Declarations. The most we will pay under this Additional Coverage is 25% of:
 - (a) The amount we pay for the direct physical loss or damage to Covered Property; plus
 - (b) The deductible in this Coverage Form applicable to that loss or damage.
- (4) When the debris removal expense exceeds the 25% limitation in Paragraph (3) above or when the sum of the debris removal expense and the amount we pay for the direct physical loss of or damage to Covered Property exceeds the applicable Limit of Insurance, we will pay up to an additional \$25,000 for debris removal expense in any one occurrence, at each described premises.

d. Employee Dishonesty

- (1) We will pay for loss of or damage to Covered Property resulting directly from "employee dishonesty".

We will pay for loss or damage you sustain through acts committed or events occurring during the Policy Period. Regardless of the number of years this insurance remains in force or the number of premiums paid, no Limit of Insurance cumulates year to year or period to period.

- (2) Paragraphs B.2.h. and B.2.o. do not apply to this Additional Coverage.
- (3) We will not pay for loss resulting from the dishonest acts of any "employee" if coverage for that "employee" was either cancelled or excluded from any previous insurance policy of yours

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- providing "employee dishonesty" coverage.
- (4) This Additional Coverage is cancelled as to any "employee" immediately upon discovery by:
- (a) You; or
- (b) Any of your partners, "members", "managers", officers, directors or trustees, not in collusion with the "employee",
- of any fraudulent dishonest act committed by that "employee" before or after being employed by you.
- (5) We will pay for covered loss or damage only if discovered no later than one year from the end of the Policy Period.
- (6) The most we will pay for loss or damage under this Additional Coverage in any one occurrence is \$25,000.
- (7) With respect to this Additional Coverage, occurrence means all loss or damage caused by or involving the same "employee(s)" whether the result of a single act or series of acts.
- (8) If, during the period of any prior "Employee Dishonesty" insurance, you (or any predecessor in interest) sustained loss or damage that you could have recovered under that insurance, except that the time within which to discover loss or damage has expired, we will pay for it under this Additional Coverage, subject to the following:
- (a) This insurance became effective at the time of cancellation or termination of the prior insurance; and
- (b) The loss or damage would have been covered by this insurance had it been in effect when the acts or events causing the loss or damage were committed or occurred.
- (9) The insurance provided under Paragraph (8) above is part of, not in addition to the Limit of Insurance described in Paragraph (6) above and is limited to the lesser of the amount recoverable under:
- (a) This Additional Coverage, as of its effective date; or
- (b) The prior "Employee Dishonesty" insurance, had it remained in effect.
- e. Expediting Expenses**
- (1) In the event of direct physical loss of or damage to Covered Property caused by or resulting from a Covered Cause of Loss, we will pay for the reasonable and necessary additional expenses you incur to make temporary repairs, expedite permanent repairs, or expedite permanent replacement, at the premises sustaining loss or damage. Expediting expenses include overtime wages and the extra cost of express or other rapid means of transportation. Expediting expenses do not include expenses you incur for the temporary rental of property or temporary replacement of damaged property.
- (2) With respect to this Additional Coverage, "breakdown" to "covered equipment" will not be considered a Covered Cause of Loss, even if otherwise covered elsewhere in this Coverage Form.
- (3) The most we will pay under this Additional Coverage in any one occurrence is \$25,000, regardless of the number of premises involved.
- f. Fine Arts**
- (1) When a Limit of Insurance is shown in the Declarations for Business Personal Property at any described premises, we will pay for direct physical loss of or damage to "fine arts" which are owned by:
- (a) You; or
- (b) Others and in your care, custody, or control;
- caused by or resulting from a Covered Cause of Loss, including while on exhibit, anywhere within the Coverage Territory.
- (2) The breakage limitation under Paragraph A.5.b.(2) does not apply to this Additional Coverage.

(3) The following exclusions apply to this Additional Coverage:

- (a)** We will not pay for loss or damage caused by or resulting from wear and tear, any quality in the property that causes it to damage or destroy itself, gradual deterioration, insects, birds, rodents or other animals;
- (b)** We will not pay for loss or damage caused by or resulting from dampness or dryness of atmosphere, or changes in or extremes of temperature;
- (c)** We will not pay for loss or damage caused by or resulting from any repairing, restoration or re-touching process;
- (d)** We will not pay for loss or damage caused by or resulting from faulty packing;
- (e)** Paragraph **B.1.b.** Earth Movement;
- (f)** Paragraph **B.1.c.** Governmental Action;
- (g)** Paragraph **B.1.d.** Nuclear Hazard;
- (h)** Paragraph **B.1.f.** War and Military Action;
- (i)** Paragraph **B.1.g.** Water;
- (j)** Paragraph **B.1.h.** Neglect; and
- (k)** Paragraph **B.2.g.**

No other exclusions in Paragraph **B.** Exclusions apply to this Additional Coverage. However, if any exclusions are added by endorsement to this Coverage Form, such exclusions will apply to this Additional Coverage.

(4) The most we pay for loss or damage under this Additional Coverage in any one occurrence is \$25,000, or the amount shown in the Declarations for "fine arts", whichever is greater. This limit applies regardless of the number of premises involved.**g. Fire Department Service Charge**

When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay up to \$25,000 in any one occurrence for your

liability for fire department service charges:

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

h. Fire Protective Equipment Discharge

(1) If fire protective equipment discharges accidentally or to control a Covered Cause of Loss we will pay your cost to:

- (a)** Refill or recharge the system with the extinguishing agents that were discharged; and
- (b)** Replace or repair faulty valves or controls which caused the discharge.

(2) The most we will pay under this Additional Coverage in any one occurrence is \$10,000, regardless of the number of premises involved.

i. Forgery or Alteration

(1) We will pay for loss resulting directly from "forgery" or alteration of checks, drafts, promissory notes, or similar written promises, orders or directions to pay a sum certain in money that are made or drawn by or drawn upon you, or made or drawn by one acting as an agent or purported to have been so made or drawn.

We will consider signatures that are produced or reproduced electronically, mechanically or by facsimile the same as handwritten signatures.

We will pay for loss that you sustain through acts committed or events occurring during the Policy Period. Regardless of the number of years this insurance remains in force or the number of premiums paid, no Limit of Insurance cumulates from year to year or period to period.

(2) We will not pay for loss resulting from any dishonest or criminal acts committed by you or any of your partners, "employees", "members", "managers", officers, directors or trustees whether acting alone or in collusion with other persons.

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- (3)** We will pay for covered loss discovered no later than one year from the end of the Policy Period.
- (4)** The most we will pay for loss under this Additional Coverage in any one occurrence is \$25,000, regardless of the number of premises involved.
- (5)** With respect to this Additional Coverage, occurrence means all loss caused by any person, or in which that person is concerned or implicated, either resulting from a single act or any number of such acts, whether the loss involves one or more instruments.
- (6)** If, during the period of any prior Forgery or Alteration insurance, you (or any predecessor in interest) sustained loss or damage that you could have recovered under that insurance, except that the time within which to discover loss or damage has expired, we will pay for it under this Additional Coverage provided:
 - (a)** This insurance became effective at the time of cancellation or termination of the prior insurance; and
 - (b)** The loss would have been covered by this insurance had it been in effect when the acts or events causing the loss were committed or occurred.
- (7)** The insurance provided under Paragraph **(6)** above is part of, and not in addition to the limit described in Paragraph **(4)** above and is limited to the lesser of the amount recoverable under:
 - (a)** This Additional Coverage up to the applicable Limit of Insurance under this Coverage Form, as of its effective date; or
 - (b)** The prior Forgery or Alteration insurance, had it remained in effect.
- (8)** If you are sued for refusing to pay any covered instrument described in Paragraph **(1)** above on the basis that it has been forged or altered, and you have our written consent to de-

fend against the suit, we will pay for any reasonable legal expenses that you incur and pay in that defense. The amount we will pay for these legal expenses will be part of and not in addition to the limit described in Paragraph **(4)** above.

j. Newly Acquired or Constructed Property

(1) Buildings

(a) We will pay for direct physical loss of or damage to the following property caused by or resulting from a Covered Cause of Loss:

(i) Your:

- a)** New buildings while being built on a premises shown in the Declarations;
- b)** New buildings while being built on newly acquired premises; and
- c)** Materials, equipment, supplies and temporary structures used in connection with such buildings while they are being built; or

(ii) Buildings you acquire by purchase or lease at any premises, including those premises shown in the Declarations.

(b) The most we will pay for loss of or damage to newly constructed buildings or newly acquired buildings under this Additional Coverage in any one occurrence is \$500,000 at each premises.

(2) Business Personal Property

(a) When a Limit of Insurance is shown in the Declarations for Business Personal Property at any described premises, we will pay for direct physical loss of or damage to the following property caused by or resulting from a Covered Cause of Loss:

- (i)** Business Personal Property, including such property that you newly acquire, at a build-

ing you acquire by purchase or lease at any premises, including those premises shown in the Declarations; and

(ii) Business Personal Property that you newly acquire at a described premises.

(b) The most we will pay for loss of or damage to Business Personal Property under this Additional Coverage in any one occurrence is \$250,000 at each premises.

(3) Period Of Coverage

(a) With respect to insurance under this Additional Coverage, coverage will end when any of the following first occurs:

- (i) This policy expires;
- (ii) 180 days expire after you acquire the property or begin to construct the property;
- (iii) You report values to us; or
- (iv) The property is more specifically insured.

(b) We will charge you additional premium for values reported to us from the date construction begins or you acquire the property.

k. Ordinance or Law

(1) In the event of damage by a Covered Cause of Loss to a building that is Covered Property, we will pay for:

- (a) Loss in value of the undamaged portion of the building as a consequence of enforcement of the minimum requirements of any ordinance or law that requires the demolition of undamaged parts of the same building;
- (b) Demolition cost, meaning the cost to demolish and clear the site of undamaged parts of the same building as a consequence of enforcement of the minimum requirements of any ordinance or law that required demolition of such undamaged property; and
- (c) The increased cost of construction, meaning the increased cost to repair, rebuild or construct the

property as a consequence of enforcement of the minimum requirements of any ordinance or law. This increased cost of construction coverage applies only if:

- (i) The building is insured for replacement cost;
- (ii) The building is repaired, rebuilt or reconstructed; and
- (iii) The repaired, rebuilt or reconstructed building is intended for similar occupancy as the current building, unless otherwise required by zoning or land use ordinance or law.

(2) The ordinance or law referred to in this Additional Coverage is an ordinance or Law that:

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

(3) We will not pay under this Additional Coverage for:

- (a) Loss due to any ordinance or law that:
 - (i) You were required to comply with before the loss, even if the building was undamaged; and
 - (ii) You failed to comply with; or
- (b) Costs associated with the enforcement of any ordinance or law that 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".

(4) Paragraph **B.1.a.** does not apply to this Additional Coverage.

(5) Subject to the limit described in Paragraph **(6)** below:

- (a) The insurance provided under this Additional Coverage for loss in value to the undamaged portion of the building is limited as follows:

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- (i) If Replacement Cost Coverage applies and the building is repaired or replaced on the same or another premises, we will not pay more than the lesser of:
 - a) The amount you actually spend to repair, rebuild or reconstruct the undamaged portion of the building; or
 - b) The amount it would cost to restore the undamaged portion of the building on the same premises and to the same height, floor area, style and comparable quality of the original undamaged portion of the building; or
 - (ii) If Replacement Cost Coverage applies and the building is not repaired or replaced, or if Replacement Cost Coverage does not apply, we will not pay more than the actual cash value of the undamaged portion of the building at the time of loss.
 - (b) We will not pay more for demolition costs than the amount you actually spend to demolish and clear the site of the described premises.
 - (c) The insurance provided under this Additional Coverage for increased cost of construction is limited as follows:
 - (i) If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay is the increased cost of construction at the same premises; or
 - (ii) If the ordinance or law requires relocation to another premises, the most we will pay is the increased cost of construction at the new premises.
 - (6) The most we will pay for loss under this Additional Coverage for the total of all coverages described in Paragraph (1) above in any one occurrence is \$25,000 at each described premises.
- I. Outdoor Trees, Shrubs, Plants and Lawns**
- (1) We will pay for direct physical loss of or damage to outdoor trees, shrubs, plants (other than "stock" of trees, shrubs or plants) and lawns located at the described premises caused by or resulting from a Covered Cause of Loss.
 - (2) The most we will pay for loss or damage under this Additional Coverage in any one occurrence is \$3,000 at each described premises.
 - (3) Debris removal, because of covered loss or damage to outdoor trees, shrubs, plants and lawns, is included within the limits described in Paragraph (2) above.
- m. Pollutant Cleanup and Removal**
- (1) We will pay your necessary and reasonable expense to extract "pollutants" from land or water at the described premises, if the discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused by or results from a "specified cause of loss" which occurs:
 - (a) At the described premises;
 - (b) To Covered Property; and
 - (c) During the policy period.
 - (2) The expenses will be paid only if they are reported to us in writing within 180 days of the date on which the "specified cause of loss" occurs.
 - (3) This Additional Coverage does not apply to costs to test for, monitor or assess the existence, concentration or effects of "pollutants". But we will pay for testing which is performed in the course of extracting the "pollutants" from the land or water.
 - (4) The most we will pay under this Additional Coverage is \$25,000 for the sum of all covered expenses arising

out of all Covered Causes of Loss occurring during each separate 12 month period of this policy beginning with the effective date of this policy. This amount applies regardless of the number of premises involved.

n. Preservation of Property

(1) If it is necessary to move Covered Property from the described premises to preserve it from loss or damage by a Covered Cause of Loss, we will pay for:

(a) Any direct physical loss of or damage to such property while:

- (i) Being moved; or
- (ii) Temporarily stored at another location only if the loss or damage occurs within 90 days after the property is first moved; and

(b) The costs incurred to:

- (i) Remove such property from the described premises; and
- (ii) Return such property to the described premises.

(2) Coverage under this Additional Coverage will end when any of the following first occurs:

- (a) When the policy is amended to provide insurance at the new location;
- (b) The property is returned to the original described premises;
- (c) 90 days expire after the property is first moved; or
- (d) This policy expires.

(3) Payments under this Additional Coverage are subject to and not in addition to the applicable Limit of Insurance.

o. Temporary Relocation of Property

(1) If Covered Property is removed from the described premises and stored temporarily at a location you own, lease or operate while the described premises is being renovated or remodeled, we will pay for direct physical loss of or damage to that stored property:

(a) Caused by or resulting from a Covered Cause of Loss;

(b) Up to \$50,000 at each temporary location in any one occurrence; and

(c) During the storage period of up to 90 consecutive days but not beyond expiration of this policy.

(2) This Additional Coverage does not apply if the stored property is more specifically insured.

p. Water Damage, Other Liquids, Powder or Molten Material Damage

(1) If loss or damage caused by or resulting from covered water or other liquid, powder or molten material damage occurs, we will also pay the cost to tear out and replace any part of the building or structure to repair damage to the system or appliance from which the water or other substance escapes.

(2) We will not pay the cost to repair any defect to a system or appliance from which the water, other liquid, powder or molten material escapes. But we will pay the cost to repair or replace damaged parts of fire extinguishing equipment if the damage:

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

(b) Is directly caused by freezing.

(3) Payments under this Additional Coverage are subject to and not in addition to the applicable Limit of Insurance.

7. Coverage Extensions

Unless otherwise stated, payments made under the following Coverage Extensions are subject to and not in addition to the applicable Limits of Insurance.

a. Accounts Receivable

(1) When a Limit of Insurance is shown in the Declarations for Business Personal Property at the described premises, you may extend that insurance to apply to loss, as described in Paragraph (2) below, due to direct physical loss of or damage to your

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- records of accounts receivable (including those on electronic data processing media) caused by or resulting from a Covered Cause of Loss. Credit card company media will be considered accounts receivable until delivered to the credit card company.
- (2) We will pay for:
- (a) All amounts due from your customers that you are unable to collect;
 - (b) Interest charges on any loan required to offset amounts you are unable to collect pending our payment of these amounts;
 - (c) Collection expenses in excess of your normal collection expenses that are made necessary by the loss or damage; and
 - (d) Other reasonable expenses that you incur to re-establish your records of accounts receivable.
- (3) The following exclusions apply to this Coverage Extension:
- (a) We will not pay for loss caused by or resulting from bookkeeping, accounting or billing errors or omissions;
 - (b) We will not pay for loss that requires an audit of records or any inventory computation to prove its factual existence;
 - (c) We will not pay for loss caused by or resulting from alteration, falsification, concealment or destruction of records of accounts receivable done to conceal the wrongful giving, taking or withholding of money, securities or other property. But this exclusion applies only to the extent of the wrongful giving, taking or withholding;
 - (d) Paragraph **B.1.b.** Earth Movement;
 - (e) Paragraph **B.1.c.** Governmental Action;
 - (f) Paragraph **B.1.d.** Nuclear Hazard;
 - (g) Paragraph **B.1.f.** War and Military Action;
 - (h) Paragraph **B.1.g.** Water;
 - (i) Paragraph **B.1.h.** Neglect; and
 - (j) Paragraph **B.2.g.**
- No other exclusions in Paragraph **B.** Exclusions apply to this Coverage Extension. However, if any exclusions are added by endorsement to this Coverage Form, such exclusions will apply to this Coverage Extension.
- (4) The most we will pay under this Coverage Extension for loss of or damage to records of accounts receivable in any one occurrence while in transit or at a premises other than the described premises is \$25,000.
- (5) The most we will pay under this Coverage Extension for loss of or damage to records of accounts receivable in any one occurrence at each described premises is \$25,000 or the amount shown in the Declarations for Accounts Receivable, whichever is greater.
- (6) Payments made under this Coverage Extension are in addition to the applicable Limits of Insurance.
- b. Appurtenant Buildings and Structures**
- (1) When a Limit of Insurance is shown in the Declarations for Building at the described premises, you may extend that insurance to apply to direct physical loss of or damage to incidental appurtenant buildings or structures, within 1,000 feet of that described premises, caused by or resulting from a Covered Cause of Loss.
- (2) When a Limit of Insurance is shown in the Declarations for Business Personal Property at the described premises, you may extend that insurance to apply to direct physical loss of or damage to Business Personal Property within incidental appurtenant buildings or structures within 1,000 feet of that described premises, caused by or resulting from a Covered Cause of Loss.

(3) Incidental appurtenant buildings or structures include:

- (a)** Storage buildings;
- (b)** Carports;
- (c)** Garages;
- (d)** Pump houses; or
- (e)** Above ground tanks;

which have not been specifically described in the Declarations.

(4) The most we will pay for loss or damage under this Coverage Extension in any one occurrence for any combination of loss of or damage to Building and Business Personal Property is \$50,000, regardless of the number of described premises involved.

(5) Payments made under this Coverage Extension are in addition to the applicable Limits of Insurance.

c. Building Glass

(1) If:

- (a)** You are the building owner; and
- (b)** A Limit of Insurance is shown in the Declarations for Building at the described premises;

you may extend that insurance to apply to direct physical loss of or damage to all exterior and interior building glass caused by or resulting from a Covered Cause of Loss, including glass breakage and damage to glass by chemicals accidentally or maliciously applied to glass.

(2) If:

- (a)** You are a tenant;
- (b)** A Limit of Insurance is shown in the Declarations for Building or Business Personal Property at the described premises; and
- (c)** You are contractually obligated to repair or replace building glass at the described premises;

you may extend that insurance to apply to direct physical loss of or damage to all exterior and interior building glass caused by or resulting from a Covered Cause of Loss, including glass breakage and damage to glass

by chemicals accidentally or maliciously applied to glass.

(3) We will also pay for necessary expenses in connection with loss or damage covered in Paragraphs **(1)** or **(2)** above, incurred by you to:

- (a)** Put up temporary plates or board up openings;
- (b)** Repair or replace encasing frames; and
- (c)** Remove or replace obstructions.

(4) The following exclusions apply to this Coverage Extension:

- (a)** We will not pay for loss or damage caused by or resulting from:
 - (i)** Wear and tear;
 - (ii)** Hidden or latent defect;
 - (iii)** Corrosion; or
 - (iv)** Rust;
- (b)** Paragraph **B.1.b.** Earth Movement;
- (c)** Paragraph **B.1.c.** Governmental Action;
- (d)** Paragraph **B.1.d.** Nuclear Hazard;
- (e)** Paragraph **B.1.f.** War and Military Action; and
- (f)** Paragraph **B.1.g.** Water.

No other exclusions in Paragraph **B.** Exclusions apply to this Coverage Extension. However, if any exclusions are added by endorsement to this Coverage Form, such exclusions will apply to this Coverage Extension.

d. Business Income and Extra Expense From Dependent Property

(1) When the Declarations show that you have coverage for Business Income and Extra Expense, you may extend that insurance to apply to the actual loss of Business Income you sustain and reasonable and necessary Extra Expense you incur due to the "suspension" of your "operations" during the "period of restoration". The "suspension" must be caused by direct physical loss or damage at the premises of a Dependent Property, caused

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- by or resulting from a Covered Cause of Loss.
- (2) Dependent Property means property operated by others whom you depend on to:
- (a) Deliver materials or services (other than "water supply services", "communication supply services" or "power supply services") to you, or to others for your account (Contributing Locations);
 - (b) Accept your products or services (Recipient Locations);
 - (c) Manufacture products for delivery to your customers under contract of sale (Manufacturing Locations); or
 - (d) Attract customers to your business (Leader Locations).
- (3) With respect to this Coverage Extension, the "period of restoration":
- (a) Begins 24 hours after the time of direct physical loss or damage caused by or resulting from any Covered Cause of Loss at the premises of the Dependent Property;
 - (b) Ends on the date when the property at the premises of the Dependent Property should be repaired, rebuilt or replaced with reasonable speed and similar quality; and
 - (c) Does not include any increased period required due to the enforcement of any ordinance or law that:
 - (i) Regulates the construction, use or repair, or requires the tearing down of any property; or
 - (ii) Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".
- (4) This Coverage Extension:
- (a) Applies to Dependent Property premises located within the Coverage Territory; and
 - (b) Does not apply when you have more specific insurance under any other policy.
- (5) We will reduce the amount of your Business Income loss, other than Extra Expense, to the extent you can resume "operations" in whole or in part, by using any other available:
- (a) Source of materials; or
 - (b) Outlet for your products.
- (6) The most we will pay for Business Income and Extra Expense under this Coverage Extension in any one occurrence is \$10,000, regardless of the number of described premises or number of Dependent Properties involved.
- (7) Payments made under this Coverage Extension are in addition to the applicable Limits of Insurance.
- e. Business Income and Extra Expense – Newly Acquired Premises**
- (1) When the Declarations show that you have coverage for Business Income and Extra Expense, you may extend that insurance to apply to the actual loss of Business Income you sustain and reasonable and necessary Extra Expense you incur due to the "suspension" of your "operations" during the "period of restoration". The "suspension" must be caused by direct physical loss or damage caused by or resulting from a Covered Cause of Loss at any premises you newly acquire by purchase or lease (other than at fairs, trade shows or exhibitions).
 - (2) The most we will pay under this Coverage Extension for the sum of Business Income and Extra Expense you incur in any one occurrence is \$250,000 at each newly acquired premises.
 - (3) Insurance under this Coverage Extension for each newly acquired

premises will end when any of the following first occurs:

- (a) This policy expires;
- (b) 90 days expire after you acquire that premises;
- (c) You report that premises to us; or
- (d) The Business Income or Extra Expense is more specifically insured.

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

- (4) Payments made under this Coverage Extension are in addition to the applicable Limits of Insurance.

f. Business Personal Property Off Premises

- (1) When a Limit of Insurance is shown in the Declarations for Business Personal Property at the described premises, you may extend that insurance to apply to direct physical loss of or damage to such property caused by or resulting from a Covered Cause of Loss while:

- (a) In the course of transit to or from the described premises; or
- (b) Temporarily away from the described premises, and:
 - (i) At a premises you do not own, lease or operate; or
 - (ii) At any fair, trade show or exhibition at a premises you do not own or regularly occupy.

- (2) This Coverage Extension does not apply to property:

- (a) While in the custody of the United States Postal Service;
- (b) Rented or leased to others;
- (c) After delivery to customers;
- (d) In the care, custody or control of your salespersons, unless the property is in such care, custody or control at a fair, trade show or exhibition;
- (e) Temporarily at a premises for more than 60 consecutive days, except "money" and "securities" at a "banking premises";

- (f) Otherwise covered under the Fine Arts Additional Coverage; or

- (g) Otherwise covered under the following Coverage Extensions:

- (i) Accounts Receivable;
- (ii) Electronic Data Processing;
- (iii) Personal Effects; or
- (iv) Valuable Papers and Records.

g. Civil Authority

- (1) When the Declarations show that you have coverage for Business Income and Extra Expense, you may extend that insurance to apply to the actual loss of Business Income you sustain and reasonable and necessary Extra Expense you incur caused by action of civil authority that prohibits access to the described premises. The civil authority action must be due to direct physical loss of or damage to property at locations, other than described premises, that are within 100 miles of the described premises, caused by or resulting from a Covered Cause of Loss.

- (2) The coverage for Business Income will begin 24 hours after the time of that action and will apply for a period of three consecutive weeks after coverage begins.

- (3) The coverage for Extra Expense will begin immediately after the time of that action and will end when your Business Income coverage ends for this Coverage Extension.

h. Electronic Data Processing

- (1) When a Limit of Insurance is shown in the Declarations for Business Personal Property at the described premises, you may extend that insurance to apply to direct physical loss of or damage to "Electronic Data Processing Equipment" and to "Electronic Data Processing Data and Media", caused by or resulting from a Covered Cause of Loss.

- (2) Worldwide coverage is provided under this Coverage Extension. The coverage territory as described in

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Paragraph **F.8.b.** does not apply to this Coverage Extension.

- (3) This Coverage Extension does not apply to:
- (a) "Stock"; or
 - (b) Property that is leased or rented to others.
- (4) The following exclusions as described in Paragraph **B.** Exclusions do not apply to this Coverage Extension:
- (a) Paragraph **1.e.** Utility Services;
 - (b) Paragraph **2.a.**; or
 - (c) Paragraph **2.d.(6)**.
- (5) The following additional exclusions apply to this Coverage Extension:
- (a) We will not pay for loss or damage caused by or resulting from any of the following:
 - (i) Programming errors, omissions or incorrect instructions to a machine. But if programming errors, omissions or incorrect instructions to a machine results in a "specified cause of loss" or mechanical breakdown of "Electronic Data Processing Equipment", we will pay for the loss or damage caused by that "specified cause of loss" or mechanical breakdown of "Electronic Data Processing Equipment";
 - (ii) Unauthorized viewing, copying or use of "Electronic Data Processing Data and Media" (or any proprietary or confidential information or intellectual property) by any person, even if such activity is characterized as "theft";
 - (iii) Errors or deficiency in design, installation, maintenance, repair or modification of your computer systems or any computer system or network to which your system is connected or on which your system depends (including electronic data). But if errors or

deficiency in design, installation, maintenance, repair or modification of your computer system or any computer system or network to which your system is connected or on which your system depends (including electronic data) results in a "specified cause of loss" or mechanical breakdown of "Electronic Data Processing Equipment", we will pay for the loss or damage caused by that "specified cause of loss" or mechanical breakdown of "Electronic Data Processing Equipment";

- (iv) Unexplained or indeterminable failure, malfunction or slowdown of a computer system, including "Electronic Data Processing Data and Media" or the inability to access or properly manipulate "Electronic Data Processing Data and Media"; or
- (v) "Electronic Vandalism" except as provided in Paragraph **(9)** below.

- (6) The most we will pay under this Coverage Extension for loss of or damage to "Electronic Data Processing Equipment" and to "Electronic Data Processing Data and Media", while in transit or at a premises other than the described premises, in any one occurrence, is \$25,000.
- (7) The most we will pay under this Coverage Extension for loss of or damage to duplicates of your "Electronic Data Processing Data and Media" while stored at a separate premises from where your original "Electronic Data Processing Data and Media" are kept, in any one occurrence, is \$25,000.
- (8) The most we will pay under this Coverage Extension for loss or damage to "Electronic Data Processing Equipment", including such property you newly acquire in any one occurrence is \$25,000 at each newly acquired premises. With respect to insurance

under this Coverage Extension on newly acquired "Electronic Data Processing Equipment", coverage will end when any of the following first occurs:

- (a) This policy expires;
 - (b) 180 days expire after you acquire the "Electronic Data Processing Equipment"; or
 - (c) You report values to us.
- (9) The most we will pay under this Coverage Extension for loss of or damage to "Electronic Data Processing Data and Media" caused by or resulting from "electronic vandalism", in any one occurrence is \$25,000, regardless of the number of the number of premises involved. Such limit also applies to any otherwise covered loss of Business Income or Extra Expense.
- (10) The most we will pay under this Coverage Extension for loss of or damage to "Electronic Data Processing Equipment" and to "Electronic Data Processing Data and Media", at the described premises, in any one occurrence, is the Limit of Insurance shown in the Declarations for Business Personal Property at such premises or \$50,000, whichever is less.

i. Equipment Breakdown

- (1) When a Limit of Insurance is shown in the Declarations for Building or Business Personal Property at the described premises, you may extend that insurance to apply to direct physical loss of or damage to Covered Property at the described premises caused by or resulting from a "breakdown" to "covered equipment".

With respect to otherwise covered Business Income and Extra Expense, "breakdown" to "covered equipment" will be considered a Covered Cause of Loss.

If an initial "breakdown" causes other "breakdowns", all will be considered one "breakdown". All "breakdowns" that manifest themselves at the same

time and are the result of the same cause will also be considered one "breakdown".

- (2) Under this Coverage Extension, the following coverages also apply:

(a) Expediting Expenses

- (i) In the event of direct physical loss of or damage to Covered Property caused by or resulting from a "breakdown" to "covered equipment", we will pay for the reasonable additional expenses you necessarily incur to make temporary repairs to, or expedite the permanent repair or replacement of, the lost or damaged Covered Property.
- (ii) Expediting expenses include overtime wages and the extra cost of express or other rapid means of transportation.
- (iii) The most we will pay under this Coverage Extension for all Expediting Expenses arising out of any one "breakdown" is \$25,000. This limit is part of and not in addition to the Limit of Insurance that applies to lost or damaged Covered Property.

(b) "Pollutants"

- (i) In the event of direct physical loss of or damage to Covered Property caused by or resulting from a "breakdown" to "covered equipment", we will pay for the additional cost to repair or replace Covered Property because of contamination by "pollutants". This includes the additional expenses to clean up or dispose of such property. Additional costs mean those beyond what would have been required had no "pollutants" been involved.
- (ii) The most we will pay under this Coverage Extension for loss or damage to Covered Property caused by contamination by "pollutants" arising

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out of any one "breakdown" is \$25,000. This limit is subject to and not in addition to the Limit of Insurance that applies to lost or damaged Covered Property.

- (c) Service Interruption**
- When the Declarations show that you have coverage for Business Income and Extra Expense, you may extend that insurance to apply to loss caused by or resulting from a "breakdown" to equipment that is owned, operated or controlled by a local public or private utility or distributor that directly generates, transmits, distributes or provides the following utility services:
- (i)** "Water Supply Services";
 - (ii)** "Communication Supply Services"; or
 - (iii)** "Power Supply Services".
- (3)** We will not pay under this Coverage Extension for loss or damage caused by or resulting from any of the following tests:
- (a)** A hydrostatic, pneumatic or gas pressure test of any boiler or pressure vessel; or
 - (b)** An insulation breakdown test of any type of electrical equipment.
- (4)** We will not pay under this Coverage Extension for loss or damage caused by or resulting from a change in:
- (a)** Temperature; or
 - (b)** Humidity;
- as a consequence of "breakdown" to "covered equipment".
- (5)** The following limitations in Paragraph **A.5.** do not apply to this Coverage Extension:
- (a)** Paragraph **a.(2)**; and
 - (b)** Paragraph **a.(3)**.
- (6)** The following exclusions in Paragraph **B.** Exclusions do not apply to this Coverage Extension:
- (a)** Paragraph **2.a.**;
 - (b)** Paragraph **2.d.(6)**; and

(c) Paragraph 2.e.

