

CV-2020-940
Andrews



FILED IN DISTRICT COURT
OKLAHOMA COUNTY

IN THE DISTRICT COURT OF OKLAHOMA COUNTY
STATE OF OKLAHOMA

MAY 27 2020

36
RICK WARREN
COURT CLERK

KESHAV, LLC,
d/b/a HOME2 SUITES,

Plaintiff,

v.

ARCH SPECIALTY INSURANCE
COMPANY,

Defendant.

Case No. CV-2020-940

PETITION FOR DECLARATORY JUDGMENT

Plaintiff Keshav, LLC d/b/a Home2 Suites ("Keshav" or "Plaintiff"), through its undersigned counsel, requests Declaratory Judgment pursuant to 12 O.S. § 1651, regarding coverage for Business Income and Extra Expense and Civil Authority, under an "all-risk" Property Policy issued by Defendant Arch Specialty Insurance Company ("Arch Specialty" or "Defendant"), Policy No. ESP7304080-02 ("Arch Specialty Policy").

1. Plaintiff is a domestic limited liability company, owning and operating a hotel property in the state of Oklahoma. Plaintiff specifically owns Home2 Suites in Oklahoma City, Oklahoma.
2. Upon information and belief, Defendant is a foreign insurer doing business in the state of Oklahoma.
3. The matter in controversy exceeds, exclusive of interest, the sum of seventy-five thousand dollars (\$75,000.00). Venue is proper pursuant to 12 O.S. § 137.
4. Plaintiff, as the named insured, owns revenue generating property in the state of Oklahoma.

5. Policy No. ESP7304080-02, underwritten by Defendant provides “all-risk” benefits for a policy period from October 6, 2019 to October 6, 2020. *Ex. 1, Arch Specialty Policy*. Some of the provisions of the policy, among others¹, provide benefits including business income (and extra expense) and interruption by civil authority to Plaintiff’s property in Oklahoma City. Plaintiff has paid all premiums for the coverage. The Policy Declarations reflect the policy limit of said coverages is eight million six hundred forty thousand dollars (\$8,640,000.00).

6. Specifically, the Business Income (and Extra Expense) Coverage Form in the Arch Specialty Policy provides as follow:

A. Coverage

1. Business Income

Business Income means the:

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

* * *

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

Ex. 1, Arch Specialty Policy.

7. “Covered Causes of Loss” means “direct physical loss” unless subject to limitations or exclusions. “Direct physical loss” is not defined in the Arch Specialty Policy. Plaintiff further

¹ Plaintiff reserves the right to assert additional coverages provide benefits and rely upon policy language not contained in this initial pleading.

contends no valid limitations or exclusions exist as to preclude or limit coverage under the Arch Specialty Policy. *Ex. 1, Arch Specialty Policy.*

8. The Arch Specialty Policy defines “Suspension” and “Operations” as follows:

“Suspension” means:

- a. The slowdown or cessation of your business activities; or
- b. That a part or all of the described premises is rendered untenable, if coverage for Business Income Including “Rental Value” or “Rental Value” applies.

* * *

“Operations” means:

- a. Your business activities occurring at the described premises; and
- b. The tenantability of the described premises, if coverage for Business Income Including “Rental Value” or “Rental Value” applies.

Ex. 1, Arch Specialty Policy.

9. Specifically, the Civil Authority Coverage in the Arch Specialty Policy provides as follows:

5. Additional Coverages

a. Civil Authority

We will pay for the actual loss of Business Income you sustain and necessary Extra Expense caused by action of civil authority that prohibits access to the described premises provided that both of the following apply:

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

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

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

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

Ex. 1, Arch Specialty Policy.

10. Specifically, the Arch Specialty Policy provides Extended Business Coverage as follows:

c. Extended Business Income

(1) Business Income Other Than "Rental Value"

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

- (a)** Begins on the date property (except "finished stock") is actually repaired, rebuilt or replaced and "operations" are resumed; and
- (b)** Ends on the earlier of:
 - (i)** The date you could restore your "operations", with reasonable speed, to the level which would generate the business income amount that would have existed if no direct physical loss or damage had occurred; or
 - (ii)** 30 consecutive days after the date determined in **(1)(a)** above.

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

Loss of Business Income must be caused by direct physical loss or damage at the described premises caused by or resulting from any Covered Cause of Loss.

Ex. 1, Arch Specialty Policy.

11. Specifically, the Arch Specialty Policy provides Extra Expense coverage as follows:

2. Extra Expense

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

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

- (1) Avoid or minimize the “suspension” of business and to continue operations at the described premises or at replacement premises or temporary locations, including relocation expenses and costs to equip and operate the replacement location or temporary location.
- (2) Minimize the “suspension” of business if you cannot continue “operations”.

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

Ex. 1, Arch Specialty Policy.

12. At some point, Defendant added an endorsement to the Arch Specialty Policy that purports to exclude coverage for loss due to virus or bacteria. However, no consideration was provided to Plaintiff in exchange for the addition of this endorsement. Therefore, the endorsement is void or invalid. Furthermore, Defendant failed to obtain consent from Plaintiff to add the subject endorsement. Because said endorsement is void or invalid, Defendant cannot rely upon said endorsement as a basis to limit or deny coverage.

13. On or about March 15, 2020, Oklahoma Governor Kevin Stitt utilized his powers pursuant to Section 2 of Article VI of the Oklahoma State Constitution and 63 O.S. §§ 6101-6900 of the Oklahoma Statutes, specifically 63 O.S. § 6401, and issued Executive Order 2020-07. Executive Order 2020-07 declared an emergency caused by the impending threat of COVID-19 and/or the COVID-19 pandemic to the people of Oklahoma and the public’s peace, health and

safety. Governor Stitt's Executive Order applies to all seventy-seven (77) counties in Oklahoma.
Ex. 2, Executive Order 2020-07.

14. Effective March 25, 2020 at 11:59 p.m., per paragraph No. 20 of Governor Stitt's Executive Order, all businesses not identified as being within a critical infrastructure sector were ordered to close to the public. *Ex. 3, Fourth Amended Executive Order 2020-07 (03/24/20) at ¶ 20.* Plaintiff is not identified as being within a critical infrastructure sector. Further, pursuant to paragraph No. 19 of the Executive Order, all social gatherings of more than ten people were prohibited. *Id. at ¶ 19.* The Executive Order by Governor Stitt was effective until April 30, 2020. *Ex. 4, Eight Amended Executive Order 2020-07 (04/02/20) at ¶¶ 19-20.*

15. The mayor of Oklahoma City issued orders or proclamations requiring the suspension of operations of businesses deemed non-essential. Plaintiff operates its hotel in Oklahoma City. *Ex. 5, Oklahoma City Revised Proclamation of State of Emergency.*

16. These closure orders and proclamations caused Plaintiff to sustain losses resulting from a suspension of operations as defined by the Arch Specialty Policy at its property in response to dangerous physical conditions that constitute a Covered Cause of Loss.

17. On April 10, 2020, President Trump made the following remarks on insurance companies making payments to businesses who had purchased business interruption coverage:

Reporter: Mr. President may I ask you about credit and debt as well. Many American individuals, families, have had to tap their credit cards during this period of time. And businesses have had to draw down their credit lines. Are you concerned Mr. President that that may hobble the U.S. economy, all of that debt number one? And number two, would you suggest to credit card companies to reduce their fees during this time?

President Trump: Well it's something that we've already suggested, we're talking to them. ***Business interruption insurance***, I'd like to see these insurance companies—you know you have people that have paid. When I was in private I had business interruption. When my business was interrupted through a hurricane or whatever it may be, I'd have business

where I had it, I didn't always have it, sometimes I had it, sometimes, I had a lot of different companies. ***But if I had it I'd expect to be paid.*** You have people. I speak mostly to the restaurateurs, where they have a restaurant, they've been paying for 25, 30, 35 years, business interruption. They've never needed it. All of a sudden they need it. And I'm very good at reading language. I did very well in these subjects, OK. And I don't see the word pandemic mentioned. Now in some cases it is, it's an exclusion. But in a lot of cases I don't see it. I don't see it referenced. And they don't want to pay up. I would like to see the insurance companies pay if they need to pay, if it's fair. And they know what's fair, and I know what's fair, I can tell you very quickly. But business interruption insurance, that's getting a lot of money to a lot of people. And they've been paying for years, sometimes they just started paying, but you have people that have never asked for business interruption insurance, and they've been paying a lot of money for a lot of years for the privilege of having it, and then when they finally need it, the insurance company says 'we're not going to give it.' We can't let that happen.

https://youtu.be/_cMeG5C9TjU (last visited on April 24, 2020) (emphasis added).

18. As a result of this COVID-19 pandemic disaster, Plaintiff sustained direct physical loss of or damage to its property and will continue to sustain direct physical loss of or damage to its property covered by the Arch Specialty Policy, including but not limited to business interruption, extra expense, and interruption by civil authority. As a direct result of this pandemic disaster and closure orders, Plaintiff experienced a slowdown of its business activities and it has been damaged, as described above.

19. There is an actual, real and substantial controversy now existing between the parties in respect to the Arch Specialty Policy, and by Order and Decree herein, all rights, duties and legal relations of the parties hereto should be immediately and judicially determined, adjudicated and declared.

20. Based on the above facts, Plaintiff is entitled to declaratory judgment that its losses are covered under the Arch Specialty Policy issued by Defendant. Plaintiff seeks a declaration from this Court that Plaintiff sustained a "direct physical loss" and/or "a risk of direct physical

loss” of its premises as a result of (a) Executive Order 2020-07 and subsequent amendments thereto and the order and proclamation referenced in ¶ 15, *supra*; and/or (b) the COVID-19 pandemic disaster.

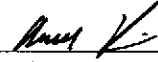
21. Plaintiff seeks a declaratory judgment from this Court declaring the Arch Specialty Policy covers Plaintiff’s losses and expenses related to of the slowdown of its business activities as a result of the COVID-19 pandemic disaster and state and local executive orders. Plaintiff seeks a ruling Defendant is responsible for said losses and expenses in an amount to be determined.

22. Plaintiff gave proper and timely notice of this claim to Defendant, through its representatives, and otherwise complied with all conditions precedent for recovery under the subject insurance policy.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff Keshav, LLC d/b/a Home2 Suites prays for a judgment from this Court declaring the rights, duties and obligations between it and Defendant herein, and that based on the above facts, such judgment should be that the policies issued to Plaintiff by Defendant affords coverages for Plaintiff’s losses and expenses related to the COVID-19 pandemic disaster and/or government mandated closure orders, and Defendant is responsible for said losses and expenses and such further relief which may be appropriate.

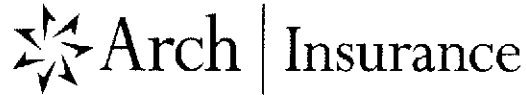
Respectfully submitted,



Reggie N. Whitten, OBA No. 9576
Michael Burrage, OBA No. 1350
J. Revell Parrish, OBA No. 30205
J. Renley Dennis, OBA No. 33160
WHITTEN BURRAGE
512 North Broadway Avenue, Ste 300
Oklahoma City, OK 73102
Telephone (405) 516-7800
Facsimile (405) 516-7859
rwhitten@whittenburragelaw.com
mburrage@whittenburragelaw.com
rparrish@whittenburragelaw.com
jdennis@whittenburragelaw.com

ATTORNEYS FOR PLAINTIFF





ARCH SPECIALTY INSURANCE COMPANY
(A Missouri Corporation)

Home Office Address:
2345 Grand Blvd.
Suite 900
Kansas City, Missouri 64108

Administrative Address:
Harborside 3
210 Hudson Street, Suite 300
Jersey City, NJ 07311-1107
Tel: (866) 413-5550

COMMERCIAL PROPERTY

DECLARATIONS

Policy Number: ESP7304080-02
Renewal of: ESP7304080-01

Named Insured: Keshav, LLC dba Home2 Suites
Address: 2214 Shadow Lake Dr
Oklahoma City, OK 73159

Surplus lines contracts are not subject to the protection of any guaranty association in the event of liquidation or receivership of the insurer.

Policy Period:
From: October 6, 2019 **To:** October 6, 2020
at 12:01 A.M., Standard Time at your mailing address shown above.

THIS POLICY CONSISTS OF THE FOLLOWING COVERAGE PARTS FOR WHICH A PREMIUM IS INDICATED. THIS PREMIUM MAY BE SUBJECT TO ADJUSTMENT.

Commercial Property Coverage Part	+ \$300 AmWins Policy Fee + \$1,876.50 OK SL Tax = \$33,151.50 Total Premium Due	PREMIUM \$30,200.00
Other: TRIPRA		\$775.00
Total		\$30,975.00

Premium Shown is payable at inception.

LOCATIONS COVERED: As per schedule of locations on file with the Company

FORMS AND ENDORSEMENTS Applying to this Coverage Part and Made Part of this Policy at Time of Issue: See attached Schedule of Forms and Endorsements

ISSUE DATE: November 5, 2019

Surplus Lines Agent Name: AMWINS BROKERAGE OF THE MIDWES
Surplus Lines Agent Address: 10 South LaSalle
Suite 2000
Chicago, IL 60603 US

Surplus Lines Agent License: 100103110
Surplus Lines State Taxes were filed: OK

EXHIBIT

1

Arch Specialty Insurance Company is licensed in the state of Missouri only.

SCHEDULE OF FORMS AND ENDORSEMENTS

NAMED INSURED:	Keshav, LLC dba Home2 Suites	TERM: October 6, 2019 to October 6, 2020
POLICY NUMBER:	ESP7304080-02	

END. NO.	FORM NO.	TITLE
	06 ML0002 00 12 14	SIGNATURE PAGE (ARCH SPECIALTY)
	05 ML0248 37 11 15	POLICYHOLDER NOTICE – OKLAHOMA EARTHQUAKES RESULTING FROM OIL AND GAS ACTIVITIES
1	00 EXP0009 00 11 14	MINIMUM EARNED PREMIUM CLAUSE – PERCENTAGE
	00 EXP0091 00 11 03	COMMON POLICY CONDITIONS
2	00 ML0003 00 04 12	SERVICE OF SUIT
	06 CP0002 00 03 08	CLAIMS HANDLING PROCEDURES (Arch Specialty Ins. Co.)
3	00 EXP0127 00 06 06	EXCLUSION OF TERRORISM INVOLVING NUCLEAR, BIOLOGICAL, OR CHEMICAL TERRORISM
	00 ML0065 00 06 07	U.S. TREASURY DEPARTMENT'S OFFICE OF FOREIGN ASSETS CONTROL ("OFAC")
4	00 EXP0078 00 01 16	OCCURRENCE LIMIT OF LIABILITY ENDORSEMENT
5	00 EXP0003 00 08 14	EXCLUSION AND LIMITED ADDITIONAL COVERAGE FOR FUNGUS
6	00 EXP0004 00 08 15	ELECTRONIC DATA LOSS OR DAMAGE - EXCLUSION
7	00 EXP0189 00 02 15	ASBESTOS MATERIAL REMOVAL LIMITATION
8	00 EXP0192 00 03 15	EXCLUSION OF LOSS DUE TO VIRUS OR BACTERIA
	02 EXPD 00 09 02	COMMERCIAL PROPERTY COVERAGE PART DECLARATIONS
	00 EXP0092 00 04 16	BUILDING AND PERSONAL PROPERTY COVERAGE FORM
	00 EXP0094 00 08 14	BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM
	00 EXP0100 00 08 14	CAUSES OF LOSS - SPECIAL FORM
9	00 EXP0111 00 03 15	WINDSTORM OR HAIL PERCENTAGE DEDUCTIBLE ENDORSEMENT (REPORTED VALUE)
10	00 EXP0081 00 08 14	WARRANTIES
11	00 EXP0084 00 08 14	LOSS PAYABLE PROVISIONS
12	00 EXP0221 00 01 19	COSMETIC LOSS OR DAMAGE TO METAL ROOFS CAUSED BY WIND OR HAIL EXCLUSION
13	00 EXP0185 00 05 17	EXTERIOR INSULATION AND FINISH SYSTEM (EIFS) EXCLUSION
14	00 EXP0207 00 09 16	EQUIPMENT BREAKDOWN COVERAGE
	00 EXP0101 00 08 14	COMMERCIAL PROPERTY CONDITIONS



Signature Page

IN WITNESS WHEREOF, Arch Specialty Insurance Company has caused this policy to be executed and attested.

A handwritten signature in cursive script that reads "John Mentz".

John Mentz
President

A handwritten signature in cursive script that reads "Patrick K. Nails".

Patrick K. Nails
Secretary

POLICYHOLDER NOTICE – OKLAHOMA

EARTHQUAKES RESULTING FROM OIL AND GAS ACTIVITIES

As required by the Oklahoma Insurance Department, we are providing this notice because you have purchased Earthquake coverage under your policy:

Subject to all policy provisions, the coverage provided by this policy IS NOT intended to cover earthquake damage resulting from:

- a. Extracting oil or gas from below the earth's surface by any process, including but not limited to hydraulic fracturing or drilling; or
- b. Injecting or inserting any substance, including but not limited to, water and wastewater, below the earth's surface for any purpose; or
- c. Storage of any substance, including but not limited to, water and wastewater below the earth's surface for any purpose; or
- d. Any combination of a. -- c. above.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MINIMUM EARNED PREMIUM CLAUSE – PERCENTAGE

This endorsement modifies insurance provided under this policy.