- (7)** With respect to this Coverage Extension, the following condition is added to Paragraph **F. Commercial Property Conditions**:

Suspension

If any "covered equipment" is found to be in, or exposed to a dangerous condition, any of our representatives may immediately suspend the insurance provided by this Coverage Form for loss or damage caused by or resulting from a "breakdown" to that "covered equipment". This can be done by delivering or mailing a notice of suspension to:

1. Your last known address; or
2. The address where the "covered equipment" is located.

Once suspended in this way, such insurance can only be reinstated by a written endorsement issued by us. If we suspend your insurance, you will get a pro rata refund of premium for that "covered equipment". But the suspension will be effective even if we have not yet made or offered a refund.

- (8)** The most we will pay under this Coverage Extension for all direct physical loss of or damage to:
- (a)** "Diagnostic Equipment";
 - (b)** "Power Generating Equipment"; or
 - (c)** "Production Equipment";
- caused by or resulting from a "breakdown" to "covered equipment" in any one occurrence is \$100,000.

j. Interruption of Computer Operations

- (1)** When the Declarations show that you have coverage for Business Income and Extra Expense, you may extend that insurance to apply to a "suspension" of "operations" caused by an interruption of computer operations due to direct physical loss of or damage to "Electronic Data Processing Data and Media" at the described premises caused by or resulting from a Covered Cause of Loss.

- (2) The most we will pay under this Coverage Extension is \$25,000 for the sum of all covered interruptions arising out of all Covered Causes of Loss occurring during each separate 12 month period of this policy beginning with the effective date of this policy.
- (3) Payments made under this Coverage Extension are in addition to the applicable Limits of Insurance.

k. Money Orders and Counterfeit Paper Currency

When a Limit of Insurance is shown in the Declarations for Business Personal Property at the described premises, you may extend that insurance to apply to loss due to the good faith acceptance of:

- (1) Any U.S. or Canadian post office or express money order, issued or purporting to have been issued by any post office or express company, if the money order is not paid upon presentation; or
- (2) Counterfeit United States or Canadian paper currency;

in exchange for merchandise, "money" or services or as part of a normal business transaction.

l. Non-Owned Detached Trailers

- (1) When a Limit of Insurance is shown in the Declarations for Business Personal Property at the described premises, you may extend that insurance to apply to direct physical loss of or damage to trailers or semi-trailers that you do not own, provided that:
 - (a) The trailer or semi-trailer is used in your business;
 - (b) The trailer or semi-trailer is in your care, custody or control at the described premises; and
 - (c) You have a contractual responsibility to pay for loss of or damage to the trailer or semi-trailer.
- (2) We will not pay for loss or damage that occurs:
 - (a) While the trailer or semi-trailer is attached to any motor vehicle or motorized conveyance, whether

or not the motor vehicle or motorized conveyance is in motion; or

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

- (3) The most we will pay for loss or damage under this Coverage Extension in any one occurrence is \$5,000 regardless of the number of described premises, trailers or semi-trailers involved.

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

m. Ordinance or Law – Increased Period of Restoration

- (1) When:
 - (a) A Covered Cause of Loss occurs to property at the described premises; and
 - (b) The Declarations show that you have coverage for Business Income and Extra Expense;

you may extend that insurance to apply to the amount of actual loss of Business Income you sustain and reasonable and necessary Extra Expense you incur during the increased period of "suspension" of "operations" caused by or resulting from the enforcement of any ordinance or law that:

- (a) Regulates the construction, repair or replacement of any property;
- (b) Requires the tearing down or replacement of any parts of property not damaged by a Covered Cause of Loss; and
- (c) Is in force at the time of loss.
- (2) This Coverage Extension applies only to the period that would be required, with reasonable speed, to reconstruct, repair or replace the property to comply with the minimum requirements of the ordinance or law.
- (3) This Coverage Extension does not apply to:

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- (a) Loss due to an ordinance or law that:
 - (i) You were required to comply with before the loss, even if the property was undamaged; and
 - (ii) You failed to comply with; or
- (b) Costs associated with the enforcement of any ordinance or law that 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".
- (4) Paragraph **B.1.a.**, does not apply to this Coverage Extension.
- (5) The most we will pay for loss under this Coverage Extension in any one occurrence is \$25,000 at each described premises.
- (6) Payments made under this Coverage Extension are in addition to the applicable Limits of Insurance.

n. Outdoor Property

- (1) When a Limit of Insurance is shown in the Declarations for Building or Business Personal Property at the described premises, you may extend that insurance to apply to direct physical loss of or damage to the following types of outdoor property at that described premises caused by or resulting from a Covered Cause of Loss:
 - (a) Radio or television antennas (including microwave or satellite dishes) and their lead-in wiring, masts or towers; or
 - (b) Bridges, walks, roadways, patios and other paved surfaces.
- (2) The most we will pay for loss or damage under this Coverage Extension in any one occurrence is \$10,000 at each described premises.

o. Personal Effects

- (1) When a Limit of Insurance is shown in the Declarations for Business Personal Property at the described premises, you may extend that insurance

to apply to direct physical loss of or damage to personal effects owned by:

- (a) You; or
- (b) Your officers, partners, "members", "managers", "employees", directors or trustees;

caused by or resulting from a Covered Cause of Loss.

- (2) Such property must be located at a described premises.
- (3) The most we will pay for loss or damage under this Coverage Extension in any one occurrence is \$25,000 at each described premises.
- (4) Payments under this Coverage Extension are in addition to the applicable Limits of Insurance.

p. Signs

- (1) If:
 - (a) You are the building owner; and
 - (b) A Limit of Insurance is shown in the Declarations for Building;

at the described premises, you may extend that insurance to apply to direct physical loss of or damage to outdoor signs attached to the building, or on or within 1,000 feet of the described premises, caused by or resulting from a Covered Cause of Loss.

- (2) If:
 - (a) You are a tenant;
 - (b) A Limit of Insurance is shown in the Declarations for Business Personal Property; and

- (c) You own or are contractually obligated to repair or replace outdoor signs;

at the described premises, you may extend that insurance to apply to direct physical loss of or damage to outdoor signs attached to the building, or on or within 1,000 feet of the described premises, caused by or resulting from a Covered Cause of Loss.

q. Spoilage – Consequential Loss

(1) When a Limit of Insurance is shown in the Declarations for Business Personal Property at the described premises, you may extend that insurance to apply to consequential loss to your Business Personal Property caused by a change in:

- (a) Temperature; or
- (b) Humidity;

caused by or resulting from a Covered Cause of Loss to any of the following types of equipment situated within the building at the described premises:

- (a) Refrigerating;
- (b) Cooling;
- (c) Humidifying;
- (d) Air-conditioning;
- (e) Heating;
- (f) Generating or converting power; or
- (g) Connections, supply or transmission lines and pipes associated with the above equipment.

(2) With respect to this Coverage Extension, "breakdown" to "covered equipment" will not be considered a Covered Cause of Loss, even if otherwise covered elsewhere in this Coverage Form.

(3) Paragraphs **B.2.d.(7)(a)** and **B.2.d.(7)(b)** do not apply to this Coverage Extension.

r. Theft Damage to Rented Property

(1) When a Limit of Insurance is shown in the Declarations for Business Personal Property at the described premises, you may extend that insurance to apply to direct physical loss of or damage to the following caused by or resulting by "theft" or attempted "theft":

- (a) That part of a building you occupy, but do not own, which contains Covered Property; and
- (b) Property within such non-owned building used for maintenance or

service of such non-owned building.

(2) We will not pay under this Coverage Extension for loss or damage:

- (a) Caused by or resulting from fire or explosion; or
- (b) To glass (other than glass building blocks) or to any lettering, ornamentation or burglar alarm tape on glass.

(3) This Coverage Extension applies only if you are a tenant and you are contractually obligated to insure this exposure.

s. Valuable Papers and Records

(1) When a Limit of Insurance is shown in the Declarations for Business Personal Property at the described premises, you may extend that insurance to apply to direct physical loss of or damage to "valuable papers and records", that:

- (a) You own; or
- (b) Are owned by others, but in your care, custody or control;

caused by or resulting from a Covered Cause of Loss.

(2) This Coverage Extension includes the cost to research, replace or restore the lost information on "valuable papers and records" for which duplicates do not exist.

(3) The following exclusions apply to this Coverage Extension:

- (a) We will not pay for any loss or damage to "valuable papers and records" caused by or resulting from any errors or omissions in processing or copying. But if errors or omissions in processing or copying results in fire or explosion, we will pay for the resulting loss or damage caused by that fire or explosion.
- (b) Paragraph **B.1.b.** Earth Movement;
- (c) Paragraph **B.1.c.** Governmental Action;
- (d) Paragraph **B.1.d.** Nuclear Hazard;

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- (e) Paragraph **B.1.f.** War and Military Action;
- (f) Paragraph **B.1.g.** Water;
- (g) Paragraph **B.1.h.** Neglect; and
- (h) Paragraph **B.2.g.**

No other exclusions in Paragraph **B.** Exclusions apply to this Coverage Extension. However, if any exclusions are added by endorsement to this Coverage Form, such exclusions will apply to this Coverage Extension.

- (4) The most we will pay under this Coverage Extension for loss of or damage to "valuable papers and records" in any one occurrence while in transit or at a premises other than the described premises is \$25,000.
- (5) The most we will pay under this Coverage Extension for loss of or damage to "valuable papers and records" in any one occurrence at each described premises is \$25,000 or the amount shown in the Declarations for Valuable Papers and Records, whichever is greater.
- (6) Payments made under this Coverage Extension are in addition to the applicable Limits of Insurance.

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. These exclusions apply whether or not the loss event results in widespread damage or affects a substantial area.

a. Ordinance or Law

- (1) The enforcement of any ordinance or law:
 - (a) Regulating the construction, use or repair of any property; or
 - (b) Requiring the tearing down of any property, including the cost of removing its debris.
- (2) 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 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; or
- (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;

all whether naturally occurring or due to man made or other artificial causes.

But if Earth Movement, as described in Paragraphs (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 or volcanic action, we will pay for the loss or damage caused by that fire or volcanic action.

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

- (a) Airborne volcanic blast or airborne shock waves;

(b) Ash, dust, or particulate matter; or

(c) Lava flow.

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

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

c. Governmental Action

Seizure or destruction of property by order of governmental authority.

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

d. Nuclear Hazard

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

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

e. Utility Services

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

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

f. War and Military Action

(1) War, including undeclared or civil war;

(2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or

(3) Insurrection, rebellion, revolution, usurped power or action taken by

governmental authority in hindering or defending against any of these.

g. Water

(1) Flood, surface water, waves, tides, tidal waves, overflow of any body of water, or their spray, all whether driven by wind or not;

(2) Mudslide or mudflow;

(3) Water or sewage that backs up or overflows from a sewer, drain or sump; or

(4) Water under the ground surface pressing on, or flowing or seeping through:

(a) Foundations, walls, floors or paved surfaces;

(b) Basements, whether paved or not; or

(c) Doors, windows or other openings;

all whether naturally occurring or due to man made or other artificial causes.

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

h. Neglect

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

i. Collapse of Buildings

Collapse of buildings meaning an abrupt falling down or caving in of a building or any part of a building with the result being that the building or part of a building cannot be occupied for its intended purpose.

(1) This exclusion does not apply to collapse of buildings if caused only by one or more of the following:

(a) A "specified cause of loss" or breakage of building glass;

(b) Decay, insect or vermin damage that is hidden from view, unless the presence of such decay or insect or vermin damage is known to an insured prior to collapse;

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- (c) Weight of people or personal property;
- (d) Weight of rain that collects on a roof; or
- (e) Use of defective material or methods in construction, remodeling or renovation if the collapse occurs during the course of construction, remodeling or renovation; or
- (f) Use of defective material or methods in construction, remodeling or renovation if the collapse occurs after construction, remodeling, or renovation is complete and is caused in part by a cause of loss listed in Paragraphs (a) through (d) above.

In the event collapse results in a Covered Cause of Loss, we will only pay for the resulting loss or damage by that Covered Cause of Loss.

- (2) We will not pay for loss of or damage to the following types of property, if otherwise covered in this Coverage Form under Paragraphs (1)(b) through (1)(f) above, unless the loss or damage is a direct result of the collapse of a building:
 - (a) Awnings, gutters and downspouts;
 - (b) Outdoor radio or television antennas (including microwave or satellite dishes) and their lead-in wiring, masts or towers;
 - (c) Fences;
 - (d) Piers, wharves and docks;
 - (e) Beach or diving platforms or appurtenances;
 - (f) Retaining walls;
 - (g) Walks, roadway and other paved surfaces;
 - (h) Yard fixtures; or
 - (i) Outdoor swimming pools.
- (3) A building or part of a building that:
 - (a) Is in imminent danger of abruptly falling down or caving in; or
 - (b) Suffers a substantial impairment of structural integrity;

is not considered to have collapsed but is considered to be in a state of imminent collapse.

- (4) With respect to buildings in a state of imminent collapse, we will not pay for loss or damage unless the state of imminent collapse first manifests itself during the policy period and is caused only by one or more of the following which occurs during the policy period:
 - (a) A "specified cause of loss" or breakage of glass;
 - (b) Weight of people or personal property;
 - (c) Weight of rain that collects on a roof; or
 - (d) Use of defective material or methods in construction, remodeling or renovation if the state of imminent collapse occurs during the course of construction, remodeling or renovation.

- 2. We will not pay for loss or damage caused by or resulting from any of the following:
 - a. Artificially generated electrical current, including electric arcing that disturbs electrical devices, appliances or wires unless caused by a "specified cause of loss".
But if artificially generated electrical current results in fire, we will pay for the loss or damage caused by that fire.
 - b. Delay, loss of use or loss of market.
 - c. Smoke, vapor or gas from agricultural smudging or industrial operations.
 - d. (1) Wear and tear;
 - (2) Rust, corrosion, fungus, decay, deterioration, wet or dry rot, mold, hidden or latent defect or any quality in property that causes it to damage or destroy itself;
 - (3) Smog;
 - (4) Settling, cracking, shrinking or expansion;
 - (5) Nesting or infestation, or discharge or release of waste products or secretions, by insects, birds, rodents or other animals;

- (6)** Mechanical breakdown, including rupture or bursting caused by centrifugal force. But if mechanical breakdown results in elevator collision, we will pay for the loss or damage caused by that elevator collision;
- (7)** The following causes of loss to personal property:
 - (a)** Dampness or dryness of atmosphere;
 - (b)** Changes in or extremes of temperature;
 - (c)** Marring or scratching;
 - (d)** Changes in flavor, color, texture or finish;
 - (e)** Evaporation or leakage; or
- (8)** Contamination by other than "pollutants".

But if an excluded cause of loss that is listed in Paragraphs **(1)** through **(8)** above results in a "specified cause of loss", building glass breakage or "breakdown" to "covered equipment" (only if otherwise a Covered Cause of Loss), we will pay for the loss or damage caused by that "specified cause of loss", building glass breakage or "breakdown" to "covered equipment" (only if otherwise a Covered Cause of Loss).

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

tems) caused by or resulting from freezing, unless:

- (1)** You do your best to maintain heat in the building or structure; or
 - (2)** You drain the equipment and shut off the water supply if the heat is not maintained.
- h.** Dishonest or criminal acts by you, or any of your partners, "members", officers, "managers", "employees" (including leased employees), directors, trustees, authorized representatives or anyone to whom you entrust the property for any purpose:
 - (1)** Acting alone or in collusion with others; or
 - (2)** Whether or not occurring during the hours of employment.

This exclusion does not apply to acts of destruction by your "employees" (including leased employees), but "theft" by "employees" (including leased employees) is not covered.

- i.** Voluntary parting with any property by you or anyone else to whom you have entrusted the property.
- j.** Rain, snow, sand, dust, ice or sleet to personal property in the open.
- k.** Discharge, dispersal, seepage, migration, release or escape of "pollutants" unless the discharge, dispersal, seepage, migration, release or escape is itself caused by any of the "specified causes of loss". But if the discharge, dispersal, seepage, migration, release or escape of "pollutants" results in a "specified cause of loss", we will pay for the loss or damage caused by that "specified cause of loss".

This exclusion, **k.** does not apply to damage to glass caused by chemicals applied to the glass.

- l.** Default on any credit sale, loan, or similar transaction.
- m.** Property that is missing, where the only evidence of the loss or damage is a shortage disclosed on taking inventory, or other instances where there is no physical evidence to show what happened to the property. This exclusion does not apply to "money" and "securities".

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- n. Loss of property or that part of any loss, the proof of which as to its existence or amount is dependent on:
 - (1) Any inventory computation; or
 - (2) A profit and loss computation.
 - o. The transfer of property to a person or to a place outside the described premises on the basis of unauthorized instructions.
 - p. Loss of "money" or "securities" caused by or resulting from accounting or arithmetic errors or omissions.
 - q. The cost of correcting or making good the damage to personal property attributable to such property being processed, manufactured, tested, repaired, restored, re-touched or otherwise being worked upon.
3. We will not pay for loss or damage caused by or resulting from any of the following under Paragraphs **a.** through **c.** But if an excluded cause of loss that is listed in Paragraphs **a.** and **b.** below results in a Covered Cause of Loss, we will pay for the resulting loss or damage caused by that Covered Cause of Loss.
- a. Weather conditions, but this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in Paragraph **B.1.** above to produce the loss or damage.
 - b. Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.
 - c. Faulty, inadequate or defective:
 - (1) Planning, zoning, development, surveying, siting;
 - (2) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
 - (3) Materials used in repair, construction, renovation or remodeling; or
 - (4) Maintenance;
 of part or all of any property on or off the described premises.
 If an excluded cause of loss that is listed in Paragraphs (1) through (4) above results in a Covered Cause of Loss, we will pay for the resulting loss or damage caused by that Covered Cause of Loss. But we will not pay for:

- (1) Any cost of correcting or making good the fault, inadequacy or defect itself, including any cost incurred to tear down, tear out, repair or replace any part of any property to correct the fault, inadequacy or defect; or
- (2) Any resulting loss or damage by a Covered Cause of Loss to the property that has the fault, inadequacy or defect until the fault, inadequacy or defect is corrected.

4. Business Income and Extra Expense Exclusions

We will not pay for:

- a. Any Extra Expense, or increase of Business Income loss, caused by or resulting from:
 - (1) Delay in rebuilding, repairing or replacing the property or resuming "operations", due to interference by strikers or other persons at the location of the rebuilding, repair or replacement; or
 - (2) Suspension, lapse or cancellation of any license, lease or contract. But if the suspension, lapse or cancellation is directly caused by the "suspension" of "operations", we will cover such loss that affects your Business Income during the "period of restoration" and the period of Extended Business Income; or
- b. Any other consequential loss.

C. LIMITS OF INSURANCE

- 1. The most we will pay for loss or damage in any one occurrence is the applicable Limit of Insurance shown in the Declarations, Schedules, Coverage Forms, or endorsements.
- 2. **Inflation Guard**
 - a. When a percentage for Inflation Guard is shown in the Declarations, the Limit of Insurance for property to which this coverage applies will automatically increase by that annual percentage.
 - b. The amount of increase will be:
 - (1) The Limit of Insurance that applied on the most recent of the policy inception date, the policy anniversary date, or any other policy change amending the Limit of Insurance, multiplied by

- (2) The percentage of annual increase shown in the Declarations, expressed as a decimal (example: 8% is .08), multiplied by
- (3) The number of days since the beginning of the current policy year or the effective date of the most recent policy change amending the Limit of Insurance, divided by 365.

Example:

If:

The applicable Building limit is \$100,000
 The annual percentage increase is 8%
 The number of days since the beginning of the policy year (or last policy change) is 146
 The amount of increase is
 $\$100,000 \times .08 \times (146/365) = \$3,200$

3. Business Personal Property Limit – Seasonal Increase

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

D. DEDUCTIBLES

- 1. We will not pay for loss or damage in any one occurrence until the amount of loss or damage exceeds the Businessowners Property Coverage Deductible shown in the Declarations. We will then pay the amount of covered loss or damage in excess of that Deductible. But we will not pay more than the applicable Limit of Insurance.
- 2. Regardless of the amount of the Businessowners Property Coverage Deductible, the most we will deduct from any loss or damage under the Building Glass Coverage Extension

in any one occurrence is the Building Glass Deductible shown in the Declarations.

- 3. The Businessowners Property Coverage Deductible does not apply to any of the following:
 - a. Fire Department Service Charge;
 - b. Business Income and Extra Expense;
 - c. Arson and Theft Reward; and
 - d. Accounts Receivable.
- 4. If more than one deductible applies to loss or damage in any one occurrence, we will apply each deductible separately. But the total of all deductible amounts applied in any one occurrence will not exceed the largest applicable deductible.

E. PROPERTY LOSS CONDITIONS

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

1. Abandonment

There can be no abandonment of any property to us.

2. Appraisal

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

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

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

3. Duties in the Event of Loss or Damage

- a. You must see that the following are done in the event of loss or damage to Covered Property:
 - (1) Notify the police if a law may have been broken. This duty does not ap-

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- ply to loss or damage arising from "employee dishonesty" and "forgery" or alteration.
- (2) Give us prompt notice of the loss or damage. Include a description of the property involved.
 - (3) As soon as possible, give us a description of how, when and where the loss or damage occurred.
 - (4) Take all reasonable steps to protect the Covered Property from further damage, and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.
 - (5) At our request, give us complete inventories of the damaged and undamaged property. Include quantities, costs, values and amount of loss claimed.
 - (6) As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.
Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.
 - (7) For loss or damage from other than "employee dishonesty" or "forgery" or alteration send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.
 - (8) For loss or damage resulting from "employee dishonesty" or "forgery" or alteration, give us a detailed, sworn proof of loss within 120 days after you discover a loss or situation that may result in loss of or damage to Covered Property.
 - (9) Cooperate with us in the investigation and settlement of the claim.
 - (10) If you intend to continue your business, you must resume all or part of your "operations" as quickly as possible.
- b. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.
- 4. Loss Payment – Building and Personal Property**
- a. In the event of loss or damage covered by this Coverage Form, at our option, we will either:
 - (1) Pay the value of lost or damaged property;
 - (2) Pay the cost of repairing or replacing the lost or damaged property, subject to Paragraph **b.** below;
 - (3) Take all or any part of the property at an agreed or appraised value; or
 - (4) Repair, rebuild or replace the property with other property of like kind and quality, subject to Paragraph **b.** below.

We will determine the value of lost or damaged property, or the cost of its repair or replacement, in accordance with the applicable terms of Paragraph **e.** below or any applicable provision which amends or supersedes these valuation conditions.
 - b. The cost to repair, rebuild or replace does not include the increased cost attributable to enforcement of any ordinance or law regulating the construction, use or repair of any property, except as provided in the Ordinance or Law Additional Coverage.
 - c. We will give notice of our intentions within 30 days after we receive the proof of loss.
 - d. We will not pay you more than your financial interest in the Covered Property.

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

(1) At replacement cost (without deduction for depreciation), except as provided in Paragraphs (2) through (18) below.

(a) You may make a claim for loss or damage covered by this insurance on an actual cash value basis instead of on a replacement cost basis. In the event you elect to have loss or damage settled on an actual cash value basis, you may still make a claim on a replacement cost basis if you notify us of your intent to do so within 180 days after the loss or damage.

(b) We will not pay on a replacement cost basis for any loss or damage:

(i) Until the lost or damaged property is actually repaired or replaced; and

(ii) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage.

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

a) If the conditions in Paragraphs (i) and (ii) above are not met, the value of tenants' improvements and betterments will be determined as a proportion of your original cost, as set forth under Paragraph e.(7) below; and

b) We will not pay for loss or damage to tenants' improvements and betterments if others pay for repairs or replacement.

(c) We will not pay more for loss or damage on a replacement cost basis than the least of Paragraphs (i), (ii) or (iii) subject to Paragraph (d) below:

(i) The Limit of Insurance applicable to the lost or damaged property;

(ii) The cost to replace the lost or damaged property with other property:

a) Of comparable material and quality; and

b) Used for the same purpose; or

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

If a building is rebuilt at a new premises, the cost described in Paragraph (ii) above is limited to the cost which would have been incurred if the building had been rebuilt at the original premises.

(d) The cost of repair or replacement does not include the increased cost attributable to enforcement of any ordinance or law regulating the construction, use or repair of any property.

(2) If the Declarations indicate that Actual Cash Value applies to Buildings or Business Personal Property, Paragraph (1) above does not apply to the property for which Actual Cash Value is indicated.

(3) Personal Property of others at the amount for which you are liable plus the cost of labor, materials or services furnished or arranged by you on personal property of others, not to exceed the replacement cost.

(4) The following property at actual cash value:

(a) Used or second-hand merchandise held in storage or for sale;

(b) Household furnishings; and

(c) Personal effects.

(5) "Fine Arts" as follows:

(a) If there is a schedule of "fine arts" on file which includes a description and value of the lost or damaged item, we will pay the value as stated in the schedule for that

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item if there is a total loss to that item. If there is a partial loss to an item, we will pay the cost of reasonably restoring or repairing that item.

- (b)** For "fine arts" without a schedule on file as described in Paragraph **(a)** above, the value of "fine arts" will be the least of the following amounts:
 - (i)** Market value of the lost or damaged item at the time and place of loss;
 - (ii)** The cost of reasonably restoring the lost or damaged item; or
 - (iii)** The cost of replacing that lost or damaged item with property substantially the same.
- (6)** Glass at the cost of replacement with safety glazing material if required by law.
- (7)** Tenants' Improvements and Betterments at:
 - (a)** Replacement cost if you make repairs promptly.
 - (b)** A proportion of your original cost if you do not make repairs promptly. We will determine the proportionate value as follows:
 - (i)** Multiply the original cost by the number of days from the loss or damage to the expiration of the lease; and
 - (ii)** Divide the amount determined in Paragraph **(i)** above by the number of days from the installation of improvements to the expiration of the lease.

If your lease contains a renewal option, the expiration of the renewal option period will replace the expiration of the lease in this procedure.
 - (c)** Nothing, if others pay for repairs or replacement.
- (8)** "Valuable Papers and Records" at the cost of restoration or replacement. To the extent that the contents of the "valuable papers and records" are not restored or replaced, the "valuable papers and records" will be valued at the cost of replacement with blank material of substantially identical type.
- (9)** "Stock" you have sold but not delivered at the selling price less discounts and expenses you otherwise would have had.
- (10)** Property in transit (other than "stock" you have sold) at the amount of invoice, including your prepaid or advanced freight charges and other charges which may have accrued or become legally due from you since the shipment. If you have no invoice, actual cash value will apply.
- (11)** "Money" at its face value.
- (12)** "Securities" at their value at the close of business on the day the loss is discovered.
- (13)** Accounts Receivable as follows:
 - (a)** If you cannot accurately establish the amount of Accounts Receivable outstanding as of the time of loss, we will:
 - (i)** Determine the total of the average monthly amounts of Accounts Receivable for the 12 months immediately preceding the month in which the loss occurs; and
 - (ii)** Adjust that total for any normal fluctuations in the amount for Accounts Receivable for the month in which the loss occurred or for any demonstrated variance from the average for that month.
 - (b)** If you can accurately establish the amount of Accounts Receivable outstanding, that amount will be used in the determination of loss.
 - (c)** The following will be deducted from the total amount of Accounts Receivable, however that amount is established:
 - (i)** The amount of the accounts for which there was no loss;

- (ii) The amount of the accounts that you are able to re-establish or collect;
 - (iii) An amount to allow for probable bad debts that you are normally unable to collect; and
 - (iv) All unearned interest and service charges.
- (14)** "Electronic Data Processing Equipment" at replacement cost as of the time and place of loss, without deduction for physical deterioration, depreciation, obsolescence or depletion. However, in the event replacement of "Electronic Data Processing Equipment" with identical property is impossible, the replacement cost will be the cost of items that are similar to the damaged or destroyed equipment and intended to perform the same function, but which may include technological advances.
- "Electronic Data Processing Equipment" that is obsolete or no longer used by you will be valued at actual cash value.
- (15)** "Electronic Data Processing Data and Media" for which duplicates do not exist will be valued as follows:
- (a) The cost of blank media; and
 - (b) Your cost to research, replace or restore the lost electronic data on lost, damaged or destroyed "Electronic Data Processing Data and Media" but only if the lost electronic data is actually replaced or restored.
- (16)** Duplicate "Electronic Data Processing Data and Media" at the cost of:
- (a) Blank media; and
 - (b) Labor to copy the electronic data, but only if the electronic data is actually copied.
- (17)** The value of United States Government Internal Revenue taxes and custom duties and refundable state and local taxes paid or fully determined on the following property held for sale will not be considered in determining the value of Covered Property:
- (a) Distilled spirits;
 - (b) Wines;
 - (c) Rectified products; or
 - (d) Beer.
- (18)** Lottery tickets at their initial cost to you except for winning tickets at their redeemed value.
- f. Our payment for loss of or damage to personal property of others will only be for the account of the owners of the property. We may adjust losses with the owners of lost or damaged property, if other than you. If we pay the owners, such payments will satisfy your claims against us for the owners' property. We will not pay the owners more than their financial interest in the Covered Property.
 - g. We have the right but not the duty to defend you against suits arising from claims of owners of property. We will do so at our expense.
 - h. We will pay for covered loss or damage within 30 days after we receive the sworn proof of loss provided you have complied with all of the terms of this policy; and
 - (1) We have reached agreement with you on the amount of loss; or
 - (2) An appraisal award has been made.
 - i. At our option, we may make a partial payment toward any claim, subject to the policy provisions and our normal adjustment process. To be considered for partial claim payment, you must submit a partial sworn proof of loss with supporting documentation. Any applicable policy deductibles must be satisfied before any partial payments are made.
- 5. Loss Payment – Business Income and Extra Expense**
- a. The amount of Business Income loss will be determined based on:
 - (1) The Net Income of the business before the direct physical loss or damage occurred;
 - (2) The likely Net Income of the business if no physical loss or damage occurred, but not including any likely increase in Net Income attributable to

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an increase in the volume of business as a result of favorable business conditions caused by the impact of the Covered Cause of Loss on customers or on other businesses;

- (3)** The operating expenses, including payroll expenses, necessary to resume "operations" with the same quality of service that existed just before the direct physical loss or damage; and
- (4)** Other relevant sources of information, including:
 - (a)** Your financial records and accounting procedures;
 - (b)** Bills, invoices and other vouchers; and
 - (c)** Deeds, liens or contracts.
- b.** The amount of Extra Expense will be determined based on:
 - (1)** All reasonable and necessary expenses that exceed the normal operating expenses that would have been incurred by "operations" during the "period of restoration" if no direct physical loss or damage had occurred. We will deduct from the total of such expenses:
 - (a)** The salvage value that remains of any property bought for temporary use during the "period of restoration", once "operations" are resumed; and
 - (b)** Any Extra Expense that is paid for by other insurance, except for insurance that is written subject to the same plan, terms, conditions and provisions as this insurance; and
 - (2)** All reasonable and necessary expenses that reduce the Business Income loss that otherwise would have been incurred.
- c.** We will reduce the amount of your:
 - (1)** Business Income loss, other than Extra Expense, to the extent you can resume your "operations", in whole or in part, by using damaged or undamaged property (including "stock") at

the described premises or elsewhere; or

- (2)** Extra Expense loss to the extent you can return "operations" to normal and discontinue such Extra Expense.
- d.** If you do not resume "operations", or do not resume "operations" as quickly as possible, we will pay based on the length of time it would have taken to resume "operations" as quickly as possible.
- e.** We will pay for covered loss or damage within 30 days after we receive your sworn proof of loss provided you have complied with all of the terms of this policy; and
 - (1)** We have reached agreement with you on the amount of loss; or
 - (2)** An appraisal award has been made.

6. Recovered Property

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

7. Noncumulative Limit

No Limit of Insurance cumulates from policy period to policy period.

F. COMMERCIAL PROPERTY CONDITIONS

1. Concealment, Misrepresentation or Fraud

This Coverage Form is void in any case of fraud by you. It is also void if you or any other insured, at any time, intentionally conceal or misrepresent a material fact concerning:

- a.** This Coverage Form;
- b.** The Covered Property;
- c.** Your interest in the Covered Property; or
- d.** A claim under this Coverage Form.

2. Control of Property

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

The breach of any condition of this Coverage Form at any one or more premises will not affect coverage at any premises where, at the time of loss or damage, the breach of condition does not exist.

3. Insurance Under Two or More Coverages

If two or more coverages under this Coverage Form apply to the same loss or damage, we will not pay more than the actual amount of the loss or damage.