It is agreed that in the event of cancellation of this policy by you, a minimum premium of 25% of the original policy premium shall become earned; any conditions of the policy to the contrary notwithstanding.

Your failure to make timely payment of premium shall be considered a request by you for us to cancel. In the event of such cancellation by us for non-payment of premium, the minimum premium shall be due and payable; provided, however, such non-payment cancellation shall be rescinded if you remit the full premium due within ten (10) days of receiving it.

In the event of any other cancellation by us, the earned premium shall be computed pro rata, not subject to the minimum premium.

All other terms and conditions of this policy remain unchanged.

Endorsement Number: 1

Policy Number: ESP7304080-02

Named Insured: Keshav, LLC dba Home2 Suites

This endorsement is effective on the inception date of this Policy unless otherwise stated herein:

Endorsement Effective Date: October 6, 2019

COMMON POLICY CONDITIONS

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

A. Cancellation

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

B. Changes

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

C. Examination Of Your Books And Records

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

D. Inspections And Surveys

1. We have the right to:
 - a. Make inspections and surveys at any time;
 - b. Give you reports on the conditions we find; and
 - c. Recommend changes.
2. We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of

any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:

- a. Are safe or healthful; or
 - b. Comply with laws, regulations, codes or standards.
- 3. Paragraphs 1. and 2. of this condition apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.
 - 4. Paragraph 2. of this condition does not apply to any inspections, surveys, reports or recommendations we may make relative to certification, under state or municipal statutes, ordinances or regulations, of boilers, pressure vessels or elevators.

E. Premiums

The first Named Insured shown in the Declarations:

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

F. Transfer Of Your Rights And Duties Under This Policy

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

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SERVICE OF SUIT

It is agreed that:

1. In the event of the failure of the **Insurer** to pay any amount claimed to be due hereunder, the **Insurer**, at the request of the **Insured**, will submit to the jurisdiction of any court of competent jurisdiction within the United States and will comply with all requirements necessary to give such court jurisdiction. All matters arising under this Policy shall be determined in accordance with the law and practice of such Court, provided that nothing shall prohibit the **Insurer** from removing any action, suit or proceeding to a United States District Court. The **Insurer** shall abide by the final decision of such court or any appellate court in the event of an appeal.
2. Service of process in the above described action, suit or proceeding may be made upon: General Counsel, Arch Specialty Insurance Company, Harborside 3 210 Hudson Street, Suite 300 Jersey City, NJ 07311-1107. Upon the request of the **Insured**, such General Counsel shall give a written undertaking to enter an appearance on behalf of the **Insurer** in the event that such an action, suit or proceeding shall be instituted.
3. Pursuant to any statute of any state, territory or district of the United States which makes provision therefore, the **Insurer** hereby designates the Superintendent, Commissioner, or Director of Insurance or other officer specified in such statute as its true and lawful attorney upon whom may be served any lawful process in any action, suit or proceeding instituted against the **Insurer** upon this Policy. The Superintendent, Commissioner or Director of Insurance or other officer is hereby authorized and directed to accept service of process on behalf of the **Insurer** in any such action, suit or proceeding and to mail a copy of such process to the above mentioned General Counsel.

All other terms and conditions of this policy remain unchanged.

Endorsement Number: 2

Policy Number: ESP7304080-02

Named Insured: Keshav, LLC dba Home2 Suites

This endorsement is effective on the inception date of this Policy unless otherwise stated herein:

Endorsement Effective Date: October 6, 2019

CLAIMS HANDLING PROCEDURES

An important value of your insurance coverage is the ability of the insurance company to respond when you have a claim. Arch Specialty Insurance Company is committed to providing its insureds with effective claim services.

Notices of each incident, claim or suit must be sent immediately to:

Arch Specialty Insurance Company
PROPERTY Claims
1299 Farnam Street, Suite 500
Omaha, NE 68102
P.O. Box 542033
Omaha, NE 68154
Phone: 877 688-ARCH (2724)
Fax: 866 266-3630
Email: Claims@ArchInsurance.com

You will be contacted by a representative of the company's Claim Department. This representative will confirm receipt of the loss notice directly to you, provide a company claim number for all future correspondence, refer to an adjuster if necessary, and discuss further handling of the claim.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**EXCLUSION OF TERRORISM INVOLVING
NUCLEAR, BIOLOGICAL OR CHEMICAL TERRORISM**

This endorsement modifies insurance provided under the Policy.

- A.** The following definition is added and applies under this endorsement whenever the term terrorism, is enclosed in quotation marks:

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

1. that involve the following or preparation for the following:
 - a. use or threat of force or violence; or
 - b. commission or threat of a dangerous act; or
 - c. commission or threat of an act that interferes with or disrupts an electronic, communication, information, or mechanical system; and
2. When:
 - a. the effect is to intimidate or coerce a government or a civilian population or any segment thereof, or to disrupt any segment of the economy; and/or
 - b. it appears that the intent is to intimidate or coerce a government or a civilian population, or to further a philosophical, political, ideological, religious, social or economic objective or to express (or express opposition to) a philosophical, political, ideological, religious, social or economic objective.

- B.** The following exclusion is added:

**EXCLUSION OF TERRORISM INVOLVING NUCLEAR, BIOLOGICAL OR CHEMICAL
TERRORISM**

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

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

5. Pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the "terrorism" was to release such materials.

C. Limitation of Amount of Coverage

If this policy provides coverage that is excess insurance, coverage provided under this endorsement shall apply in excess of the stated attachment point in the policy and proportionally to the loss or damage based on the percentage shown in the Declarations, subject to applicable deductibles. In no event shall this coverage drop down, or apply unless and until loss or damage exceeding such attachment point is sustained, and then only for the proportion of such excess loss attributable to our participation. Should this clause conflict in any way with other drop-down or priority of payment clauses contained in this policy, this clause shall control as pertains to coverage provided by this policy.

D. Application Of Other Exclusions

1. When the EXCLUSION OF TERRORISM INVOLVING NUCLEAR, BIOLOGICAL OR CHEMICAL TERRORISM applies in accordance with the terms of B.1., B.2. or B.3., such exclusion applies without regard to the Nuclear Hazard Exclusion in this Coverage Form, Coverage Part or Policy.
2. The EXCLUSION OF TERRORISM INVOLVING NUCLEAR, BIOLOGICAL OR CHEMICAL TERRORISM contained in this Endorsement replaces any terrorism exclusion contained in this Coverage Form, Coverage Part or Policy.
3. The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for any loss or damage which would otherwise be excluded under this Coverage Form, Coverage Part or Policy, such as losses excluded by the Nuclear Hazard Exclusion, War Exclusion, or the War And Military Action Exclusion.

All other terms and conditions of this Policy remain unchanged.

Endorsement Number: 3

Policy Number: ESP7304080-02

Named Insured: Keshav, LLC dba Home2 Suites

This endorsement is effective on the inception date of this Policy unless otherwise stated herein:

Endorsement Effective Date: October 6, 2019

**U.S. TREASURY DEPARTMENT'S OFFICE OF FOREIGN
ASSETS CONTROL ("OFAC")
ADVISORY NOTICE TO POLICYHOLDERS**

No coverage is provided by this Policyholder Notice nor can it be construed to replace any provisions of your policy. You should read your policy and review your Declarations page for complete information on the coverages you are provided.

This Notice provides information concerning possible impact on your insurance coverage due to directives issued by OFAC. **Please read this Notice carefully.**

The Office of Foreign Assets Control (OFAC) administers and enforces sanctions policy, based on Presidential declarations of "national emergency". OFAC has identified and listed numerous:

- Foreign agents;
- Front organizations;
- Terrorists;
- Terrorist organizations; and
- Narcotics traffickers;

as "Specially Designated Nationals and Blocked Persons". This list can be located on the United States Treasury's web site – <http://www.treas.gov/ofac>.

In accordance with OFAC regulations, if it is determined that you or any other insured, or any person or entity claiming the benefits of this insurance has violated U.S. sanctions law or is a Specially Designated National and Blocked Person, as identified by OFAC, this insurance will be considered a blocked or frozen contract and all provisions of this insurance are immediately subject to OFAC. When an insurance policy is considered to be such a blocked or frozen contract, no payments nor premium refunds may be made without authorization from OFAC. Other limitations on the premiums and payments also apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

OCCURRENCE LIMIT OF LIABILITY ENDORSEMENT

This endorsement modifies insurance provided under this policy.

It is agreed that the following special terms and conditions apply to this policy:

1. The DEFINITIONS Section of the policy and any forms or endorsements attached thereto are amended by the addition of the following Definition:

"Occurrence" shall mean any one loss, disaster, casualty or series of losses, disasters or casualties, arising out of one event. The duration and extent of any one loss, disaster, casualty or series of losses, disasters or casualties will be limited to all losses or series of losses occurring during any period of 168 consecutive hours arising out of, and directly occasioned by, the same event.

When the term applies to loss or series of losses from the perils of tornado, cyclone, hurricane, windstorm, hail, flood, earthquake, volcanic eruption, riot, riot attending a strike, civil commotion, and vandalism and malicious mischief, one event shall be construed to be all losses arising during a continuous period of 72 hours. When filing proof of loss, you may elect the moment at which the 72 hour period shall be deemed to have commenced, which shall not be earlier than when the first loss occurs to any Covered Property.

2. The premium for this policy is based upon the Statement of Values on file with us, or attached to this policy. In the event of loss hereunder, our liability, subject to the terms of paragraph 3. below, shall be limited to the least of the following:
 - a. The actual adjusted amount of loss, less applicable deductible(s).
 - b. 100% of the individually stated value for each scheduled item of interest insured, as shown on the latest Statement of Values on file with us, or attached to this policy, after applying the deductible(s).
 - c. The Limit of Liability or Amount of Insurance shown on the Declarations Page or endorsed onto this policy.
3. The Limit of Liability or Amount of Insurance shown on the Declarations Page of this policy, or endorsed onto this policy, is the total limit of our liability applicable to each "occurrence". Notwithstanding any other terms and conditions of this policy, in no event shall our liability exceed this limit or amount, irrespective of the number of locations involved.

All other terms and conditions of this Policy remain unchanged.

Endorsement Number: 4

Policy Number: ESP7304080-02

Named Insured: Keshav, LLC dba Home2 Suites

This endorsement is effective on the inception date of this Policy unless otherwise stated herein:

Endorsement Effective Date: October 6, 2019

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION AND LIMITED ADDITIONAL COVERAGE FOR FUNGUS

This endorsement modifies insurance provided under this policy.

- A.** The following item is added to **EXCLUSIONS**, section **B**. With respect to the loss or damage addressed therein, this exclusion supersedes any other exclusion which addresses fungus.

EXCLUSION – “Fungus”, Wet Rot, Dry Rot And Bacteria

We will not pay for loss or damage caused directly or indirectly by the presence, growth, proliferation, spread or any activity of “fungus”, wet or dry rot or bacteria. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

But if “fungus”, wet or dry rot or bacteria results in:

1. A “specified cause of loss”, we will pay for the loss or damage caused by that “specified cause of loss”, if the Causes of Loss – Special Form applies; or
2. A “covered cause of loss”, we will pay for the loss or damage caused by that “covered cause of loss”, if the Causes of Loss – Basic Form and Causes of Loss – Broad Form applies.

This exclusion does not apply:

1. When “fungus”, wet or dry rot or bacteria results from fire or lightning; or
2. To the extent that coverage is provided in the Additional Coverage – Limited Coverage For “Fungus”, Wet Rot, Dry Rot And Bacteria with respect to loss or damage by a cause of loss other than fire or lightning.

- B.** The following exclusion replaces any exclusion pertaining to continuous or repeated seepage or leakage of water; and supersedes any other exclusion, preclusion of coverage or exception to an exclusion pertaining to leakage or discharge of water or steam from a system or appliance.

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

- C.** The following item is added to **ADDITIONAL COVERAGES**:

ADDITIONAL COVERAGE – Limited Coverage For “Fungus”, Wet Rot, Dry Rot And Bacteria

1. This limited coverage applies only when the “fungus”, wet or dry rot or bacteria are the result of one or more of the following causes that occur during the policy period and only if all reasonable means were used to save and preserve the property from further damage at the time of and after that “occurrence”, and only if any loss resulting from the following is reported to us within 60 days of the “occurrence”:
 - a. A “specified cause of loss” other than fire or lightning; or
 - b. Flood, if the Flood Coverage Endorsement applies to the affected premises.

This Additional Coverage does not apply to lawns, trees, shrubs or plants which are a part of a vegetated roof.

2. Under conditions described in item **A.1.** above, we will pay for loss or damage by "fungus", wet or dry rot or bacteria. As used in this Limited Coverage, the term loss or damage means:
- Direct physical loss or damage to Covered Property caused by "fungus", wet or dry rot or bacteria, including the cost of removal of the "fungus", wet or dry rot or bacteria;
 - The cost to tear out and replace any part of the building or other property as needed to gain access to the "fungus", wet or dry rot or bacteria; and
 - The cost of testing performed after removal, repair, replacement or restoration of the damaged property is completed, provided there is a reason to believe that "fungus", wet or dry rot or bacteria are present.
3. The coverage provided under this Limited Coverage is limited to \$15,000. Regardless of the number of claims, this limit is the most we will pay for the total of all loss or damage arising out of all "occurrences" which take place in a 12-month period (starting with the beginning of the present annual policy period). With respect to a particular "occurrence" of loss which results in "fungus", wet or dry rot or bacteria, we will not pay more than a total of \$15,000 even if the "fungus", wet or dry rot or bacteria continue to be present or active, or recur, in a later policy period.
4. The coverage provided under this Limited Coverage is a sub-limit and does not increase the applicable Limit of Insurance on any Covered Property. If a particular "occurrence" results in loss or damage by "fungus", wet or dry rot or bacteria, and other loss or damage, we will not pay more, for the total of all loss or damage, than the applicable Limit of Insurance on the affected Covered Property.
- If there is covered loss or damage to Covered Property, not caused by "fungus", wet or dry rot or bacteria, loss payment will not be limited by the terms of this Limited Coverage, except to the extent that "fungus", wet or dry rot or bacteria causes an increase in the loss. Any such increase in the loss will be subject to the terms of this Limited Coverage.
5. The terms of this Limited Coverage do not increase or reduce the coverage provided under paragraph **F.2.** (Water Damage, Other Liquids, Powder Or Molten Material Damage) of this Causes of Loss form or under the Additional Coverage – Collapse.
6. The following **6.a.** or **6.b.** applies only if Business Income and/or Extra Expense coverage applies to the described premises and only if the "suspension" of "operations" satisfies all terms and conditions of the applicable Business Income and/or Extra Expense Coverage form.
- If the loss which resulted in "fungus" wet or dry rot or bacteria does not in itself necessitate a "suspension" of "operations", but such "suspension" is necessary due to loss or damage to property caused by "fungus", wet or dry rot or bacteria, then our payment under Business Income and/or Extra Expense is limited to the amount of loss and/or expense sustained in a period of not more than 30 days. The days need not be consecutive.
 - If a covered "suspension" of "operations" was caused by loss or damage other than "fungus", wet or dry rot or bacteria but remediation of "fungus", wet or dry rot or bacteria prolongs the "period of restoration", we will pay for loss and/or expense sustained during the delay (regardless of when such a delay occurs during the "period of restoration"), but such coverage is limited to 30 days. The days need not be consecutive.

D. The following item is added to **DEFINITIONS**:

"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.

E. Item **d.2.** under section **2.** of the **EXCLUSIONS** is amended to read:

"Rust, corrosion, decay, deterioration, hidden or latent defect or quality in property that causes it to damage or destroy itself".

All other terms and conditions of this Policy remain unchanged.

Endorsement Number: 5

Policy Number: ESP7304080-02

Named Insured: Keshav, LLC dba Home2 Suites

This endorsement is effective on the inception date of this Policy unless otherwise stated herein:

Endorsement Effective Date: October 6, 2019

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ELECTRONIC DATA LOSS OR DAMAGE - EXCLUSION

This endorsement modifies insurance provided under this policy.

A. It is agreed that the following definitions apply:

"Electronic Data" means facts, concepts and information converted to a form useable for communications, interpretation or processing by electronic and electromechanical data processing or electronically controlled equipment and includes programs, software and other coded instructions for the processing and manipulation of data or the direction and manipulation of such equipment.

"Computer Virus" means a set of corrupting, harmful or otherwise unauthorized instructions or code including a set of maliciously introduced unauthorized instructions or code, programmatic or otherwise, that propagate themselves through a computer system or network of whatsoever nature". "Computer Virus" includes but is not limited to 'trojan horses', 'worms' and 'time or logic bombs'.

B. Except as provided in the Additional Coverage – Electronic Data, if any, the following exclusion applies:

Damage to Electronic Data

We will not pay for loss, destruction, distortion, erasure, corruption, deletion, manipulation or alteration of or damage to "Electronic Data" including loss of use, reduction in functionality, or any cost or expense to replace or restore such "Electronic Data" from any cause whatsoever (including, but not limited to, "Computer Virus" or a willful or malicious act).

This exclusion applies regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

However, this exclusion does not apply to loss, destruction, distortion, erasure, corruption, deletion, manipulation or alteration of or damage to "Electronic Data" arising from the following specified causes of loss, if these causes of loss are not otherwise excluded: fire, lightning, explosion, windstorm or hail, strike, riot or civil commotion, leakage from fire extinguishing equipment, impact or collapse. However, this exception does not apply to fire or explosion resulting from risks excluded under any terrorism exclusion.

C. Except as provided in the Additional Coverage – Interruption Of Computer Operations, if any, the following is added to the Business Income and/or Extra Expense Coverage, as applicable:

Additional Limitation – Interruption Of Computer Operations

We will not pay for:

1. Business Income loss incurred when a "suspension" of "operations" is caused by loss, destruction, distortion, erasure, corruption, deletion, manipulation or alteration of or damage to "Electronic Data" from any cause whatsoever (including, but not limited to, "Computer Virus" or a willful or malicious act).
2. Extra Expense loss incurred when action is taken to avoid or minimize a "suspension" of "operations" caused by loss, destruction, distortion, erasure, corruption, deletion, manipulation

or alteration of or damage to "Electronic Data" from any cause whatsoever (including, but not limited to, "Computer Virus" or a willful or malicious act).

This limitation applies regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

However, this limitation will not apply to loss, destruction, distortion, erasure, corruption, deletion, manipulation or alteration of or damage to "Electronic Data" arising from the following specified causes of loss, if these causes of loss are not otherwise excluded: fire, lightning, explosion, windstorm or hail, strike, riot or civil commotion, leakage from fire extinguishing equipment, impact or collapse. However, this exception does not apply to fire or explosion resulting from risks excluded under any terrorism exclusion.

All other terms and conditions of this policy remain unchanged.

Endorsement Number: 6

Policy Number: ESP7304080-02

Named Insured: Keshav, LLC dba Home2 Suites

This endorsement is effective on the inception date of this Policy unless otherwise stated herein:

Endorsement Effective Date: October 6, 2019

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ASBESTOS MATERIAL REMOVAL LIMITATION

This endorsement modifies insurance provided under this policy.

It is agreed that:

ASBESTOS MATERIAL REMOVAL LIMITATION

This policy excludes any loss, damage or expense to remove or replace asbestos materials unless such materials are themselves damaged by a Covered Cause of Loss.

Notwithstanding that competent Government Authority may declare all or parts of the insured premises unfit for occupancy without removal or modifications to asbestos materials, our liability is limited to the proportion represented by the cost to repair the damaged part of the premises, not the entire property.

Similarly, if the policy provides any coverage for business income, extra expense, loss of rents or rental value or other loss of use or occupancy, such coverage shall be limited to the time necessary to repair or replace only the damaged portion(s) of the premises.

Nothing in this Endorsement shall override any radioactive contamination exclusion clause in the Policy to which this Endorsement is attached.

All other terms and conditions of this policy remain unchanged.

Endorsement Number: 7

Policy Number: ESP7304080-02

Named Insured: Keshav, LLC dba Home2 Suites

This endorsement is effective on the inception date of this Policy unless otherwise stated herein:

Endorsement Effective Date: October 6, 2019

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF LOSS DUE TO VIRUS OR BACTERIA

This endorsement modifies insurance provided under this policy.

It is agreed that:

EXCLUSION OF LOSS DUE TO VIRUS OR BACTERIA

1. The exclusion set forth in Paragraph 2. applies to all coverages under all forms and endorsements that comprise this policy, including but not limited to forms or endorsements that cover property damage to buildings or personal property and forms or endorsements that cover business income, extra expense or action of civil authority.
2. We will not pay for loss or damage caused by or resulting from any virus, bacterium or other micro-organism that induces or is capable of inducing physical distress, illness or disease. However, this exclusion does not apply to loss or damage caused by or resulting from "fungus", wet rot or dry rot. Such loss or damage is addressed in a separate exclusion in this policy.
3. With respect to any loss or damage subject to the exclusion in Paragraph 2., such exclusion supersedes any exclusion relating to "pollutants".
4. The following provisions in this policy are hereby amended to remove reference to bacteria:
 - (a) EXCLUSION – "Fungus", Wet Rot, Dry Rot And Bacteria;
 - (b) ADDITIONAL COVERAGE – Limited Coverage For "Fungus", Wet Rot, Dry Rot And Bacteria, Including any endorsement increasing the scope or amount of coverage.

The terms of the exclusion in Paragraph 2., or the inapplicability of this exclusion to a particular loss, do not serve to create coverage for any loss that would otherwise be excluded under this policy.

All other terms and conditions of this Policy remain unchanged.

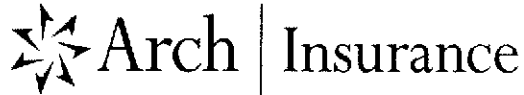
Endorsement Number: 8

Policy Number: ESP7304080-02

Named Insured: Keshav, LLC dba Home2 Suites

This endorsement is effective on the inception date of this Policy unless otherwise stated herein:

Endorsement Effective Date: October 6, 2019



ARCH SPECIALTY INSURANCE COMPANY
(A Missouri Corporation)

Home Office Address:
2345 Grand Blvd.
Suite 900
Kansas City, Missouri 64108

Administrative Address:
Harborside 3
210 Hudson Street, Suite 300
Jersey City, NJ 07311-1107
Tel: (866) 413-5550

Commercial Property Coverage Part Declarations

Policy Number	ESP7304080-02
Renewal of	ESP7304080-01
Named Insured	Keshav, LLC dba Home2 Suites
Effective Date	October 6, 2019

Description of Premises	
Premises Number	All
Building Number	All
Location, Construction, and Occupancy	As per schedule of locations on file with the company
Coverage Provided – Insurance at the described premises applies only for coverages for which a limit of Insurance is shown	
Premises Number	All
Building Number	All
Coverage	Real Property Business Personal Property Business Income Include Extra Expense
Limit of Insurance	\$8,640,000 Per Occurrence
Coverage Cause of Loss	CAUSES OF LOSS - SPECIAL FORM
Coinurance (If extra expense coverage, limits on loss payment)	80% as respects Real and/or Personal Property 1/4 Monthly Limitation as respects Time Element
Optional Coverages – applicable only when entries are made in the schedule below	
Premises Number	All
Building Number	All
Agreed Value	Expiration Date Coverage Amount
Replacement Cost	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No as respect to Real and Business Personal Property
Actual Cash Value	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Functional Replacement Cost	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Indemnity – Applies to	Monthly Limit 1/4

Business Income Only	Maximum Period Extended Period
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Coverage	
Deductible	\$10,000 Per Occurrence All Other Perils Refer to WINDSTORM OR HAIL PERCENTAGE DEDUCTIBLE ENDORSEMENT (REPORTED VALUE) Refer to EQUIPMENT BREAKDOWN COVERAGE
Total Premium	Included
Form(s)/Endorsement(s)	
Applicable To All Coverages	See Schedule of Forms and Endorsements Form 00 ML0012 00 01 03

These Declarations, when combined with the common policy declarations, the common policy conditions, coverage form(s) and endorsements, if any, issued to form a part thereof, complete the contract of insurance.

BUILDING AND PERSONAL PROPERTY COVERAGE FORM

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

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

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

A. Coverage

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

1. Covered Property

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

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

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

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

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

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

c. **Personal Property Of Others** that is:

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

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

2. **Property Not Covered**

Covered Property does not include:

- a. Accounts, bills, currency, food stamps or other evidences of debt, money, notes or securities. Lottery tickets held for sale are not securities;
- b. Animals, unless owned by others and boarded by you, or if owned by you, only as "stock" while inside of buildings;
- c. Automobiles held for sale;
- d. Bridges, roadways, walks, patios or other paved surfaces;
- e. Contraband, or property in the course of illegal transportation or trade;

- f. The cost of excavations, grading, backfilling or filling;
- g. Foundations of buildings, structures, machinery or boilers if their foundations are below:
 - (1) The lowest basement floor; or
 - (2) The surface of the ground, if there is no basement;
- h. Land (including land on which the property is located), water, growing crops or lawns;
- i. Personal property while airborne or waterborne;
- j. Bulkheads, pilings, piers, wharves or docks;
- k. Property that is covered under another coverage form of this or any other policy in which it is more specifically described, except for the excess of the amount due (whether you can collect on it or not) from that other insurance;
- l. Retaining walls that are not part of a building;
- m. Underground pipes, flues or drains;
- n. Electronic data, except as provided under Additional Coverages – Electronic Data. Electronic data means facts, concepts and information converted to a form useable for communications, interpretation or processing by electronic or electromechanical data processing or electronically controlled equipment and includes programs, software, and other coded instructions for the processing and manipulation of data or the direction and manipulation of such equipment. This Paragraph n., does not apply to your “stock” of prepackaged software, or to electronic data which is integrated in and operates or controls the building’s elevator, lighting, heating, ventilation, air conditioning or security system.
- o. The cost to replace or restore the information on valuable papers and records, including those which exist as electronic data. Valuable papers and records include but are not limited to proprietary information, books of account, deeds, manuscripts, abstracts, drawings and card index systems. Refer to the Coverage Extension for Valuable Papers And Records (Other Than Electronic Data) for limited coverage for valuable papers and records other than those which exist as electronic data.
- p. Vehicles or self-propelled machines (including aircraft or watercraft) that:
 - (1) Are licensed for use on public roads; or
 - (2) Are operated principally away from the described premises.

This paragraph does not apply to:

- (a) Vehicles or self-propelled machines or autos you manufacture, process or warehouse;
- (b) Vehicles or self-propelled machines, other than autos, you hold for sale;
- (c) Rowboats or canoes out of water at the described premises; or

- (d) Trailers, but only to the extent provided for in the Coverage Extension for Non-Owned Detached Trailers.

q. The following property while outside of buildings:

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

3. Covered Causes Of Loss

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

4. Additional Coverages

a. Debris Removal

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

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

(5) Examples

The following examples assume that there is no coinsurance penalty.

Example #1

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

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

Example #2

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

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

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

b. Preservation Of Property

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

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

c. Fire Department Service Charge

When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay up to \$1,000. Such limit is the most we will pay regardless of the number of responding fire departments or fire units, and regardless of the number or type of services performed.

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

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

No Deductible applies to this Additional Coverage.

d. Pollutant Clean Up And Removal

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

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

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

e. Increased Cost Of Construction

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

- (b) If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay for the Increased Cost of Construction, subject to the provisions of **e.(6)** of this Additional Coverage, is the increased cost of construction at the same premises.
- (c) If the ordinance or law requires relocation to another premises, the most we will pay for the Increased Cost of Construction, subject to the provisions of **e.(6)** of this Additional Coverage, is the increased cost of construction at the new premises.
- (8) This Additional Coverage is not subject to the terms of the Ordinance Or Law Exclusion, to the extent that such Exclusion would conflict with the provisions of this Additional Coverage.
- (9) The costs addressed in the Loss Payment and Valuation Conditions, and the Replacement Cost Optional Coverage, in this Coverage Form, do not include the increased cost attributable to enforcement of an ordinance or law. The amount payable under this Additional Coverage, as stated in **e.(6)** of this Additional Coverage, is not subject to such limitation.

f. Electronic Data

- (1) Under this Additional Coverage, electronic data has the meaning described under Property Not Covered – Electronic Data. This Additional Coverage does not apply to your "stock" of prepackaged software, or to electronic data which is integrated in and operates or controls the building's elevator, lighting, heating, ventilation, air conditioning or security system.
- (2) Subject to the provisions of this Additional Coverage, we will pay for the cost to replace or restore electronic data which has been destroyed or corrupted by a Covered Cause of Loss. To the extent that electronic data is not replaced or restored, the loss will be valued at the cost of replacement of the media on which the electronic data was stored, with blank media of substantially identical type.
- (3) The Covered Causes of Loss applicable to Your Business Personal Property apply to this Additional Coverage – Electronic Data, subject to the following:
 - (a) If the Causes Of Loss – Special Form applies, coverage under this Additional Coverage – Electronic Data is limited to the "specified causes of loss" as defined in that form, and Collapse as set forth in that form.
 - (b) If the Causes Of Loss – Broad Form applies, coverage under this Additional Coverage – Electronic Data includes Collapse as set forth in that form.
 - (c) If the Causes Of Loss Form is endorsed to add a Covered Cause of Loss, the additional Covered Cause of Loss does not apply to the coverage provided under this Additional Coverage – Electronic Data.
 - (d) Regardless of the Causes of Loss Form applicable, we will not pay for loss or damage caused by or resulting from a virus, harmful code or similar instruction, whether from an internal or external source, introduced into or enacted on a computer system (including electronic

data) or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation. There also is no coverage for loss or damage caused by or resulting from manipulation of a computer system (including electronic data) by any employee, including a temporary or leased employee, or by an entity retained by you or for you to inspect, design, install, modify, maintain, repair or replace that system.

- (4) The most we will pay under this Additional Coverage – Electronic Data is \$2,500 for all loss or damage sustained in any one policy year, regardless of the number of “occurrences” of loss or damage or the number of premises, locations or computer systems involved. If loss payment on the first “occurrence” does not exhaust this amount, then the balance is available for subsequent loss or damage sustained in but not after that policy year. With respect to an “occurrence” which begins in one policy year and continues or results in additional loss or damage in a subsequent policy year(s), all loss or damage is deemed to be sustained in the policy year in which the “occurrence” began.

5. Coverage Extensions

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

Each of the following Coverage Extensions is additional insurance. The Additional Condition, Coinsurance, does not apply to these Extensions.

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

a. Newly Acquired Or Constructed Property

(1) Buildings

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

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

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

(2) Your Business Personal Property

- (a) If this policy covers Your Business Personal Property, you may extend that insurance to apply to:

- (i) Business personal property, including such property that you newly acquire, at any location you acquire other than at fairs, trade shows or exhibitions;
- (ii) Business personal property, including such property that you newly acquire, located at your newly constructed or acquired buildings at the location described in the Declarations; or
- (iii) Business personal property that you newly acquire, located at the described premises.

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

(b) This Extension does not apply to:

- (i) Personal property of others that is temporarily in your possession in the course of installing or performing work on such property; or
- (ii) Personal property of others that is temporarily in your possession in the course of your manufacturing or wholesaling activities.

(3) Period Of Coverage

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

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

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

b. Personal Effects And Property Of Others

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

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

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

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

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

d. Property Off-Premises

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

e. Outdoor Property

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

- (1) Fire;
- (2) Lightning;

- (3) Explosion;
- (4) Riot or Civil Commotion; or
- (5) Aircraft.

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

f. Non-Owned Detached Trailers

- (1) You may extend the insurance that applies to Your Business Personal Property to apply to loss or damage to trailers that you do not own, provided that:
 - (a) The trailer is used in your business;
 - (b) The trailer is in your care, custody or control at the premises described in the Declarations; and
 - (c) You have a contractual responsibility to pay for loss or damage to the trailer.
- (2) We will not pay for any loss or damage that occurs:
 - (a) While the trailer is attached to any motor vehicle or motorized conveyance, whether or not the motor vehicle or motorized conveyance is in motion;
 - (b) During hitching or unhitching operations, or when a trailer becomes accidentally unhitched from a motor vehicle or motorized conveyance.
- (3) The most we will pay for loss or damage under this Extension is \$5,000, unless a higher limit is shown in the Declarations.
- (4) This insurance is excess over the amount due (whether you can collect on it or not) from any other insurance covering such property.

B. Exclusions And Limitations

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

C. Limits Of Insurance

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

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

The limits applicable to the following Additional Coverages apply in accordance with the terms of such coverage and are in addition to the Limits of Insurance shown in the Declarations for any other coverage:

1. Fire Department Service Charge;
2. Pollutant Clean Up and Removal;
3. Increased Cost of Construction; and
4. Electronic Data.

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

D. Deductible

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

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

Example No. 1:

(This example assumes there is no coinsurance penalty.)

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

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

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

\$ 60,100	
– 250	
<u>\$ 59,850</u>	Loss Payable – Bldg. 1

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

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

Example No. 2:

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

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

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

E. Loss Conditions

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

1. Abandonment

There can be no abandonment of any property to us.

2. Appraisal

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

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

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

3. Duties In The Event Of Loss Or Damage

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

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

(5) At our request, give us complete inventories of the damaged and undamaged property. Include quantities, costs, values and amount of loss claimed.

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

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

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

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

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

4. Loss Payment

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

(1) Pay the value of lost or damaged property;

(2) Pay the cost of repairing or replacing the lost or damaged property, subject to **b.** below;

(3) Take all or any part of the property at an agreed or appraised value; or

(4) Repair, rebuild or replace the property with other property of like kind and quality, subject to **b.** below.