4. Legal Action Against Us

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

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

5. Liberalization

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

6. No Benefit to Bailee

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

7. Other Insurance

- a. You may have other insurance subject to the same plan, terms, conditions and provisions as the insurance under this Coverage Form. If you do, we will pay our share of the covered loss or damage. Our share is the proportion that the applicable Limit of Insurance under this Coverage Form bears to the Limits of Insurance of all insurance covering on the same basis.
- b. If there is other insurance covering the same loss or damage, other than that described in Paragraph **a.** above, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not. But we will not pay more than the applicable Limit of Insurance.

8. Policy Period, Coverage Territory

Under this Coverage Form:

- a. We cover loss or damage you sustain through acts committed or events occurring:
 - (1) During the policy period shown in the Declarations; and

- (2) Within the coverage territory; and

b. The coverage territory is:

- (1) The United States of America (including its territories and possessions);
- (2) Puerto Rico; and
- (3) Canada.

9. Transfer of Rights of Recovery Against Others to Us.

If any person or organization to or for whom we make payment under this Coverage Form has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair them. But you may waive your rights against another party in writing:

- a. Prior to a loss to your Covered Property or Covered Income; or
- b. After a loss to your Covered Property or Covered Income only if, at time of loss, that party is one of the following:
 - (1) Someone insured by this insurance;
 - (2) A business firm:
 - (a) Owned or controlled by you; or
 - (b) That owns or controls you; or
 - (3) Your tenant.

This will not restrict your insurance.

10. Coinsurance

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

- a. We will not pay the full amount of any loss if the value of Covered Property at the time of loss multiplied by the Coinsurance percentage shown for it in the Declarations is greater than the Limit of Insurance for the property.

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

- (1) Multiply the value of Covered Property at the time of loss by the Coinsurance percentage;
- (2) Divide the Limit of Insurance of the property by the figure determined in step (1);
- (3) Multiply the total amount of the covered loss, before the application of

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any deductible, by the figure determined in step (2); and

- (4) Subtract the deductible from the figure determined in step (3).

We will pay the amount determined in step (4) or the limit of insurance, whichever is less.

For the remainder, you will either have to rely on other insurance or absorb the loss yourself.

Example No. 1 (Under insurance):

When:

The value of the property is	\$250,000
The Coinsurance percent for it is	90%
The Limit of Insurance for it is	\$112,500
The Deductible is	\$250
The amount of loss is	\$40,000

Step (1): $\$250,000 \times 90\% = \$225,000$
(the minimum amount of insurance to meet your Coinsurance requirements)

Step (2): $\$112,500 / \$225,000 = .50$

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

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

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

Example No. 2 (Adequate Insurance):

When:

The value of the property is	\$250,000
The Coinsurance percentage for it is	90%
The Limit of Insurance for it is	\$225,000
The Deductible is	\$250
The amount of loss is	\$40,000

The minimum amount of insurance to meet your Coinsurance requirement is \$225,000 ($\$250,000 \times 90\%$).

Therefore, the Limit of Insurance in this Example is adequate and no penalty applies. We will pay no more than \$39,750 ($\$40,000$ amount of loss minus the deductible of \$250).

- b. Coinsurance does not apply to:
 - (1) "Money" and "securities";

- (2) Additional Coverages;
- (3) Coverage Extensions; or
- (4) Loss or damage in any one occurrence totaling less than \$2,500.

11. Mortgageholders

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

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

- e. If we pay the mortgageholder for any loss or damage and deny payment to you because of your acts or because you have failed to comply with the terms of this Coverage Form:
 - (1) The mortgageholder's rights under the mortgage will be transferred to us to the extent of the amount we pay; and
 - (2) The mortgageholder's rights to recover the full amount of the mortgageholder's claim will not be impaired.

At our option, we may pay to the mortgageholder the whole principal on the mortgage plus any accrued in-

terest. In this event, your mortgage and note will be transferred to us and you will pay your remaining mortgage debt to us.

- f. If we cancel this policy, we will give written notice to the mortgageholder at least:
 - (1) 10 days before the effective date of cancellation if we cancel for your non-payment of premium; or
 - (2) 30 days before the effective date of cancellation if we cancel for any other reason.
- g. If we elect not to renew this policy, we will give written notice to the mortgageholder at least 10 days before the expiration date of this policy.

G. PROPERTY DEFINITIONS

- 1. **"Banking Premises"** means the interior of that portion of any building which is occupied by a banking institution or similar safe depository.
- 2. **"Breakdown"**
 - a. Means:
 - (1) Failure of pressure or vacuum equipment;
 - (2) Mechanical failure, including rupture or bursting caused by centrifugal force; or
 - (3) Electrical failure including arcing; that causes physical damage to "covered equipment" and necessitates its repair or replacement; and
 - b. Does not mean:
 - (1) Malfunction, including but not limited to adjustment, alignment, calibration, cleaning or modification;
 - (2) Leakage at any valve, fitting, shaft seal, gland packing, joint or connection;
 - (3) Damage to any vacuum tube, gas tube, or brush;
 - (4) Damage to any structure or foundation supporting the "covered equipment" or any of its parts;
 - (5) The functioning of any safety or protective device; or

- (6) The cracking of any part on any internal combustion gas turbine exposed to the products of combustion.

3. "Communication Supply Services"

- a. Means property supplying communication services, including telephone, radio, microwave or television services, to the described premises, such as:
 - (1) Communication transmission lines, including fiber optic transmission lines;
 - (2) Coaxial cables; and
 - (3) Microwave radio relays, except satellites; and
- b. Does not mean overhead transmission lines.

4. "Covered Equipment"

- a. Means the following types of equipment:
 - (1) Equipment designed and built to operate under internal pressure or vacuum other than weight of contents;
 - (2) Electrical or mechanical equipment that is used in the generation, transmission or utilization of energy;
 - (3) Fiber optic cable; and
 - (4) Hoists and cranes;
- b. Does not mean any:
 - (1) "Electronic Data Processing Equipment";
 - (2) "Electronic Data Processing Data and Media";
 - (3) Part of pressure or vacuum equipment that is not under internal pressure of its contents or internal vacuum;
 - (4) Insulating or refractory material;
 - (5) Pressure vessels and piping that are buried below ground and require the excavation of materials to inspect, remove, repair or replace;
 - (6) Structure, foundation, cabinet or compartment supporting or containing the "covered equipment" or part of the "covered equipment" including penstock, draft tube or well casing;
 - (7) Vehicle, aircraft, self-propelled equipment or floating vessel, including any

BUSINESSOWNERS

- equipment mounted on or used solely with any vehicle, aircraft, self-propelled equipment or floating vessel;
- (8) Elevator or escalator, but not excluding any electrical machine or apparatus mounted on or used with this equipment; or
- (9) Equipment or any part of such equipment manufactured by you for sale.
5. **"Diagnostic Equipment"** means any:
- a. Equipment; or
- b. Apparatus;
- used solely for research, diagnostic, medical, surgical, therapeutic, dental or pathological purposes.
6. **"Electronic Data Processing Data and Media"**
- a. Means any of the following used in your computer operations:
- (1) Data stored as or on, created or used on, or transmitted to or from computer software (including systems and applications) on electronic data processing, recording or storage media such as 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;
- (2) The electronic media on which the data is stored; and
- (3) Programming records and instructions used for "Electronic Data Processing Equipment"; and
- b. Does not mean "Valuable Papers and Records".
7. **"Electronic Data Processing Equipment"**
- a. Means any of the following equipment used in your operations:
- (1) Electronic data processing equipment, facsimile machines, word processors, multi-functional telephone equipment and laptop and portable computers; and
- (2) Any component parts and peripherals of such equipment, including related surge protection devices; and
- b. Does not mean equipment used to operate production type of:
- (1) Machinery; or
- (2) Equipment.
8. **"Electronic Vandalism"** means any acts by persons, other than "employees", involving any of the following:
- a. Willful or malicious destruction of computer programs, content, instructions or other electronic or digital data stored within computer systems; or
- b. Unauthorized computer code or programming that:
- (1) Deletes, distorts, corrupts or manipulates computer programs, contents, instructions or other electronic or digital data, or otherwise results in damage to computers or computer systems or networks to which is introduced;
- (2) Replicates itself, impairing the performance of computers or computer systems or networks; or
- (3) Gains remote control access to data and programming within computers or computers systems or networks to which it is introduced, for uses other than those intended for authorized users of the computers or computer systems or networks.
9. **"Employee(s)"**
- a. Means:
- (1) Any natural person:
- (a) While in your service (and for 30 days after termination of service);
- (b) Whom you compensate directly by salary, wages or commissions; and
- (c) Whom you have the right to direct and control while performing services for you;
- (2) Any natural person employed by an employment contractor while that person is subject to your direction and control and performing services for you excluding, however, any such person while having care and custody of property outside the premises; or

- (3) Your directors or trustees while acting as a member of any of your elected or appointed committees to perform on your behalf specific, as distinguished from general, directorial acts; and
 - b. Does not mean any agent, broker, person leased to you by a labor leasing firm, factor, commission merchant, consignee, independent contractor or representative of the same general character.
- 10. "Employee Dishonesty"** means only dishonest acts, committed by an "employee", whether identified or not, acting alone or in collusion with other persons, except you, a partner, a "member", or a "manager" with the manifest intent to:
- a. Cause you to sustain loss; and also
 - b. Obtain financial benefit (other than salaries, commissions, fees, bonuses, promotions, awards, profit sharing, pensions or other employee benefits earned in the normal course of employment) for:
 - (1) The "employee"; or
 - (2) Any person or organization intended by the "employee" to receive that benefit.
- 11. "Fine Arts"**
- a. Means paintings, etchings, pictures, tapestries, art glass windows, valuable rugs, statuary, marbles, bronzes, antique furniture, rare books, antique silver, porcelains, rare glass, bric-a-brac, and similar property with historical value, or artistic merit; and
 - b. Does not mean any glass that is part of a building or structure.
- 12. "Forgery"** means the signing of the name of another person or organization with intent to deceive. "Forgery" does not mean a signature which consists in whole or in part of one's own name signed with or without authority, in any capacity for any purpose.
- 13. "Interior of any building or structure"** means all portions of the building or structure that are within the exterior facing surface material of the building or structure.
- 14. "Maintenance Fees"** means the regular payment made to you by unit-owners and used to service the common property.
- 15. "Manager"** means a person serving in a directorial capacity for a limited liability company.
- 16. "Member"** means an owner of a limited liability company represented by its membership interest, who also may service as a "manager".
- 17. "Money"** means currency and coins in current use, bank notes, travelers checks, register checks and money orders held for sale to the public.
- 18. "Operations"** means your business activities occurring at the described premises and the tenantability of the described premises.
- 19. "Period of Restoration"**
- a. Means the period of time that:
 - (1) Begins:
 - (i) For Business Income coverage:
 - a) With the date of direct physical loss or damage, if the Declarations show Immediately for Period of Restoration – Time Period; or
 - b) 72 hours after the time of direct physical loss or damage, if the Declarations show 72 hours for Period of Restoration – Time Period; or
 - (ii) For Extra Expense coverage with the date of direct physical loss or damage;

caused by or resulting from any Covered Cause of Loss at the described premises; and
 - (2) Ends on the earlier of:
 - (i) The date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality; or
 - (ii) The date when business is resumed at a new permanent location; and
 - b. Does not mean any increased period required due to the enforcement of any law that:
 - (1) Regulates the construction, use or repair, or requires the tearing down of any property; or

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- (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".

20. **"Pollutants"** means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals, waste, and any unhealthful or hazardous building materials (including but not limited to asbestos and lead products or materials containing lead). Waste includes materials to be recycled, reconditioned or reclaimed.

21. **"Power Generating Equipment"**

- a. Means the following types of equipment or apparatus:
- (1) Pressure;
 - (2) Mechanical; or
 - (3) Electrical;
- used in or associated with the generation of electric power; and
- b. Does not mean such equipment that is used solely to generate emergency power that is less than or equal to 1000KW.

22. **"Power Supply Services"**

- a. Means the following types of property supplying electricity, steam or gas to the described premises:
- (1) Utility generating plants;
 - (2) Switching stations;
 - (3) Substations;
 - (4) Transformers; and
 - (5) Transmission lines; and
- b. Does not mean overhead transmission lines.

23. **"Production Equipment"**

- a. Means any:
- (1) Production machinery; or
 - (2) Process machinery;
- that processes, shapes, forms or grinds:
- (1) Raw materials;
 - (2) Materials in process; or
 - (3) Finished products; and

- b. Includes "covered equipment" that is used solely with or forms an integral part of the:

- (1) Production;
- (2) Process; or
- (3) Apparatus.

24. **"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 the 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.

25. **"Securities"** means all negotiable and non-negotiable instruments or contracts representing either "money" or other property and includes revenue or other stamps in current use, tokens, tickets and credit card slips for sales made by you and held by you for reimbursement from companies issuing credit cards, but does not include "money". Lottery tickets held for sale are not securities.

26. **"Specified Causes of Loss"** means the following:

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

- a. Sinkhole collapse means the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite. This cause of loss does not include:
- (1) The cost of filling sinkholes; or
 - (2) Sinking or collapse of land into underground man-made cavities.

- b. Falling objects does not include loss of or damage to:
 - (1) Personal Property in the open; or
 - (2) The "interior of a building or structure", or property inside a building or structure, unless the roof or an outside wall of the building or structure is first damaged by a falling object.
 - c. Water damage means accidental discharge or leakage of water or steam as the direct result of the breaking apart or cracking of any part of a system or appliance (other than a sump system including its related equipment and parts) that is located on the described premises and contains water or steam.
27. **"Stock"** means merchandise held in storage or for sale, raw materials and in-process or finished goods, including supplies used in their packing or shipping.
28. **"Suspension"** means:
- a. The partial or complete cessation of your business activities; or
 - b. That a part or all of the described premises is rendered untenable.
29. **"Theft"** means any act of stealing.
30. **"Vacant"** means the following:
- (1) When this policy is issued to a tenant, and with respect to that tenant's interest in Covered Property, building means the unit or suite rented or leased to the tenant. Such building is vacant when it does not contain enough business personal property to conduct customary operations.
 - (2) When this policy is issued to the owner or general lessee of a building, building means the entire building. Such building is vacant unless at least 31% of its total square footage is:
 - (a) Rented to a lessee or sub-lessee and used by the lessee or sub-lessee to conduct its customary operations; or
 - (b) Used by the building owner to conduct customary operations.
31. **"Valuable Papers and Records"**
- a. Means inscribed, printed or written:
 - (1) Documents;
 - (2) Manuscripts; or
 - (3) Records;
 including abstracts, books, deeds, drawings, films, maps or mortgages; and
 - b. Does not mean "money" or "securities" or "Electronic Data Processing Data and Media".
32. **"Water Supply Services"** means the following types of property supplying water to the described premises:
- a. Pumping stations; and
 - b. Water mains.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Restaurant and Perishable Goods Premier Endorsement

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS PROPERTY COVERAGE SPECIAL FORM

SCHEDULE

Computer Fraud and Funds Transfer Fraud Limit of Insurance: \$ 10,000

Food Contamination Costs Limit of Insurance: \$ 25,000

The BUSINESSOWNERS PROPERTY COVERAGE SPECIAL FORM is changed as follows:

1. The following **Additional Coverage** is added to paragraph **A.6.:**

Blanket Coverage Limit of Insurance

We will pay up to \$250,000 in any one occurrence as a Blanket Coverage Limit of Insurance for the sum of all covered loss at each described premises under the coverages described in paragraphs **a.** through **c.** below. You may apportion this limit among these coverages as you choose.

Unless otherwise stated, this Blanket Coverage Limit of Insurance is in addition to any other Limit of Insurance that may be provided by this policy for the following coverages.

a. Accounts Receivable

Within the Blanket Coverage Limit of Insurance, when a Limit of Insurance is shown in the Declarations for Business Personal Property at the described premises, we will pay for direct physical loss of or damage to your records of accounts receivable (including those on electronic data processing media) on or away from each described premises, including while in transit, caused by or resulting from a Covered Cause of Loss. Credit card company media will be considered accounts receivable until delivered to the credit card company.

This coverage applies as described in Paragraphs **A.7.a.(2)** and **A.7.a.(3)** and is subject to the provisions that apply to those Paragraphs.

b. Excess Debris Removal

- (1) Within the Blanket Coverage Limit of Insurance, we will pay your expense to remove debris of Covered Property, other than outdoor trees, shrubs, plants and

lawns as described in the Outdoor Trees, Shrubs, Plants and Lawns Coverage Extension, caused by or resulting from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date of direct physical loss or damage.

- (2) Debris Removal does not apply to costs to:
 - (a) Extract "pollutants" from land or water; or
 - (b) Remove, restore or replace polluted land or water.
- (3) When the debris removal expense exceeds the 25% limitation in **Additional Coverage – Debris Removal** in **Section A.6.c.(3)** or when the sum of the debris removal expense and the amount we pay for the direct physical loss of or damage to Covered Property exceeds the applicable Limit of Insurance, we will pay up to the Blanket Coverage Limit of Insurance for debris removal expense in any one occurrence, at each described premises.

c. Valuable Papers and Records

Within the Blanket Coverage Limit of Insurance, when a Limit of Insurance is shown in the Declarations for Business Personal Property at the described premises, we will pay for direct physical loss of or damage to "valuable papers and records" that:

- (a) You own; or
 - (b) Are owned by others, but in your care, custody or control;
- caused by or resulting from a Covered Cause of Loss.

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This coverage applies as described in Paragraphs **A.7.s.(2)** and **A.7.s.(3)** and is subject to the provisions that apply to those Paragraphs.

With respect to property of others covered under this Additional Coverage, the owner may have other insurance covering the same property as this insurance. This insurance is intended to be primary and not to contribute with such other insurance.

2. With respect to **Extended Business Income**, the time frame referenced in Paragraph **A.3.c.(2)(b)** is increased from sixty consecutive days to ninety consecutive days.
3. The limit applicable to the **Additional Coverage-Arson and Theft Reward** is increased by \$25,000.
4. The limit applicable to the **Additional Coverage-Claim Data Expense** is increased from \$5,000 to \$25,000.
5. The limit applicable to the **Additional Coverage-Newly Acquired or Constructed Property** for Building is increased from \$500,000 to \$1,000,000.
6. The limit applicable to the **Additional Coverage-Newly Acquired or Constructed Property** for Business Personal Property is increased from \$250,000 to \$500,000.
7. With respect to the **Additional Coverage-Ordinance or Law**, coverage is extended to include tenant improvements and betterments as described in Paragraph **A.1.b.(3)** if:
 - (1) You are a tenant; and
 - (2) A Limit of Insurance is shown in the Declarations for Business Personal Property at the described premises.
8. The limit applicable to the **Additional Coverage-Outdoor Trees, Shrubs, Plants and Lawns** is increased from \$3,000 to \$5,000.
9. The following **Additional Coverages** are added to Paragraph **A.6.:**

a. Brands or Labels

If a limit of insurance is shown in the Declarations for Business Personal Property and if branded or labeled merchandise that is Covered Property is damaged by a Covered Cause of Loss, we may take all or part of the property at an agreed or appraised value. If so, you may:

- (1) Stamp the word Salvage on the merchandise or its containers, if the stamp will not physically damage the merchandise; or
- (2) Remove the brands and labels, if doing so will not physically damage the merchandise or its containers to comply with the law.

We will pay reasonable costs you incur to perform the activity described in Paragraphs (1) and (2) above.

Payments under this Additional Coverage are subject to and not in addition to the applicable Limits of Insurance.

b. Contract Penalty Clause

- (1) We will pay contract penalties you incur as a result of your failure to deliver your products or services within the time required under the terms of a written contract. But this Additional Coverage only applies if the failure is solely due to direct physical loss of or damage to property at the described premises caused by or resulting from a Covered Cause of Loss.
- (2) The most we will pay under this Additional Coverage is \$1,000 for the sum of all covered contract penalties arising out of all Covered Causes of Loss occurring during each separate 12 month period of this policy beginning with the effective date of this endorsement.

c. Identity Fraud Expense

- (1) We will pay for Expenses incurred by an Insured Person as a direct result of any one Identity Fraud first discovered or learned of by such Insured Person during the policy period.

Any act or series of acts committed by one or more persons, or in which such person or persons are aiding or abetting others against an Insured Person, is considered to be one Identity Fraud, even if a series of acts continues into a subsequent policy period.

- (2) With respect to this Additional Coverage:

(a) Expenses means:

- (i) Costs for notarizing affidavits or similar documents attesting to fraud required by financial institutions or similar credit grantors or credit agencies;

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- (ii) Costs for certified mail to law enforcement agencies, credit agencies, financial institutions or similar credit grantors;
 - (iii) Lost income resulting from:
 - a) Time taken off work to complete fraud affidavits; or
 - b) Meeting with or talking to law enforcement agencies, credit agencies or legal counsel; up to a total payment of \$5,000, subject to a maximum of \$200 per day;
 - (iv) Loan application fees for reapplying for a loan or loans when the original application is rejected solely because the lender received incorrect credit information;
 - (v) Reasonable attorney fees to:
 - a) Defend lawsuits brought against an Insured Person by merchants, vendors, suppliers, financial institutions or their collection agencies;
 - b) Remove any criminal or civil judgments wrongly entered against an Insured Person; or
 - c) Challenge the accuracy or completeness of any information in a consumer credit report;
 - (vi) Charges for long distance telephone calls to:
 - a) Merchants;
 - b) Law enforcement agencies;
 - c) Financial institutions or similar credit grantors; or
 - d) Credit agencies; or
 - (vii) Reasonable fees for professional financial advice or professional credit advice.
- (b) Identity Fraud means:
The act of knowingly transferring or using, without lawful authority, a means of identification of an Insured Person with the intent to commit, or to aid or abet another to commit, any unlawful activity that constitutes a violation of federal law or a felony under any applicable state or local law; and
- (c) Insured Person means:
- (i) For sole proprietorships;
The individual who is the sole proprietor of the Named Insured shown in the Declarations;
 - (ii) For partnerships;
Any individual that is a partner of the Named Insured shown in the Declarations;
 - (iii) For corporations or any other type of organization;
The Chief Executive Officer, and any individual who has an ownership interest of at least 20% of the Named Insured shown in the Declarations; or
 - (iv) For religious institutions;
The individual who is the senior pastoral "employee" of the Named Insured shown in the Declarations.
- (3) The following additional exclusions apply to this Additional Coverage:
We will not pay for:
- (a) Expenses incurred due to any fraudulent, dishonest or criminal act by:
 - (i) An Insured Person;
 - (ii) Any person aiding or abetting an Insured Person; or
 - (iii) Any authorized representative of an Insured Person;
whether acting alone or in collusion with others;
 - (b) Expenses incurred that are not related to the identity of an individual; or
 - (c) Loss other than Expenses. Account balances which arise out of fraudulent or unauthorized charges would be one example of Loss other than Expenses.
 - (d) An Identity Fraud discovered during such time that an individual was not

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an Insured Person.

- (4) This Additional Coverage does not apply to Expenses otherwise covered under the Unauthorized Business Card Use Additional Coverage.
- (5) Regardless of the amount of the Businessowners Property Coverage Deductible shown in the Declarations, the most we will deduct from any claim for Expenses under this Additional Coverage for any one Identity Fraud is \$250.
- (6) The most we will pay under this Additional Coverage is \$15,000 for the sum of all covered Expenses arising out of all Identity Fraud against an Insured Person discovered during each separate 12 month period of this policy beginning with the effective date of this endorsement.
- (7) In order for coverage to be provided under this Additional Coverage, you must:
Send to us, within 60 days after our request, receipts, bills or other records that support your claim for Expenses under Identity Fraud coverage.

d. Lease Assessment

- (1) When a Limit of Insurance is shown in the Declarations for Business Personal Property at the described premises, we will pay for your share of any assessment charged:
 - (a) To all tenants by the building owner;
 - (b) Pursuant to a written lease agreement; and
 - (c) As a result of direct physical loss or damage by a Covered Cause of Loss to building property you occupy.
- (2) The most we will pay for loss under this Additional Coverage is \$2,500 in any one occurrence.

e. Lost Key Consequential Loss

- (1) We will pay for consequential loss to keys and locks if a master key to buildings, rooms or compartments that are Covered Property, or house Covered Property, at the described premises is lost or damaged from a Covered Cause of Loss. We will pay for the necessary costs you incur to:
 - (a) Replace keys; and

(b) Either:

- (i) Readjust existing locks to accept new keys; or
 - (ii) Replace existing locks, but only if necessary or less expensive than the cost of adjusting the existing locks.
- (2) Paragraph **B.2.h.** does not apply to this Additional Coverage, except with respect to dishonest or criminal act by you or any of your partners, directors or trustees.
 - (3) Paragraph **B.2.m.** does not apply to this Additional Coverage.
 - (4) The most we will pay for loss or damage under this Additional Coverage is \$2,500 at each described premises.

f. Theft of Clients' Property Coverage

- (1) If **Additional Coverage – Employee Dishonesty** is provided within this Coverage Form, the following coverage is added and is subject to the **Additional Coverage – Employee Dishonesty** provisions:

Theft Of Clients' Property Coverage

We will also pay for loss of or damage to "money", "securities" and "other property" sustained by your "client" resulting directly from "theft" committed by any of your "employees", acting alone or in collusion with other persons.

The property covered under this coverage is limited to property:

- (a) That your "client" owns or leases; or
 - (b) That your "client" holds for others;
- while the property is on your "client's" premises. However, this insurance is for your benefit only. It provides no rights or benefits to any other person or organization, including your "client". Any claim for loss that is covered under this coverage must be presented by you.

- (2) With respect to the coverage provided by this Additional Coverage, Paragraph **A.6.d.(6)** under **Additional Coverage – Employee Dishonesty** is replaced with the following:

The most we will pay for the coverage provided under this Additional Coverage in any one occurrence is \$10,000.

- (3) With respect to the coverage provided by

this Additional Coverage, Paragraph **D. DEDUCTIBLES** is replaced by the following:

We will not pay for loss or damage in any one occurrence until the amount of loss or damage exceeds \$500. We will then pay the amount of loss or damage in excess of the deductible subject to the limit in paragraph (2) above. No other deductible applies to theft of clients' property coverage.

- (4) With respect to the coverage provided by this Additional Coverage, Paragraph **A.2.b.** and **A.2.c.** is replaced with the following:

b. Automobiles, motortrucks and other vehicles subject to motor vehicle registration.

- (5) With respect to coverage provided under this Additional Coverage Paragraph **A.2. Property Not Covered** does not apply, except for Subparagraphs **a., b., e., g.** and **j.**

- (6) With respect to coverage provided under this Additional Coverage the following definitions are added to Paragraph **G. PROPERTY DEFINITIONS:**

(a) **"Other property"** means any tangible property other than "money" and "securities" that has intrinsic value.

(b) **"Client"** means any entity for whom you perform services under a written agreement.

g. Unauthorized Business Card Use

- (1) We will pay for your loss of "money" or charges and costs you incur that result directly from the unauthorized use of credit, debit or charge card accounts issued in your business name, including:

- (a) Fund transfer cards;
- (b) Charge plates; or
- (c) Telephone cards.

- (2) With respect to this Additional Coverage, occurrence means an act or series of related acts involving one or more persons; or an act or event, or a series of related acts or events not involving any person is considered one occurrence.

- (3) The most we will pay under this

Additional Coverage in any one occurrence is \$5,000, regardless of the number of premises involved.

h. Utility Services – Direct Damage

- (1) We will pay for loss of or damage to Covered Property caused by the interruption of services to the described premises. The interruption must result from direct physical loss or damage by a Covered Cause of Loss to the following property not on the described premises:

- (a) "Water Supply Services";
- (b) "Communication Supply Services"; or
- (c) "Power Supply Services".

- (2) With respect to this Additional Coverage, Paragraphs **G.3.b.** and **G.22.b** are deleted.

- (3) The most we will pay for loss or damage under this Additional Coverage is \$25,000 at each described premises, but we will not pay more than \$100,000 in any one occurrence, regardless of the number of premises involved.

- (4) Payments under this Additional Coverage are subject to and not in addition to the applicable Limit of Insurance.

10. The following Additional Coverage is added, but only with respect to described premises to which no Ordinance or Law – Coverage A applies other than as provided under Paragraph **A.6.k.:**

Ordinance or Law – Coverage A – Coverage For Loss to the Undamaged Portion of the Building

- (1) If a Limit of Insurance is shown in the Declarations for Building, in the event of damage by a Covered Cause of Loss we will pay for loss in value of the undamaged portion of the building as a consequence of enforcement of the minimum requirements of any ordinance or law that requires the demolition of undamaged parts of the same building.

- (2) The coverage provided by this Additional Coverage apply only if both (2)(a) and (2)(b) are satisfied and are then subject to the qualifications set forth in (3).

- (a) The ordinance or law:
- (i) Regulates the demolition, construction or repair of buildings, or establishes zoning or land use requirements at the described

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premises; and

(ii) Is in force at the time of loss.

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

- (b) (i) The building sustains direct physical damage that is covered under this policy and such damage results in enforcement of the ordinance or law; or
- (ii) The building sustains both direct physical damage that is covered under this policy and direct physical damage that is not covered under this policy, and the building damage in its entirety results in enforcement of the ordinance or law.
- (iii) But if the building sustains direct physical damage that is not covered under this policy, and such damage is the subject of the ordinance or law, then there is no coverage under this Additional Coverage even if the building has also sustained covered direct physical damage.

(3) In the situation described in (2)(b)(ii) above, we will not pay the full amount of loss otherwise payable under the terms of this Additional Coverage. Instead, we will pay a proportion of such loss; meaning the proportion that the covered direct physical damage bears to the total direct physical damage.

However, if the covered direct physical damage, alone, would have resulted in enforcement of the ordinance or law, then we will pay the full amount of loss otherwise payable under the terms of this Additional Coverage.

- (4) We will not pay under this Additional Coverage for:
 - (a) Enforcement of any ordinance or law which requires the demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants" or due to the presence, growth, proliferation, spread or any activity of "fungus", wet rot or dry rot; or

- (b) The costs associated with the enforcement of any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants", "fungus", wet rot or dry rot.

(5) Specific or Blanket Insurance

(a) Specific Insurance

With respect to the building insured on a "specific insurance" basis that has sustained covered direct physical damage, we will pay under this Additional Coverage for the loss in value of the undamaged portion of the building as a consequence of enforcement of an ordinance or law that requires demolition of undamaged parts of the same building as described in paragraph (6)(b)(i) and (6)(b)(ii) below.

(b) Blanket Insurance

With respect to the building insured on a "blanket insurance" basis that has sustained covered direct physical damage, we will pay under this Additional Coverage for the loss in value of the undamaged portion of the building as a consequence of enforcement of an ordinance or law that requires demolition of undamaged parts of the same building as described in paragraph (6)(c) and (6)(d) below.

(c) As used in this Additional Coverage, the terms "specific insurance" and "blanket insurance" have the following meanings: Specific insurance covers each item of insurance (for example, each building) under a separate Limit of Insurance. Blanket insurance covers two or more items of insurance (for example, a building and personal property in that building, or two buildings) under a single Limit of Insurance.

(d) This Additional Coverage is included in the Limit of Insurance shown in the Declarations as applicable to the covered building. This Additional Coverage does not increase the Limit of Insurance.

(6) Loss Payment

(a) The following loss payment provision is subject to the apportionment procedures set forth in Paragraphs (2) and (3) above.

- (b) When there is a loss in value of an undamaged portion of a building to which this Additional Coverage applies, the loss payment for that building, including damaged and undamaged portions, will be determined as follows:

Specific Insurance

- (i) If Replacement Cost coverage applies on a "specific insurance" basis and the property is being repaired or replaced, on the same or another premises, we will not pay more than the lesser of:

- a) The amount you actually spend to repair, rebuild or reconstruct the building, but not for more than the amount it would cost to restore the building on the same premises and to the same height, floor area, style and comparable quality of the original property insured; or
- b) The Limit of Insurance shown in the Declarations as applicable to the covered building.

- (ii) If Replacement Cost coverage applies on a "specific insurance" basis and the property is not repaired or replaced, or if the optional Actual Cash Value is applicable on a "specific insurance" basis to real property, we will not pay more than the lesser of:

- a) The actual cash value of the building at the time of loss; or
- b) The Limit of Insurance shown in the Declarations as applicable to the covered building.