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

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

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

- d. We will not pay you more than your financial interest in the Covered Property.
- e. We may adjust losses with the owners of lost or damaged property if other than you. If we pay the owners, such payments will satisfy your claims against us for the owners' property. We will not pay the owners more than their financial interest in the Covered Property.
- f. We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.
- g. We will pay for covered loss or damage within 30 days after we receive the sworn proof of loss, if you have complied with all of the terms of this Coverage Part and:
 - (1) We have reached agreement with you on the amount of loss; or
 - (2) An appraisal award has been made.
- h. A party wall is a wall that separates and is common to adjoining buildings that are owned by different parties. In settling covered losses involving a party wall, we will pay a proportion of the loss to the party wall based on your interest in the wall in proportion to the interest of the owner of the adjoining building. However, if you elect to repair or replace your building and the owner of the adjoining building elects not to repair or replace that building, we will pay you the full value of the loss to the party wall, subject to all applicable policy provisions including Limits of Insurance, the Valuation and Coinsurance Conditions and all other provisions of this Loss Payment Condition. Our payment under the provisions of this paragraph does not alter any right of subrogation we may have against any entity, including the owner or insurer of the adjoining building, and does not alter the terms of the Transfer Of Rights Of Recovery Against Others To Us Condition in this policy.

5. Recovered Property

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

6. Vacancy

a. Description Of Terms

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

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

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

b. Vacancy Provisions

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

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

(a) Vandalism;

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

(c) Building glass breakage;

(d) Water damage;

(e) Theft; or

(f) Attempted theft.

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

7. Valuation

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

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

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

The cost of building repairs or replacement does not include the increased cost attributable to enforcement of or compliance with any ordinance or law regulating the construction, use or repair of any property. However, the following property will be valued at the actual cash value even when attached to the building:

(1) Awnings or floor coverings;

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

(3) Outdoor equipment or furniture.

c. "Stock" you have sold but not delivered at the selling price less discounts and expenses you otherwise would have had.

d. Glass at the cost of replacement with safety glazing material if required by law.

e. Tenant's Improvements and Betterments at:

- (1) Actual cash value of the lost or damaged property if you make repairs promptly.
- (2) A proportion of your original cost if you do not make repairs promptly. We will determine the proportionate value as follows:
 - (a) Multiply the original cost by the number of days from the loss or damage to the expiration of the lease; and
 - (b) Divide the amount determined in (a) above by the number of days from the installation of improvements to the expiration of the lease.

If your lease contains a renewal option, the expiration of the renewal option period will replace the expiration of the lease in this procedure.

- (3) Nothing if others pay for repairs or replacement.

F. Additional Conditions

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

1. Coinsurance

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

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

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

- (1) Multiply the value of Covered Property at the time of loss by the Coinsurance percentage;
- (2) Divide the Limit of Insurance of the property by the figure determined in Step (1);
- (3) Multiply the total amount of loss, before the application of any deductible, by the figure determined in Step (2); and
- (4) Subtract the deductible from the figure determined in Step (3).

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

Example No. 1 (Underinsurance):

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

The Deductible is	\$250
The amount of loss is	\$40,000

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

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

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

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

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

Example No. 2 (Adequate Insurance):

When:	The value of the property is	\$250,000
	The Coinsurance percentage for it is	80%
	The Limit of Insurance for it is	\$200,000
	The Deductible is	\$250
	The amount of loss is	\$40,000

The minimum amount of insurance to meet your Coinsurance requirement is \$200,000 ($\$250,000 \times 80\%$). Therefore, the Limit of Insurance in this Example is adequate and no penalty applies. We will pay no more than \$39,750 (\$40,000 amount of loss minus the deductible of \$250).

- b. If one Limit of Insurance applies to two or more separate items, this condition will apply to the total of all property to which the limit applies.

Example No. 3:

When:	The value of property is:	
	Bldg. at Location No. 1	\$75,000
	Bldg. at Location No. 2	\$100,000
	Personal Property at Location No. 2	\$75,000
		<hr/>
		\$250,000
	The Coinsurance percentage for it is	90%
	The Limit of Insurance for Buildings and Personal Property at Location Nos. 1 and 2 is	\$180,000
	The Deductible is	\$1,000
	The amount of loss is:	
	Bldg. at Location No. 2	\$30,000
	Personal Property at Location No. 2.	\$20,000
		<hr/>
		\$50,000

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

penalty shown below)

Step (2): $\$180,000 \div \$225,000 = .80$

Step (3): $\$50,000 \times .80 = \$40,000$

Step (4): $\$40,000 - \$1,000 = \$39,000$

We will pay no more than \$39,000. The remaining \$11,000 is not covered.

2. Mortgageholders

- a. The term mortgageholder includes trustee.
- b. We will pay for covered loss of or damage to buildings or structures to each mortgageholder shown in the Declarations in their order of precedence, as interests may appear.
- c. The mortgageholder has the right to receive loss payment even if the mortgageholder has started foreclosure or similar action on the building or structure.
- d. If we deny your claim because of your acts or because you have failed to comply with the terms of this Coverage Part, the mortgageholder will still have the right to receive loss payment if the mortgageholder:

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

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

- e. If we pay the mortgageholder for any loss or damage and deny payment to you because of your acts or because you have failed to comply with the terms of this Coverage Part:

- (1) The mortgageholder's rights under the mortgage will be transferred to us to the extent of the amount we pay; and
- (2) The mortgageholder's right to recover the full amount of the mortgageholder's claim will not be impaired.

At our option, we may pay to the mortgageholder the whole principal on the mortgage plus any accrued interest. In this event, your mortgage and note will be transferred to us and you will pay your remaining mortgage debt to us.

- f. If we cancel this policy, we will give written notice to the mortgageholder at least:
 - (1) 10 days before the effective date of cancellation if we cancel for your nonpayment of premium; or

- (2) 30 days before the effective date of cancellation if we cancel for any other reason.

- g. If we elect not to renew this policy, we will give written notice to the mortgageholder at least 10 days before the expiration date of this policy.

G. Optional Coverages

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

1. Agreed Value

- a. The Additional Condition, Coinsurance, does not apply to Covered Property to which this Optional Coverage applies. We will pay no more for loss of or damage to that property than the proportion that the Limit of Insurance under this Coverage Part for the property bears to the Agreed Value shown for it in the Declarations.
- b. If the expiration date for this Optional Coverage shown in the Declarations is not extended, the Additional Condition, Coinsurance, is reinstated and this Optional Coverage expires.
- c. The terms of this Optional Coverage apply only to loss or damage that occurs:
 - (1) On or after the effective date of this Optional Coverage; and
 - (2) Before the Agreed Value expiration date shown in the Declarations or the policy expiration date, whichever occurs first.

2. Inflation Guard

- a. The Limit of Insurance for property to which this Optional Coverage applied will automatically increase by the annual percentage shown in the Declarations.
- b. The amount of increase will be:
 - (1) The Limit of Insurance that applied on the most recent of the policy inception date, the policy anniversary date, or any other policy change amending the Limit of Insurance, times
 - (2) The percentage of annual increase shown in the Declarations, expressed as a decimal (example: 8% is .08), times
 - (3) The number of days since the beginning of the current policy year or the effective date of the most recent policy change amending the Limit of Insurance, divided by 365.

Example:

If:	The applicable Limit of Insurance is	\$100,000
	The annual percentage increase is	8%
	The number of days since the beginning of the policy year (or last policy change) is	146

The amount of increase is
\$100,000 x .08 x 146

÷ 365 =

\$3,200

3. Replacement Cost

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

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

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

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

- (3) If the conditions in d.(1) and d.(2) above are not met, the value of tenants' improvements and betterments will be determined as a proportion of your original cost, as set forth in the Valuation Condition of this Coverage Form; and
- (4) We will not pay for loss or damage to tenants' improvements and betterments if others pay for repairs or replacement.
- e. We will not pay more for loss or damage on a replacement cost basis than the least of (1), (2) or (3), subject to f. below:
 - (1) The Limit of Insurance applicable to the lost or damaged property;
 - (2) The cost to replace the lost or damaged property with other property:
 - (a) Of comparable material and quality; and

(b) Used for the same purpose; or

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

If a building is rebuilt at a new premises, the cost described in e.(2) above is limited to the cost which would have been incurred if the building had been rebuilt at the original premises.

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

4. Extension Of Replacement Cost To Personal Property Of Others

a. If the Replacement Cost Optional Coverage is shown as applicable in the Declarations, then this Extension may also be shown as applicable. If the Declarations show this Extension as applicable, then Paragraph 3.b.(1) of the Replacement Cost Optional Coverage is deleted and all other provisions of the Replacement Cost Optional Coverage apply to replacement cost on personal property of others.

b. With respect to replacement cost on the personal property of others, the following limitation applies:

If an item(s) of personal property of others is subject to a written contract which governs your liability for loss or damage to that item(s), then valuation of that item(s) will be based on the amount for which you are liable under such contract, but not to exceed the lesser of the replacement cost of the property or the applicable Limit of Insurance.

H. Definitions

1. **"Fungus"** means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.
2. **"Pollutants"** means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
3. **"Stock"** means merchandise held in storage or for sale, raw materials and in-process or finished goods, including supplies used in their packing or shipping.

BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM

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

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

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

A. Coverage

1. Business Income

Business Income means the:

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

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

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

- (1)** Business Income including "Rental Value".
- (2)** Business Income other than "Rental Value".
- (3)** "Rental Value".

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

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

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

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

- a.** The portion of the building which you rent, lease or occupy;

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

2. Extra Expense

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

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

- (1) Avoid or minimize the "suspension" of business and to continue "operations" at the described premises or at replacement premises or temporary locations, including relocation expenses and costs to equip and operate the replacement location or temporary location.
- (2) Minimize the "suspension" of business if you cannot continue "operations".

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

3. Covered Causes Of Loss, Exclusions And Limitations

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

4. Additional Limitation – Interruption Of Computer Operations

- a. Coverage for Business Income does not apply when a "suspension" of "operations" is caused by destruction or corruption of electronic data, or any loss or damage to electronic data, except as provided under the Additional Coverage – Interruption Of Computer Operations.
- b. Coverage for Extra Expense does not apply when action is taken to avoid or minimize a "suspension" of "operations" caused by destruction or corruption of electronic data, or any loss or damage to electronic data, except as provided under the Additional Coverage – Interruption Of Computer Operations.
- c. Electronic data means facts, concepts and information converted to a form useable for communications, interpretation or processing by electronic or electromechanical data processing or electronically controlled equipment and includes programs, software, and other coded instructions for the processing and manipulation of data or the direction and manipulation of such equipment.

5. Additional Coverages

- a. **Civil Authority**

We will pay for the actual loss of Business Income you sustain and necessary Extra Expense caused by action of civil authority that prohibits access to the described premises provided that both of the following apply:

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

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

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

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

whichever is later.

b. Alterations And New Buildings

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

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

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

c. Extended Business Income

(1) Business Income Other Than "Rental Value"

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

(a) Begins on the date property (except "finished stock") is actually repaired, rebuilt or replaced and "operations" are resumed; and

(b) Ends on the earlier of:

(i) The date you could restore your "operations", with reasonable speed, to the level which would generate the business income amount that would have existed if no direct physical loss or damage had occurred; or

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

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

Loss of Business Income must be caused by direct physical loss or damage at the described premises caused by or resulting from any Covered Cause of Loss.

(2) "Rental Value"

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

(a) Begins on the date property is actually repaired, rebuilt or replaced and tenantability is restored; and

(b) Ends on the earlier of:

(i) The date you could restore tenant occupancy, with reasonable speed, to the level which would generate the "Rental Value" that would have existed if no direct physical loss or damage had occurred; or

(ii) 30 consecutive days after the date determined in (2)(a) above.

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

Loss of "Rental Value" must be caused by direct physical loss or damage at the described premises caused by or resulting from any Covered Cause of Loss.

d. Interruption Of Computer Operations

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

(2) Subject to all provisions of this Additional Coverage, you may extend the insurance that applies to Business Income and Extra Expense to apply to a "suspension" of "operations" caused by an interruption in computer operations

due to destruction or corruption of electronic data due to a Covered Cause of Loss.

- (3) With respect to the coverage provided under this Additional Coverage, the Covered Causes of Loss are subject to the following:
- (a) If the Causes Of Loss – Special Form applies, coverage under this Additional Coverage – Interruption Of Computer Operations is limited to the “specified causes of loss” as defined in that form, and Collapse as set forth in that form.
 - (b) If the Causes Of Loss – Broad Form applies, coverage under this Additional Coverage – Interruption Of Computer Operations includes Collapse as set forth in that form.
 - (c) If the Causes Of Loss form is endorsed to add a Covered Cause of Loss, the additional Covered Cause of Loss does not apply to the coverage provided under this Additional Coverage – Interruption Of Computer Operations.
 - (d) Regardless of the Causes Of Loss Form applicable, we will not pay for loss or damage caused by or resulting from a virus, harmful code or similar instruction, whether from an internal or external source, introduced into or enacted on a computer system (including electronic data) or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation. There also is no coverage for an interruption related to manipulation of a computer system (including electronic data) by any employee, including a temporary or leased employee, or by an entity retained by you or for you to inspect, design, install, maintain, repair or replace that system.
- (4) The most we will pay under this Additional Coverage – Interruption Of Computer Operations is \$2,500 for all loss sustained and expense incurred in any one policy year, regardless of the number of interruptions or the number of premises, locations or computer systems involved. If loss payment relating to the first interruption does not exhaust this amount, then the balance is available for loss or expense sustained or incurred as a result of subsequent interruptions in that policy year. A balance remaining at the end of a policy year does not increase the amount of insurance in the next policy year. With respect to any interruption which begins in one policy year and continues or results in additional loss or expense in a subsequent policy year(s), all loss and expense is deemed to be sustained or incurred in the policy year in which the interruption began.
- (5) This Additional Coverage – Interruption Of Computer Operations does not apply to loss sustained or expense incurred after the end of the “period of restoration”, even if the amount of insurance stated in (4) above has not been exhausted.

6. Coverage Extension

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

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

NEWLY ACQUIRED LOCATIONS

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

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

B. Limits Of Insurance

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

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

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

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

C. Loss Conditions

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

1. Appraisal

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

The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the amount of Net Income and operating expense or amount of loss. If they fail to

agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

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

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

2. Duties In The Event Of Loss

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

Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.
 - (6) Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.
 - (7) Cooperate with us in the investigation or settlement of the claim.
 - (8) If you intend to continue your business, you must resume all or part of your "operations" as quickly as possible.
- b. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.

3. Loss Determination

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

- (1) The Net Income of the business before the direct physical loss or damage occurred;
- (2) The likely Net Income of the business if no physical loss or damage had occurred, but not including any Net Income that would likely have been earned as a result of an increase in the volume of business due to favorable business conditions caused by the impact of the Covered Cause of Loss on customers or on other businesses;
- (3) The operating expenses, including payroll expenses, necessary to resume "operations" with the same quality of service that existed just before the direct physical loss or damage; and
- (4) Other relevant sources of information, including:
 - (a) Your financial records and accounting procedures;
 - (b) Bills, invoices and other vouchers; and
 - (c) Deeds, liens or contracts.

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

- (1) All expenses that exceed the normal operating expenses that would have been incurred by "operations" during the "period of restoration" if no direct physical loss or damage had occurred. We will deduct from the total of such expenses:
 - (a) The salvage value that remains of any property bought for temporary use during the "period of restoration", once "operations" are resumed; and
 - (b) Any Extra Expense that is paid for by other insurance, except for insurance that is written subject to the same plan, terms, conditions and provisions as this insurance; and
- (2) Necessary expenses that reduce the Business Income loss that otherwise would have been incurred.

c. Resumption Of Operations

We will reduce the amount of your:

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

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

4. Loss Payment

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

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

D. Additional Condition

Coinsurance

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

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

- a. The Coinsurance percentage shown for Business Income in the Declarations; times
- b. The sum of:
 - (1) The Net Income (Net Profit or Loss before income taxes), and
 - (2) Operating expenses, including payroll expenses,that would have been earned or incurred (had no loss occurred) by your "operations" at the described premises for the 12 months following the inception, or last previous anniversary date, of this policy (whichever is later).

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

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

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

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

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

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

Example No. 1 (Underinsurance):

When: The Net Income and operating expenses for the 12 months following the inception, or last previous anniversary date, of this policy at the described premises would have been \$400,000

The Coinsurance percentage is 50%

The Limit of Insurance is \$150,000

The amount of loss is \$80,000

Step 1: $\$400,000 \times 50\% = \$200,000$
(the minimum amount of insurance to meet your Coinsurance requirements)

Step 2: $\$150,000 \div \$200,000 = .75$

Step 3: $\$80,000 \times .75 = \$60,000$

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

Example No. 2 (Adequate Insurance):

When: The Net Income and operating expenses for the 12 months following the inception, or last previous anniversary date, of this policy at the described premises would have been \$400,000

The Coinsurance percentage is 50%

The Limit of Insurance is \$200,000

The amount of loss is \$80,000

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

This condition does not apply to Extra Expense Coverage.