(c) Blanket Insurance

If Replacement Cost coverage applies on a "blanket insurance" basis and the property is being repaired or replaced, on the same or another premises, we will not pay more than the lesser of:

- (i) The amount you actually spend to repair, rebuild or reconstruct the building, but not for more than the amount it would cost to restore the building on the same premises and to the same height, floor area, style and comparable

quality of the original property insured; or

- (ii) The value individually stated for the covered building on the latest statement of values on file with us. If, at the time of loss, there is no statement of values on file with us or the value for the covered building or structure is not individually stated on the latest statement of values on file with us, the value of the building or structure will be determined by multiplying:

- a) The total reported building and structure value; by
- b) The proportion that the square footage of the individual building or structure bears to the total square footage of all buildings and structures contemplated in the total reported building and structure value.

- (d) If Replacement Cost coverage applies on a "blanket insurance" basis and the property is not repaired or replaced, or if the optional Actual Cash Value is applicable on a "blanket insurance" basis to real property, we will not pay more than the lesser of:

- (i) The actual cash value of the building at the time of loss; or
- (ii) The value individually stated for the covered building on the latest statement of values on file with us. If, at the time of loss, there is no statement of values on file with us or the value for the covered building or structure is not individually stated on the latest statement of values on file with us, the value of the building or structure will be determined by multiplying:
 - a) The total reported building and structure value; by
 - b) The proportion that the square footage of the individual building or structure bears to the total

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square footage of all buildings and structures contemplated in the total reported building and structure value.

- (7) The terms of this Additional Coverage apply separately to each building to which this Additional Coverage applies.
- (8) Under this Additional Coverage we will not pay for loss due to any ordinance or law that:
 - (a) You were required to comply with before the loss, even if the building was undamaged; and
 - (b) You failed to comply with.

11. The following **Coverage Extensions** under Paragraph **A.7.** are changed as follows:

a. **Business Income and Extra Expense From Dependent Property**

- (1) Paragraph **A.7.d.(4)(a)** is replaced by the following:
Applies to Dependent Property premises located worldwide; and
- (2) The limit applicable to the **Coverage Extension – Business Income and Extra Expense From Dependent Property** is increased from \$10,000 to \$50,000.

b. The limit applicable to the **Coverage Extension – Business Income and Extra Expense – Newly Acquired Premises** is increased from \$250,000 to \$500,000.

c. The expiration days applicable to the **Coverage Extension – Newly Acquired or Constructed Property** for Business Income and Extra Expense is increased from 90 days to 180 days.

d. Two of the limits applicable to the **Coverage Extension – Electronic Data Processing** are changed as follows:

- (1) The limit applicable to "Electronic Data Processing Equipment" and to "Electronic Data Processing Data and Media" while in transit or at premises other than the described premises is increased from \$25,000 to \$75,000.
- (2) The limit applicable to loss or damage to "Electronic Data Processing Data and Media" caused by or resulting from "electronic vandalism" is increased from

\$25,000 to \$50,000.

- e. The limit applicable to the **Coverage Extension – Non-owned Detached Trailers** is increased from \$5,000 to \$25,000.
- f. The limit applicable to the **Coverage Extension – Ordinance or Law – Increased "Period of Restoration"** is increased from \$25,000 to \$50,000.

12. The following **Coverage Extensions** are added to Paragraph **A.7.:**

a. **Business Income and Extra Expense –Boil-Water Order**

- (1) When the Declarations show that you have coverage for Business Income and Extra Expense, you may extend that insurance to apply to the actual loss of Business Income you sustain and reasonable and necessary Extra Expense you incur due to the "suspension" of your "operations" at the described premises caused by or resulting from a "boil-water order" due to a Covered Cause of Loss.
- (2) The most we will pay under this Coverage Extension is \$10,000 at each described premises for the sum of all covered loss of Business Income and Extra Expense arising out of all "boil-water orders" occurring during each separate 12 month period of this policy beginning with the effective date of this endorsement.
- (3) The coverage for Business Income and Extra Expense will begin 24 hours after the time the "boil-water order" goes into effect and will apply for a period of seven consecutive days after coverage begins.
- (4) This Coverage Extension does not apply to any "boil-water order" while access to the described premises is prohibited by action of civil authority.
- (5) With respect to this Coverage Extension, the following definition is provided:

"Boil-water order" means an advisory, notice, order or other communication issued by a governmental, health or water authority, requiring that water at the described premises should be boiled before consumption or use, due to actual or potential contamination.

b. **Business Income and Extra Expense at Client or Virtual Office Premises**

(1) When the Declarations show that you have coverage for Business Income and Extra Expense, you may extend that insurance to apply to the actual loss of Business Income you sustain and reasonable and necessary Extra Expense you incur due to the "suspension" of your business activities occurring at a "client or virtual office premises" during the "period of restoration". The "suspension" must be caused by direct physical loss or damage caused by or resulting from a Covered Cause of Loss at a "client or virtual office premises".

(2) With respect to this Coverage Extension, the "period of restoration" definition under Paragraph G. **PROPERTY DEFINITIONS** is replaced by the following:

"Period of Restoration" means the period of time that:

(a) Begins 24 hours after the time of direct physical loss or damage caused by or resulting from any Covered Cause of Loss at the "client or virtual office premises"; and

(b) Ends on the earlier of:

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

(ii) The date when "client or virtual office premises" is resumed at a new permanent location; and

(c) Does not include any increased period required due to the enforcement of any ordinance or law that:

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

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

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

(3) This Coverage Extension applies to "client or virtual office premises" located

within the Coverage Territory.

(4) We will reduce the amount of your Business Income loss, other than Extra Expense, to the extent you can resume your business activities at a "client or virtual office premises" in whole or in part, by using any other available:

(a) Source of materials; or

(b) Outlet for your products.

(5) This Coverage Extension does not apply to loss caused by or resulting from loss or damage to property:

(a) At the premises of a "dependent property";

(b) At any location to which the Business Income and Extra Expense Newly Acquired Premises Coverage Extension applies; or

(c) In the due course of transit.

(6) The most we will pay under this Coverage Extension for the sum of Business Income and Extra Expense you incur in any one occurrence is \$25,000 regardless of the number of "client or virtual office premises" involved.

(7) Payments made under this Coverage Extension are in addition to the applicable Limits of Insurance.

c. Business Personal Property at Client or Virtual Office Premises

(1) When a Limit of Insurance is shown in the Declarations for Business Personal Property at any described premises, you may extend that insurance to apply to direct physical loss of or damage to Business Personal Property caused by or resulting from a Covered Cause of Loss while such property is located at a "client or virtual office premises".

(2) This Coverage Extension also applies to personal property that is:

(a) Owned by an "employee"; and

(b) Used for your business;

while such property is located at a "client or virtual office premises" and sustains direct physical loss or damage caused by or resulting from a Covered Cause of Loss.

(3) This Coverage Extension does not apply to property:

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(a) Otherwise covered under the following Additional Coverages;

- (i) Blanket Coverage Limit of Insurance – Accounts Receivable;
- (ii) Blanket Coverage Limit of Insurance Valuable Papers and Records; or
- (iii) Fine Arts.

(b) Otherwise covered under the following Coverage Extensions:

- (i) Accounts Receivable;
- (ii) Business Personal Property Off Premises;
- (iii) Electronic Data Processing;
- (iv) Sales Representative's Samples; or
- (v) Valuable Papers and Records.

(4) The most we will pay for loss or damage under this Coverage Extension in any one occurrence is \$25,000 regardless of the number of "client or virtual office premises" involved.

(5) Payments under this Coverage Extension are in addition to the applicable Limits of Insurance.

d. Civil Authority – Homicide or Suicide

(1) When the Declarations show that you have coverage for Business Income and Extra Expense, you may extend that insurance to apply to the actual loss of Business Income you sustain and reasonable and necessary Extra Expense you incur caused by action of civil authority that prohibits access to the described premises due to a homicide or suicide occurring at such premises.

(2) The coverage for Business Income and Extra Expense will begin immediately after the time of that action and will apply for a period of one week after coverage begins.

e. Computer Fraud and Funds Transfer Fraud

(1) When a Limit of Insurance is shown in the Declarations for Business Personal Property at the described premises, you may extend that insurance to apply to:

(a) Loss of or damage to Business Personal Property resulting directly

from the use of any computer to fraudulently cause a transfer of that property from inside the building at the described premises or "banking premises":

- (i) To a person (other than a "messenger") outside those premises; or
- (ii) To a place outside those premises.

(b) Loss of "money" and "securities" resulting directly from a "fraudulent instruction" directing a financial institution to transfer, pay or deliver "money" and "securities" from your "transfer account".

(2) With respect to the coverage provided by this Coverage Extension, Paragraph **B. Exclusions** is amended as follows:

(a) Paragraph **B.2.o.** does not apply.

(b) Paragraph **B.2.i.** does not apply.

(c) The following exclusion is added:

We will not pay for loss or damage caused by or resulting from the use or purported use of credit, debit, charge, access, convenience, identification, stored-value or other cards or the information contained on such cards.

(3) With respect to this Coverage Extension, occurrence means an act or series of related acts involving one or more persons; or an act or event, or a series of related acts or events not involving any person is considered one occurrence.

(4) The most we will pay under this Coverage Extension in any one occurrence is the limit of insurance shown in the above schedule, regardless of the number of premises involved.

f. Covered Leasehold Interest – Undamaged Improvements and Betterments

(1) When a Limit of Insurance is shown in the Declarations for Business Personal Property at the described premises, you may extend that insurance to apply to your interest as tenant in improvements and betterments, as defined in Section **A.1.b.(3)** of this Coverage Form, which are not damaged or destroyed, but which you lose due to the cancellation of your lease by your landlord. The cancellation

of your lease by your landlord must:

- (a) Result from direct physical loss of or damage to property at the described premises where your improvements and betterments are located, caused by or resulting from a Covered Cause of Loss; and
 - (b) Be permitted in accordance with the conditions of your written lease agreement.
- (2) The most we will pay in any one occurrence under this Coverage Extension is:
- (a) The applicable Business Personal Property Limit of Insurance; or
 - (b) \$25,000;
- whichever is less.

g. Deferred Payments

- (1) When a Limit of Insurance is shown in the Declarations for Business Personal Property at the described premises, you may extend that insurance to apply to your interest in such business personal property that is sold by you under an installment plan, conditional sale, trust agreement or other deferred payment plan when, as a result of direct physical loss of or damage to such property:
 - (a) Occurring within the Coverage Territory at any location, or in transit, after delivery to buyers; and
 - (b) Caused by a Covered Cause of Loss; the buyer refuses to continue payments owed to you for such property and, as a result, you repossess the remaining damaged property of value, if any.
- (2) The value of your loss under this Coverage Extension will be determined as follows:
 - (a) In the event of partial loss to property, the value of your loss will be:
 - (i) The unpaid balance shown on your books as due from the buyer for such property, excluding any interest or fees due; minus
 - (ii) The actual cash value of the repossessed damaged property.
 - (b) In the event of a total loss to property, the value of your loss will

be the unpaid balance shown on your books as due from the buyer for such property, excluding any interest or fees due.

- (3) The following is added to **A.2. Property And Costs Not Covered**, but only with respect to this Coverage Extension.

Personal property sold by you under an installment plan, conditional sale, trust agreement or other deferred payment plan after delivery to the purchasers except as provided in the Deferred Payments Coverage Extension;

- (4) The most we will pay in any one occurrence under this Coverage Extension is \$25,000.

h. Food Contamination Costs

- (1) When the Declarations show that you have coverage for Business Income and Extra Expense, you may extend that insurance to apply to the actual loss of Business Income you sustain and reasonable and necessary "food contamination expense" you incur due to the "suspension" of your "operations" during the "period of restoration". The "suspension" must be required by a "Public Health Authority" due to discovery of, suspicion of, or exposure to "food contamination" at the described premises.
- (2) The following exclusions do not apply to this Coverage Extension if such excluded causes of loss result in any "food contamination" to which this Coverage Extension applies:
 - (a) Exclusion **B.2.d.(7)(d)**, changes in flavor, color, texture or finish;
 - (b) Exclusion **B.2.d.(8)**, contamination by other than "pollutants";
 - (c) Exclusion, **B.2.k.**, Pollution; and

In addition, any Exclusion of Loss Due to Virus or Bacteria endorsement which is applicable to this Coverage Form does not apply to "food contamination" that results from a "communicable disease" to which this Coverage Extension applies.
- (3) We will not pay any fines or penalties levied against you by the "Public Health Authority" as a result of the discovery or suspicion of "food contamination" at the described premises.

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- (4) The most we will pay under this Coverage Extension for the sum of all covered loss and expenses during each separate 12 month period of this policy beginning with the effective date of this endorsement is the Limit of Insurance shown in the Schedule above for Food Contamination.
- (5) Payments under this Coverage Extension are in addition to the applicable Limits of Insurance.
- (6) The following **PROPERTY DEFINITIONS** are added with respect to this Coverage Extension:
 - (a) **"Communicable Diseases"** a viral or bacterial micro-organism that induces or is capable of inducing physical illness or disease.
 - (b) **"Food Contamination"** means a condition in your food which has caused, or is suspected of causing, food poisoning of one or more of your patrons. Such "food contamination" must result from:
 - (i) Tainted food purchased by you;
 - (ii) Food which has been improperly processed, stored, handled or prepared in the course of your "operations"; or
 - (iii) A "Communicable Disease" transmitted by one or more of your "employees".
 - (c) **"Food Contamination Expense" means:**
 - (i) Your costs to clean and sanitize your machinery and equipment as directed by the "Public Health Authority";
 - (ii) Your costs to replace your food declared contaminated by the "Public Health Authorities";
 - (iii) Your extra costs of advertising including, but not limited to, the expense of telephone, radio, television, newspaper and other media announcements.
 - (iv) Your expense to provide necessary medical tests or vaccinations for your "employees" who are potentially infected by the "food

contamination". However, we will not pay for any expense that is otherwise covered under a Workers' Compensation policy.

(d) **"Public Health Authority"** means any governmental authority having jurisdiction over your "operations" relating to health and hygiene standards necessary to protect the general public.

(e) **"Period of Restoration"**
 With respect to this Coverage Extension means the period of time that:

- (i) Begins 24 hours after you receive notification from the "Public Health Authority" that your "operations" are to be temporary closed; and
- (ii) Ends with the notifications from the same "Public Health Authority" that your "operations" can be resumed.

i. Limited Building Coverage – Tenant Obligation

- (1) If:
 - (a) You are a tenant;
 - (b) A Limit of Insurance is shown in the Declarations for Business Personal Property; and
 - (c) You are contractually obligated to repair or replace that part of a building you occupy as a tenant;
 at the described premises, you may extend that insurance to apply to direct physical loss of or damage to that part of a building you occupy as a tenant caused by or resulting from a Covered Cause of Loss other than "theft" or attempted "theft".
- (2) This Coverage Extension does not apply to any otherwise covered:
 - (a) Building glass; or
 - (b) Tenants improvements and betterments as described in Paragraph A.1.b.(3).
- (3) The most we will pay under this Coverage Extension in any one occurrence is \$50,000 at each described premises.

j. Property in Transit

- (1) When the Declarations show that you have coverage for Business Income and Extra Expense, you may extend that insurance to apply to the actual loss of Business Income you sustain and reasonable and necessary Extra Expense you incur due to the "suspension" of your "operations" during the "period of restoration". The "suspension" must be caused by direct physical loss or damage caused by or resulting from a Covered Cause of Loss to Covered Property while in the due course of transit at your risk within the Coverage Territory.
- (2) This Coverage Extension does not apply to loss caused by or resulting from loss or damage to:
- (a) Shipments by a government postal service, except by registered mail;
 - (b) Export shipments once:
 - (i) The shipment is loaded onboard the export conveyance; or
 - (ii) Coverage under an Ocean Marine or other insurance policy covering the shipment begins;
 whichever is earlier;
 - (c) Import shipments until:
 - (i) The shipment is unloaded from the importing conveyance; or
 - (ii) Coverage under an Ocean Marine or other insurance policy covering the property ends;
 whichever is later;
 - (d) Property of others for which you are responsible while acting as a common or contract carrier, freight forwarder, freight consolidator, or freight broker or public warehouseman;
 - (e) Property within a conveyance or container caused by "theft" while the conveyance or container is unattended unless the portion of the conveyance or container containing the property is fully enclosed and securely locked, and the "theft" is by forcible entry of which there is visible evidence; or
 - (f) The transporting conveyance.
- (3) With respect to this Coverage Extension,

the "period of restoration" definition under Paragraph **G. PROPERTY DEFINITIONS** is replaced by the following:

"Period of Restoration" means the period of time that:

- (a) Begins 24 hours after the time of direct physical loss or damage caused by or resulting from any Covered Cause of Loss in the due course of transit;
- (b) Ends on the date when the property in the due course of transit should be repaired, rebuilt or replaced with reasonable speed and similar quality; and
- (c) Does not include any increased period required due to the enforcement of any ordinance or law that:
 - (i) Regulates the construction, use or repair, or requires the tearing down of any property; or
 - (ii) Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".

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

- (4) We will reduce the amount of your Business Income loss, other than Extra Expense, to the extent you can resume your business activities in the due course of transit in whole or in part, by using any other available:
- (a) Source of materials; or
 - (b) Outlet for your products.
- (5) This Coverage Extension does not apply to loss caused by or resulting from loss or damage to property:
- (a) At the premises of a "dependent property";
 - (b) At any location to which the Business Income and Extra Expense at Client or Virtual Office Premises Coverage Extension applies; or
 - (c) At any location to which the Business Income and Extra Expense Newly Acquired Premises Coverage Extension applies.

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- (6) The most we will pay under this Coverage Extension for the sum of Business Income and Extra Expense you incur in any one occurrence is \$25,000. This limit applies regardless of the number of locations involved.
- (7) Payments made under this Coverage Extension are in addition to the applicable Limits of Insurance.

k. Sales Representative's Samples

- (1) When a Limit of Insurance is shown in the Declarations for Business Personal Property, you may extend that insurance to apply to:
 - (a) Samples of your stock in trade (including containers); and
 - (b) Similar property of others;

while such property is in the custody of your sales representatives, or agents, or yourself while acting as a sales representative, including while in transit.
- (2) We will not pay for loss or damage caused by "theft" of Covered Property from an unattended vehicle. But we will pay for "theft" of Covered Property from an unattended vehicle if at the time of the "theft", all the vehicle's doors, windows and compartments were closed and locked and there are visible signs that the "theft" was a result of forced entry.
- (3) The most we will pay for loss or damage for property in the custody of any one sales representative in any one occurrence is \$25,000.

I. Spoilage Coverage

- (1) When a Limit of Insurance is shown in the Declarations for Business Personal Property at the described premises, you may extend that insurance to apply to direct physical loss of or damage to Perishable Stock caused by or resulting from a covered cause of loss described in Paragraph (3) below and not excluded in Paragraph (4) below.
- (2) This Coverage Extension does not apply to Perishable Stock while located:
 - (a) On buildings;
 - (b) In the open; or
 - (c) In vehicles.
- (3) With respect to this Coverage Extension,

covered cause of loss means the following:

- (a) **Breakdown or Contamination**, meaning:
 - (i) Change in temperature or humidity resulting from mechanical breakdown or failure of refrigerating, cooling or humidity control apparatus or equipment, only while such equipment or apparatus is at the described premises; or
 - (ii) Contamination by a refrigerant, only while the refrigerating apparatus or equipment is at the described premises; or
- (b) **Power Outage**, meaning change in temperature or humidity resulting from complete or partial interruption of electrical power, either on or off the described premises, due to conditions beyond your control.
- (4) The following exclusions apply to this Coverage Extension:
 - (a) We will not pay for loss or damage caused directly or indirectly by any of the following, regardless of any other cause or event that contributes concurrently or in any sequence to the loss:
 - (i) Manual disconnecting of any refrigeration, cooling, heating or humidity control system from the source of electric power;
 - (ii) Terminating of electric power due to throwing or turning off any switch or other device usual to the shutting off of electric power, on the described premises; or
 - (iii) Intentional decision of an electric utility company or other source of electric power not to provide sufficient power or the inability of such company or source to provide sufficient power, due to lack of fuel, governmental order or lack of generating capacity to meet the demand.
 - (b) Paragraph **B.1.b.** Earth Movement;
 - (c) Paragraph **B.1.c.** Governmental Action;
 - (d) Paragraph **B.1.d.** Nuclear Hazard;

- (e) Paragraph **B.1.f.** War and Military Action;
- (f) Paragraph **B.1.g.** Water; and
- (g) Paragraph **B.1.h.** Neglect.

No other exclusions in Paragraph **B.** Exclusions apply to this Coverage Extension. However, if any exclusions are added by endorsement to this Coverage Form, such exclusions will apply to this Coverage Extension.

- (5) With respect to this Coverage Extension, Perishable Stock means personal property:
 - (a) Maintained under controlled conditions for its preservation; and
 - (b) Susceptible to loss or damage if the controlled temperature or humidity conditions change.
- (6) The most we will pay for loss or damage under this Coverage Extension in any one occurrence is \$10,000, regardless of the number of premises involved.

m. Undamaged Parts of Stock in Process

- (1) When a Limit of Insurance is shown in the Declarations for Business Personal Property at the described premises, you may extend that insurance to apply to the reduction in value of the undamaged remaining parts of "stock" which becomes unmarketable when the reduction is caused by direct physical loss or damage from a Covered Cause of Loss to other parts of "stock".
- (2) The most we will pay under this Coverage Extension in any one occurrence is \$25,000.

n. Utility Services – Time Element

- (1) When the Declarations show that you have coverage for Business Income and Extra Expense, you may extend that insurance to apply to the loss of Business Income or Extra Expense caused by the interruption of service to the described premises. The interruption must result from direct physical loss or damage by a Covered Cause of Loss to the following property not on the described premises:
 - (a) "Water Supply Services";
 - (b) "Communication Supply Services"; or
 - (c) "Power Supply Services".

- (2) We will only pay for loss of Business Income you sustain and Extra Expense you incur after 48 consecutive hours following the direct physical loss or damage to the following property not on the described premises;
 - (a) "Water Supply Services";
 - (b) "Communication Supply Services"; or
 - (c) "Power Supply Services".

This Coverage Extension does not apply to any reduction of income after service has been restored to your premises.

- (3) With respect to this Coverage Extension, Paragraphs **G.3.b** and **G.22.b** are deleted.
- (4) The most we will pay for loss under this Coverage Extension is \$50,000 at each described premises, but we will not pay more than \$100,000 in any one occurrence, regardless of the number of premises involved.

o. Water or Sewage Back Up and Sump Overflow

- (1) When the Declarations show that you have coverage for Building or Business Personal Property, you may extend that insurance to apply to direct physical loss of or damage to Covered Property at the described premises caused by or resulting from water or sewage that backs up or overflows from a sewer, drain or sump that is inside a building at the described premises.
- (2) When the Declarations show that you have coverage for Business Income and Extra Expense, you may also extend that insurance to apply to the actual loss of Business Income you sustain and reasonable and necessary Extra Expense you incur caused by or resulting from water or sewage that backs up or overflows from a sewer, drain or sump that is inside a building at the described premises.
- (3) Paragraph **B.1.g.(3)** does not apply to this Coverage Extension.
- (4) The most we will pay under this Coverage Extension in any one occurrence is \$50,000, regardless of the number of described premises involved. Amounts payable under any coverage, including any Additional Coverage or

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Coverage Extension, do not increase this limit.

13. The following is added to Paragraph E. **PROPERTY LOSS CONDITIONS:**

Pairs, sets or parts:

- (1) In case of loss to any part of a pair or set we may at our option:
 - (a) Repair or replace any part to restore the pair or set to its value before the loss; or
 - (b) Pay the difference between the value of the pair or set before and after the loss.
- (2) In case of loss to any part of Covered Property consisting of several parts when complete, we will only pay for the value of the lost or damaged part.

14. The following is added to Paragraph F. **COMMERCIAL PROPERTY CONDITIONS:**

Unintentional Errors In Description

Your error in how you describe the address of a location in the Location Schedule shall not prejudice coverage afforded by this policy, provided such error is not intentional. Any such error shall be reported and corrected when discovered and appropriate premium charged.

15. The following definitions are added to Paragraph G. **PROPERTY DEFINITIONS:**

- a. **"Client or Virtual Office Premises"** means the interior of that portion of any building occupied by an "employee", including:
 - (1) An "employee's" residence; or
 - (2) A client's business location.

Client or virtual office premises does not include any location that is described in the Declarations or reported to or accepted by us for coverage under this Coverage Form.
- b. **"Fraudulent instruction"** means:
 - (1) An electronic, telegraphic, cable, teletype, telefacsimile or telephone instruction which purports to have been transmitted

by you, but which was in fact fraudulently transmitted by someone else without your knowledge or consent;

- (2) A written instruction (other than those described in Paragraph A.6.i.) issued by you, which was forged or altered by someone other than you without your knowledge or consent or which purports to have been issued by you, but was in fact fraudulently issued without your knowledge or consent; or
- (3) An electronic, telegraphic, cable, teletype, telefacsimile, telephone or written instruction initially received by you which purports to have been transmitted by an "employee" but which was in fact fraudulently transmitted by someone else without your or the "employee's" knowledge or consent.

- c. **"Fungus"** means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.
- d. **"Messenger"** means you, or a relative of yours, or any of your partners or "members", or any "employee" while having care and custody of property outside the premises.
- e. **"Transfer account"** means an account maintained by you at a financial institution from which you can initiate the transfer, payment or delivery of "money" and "securities":
 - (1) By means of electronic, telegraphic, cable, teletype, telefacsimile or telephone instructions communicated directly through an electronic funds transfer system; or
 - (2) By means of written instructions (other than those described in Paragraph A.6.i.) establishing the conditions under which such transfers are to be initiated by such financial institution through an electronic funds transfer system.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CALIFORNIA – AMENDATORY PROVISIONS

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS PROPERTY COVERAGE SPECIAL FORM

- A. The BUSINESSOWNERS PROPERTY COVERAGE SPECIAL FORM is changed as follows:**
- 1. The limit applicable to the **Additional Coverage – Arson and Theft Reward** is increased from \$5,000 to \$10,000.**
 - 2. The limit applicable to the **Additional Coverage – Expediting Expenses** is increased from \$25,000 to \$30,000.**
 - 3. The limit applicable to the **Additional Coverage – Fire Department Service Charge** is increased from \$25,000 to \$30,000.**
 - 4. The limit applicable to the **Additional Coverage – Fire Protective Equipment Discharge** is increased from \$10,000 to \$15,000.**
 - 5. The limit applicable to the **Additional Coverage-Temporary Relocation of Property** is increased from \$50,000 to \$75,000.**
 - 6. The following **Additional Coverages** are added:**
 - a. **Contract Penalty Clause****
 - (1)** We will pay contract penalties you incur as a result of your failure to deliver your products or services within the time required by such contract, if the failure is solely due to direct physical loss of or damage to property at the described premises caused by or resulting from a Covered Cause of Loss.
 - (2)** The most we will pay under this Additional Coverage is \$1,000 for the sum of all covered contract penalties arising out of all Covered Causes of Loss occurring during each separate 12 month period of this policy beginning with the effective date of this endorsement.
 - b. **Lease Assessment****
 - (1)** When a Limit of Insurance is shown in the Declarations for Business Personal Property at any described premises, we will pay for your share of any assessment charged:
 - (a)** To all tenants by the building owner;
 - (b)** Pursuant to a written lease agreement; and
 - (c)** As a result of direct physical loss or damage by a Covered Cause of Loss to building property you occupy.
 - c. **Lost Key Consequential Loss****
 - (1)** We will pay for consequential loss to keys and locks if a master or grand master key is lost or damaged from a Covered Cause of Loss. We will pay for:
 - (a)** The actual cost of keys, and
 - (b)** Adjustment of locks to accept new keys, or
 - (c)** If required, new locks including cost of their installation.
 - (2)** Loss or damage must be caused by or result from a Covered Cause of Loss including mysterious disappearance.
 - (3)** The most we will pay for loss or damage under this Additional Coverage is \$500 at each described premises.
 - d. **Overseas Business Travel****
 - (1)** When a Limit of Insurance is shown in the Declarations for Business Personal Property at the described premises, we will pay for direct physical loss or damage by a Covered Cause of Loss to business personal property while in the custody of any officer or "employee" of the insured while temporarily traveling outside of the United States of America (including its territories and possessions), Puerto Rico and Canada.

BUSINESSOWNERS

- (2) This Additional Coverage does not apply to property:
 - (a) Otherwise covered under the Overseas Fine Arts Additional Coverage; or
 - (b) Otherwise covered under the following Coverage Extensions:
 - (i) Electronic Data Processing; or
 - (ii) Overseas Valuable Papers and Records.
- (3) The most we will pay for loss under this Additional Coverage is \$10,000 in any one occurrence.
- e. **Utility Services – Direct Damage**
 - (1) We will pay for loss of or damage to Covered Property caused by the interruption of services to the described premises. The interruption must result from direct physical loss or damage by a Covered Cause of Loss to the following property not on the described premises:
 - (a) "Water Supply Services";
 - (b) "Communication Supply Services"; or
 - (c) "Power Supply Services".
 - (2) The most we will pay for loss or damage under this Additional Coverage in any one occurrence is \$2,500 at each described premises.
 - (3) Payments under this Additional Coverage are subject to and not in addition to the applicable Limit of Insurance.
- f. **Water or Sewage Back Up and Sump Overflow**
 - (1) We will pay for direct physical loss of or damage to Covered Property at the described premises caused by or resulting from water or sewage that backs up or overflows from a sewer, drain or sump.
 - (2) Paragraph **B.1.g.(3)** does not apply to this Additional Coverage.
 - (3) With respect to otherwise covered Business Income and Extra Expense, the causes of loss described in Paragraph **(1)** above will not be considered Covered Causes of Loss.
 - (4) The most we will pay under this Additional Coverage in any one occurrence is \$5,000, regardless of the number of premises involved.
- 7. The following **Coverage Extensions** are changed as follows:
 - a. The limit applicable to the **Coverage Extension-Appurtenant Buildings and Structures** is increased from \$50,000 to \$100,000.
 - b. The limit applicable to the **Coverage Extension-Non-Owned Detached Trailers** is increased from \$5,000 to \$7,500.
 - c. The limit applicable to the **Coverage Extension-Outdoor Property** is increased from \$10,000 to \$15,000.
 - d. The limit applicable to the **Coverage Extension-Personal Effects** is increased from \$25,000 to \$30,000.

POLICY NUMBER: 680-A2036190-25-42

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ISSUE DATE: 08/27/2025

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SEWER OR DRAIN BACK UP EXTENSION

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS PROPERTY COVERAGE SPECIAL FORM

SCHEDULE

Limit of Insurance \$ 25000

The following is added to Paragraph **A. 7. Coverage Extensions** :

Water or Sewage Back Up and Sump Overflow

- (1)** When the Declarations show that you have coverage for Building or Business Personal Property, you may extend that insurance to apply to direct physical loss of or damage to Covered Property at the described premises caused by or resulting from water or sewage that backs up or overflows from a sewer, drain or sump.
- (2)** When the Declarations show that you have coverage for Business Income and Extra Expense,

you may also extend that insurance to apply to the actual loss of Business Income you sustain and reasonable and necessary Extra Expense you incur caused by or resulting from water or sewage that backs up or overflows from a sewer, drain or sump.

- (3)** Paragraph **B.1.g.(3)** does not apply to this Coverage Extension.
- (4)** The most we will pay under this Coverage Extension in any one occurrence at each described premises is the Limit of Insurance shown in the Schedule above.

POLICY NUMBER: 680-~~A~~2036190-25-42

BUSINESSOWNERS
ISSUE DATE: 08/27/2025

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PROTECTIVE SAFEGUARDS ENDORSEMENT FOR SPRINKLERED LOCATIONS AND RESTAURANTS

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE PART

SCHEDULE*

Prem. No.	Bldg. No.	Protective Safeguards Symbols Applicable	Prem. No.	Bldg. No.	Protective Safeguards Symbols Applicable
001	001	P-1, P-9			

1. The following is added to the:
 BUSINESSOWNERS PROPERTY COVERAGE
 SPECIAL FORM
 BUSINESSOWNERS PROPERTY COVERAGE
 STANDARD FORM

PROTECTIVE SAFEGUARDS

a. As a condition of this insurance, you are required to maintain the protective devices or services listed in the Schedule above.

b. The protective safeguards to which this endorsement applies are identified by the following symbols:

"P-1" Automatic Sprinkler System, including related supervisory services

Automatic Sprinkler System means:

(1) Any automatic fire protective or extinguishing system, including connected:

(a) Sprinklers and discharge nozzles;

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

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- (b) Ducts, pipes, valves and fittings;
 - (c) Tanks, their component parts and supports; and
 - (d) Pumps and private fire protection mains.
- (2) When supplied from an automatic fire protective system:
- (a) Non-automatic fire protective systems; and
 - (b) Hydrants, standpipes and outlets.