E. Optional Coverages

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

1. Maximum Period Of Indemnity

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

2. Monthly Limit Of Indemnity

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

Example:

When: The Limit of Insurance is \$120,000

The fraction shown in the Declarations for this
Optional Coverage is 1/4

The most we will pay for loss in each period of
30 consecutive days is:

$\$120,000 \times 1/4 = \$30,000$

If, in this example, the actual amount of loss
is:

Days 1-30	\$40,000
Days 31-60	\$20,000
Days 61-90	\$30,000
	<hr/>
	\$90,000

We will pay:

Days 1-30	\$30,000
Days 31-60	\$20,000

Days 61-90

\$30,000

\$80,000

The remaining \$10,000 is not covered.

3. Business Income Agreed Value

a. To activate this Optional Coverage:

(1) A Business Income Report/Work Sheet must be submitted to us and must show financial data for your "operations":

(a) During the 12 months prior to the date of the Work Sheet; and

(b) Estimated for the 12 months immediately following the inception of this Optional Coverage.

(2) The Declarations must indicate that the Business Income Agreed Value Optional Coverage applies, and an Agreed Value must be shown in the Declarations. The Agreed Value should be at least equal to:

(a) The Coinsurance percentage shown in the Declarations; multiplied by

(b) The amount of Net Income and operating expenses for the following 12 months you report on the Work Sheet.

b. The Additional Condition, Coinsurance, is suspended until:

(1) 12 months after the effective date of this Optional Coverage; or

(2) The expiration date of this policy;

whichever occurs first.

c. We will reinstate the Additional Condition, Coinsurance, automatically if you do not submit a new Work Sheet and Agreed Value:

(1) Within 12 months of the effective date of this Optional Coverage; or

(2) When you request a change in your Business Income Limit of Insurance.

d. If the Business Income Limit of Insurance is less than the Agreed Value, we will not pay more of any loss than the amount of loss multiplied by:

(1) The Business Income Limit of Insurance; divided by

(2) The Agreed Value.

Example:

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

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

Step (b): $.50 \times \$80,000 = \$40,000$

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

4. **Extended Period Of Indemnity**

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

F. **Definitions**

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

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

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

2. **"Operations"** means:

- a. Your business activities occurring at the described premises; and
- b. The tenantability of the described premises, if coverage for Business Income including "Rental Value" or "Rental Value" applies.

3. **"Period of Restoration"** means the period of time that:

a. Begins:

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

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

b. Ends on the earlier of:

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

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

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

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

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

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

CAUSES OF LOSS – SPECIAL FORM

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

A. Covered Causes Of Loss

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

B. Exclusions

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

a. Ordinance Or Law

The enforcement of or compliance with any ordinance or law:

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

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

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

b. Earth Movement

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

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

- (5) Volcanic eruption, explosion or effusion. But if volcanic eruption, explosion or effusion results in fire, building glass breakage or Volcanic Action, we will pay

for the loss or damage caused by that fire, building glass breakage or Volcanic Action.

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

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

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

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

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

c. Governmental Action

Seizure or destruction of property by order of governmental authority.

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

d. Nuclear Hazard

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

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

e. Utility Services

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

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

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

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

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

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

f. War And Military Action

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

g. Water

- (1) Flood, surface water, waves (including tidal wave and tsunami), tides, tidal waves, overflow of any body of water, or their spray, all whether driven by wind or not (including storm surge);
- (2) Mudslide or mudflow;
- (3) Water that backs up or overflows or is otherwise discharged from a sewer, drain, sump, sump pump or related equipment; 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; or
- (5) Waterborne material carried or otherwise moved by any of the water referred to in Paragraph (1), (3), or (4), or material carried or otherwise moved by mudslide or mudflow.

This exclusion applies regardless of whether any of the above, in Paragraphs (1) through (5), is caused by an act of nature or is otherwise caused. An example of a situation to which this exclusion applies is the situation where a dam, levee, seawall or other boundary or containment system fails in whole or in part, for any reason, to contain the water.

But if any of the above, as described in **g.(1)** through **g.(5)**, results in fire, explosion or sprinkler leakage, we will pay for the loss or damage caused by that fire, explosion or sprinkler leakage (if sprinkler leakage is a Covered Cause of Loss).

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

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

a. Artificially generated electrical, magnetic or electromagnetic energy or current, including electric arcing, that damages, disturbs, disrupts or otherwise interferes with any:

1. Electrical or electronic wire(s), devices, appliances, system or network; or
2. Device, appliance, system or network utilizing cellular or satellite technology.

But if fire results, we will pay for the loss or damage caused by that fire.

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

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

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

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

- d. (1) Wear and tear;
- (2) Rust or other corrosion, decay, deterioration, hidden or latent defect or any quality in property that causes it to damage or destroy itself;
- (3) Smog;
- (4) Settling, cracking, shrinking or expansion;
- (5) Nesting or infestation, or discharge or release of waste products or secretions, by insects, birds, rodents or other animals.
- (6) Mechanical breakdown, including rupture or bursting caused by centrifugal force. But if mechanical breakdown results in elevator collision, we will pay for the loss or damage caused by that elevator collision.
- (7) The following causes of loss to personal property:
- (a) Dampness or dryness of atmosphere;
 - (b) Changes in or extremes of temperature; or
 - (c) Marring or scratching.

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

- e. Explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control. But if explosion of steam boilers, steam pipes, steam engines or steam turbines results in fire or combustion explosion, we will pay for the loss or damage caused by that fire or combustion explosion. We will also pay for loss or damage caused by or resulting from the explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.
- f. Continuous or repeated seepage or leakage of water, or the presence or condensation of humidity, moisture or vapor, that occurs over a period of 14 days or more.
- g. Water, other liquids, powder or molten material that leaks or flows from plumbing, heating, air conditioning or other equipment (except fire protective systems) caused by or resulting from freezing, unless:
 - (1) You do your best to maintain heat in the building or structure; or
 - (2) You drain the equipment and shut off the supply if the heat is not maintained.
- h. Dishonest or criminal act (including theft) by you, any of your partners, members, officers, managers, employees (including temporary employees and leased workers), 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 your normal hours of operation.

This exclusion does not apply to acts of destruction by your employees (including temporary employees and leased workers) or authorized representatives; but theft by employees (including temporary employees and leased workers) or authorized representatives is not covered.
- i. Voluntary parting with any property by you or anyone else to whom you have entrusted the property if induced to do so by any fraudulent scheme, trick, device or false pretense.
- j. Rain, snow, ice or sleet to personal property in the open.
- k. Collapse, including any of the following conditions of property or any part of the property:
 - (1) An abrupt falling down or caving in;
 - (2) Loss of structural integrity, including separation of parts of the property or property in danger of falling down or caving in; or
 - (3) Any cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion as such condition relates to (1) or (2) above.

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

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

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

- I. 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, **I.**, does not apply to damage to glass caused by chemicals applied to the glass.

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

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

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

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

- c. Faulty, inadequate or defective:

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

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

4. Special Exclusions

The following provisions apply only to the specified Coverage Forms:

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

We will not pay for:

(1) Any loss caused by or resulting from:

- (a)** Damage or destruction of "finished stock"; or
- (b)** The time required to reproduce "finished stock".

This exclusion does not apply to Extra Expense.

(2) Any loss caused by or resulting from direct physical loss or damage to radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers.

(3) Any increase of loss caused by or resulting from:

- (a)** Delay in rebuilding, repairing or replacing the property or resuming "operations", due to interference at the location of the rebuilding, repair or replacement by strikers or other persons; or
- (b)** Suspension, lapse or cancellation of any license, lease or contract. But if the suspension, lapse or cancellation is directly caused by the "suspension" of "operations", we will cover such loss that affects your Business Income during the "period of restoration" and any extension of the "period of restoration" in accordance with the terms of the Extended Business Income Additional Coverage and the Extended Period Of Indemnity Optional Coverage or any variation of these.

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

(5) Any other consequential loss.

b. Leasehold Interest Coverage Form

(1) Paragraph B.1.a. Ordinance Or Law, does not apply to insurance under this Coverage Form.

(2) We will not pay for any loss caused by:

- (a)** Your cancelling the lease;
- (b)** The suspension, lapse or cancellation of any license; or
- (c)** Any other consequential loss.

c. Legal Liability Coverage Form

(1) The following exclusions do not apply to insurance under this Coverage Form:

- (a)** Paragraph B.1.a. Ordinance Or Law;

- (b) Paragraph **B.1.c.** Governmental Action;
 - (c) Paragraph **B.1.d.** Nuclear Hazard;
 - (d) Paragraph **B.1.e.** Utility Services; and
 - (e) Paragraph **B.1.f.** War And Military Action.
- (2) The following additional exclusions apply to insurance under this Coverage Form:

(a) Contractual Liability

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

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

(b) Nuclear Hazard

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

5. Additional Exclusion

The following provisions apply only to the specified property:

Loss Or Damage To Products

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

C. Limitations

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

- 1. We will not pay for loss of or damage to property, as described and limited in this section. In addition, we will not pay for any loss that is a consequence of loss or damage as described and limited in this section.
 - a. Steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment. But we will pay for loss of or

damage to such equipment caused by or resulting from an explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.

- b. Hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment, other than an explosion.
- c. The interior of any building or structure, or to personal property in the building or structure, caused by or resulting from rain, snow, sleet, ice, sand or dust, whether driven by wind or not, unless:
 - (1) The building or structure first sustains damage by a Covered Cause of Loss to its roof or walls through which the rain, snow, sleet, ice, sand or dust enters; or
 - (2) The loss or damage is caused by or results from thawing of snow, sleet or ice on the building or structure.
- d. Building materials and supplies not attached as part of the building or structure, caused by or resulting from theft.

However, this limitation does not apply to:

- (1) Building materials and supplies held for sale by you, unless they are insured under the Builders Risk Coverage Form; or
 - (2) Business Income coverage or Extra Expense coverage.
 - e. Property that is missing, where the only evidence of the loss or damage is a shortage disclosed on taking inventory, or other instances where there is no physical evidence to show what happened to the property.
 - f. Property that has been transferred to a person or to a place outside the described premises on the basis of unauthorized instructions.
 - g. Lawns, trees, shrubs or plants which are part of a vegetated roof, caused by or resulting from:
 - (1) Dampness or dryness of atmosphere or of soil supporting the vegetation;
 - (2) Changes in or extremes of temperature;
 - (3) Disease;
 - (4) Frost or hail; or
 - (5) Rain, snow, ice or sleet.
2. We will not pay for loss of or damage to the following types of property unless caused by the "specified causes of loss" or building glass breakage:
- a. Animals, and then only if they are killed or their destruction is made necessary.
 - b. Fragile articles such as statuary, marbles, chinaware and porcelains, if broken. This restriction does not apply to:

(1) Glass; or

(2) Containers of property held for sale.

- c. Builders' machinery, tools and equipment owned by you or entrusted to you, provided such property is Covered Property.

However, this limitation does not apply:

(1) If the property is located on or within 100 feet of the described premises, unless the premises is insured under the Builders Risk Coverage Form; or

(2) To Business Income coverage or to Extra Expense coverage.

3. The special limit shown for each category, **a.** through **d.**, is the total limit for loss of or damage to all property in that category. The special limit applies to any one "occurrence" of theft, regardless of the types or number of articles that are lost or damaged in that "occurrence". The special limits are:

a. \$2,500 for furs, fur garments and garments trimmed with fur.

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

c. \$2,500 for patterns, dies, molds and forms.

d. \$250 for stamps, tickets, including lottery tickets held for sale, and letters of credit.

These special limits are part of, not in addition to, the Limit of Insurance applicable to the Covered Property.

This limitation, **C.3.**, does not apply to Business Income coverage or to Extra Expense coverage.

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

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

b. Is directly caused by freezing.

However, this limitation does not apply to Business Income coverage or to Extra Expense coverage.

D. Additional Coverage – Collapse

The term Covered Cause of Loss includes the Additional Coverage – Collapse and applies only to an abrupt collapse as described and limited in **D.1.** through **D.5.** below.

1. For the purposes of this Additional Coverage - Collapse:

- a. Abrupt collapse means an abrupt falling down or caving in of a building or any part of a building with the result that the building or part of the building cannot be occupied for its intended purpose;
 - b. A building or any part of a building that is in danger of falling down or caving in is not considered to be in a state of abrupt collapse;
 - c. A part of a building that is standing is not considered to be in a state of abrupt collapse even if it has separated from another part of the building;
 - d. A building that is standing or any part of a building that is standing is not considered to be in a state of abrupt collapse even if it shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.
2. We will pay for direct physical loss or damage to Covered Property, caused by abrupt collapse of a building or any part of a building that is insured under this Coverage Form or that contains Covered Property insured under this Coverage Form, if such collapse is caused by one or more of the following:
- a. The "specified causes of loss" or breakage of building glass, all only as insured against in this Coverage Part;
 - b. Building decay that is hidden from view, unless the presence of such decay is known to an insured prior to collapse;
 - c. Insect or vermin damage that is hidden from view, unless the presence of such damage is known to an insured prior to collapse;
 - d. Weight of people or personal property;
 - e. Weight of rain that collects on a roof;
 - f. Use of defective material or methods in construction, remodeling or renovation if the abrupt collapse occurs during the course of the construction, remodeling or renovation. However, if the collapse occurs after construction, remodeling or renovation is complete and is caused in part by a cause of loss listed in 2.a. through 2.e., we will pay for the loss or damage even if use of defective material or methods, in construction, remodeling or renovation, contributes to the collapse.

The criteria set forth in 1.a. through 1.d. do not limit the coverage otherwise provided under this Causes Of Loss form for the causes of loss listed in 2.a., 2.d. and 2.e.

3. With respect to the following property:
- a. Outdoor radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers;
 - b. Awnings, gutters and downspouts;
 - c. Yard fixtures;
 - d. Outdoor swimming pools;
 - e. Fences;

- f. Piers, wharves and docks;
- g. Beach or diving platforms or appurtenances;
- h. Retaining walls; and
- i. Walks, roadways and other paved surfaces;

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

- a. Such loss or damage is a direct result of the abrupt collapse of a building insured under this Coverage Form; and
 - b. The property is Covered Property under this Coverage Form.
- 4.** If personal property abruptly falls down or caves in and such collapse is not the result of abrupt collapse of a building, we will pay for loss or damage to Covered Property caused by such collapse of personal property only if:
- a. The collapse of personal property was caused by a Cause of Loss listed in **2.a.** through **2.f.** above;
 - b. The personal property which collapses is inside a building; and
 - c. The property which collapses is not of a kind listed in **3.** above, regardless of whether that kind of property is considered to be personal property or real property.

The coverage stated in this Paragraph **4.** does not apply to personal property if marring and/or scratching is the only damage to that personal property caused by the collapse.

Collapse of personal property does not mean cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.

This Additional Coverage – Collapse does not apply to personal property that has not abruptly fallen down or caved in.

- 5.** This Additional Coverage, Collapse, will not increase the Limits of Insurance provided in this Coverage Part.

F. Additional Coverage Extensions

1. Property In Transit

This Extension applies only to your personal property to which this form applies.

- a. You may extend the insurance provided by this Coverage Part to apply to your personal property (other than property in the care, custody or control of your salespersons) in transit more than 100 feet from the described premises. Property must be in or on a motor vehicle you own, lease or operate while between points in the coverage territory. For the purposes of this Coverage Extension, the coverage territory is extended to include Canada but only for a period of thirty (30) consecutive days. Coverage begins when the property leaves the United States and automatically ends after thirty (30) days or at the end of the policy period, whichever occurs first.

b. Loss or damage must be caused by or result from one of the following causes of loss:

- (1) Fire, lightning, explosion, windstorm or hail, riot or civil commotion, or vandalism.
- (2) Vehicle collision, upset or overturn. Collision means accidental contact of your vehicle with another vehicle or object. It does not mean your vehicle's contact with the road bed.
- (3) Theft of an entire bale, case or package by forced entry into a securely locked body or compartment of the vehicle. There must be visible marks of the forced entry.

c. The most we will pay for loss or damage under this Extension is \$5,000.

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

2. Water Damage, Other Liquids, Powder Or Molten Material Damage

If loss or damage caused by or resulting from covered water or other liquid, powder or molten material damage loss occurs, we will also pay the cost to tear out and replace any part of the building or structure to repair damage to the system or appliance from which the water or other substance escapes. This Coverage Extension does not increase the Limit of Insurance.

3. Glass

- a. We will pay for expenses incurred to put up temporary plates or board up openings if repair or replacement of damaged glass is delayed.
- b. We will pay for expenses incurred to remove or replace obstructions when repairing or replacing glass that is part of a building. This does not include removing or replacing window displays.

This Coverage Extension, F.3., does not increase the Limit of Insurance.