"P-9" Protective system covering cooking surface as described in application for insurance on file with the company

2. The following is added to the EXCLUSION section of:

BUSINESSOWNERS PROPERTY COVERAGE
SPECIAL FORM
BUSINESSOWNERS PROPERTY COVERAGE
STANDARD FORM

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

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

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FEDERAL TERRORISM RISK INSURANCE ACT DISCLOSURE

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE PART

The federal Terrorism Risk Insurance Act of 2002 as amended ("TRIA") establishes a program under which the Federal Government may partially reimburse "Insured Losses" (as defined in TRIA) caused by "Acts Of Terrorism" (as defined in TRIA). "Act Of Terrorism" is defined in Section 102(1) of TRIA to mean any act that is certified by the Secretary of the Treasury – in consultation with the Secretary of Homeland Security and the Attorney General of the United States – to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States Mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

The Federal Government's share of compensation for such Insured Losses is 80% of the amount of such Insured Losses in excess of each Insurer's "Insurer Deductible" (as defined in TRIA), subject to the "Program Trigger" (as defined in TRIA).

In no event, however, will the Federal Government be required to pay any portion of the amount of such Insured Losses occurring in a calendar year that in the aggregate exceeds \$100 billion, nor will any Insurer be required to pay any portion of such amount provided that such Insurer has met its Insurer Deductible. Therefore, if such Insured Losses occurring in a calendar year exceed \$100 billion in the aggregate, the amount of any payments by the Federal Government and any coverage provided by this policy for losses caused by Acts Of Terrorism may be reduced.

The charge for such Insured Losses under this Coverage Part is included in the Coverage Part premium. The charge for such Insured Losses that has been included for this Coverage Part is indicated below, and does not include any charge for the portion of such Insured Losses covered by the Federal Government under TRIA:

- 4% of your total Businessowners Coverage Part premium if your primary location is in a Designated City (as listed below).
- 2% of your total Businessowners Coverage Part premium if your primary location is not in a Designated City (as listed below).

Designated Cities are			
Albuquerque, NM	El Paso, TX	Miami, FL	San Antonio, TX
Atlanta, GA	Fort Worth, TX	Milwaukee, WI	San Diego, CA
Austin, TX	Fresno, CA	Minneapolis, MN	San Francisco, CA
Baltimore, MD	Honolulu, HI	Nashville-Davidson, TN	San Jose, CA
Boston, MA	Houston, TX	New Orleans, LA	Seattle, WA
Charlotte, NC	Indianapolis, IN	New York, NY	St. Louis, MO
Chicago, IL	Jacksonville, FL	Oakland, CA	Tucson, AZ
Cleveland, OH	Kansas City, MO	Oklahoma City, OK	Tulsa, OK
Colorado Springs, CO	Las Vegas, NV	Omaha, NE	Virginia Beach, VA
Columbus, OH	Long Beach, CA	Philadelphia, PA	Washington, DC
Dallas, TX	Los Angeles, CA	Phoenix, AZ	Wichita, KS
Denver, CO	Memphis, TN	Portland, OR	
Detroit, MI	Mesa, AZ	Sacramento, CA	

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EQUIPMENT BREAKDOWN – SERVICE INTERRUPTION LIMITATION

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS PROPERTY COVERAGE SPECIAL FORM

- A.** The BUSINESSOWNERS PROPERTY COVERAGE SPECIAL FORM is changed as follows:
- 1.** The following is added to Paragraph **A.7. Coverage Extensions i. Equipment Breakdown:**
 - (9)** With respect to Service Interruption coverage, we will not pay under this Coverage Extension for loss or damage caused by or resulting from any of the following:
 - (a)** Fire;
 - (b)** Lightning;
 - (c)** Windstorm or hail;
 - (d)** Explosion (except for steam or centrifugal explosion);
 - (e)** Smoke;
 - (f)** Aircraft or vehicles;
 - (g)** Riot or civil commotion;
 - (h)** Vandalism;
 - (i)** Sprinkler Leakage;
 - (j)** Falling objects;
 - (k)** Weight of snow, ice or sleet;
 - (l)** Freezing; or
 - (m)** Collapse

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AMENDATORY PROVISIONS – GREEN BUILDING AND BUSINESS PERSONAL PROPERTY COVERAGE ENHANCEMENTS

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS PROPERTY COVERAGE SPECIAL FORM

A. DEFINITIONS

As used in this endorsement:

1. **"Green"** means products, materials, methods and processes that conserve natural resources, reduce energy or water consumption, avoid toxic or other polluting emissions or otherwise minimize the environmental impact.
2. **"Green Authority"** means a recognized authority on green building or green products, materials or processes.

B. The BUSINESSOWNERS PROPERTY COVERAGE SPECIAL FORM is changed as follows:

1. The following **Additional Coverages** are added:

a. Green Building Alternatives – Increased Cost

- (1) If direct physical loss or damage by a Covered Cause of Loss occurs to a building that is covered property, we will pay for:

(a) The reasonable additional cost you incur to repair or replace the lost or damaged portions of the building using products or materials that:

- (i) Are "green" alternatives to the products or materials of the lost or damaged property, in accordance with the documented standards of a "Green Authority"; and
- (ii) Are otherwise of comparable quality and function to the damaged property;

and

(b) The reasonable additional cost you incur to employ "green" methods or processes of construction, disposal or recycling in the course of the repair and replacement of the lost or damaged building, in accordance with the documented standards of a "Green Authority".

(2) The insurance provided under this Additional Coverage applies only if replacement cost valuation applies to the lost or damaged building and then only if the building is actually repaired or replaced as soon as reasonably possible after the loss or damage.

(3) The insurance provided under this Additional Coverage does not apply to any building that has been "vacant" for more than 60 consecutive days before the loss or damage occurs.

(4) The most we will pay for the additional cost incurred with respect to each building in any one occurrence under this Additional Coverage is determined by:

(a) Multiplying 5%; times

(b) The amount we would otherwise pay for the direct physical loss of or damage to the building, prior to application of any applicable deductible.

(5) However, the most we will pay for the additional cost incurred in any one occurrence, regardless of the number of buildings involved, is \$25,000.

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b. Green Building Reengineering and Recertification Expense

(1) If, as a result of direct physical loss or damage by a Covered Cause of Loss to a building that is Covered Property, the pre-loss level of "green" building certification by a "Green Authority" on the building is lost, we will pay for the following reasonable additional expenses you incur to re-attain the pre-loss level of "green" building certification from that "Green Authority":

(a) The reasonable additional expense you incur to hire a qualified engineer or other professional required by the "Green Authority" to be involved in:

(i) Designing, overseeing or documenting the repair or replacement of the lost or damaged building; or

(ii) Testing and recalibrating the systems and mechanicals of the lost or damaged building to verify that the systems and mechanicals are performing in accordance with the design of such systems and mechanicals or the specifications of the manufacturer;

and

(b) The reasonable registration and recertification fees charged by the "Green Authority".

(2) This Additional Coverage applies to the additional expenses described above that you incur to achieve the pre-loss level of "green" building certification in accordance with the standards of the "Green Authority" that exist at the time of repair or replacement, even if the standards have changed since the original certification was achieved.

(3) The insurance provided under this Additional Coverage does not apply to any building that has been "vacant" for more than 60 consecutive days before the loss or damage occurs.

(4) The most we will pay in any one occurrence under this Additional Coverage for:

(a) All expenses incurred with respect to each building is 5% of the sum of:

(i) The amount we pay for the direct physical loss of or damage to the building, including any amount paid under the Green Building Alternatives – Increased Cost Additional Coverage; and

(ii) The deductible amount applied to the loss payment for direct physical loss or damage to the building;

(b) All expenses incurred, regardless of the number of buildings involved, is \$25,000.

2. The following **Coverage Extensions** are added:

a. Green Building and Business Personal Property Alternatives – Increased Period of Restoration

(1) If:

(a) Direct physical loss or damage by a Covered Cause of Loss occurs to a building at the described premises or Business Personal Property at the described premises to which the Green Business Personal Property Alternatives – Increased Cost Coverage Extension applies; and

(b) The Declarations show that you have coverage for Business Income and Extra Expense;

you may extend that insurance to include the amount of actual loss of Business Income you sustain and reasonable and necessary Extra Expense you incur during the increase in the "period of restoration" that is reasonably necessary to:

(i) Repair or replace the lost or damaged portions of the building or Business Personal Property (as described in Green Business Personal

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Property Alternatives – Increased Cost Coverage Extension) using products or materials that:

- a) Are "green" alternatives to the products or materials of the lost or damaged property, in accordance with the documented standards of a "Green Authority"; and
- b) Are otherwise of comparable quality and function to the damaged property;

and

- (ii) Employ "green" methods or processes of construction, disposal or recycling in the course of the repair and replacement of the lost or damaged building or Business Personal Property (as described in Green Business Personal Property Alternatives – Increased Cost Coverage Extension), in accordance with the documented standards of a "Green Authority";

subject to a maximum of 30 additional days from the date the "period of restoration" would otherwise have ended.

- (2) This Coverage Extension is included in, and does not increase, the amount of coverage available based on the applicable Business Income and Extra Expense provision shown in the Declarations.

b. Green Business Personal Property Alternatives – Increased Cost

(1) If:

- (a) The Declarations show that you have coverage for Business Personal Property; and
- (b) Direct physical loss or damage by a Covered Cause of Loss occurs to covered Business Personal Property at the described premises; and

- (c) Such loss or damage requires replacement of such property, or with respect to improvements and betterments, requires repair or replacement;

you may extend that insurance to apply to the reasonable additional cost you incur to replace the lost or damaged Business Personal Property, or with respect to improvements and betterments, to repair or replace the lost or damaged portions of such improvements and betterments, using products or materials that:

- (i) Are "green" alternatives to the products or materials of the lost or damaged property, in accordance with the documented standards of a "Green Authority"; and
- (ii) Are otherwise of comparable quality and function to the damaged property.

- (2) With respect to improvements and betterments you may also extend that insurance to apply to the reasonable additional cost you incur to employ "green" methods or processes of construction, disposal or recycling in the course of the repair and replacement of the lost or damaged building, in accordance with the documented standards of a "Green Authority".
- (3) The insurance provided under this Coverage Extension applies only if replacement cost valuation applies to the lost or damaged property and then only if the property is actually repaired or replaced as soon as reasonably possible after the loss or damage.
- (4) This Coverage Extension does not apply to "stock" or property of others that is in your care, custody or control.
- (5) The insurance provided under this Coverage Extension does not apply to Business Personal Property at any building that has been "vacant" for more than 60 consecutive days before the loss or damage occurs.

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- (6) The most we will pay in any one occurrence under this Coverage Extension for the increased cost incurred with respect to the damaged property to which this Coverage Extension applies is determined by:
- (a) Multiplying 5%; times
 - (b) The amount we would otherwise pay for the direct physical loss of or damage to the business personal property, prior to application of any applicable deductible.
- (7) However, the most we will pay for the additional cost incurred in any one occurrence, regardless of the number of described premises involved, is \$25,000.
3. The following provision is added to the Loss Payment Loss Condition in Section **E.4.** :
- Except as specifically provided under the:
- a. Green Building Alternatives – Increased Cost Additional Coverage; and
 - b. Green Building Reengineering and Recertification Expense Additional Coverage; and
 - c. Green Business Personal Property Alternatives – Increased Cost Coverage Extension;
- the cost to repair, rebuild or replace does not include any increased cost incurred to re-
- attain a pre-loss level of "green" building certification from a "Green Authority".
4. This endorsement does not apply to property covered under the Newly Acquired or Constructed Property Additional Coverage.
5. With respect to the Additional Coverages and Coverage Extensions of this endorsement we will not pay for any Business Income or Extra Expense loss caused by or resulting from obtaining "green" building certification from a "Green Authority". However, this does not apply to any increase in the "period of restoration" required to re-attain a pre-loss level of "green" building certification from a "Green Authority" as otherwise covered under the Green Building and Business Personal Property Alternatives – Increased Period of Restoration Coverage Extension.
6. Under the **DEFINITIONS** in **Section G.** the following is added to the definition of "period of restoration":
- "Period of restoration" does not include any increased period required to re-attain a pre-loss level of "green" building certification from a "Green Authority". But this does not apply to any increase in the "period of restoration" otherwise covered under the Green Building and Business Personal Property Alternatives – Increased Period of Restoration Coverage Extension.

POLICY NUMBER: 680-A2036190-25-42

BUSINESSOWNERS
ISSUE DATE: 08/27/2025

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SPOILAGE COVERAGE

This endorsement modifies insurance provided under the following:
BUSINESSOWNERS PROPERTY COVERAGE SPECIAL FORM

SCHEDULE

Premises Location Number	Building Number	Description of Property	Limit of Insurance	Deductible	Refrigeration Maintenance Agreement	Causes of Loss: Breakdown or Contamination	Power Outage	Selling Price
001	001	ALL PERISHABLE GOODS	\$ 5,000	\$ 250		X	X	

A. The BUSINESSOWNERS PROPERTY COVERAGE SPECIAL FORM is changed as follows:

1. The following is added to Paragraph A.7.:

Spoilage Coverage

(1) When a Limit of Insurance is shown in the Declarations for Business Personal Property at the described premises and such described premises is shown in the schedule above, you may extend that insurance to apply to direct physical loss of or damage to Perishable Stock caused by or resulting from a covered cause of loss described in Paragraph (3) below and not excluded in Paragraph (4) below.

(2) This Coverage Extension does not apply to Perishable Stock while located:

- (a) On buildings;
- (b) In the open; or
- (c) In vehicles.

(3) With respect to this Coverage Extension, covered cause of loss means the follow-

ing only if indicated by an "X" in the schedule above:

(a) **Breakdown or Contamination**, meaning:

(i) Change in temperature or humidity resulting from mechanical breakdown or failure of refrigerating, cooling or humidity control apparatus or equipment, only while such equipment or apparatus is at the described premises; or

(ii) Contamination by a refrigerant, only while the refrigerating apparatus or equipment is at the described premises shown in the schedule; or

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

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(4) The following exclusions apply to this Coverage Extension:

(a) We will not pay for loss or damage caused directly or indirectly by any of the following, regardless of any other cause or event that contributes concurrently or in any sequence to the loss:

(i) Manual disconnecting of any refrigeration, cooling, heating or humidity control system from the source of electric power;

(ii) Terminating of electric power due to throwing or turning off any switch or other device usual to the shutting off of electric power, on the premises shown in the schedule above; or

(iii) Intentional decision of an electric utility company or other source of electric power not to provide sufficient power or the inability of such company or source to provide sufficient power, due to lack of fuel, governmental order or lack of generating capacity to meet the demand.

- (b)** Paragraph **B.1.b.** Earth Movement;
- (c)** Paragraph **B.1.c.** Governmental Action;
- (d)** Paragraph **B.1.d.** Nuclear Hazard;
- (e)** Paragraph **B.1.f.** War and Military Action;
- (f)** Paragraph **B.1.g.** Water; and
- (g)** Paragraph **B.1.h.** Neglect.

No other exclusions in Paragraph **B.** Exclusions apply to this Coverage Extension. However, if any exclusions are added by endorsement to this Coverage Form, such exclusions will apply to this Coverage Extension.

(5) Under this Coverage Extension, the following coverages also apply:

(a) Claim Mitigation Expense

We will pay the reasonable expenses you incur to prevent or reduce loss or damage to the extent that such loss or damage is reduced, but such payment will not increase the applicable Limit of Insurance.

(b) Clean-up and Disposal

We will pay your expenses to clean-up and dispose of spoiled Covered Property. Payment for Clean-up and Disposal is included within the Limit of Insurance shown in the schedule above.

(6) With respect to this Coverage Extension, if Selling price is indicated by an "X" in the schedule above, the following is added to Paragraph **E.4.**:

We will determine the value of finished Perishable Stock in the event of loss or damage at:

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

(7) With respect to this Coverage Extension, Perishable Stock means personal property:

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

(8) Subject to Paragraph **(9)** below, the most we will pay for loss or damage under this Coverage Extension in any one occurrence is the Limit of Insurance shown in the schedule above.

(9) Regardless of the amount of the Businessowners Property Coverage Deductible, we will not pay for loss or damage under this Coverage Extension in any one occurrence until the amount of loss or damage exceeds the Deductible shown in the schedule above. We will then pay the amount of loss or damage in excess of this Deductible, up to the applicable Limit of Insurance.

(10) Paragraph **C.2.** does not apply to this Coverage Extension.

(11) Refrigeration Maintenance Agreement

- (a)** If:
 - (i)** Breakdown or Contamination is designated by an "X" as a covered cause of loss in the schedule above; and
 - (ii)** Refrigeration Maintenance Agreement is shown as applica-

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ble by an "X" in the schedule above;

then the following condition applies:

You must maintain a Refrigeration Maintenance Agreement as described in Paragraph **(b)** below. If you voluntarily terminate this agreement and do not notify us, the insurance provided by this endorsement under the Breakdown or Contamination covered cause of loss will be auto-

matically suspended at the described premises involved.

- (b)** Refrigeration Maintenance Agreement means a written service contract, between you and the refrigeration service organization, which provides for regular periodic inspection of the refrigeration equipment at the insured location, and the servicing and repair of equipment, including emergency response at the insured location.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LIMIT OF INSURANCE/OCCURRENCE ENDORSEMENT – CALIFORNIA

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS PROPERTY COVERAGE SPECIAL FORM

A. With respect to the **Additional Coverage – Employee Dishonesty**, Paragraph **A.6.d.** in the BUSINESSOWNERS PROPERTY COVERAGE SPECIAL FORM is changed as follows:

1. Paragraph **(1)** is replaced by the following:

(1) We will pay for loss of or damage to Business Personal Property resulting directly from "employee dishonesty".

We will pay only for loss or damage you sustain through acts committed or events occurring, and whether or not sustained only during the period of this policy. Regardless of the number of years this policy, or any other policy we issued to you, has been in force, and how many premiums were paid, you are not entitled to a separate limit of insurance under each policy or renewal, or for each period for which premiums were paid, or to recovery up to the sum of the limits of insurance of such policies or renewals.

2. Paragraph **(7)** is replaced by the following:

(7) With respect to this Additional Coverage, occurrence means all loss or losses caused by or involving any "employee", acting alone or in collusion with other persons, or any group of "employees" acting together, even if in collusion with other persons, whether the result of a single act or multiple acts and whether or not sustained only during the period of this policy. All acts by one "employee" acting alone or in collusion with other persons, or by any group of "employees" acting together, and whenever performed, can give rise to only one occurrence.

3. Paragraph **(8)** and **(9)** are replaced by the following:

(8) If you discover a loss during the period of this policy which you, or your predecessor in interest, sustained during the periods of any prior policy or policies and you, or the predecessor in interest, could have re-

covered all or part of the loss under the prior policy or policies except that the time within which to discover loss required by the prior policy or policies had expired, we will pay for the loss under this policy, provided, however, that:

(a) This policy would have covered the loss had this policy been in force at the time the loss was sustained; and

(b) There was no period of time from the commencement of the first such prior policy to the date the loss was discovered when you, or your predecessor in interest, did not have in force insurance to cover that type of loss.

(9) The insurance under Paragraph **(8)** is part of, not in addition to the Limit of Insurance described in Paragraph **(6)** above and is limited to the lesser of the amount recoverable under:

(a) This Additional Coverage, as of its effective date; or

(b) The prior insurance had it remained in effect.

4. The following provision is added:

Loss Covered Under This Insurance And Prior Insurance Issued By Us Or Any Affiliate

If an occurrence takes place partly within the period of this policy, any Limit of Insurance applicable to such occurrence under this policy shall be reduced by any amount recoverable with respect to such occurrence under any prior policy issued by us, or by any affiliate of ours, to you, or to any affiliate of yours. The most we will pay under any circumstances is the Limit of Insurance under this policy, or the Limit of Insurance under such prior policy, whichever is larger.

B. With respect to the **Additional Coverage – Forgery or Alteration**, Paragraph **A.6.i.** in the BUSINESSOWNERS PROPERTY COVERAGE SPECIAL FORM is changed as follows:

BUSINESSOWNERS

1. Paragraph (1) is replaced by the following:

(1) We will pay for loss resulting directly from "forgery" or alteration of checks, drafts, promissory notes, or similar written promises, orders or directions to pay a sum certain in "money" that are made or drawn by or drawn upon you, or made or drawn by one acting as an agent or purported to have been so made or drawn

We will consider signatures that are produced or reproduced electronically, mechanically or by other means the same as handwritten signatures.

We will pay only for loss or damage you sustain through acts committed or events occurring, and whether or not sustained only during the period of this policy. Regardless of the number of years this policy, or any other policy we issued to you, has been in force, and how many premiums were paid, you are not entitled to a separate limit of insurance under each policy or renewal, or for each period for which premiums were paid, or to recovery up to the sum of the limits of insurance of such policies or renewals.

2. Paragraph (6) and (7) are replaced by the following:

(6) If you discover a loss during the period of this policy which you, or your predecessor in interest, sustained during the periods of any prior policy or policies and you, or the predecessor in interest, could have recovered all or part of the loss under the prior policy or policies except that the time within which to discover loss required by the prior policy or policies had expired, we will pay for the loss under this policy, provided, however, that:

(a) This policy would have covered the loss had this policy been in force at the time the loss was sustained; and

(b) There was no period of time from the commencement of the first such prior policy to the date the loss was discovered when you, or your predecessor in interest, did not have in force insurance to cover that type of loss.

(7) The insurance under Paragraph (6) is part of, not in addition to the Limit of Insurance described in Paragraph (4) above and is limited to the lesser of the amount recoverable under:

(a) This Additional Coverage, as of its effective date; or

(b) The prior insurance had it remained in effect.

3. The following provision is added:

Loss Covered Under This Insurance And Prior Insurance Issued By Us Or Any Affiliate

If an occurrence takes place partly within the period of this policy, any Limit of Insurance applicable to such occurrence under this policy shall be reduced by any amount recoverable with respect to such occurrence under any prior policy issued by us, or by any affiliate of ours, to you, or to any affiliate of yours. The most we will pay under any circumstances is the Limit of Insurance under this policy, or the Limit of Insurance under such prior policy, whichever is larger.

C. Paragraph G.9. under **PROPERTY DEFINITIONS** is replaced with the following:

9. "Employee"

a. Means:

(1) Any natural person:

(a) While in your service (and for 30 days after termination of service);

(b) Whom you compensate directly by salary, wages or commissions; and

(c) Whom you have the right to direct and control while performing services for you;

(2) Any natural person employed by an employment contractor while that person is subject to your direction and control and performing services for you excluding, however, any such person while having care and custody of property outside the premises; or

(3) Your directors or trustees while acting as a member of any of your elected or appointed committees to perform on your behalf specific, as distinguished from general, directorial acts; and

b. Does not mean any agent, broker, person leased to you by a labor leasing firm, factor, commission merchant, consignee, independent contractor or representative of the same general character.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CALIFORNIA CHANGES

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS PROPERTY COVERAGE SPECIAL FORM

- A.** The BUSINESSOWNERS PROPERTY COVERAGE SPECIAL FORM is changed as follows:
- 1.** With respects to an “open policy”, the following is added to any provision which uses the term actual cash value:
 - a.** In the event of a partial or total loss to a building or structure, actual cash value is calculated as **a.(1)** or **a.(2)**, whichever is less:
 - (1)** The amount it would cost to repair, rebuild or replace the property less a fair and reasonable deduction for physical depreciation of the components of the building or structure that are normally subject to repair or replacement during its useful life. Physical depreciation is based upon the condition of the property at the time of the loss; or
 - (2)** The Limit of Insurance applicable to the property.
 - b.** In the event of a partial or total loss to Covered Property other than a building or structure, actual cash value is calculated as **b.(1)** or **b.(2)**, whichever is less:
 - (1)** The amount it would cost to repair or replace the property less a fair and reasonable deduction for physical depreciation, based on the condition of the property at the time of loss; or
 - (2)** The Limit of Insurance applicable to the property.
 - c.** An “open policy” is a policy under which the value of Covered Property is not fixed at policy inception, but is determined at the time of loss in accordance with policy provisions on valuation. The term “open policy” does not apply to Covered Property that is subject to an Agreed Value clause or similar clause that establishes an agreed value prior to loss, unless such clause has expired.
 - 2.** Paragraph **E.4.e.(1)(b)** under **Loss Payment – Building and Personal Property** is replaced by the following:
 - (b)** We will not pay on a replacement cost basis for any loss or damage until the lost or damaged property is actually repaired or replaced. Prior to such repair or replacement, we will pay the actual cash value of the lost or damaged property as described in Paragraph **A.1.** of this endorsement. If actual cash value does not exhaust the applicable limit of insurance, we will then pay the difference between the actual cash value and the replacement cost, provided that the repair or replacement is completed:
 - (i)** Within 12 months after we pay the actual cash value; or
 - (ii)** Within 36 months after we pay the actual cash value if the loss or damage relates to a state of emergency under California Law.

The following provision applies to real property which is used predominantly for residential purposes and consisting of not more than four dwelling units, and to coverage on tenants’ household personal property in a residential unit:

If you, acting in good faith and with reasonable diligence, encounter a delay or delays in approval for, or reconstruction of, the residence that are beyond your control, we shall provide one or more additional extensions of six months for good cause. Circumstances beyond your control include, but are not limited to:

 - a.** Unavoidable construction permit delays;
 - b.** The lack of necessary construction materials; or
 - c.** The unavailability of contractors to perform the necessary work.

BUSINESSOWNERS

Nothing in this Paragraph **(b)** constitutes a waiver of our right to deny the claim for any valid reason or to restrict payment in cases of suspected fraud.

3. Paragraph **E.4.e.(7)** under **Loss Payment – Building and Personal Property** is replaced by the following:

(7) Tenants' Improvements and Betterments at:

- (a)** Replacement cost in accordance with the terms set forth in Paragraph **(1)(b)** above.
- (b)** A proportion of your original cost if the property is not repaired or replaced. We will determine the proportionate value as follows:

(i) Multiply the original cost by the number of days from the loss or damage to the expiration of the lease; and

(ii) Divide the amount determined in **(i)** above by the number of days from the installation of improvements to the expiration of the lease.

If your lease contains a renewal option, the expiration of the renewal option period will replace the expiration of the lease in this procedure.

(c) Nothing if others pay for repairs or replacement.

GENERAL LIABILITY



GENERAL LIABILITY

DECLARATIONS PREMIUM SCHEDULE

Issue Date: 08/27/2025

Policy Number: 680-A2036190-25-42

This Schedule applies to the Declarations for the period of 10/11/2025 to 10/11/2026.

It shows all of your known rating classes as of the effective date. Any exceptions will be so noted. This includes all locations you own, rent or occupy.

STATE ZIP	CLASS DESCRIPTION/CODE NUMBER	PREMIUM BASE/ EXPOSURE	RATES	ADVANCE PREMIUM
CA 94501	Liquor Liab - Subject to Premium Audit	s 21,000	8.653	181

*Subject to Audit

Premium Base Legend:

Premium Base
a = area
c = cost
e = employees
m = admissions
p = payroll
r = receipts

How Rates Apply
per 1000 sq. feet
per \$1000 of total cost
per employee
per 1000 of admissions
per \$1000 of payroll
per \$1000 of receipts

Premium Base
s = gross sales
u = units
t =

How Rates Apply
per \$1000 of gross sales
per unit
This premium base is reserved for unusual applications. Base and how rates apply are shown above.

KEY TO DECLARATIONS PREMIUM SCHEDULE

ABBREVIATIONS:

- CLASS DESCRIP – means CLASS DESCRIPTION
- LOC/BLDG NO. – means LOCATION/BUILDING NUMBER
- OPN NO. – means OPERATION NUMBER
- PREM/OPS – means PREMISES/OPERATIONS
- PROD/C-OPS – means PRODUCTS/COMPLETED OPERATIONS

PREMIUM BASE:

Key Letter	Premium Base	How Rates Apply
a	Area	per 1,000 square feet
c	Total Cost	per \$1,000 of total cost
m	Admissions	per 1,000 admissions
p	Payroll	per \$1,000 of payroll
s	Gross Sales	per \$1,000 of gross sales
t	(see note * below)	(see note * below)
u	Units	per unit

*Premium base t is used for a number of rarely used premium bases. The specific base and how rates apply are shown with the Class Description on the DECLARATIONS-PREMIUM SCHEDULE.

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COMMERCIAL GENERAL LIABILITY COVERAGE FORM

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

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

The word "insured" means any person or organization qualifying as such under Section II – Who Is An Insured.

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

SECTION I – COVERAGES

COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY

1. Insuring Agreement

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury" or "property damage" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "bodily injury" or "property damage" to which this insurance does not apply. We may, at our discretion, investigate any "occurrence" and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in Section III – Limits Of Insurance; and
- (2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B or medical expenses under Coverage C.

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

- b. This insurance applies to "bodily injury" and "property damage" only if:

- (1) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory";
- (2) The "bodily injury" or "property damage" occurs during the policy period; and
- (3) Prior to the policy period, no insured listed under Paragraph 1. of Section II – Who Is An Insured and no "employee" authorized by you to give or receive notice of an "occurrence" or claim knew that the "bodily injury" or "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "bodily injury" or "property damage" occurred, then any continuation, change or resumption of such "bodily injury" or "property damage" during or after the policy period will be deemed to have been known prior to the policy period.

- c. "Bodily injury" or "property damage" which occurs during the policy period and was not, prior to the policy period, known to have occurred by any insured listed under Paragraph 1. of Section II – Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim, includes any continuation, change or resumption of that "bodily injury" or "property damage" after the end of the policy period.

- d. "Bodily injury" or "property damage" will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraph 1. of Section II – Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim:

- (1) Reports all, or any part, of the "bodily injury" or "property damage" to us or any other insurer;
- (2) Receives a written or verbal demand or claim for damages because of the "bodily injury" or "property damage"; or
- (3) Becomes aware by any other means that "bodily injury" or "property damage" has occurred or has begun to occur.

COMMERCIAL GENERAL LIABILITY

- e. Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".

2. Exclusions

This insurance does not apply to:

a. Expected Or Intended Injury

"Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" or "property damage" resulting from the use of reasonable force to protect persons or property.

b. Contractual Liability

"Bodily injury" or "property damage" for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages:

- (1) That the insured would have in the absence of the contract or agreement; or
- (2) Assumed in a contract or agreement that is an "insured contract", provided that the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed in an "insured contract", reasonable attorneys' fees and necessary litigation expenses incurred by or for a party other than an insured will be deemed to be damages because of "bodily injury" or "property damage", provided that:
 - (a) Liability to such party for, or for the cost of, that party's defense has also been assumed in the same "insured contract"; and
 - (b) Such attorneys' fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which damages to which this insurance applies are alleged.

c. Liquor Liability

"Bodily injury" or "property damage" for which any insured may be held liable by reason of:

- (1) Causing or contributing to the intoxication of any person;
- (2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or

- (3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies only if you are in the business of manufacturing, distributing, selling, serving or furnishing alcoholic beverages. For the purposes of this exclusion, permitting a person to bring alcoholic beverages on your premises, for consumption on your premises, whether or not a fee is charged or a license is required for such activity, is not by itself considered the business of selling, serving or furnishing alcoholic beverages.

d. Workers' Compensation And Similar Laws

Any obligation of the insured under a workers' compensation, disability benefits or unemployment compensation law or any similar law.

e. Employer's Liability

"Bodily injury" to:

- (1) An "employee" of the insured arising out of and in the course of:
 - (a) Employment by the insured; or
 - (b) Performing duties related to the conduct of the insured's business; or
- (2) The spouse, child, parent, brother or sister of that "employee" as a consequence of Paragraph (1) above.

This exclusion applies whether the insured may be liable as an employer or in any other capacity and to any obligation to share damages with or repay someone else who must pay damages because of the injury.

This exclusion does not apply to liability assumed by the insured under an "insured contract".

f. Pollution

- (1) "Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":
 - (a) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any insured. However, this subparagraph does not apply to:
 - (i) "Bodily injury" if sustained within a building and caused by smoke, fumes, vapor or soot produced by or originating from equipment that

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is used to heat, cool or dehumidify the building, or produced by or originating from equipment that is used to heat water for personal use by the building's occupants or their guests;

- (ii) "Bodily injury" or "property damage" for which you may be held liable, if you are a contractor and the owner or lessee of such premises, site or location has been added to your policy as an additional insured with respect to your ongoing operations performed for that additional insured at that premises, site or location and such premises, site or location is not and never was owned or occupied by, or rented or loaned to, any insured, other than that additional insured; or
- (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire";
- (b) At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;
- (c) If such "pollutants" are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for:
 - (i) Any insured; or
 - (ii) Any person or organization for whom you may be legally responsible;
- (d) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the "pollutants" are brought on or to the premises, site or location in connection with such operations by such insured, contractor or subcontractor. However, this subparagraph does not apply to:
 - (i) "Bodily injury" or "property damage" arising out of the escape of fuels, lubricants or other operating fluids which are needed

to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of "mobile equipment" or its parts, if such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them. This exception does not apply if the "bodily injury" or "property damage" arises out of the intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged, dispersed or released as part of the operations being performed by such insured, contractor or subcontractor;

- (ii) "Bodily injury" or "property damage" sustained within a building and caused by the release of gases, fumes or vapors from materials brought into that building in connection with operations being performed by you or on your behalf by a contractor or subcontractor; or
- (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire"; or
- (e) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are or were at any time performing operations to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants".
- (2) Any loss, cost or expense arising out of any:
 - (a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or

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- (b) Claim or suit by or on behalf of any governmental authority or any other person or organization because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

g. Aircraft, Auto Or Watercraft

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft owned or operated by or rented or loaned to any insured. Use includes operation and "loading or unloading".

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft that is owned or operated by or rented or loaned to any insured.

This exclusion does not apply to:

- (1) A watercraft while ashore on premises you own or rent;
- (2) A watercraft you do not own that is:
 - (a) 50 feet long or less; and
 - (b) Not being used to carry any person or property for a charge;
- (3) Parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the insured;
- (4) Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft or watercraft;
- (5) "Bodily injury" or "property damage" arising out of:
 - (a) The operation of machinery or equipment that is attached to, or part of, a land vehicle that would qualify as "mobile equipment" under the definition of "mobile equipment" if such land vehicle were not subject to a compulsory or financial responsibility law, or other motor vehicle insurance law, where it is licensed or principally garaged; or

- (b) The operation of any of the machinery or equipment listed in Paragraph **f.(2)** or **f.(3)** of the definition of "mobile equipment"; or

(6) An aircraft that is:

- (a) Chartered with a pilot to any insured;
- (b) Not owned by any insured; and
- (c) Not being used to carry any person or property for a charge.

h. Mobile Equipment

"Bodily injury" or "property damage" arising out of:

- (1) The transportation of "mobile equipment" by an "auto" owned or operated by or rented or loaned to any insured; or
- (2) The use of "mobile equipment" in, or while in practice for, or while being prepared for, any prearranged racing, speed, demolition, or stunting activity

i. War

"Bodily injury" or "property damage" arising out of:

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

j. Damage To Property

"Property damage" to:

- (1) Property you own, rent, or occupy, including any costs or expenses incurred by you, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;
- (2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;
- (3) Property loaned to you;
- (4) Personal property in the care, custody or control of the insured;

(5) That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the "property damage" arises out of those operations; or

(6) That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

Paragraphs (1), (3) and (4) of this exclusion do not apply to "premises damage". A separate limit of insurance applies to "premises damage" as described in Paragraph 6. of Section III – Limits Of Insurance.

Paragraph (2) of this exclusion does not apply if the premises are "your work" and were never occupied, rented or held for rental by you.

Paragraphs (3), (4), (5) and (6) of this exclusion do not apply to liability assumed under a sidetrack agreement.

Paragraph (6) of this exclusion does not apply to "property damage" included in the "products-completed operations hazard".

k. Damage To Your Product

"Property damage" to "your product" arising out of it or any part of it.

l. Damage To Your Work

"Property damage" to "your work" arising out of it or any part of it and included in the "products-completed operations hazard".

This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor.

m. Damage To Impaired Property Or Property Not Physically Injured

"Property damage" to "impaired property" or property that has not been physically injured, arising out of:

- (1) A defect, deficiency, inadequacy or dangerous condition in "your product" or "your work"; or
- (2) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

This exclusion does not apply to the loss of use of other property arising out of sudden and

accidental physical injury to "your product" or "your work" after it has been put to its intended use.

n. Recall Of Products, Work Or Impaired Property

Damages claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

- (1) "Your product";
- (2) "Your work"; or
- (3) "Impaired property";

if such product, work, or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

o. Personal And Advertising Injury

"Bodily injury" arising out of "personal and advertising injury".

p. Electronic Data

Damages arising out of the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate "electronic data".

However, this exclusion does not apply to liability for damages because of "bodily injury".

q. Unsolicited Communication

"Bodily injury" or "property damage" arising out of any actual or alleged violation of any law that restricts or prohibits the sending, transmitting or distributing of "unsolicited communication".

r. Access Or Disclosure Of Confidential Or Personal Information

"Bodily injury" or "property damage" arising out of any access to or disclosure of any person's or organization's confidential or personal information.

s. Asbestos

(1) "Bodily injury" or "property damage" arising out of the actual or alleged presence or actual, alleged or threatened dispersal of asbestos, asbestos fibers or products containing asbestos, provided that the "bodily injury" or "property damage" is caused or contributed to by the hazardous properties of asbestos.

COMMERCIAL GENERAL LIABILITY

(2) "Bodily injury" or "property damage" arising out of the actual or alleged presence or actual, alleged or threatened dispersal of any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapors, soot, fumes, acids, alkalis, chemicals and waste, and that are part of any claim or "suit" which also alleges any "bodily injury" or "property damage" described in Paragraph (1) above.

(3) Any loss, cost or expense arising out of any:

(a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, asbestos, asbestos fibers or products containing asbestos; or

(b) Claim or suit by or on behalf of any governmental authority or any other person or organization because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, asbestos, asbestos fibers or products containing asbestos.

t. Employment-Related Practices

"Bodily injury" to:

(1) A person arising out of any:

(a) Refusal to employ that person;
 (b) Termination of that person's employment; or

(c) Employment-related practice, policy, act or omission, such as coercion, demotion, evaluation, reassignment, discipline, failure to promote or advance, harassment, humiliation, discrimination, libel, slander, violation of the person's right of privacy, malicious prosecution or false arrest, detention or imprisonment applied to or directed at that person, regardless of whether such practice, policy, act or omission occurs, is applied or is committed before, during or after the time of that person's employment; or

(2) The spouse, child, parent, brother or sister of that person as a consequence of "bodily injury" to that person at whom any of the

employment-related practices described in Paragraph (a), (b), or (c) above is directed.

This exclusion applies whether the insured may be liable as an employer or in any other capacity and to any obligation to share damages with or repay someone else who must pay damages because of the "bodily injury".

Exclusions c. through n. do not apply to "premises damage". A separate limit of insurance applies to "premises damage" as described in Paragraph 6. of Section III – Limits Of Insurance.

COVERAGE B – PERSONAL AND ADVERTISING INJURY LIABILITY

1. Insuring Agreement

a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "personal and advertising injury" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "personal and advertising injury" to which this insurance does not apply. We may, at our discretion, investigate any offense and settle any claim or "suit" that may result. But:

(1) The amount we will pay for damages is limited as described in Section III – Limits Of Insurance; and

(2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B or medical expenses under Coverage C.

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

b. This insurance applies to "personal and advertising injury" caused by an offense arising out of your business but only if the offense was committed in the "coverage territory" during the policy period.

2. Exclusions

This insurance does not apply to:

a. Knowing Violation Of Rights Of Another

"Personal and advertising injury" caused by or at the direction of the insured with the knowledge that the act would violate the rights of another and would inflict "personal and advertising injury".

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This exclusion does not apply to "personal injury" caused by malicious prosecution.

b. Material Published With Knowledge Of Falsity

"Personal and advertising injury" arising out of oral or written publication, including publication by electronic means, of material, if done by or at the direction of the insured with knowledge of its falsity.

c. Material Published Or Used Prior To Policy Period

- (1) "Personal and advertising injury" arising out of oral or written publication, including publication by electronic means, of material whose first publication took place before the beginning of the policy period; or
- (2) "Advertising injury" arising out of infringement of copyright, "title" or "slogan" in your "advertisement" whose first infringement in your "advertisement" was committed before the beginning of the policy period.

d. Criminal Acts

"Personal and advertising injury" arising out of a criminal act committed by or at the direction of the insured.

e. Contractual Liability

"Personal and advertising injury" for which the insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for damages:

- (1) That the insured would have in the absence of the contract or agreement; or
- (2) Because of "personal injury" assumed by you in a contract or agreement that is an "insured contract", provided that the "personal injury" is caused by an offense committed subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed by you in an "insured contract", reasonable attorneys' fees and necessary litigation expenses incurred by or for a party other than an insured will be deemed to be damages because of "personal injury", provided that:
 - (a) Liability to such party for, or for the cost of, that party's defense has also been assumed by you in the same "insured contract"; and
 - (b) Such attorneys' fees and litigation expenses are for defense of that party

against a civil or alternative dispute resolution proceeding in which damages to which this insurance applies are alleged.

f. Breach Of Contract

"Advertising injury" arising out of a breach of contract.

g. Quality Or Performance Of Goods - Failure To Conform To Statements

"Advertising injury" arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your "advertisement".

h. Wrong Description Of Prices

"Advertising injury" arising out of the wrong description of the price of goods, products or services stated in your "advertisement".

i. Intellectual Property

"Personal and advertising injury" arising out of any actual or alleged infringement or violation of any of the following rights or laws, or any other "personal and advertising injury" alleged in any claim or "suit" that also alleges any such infringement or violation:

- (1) Copyright;
- (2) Patent;
- (3) Trade dress;
- (4) Trade name;
- (5) Trademark;
- (6) Trade secret; or
- (7) Other intellectual property rights or laws.

This exclusion does not apply to:

- (1) "Advertising injury" arising out of any actual or alleged infringement or violation of another's copyright, "title" or "slogan" in your "advertisement"; or
- (2) Any other "personal and advertising injury" alleged in any claim or "suit" that also alleges any such infringement or violation of another's copyright, "title" or "slogan" in your "advertisement".

j. Insureds In Media And Internet Type Businesses

"Personal and advertising injury" caused by an offense committed by an insured whose business is:

- (1) Advertising, "broadcasting" or publishing;

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(2) Designing or determining content of websites for others; or

(3) An Internet search, access, content or service provider.

However, this exclusion does not apply to Paragraphs a.(1), (2) and (3) of the definition of "personal injury".

For the purposes of this exclusion:

(1) Creating and producing correspondence written in the conduct of your business, bulletins, financial or annual reports, or newsletters about your goods, products or services will not be considered the business of publishing; and

(2) The placing of frames, borders or links, or advertising, for you or others anywhere on the Internet will not, by itself, be considered the business of advertising, "broadcasting" or publishing.

k. Electronic Chatrooms Or Bulletin Boards

"Personal and advertising injury" arising out of an electronic chatroom or bulletin board the insured hosts or owns, or over which the insured exercises control.

l. Unauthorized Use Of Another's Name Or Product

"Personal and advertising injury" arising out of the unauthorized use of another's name or product in your e-mail address, domain name or metatag, or any other similar tactics to mislead another's potential customers.

m. Pollution

"Personal and advertising injury" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time.

n. Pollution-Related

Any loss, cost or expense arising out of any:

(1) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or

(2) Claim or suit by or on behalf of any governmental authority or any other person or organization because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or

neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

o. War

"Personal and advertising injury" arising out of:

(1) War, including undeclared or civil war;

(2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or

(3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

p. Unsolicited Communication

"Personal and advertising injury" arising out of any actual or alleged violation of any law that restricts or prohibits the sending, transmitting or distributing of "unsolicited communication".

q. Access Or Disclosure Of Confidential Or Personal Information

"Personal and advertising injury" arising out of any access to or disclosure of any person's or organization's confidential or personal information.

r. Asbestos

(1) "Personal and advertising injury" arising out of the actual or alleged presence or actual, alleged or threatened dispersal of asbestos, asbestos fibers or products containing asbestos, provided that the "personal and advertising injury" is caused or contributed to by the hazardous properties of asbestos.

(2) "Personal and advertising injury" arising out of the actual or alleged presence or actual, alleged or threatened dispersal of any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapors, soot, fumes, acids, alkalis, chemicals and waste, and that are part of any claim or "suit" which also alleges any "personal and advertising injury" described in Paragraph (1) above.

(3) Any loss, cost or expense arising out of any:

(a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or

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assess the effects of, asbestos, asbestos fibers or products containing asbestos; or

- (b) Claim or suit by or on behalf of any governmental authority or any other person or organization because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, asbestos, asbestos fibers or products containing asbestos.

s. Employment-Related Practices

"Personal injury" to:

- (1) A person arising out of any:
 - (a) Refusal to employ that person;
 - (b) Termination of that person's employment; or
 - (c) Employment-related practice, policy, act or omission, such as coercion, demotion, evaluation, reassignment, discipline, failure to promote or advance, harassment, humiliation, discrimination, libel, slander, violation of the person's right of privacy, malicious prosecution or false arrest, detention or imprisonment applied to or directed at that person, regardless of whether such practice, policy, act or omission occurs, is applied or is committed before, during or after the time of that person's employment; or
- (2) The spouse, child, parent, brother or sister of that person as a consequence of "personal injury" to that person at whom any of the employment-related practices described in Paragraph (a), (b), or (c) above is directed.

This exclusion applies whether the insured may be liable as an employer or in any other capacity and to any obligation to share damages with or repay someone else who must pay damages because of the "personal injury".

COVERAGE C – MEDICAL PAYMENTS

1. Insuring Agreement

- a. We will pay medical expenses as described below for "bodily injury" caused by an accident:
 - (1) On premises you own or rent;
 - (2) On ways next to premises you own or rent; or

- (3) Because of your operations; provided that:

- (a) The accident takes place in the "coverage territory" and during the policy period;
- (b) The expenses are incurred and reported to us within one year of the date of the accident; and
- (c) The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.

- b. We will make these payments regardless of fault. These payments will not exceed the applicable limit of insurance. We will pay reasonable expenses for:

- (1) First aid administered at the time of an accident;
- (2) Necessary medical, surgical, X-ray and dental services, including prosthetic devices; and
- (3) Necessary ambulance, hospital, professional nursing and funeral services.

2. Exclusions

We will not pay expenses for "bodily injury":

- a. **Any Insured**
To any insured, except "volunteer workers".
- b. **Hired Person**
To a person hired to do work for or on behalf of any insured or a tenant of any insured.
- c. **Injury On Normally Occupied Premises**
To a person injured on that part of premises you own or rent that the person normally occupies.
- d. **Workers' Compensation And Similar Laws**
To a person, whether or not an "employee" of any insured, if benefits for the "bodily injury" are payable or must be provided under a workers' compensation or disability benefits law or a similar law.
- e. **Athletics Activities**
To a person injured while practicing, instructing or participating in any physical exercises or games, sports, or athletic contests.
- f. **Products-Completed Operations Hazard**
Included within the "products-completed operations hazard".
- g. **Coverage A Exclusions**
Excluded under Coverage A.

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SUPPLEMENTARY PAYMENTS

1. We will pay, with respect to any claim we investigate or settle, or any "suit" against an insured we defend:
 - a. All expenses we incur.
 - b. Up to \$2,500 for the cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the Bodily Injury Liability Coverage applies. We do not have to furnish these bonds.
 - c. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.
 - d. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$500 a day because of time off from work.
 - e. All court costs taxed against the insured in the "suit". However, these payments do not include attorneys' fees or attorneys' expenses taxed against the insured.
 - f. Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer.
 - g. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

These payments will not reduce the limits of insurance.

2. If we defend an insured against a "suit" and an indemnitee of the insured is also named as a party to the "suit", we will defend that indemnitee if all of the following conditions are met:
 - a. The "suit" against the indemnitee seeks damages for which the insured has assumed the liability of the indemnitee in a contract or agreement that is an "insured contract";
 - b. This insurance applies to such liability assumed by the insured;
 - c. The obligation to defend, or the cost of the defense of, that indemnitee, has also been

assumed by the insured in the same "insured contract";

- d. The allegations in the "suit" and the information we know about the "occurrence" or offense are such that no conflict appears to exist between the interests of the insured and the interests of the indemnitee;
- e. The indemnitee and the insured ask us to conduct and control the defense of that indemnitee against such "suit" and agree that we can assign the same counsel to defend the insured and the indemnitee; and
- f. The indemnitee:
 - (1) Agrees in writing to:
 - (a) Cooperate with us in the investigation, settlement or defense of the "suit";
 - (b) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "suit";
 - (c) Notify any other insurer whose coverage is available to the indemnitee; and
 - (d) Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee; and
 - (2) Provides us with written authorization to:
 - (a) Obtain records and other information related to the "suit"; and
 - (b) Conduct and control the defense of the indemnitee in such "suit".

So long as the above conditions are met, attorneys' fees incurred by us in the defense of that indemnitee, necessary litigation expenses incurred by us and necessary litigation expenses incurred by the indemnitee at our request will be paid as Supplementary Payments. Notwithstanding the provisions of Paragraph **2.b.(2)** of Section **I – Coverages – Coverage A – Bodily Injury And Property Damage Liability** or Paragraph **2.e.** of Section **I – Coverages – Coverage B – Personal And Advertising Injury Liability**, such payments will not be deemed to be damages for "bodily injury", "property damage" or "personal injury", and will not reduce the limits of insurance.

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

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- a. We have used up the applicable limit of insurance in the payment of judgments, settlements or medical expenses; or
- b. The conditions set forth above, or the terms of the agreement described in Paragraph f. above, are no longer met.

workers" while performing duties related to the conduct of your business;

SECTION II – WHO IS AN INSURED

- 1. If you are designated in the Declarations as:
 - a. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
 - b. A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.
 - c. A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.
 - d. An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.
 - e. A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.

- (b) To the spouse, child, parent, brother or sister of that co-"employee" or "volunteer worker" as a consequence of Paragraph (1)(a) above;
- (c) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraph (1)(a) or (b) above; or
- (d) Arising out of his or her providing or failing to provide professional health care services.

Unless you are in the business or occupation of providing professional health care services, Paragraphs (1)(a), (b), (c) and (d) above do not apply to "bodily injury" arising out of providing or failing to provide first aid or "Good Samaritan services" by any of your "employees" or "volunteer workers", other than an employed or volunteer doctor. Any such "employees" or "volunteer workers" providing or failing to provide first aid or "Good Samaritan services" during their work hours for you will be deemed to be acting within the scope of their employment by you or performing duties related to the conduct of your business.

- 2. Each of the following is also an insured:
 - a. Your "volunteer workers" only while performing duties related to the conduct of your business, or your "employees", other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, none of these "employees" or "volunteer workers" are insureds for:

- (2) "Property damage" to property:
 - (a) Owned, occupied or used by;
 - (b) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by;
 - you, any of your "employees", "volunteer workers", any partner or member (if you are a partnership or joint venture), or any member (if you are a limited liability company).
- b. Any person (other than your "employee" or "volunteer worker"), or any organization, while acting as your real estate manager.
- c. Any person or organization having proper temporary custody of your property if you die, but only:
 - (1) With respect to liability arising out of the maintenance or use of that property; and
 - (2) Until your legal representative has been appointed.

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- d. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Coverage Part.
 - e. Any person or organization that, with your express or implied consent, either uses or is responsible for the use of a watercraft that you do not own that is:
 - (1) 50 feet long or less; and
 - (2) Not being used to carry any person or property for a charge.
3. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and of which you are the sole owner or in which you maintain an ownership interest of more than 50%, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:
- a. Coverage under this provision is afforded only until the 180th day after you acquire or form the organization or the end of the policy period, whichever is earlier;
 - b. Coverage **A** does not apply to "bodily injury" or "property damage" that occurred before you acquired or formed the organization; and
 - c. Coverage **B** does not apply to "personal and advertising injury" arising out of an offense committed before you acquired or formed the organization.

For the purposes of Paragraph 1. of Section II – Who Is An Insured, each such organization will be deemed to be designated in the Declarations as:

- a. An organization, other than a partnership, joint venture or limited liability company; or
 - b. A trust;

as indicated in its name or the documents that govern its structure.
4. Any person or organization that is a premises owner, manager or lessor and that you have agreed in a written contract or agreement to include as an additional insured on this Coverage Part is an insured, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" that:
- a. Is "bodily injury" or "property damage" that occurs, or is "personal and advertising injury" caused by an offense that is committed, subsequent to the signing of that contract or agreement; and

- b. Arises out of the ownership, maintenance or use of that part of any premises leased to you.

The insurance provided to such premises owner, manager or lessor is subject to the following provisions:

- a. The limits of insurance provided to such premises owner, manager or lessor will be the minimum limits that you agreed to provide in the written contract or agreement, or the limits shown in the Declarations, whichever are less.
 - b. The insurance provided to such premises owner, manager or lessor does not apply to:
 - (1) Any "bodily injury" or "property damage" that occurs, or "personal and advertising injury" caused by an offense that is committed, after you cease to be a tenant in that premises; or
 - (2) Structural alterations, new construction or demolition operations performed by or on behalf of such premises owner, manager or lessor.
5. Any person or organization that is an equipment lessor and that you have agreed in a written contract or agreement to include as an additional insured on this Coverage Part is an insured, but only with respect to liability for "bodily injury", "property damage", or "personal and advertising injury" that:
- a. Is "bodily injury" or "property damage" that occurs, or is "personal and advertising injury" caused by an offense that is committed, subsequent to the signing of that contract or agreement; and
 - b. Is caused, in whole or in part, by your acts or omissions in the maintenance, operation or use of equipment leased to you by such equipment lessor.

The insurance provided to such equipment lessor is subject to the following provisions:

- a. The limits of insurance provided to such equipment lessor will be the minimum limits that you agreed to provide in the written contract or agreement, or the limits shown in the Declarations, whichever are less.
- b. The insurance provided to such equipment lessor does not apply to any "bodily injury" or "property damage" that occurs, or "personal and advertising injury" caused by an offense that is committed, after the equipment lease expires.

No person or organization is an insured with respect to the conduct of any current or past partnership, joint

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venture or limited liability company that is not shown as a Named Insured in the Declarations. This paragraph does not apply to any such partnership, joint venture or limited liability company that otherwise qualifies as an insured under Section II – Who Is An Insured.

SECTION III – LIMITS OF INSURANCE

1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
 - a. Insureds;
 - b. Claims made or "suits" brought; or
 - c. Persons or organizations making claims or bringing "suits".
2. The General Aggregate Limit is the most we will pay for the sum of:
 - a. Medical expenses under Coverage C;
 - b. Damages under Coverage A, except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard"; and
 - c. Damages under Coverage B.
3. The Products-Completed Operations Aggregate Limit is the most we will pay under Coverage A for damages because of "bodily injury" and "property damage" included in the "products-completed operations hazard".
4. Subject to Paragraph 2. above, the Personal And Advertising Injury Limit is the most we will pay under Coverage B for the sum of all damages because of all "personal injury" and "advertising injury" sustained by any one person or organization.
5. Subject to Paragraph 2. or 3. above, whichever applies, the Each Occurrence Limit is the most we will pay for the sum of:
 - a. Damages under Coverage A; and
 - b. Medical expenses under Coverage C; because of all "bodily injury" and "property damage" arising out of any one "occurrence".

For the purposes of determining the applicable Each Occurrence Limit, all related acts or omissions committed in providing or failing to provide first aid or "Good Samaritan services" to any one person will be deemed to be one "occurrence".
6. Subject to Paragraph 5. above, the Damage To Premises Rented To You Limit is the most we will pay under Coverage A for damages because of "premises damage" to any one premises. The Damage To Premises Rented To You Limit will be:

- a. The amount shown for the Damage To Premises Rented To You Limit in the Declarations of this Coverage Part; or
- b. \$300,000 if no amount is shown for the Damage To Premises Rented To You Limit in the Declarations of this Coverage Part.

7. Subject to Paragraph 5. above, the Medical Expense Limit is the most we will pay under Coverage C for all medical expenses because of "bodily injury" sustained by any one person.

The Limits of Insurance of this Coverage Part apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS**1. Bankruptcy**

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this Coverage Part.

2. Duties In The Event Of Occurrence, Offense, Claim Or Suit

- a. You must see to it that we are notified as soon as practicable of an "occurrence" or an offense which may result in a claim. To the extent possible, notice should include:
 - (1) How, when and where the "occurrence" or offense took place;
 - (2) The names and addresses of any injured persons and witnesses; and
 - (3) The nature and location of any injury or damage arising out of the "occurrence" or offense.
- b. If a claim is made or "suit" is brought against any insured, you must:
 - (1) Immediately record the specifics of the claim or "suit" and the date received; and
 - (2) Notify us as soon as practicable.

You must see to it that we receive written notice of the claim or "suit" as soon as practicable.
- c. You and any other involved insured must:
 - (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";

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- (2) Authorize us to obtain records and other information;
 - (3) Cooperate with us in the investigation or settlement of the claim or defense against the "suit"; and
 - (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury or damage to which this insurance may also apply.
- d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.
- e. The following provisions apply to Paragraph a. above, but only for purposes of the insurance provided under this Coverage Part to you or any insured listed in Paragraph 1. or 2. of Section II – Who Is An Insured:
- (1) Notice to us of such "occurrence" or offense must be given as soon as practicable only after the "occurrence" or offense is known to you (if you are an individual), any of your partners or members who is an individual (if you are a partnership or joint venture), any of your managers who is an individual (if you are a limited liability company), any of your "executive officers" or directors (if you are an organization other than a partnership, joint venture, or limited liability company), any of your trustees who is an individual (if you are a trust) or any "employee" authorized by you to give notice of an "occurrence" or offense.
 - (2) If you are a partnership, joint venture, limited liability company or trust, and none of your partners, joint venture members, managers or trustees are individuals, notice to us of such "occurrence" or offense must be given as soon as practicable only after the "occurrence" or offense is known by:
 - (a) Any individual who is:
 - (i) A partner or member of any partnership or joint venture;
 - (ii) A manager of any limited liability company;
 - (iii) An executive officer or director of any other organization; or
 - (iv) A trustee of any trust;

that is your partner, joint venture member, manager or trustee; or
 - (b) Any employee authorized by such partnership, joint venture, limited liability company, trust or other organization to give notice of an "occurrence" or offense.
- (3) Notice to us of such "occurrence" or offense will be deemed to be given as soon as practicable if it is given in good faith as soon as practicable to your workers' compensation insurer. This applies only if you subsequently give notice to us of the "occurrence" or offense as soon as practicable after any of the persons described in Paragraph e.(1) or (2) above discovers that the "occurrence" or offense may result in sums to which the insurance provided under this Coverage Part may apply.
- However, if this policy includes an endorsement that provides limited coverage for "bodily injury" or "property damage" or pollution costs arising out of a discharge, release or escape of "pollutants" which contains a requirement that the discharge, release or escape of "pollutants" must be reported to us within a specific number of days after its abrupt commencement, this Paragraph e. does not affect that requirement.
- 3. Legal Action Against Us**
- No person or organization has a right under this Coverage Part:
- a. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or
 - b. To sue us on this Coverage Part unless all of its terms have been fully complied with.
- A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured; but we will not be liable for damages that are not payable under the terms of this Coverage Part or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured, and the claimant or the claimant's legal representative.

4. Other Insurance

If valid and collectible other insurance is available to the insured for a loss we cover under Coverages **A** or **B** of this Coverage Part, our obligations are limited as described in Paragraphs **a.** and **b.** below.

As used anywhere in this Coverage Part, other insurance means insurance, or the funding of losses, that is provided by, through or on behalf of:

- (i) Another insurance company;
- (ii) Us or any of our affiliated insurance companies, except when the Non cumulation of Each Occurrence Limit provision of Paragraph **5.** of Section **III** – Limits Of Insurance or the Non cumulation of Personal and Advertising Injury Limit provision of Paragraph **4.** of Section **III** – Limits of Insurance applies because the Amendment – Non Cumulation Of Each Occurrence Limit Of Liability And Non Cumulation Of Personal And Advertising Injury Limit endorsement is included in this policy;
- (iii) Any risk retention group; or
- (iv) Any self-insurance method or program, in which case the insured will be deemed to be the provider of other insurance.

Other insurance does not include umbrella insurance, or excess insurance, that was bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Coverage Part.

As used anywhere in this Coverage Part, other insurer means a provider of other insurance. As used in Paragraph **c.** below, insurer means a provider of insurance.

a. Primary Insurance

This insurance is primary except when Paragraph **b.** below applies. If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in Paragraph **c.** below, except when Paragraph **d.** below applies.

b. Excess Insurance

(1) This insurance is excess over:

- (a) Any of the other insurance, whether primary, excess, contingent or on any other basis:
 - (i) That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for "your work";

(ii) That is insurance for "premises damage";

(iii) If the loss arises out of the maintenance or use of aircraft, "autos" or watercraft to the extent not subject to any exclusion in this Coverage Part that applies to aircraft, "autos" or watercraft;

(iv) That is insurance available to a premises owner, manager or lessor that qualifies as an insured under Paragraph **4.** of Section **II** – Who Is An Insured, except when Paragraph **d.** below applies; or

(v) That is insurance available to an equipment lessor that qualifies as an insured under Paragraph **5.** of Section **II** – Who Is An Insured, except when Paragraph **d.** below applies.

- (b) Any of the other insurance, whether primary, excess, contingent or on any other basis, that is available to the insured when the insured is an additional insured, or is any other insured that does not qualify as a named insured, under such other insurance.
- (2) When this insurance is excess, we will have no duty under Coverages **A** or **B** to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.
- (3) When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:
 - (a) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and
 - (b) The total of all deductible and self-insured amounts under all that other insurance.
- (4) We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Coverage Part.

COMMERCIAL GENERAL LIABILITY

c. Method Of Sharing

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

d. Primary And Non-Contributory Insurance If Required By Written Contract

If you specifically agree in a written contract or agreement that the insurance afforded to an insured under this Coverage Part must apply on a primary basis, or a primary and non-contributory basis, this insurance is primary to other insurance that is available to such insured which covers such insured as a named insured, and we will not share with that other insurance, provided that:

- (1) The "bodily injury" or "property damage" for which coverage is sought occurs; and
- (2) The "personal and advertising injury" for which coverage is sought is caused by an offense that is committed;

subsequent to the signing of that contract or agreement by you.

5. Premium Audit

- a. We will compute all premiums for this Coverage Part in accordance with our rules and rates.
- b. Premium shown in this Coverage Part as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period and send notice to the first Named Insured. The due date for audit and retrospective premiums is the date shown as the due date on the bill. If the sum of the advance and audit premiums paid for the policy period is greater than the earned premium, we will return the excess to the first Named Insured.
- c. The first Named Insured must keep records of the information we need for premium computation, and send us copies at such times as we may request.

6. Representations

By accepting this policy, you agree:

- a. The statements in the Declarations are accurate and complete;
- b. Those statements are based upon representations you made to us; and
- c. We have issued this policy in reliance upon your representations.

The unintentional omission of, or unintentional error in, any information provided by you which we relied upon in issuing this policy will not prejudice your rights under this insurance. However, this provision does not affect our right to collect additional premium or to exercise our rights of cancellation or nonrenewal in accordance with applicable insurance laws or regulations.

7. Separation Of Insureds

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this Coverage Part to the first Named Insured, this insurance applies:

- a. As if each Named Insured were the only Named Insured; and
- b. Separately to each insured against whom claim is made or "suit" is brought.

8. Transfer Of Rights Of Recovery Against Others To Us

If the insured has rights to recover all or part of any payment we have made under this Coverage Part, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them.

9. When We Do Not Renew

If we decide not to renew this Coverage Part, we will mail or deliver to the first Named Insured shown in the Declarations written notice of the nonrenewal not less than 30 days before the expiration date.