G. Definitions

1. **"Specified Causes of Loss"** means the following: Fire; lightning; explosion; windstorm or hail; smoke; aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire extinguishing equipment; sinkhole collapse; volcanic action; falling objects; weight of snow, ice or sleet; water damage.
 - a. Sinkhole collapse means the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite. This cause of loss does not include:
 - (1) The cost of filling sinkholes; or
 - (2) Sinking or collapse of land into man-made underground cavities.
 - b. Falling objects does not include loss or damage to:
 - (1) Personal property in the open; or

- (2) The interior of a building or structure, or property inside 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:

- (1) Accidental discharge or leakage of water or steam as the direct result of the breaking apart or cracking of a plumbing, heating, air conditioning or other system or appliance (other than a sump system including its related equipment and parts), that is located on the described premises and contains water or steam; and
- (2) Accidental discharge or leakage of water or waterborne material as the direct result of the breaking apart or cracking of a water or sewer pipe that is located off the described premises and is part of a municipal potable water supply system or municipal sanitary sewer system, if the breakage or cracking is caused by wear and tear.

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

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**WINDSTORM OR HAIL PERCENTAGE DEDUCTIBLE ENDORSEMENT
(REPORTED VALUE)**

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
BUILDERS RISK COVERAGE FORM
CONDOMINIUM ASSOCIATION COVERAGE FORM
DIFFERENCE IN CONDITIONS COVERAGE FORM
OTHER APPLICABLE INLAND MARINE COVERAGE FORMS
BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM
BUSINESS INCOME (WITHOUT EXTRA EXPENSE) COVERAGE FORM
EXTRA EXPENSE COVERAGE FORM
CAUSES OF LOSS – BASIC FORM
CAUSES OF LOSS – BROAD FORM
CAUSES OF LOSS – SPECIAL FORM
CAUSES OF LOSS – NAMED WINDSTORM

SCHEDULE

Premises No.	Bldg. No.	Windstorm or Hail Deductible Percentage (enter 1%, 2%, 5% or other percent)	Minimum Deductible
All	All	2%	\$100,000 Per Occurrence

This percentage shown above is subject to the minimum deductible per "occurrence" shown above, if any.

The Windstorm or Hail Deductible, as shown in the Schedule, applies to loss or damage to Covered Property caused directly or indirectly by Windstorm or Hail, regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage. If loss or damage from a covered weather condition other than Windstorm or Hail occurs, and that loss or damage would not have occurred but for the Windstorm or Hail, such loss or damage shall be considered to be caused by Windstorm or Hail and therefore part of the Windstorm or Hail "occurrence".

The Windstorm or Hail Deductible applies whenever there is an "occurrence" of Windstorm or Hail.

Nothing in this endorsement implies or affords coverage for any loss or damage that is excluded under the terms of the Water Exclusion or any other exclusion in this policy. If this policy is endorsed to cover Flood under the Flood Coverage Endorsement (or if you have a flood insurance policy), a separate Flood Deductible applies to loss or damage attributable to Flood, in accordance with the terms of that endorsement or policy.

WINDSTORM OR HAIL DEDUCTIBLE CALCULATION

A. All Policies

1. A Deductible is calculated separately for, and applies separately to:

- a. Each building, if two or more buildings sustain loss or damage;
 - b. The building and to personal property in that building, if both sustain loss or damage;
 - c. Personal property at each building, if personal property at two or more buildings sustains loss or damage;
 - d. Personal property in the open.
2. We will not pay for loss or damage until the amount of loss or damage exceeds the applicable Deductible. We will then pay the amount of loss or damage in excess of that Deductible, up to the applicable Limit of Insurance, after any reduction required by any of the following: Coinsurance Condition, Agreed Value Optional Coverage, Additional Condition – Need for Adequate Insurance or Additional Condition – Need for Full Reports.
3. When property is covered under the Coverage Extension for Newly Acquired or Constructed Property: In determining the amount, if any, that we will pay for loss or damage, we will deduct an amount equal to a percentage of the value(s) of the property at time of loss. The applicable percentage for Newly Acquired or Constructed Property is the highest percentage shown in the Schedule for any described premises.

B. Calculation of the Deductible

1. Deductible calculation applicable to the following forms:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
 BUILDERS RISK COVERAGE FORM
 CONDOMINIUM ASSOCIATION COVERAGE FORM
 DIFFERENCE IN CONDITIONS COVERAGE FORM
 OTHER APPLICABLE INLAND MARINE COVERAGE FORMS

In determining the amount, if any, that we will pay for loss or damage, we will deduct an amount equal to 1%, 2%, 5% or other percent (as shown in the Schedule) of the value of each unit of insurance of Covered Property that has sustained loss or damage. The value(s) to be used are the latest value(s) shown in the most recent Report of Values on file with us.

However:

- a. If the most recent Report of Values shows less than the full value(s) of the property on the report dates, we will determine the deductible amount as a percentage of the full value(s) as of the report dates.
 - b. If the first Report of Values is not filed with us prior to loss or damage, we will determine the deductible amount as a percentage of the applicable Limit(s) of Insurance.
2. Deductible calculation applicable to the following forms:

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

In determining the amount, if any, that we will pay for loss or damage, we will deduct an amount equal to 1%, 2%, 5% or other percent (as shown in the Schedule) of the full value(s) that would have been earned in the 12 month period following the "occurrence" by use of the

lost or damaged Covered Property, at the premises described in the Declarations where the physical damage happened, plus that proportion of the values at all other locations where loss ensues that was directly affected by use of such lost or damaged Covered Property and that would have been earned in the 12 month period following the "occurrence".

3. In determining the amount, if any, that we will pay for loss or damage, we will deduct an amount equal to 1%, 2%, 5% or other percent (as shown in the Schedule) of the value of each unit of insurance of Covered Property. The percentages referenced in paragraphs **B.2.** and **B.3.** above are subject to a Minimum Deductible per "occurrence" as shown in the Schedule, if any.

All other terms and conditions of this Policy remain unchanged.

Endorsement Number: 9

Policy Number: ESP7304080-02

Named Insured: Keshav, LLC dba Home2 Suites

This endorsement is effective on the inception date of this Policy unless otherwise stated herein:

Endorsement Effective Date: October 6, 2019

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WARRANTIES

This endorsement modifies insurance provided under this policy.

SCHEDULE

Premises Number and/or Location Address	Building Number	Warranted Protective Safeguards Symbols Applicable
All	All	W1, W2, W4, W5
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.		

A. The following is added to the Commercial Property Conditions:

Warranted Protective Safeguards

1. As a condition of this insurance, you are required to both have in existence (as you or your representative have represented to us or have accepted as a condition for securing coverage under this policy) and to maintain the protective safeguards listed in the Schedule above and as described below.
2. The protective safeguards to which this endorsement applies are identified by symbols representing the Protective Safeguard described.

IT IS WARRANTED BY YOU AS A CONDITION PRECEDENT TO THE ACCEPTANCE OF THIS INSURANCE THAT:

"W1" AUTOMATIC SPRINKLER SYSTEM – The insured premises is protected by a fully functioning "Automatic Sprinkler System" and, based on that protection, you shall exercise due diligence in maintaining, in complete working order, all equipment and services pertaining to its operation which are under your control. You shall give immediate notice to us of any impairment in or suspension of such equipment or service.

"Automatic Sprinkler System" means: (a) Any automatic fire protective or extinguishing system, including connected sprinklers and discharge nozzles; ducts, pipes, valves and fittings; tanks, their component parts and supports; and pumps and private fire protection mains; and (b) When supplied from an automatic fire protective system, non-automatic fire protective systems; and hydrants, standpipes and outlets.

"W2" CENTRAL STATION SPRINKLER ALARM SYSTEM – The insured premises is protected by a fully functioning Central Station Sprinkler Alarm System and, based on that protection, you shall exercise due diligence in maintaining, in complete working order, all equipment and services pertaining to its operation which are under your control. You shall give immediate notice to us of any impairment in or suspension of such equipment or service.

"W3" CENTRAL STATION BURGLAR ALARM SYSTEM – The insured premises is protected by a fully functioning Central Station Burglar Alarm System and, based on that protection, you shall exercise due diligence in maintaining, in complete working order, all equipment and services pertaining to its operation which are under your control. You shall give immediate notice to us

of any impairment in or suspension of such equipment or service.

- "W4"** CENTRAL STATION FIRE AND/OR SMOKE ALARM SYSTEM – The insured premises is protected by a fully functioning Central Station Fire And/Or Smoke Alarm System and, based on that protection, you shall exercise due diligence in maintaining, in complete working order, all equipment and services pertaining to its operation which are under your control. You shall give immediate notice to us of any impairment in or suspension of such equipment or service.
- "W5"** ANSUL OR EQUIVALENT COOKING EXTINGUISHING SYSTEM – Insofar as is within your control, each and every commercial cooking occupancy of any location insured hereunder is protected by an approved ANSUL (or equivalent) chemical extinguishing system, including a hood, grease removal device and duct system, fully functioning and maintained in proper working order at all times during the currency of this policy. You shall give immediate notice to us of any impairment in or suspension of such equipment or service.
- "W6"** LOCKED and SECURED – The premises insured under this policy shall be kept locked and secured against unauthorized entry throughout the currency of this policy.
- "W10"** WATCHMAN – Insofar as is within your control, a contracted on-premises security service, that includes a recording system or watch clock, shall be maintained and making hourly rounds covering the entire building, at such times as the premises are not in actual operation. You shall give immediate notice to us of any impairment in or suspension of such service.
- "W11"** CARETAKER – The premises insured under this policy will have a caretaker on the premises throughout the currency of this policy. You shall give immediate notice to us of any impairment in or suspension of such service.
- "W12"** ROLL DOWN GATE – The premises insured shall be protected by roll down gates.

FAILURE TO COMPLY WITH THE WARRANTED PROTECTIVE SAFEGUARDS AS LISTED IN THE SCHEDULE ABOVE SHALL SUSPEND ALL COVERAGE UNDER THIS POLICY FOR ALL PREMISES NOT IN COMPLIANCE, AND THIS SUSPENSION SHALL LAST UNTIL SUCH TIME AS THE PROTECTION OF THE PREMISES MEETS THE WARRANTED CONDITIONS STATED ABOVE.

All other terms and conditions of this Policy remain unchanged.

Endorsement Number: 10

Policy Number: ESP7304080-02

Named Insured: Keshav, LLC dba Home2 Suites

This endorsement is effective on the inception date of this Policy unless otherwise stated herein:

Endorsement Effective Date: October 6, 2019

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LOSS PAYABLE PROVISIONS

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
BUILDERS RISK COVERAGE FORM
CONDOMINIUM ASSOCIATION COVERAGE FORM
DIFFERENCE IN CONDITIONS COVERAGE FORM
OTHER APPLICABLE INLAND MARINE COVERAGE FORMS

SCHEDULE

Prem. No.	Bldg. No.	Description of Property	Loss Payee (Name & Address)	Loss Payable	Provisions Applicable		Building Owner Loss Payable
					Lender's Loss Payable	Contract Of Sale	
All	All	As per Schedule on file with company	First National Bank, 1213 Douglas Blvd., Midwest City, OK 73130		X		

- I. Nothing in this endorsement increases the applicable Limits 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.
- II. The following is added to the LOSS PAYMENT Loss Condition, as indicated in the Declarations or by an "X" in the Schedule:

A. LOSS PAYABLE

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

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

B. LENDER'S LOSS PAYABLE

1. The Loss Payee shown in the Schedule or in the Declarations is a creditor, including a mortgageholder or trustee, whose interest in Covered Property is established by such written instruments as:
 - a. Warehouse receipts;
 - b. A contract for deed;
 - c. Bills of lading;
 - d. Financing statements; or
 - e. Mortgages, deeds of trust, or security agreements.

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

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

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

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

3. If we cancel this policy, we will give written notice to the Loss Payee at least:
 - a. 10 days before the effective date of cancellation if we cancel for your nonpayment of premium; or
 - b. 30 days before the effective date of cancellation if we cancel for any other reason.
4. If we elect not to renew this policy, we will give written notice to the Loss Payee at least 10 days before the expiration date of this policy.

C. CONTRACT OF SALE

1. The Loss Payee shown in the Schedule or in the Declarations is a person or organization you have entered a contract with for the sale of Covered Property.
2. For Covered Property in which both you and the Loss Payee have an insurable interest we will:

- a. Adjust losses with you; and
 - b. Pay any claim for loss or damage jointly to you and the Loss Payee, as interests may appear.
3. The following is added to the OTHER INSURANCE Condition:

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

D. BUILDING OWNER LOSS PAYABLE

1. The Loss Payee shown in the Schedule or in the Declarations is the owner of the described building in which you are a tenant.
2. 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.
3. We will adjust losses to tenants' improvements and betterments with you, unless the lease provides otherwise.

All other terms and conditions of this Policy remain unchanged.

Endorsement Number: 11

Policy Number: ESP7304080-02

Named Insured: Keshav, LLC dba Home2 Suites

This endorsement is effective on the inception date of this Policy unless otherwise stated herein:

Endorsement Effective Date: October 6, 2019

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**COSMETIC LOSS OR DAMAGE TO METAL ROOFS CAUSED BY WIND OR HAIL
EXCLUSION**

This endorsement modifies insurance provided under this policy.

It is agreed that:

1. The following exclusion is added:

COSMETIC LOSS OR DAMAGE TO METAL ROOFS CAUSED BY WIND OR HAIL EXCLUSION

We do not cover "cosmetic loss or damage" to any "metal roof covering" caused by the perils of wind or hail.

2. For the purpose of this endorsement, the following definitions are added:

"Cosmetic loss or damage" means only that damage that alters the physical appearance of the "metal roof covering" but does not allow the penetration of water or moisture through the "metal roof covering" or does not result in the failure of the "metal roof covering" to perform its intended function to keep out water and moisture for the remainder of its anticipated useful service life.

"Cosmetic loss or damage" includes, without limitation:

- (a) spatter/splatter marks on oxidized surfaces,
- (b) blemishes, dents, dings, dimples, chips, marring, pitting, scratches, gouges, grooves, or other superficial damage on the surface of "metal roof covering."

"Metal roof covering" means the metal roof, roof covering or roofing system inclusive of the roof covering panels, anchors and anchoring systems, flashing, vent caps, trim, drip edging and other similar materials and components necessary for water or moisture protection.

All other terms and conditions of this Policy remain unchanged.

Endorsement Number: 12

Policy Number: ESP7304080-02

Named Insured: Keshav, LLC dba Home2 Suites

This endorsement is effective on the inception date of this Policy unless otherwise stated herein:

Endorsement Effective Date: October 6, 2019

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXTERIOR INSULATION AND FINISH SYSTEM (EIFS) EXCLUSION

This endorsement modifies insurance provided under all Coverage Parts.

- A. It is agreed the following exclusion applies to any loss or damage to buildings, personal property, business income, rental income or extra expense in the event that loss or damage occurs to any Building or personal property contained within any Building designed, manufactured, constructed, fabricated, prepared or installed with or that incorporates an "exterior insulation and finish system".

We will not pay for loss or damage:

1. Caused directly or indirectly by Windstorm or Hail, regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage; or
2. Caused by rain, snow, sand or dust, whether driven by wind or not, if that loss or damage would not have occurred but for the Windstorm or Hail.

But if Windstorm or Hail results in a cause of loss other than rain, snow, sand or dust, and that resulting cause of loss is a Covered Cause of Loss, we will pay for the loss or damage caused by such Covered Cause of Loss.

3. Caused by or resulting from fire or water / moisture intrusion damage.

However, this exclusion does not apply to "exterior insulation and finish system" that is applied to concrete, gypsum block, hollow concrete block or any other wall constructed of masonry materials.

- B. The following definition is added:

An "exterior insulation and finish system" means an exterior cladding or finish system applied to a house or other building, and consisting of:

1. A rigid or semi-rigid sheathing or insulation board, including gypsum-based, wood-based, or insulation-based materials;
2. The adhesive or mechanical fasteners used to attach the sheathing or insulation board to the substrate;
3. A reinforcing mesh that is embedded in a coating applied to the sheathing or insulation board; and
4. A finish coat.

An "exterior insulation and finish system" includes Dryvit® systems and synthetic stucco exterior cladding or finish systems.

- C. The following is added to the Commercial Property Conditions

Warranty of No Exterior Insulation And Finish System

Warranted as a material fact represented by you that no "exterior insulation and finish system" is present at any location listed on the Declarations.

All other terms and conditions of this Policy remain unchanged.

Endorsement Number: 13

Policy Number: ESP7304080-02

Named Insured: Keshav, LLC dba Home2 Suites

This endorsement is effective on the inception date of this Policy unless otherwise stated herein:

Endorsement Effective Date: October 6, 2019

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EQUIPMENT BREAKDOWN COVERAGE

This Endorsement modifies insurance provided under the following:

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

Equipment Breakdown Schedule	
Equipment Breakdown Limits of Insurance:	
Perishable Goods	\$25,000 Per Breakdown
Expediting Expenses	\$25,000 Per Breakdown
Pollution Clean Up and Removal	\$25,000 Per Breakdown
Data and Media	\$25,000 Per Breakdown
Demolition and Increased Cost of Construction	\$25,000 Per Breakdown
Deductibles:	
Direct Damage	\$10,000 Per Breakdown
Business Income and Extra Expense	Included
Perishable Goods	Included
Utility Interruption – Waiting Period	- hours
Other:	

The following is added to paragraph A. 4. Additional Coverages in the applicable Coverage Form:

A. Equipment Breakdown Coverage

1. We will pay for direct physical loss to Covered Property 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.

2. **"Breakdown"**

- a. "Breakdown" means:

- (1) Failure of pressure or vacuum equipment;
- (2) Mechanical failure including rupture or bursting caused by centrifugal force; or
- (3) Electrical failure caused by artificially generated electric current, including arcing;

that causes direct physical loss or damage to "covered equipment" and necessitates its repair or replacement.

- b. "Breakdown" does not mean:

- (1) Cracking of any part on an internal combustion gas turbine exposed to the products of combustion;
 - (2) Damage to any structure or foundation supporting the "covered equipment" or any of its parts;
 - (3) Damage to any vacuum tube, gas tube, or brush;
 - (4) Defects, erasures, errors, limitations or viruses in "computer equipment", data, "media" and/or programs including the inability to recognize and process any date or time or provide instructions to "covered equipment". However, if a "breakdown" ensues, we will pay the ensuing loss or damage not otherwise excluded;
 - (5) Leakage at any valve, fitting, shaft seal, gland packing, joint or connection;
 - (6) Malfunction including but not limited to adjustment, alignment, calibration, cleaning or modification; or
 - (7) The functioning of any safety or protective device.
- c. 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".

3. **"Covered Equipment"**

- a. "Covered equipment" means any Covered Property that is:
- (1) Equipment designed and built to operate under internal pressure or vacuum other than weight of contents. For any boiler or fired vessel, the furnace of the "covered equipment" and the gas passages from there to the atmosphere will be considered as outside the "covered equipment";
 - (2) Communication equipment and "computer equipment";
 - (3) Fiber optic cable; or
 - (4) Any other electrical or mechanical equipment that is used in the generation, transmission or utilization of energy.
- b. "Covered equipment" does not mean any:
- (1) Astronomical telescope, cyclotron, nuclear reactor, particle accelerator, satellites and/or spacecraft (including satellite or spacecraft contents and/or their launch sites);
 - (2) Catalyst;
 - (3) Dragline, power shovel, excavation or construction equipment including any "covered equipment" mounted on or used solely with any dragline, power shovel, excavation or construction equipment;
 - (4) Elevator or escalator, but not excluding any electrical machine or apparatus mounted on or used with this equipment;
 - (5) Equipment or any part of equipment manufactured by you for sale;

- (6) Felt, wire, screen, mold, form, pattern, die, extrusion plate, swing hammer, grinding disc, cutting blade, non-electrical cable, chain, belt, rope, clutch plate, brake pad, non-metal part or any part or tool subject to periodic replacement;
 - (7) Insulating or refractory material;
 - (8) Non-metallic pressure or vacuum equipment, unless it is constructed and used in accordance with the American Society of Mechanical Engineers (A.S.M.E.) code or a Code that has been accepted by the National Board of Boiler and Pressure Vessel Inspectors;
 - (9) Part of pressure or vacuum equipment that is not under internal pressure of its contents or internal vacuum;
 - (10) Pressure vessels and piping that are buried below ground and require the excavation of materials to inspect, remove, repair or replace;
 - (11) Structure, foundation, cabinet or compartment supporting or containing the "covered equipment" or part of the "covered equipment" including penstock, draft tube or well casing;
 - (12) Vehicle, aircraft, self-propelled equipment or floating vessel, including any "covered equipment" mounted on or used solely with any vehicle, aircraft, self-propelled equipment or floating vessel; or
 - (13) "Media".
4. **Property Not Covered.** With regard to the coverage provided by this Endorsement only, A.2.b. in the Coverage Form to which this Endorsement applies is deleted and replaced by the following:
- b. Animals.
5. **Equipment Breakdown Coverage Extensions.** The following coverages also apply to loss or damage caused by or resulting from a "breakdown" to "covered equipment". These Equipment Breakdown Coverage Extensions do not provide additional amounts of insurance. The limits provided are part of, not in addition to, the Limit of Insurance that applies to the damaged Covered Property.
- a. **Perishable Goods.**
 - (1) We will pay for:
 - (a) Your loss of "perishable goods" due to spoilage;
 - (b) Your loss of "perishable goods" due to spoilage that is caused by or results from an interruption in utility services that is the direct result of a "breakdown" to "covered equipment" that is owned by a utility, landlord, or other supplier with whom you have a contract to provide you with any of the following services: electrical power, communications, waste disposal, air conditioning, refrigeration, heating, gas, air, water or steam. Coverage for such loss will begin 12 hours after the time the "breakdown" causes the interruption of the utility service; or
 - (c) Your loss of "perishable goods" due to contamination from the release of refrigerant, including but not limited to ammonia.

We will also pay any necessary expense you incur to reduce the amount of loss under this coverage. We will pay such expenses to the extent that they do not exceed the amount of loss that otherwise would have been payable under this coverage.

- (2) If you are unable to replace the "perishable goods" before its anticipated sale, the amount of our payment will be determined on the basis of the sales price of the "perishable goods" at the time of the "breakdown", less discounts and expenses you otherwise would have had. Otherwise our payment will be determined in accordance with the Loss Payment Condition.
- (3) The most we will pay for any loss or expense under this Equipment Breakdown Coverage Extension is \$25,000 or the Limit of Insurance for Perishable Goods shown on the Equipment Breakdown Schedule, whichever is greater.

b. Expediting Expenses.

- (1) With respect to your damaged Covered Property, we will pay the reasonable extra cost to make temporary repairs and expedite permanent repairs or permanent replacement.
- (2) Expediting expenses include overtime wages and the extra cost of express or other rapid means of transportation.
- (3) The most we will pay for Expediting Expenses is \$25,000 or the Limit of Insurance for Expediting Expenses shown on the Equipment Breakdown Schedule, whichever is greater.

- c. Utility Interruption.** The insurance provided for Business Income and/or Extra Expense, if covered elsewhere in the policy, is extended to apply to loss caused by or resulting from an interruption in utility services that is a direct result of a "breakdown" to "covered equipment" that is owned by a utility, landlord, or other supplier with whom you have a contract to provide you with any of the following services: electrical power, communications, waste disposal, air conditioning, refrigeration, heating, gas, air, water or steam.

Coverage for Utility Interruption will begin 12 hours, or the time shown for Utility Interruption-Waiting Period in the Equipment Breakdown Schedule, after the time the "breakdown" causes the interruption of the utility service.

- d. Drying Out.** If electrical "covered equipment" requires drying out as a result of a flood, waves, tides, tidal waves, or overflow of any body of water or their spray, even if driven by wind, we will pay for the direct expense of drying out such electrical "covered equipment".

The most we will pay for such expense under this Equipment Breakdown Coverage Extension is the least of:

- (1) \$10,000;
- (2) the Limit of Insurance shown on the Declaration for the applicable covered property; or
- (3) the value of such damaged electrical "covered equipment".

Coverage provided by this extension does not include the cost to replace such equipment or any other loss, damage or expense that is caused by or results directly or indirectly from flood, waves, tides, tidal waves, or overflow of any body of water or their spray, even if driven by wind.

- e. **Pollution Clean Up and Removal.** With regard to coverage provided under this Endorsement only, Additional Coverage A.4.d. in the Coverage Form to which this Endorsement applies is deleted and replaced by the following:

- d. We will pay your expense to extract "pollutants" from land or water at the described premises and the cost for clean-up, repair, replacement or disposal of Covered Property at the described premises if the discharge, dispersal, seepage, migration, release or escape of such "pollutants" is caused by or results from a "breakdown" to "covered equipment" that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date on which such "breakdown" occurs.

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

The most we will pay under this Additional Coverage, including any loss covered under any applicable Business Income or Extra Expense coverage, for the sum of all covered expenses is \$25,000 or the Limit of Insurance for Pollution Clean Up and Removal shown on the Equipment Breakdown Schedule, whichever is greater.

The coverage provided by this Additional Coverage does not include loss to "perishable goods" due to contamination from the release of a refrigerant.

- f. **Data and Media.** We will pay your cost to research, replace and restore data, including programs and operating systems that are lost or corrupted due to a "breakdown". We will also pay for loss or damage to "media" caused by a "breakdown". The most we will pay under this Coverage Extension for the sum of all covered expenses, including any loss covered under any applicable Business Income and Extra Expense coverage is \$25,000 or the Limit of Insurance for Data and Media shown on the Equipment Breakdown Schedule, whichever is greater.

- g. **Demolition and Increased Cost of Construction.**

The following applies despite the Ordinance or Law Exclusion. If a "breakdown" to "covered equipment" damages a building that is Covered Property that is insured at replacement cost, and the loss is increased by the enforcement of any laws or ordinances that are in force at the time of the "breakdown" and which regulate the demolition, construction, repair or use of the building or structure the following apply:

- (1) We will pay for:
 - (a) Your actual cost to demolish and clear the site of the undamaged parts of the same building or structure as a consequence of enforcement of an ordinance or law that requires the demolition of such undamaged property; and
 - (b) Your actual expenditures for increased costs to repair, rebuild, or construct the building. If the building is repaired, rebuilt or constructed, it must be intended for a similar use or occupancy as the current building, unless otherwise required by zoning or land use ordinance or law;
- (2) With regard to otherwise covered Business Income and Extra Expense coverage, the "period of restoration" is extended to include the additional period of time required for demolition and to meet the minimum requirement of any ordinance or law enforcement at the time of the "breakdown".

(3) We will not pay for any:

- (a) Fine;
- (b) Liability to a third party;
- (c) Increase in loss due to a "pollutant"; or
- (d) Demolition cost until the undamaged portions of the building are actually demolished;
- (e) Increased construction costs until the building is actually rebuilt and replaced;
- (f) Increases in loss, excess of the amount required to meet the minimum requirement of any ordinance or law enforcement at the time of the "breakdown"; or
- (g) Loss due to any ordinance or law that you were required to comply with before the "breakdown", even if the building was undamaged, and with which you failed to comply.

The most we will pay under this Coverage Extension for the sum of all covered expenses, including any loss covered under any applicable Business Income and Extra Expense coverage, is \$25,000 or the Limit of Insurance for Demolition and Increased Cost of Construction shown on the Equipment Breakdown Schedule, whichever is greater.

6. **Equipment Breakdown Exclusions.** With regard to coverage provided under this Endorsement only, the following changes are made:

a. The following Exclusions are deleted:

- (1) In the Causes of Loss – Special Form: B.2.a.; B.2.d.(6); and B.2.e.
- (2) In the Causes of Loss – Broad Form: B.2.a.; B.2.b.; B.2.c.
- (3) In the Causes of Loss – Basic Form: B.2.a.; B.2.d.; and B.2.e.

b. Exclusion B.2.i. from the Causes of Loss – Special Form, is deleted and replaced by the following:

- i. Discharge, dispersal, seepage, migration, release or escape of "pollutants". But if the discharge, dispersal, seepage, migration, release or escape of "pollutants" results in a "breakdown" to "covered equipment", we will pay for the loss or damage caused by that "breakdown".

c. With regard to the Causes of Loss – Special Form, the last paragraph of Exclusion B.2.d. is deleted and replaced by the following:

But if an excluded cause of loss that is listed in 2.d.(1) through (7) results in a "breakdown", we will pay the resulting loss or damage not otherwise excluded.

d. The following exclusions apply to the coverage provided under this Endorsement in addition to the other exclusions, except as deleted in A.6.a. above, in the Coverage Form to which this Endorsement applies.

We will not pay under this Endorsement for loss or damage caused directly or indirectly by any of the following:

- (1) 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;
 - (c) Any test which subjects the "covered equipment" to greater than maximum allowable operating conditions as identified by the manufacturer of the "covered equipment"
- (2) Fire including fire resulting from a "breakdown";
- (3) Combustion explosion;
- (4) 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;
- (5) An explosion. However, we will pay for direct loss or damage caused by an explosion of "covered equipment" of a kind specified in a. through f. below, if not otherwise excluded:
 - a. Steam boiler;
 - b. Electric steam generator;
 - c. Steam piping;
 - d. Steam turbine;
 - e. Steam engine; or
 - f. Gas turbine or any other moving or rotating machinery when such explosion is caused by centrifugal force or mechanical breakdown.
- (6) With regard to the Causes of Loss – Basic Form and Causes of Loss – Broad Form:

Depletion, deterioration, corrosion, erosion, wear and tear, rust, fungus, decay, wet or dry rot, or mold. However, if a "breakdown" to "covered equipment" results, we will pay the resulting loss or damage not otherwise excluded.
- (7) With respect to Utility Interruption and paragraph (1)(b) of Perishable Goods coverage, we will not pay for loss caused by or resulting from: Lightning; windstorm or hail; smoke; aircraft or vehicles; riot or civil commotion; vandalism; falling objects; water damage caused by the discharge or leakage of sprinkler system, sewer piping or domestic water piping; water or other means used to extinguish a fire, even when the attempt is unsuccessful; weight of snow, ice or sleet; freezing due to cold weather; molten material; or collapse.

7. Equipment Breakdown Limitations.

With regard to this Endorsement only, the following Limitations are deleted from the Causes of Loss – Special Form: C.1.a. and C.1.b.

8. Limits of Insurance

- a. The most we will pay for loss or damage in any one "breakdown" is the applicable Limit of Insurance shown in the Declarations. The limits provided for the Equipment Breakdown Coverage Extensions are part of, not in addition to, the Limit of Insurance shown in the Declarations that applies to the damaged Covered Property.

The coverage provided by this Endorsement is part of, not in addition to, the Limits of Insurance shown in the Declarations.

- b. The most we will pay for water damage that results from a "breakdown" to "covered equipment" is \$25,000 for any one "breakdown" This is part of, not in addition to, the Limit of Insurance shown in the Declarations that applies to damaged Covered Property.

9. **Deductible**

If an amount is shown in the Deductible section of the Equipment Breakdown Schedule, the following will apply; otherwise the deductible shown in the Declaration for the applicable coverage will apply.

Paragraph D. – Deductibles of the applicable coverage form is deleted and replaced by:

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

The deductibles listed in the Equipment Breakdown Schedule shall be applied separately to the applicable coverage as follows:

(1) **Dollar Deductible**

If a dollar deductible is shown in the above schedule, we will first subtract the deductible amount from any loss we would otherwise pay.

(2) **Multiple per Unit Deductible**

If a multiple of units is shown in the above schedule, the deductible will be calculated as the sum of the multiplier times the number of units specified. (For example: if the deductible is specified as \$25/hp for air conditioning units, and a covered 500 hp air conditioning unit suffered a "Breakdown", the deductible will be \$25 times 500 hp which equals \$12,500.)

(3) **Time Deductible**

If a time deductible is shown in the above schedule, we will not be liable for any loss under that coverage that occurs during that specified time period immediately following a "Breakdown". If a time deductible is shown in days, each day shall mean twenty-four consecutive hours.

(4) **Multiple of Daily Value Deductible**

If a multiple of daily value is shown in the above schedule, this deductible will be calculated as follows:

- (a) For the entire premise described in the Declarations where the loss occurred, determine the total amount of Business Income that would have been earned during the "Period of Restoration" had no "Breakdown" taken place.
- (b) Divide the result in Paragraph (1) by the number of days the business would have been open during the "Period of Restoration". The result is the daily value.
- (c) Multiply the daily value in Paragraph (2) by the number of daily value multiples shown in the above schedule. We will first subtract this deductible amount from any loss we would otherwise pay. We will then pay the amount of loss or damage in excess of the deductible, up to the applicable Limit of Insurance.

(5) **Percentage of Loss Deductible**

If a deductible is expressed as a percentage of loss in the above schedule, we will not be liable for the indicated percentage of the gross amount of loss or damage insured under the applicable coverage.

(6) **Minimum Or Maximum Deductible**

(a) If:

- (i) A minimum dollar amount deductible is shown in the above schedule; and
- (ii) The dollar amount of the Multiple per Unit, Multiple of Daily Value or the Percentage of Loss Deductible is less than the Minimum Deductible:

then the Minimum Deductible amount shown in the above schedule will be the applicable deductible.

(b) If:

- (i) A maximum dollar amount deductible is shown in the above schedule; and
- (ii) The dollar amount of the Multiple per Unit, Multiple of Daily Value or the Percentage of Loss Deductible is greater than the Maximum Deductible;

then the Maximum Deductible amount shown in the above schedule will be the applicable deductible.

- b. If more than one deductible applies to a single coverage, then only one deductible, the highest, will apply to that coverage.

- 10 The following provision applies to the coverage provided by this Endorsement only and in addition to the provisions in the Loss Payment section of the Coverage Form to which this Endorsement applies:

New Generation. You may replace damaged "Covered Equipment" with a newer generation "Covered Equipment" of the same capacity which improves the environment, increases efficiency or enhances safety. We will pay up to an additional

25% of the covered property damage amount for the "Covered Equipment". This additional amount is included in, not in addition to, the applicable Limit of Insurance for Covered Property.