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

SECTION V – DEFINITIONS

- 1. "Advertisement" means a notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters. For the purposes of this definition:
 - a. Notices that are published include material placed on the Internet or on similar electronic means of communication; and
 - b. Regarding websites, only that part of a website that is about your goods, products or services for the purposes of attracting customers or supporters is considered an advertisement.

COMMERCIAL GENERAL LIABILITY

2. "Advertising injury":
- a. Means injury caused by one or more of the following offenses:
 - (1) Oral or written publication, including publication by electronic means, of material in your "advertisement" that slanders or libels a person or organization or disparages a person's or organization's goods, products or services, provided that the claim is made or the "suit" is brought by a person or organization that claims to have been slandered or libeled, or that claims to have had its goods, products or services disparaged;
 - (2) Oral or written publication, including publication by electronic means, of material in your "advertisement" that:
 - (a) Appropriates a person's name, voice, photograph or likeness; or
 - (b) Unreasonably places a person in a false light; or
 - (3) Infringement of copyright, "title" or "slogan" in your "advertisement", provided that the claim is made or the "suit" is brought by a person or organization that claims ownership of such copyright, "title" or "slogan".
 - b. Includes "bodily injury" caused by one or more of the offenses described in Paragraph a. above.
3. "Auto" means:
- a. A land motor vehicle, trailer or semitrailer designed for travel on public roads, including any attached machinery or equipment; or
 - b. Any other land vehicle that is subject to a compulsory or financial responsibility law, or other motor vehicle insurance law, where it is licensed or principally garaged.
- However, "auto" does not include "mobile equipment".
4. "Bodily injury" means:
- a. Physical harm, including sickness or disease, sustained by a person; or
 - b. Mental anguish, injury or illness, or emotional distress, resulting at any time from such physical harm, sickness or disease.
5. "Broadcasting" means transmitting any audio or visual material for any purpose:
- a. By radio or television; or
 - b. In, by or with any other electronic means of communication, such as the Internet, if that material is part of:
 - (1) Radio or television programming being transmitted;
 - (2) Other entertainment, educational, instructional, music or news programming being transmitted; or
 - (3) Advertising transmitted with any of such programming.
6. "Coverage territory" means:
- a. The United States of America (including its territories and possessions), Puerto Rico and Canada;
 - b. International waters or airspace, but only if the injury or damage occurs in the course of travel or transportation between any places included in Paragraph a. above; or
 - c. All other parts of the world if the injury or damage arises out of:
 - (1) Goods or products made or sold by you in the territory described in Paragraph a. above;
 - (2) The activities of a person whose home is in the territory described in Paragraph a. above, but is away for a short time on your business; or
 - (3) "Personal and advertising injury" offenses that take place through the Internet or similar electronic means of communication;
 provided the insured's responsibility to pay damages is determined in a "suit" on the merits in the territory described in Paragraph a. above, or in a settlement we agree to.
7. "Electronic data" means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.
8. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".
9. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, bylaws or any other similar governing document.

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10. "Good Samaritan services" means any emergency medical services for which no compensation is demanded or received.

11. "Hostile fire" means a fire which becomes uncontrollable or breaks out from where it was intended to be.

12. "Impaired property" means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:

- a.** It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or
- b.** You have failed to fulfill the terms of a contract or agreement;

if such property can be restored to use by the repair, replacement, adjustment or removal of "your product" or "your work" or your fulfilling the terms of the contract or agreement.

13. "Insured contract" means:

- a.** A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for "premises damage" is not an "insured contract";
- b.** A sidetrack agreement;
- c.** Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
- d.** An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
- e.** An elevator maintenance agreement;
- f.** That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury", "property damage" or "personal injury" to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

Paragraph **f.** does not include that part of any contract or agreement:

- (1)** That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle,

tracks, roadbeds, tunnel, underpass or crossing;

(2) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:

- (a)** Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
- (b)** Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or

(3) Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in Paragraph **(2)** above and supervisory, inspection, architectural or engineering activities.

14. "Leased worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".

15. "Loading or unloading" means the handling of property:

- a.** After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "auto";
- b.** While it is in or on an aircraft, watercraft or "auto"; or
- c.** While it is being moved from an aircraft, watercraft or "auto" to the place where it is finally delivered;

but "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or "auto".

16. "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:

- a.** Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
- b.** Vehicles maintained for use solely on or next to premises you own or rent;
- c.** Vehicles that travel on crawler treads;

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d. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:

- (1) Power cranes, shovels, loaders, diggers or drills; or
- (2) Road construction or resurfacing equipment such as graders, scrapers or rollers;

e. Vehicles not described in Paragraph **a.**, **b.**, **c.** or **d.** above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:

- (1) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
- (2) Cherry pickers and similar devices used to raise or lower workers;

f. Vehicles not described in Paragraph **a.**, **b.**, **c.** or **d.** above maintained primarily for purposes other than the transportation of persons or cargo.

However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":

- (1) Equipment designed primarily for:
 - (a) Snow removal;
 - (b) Road maintenance, but not construction or resurfacing; or
 - (c) Street cleaning;
- (2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
- (3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

However, "mobile equipment" does not include any land vehicle that is subject to a compulsory or financial responsibility law, or other motor vehicle insurance law, where it is licensed or principally garaged. Such land vehicles are considered "autos".

17. "Occurrence" means:

- a.** An accident, including continuous or repeated exposure to substantially the same general harmful conditions; or

b. An act or omission committed in providing or failing to provide first aid or "Good Samaritan services" to a person, unless you are in the business or occupation of providing professional health care services.

18. "Personal and advertising injury" means "personal injury" or "advertising injury".

19. "Personal injury":

a. Means injury, other than "advertising injury", caused by one or more of the following offenses:

- (1) False arrest, detention or imprisonment;
- (2) Malicious prosecution;
- (3) The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, provided that the wrongful eviction, wrongful entry or invasion of the right of private occupancy is committed by or on behalf of the owner, landlord or lessor of that room, dwelling or premises;
- (4) Oral or written publication, including publication by electronic means, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services, provided that the claim is made or the "suit" is brought by a person or organization that claims to have been slandered or libeled, or that claims to have had its goods, products or services disparaged; or

(5) Oral or written publication, including publication by electronic means, of material that:

- (a) Appropriates a person's name, voice, photograph or likeness; or
- (b) Unreasonably places a person in a false light.

b. Includes "bodily injury" caused by one or more of the offenses described in Paragraph **a.** above.

20. "Pollutants" mean any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

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21. "Premises damage" means:

- a. With respect to the first paragraph of the exceptions in Exclusion **j.** of Section **I – Coverage A – Bodily Injury And Property Damage Liability**, "property damage" to any premises while rented to you for a period of seven or fewer consecutive days, including the contents of such premises; or
- b. With respect to the exception to Exclusions **c.** through **n.** in the last paragraph of Paragraph **2.** of Section **I – Coverage A – Bodily Injury And Property Damage Liability**, "property damage" to any premises while rented to you for a period of more than seven consecutive days, or while temporarily occupied by you with permission of the owner, caused by:
 - (1) Fire;
 - (2) Explosion;
 - (3) Lightning;
 - (4) Smoke resulting from fire, explosion or lightning; or
 - (5) Water.

But "premises damage" under this Paragraph **b.** does not include "property damage" to any premises caused by:

- (1) Rupture, bursting, or operation of pressure relief devices;
- (2) Rupture or bursting due to expansion or swelling of the contents of any building or structure caused by or resulting from water; or
- (3) Explosion of steam boilers, steam pipes, steam engines or steam turbines.

22. "Products-completed operations hazard":

- a. Includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:
 - (1) Products that are still in your physical possession; or
 - (2) Work that has not yet been completed or abandoned. However, "your work" will be deemed completed at the earliest of the following times:
 - (a) When all of the work called for in your contract has been completed.
 - (b) When all of the work to be done at the job site has been completed if your

contract calls for work at more than one job site.

- (c) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

- b. Does not include "bodily injury" or "property damage" arising out of:
 - (1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the "loading or unloading" of that vehicle by any insured;
 - (2) The existence of tools, uninstalled equipment or abandoned or unused materials; or
 - (3) Products or operations for which the classification, listed in the Declarations or in a policy Schedule, states that products-completed operations are subject to the General Aggregate Limit.

23. "Property damage" means:

- a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use will be deemed to occur at the time of the physical injury that caused it; or
- b. Loss of use of tangible property that is not physically injured. All such loss of use will be deemed to occur at the time of the "occurrence" that caused it.

For the purposes of this insurance, "electronic data" is not tangible property.

24. "Slogan":

- a. Means a phrase that others use for the purpose of attracting attention in their advertising.
- b. Does not include a phrase used as, or in, the name of:
 - (1) Any person or organization, other than you; or
 - (2) Any business, or any of the premises, goods, products, services or work, of any person or organization, other than you.

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- 25. "Suit" means a civil proceeding in which damages because of "bodily injury", "property damage" or "personal and advertising injury" to which this insurance applies are alleged. "Suit" includes:
 - a. An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or
 - b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.
- 26. "Temporary worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.
- 27. "Title" means a name of a literary or artistic work.
- 28. "Unsolicited communication" means any communication, in any form, that the recipient of such communication did not specifically request to receive.
- 29. "Volunteer worker" means a person who is not your "employee", and who donates his or her work and acts at the direction of and within the scope of duties determined by you, and is not paid a fee, salary or other compensation by you or anyone else for their work performed for you.
- 30. "Your product":
 - a. Means:
 - (1) Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
 - (a) You;
 - (b) Others trading under your name; or
 - (c) A person or organization whose business or assets you have acquired; and
 - (2) Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.
 - b. Includes:
 - (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and
 - (2) The providing of or failure to provide warnings or instructions.
 - c. Does not include vending machines or other property rented to or located for the use of others but not sold.
- 31. "Your work":
 - a. Means:
 - (1) Work or operations performed by you or on your behalf; and
 - (2) Materials, parts or equipment furnished in connection with such work or operations.
 - b. Includes:
 - (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work"; and
 - (2) The providing of or failure to provide warnings or instructions.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AMENDATORY ENDORSEMENT – PRODUCTS- COMPLETED OPERATIONS HAZARD

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

The following replaces Paragraph **b.(3)** of the definition of "products-completed operations hazard" in the **DEFINITIONS** Section:

(3) Products or operations for which the classification, listed in the Declarations, in a policy Schedule or in our manual of rules, states that the products-completed operations are subject to the General Aggregate Limit.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AMENDMENT OF INTELLECTUAL PROPERTY EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

The following replaces Exclusion **i.**, **Intellectual Property**, in Paragraph **2.** of **SECTION I – COVERAGES – COVERAGE B – PERSONAL AND ADVERTISING INJURY LIABILITY**:

i. Intellectual Property

"Personal and advertising injury" arising out of any actual or alleged infringement or violation of any of the following rights or laws, or any other "personal and advertising injury" alleged in any claim or suit that also alleges any such infringement or violation:

- (1) Copyright;
- (2) Patent;
- (3) Trade dress;
- (4) Trade name;
- (5) Trademark;

(6) Trade secret; or

(7) Other intellectual property rights or laws.

This exclusion applies regardless of whether the allegation of infringement or violation of any of these rights or laws is made by any person or organization making the claim or bringing the suit, by any insured or by any other party to the claim or suit.

This exclusion does not apply to:

- (1) "Advertising injury" arising out of any actual or alleged infringement or violation of another's copyright, "title" or "slogan" in your "advertisement"; or
- (2) Any other "personal and advertising injury" alleged in any claim or "suit" that also alleges any such infringement or violation of another's copyright, "title" or "slogan" in your "advertisement".

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**AMENDMENT – NON CUMULATION OF EACH
OCCURRENCE LIMIT OF LIABILITY and
NON CUMULATION OF PERSONAL and ADVERTISING
INJURY LIMIT**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

- 1. Paragraph 5 of SECTION III – LIMITS OF INSURANCE, is amended to include the following:**
Non cumulation of Each Occurrence Limit - If one "occurrence" causes "bodily injury" and/or "property damage" during the policy period and during the policy period of one or more prior and/or future policies that include a commercial general liability coverage part for the insured issued by us or any affiliated insurance company, the amount we will pay is limited. This policy's Each Occurrence Limit will be reduced by the amount of each payment made by us and any affiliated insurance company under the other policies because of such "occurrence".
- 2. Paragraph 4 of SECTION III – LIMITS OF INSURANCE, is amended to include the following:**
Non cumulation of Personal and Advertising Limit – If "personal injury" and/or "advertising injury" is sustained by any one person or organization during the policy period and during the policy period of one or more prior and/or future policies that include a commercial general liability coverage part for the insured issued by us or any affiliated insurance company, the amount we will pay is limited. This policy's Personal Injury and Advertising Injury Limit will be reduced by the amount of each payment made by us and any affiliated insurance company under the other policies because of such "personal injury" and/or "advertising injury".

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PRODUCTS/COMPLETED OPERATIONS HAZARD REDEFINED – CHANGES

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

With respect to "bodily injury" or "property damage" arising out of "your products" manufactured, sold, handled or distributed:

1. On, from or in connection with the use of any premises described in the Declarations and used by the insured for the sale of food or beverages to be consumed on the premises, or
2. In connection with the conduct of any operation, when conducted by you or on your behalf,

Paragraph **a.** of the definition of "Products-completed operations hazard" in the DEFINITIONS Section is replaced by the following:

"Products-completed operations hazard":

- a. Includes all "bodily injury" and "property damage" that arises out of "your products" if the "bodily injury" or "property damage" occurs after you have relinquished possession of those products.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

XTEND ENDORSEMENT FOR SMALL BUSINESSES

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

GENERAL DESCRIPTION OF COVERAGE – This endorsement broadens coverage. However, coverage for any injury, damage or medical expenses described in any of the provisions of this endorsement may be excluded or limited by another endorsement to this Coverage Part, and these coverage broadening provisions do not apply to the extent that coverage is excluded or limited by such an endorsement. The following listing is a general coverage description only. Read all the provisions of this endorsement and the rest of your policy carefully to determine rights, duties, and what is and is not covered.

- A. Who Is An Insured – Unnamed Subsidiaries
- B. Who Is An Insured – Employees And Volunteer Workers – Bodily Injury To Co-Employees And Co-Volunteer Workers
- C. Who Is An Insured – Newly Acquired Or Formed Limited Liability Companies
- D. Incidental Medical Malpractice
- E. Blanket Waiver Of Subrogation

PROVISIONS

A. WHO IS AN INSURED – UNNAMED SUBSIDIARIES

The following is added to **SECTION II – WHO IS AN INSURED**:

Any of your subsidiaries, other than a partnership or joint venture, that is not shown as a Named Insured in the Declarations is a Named Insured if:

- a. You are the sole owner of, or maintain an ownership interest of more than 50% in, such subsidiary on the first day of the policy period; and
- b. Such subsidiary is not an insured under similar other insurance.

No such subsidiary is an insured for "bodily injury" or "property damage" that occurred, or "personal and advertising injury" caused by an offense committed:

- a. Before you maintained an ownership interest of more than 50% in such subsidiary; or
- b. After the date, if any, during the policy period that you no longer maintain an ownership interest of more than 50% in such subsidiary.

For purposes of Paragraph 1. of Section II – Who Is An Insured, each such subsidiary will be deemed to be designated in the Declarations as:

- a. A limited liability company;

- b. An organization other than a partnership, joint venture or limited liability company; or

- c. A trust;

as indicated in its name or the documents that govern its structure.

B. WHO IS AN INSURED – EMPLOYEES AND VOLUNTEER WORKERS – BODILY INJURY TO CO-EMPLOYEES AND CO-VOLUNTEER WORKERS

The following is added to Paragraph 2.a.(1) of **SECTION II – WHO IS AN INSURED**:

Paragraphs (1)(a), (b) and (c) above do not apply to "bodily injury" to a co-"employee" while in the course of the co-"employee's" employment by you or performing duties related to the conduct of your business, or to "bodily injury" to your other "volunteer workers" while performing duties related to the conduct of your business.

C. WHO IS AN INSURED – NEWLY ACQUIRED OR FORMED LIMITED LIABILITY COMPANIES

- 1. The following replaces the first sentence of Paragraph 3. of **SECTION II – WHO IS AN INSURED**:

Any organization you newly acquire or form, other than a partnership or joint venture, and of which you are the sole owner or in which you maintain an ownership interest of more than 50%, will qualify as a Named Insured if

COMMERCIAL GENERAL LIABILITY

there is no other similar insurance available to that organization.

2. The following replaces the last sentence of Paragraph 3. of **SECTION II – WHO IS AN INSURED**:

For the purposes of Paragraph 1. of Section II – Who Is An Insured, each such organization will be deemed to be designated in the Declarations as:

- a. A limited liability company;
 - b. An organization other than a partnership, joint venture or limited liability company; or
 - c. A trust;
- as indicated in its name or the documents that govern its structure.

D. INCIDENTAL MEDICAL MALPRACTICE

1. The following replaces Paragraph b. of the definition of "occurrence" in the **DEFINITIONS** Section:

b. An act or omission committed in providing or failing to provide "incidental medical services", first aid or "Good Samaritan services" to a person, unless you are in the business or occupation of providing professional health care services.

2. The following replaces the last paragraph of Paragraph 2.a.(1) of **SECTION II – WHO IS AN INSURED**:

Unless you are in the business or occupation of providing professional health care services, Paragraphs (1)(a), (b), (c) and (d) above do not apply to "bodily injury" arising out of providing or failing to provide:

- (a) "Incidental medical services" by any of your "employees" who is a nurse, nurse assistant, emergency medical technician, paramedic, athletic trainer, audiologist, dietician, nutritionist, occupational therapist or occupational therapy assistant, physical therapist or speech-language pathologist; or
- (b) First aid or "Good Samaritan services" by any of your "employees" or "volunteer workers", other than an employed or volunteer doctor. Any such "employees" or "volunteer workers" providing or failing to provide first aid or "Good Samaritan services" during their work hours for you will be deemed to be acting within the

scope of their employment by you or performing duties related to the conduct of your business.

3. The following replaces the last sentence of Paragraph 5. of **SECTION III – LIMITS OF INSURANCE**:

For the purposes of determining the applicable Each Occurrence Limit, all related acts or omissions committed in providing or failing to provide "incidental medical services", first aid or "Good Samaritan services" to any one person will be deemed to be one "occurrence".

4. The following exclusion is added to Paragraph 2., **Exclusions**, of **SECTION I – COVERAGES – COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY**:

Sale Of Pharmaceuticals

"Bodily injury" or "property damage" arising out of the violation of a penal statute or ordinance relating to the sale of pharmaceuticals committed by, or with the knowledge or consent of, the insured.

5. The following is added to the **DEFINITIONS** Section:

"Incidental medical services" means:

- a. Medical, surgical, dental, laboratory, x-ray or nursing service or treatment, advice or instruction, or the related furnishing of food or beverages; or
- b. The furnishing or dispensing of drugs or medical, dental, or surgical supplies or appliances.

6. The following is added to Paragraph 4.b., **Excess Insurance**, of **SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS**:

This insurance is excess over any valid and collectible other insurance, whether primary, excess, contingent or on any other basis, that is available to any of your "employees" for "bodily injury" that arises out of providing or failing to provide "incidental medical services" to any person to the extent not subject to Paragraph 2.a.(1) of Section II – Who Is An Insured.

E. BLANKET WAIVER OF SUBROGATION

The following is added to Paragraph 8., **Transfer Of Rights Of Recovery Against Others To Us**,

COMMERCIAL GENERAL LIABILITY

of **SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS:**

If the insured has agreed in a contract or agreement to waive that insured's right of recovery against any person or organization, we waive our right of recovery against such person or organization, but only for payments we make because of:

- a. "Bodily injury" or "property damage" that occurs; or
- b. "Personal and advertising injury" caused by an offense that is committed; subsequent to the execution of the contract or agreement.

POLICY NUMBER: 680-A2036190-25-42

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

HIRED AUTO AND NONOWNED AUTO LIABILITY

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

SCHEDULE

Insurance is provided only with respect to those coverages for which a specific premium charge is shown:

COVERAGE	ADDITIONAL PREMIUM
Hired Auto Liability	\$ INCLUDED
Nonowned Auto Liability	\$ INCLUDED

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

PROVISIONS

A. COVERAGE

If a premium charge is shown in the SCHEDULE above, the insurance provided under **Section I – Coverage A – Bodily Injury And Property Damage Liability** applies to "bodily injury" and "property damage" arising out of the maintenance or use of a "hired auto" or "nonowned auto". Maintenance or use of a "nonowned auto" includes test driving in connection with an "auto business".

B. EXCLUSIONS

With respect to the insurance provided by this endorsement:

1. The exclusions, under **Section I – Coverage A – Bodily Injury And Property Damage Liability**, other than exclusions **a., b., d., e., f.** and **i.** and the Nuclear Energy Liability Exclusion (Broad Form) are deleted and replaced by the following:
 - a. "Bodily injury" to:
 - (1) Any fellow "employee" of the insured arising out of and in the course of:
 - (a) Employment by the insured; or
 - (b) Performing duties related to the conduct of the insured's business.
 - b. "Property damage" to:
 - (1) Property owned or being transported by, or rented or loaned to the insured; or
 - (2) Property in the care, custody or control of the insured.

C. WHO IS AN INSURED

Section II – Who Is An Insured is replaced by the following:

Each of the following is an insured under this insurance to the extent set forth below:

1. You;
2. Anyone else including any partner or "executive officer" of yours while using with your permission a "hired auto" or a "nonowned auto" except:
 - a. The owner or lessee (of whom you are a sublessee) of a "hired auto" or the owner or lessee of a "nonowned auto" or any agent or "employee" of any such owner or lessee;
 - b. Your "employee" if the covered "auto" is owned by that "employee" or a member of his or her household;
 - c. Your "employee" if the covered "auto" is leased, hired or rented by him or her or a member of his or her household under a lease or rental agreement for a period of 180 days or more;
 - d. Any partner or "executive officer" with respect to any "auto" owned by such partner or officer or a member of his or her household;
 - e. Any partner or "executive officer" with respect to any "auto" leased or rented to such partner or officer or a member of his or her household under a lease or rental agreement for a period of 180 days or more;

COMMERCIAL GENERAL LIABILITY

- f. Any person while employed in or otherwise engaged in duties in connection with an "auto business", other than an "auto business" you operate;
 - g. Anyone other than your "employees", partners, a lessee or borrower or any of their "employees", while moving property to or from a "hired auto" or a "nonowned auto"; or
3. Any other person or organization, but only with respect to their liability because of acts or omissions of an insured under **1.** or **2.** above.

D. AMENDED DEFINITIONS

The Definition of "insured contract" of **Section V – Definitions** is amended by the addition of the following exceptions to paragraph **f.**:

Paragraph **f.** does not include that part of any contract or agreement:

- (4) That pertains to the loan, lease or rental of an "auto" to you or any of your "employees", if the "auto" is loaned, leased or rented with a driver; or
- (5) That holds a person or organization engaged in the business of transporting property by "auto" for hire harmless for your use of a covered "auto" over a route or territory that person or organization is authorized to serve by public authority.

E. ADDITIONAL DEFINITIONS

Section V – Definitions is amended by the addition of the following definitions:

- 1. "Auto Business" means the business or occupation of selling, repairing, servicing, storing or parking "autos".
- 2. "Hired auto" means any "auto" you lease, hire, rent or borrow. This does not include:
 - a. Any "auto" you lease, hire or rent under a lease or rental agreement for a period of 180 days or more, or
 - b. Any "auto" you lease, hire, rent or borrow from any of your "employees", partners, stockholders, or members of their households.
- 3. "Nonowned auto" means any "autos" you do not own, lease, hire, rent or borrow that are being used in the course and scope of your business at the time of an "occurrence". This includes "autos" owned by your "employees" or partners or members of their households but only while being used in the course and scope of your business at the time of an "occurrence".

If you are a sole proprietor, "nonowned auto" means any "autos" you do not own, lease, hire, rent or borrow that are being used in the course and scope of your business or personal affairs at the time of an "occurrence".

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AMENDMENT OF CONTRACTUAL LIABILITY EXCLUSION – EXCEPTION FOR DAMAGES ASSUMED IN AN INSURED CONTRACT APPLIES ONLY TO NAMED INSURED

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

PROVISIONS

1. The following replaces Paragraph (2) of Exclusion **b., Contractual Liability**, in Paragraph 2. of **SECTION I – COVERAGES – COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY**:
 - (2) Assumed by you in a contract or agreement that is an "insured contract", provided that the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed by you in an "insured contract", reasonable attorney fees and necessary litigation expenses incurred by or for a party other than an insured will be deemed to be damages because of "bodily injury" or "property damage", provided that:
 - (a) Liability to such party for, or for the cost of, that party's defense has also been assumed by you in the same "insured contract"; and
 - (b) Such attorney fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which damages to which this insurance applies are alleged.
2. The following replaces the beginning of Paragraph 2., and Paragraphs 2.a., b., c., d. and e., of **SUPPLEMENTARY PAYMENTS – COVERAGES A AND B** of **SECTION I – COVERAGES**:
 2. If we defend you against a "suit" and your indemnitee is also named as a party to the "suit", we will have the right and duty to defend that indemnitee if all of the following conditions are met:
 - a. The "suit" against the indemnitee seeks damages for which you have assumed the liability of the indemnitee in a contract or agreement that is an "insured contract";
 - b. This insurance applies to such liability assumed by you;
 - c. The obligation to defend, or the cost of the defense of, that indemnitee has also been assumed by you in the same "insured contract";
 - d. The allegations in the "suit" and the information we know about the "occurrence" or offense are such that we determine that no conflict exists between your interests and the interests of the indemnitee;
 - e. You and the indemnitee ask us to conduct and control the defense of that indemnitee against such "suit" and agree that we can assign the same counsel to defend you and the indemnitee; and
3. The following replaces the last sentence of Paragraph 2. of **SUPPLEMENTARY PAYMENTS – COVERAGES A AND B** of **SECTION I – COVERAGES**:

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

 - a. We have used up the applicable limit of insurance in the payment of judgments, settlements or medical expenses; or
 - b. The conditions set forth above, or the terms of the agreement described in Paragraph f. above, are no longer met.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – VIOLATION OF CONSUMER FINANCIAL PROTECTION LAWS

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

PROVISIONS

1. The following exclusion is added to Paragraph 2., **Exclusions**, of **SECTION I – COVERAGES – COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY**:

Violation Of Consumer Financial Protection Laws

"Bodily injury" or "property damage" arising out of any actual or alleged violation of a "consumer financial protection law", or any other "bodily injury" or "property damage" alleged in any claim or "suit" that also alleges any such violation.

2. The following exclusion is added to Paragraph 2., **Exclusions**, of **SECTION I – COVERAGES – COVERAGE B PERSONAL AND ADVERTISING INJURY LIABILITY**:

Violation Of Consumer Financial Protection Laws

"Personal injury" or "advertising injury" arising out of any actual or alleged violation of a "consumer financial protection law", or any other "personal injury" or "advertising injury" alleged in any claim or "suit" that also alleges any such violation.

3. The following is added to the **DEFINITIONS** Section:

"Consumer financial identity information" means any of the following information for a person that is used or collected for the purpose of serving as a factor in establishing such person's eligibility for personal credit, insurance or employment, or for the purpose of conducting a business transaction:

- a. Part or all of the account number, the expiration date or the balance of any credit, debit, bank or other financial account.
- b. Information bearing on a person's credit worthiness, credit standing or credit capacity.
- c. Social security number.
- d. Drivers license number.
- e. Birth date.

"Consumer financial protection law" means:

- a. The Fair Credit Reporting Act (FCRA) and any of its amendments, including the Fair and Accurate Credit Transactions Act (FACTA);
- b. California's Song-Beverly Credit Card Act and any of its amendments; or
- c. Any other law or regulation that restricts or prohibits the collection, dissemination, transmission, distribution or use of "consumer financial identity information".

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – VIOLATION OF BIOMETRIC INFORMATION PRIVACY LAWS

This endorsement modifies insurance provided under the following:
COMMERCIAL GENERAL LIABILITY COVERAGE PART

PROVISIONS

1. The following exclusion is added to Paragraph 2., **Exclusions**, of **SECTION I - COVERAGES – COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY**:

Violation Of Biometric Information Privacy Laws

"Bodily injury" or "property damage" arising out of any actual or alleged violation of a "biometric information privacy law", or any other "bodily injury" or "property damage" alleged in any claim or "suit" that also alleges any such violation.

2. The following exclusion is added to Paragraph 2., **Exclusions**, of **SECTION I – COVERAGES – COVERAGE B – PERSONAL AND ADVERTISING INJURY LIABILITY**:

Violation Of Biometric Information Privacy Laws

"Personal and advertising injury" arising out of any actual or alleged violation of a "biometric information privacy law", or any other "personal

and advertising injury" alleged in any claim or "suit" that also alleges any such violation.

3. The following is added to the **DEFINITIONS** Section:

"Biometric information":

- a. Means information about a person's physical, biological or behavioral characteristics that can be used to identify such person.
- b. Includes a person's retina or iris scan, fingerprint, voiceprint, scan of hand or face or other body geometry, DNA, vein pattern, keystroke pattern or rhythm, gait pattern or rhythm, or sleep, health or exercise data that contain identifying information.

"Biometric information privacy law" means the parts of any law, ordinance, regulation or governmental rule that govern or relate to the collection, storage, disclosure, retention, destruction, protection, use, sale, lease or trade of "biometric information".

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

EXCLUSION – COMMUNICABLE DISEASES

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

PROVISIONS

This insurance does not apply to "bodily injury", "property damage", "personal injury" or "advertising injury" arising out of, caused by or related to any communicable disease, including any supervision, instructions, recommendations, warnings or advice given or which should have been given in connection therewith.

A communicable disease is a disease that may be transmitted directly or indirectly from one individual to another.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – DISCRIMINATION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

PROVISIONS

1. The following exclusion is added to Paragraph 2., **Exclusions**, of **SECTION I – COVERAGES – COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY**:

Discrimination

"Bodily injury" arising out of discrimination based upon a person's sex, sexual orientation, marital status, pregnancy, race, color, creed, religion, national origin, citizenship, veteran status, age, genetic information or physical or mental disability, or any other characteristic, attribute, trait, condition or status that qualifies a person for protection against discrimination under federal, state or local law.

2. The following exclusion is added to Paragraph 2., **Exclusions**, of **SECTION I – COVERAGES – COVERAGE B – PERSONAL AND ADVERTISING INJURY LIABILITY**:

Discrimination

"Personal injury" arising out of discrimination based upon a person's sex, sexual orientation, marital status, pregnancy, race, color, creed, religion, national origin, citizenship, veteran status, age, genetic information or physical or mental disability, or any other characteristic, attribute, trait, condition or status that qualifies a person for protection against discrimination under federal, state or local law.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**AMENDMENT OF COVERAGE C--MEDICAL PAYMENTS
(LIMITED PRODUCTS HAZARD INCLUSION)**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

PROVISIONS

Under SECTION I, Exclusion f. of COVERAGE C--MEDICAL PAYMENTS - is replaced by the following:

- f. Which occurs away from premises you own or rent and is included within the "products-completed operations hazard."

LIQUOR LIABILITY



LIQUOR LIABILITY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LIQUOR LIABILITY COVERAGE ENDORSEMENT

This endorsement modifies insurance provided under the following:
COMMERCIAL GENERAL LIABILITY COVERAGE FORM

PROVISIONS

A. The following is added to **Section I – Coverage A – Bodily Injury And Property Damage Liability** Paragraph 1. **Insuring Agreement:**

f. "Bodily injury" or "property damage" arising out of the "liquor liability hazard" shall be deemed to be caused by an "occurrence".

B. **Section III – Limits Of Insurance** is amended by replacing item **5.** with the following:

5. Subject to **2.** or **3.** above, whichever applies, the Each Occurrence Limit is the most that we will pay for the sum of:

(a) Damages under **Coverage A** other than damages arising out of the "liquor liability hazard";

(b) Medical expenses under **Coverage C;** and

(c) Damages arising out of the "liquor liability hazard"

because of all "bodily injury" and "property damage" arising out of any one "occurrence".

C. Under paragraph **2. Exclusions** of **Section I Coverage A – Bodily Injury And Property Damage Liability**, exclusions **b., c., f., g., h., i., j., k., l., m.** and **n.** do not apply to the "liquor liability hazard".

D. Only as respects the **PROVISIONS** of this endorsement within the "liquor liability hazard" definition:

1. Under paragraph **2. Exclusions** of **Section I Coverage A – Bodily Injury And Property Damage Liability**, the following exclusions are added:

p. "Bodily injury" or "property damage" arising out of the "liquor liability hazard" does not apply while any required license is suspended or after such license expires, is canceled or revoked.

q. "Bodily injury" or "property damage" arising out of "your product". This exclusion does not apply to "bodily injury" or "property damage" for which the insured or the insured's indemnitees may be liable by reason of

(1) Causing or contributing to intoxication of any person;

(2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or

(3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

r. "Bodily injury" or "property damage" with respect to which other insurance is afforded or which would be afforded but for the exhaustion of the limits of insurance.

This exclusion does not apply if the other insurance responds to damages imposed on the insured by reason of the selling, serving or furnishing of any alcoholic beverage.

E. Only as respects the **PROVISIONS** of this endorsement, the following is added to **Section V – Definitions:**

"Liquor liability hazard" includes all "bodily injury" and "property damage" arising out of the selling, serving or furnishing of any alcoholic beverage.

F. Only as respects the **PROVISIONS** of this endorsement, the definition of "bodily injury" in **Section V – Definitions** is deleted and replaced by:

"Bodily injury" means bodily injury, sickness or disease sustained by a person along with damages for care, loss of services or loss of support including death resulting from any of these.

**MULTIPLE SUBLINE
ENDORSEMENTS**



**MULTIPLE SUBLINE
ENDORSEMENTS**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LIMITATION WHEN TWO OR MORE POLICIES APPLY

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
EMPLOYEE BENEFITS LIABILITY COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

Provisions

1. Injury, damage or loss might be covered by this policy and also by other policies issued to you by us or any Travelers affiliate. When these other policies contain a provision similar to this one, the amount we will pay is limited. The maximum that we will pay under all such policies combined is the highest limit that applies in any one of these policies.
2. This does not apply to any personal liability policy or to any Umbrella, Excess or Protective Liability Policy.

**INTERLINE
ENDORSEMENTS**



**INTERLINE
ENDORSEMENTS**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AMENDMENT OF COMMON POLICY CONDITIONS – PROHIBITED COVERAGE – UNLICENSED INSURANCE AND TRADE OR ECONOMIC SANCTIONS

This endorsement modifies insurance provided under the following:

ALL COVERAGES INCLUDED IN THIS POLICY

The following is added to the Common Policy Conditions:

Prohibited Coverage – Unlicensed Insurance

1. With respect to loss sustained by any insured, or loss to any property, located in a country or jurisdiction in which we are not licensed to provide this insurance, this insurance does not apply to the extent that insuring such loss would violate the laws or regulations of such country or jurisdiction.
2. We do not assume responsibility for:
 - a. The payment of any fine, fee, penalty or other charge that may be imposed on any person or organization in any country or jurisdiction because we are not licensed to provide insurance in such country or jurisdiction; or

- b. The furnishing of certificates or other evidence of insurance in any country or jurisdiction in which we are not licensed to provide insurance.

Prohibited Coverage – Trade Or Economic Sanctions

We will provide coverage for any loss, or otherwise will provide any benefit, only to the extent that providing such coverage or benefit does not expose us or any of our affiliated or parent companies to:

1. Any trade or economic sanction under any law or regulation of the United States of America; or
2. Any other applicable trade or economic sanction, prohibition or restriction.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM

This endorsement modifies insurance provided under the following:

BOILER AND MACHINERY COVERAGE PART
COMMERCIAL GENERAL LIABILITY COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
CYBERFIRST ESSENTIALS GENERAL PROVISIONS FORM
CYBERFIRST GENERAL PROVISIONS FORM
DELUXE PROPERTY COVERAGE PART
EMPLOYEE BENEFITS LIABILITY COVERAGE PART
EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART
EMPLOYMENT PRACTICES LIABILITY⁺ WITH IDENTITY FRAUD EXPENSE REIMBURSEMENT
COVERAGE PART
ENVIRONMENTAL HAZARD POLICY
EQUIPMENT BREAKDOWN COVERAGE PART
EXCESS FOLLOW-FORM AND UMBRELLA LIABILITY INSURANCE
EXCESS (FOLLOWING FORM) LIABILITY INSURANCE
LAW ENFORCEMENT LIABILITY COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
MANUFACTURERS ERRORS AND OMISSIONS LIABILITY COVERAGE PART
MEDFIRST PRODUCTS/COMPLETED OPERATIONS, ERRORS AND OMISSIONS, AND
INFORMATION SECURITY LIABILITY COVERAGE FORM
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
PUBLIC ENTITY MANAGEMENT LIABILITY COVERAGE PART
RAILROAD PROTECTIVE LIABILITY COVERAGE PART
SPECIAL PROTECTIVE AND HIGHWAY LIABILITY POLICY - NEW YORK DEPARTMENT OF
TRANSPORTATION
TRAVELERS PROPERTY COVERAGE PART
TRIBAL BUSINESS MANAGEMENT LIABILITY COVERAGE PART
Any other Coverage Part or Coverage Form included in this policy that is subject to the federal Terrorism
Risk Insurance Act of 2002 as amended

The following is added to this policy. This provision can limit coverage for any loss arising out of a "certified act of terrorism" if such loss is otherwise covered by this policy. This provision does not apply if and to the extent that coverage for the loss is excluded or limited by an exclusion or other coverage limitation for losses arising out of "certified acts of terrorism" in another endorsement to this policy.

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

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

1. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to "TRIA"; and
2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

"TRIA" means the federal Terrorism Risk Insurance Act of 2002 as amended.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PROTECTION OF PROPERTY

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART
DELUXE PROPERTY COVERAGE PART

The insurance provided under this Coverage Part for direct physical loss of or damage to Covered Property at the described premises is extended to include the following Additional Coverage:

Protection of Property

We will pay the necessary and reasonable expenses actually incurred by you to temporarily safeguard Covered Property at the described premises against the threat of imminent covered direct physical loss or damage by a "specified cause of loss", subject to the following:

1. This Additional Coverage only applies to expenses incurred within 72 hours before the time the imminent "specified cause of loss" is reasonably likely to begin to cause direct physical loss or damage to the Covered Property.
2. This Additional Coverage does not apply to any expenses:
 - (a) To which any Preservation of Property coverage in this Coverage Part may apply; or
 - (b) For maintenance that reasonably should have been performed in the absence of any threat of imminent covered direct physical loss or damage by a "specified cause of loss".
3. The most we will pay under this Additional Coverage for all expenses arising out of all threats of imminent direct physical loss or damage by a "specified cause of loss" occurring during each separate 12-month period of this policy beginning with the effective date of this policy is:

(a) \$5,000 at each of the described premises; and

(b) \$10,000 for all described premises.

This is additional insurance.

If the "specified cause of loss" from which the property is being safeguarded is subject to an aggregate limit of insurance (meaning the limit of insurance is the most we will pay for all loss or damage arising out of all occurrences of such "specified cause of loss" in any one annual period of this policy), the Limit of Insurance that applies to this Additional Coverage is not included in, and does not reduce, the aggregate Limit of Insurance that applies to such "specified cause of loss".

4. This Additional Coverage is subject to the deductible that applies to loss or damage to the Covered Property by the "specified cause of loss" from which the property is being safeguarded.

In the event the "specified cause of loss" from which the property is being safeguarded actually causes covered direct physical loss or damage to the Covered Property, the total of the deductible amounts applied under this Additional Coverage and under the coverage provided for such loss or damage to the Covered Property will not exceed the deductible that applies to the covered loss or damage to the Covered Property by the "specified cause of loss".

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
COMMERCIAL INLAND MARINE COVERAGE PART
FARM COVERAGE PART

- 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, rental value or action of civil authority.
- B.** We will not pay for loss or damage caused by or resulting from any virus, bacterium or other microorganism that induces or is capable of inducing physical distress, illness or disease.
- C.** With respect to any loss or damage subject to the exclusion in Paragraph **B.**, such exclusion supersedes any exclusion relating to "pollutants".
- D.** 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.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT

(Broad Form)

This endorsement modifies insurance provided under the following:

COMMERCIAL AUTOMOBILE COVERAGE PART
COMMERCIAL GENERAL LIABILITY COVERAGE PART
FARM COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
MEDICAL PROFESSIONAL LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
RAILROAD PROTECTIVE LIABILITY COVERAGE PART
UNDERGROUND STORAGE TANK POLICY

1. The insurance does not apply:

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

(1) With respect to which an "insured" under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or

(2) Resulting from the "hazardous properties" of "nuclear material" and with respect to which (a) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or (b) the "insured" is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.

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

C. Under any Liability Coverage, to "bodily injury" or "property damage" resulting from

"hazardous properties" of "nuclear material", if:

(1) The "nuclear material" (a) is at any "nuclear facility" owned by, or operated by or on behalf of, an "insured" or (b) has been discharged or dispersed therefrom;

(2) The "nuclear material" is contained in "spent fuel" or "waste" at any time possessed, handled, used, processed, stored, transported or disposed of, by or on behalf of an "insured"; or

(3) The "bodily injury" or "property damage" arises out of the furnishing by an "insured" of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any "nuclear facility", but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion (3) applies only to "property damage" to such "nuclear facility" and any property thereat.

2. As used in this endorsement:

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

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

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

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

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

"Nuclear facility" means:

- (a)** Any "nuclear reactor";
- (b)** Any equipment or device designed or used for **(1)** separating the isotopes of uranium or plutonium, **(2)** processing or utilizing "spent fuel", or **(3)** handling, processing or packaging "waste";
- (c)** Any equipment or device used for the processing, fabricating or alloying of "special nuclear material" if at any time

the total amount of such material in the custody of the "insured" at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;

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

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

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

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CALIFORNIA CHANGES

This endorsement modifies insurance provided under the following:

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

- A.** When this endorsement is attached to the Standard Property Policy **CP 00 99** the term Coverage Part in this endorsement is replaced by the term Policy.
- B.** The **Concealment, Misrepresentation Or Fraud** Condition is replaced by the following with respect to loss ("loss") or damage caused by fire:
- We do not provide coverage to the insured ("insured") who, whether before or after a loss ("loss"), has committed fraud or intentionally concealed or misrepresented any material fact or circumstance concerning:
1. This Coverage Part;
 2. The Covered Property;
 3. That insured's ("insured's") interest in the Covered Property; or
 4. A claim under this Coverage Part or Coverage Form.
- C.** The **Concealment, Misrepresentation Or Fraud** Condition is replaced by the following with respect to loss ("loss") or damage caused by a Covered Cause of Loss other than fire:
- This Coverage Part is void if any insured ("insured"), whether before or after a loss ("loss"), has committed fraud or intentionally concealed or misrepresented any material fact or circumstance concerning:
1. This Coverage Part;
 2. The Covered Property;
 3. An insured's ("insured's") interest in the Covered Property; or
 4. A claim under this Coverage Part or Coverage Form.
- D.** Except as provided in **E.**, the **Appraisal** Condition is replaced by the following:
- If we and you disagree on the value of the property or the actual cash value or the amount of loss ("loss"), either may make written request for an appraisal of the loss ("loss"). In this event, each party will select a competent and impartial appraiser. However, in the event of a government-declared disaster, as defined in the Government Code, appraisal may be requested by either you or us but shall not be compelled. Each party shall notify the other of the appraiser selected within 20 days of the request. The two appraisers will select an umpire. If they cannot agree within 15 days, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the value of the property and actual cash value and amount of loss ("loss"). If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will set the amount of actual cash value and loss ("loss") and will be binding. Each party will:
1. Pay its chosen appraiser; and
 2. Bear the other expenses of the appraisal and umpire equally.
- If there is an appraisal, we will still retain our right to deny the claim.
- E.** The Appraisal Condition in:
1. Business Income (And Extra Expense) Coverage Form **CP 00 30**; and
 2. Business Income (Without Extra Expense) Coverage Form **CP 00 32**;
- is replaced by the following:

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

separately the amount of Net Income and operating expense or amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

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

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CALIFORNIA CHANGES – CANCELLATION AND NONRENEWAL

This endorsement modifies insurance provided under the following:

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

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

2. All Policies In Effect For 60 Days Or Less

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

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

(1) Nonpayment of premium; or

(2) Discovery of fraud by:

(a) Any insured or his or her representative in obtaining this insurance; or

(b) You or your representative in pursuing a claim under this policy.

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

3. All Policies In Effect For More Than 60 Days

a. If this policy has been in effect for more than 60 days, or is a renewal of a policy

we issued, we may cancel this policy only upon the occurrence, after the effective date of the policy, of one or more of the following:

(1) Nonpayment of premium, including payment due on a prior policy we issued and due during the current policy term covering the same risks.

(2) Discovery of fraud or material misrepresentation by:

(a) Any insured or his or her representative in obtaining this insurance; or

(b) You or your representative in pursuing a claim under this policy.

(3) A judgment by a court or an administrative tribunal that you have violated a California or Federal law, having as one of its necessary elements an act which materially increases any of the risks insured against.

(4) Discovery of willful or grossly negligent acts or omissions, or of any violations of state laws or regulations establishing safety standards, by you or your representative, which materially increase any of the risks insured against.

- (5) Failure by you or your representative to implement reasonable loss control requirements, agreed to by you as a condition of policy issuance, or which were conditions precedent to our use of a particular rate or rating plan, if that failure materially increases any of the risks insured against.
- (6) A determination by the Commissioner of Insurance that the:
 - (a) Loss of, or changes in, our reinsurance covering all or part of the risk would threaten our financial integrity or solvency; or
 - (b) Continuation of the policy coverage would:
 - (i) Place us in violation of California law or the laws of the state where we are domiciled; or
 - (ii) Threaten our solvency.
- (7) A change by you or your representative in the activities or property of the commercial or industrial enterprise, which results in a materially added, increased or changed risk, unless the added, increased or changed risk is included in the policy.

- b. We will mail or deliver advance written notice of cancellation, stating the reason for cancellation, to the first Named Insured, at the mailing address shown in the policy, and to the producer of record, at least:
 - (1) 10 days before the effective date of cancellation if we cancel for nonpayment of premium or discovery of fraud; or
 - (2) 30 days before the effective date of cancellation if we cancel for any other reason listed in Paragraph 3.a.

B. The following provision is added to the **Cancellation** Common Policy Condition:

7. Residential Property

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

Commercial Property Coverage Part

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

- a. If such coverage has been in effect for 60 days or less, and is not a renewal of coverage we previously issued, we may cancel this coverage for any reason, except as provided in **b.** and **c.** below.
- b. We may not cancel this policy solely because the first Named Insured has:
 - (1) Accepted an offer of earthquake coverage; or
 - (2) Cancelled or did not renew a policy issued by the California Earthquake Authority (CEA) that included an earthquake policy premium surcharge.

However, we shall cancel this policy if the first Named Insured has accepted a new or renewal policy issued by the CEA that includes an earthquake policy premium surcharge but fails to pay the earthquake policy premium surcharge authorized by the CEA.

- c. We may not cancel such coverage solely because corrosive soil conditions exist on the premises. This restriction (**c.**) applies only if coverage is subject to one of the following, which exclude loss or damage caused by or resulting from corrosive soil conditions:
 - (1) Commercial Property Coverage Part – Causes Of Loss – Special Form; or
 - (2) Farm Coverage Part – Causes Of Loss Form – Farm Property, Paragraph **D.** Covered Causes Of Loss – Special.
- d. If a state of emergency under California Law is declared and the residential property is located in any ZIP Code within or adjacent to the fire perimeter, as determined by California Law, we may not cancel this policy for one year, beginning from the date the state of emergency is declared, solely because the dwelling or other structure is located in an area in which a wildfire has occurred. However, we may cancel:

- (1) When you have not paid the premium, at any time by letting you know at least 10 days before the date cancellation takes effect;
- (2) If willful or grossly negligent acts or omissions by the Named Insured, or his or her representatives, are discovered that materially increase any of the risks insured against; or
- (3) If there are physical changes in the property insured against, beyond the catastrophe-damaged condition of the structures and surface landscape, which result in the property becoming uninsurable.

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

Nonrenewal

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

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

2. Residential Property

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

Commercial Property Coverage Part

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

- a. If this policy provides coverage as described in the preceding paragraph, and we elect not to renew this policy, we will mail or deliver written notice, stating the reason for nonrenewal, to the first Named Insured shown in the Declarations, and to the producer record at the mailing address shown in the

policy, at least 75 days, but not more than 120 days, before the expiration or anniversary date.

If we fail to give the first Named Insured shown in the Declarations notice of nonrenewal at least 75 days prior to the policy expiration, as required in the paragraph above, this policy, with no change in its terms and conditions, shall remain in effect for 75 days from the date that the notice of nonrenewal is delivered or mailed to the Named Insured. A notice to this effect shall be provided by us to the first Named Insured with the notice of nonrenewal.

- b. We may elect not to renew such coverage for any reason, except as provided in Paragraphs c., d. and e. below.
- c. We will not refuse to renew such coverage solely because the first Named Insured has accepted an offer of earthquake coverage.

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

- (1) The nonrenewal is based on sound underwriting principles that relate to the coverages provided by this policy and that are consistent with the approved rating plan and related documents filed with the Department of Insurance as required by existing law;
- (2) The Commissioner of Insurance finds that the exposure to potential losses will threaten our solvency or place us in a hazardous condition. A hazardous condition includes, but is not limited to, a condition in which we make claims payments for losses resulting from an earthquake that occurred within the preceding two years and that required a reduction in policyholder surplus of at least 25% for payment of those claims; or

(3) We have:

- (a)** Lost or experienced a substantial reduction in the availability or scope of reinsurance coverage; or
- (b)** Experienced a substantial increase in the premium charged for reinsurance coverage of our residential property insurance policies; and

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

- d.** We will not refuse to renew such coverage solely because the first Named Insured has cancelled or did not renew a policy, issued by the California Earthquake Authority, that included an earthquake policy premium surcharge.
- e.** We will not refuse to renew such coverage solely because corrosive soil conditions exist on the premises. This restriction **(e.)** applies only if coverage is subject to one of the following, which exclude loss or damage caused by or resulting from corrosive soil conditions:
 - (1)** Commercial Property Coverage Part – Causes Of Loss – Special Form; or
 - (2)** Farm Coverage Part – Causes Of Loss Form – Farm Property, Paragraph **D.** Covered Causes Of Loss – Special.
- f.** If a state of emergency under California Law is declared and the residential property is located in any ZIP Code within or adjacent to the fire perimeter, as determined by California Law, we may not nonrenew this policy for one year, beginning from the date the state of emergency is declared, solely because the dwelling or other structure is located in an area in which a wildfire has occurred.

However, we may nonrenew:

- (1)** If willful or grossly negligent acts or omissions by the Named Insured, or his or her representatives, are discovered that materially increase any of the risks insured against;
- (2)** If losses unrelated to the postdisaster loss condition of the property have occurred that would collectively render the risk ineligible for renewal; or
- (3)** If there are physical changes in the property insured against, beyond the catastrophe-damaged condition of the structures and surface landscape, which result in the property becoming uninsurable.

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

- a.** If the transfer or renewal of a policy, without any changes in terms, conditions or rates, is between us and a member of our insurance group.
- b.** If the policy has been extended for 90 days or less, provided that notice has been given in accordance with Paragraph **C.1.**
- c.** If you have obtained replacement coverage, or if the first Named Insured has agreed, in writing, within 60 days of the termination of the policy, to obtain that coverage.
- d.** If the policy is for a period of no more than 60 days and you are notified at the time of issuance that it will not be renewed.
- e.** If the first Named Insured requests a change in the terms or conditions or risks covered by the policy within 60 days of the end of the policy period.
- f.** If we have made a written offer to the first Named Insured, in accordance with the timeframes shown in Paragraph **C.1.**, to renew the policy under changed terms or conditions or at an increased premium rate, when the increase exceeds 25%.

POLICYHOLDER NOTICES



POLICYHOLDER NOTICES

IMPORTANT NOTICE – PRODUCT AVAILABILITY

PLEASE READ THIS NOTICE CAREFULLY.

You may be eligible for a policy in a newer product from one of our other Travelers companies. We determine the price for a policy differently for the newer product. For example, there are a number of additional variables used to determine the price, including those that are based on specific property perils. The newer product might cost you less or more than what you pay now. It may also have different product features from your current policy. You may continue with your current policy, or you may request a policy in the newer product. Travelers is here to help-
-so contact your Travelers independent agent to discuss whether a different Travelers insurance policy is right for you.

IMPORTANT NOTICE – INDEPENDENT AGENT AND BROKER COMPENSATION

NO COVERAGE IS PROVIDED BY THIS NOTICE. THIS NOTICE DOES NOT AMEND ANY PROVISION OF YOUR POLICY. YOU SHOULD REVIEW YOUR ENTIRE POLICY CAREFULLY FOR COMPLETE INFORMATION ON THE COVERAGES PROVIDED AND TO DETERMINE YOUR RIGHTS AND DUTIES UNDER YOUR POLICY. PLEASE CONTACT YOUR AGENT OR BROKER IF YOU HAVE ANY QUESTIONS ABOUT THIS NOTICE OR ITS CONTENTS. IF THERE IS ANY CONFLICT BETWEEN YOUR POLICY AND THIS NOTICE, THE PROVISIONS OF YOUR POLICY PREVAIL.

For information about how Travelers compensates independent agents and brokers, please visit www.travelers.com, call our toll-free telephone number 1-866-904-8348, or request a written copy from Marketing at One Tower Square, 2GSA, Hartford, CT 06183.

IMPORTANT NOTICE

PROTECTIVE SAFEGUARDS ENDORSEMENT FOR SPRINKLERED LOCATIONS AND RESTAURANTS (MP T3 07 03 97)

PLEASE READ THIS NOTICE CAREFULLY.

YOUR POLICY INCLUDES A PROTECTIVE SAFEGUARDS ENDORSEMENT FOR SPRINKLERED LOCATIONS AND RESTAURANTS (MP T3 07 03 97).

NO COVERAGE IS PROVIDED BY THIS NOTICE. THIS NOTICE DOES NOT AMEND ANY PROVISION OF YOUR POLICY. YOU SHOULD REVIEW YOUR ENTIRE POLICY CAREFULLY FOR COMPLETE INFORMATION ON THE COVERAGES PROVIDED AND TO DETERMINE YOUR RIGHTS AND DUTIES UNDER YOUR POLICY. PLEASE CONTACT YOUR AGENT OR LOCAL COMPANY REPRESENTATIVE IF YOU HAVE ANY QUESTIONS ABOUT THIS NOTICE OR ITS CONTENTS. IF THERE IS ANY CONFLICT BETWEEN YOUR POLICY AND ANY NOTICE YOU RECEIVE FROM US, THE PROVISIONS OF YOUR POLICY PREVAIL.

The Protective Safeguards Endorsement included as part of your policy indicates that the building you own or occupy has an Automatic Sprinkler System or a protective system covering a cooking surface, or both. It is important to understand that, as a building owner or a tenant, you have certain duties as described within the Protective Safeguards Endorsement with respect to any protective device identified in the Protective Safeguards Endorsement schedule. Our obligation to pay for loss or damage caused by or resulting from fire is subject to the terms and conditions of the Protective Safeguards Endorsement.

Please review the terms and conditions of the Protective Safeguards Endorsement carefully.

Company Name TRAVELERS CASUALTY INSURANCE COMPANY OF AMERICA

Submission or Policy Number: 680-A2036190-25-42

Important Information About Your California Wildfire Risk Classification

Pursuant to Cal. Code Regs. § 2644.9, we are providing you with information regarding your wildfire risk classification. Your wildfire risk classification impacts your "wildfire premium" and is based on the community-level and property-level mitigation measures, shown below, completed at your buildings located in California, as shown on your Declarations or most recent Quote Proposal.

You may be able to reduce your "wildfire premium" by completing the following property-level and community-level mitigation measures. The tables below identify, by number and description, the mitigation measures that may apply to your buildings located in California, as shown on your Declarations or most recent Quote Proposal:

Community-level Mitigation Measures:

Measure Number	Mitigation Measure Description
1.	Fire Risk Reduction Community as listed by the Board of Forestry;
2.	"Firewise USA Site in Good Standing";

Property-level Mitigation Measures:

3	Cleared vegetation from under decks;
4	Cleared vegetation, debris, mulch, stored combustible materials, and any and all movable combustible objects from within five feet of the building;
5	Only noncombustible materials used in improvements to any portion of the property that is within 5 feet of the building;
6	Removal or absence of combustible structures from within 30 feet of the building, or removal or absence of combustible structures from as much of the area as is under your control;
7	Situated on property that complies with Section 4291 of the Public Resources Code, and any applicable ordinances, governing defensible space.
8	"Class-A Fire Rated Roof";
9	"Enclosed eaves";
10	"Fire-resistant vents";
11	Multipane windows, including dual pane windows, or functional shutters, which when closed, cover the entire window and do not have openings;
12	Six inches of noncombustible vertical clearance at the bottom of the exterior surface of the building.

In addition, your Wildfire Risk Classification Schedule also includes:

- 1) The range of credit classifications that could be assigned to your properties;
- 2) The relative position of your assigned credit classification within that range and the impact of the classification on your "wildfire premium"; and
- 3) An explanation of why you received any assigned credit classification, as indicated in the Reasons for Specific "Wildfire Premium" Credit, below.

If you believe you are eligible for any of the listed "wildfire premium" credits and your eligibility is not reflected in the Wildfire Risk Classification Schedule below, please contact your agent to report your eligibility.

Reasons for Specific "Wildfire Premium" Credit

A	Provided as we received confirmation that the building is situated in a qualifying Fire Risk Reduction Community or "Firewise USA Site in Good Standing".
B	Not provided as we did not receive confirmation that the building is located in a qualifying Fire Risk Reduction Community or "Firewise USA Site in Good Standing".
C	Provided as we received confirmation that the building is eligible for the mitigation credit.
D	Not provided as we did not receive confirmation that the building is eligible for the mitigation credit.

Definitions:

1. **"Class-A Fire Rated Roof"** has the same meaning as in Chapter 7A California Building Code (2019) as modified by the July 2021 supplement thereto, codified at Section 705A. 1 of Part 2 of Title 24.
2. **"Enclosed Eaves"** are roof eaves that have either (1) boxed-in roof eave soffits with a horizontal underside or (2) an exterior covering applied to the underside of the rafter tails supporting the eaves, which covering is sloped corresponding to the slope of the rafter tails. Enclosed Eaves are thus distinguishable from open roof eaves, whose rafter tails are exposed.
3. **"Fire-Resistant Vents"** has the same meaning as in the Chapter 7A California Building Code (2019) as modified by the July 2021 supplement thereto, codified at Sections 706A.1 and 706A.2 of Part 2 of Title 23.
4. **"Firewise USA Site in Good Standing"** is a community that, at the time the building being evaluated is rated, is recognized as such by the National Fire Protection Association, a Massachusetts 501 (c)(3) corporation.
5. **"Wildfire Premium"** is a portion of the premium charged for wildfire within the total policy premium. We apply the wildfire mitigation credits only to that portion of the premium applicable to wildfire, and not to the total policy premium.

Appeals Process:

If you have submitted evidence supporting your eligibility for a mitigation credit and still disagree with your wildfire risk classification, you have the right to appeal. You may contact us in one of the following ways to submit an appeal:

- Email us at: consumeraffairs@travelers.com
- Call us at: 888-596-2250
- Write to us at: Travelers, Attn Consumer Affairs
One Tower Square, 8MS
Hartford, CT 06183

For all other questions, please contact your agent or Travelers representative.

Thank you for choosing Travelers to help you protect what matters most.

WILDFIRE RISK CLASSIFICATION SCHEDULE – BUILDINGS WITH NO MITIGATION

Locations, as shown on your Declarations or most recent Quote Proposal	Mitigation Measure:	Maximum "Wildfire Premium" credit possible: %	Your "Wildfire Premium" credit % based on your classification:	Reason for Specific "Wildfire Premium" credit:
001/001	1	1%	0	
	2	1%	0	
	3	1%	0	
	4	1%	0	
	5	1%	0	
	6	1%	0	
	7	1%	0	
	8	1%	0	
	9	1%	0	
	10	1%	0	
	11	1%	0	
	12	1%	0	
Total Wildfire Premium Credit:		12%	0	

IMPORTANT NOTICE – JURISDICTIONAL INSPECTIONS

NO COVERAGE IS PROVIDED BY THIS NOTICE. THIS NOTICE DOES NOT AMEND ANY PROVISION OF YOUR POLICY. YOU SHOULD REVIEW YOUR ENTIRE POLICY CAREFULLY FOR COMPLETE INFORMATION ON THE COVERAGES PROVIDED AND TO DETERMINE YOUR RIGHTS AND DUTIES UNDER YOUR POLICY. PLEASE CONTACT YOUR AGENT OR LOCAL COMPANY REPRESENTATIVE IF YOU HAVE ANY QUESTIONS ABOUT THIS NOTICE OR ITS CONTENTS. IF THERE IS ANY CONFLICT BETWEEN YOUR POLICY AND THIS NOTICE, THE PROVISIONS OF THE POLICY PREVAIL.

Dear Policyholder;

Many states and some cities issue certificates permitting the continued operation of certain equipment such as boilers, water heaters, pressure vessels, etc. Periodic inspections are normally required to renew these certificates. In most jurisdictions, insurance company employees who have been licensed are authorized to perform these inspections.

If:

- You own or operate equipment that requires a certificate from a state or city to operate legally, and
- We insure that equipment under this Policy, and
- You would like us to perform the next required inspection;

Then;

Call this toll-free number – **1-800-425-4119**

When you call this number, our representative will ask you for the following information:

- Name of your business (as shown on this Policy)
- Policy Number
- Location where the equipment is located. Including Zip Code.
- Person to contact and phone number for scheduling of inspection
- Type of equipment requiring inspection
- Certificate inspection date and certificate number

Or;

Fill in the form on the reverse side of this notice and fax it to the toll-free number indicated on that form.

Please note the following:

- Your jurisdiction may charge you a fee for renewing a certificate. It is your responsibility to pay such a fee.
- All the provisions of the INSPECTIONS AND SURVEYS Condition apply to the inspections described in this notice.

REMINDER

If new equipment is installed or old equipment replaced that requires a jurisdictional inspection please let us know by calling our toll-free number listed above.

REQUEST FOR JURISDICTIONAL INSPECTION

Name of Business: _____
(As Shown on Policy)

Policy Number: _____

Location of Equipment:

City State ZipCode

Person to Contact for Scheduling Inspection: _____

Telephone Number of Person to Contact: _____

Equipment Type	Certificate Number	Certificate Expiration Date

Fax Form to 1-877-764-9535

Completed by: _____ Phone Number: _____



IMPORTANT INFORMATION FOR MASTER PAC POLICYHOLDERS

Dear Policyholder:

Enclosed is your Travelers Master Pac Renewal Certificate. An asterisk on the Listing of Forms, Endorsements and Schedule Numbers, IL T8 01, indicates forms that are included with this year's renewal. Any forms previously attached to your policy that are not shown on that listing no longer apply.

Please put the Certificate and the attached forms with your policy as soon as possible. If you have misplaced your policy, please contact your agent for a copy.

To Our Valued Customer,

Each year, homeowners and business owners across the nation sustain significant weather-related property damage due to floods. These can include losses caused by waves, tidal waters, the overflow of a body of water, the rapid accumulation or runoff of surface water, and mudslide. In nearly all cases, these flood losses cannot be prevented or even anticipated. And, in many instances, the losses are devastating.

Most standard property insurance policies, including most of our policies, do not provide coverage for flood losses. While flood coverage is often available – primarily through the National Flood Insurance Program – it is rarely purchased. Unfortunately, each year we find that some policyholders are surprised and disappointed to learn that damages they have suffered as a direct result of flood are not covered under the policies they have purchased.

Please review your insurance coverage with your agent or Company representative. As you consider the need for flood insurance, keep in mind that floods can, and do, occur in locations all over the country. They are not limited to coastal areas or locations with nearby rivers or streams. Several inches of rain falling over a short period of time can cause flood damage, even in normally dry areas that are not prone to flooding.

For further information about Flood Insurance, contact your agent or company representative, or contact the National Flood Insurance Program directly.