11. With respect to the coverage provided under this Endorsement, the following are added to the Additional Conditions section of the Coverage Form to which this Endorsement applies:

a. **Jurisdictional Inspections**

- (1) We agree to provide pressure vessel certificate-of-operation engineering services where:
 - (a) The certificate-of-operation is required by state, city or provincial law; and
 - (b) The state, city or provincial law permits inspections by insurance company employees.
- (2) If we receive notification of a pressure vessel certificate-of-operation inspection due date less than 30 (thirty) days prior to the expiration of the certificate-of-operation, we will not be responsible for:
 - (a) Any fine or other penalty that may be assessed; or
 - (b) Any liability that may arise due to the fact that the inspection was not performed prior to the certificate-of-operation due date.
- (3) Certificate-of-operation engineering services will not be provided for any location, other than in the United States of America, Puerto Rico or Canada.

b. **Suspension**

- (1) Whenever "covered equipment" is found to be in, or exposed to, a dangerous condition, any of our representatives may immediately suspend the coverage provided by this Endorsement. We will deliver or mail a written notice of suspension to your last known address or the address where the "covered equipment" is located.
- (2) Once suspended in this way, your coverage can be reinstated only by an Endorsement for that "covered equipment".
- (3) If we suspend your coverage, 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.

12. With regard to the coverage provided by this Endorsement, the following definitions apply in addition to the definitions provided in the Coverage Form to which this Endorsement applies:

- a. **"Computer equipment"** means your programmable electronic equipment that is used to store, retrieve and process data; and associated peripheral equipment that provides communication including input and output functions such as printing or auxiliary functions such as data transmission. It does not include data or "media".
- b. **"Media"** means electronic data processing or storage material such as films, tapes, discs, drums or cells.

- c. **"Perishable goods"** means personal property maintained under controlled conditions for its preservation and susceptible to loss or damage if the controlled conditions change.

All other terms and conditions of this policy remain unchanged.

Endorsement Number: 14

Policy Number: ESP7304080-02

Named Insured: Keshav, LLC dba Home2 Suites

This endorsement is effective on the inception date of this Policy unless otherwise stated herein:

Endorsement Effective Date: October 6, 2019

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COMMERCIAL PROPERTY CONDITIONS

This Coverage Part is subject to the following conditions, the Common Policy Conditions and applicable Loss Conditions and Additional Conditions in Commercial Property Coverage Forms.

A. CONCEALMENT, MISREPRESENTATION OR FRAUD

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

1. This Coverage Part;
2. The Covered Property;
3. Your interest in the Covered Property; or
4. A claim under this Coverage Part.

B. CONTROL OF PROPERTY

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

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

C. INSURANCE UNDER TWO OR MORE COVERAGES

If two or more of this policy's coverages apply to the same loss or damage, we will not pay more than the actual amount of the loss or damage.

D. LEGAL ACTION AGAINST US

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

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

E. LIBERALIZATION

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

F. NO BENEFIT TO BAILEE

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

G. OTHER INSURANCE

1. You may have other insurance subject to the same plan, terms, conditions and provisions as the insurance under this Coverage Part. If you do, we will pay our share of the covered loss or damage. Our share is the proportion that the applicable Limit of Insurance under this Coverage Part bears to the Limits of Insurance of all insurance covering on the same basis.
2. If there is other insurance covering the same loss or damage, other than that described in 1. above, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not. But we will not pay more than the applicable Limit of Insurance.

H. POLICY PERIOD, COVERAGE TERRITORY

Under this Coverage Part:

1. We cover loss or damage commencing:
 - a. During the policy period shown in the Declarations; and
 - b. Within the coverage territory.
2. The coverage territory is:
 - a. The United States of America (including its territories and possessions); and
 - b. Puerto Rico;

unless otherwise stated within the applicable Coverage Form or an endorsement to the policy.

I. TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

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

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

This will not restrict your insurance.





J. Kevin Stitt
Office of the Governor
State of Oklahoma

FILED

MAR 15 2020

OKLAHOMA SECRETARY
OF STATE

**EXECUTIVE DEPARTMENT
EXECUTIVE ORDER 2020-07**

On March 15, 2020, the eighth case of a novel coronavirus ("COVID-19"), was confirmed in the State of Oklahoma. As noted in a previous Executive Order, the United States Centers for Disease Control and Prevention has identified the potential public health threat posed by COVID-19 as "high" both globally and in the United States. In addition, on March 14, 2020, the President of the United States declared a national health emergency in the United States as a result of the national spread of COVID-19.

While impact in Oklahoma has continued to be relatively minimal to date, it is increasingly important for Oklahoma to be ready for this threat. Therefore, I believe, after consultation with numerous health experts within my administration, it is now necessary to provide for the rendering of mutual assistance among the State and political subdivisions of the State and to cooperate with the Federal government with respect to carrying out emergency functions during the continuance of the State emergency pursuant to the provisions of the Oklahoma Emergency Management Act of 2003.

Therefore, I, J. Kevin Stitt, Governor of the State of Oklahoma, pursuant to the power vested in me by Section 2 of Article VI of the Oklahoma Constitution, hereby declare and order the following:

1. There is hereby declared an emergency caused by the impending threat of COVID-19 to the people of this State and the public's peace, health, and safety. The counties included in this declaration are:

All 77 Oklahoma Counties

2. The State Emergency Operations Plan has been activated, and resources of all State departments and agencies available to meet this emergency are hereby committed to the reasonable extent necessary to prepare for and respond to COVID-19 and to protect the health and safety of the public. These efforts shall be coordinated by the Director of the Department of Emergency Management with comparable functions of the federal government and political subdivisions of the State.
3. State agencies, in responding to this emergency, may make necessary emergency acquisitions to fulfill the purposes of this declaration without regard to limitations or bidding requirements on such acquisitions to include the use of

the state purchase card. Such necessary emergency purchases shall be capped at \$250,000.00 per transaction. All such purchases must be readily identifiable as such, as following the conclusion of this threat, all such necessary emergency acquisitions will be audited to determine if they were made for emergency purposes.

4. State agencies, in responding to this emergency, may employ additional staff without regard to the classification requirements of such employment.
5. State agencies shall continue to follow guidance for interaction with the public provided by the Oklahoma Department of Health.

In addition, I direct all state agencies as follows:

1. Transmit a clear delegation of authority for state agency directors and designate an Emergency Management Liaison by 5:00 p.m. on March 16, 2020;
2. Establish and, if necessary, implement a remote work policy that balances the safety and welfare of state employees with the critical services they provide;
3. Encourage Oklahomans interacting with agency services to utilize online options whenever possible;
4. Ensure continued compliance with Executive Order 2019-13, which limits non-essential out-of-state travel.
5. Promulgate any emergency rules necessary to respond to the emergency and to comply with the directives contained herein.

This Order shall be effective until the end of thirty (30) days after the filing of this Order.


Copies of this Executive Order shall be distributed to the Director of Emergency Management, the Oklahoma State Health Commissioner, and the Director of the Office of Management and Enterprise Services who shall cause the provisions of this Order to be implemented by all appropriate agencies of State government.

IN WITNESS WHEREOF, I have set my hand and caused the Great Seal of the State of Oklahoma to be affixed at Oklahoma City, this 15th day of March, 2020.

BY THE GOVERNOR OF THE STATE OF OKLAHOMA


J. KEVIN STITT

ATTEST:


MICHAEL ROGERS, SECRETARY OF STATE







J. Kevin Stitt
Office of the Governor
State of Oklahoma

FILED

MAR 24 2020

**OKLAHOMA SECRETARY
OF STATE**

**EXECUTIVE DEPARTMENT
FOURTH AMENDED EXECUTIVE ORDER 2020-07**

On March 24, 2020, the 109th case of a novel coronavirus ("COVID-19"), was confirmed in the State of Oklahoma. As noted in a previous Executive Order, the United States Centers for Disease Control and Prevention has identified the potential public health threat posed by COVID-19 as "high" both globally and in the United States. In addition, on March 14, 2020, the President of the United States declared a national health emergency in the United States as a result of the national spread of COVID-19.

As COVID-19's impact continues to evolve, it is important to take measures to protect all Oklahomans against this threat. Therefore, I believe, after consultation with numerous health experts within my administration, it is now necessary to provide for the rendering of mutual assistance among the State and political subdivisions of the State and to cooperate with the Federal government with respect to carrying out emergency functions during the continuance of the State emergency pursuant to the provisions of the Oklahoma Emergency Management Act of 2003.

Therefore, I, J. Kevin Stitt, Governor of the State of Oklahoma, pursuant to the power vested in me by Section 2 of Article VI of the Oklahoma Constitution, hereby declare and order the following:

1. There is hereby declared an emergency caused by the impending threat of COVID-19 to the people of this State and the public's peace, health, and safety. The counties included in this declaration are:

All 77 Oklahoma Counties

2. The State Emergency Operations Plan has been activated, and resources of all State departments and agencies available to meet this emergency are hereby committed to the reasonable extent necessary to prepare for and respond to COVID-19 and to protect the health and safety of the public. These efforts shall be coordinated by the Director of the Department of Emergency Management with comparable functions of the federal government and political subdivisions of the State.
3. State agencies, in responding to this emergency, may make necessary emergency acquisitions to fulfill the purposes of this declaration. If using a P-Card to make

EXHIBIT

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such acquisitions, agencies may purchase the necessary acquisitions without regard to the current P-Card policy limitation of \$5,000.00 purchase limit. Agencies may make the necessary emergency acquisitions without the requirement to follow bidding requirement/limitations on such emergency acquisitions, without the need to purchase from State Use Vendors, or to purchase from mandatory State Wide contracts. Such necessary emergency purchases shall be capped at \$250,000.00 per transaction. All such purchases must be readily identifiable as such, as following the conclusions of this threat, all such necessary emergency acquisitions will be audited to determine if they were made for emergency purposes.

4. State agencies, in responding to this emergency, may employ additional staff without regard to the classification requirements of such employment.
5. State agencies shall continue to follow guidance for interaction with the public provided by the Oklahoma Department of Health.

In addition, I direct as follows:

1. Transmit a clear delegation of authority for state agency directors and designate an Emergency Management Liaison by 5:00 p.m. on March 16, 2020;
2. Establish and, if necessary, implement a remote work policy that balances the safety and welfare of state employees with the critical services they provide;
3. Encourage Oklahomans interacting with agency services to utilize online options whenever possible;
4. Ensure continued compliance with Executive Order 2019-13, which limits non-essential out-of-state travel.
5. Promulgate any emergency rules necessary to respond to the emergency and to comply with the directives contained herein.
6. Any medical professional who holds a license, certificate, or other permit issued by any state that is a party to the Emergency Management Compact evidencing the meeting of qualifications for the practice of certain medical services, as more particularly described below, shall be deemed licensed to practice in Oklahoma so long as this Order shall be in effect, subject to the following conditions:
 - a. This shall only apply to Medical (MD) and Allied Licenses issued by the Board of Medical Licensure and Supervision, Licenses issued by State Board of Osteopathic Examiners, and Licenses and Certificates issued by the Board of Nursing, all three shall collectively be referred to as "Boards";
 - b. Any medical professional intending to practice in Oklahoma pursuant to

this Order, hereinafter referred to as "Applicant," shall first apply with and receive approval from appropriate Board;

- c. It is the responsibility of each Board to verify the license status of any applicant and, upon verification of good standing, shall issue a temporary license to practice within this State; and
 - d. Any applicant licensed under this Order shall be subject to the oversight and jurisdiction of the licensing Board, which includes the ability of the Board to revoke said license and to initiate any administrative or civil proceeding related to any alleged misconduct of the applicant.
7. All occupational licenses issued by any agency, board, or commission of the State of Oklahoma that expire during this emergency shall be extended so long as this Order is in effect. All occupational licenses extended during this Order will expire fourteen (14) days following the withdrawal or termination of this Order.
8. Hospitals and Physician Clinics (collectively referred to as "hospitals") operating in the State shall cooperate with and respond to all requests for critical data from the Oklahoma State Department of Health ("OSDH"), as applicable to the services they provide. This shall include, but will not be limited to, the daily submission, no later than noon, of critical data in a manner and format prescribed by OSDH. Critical Data shall include, but not be limited to:
- a. The number of available (i) ICU beds, (ii) medical surgery beds, (iii) operating room beds, (iv) pediatric beds, (v) PICU beds, (vi) ventilators, (vii) negative flow rooms, (viii) and overall occupancy status;
 - b. COVID-19 Test Availability, as measured by the number of COVID-19 testing kits available for use at the hospital;
 - c. The number of (i) positive patients and persons under investigation in the hospital receiving treatment and (ii) positive patients and persons under investigation sent home for self-quarantine; and
 - d. Days of essential Personal Protective Equipment stock on hand, as measured by the hospital's defined daily adjusted burn rate of PPE.
9. The OSDH shall provide daily an aggregated summary of the information requested in the preceding paragraph to the Office of the Governor by 3:00 p.m.
10. The OSDH and all private labs performing COVID-19 testing shall provide daily updates, by 3:00 p.m., to the Office of the Governor on (i) the daily number of COVID-19 tests they are capable performing that day and (ii) number of COVID-19 testing kits they have on hand for distribution to hospitals.

11. The preexisting patient relationship requirement for telemedicine, as required by 59 O.S. § 478.1, is hereby waived so long as this Order is in effect. Nothing in this Order shall waive 59 O.S. § 478.1(B) regarding HIPAA or (C) for the purpose of prescribing opiates and other controlled dangerous substances referenced therein.
12. The requirement that an individual be unemployed for a waiting period of one (1) week before benefits are paid, as required by 40 O.S. § 2-206, is hereby waived so long as this Order remains in effect.
13. Advanced practice registered nurses, registered nurses, licensed practical nurses and advanced unlicensed assistants who have lapsed or inactive licenses or certifications may have their single-state license or certification reinstated if they submit a reinstatement application and fee prescribed by the Board and meet the qualifications for licensure or certification established by the Board, provided such license shall only be valid as long as this Order is in effect. The continuing qualifications as required for licensure or certification by OAC 485:10-7-4 (h); 485:10-7-5 (g); 485:10-9-4 (h); 485:10-9-5 (g); 485:10-10-8.1 (d) are hereby waived as long as this Order remains in effect. It is strongly recommended any required fees be waived to the fullest extent possible.
14. The requirements for Oklahoma Tax Commission compliance for any advanced practice registered nurse, registered nurse, licensed practical nurse and advanced unlicensed assistant application for renewal or reinstatement of a lapsed or inactive license or certification who is identified as being Oklahoma Tax Commission non-compliant, as set forth in 68 OS § 238.1 (E), is hereby waived as long as this Order remains in effect.
15. Oklahoma State regulations requiring Clinical Laboratory Improvement Amendment (CLIA) certification for testing laboratories are hereby suspended until further notice for the universities named below and for the narrow purposes described herein. During this suspension, laboratories operated by or through the University of Oklahoma and Oklahoma State University are authorized to conduct testing and testing-related activities in response to the COVID-19 pandemic. Further, the Oklahoma Commissioner of Health, acting through and on behalf of OSDH, is hereby authorized to contract with the Board of Regents for the Oklahoma Agricultural and Mechanical Colleges, the Board of Regents for the University of Oklahoma, and/or their constituent agencies to perform laboratory tests and test-related activities, without regard to CLIA certification requirements, as necessary to detect and report COVID-19 infection in compliance with applicable law. The Commissioner of Health is authorized to negotiate and execute any and all agreements and terms necessary to execute and implement this provision.
16. No prescription for chloroquine or hydroxychloroquine may be dispensed unless all of the following apply:

- a. The prescription bears a written diagnosis from the prescriber consistent with the evidence for its use.
- b. The prescription is limited to no more than a fourteen (14) day supply, unless the patient was previously established on the medication prior to the effective date of this Order.
- c. No refills may be permitted unless a new prescription is furnished.

If a scenario is not addressed in these medication limitations a pharmacy can use the waiver form provided by the Board of Pharmacy to request further consideration.

17. Adults over the age of sixty-five (65) and people of any age who have serious underlying medical conditions, collectively referred to as "vulnerable individuals," shall stay in their home or place of residence except for working in a critical infrastructure sector, as more particularly described herein, and the conduct of essential errands. Essential errands shall mean those errands which are critical to everyday life and includes obtaining medication, groceries, gasoline, and visiting medical providers. The vulnerable population is encouraged to use delivery and/or curbside services whenever available.
18. Oklahomans and medical providers in Oklahoma shall postpone all elective surgeries, minor medical procedures, and non-emergency dental procedures until April 7, 2020.
19. Social gatherings of more than ten people are prohibited. Businesses within a critical infrastructure sector, as more particularly described herein, shall take all reasonable steps necessary to comply with this Order and protect their employees, workers, and patrons.
20. Effective at 11:59 p.m. on March 25, 2020, all businesses not identified as being within a critical infrastructure sector as defined by the U.S. Department of Homeland Security and located in a county experiencing community spread of COVID-19, as identified by OSDH on its website, shall close. Additional sectors may be designated as critical by Executive Order or Memorandum. Nothing in this provision shall prevent restaurants and bars from providing pick-up, curbside, and delivery. This shall be effective until April 16, 2020.
21. Visitors are prohibited from entering and visiting patients and residents at nursing homes, long-term care facilities, and retirement homes.

Further, I hereby order the temporary suspension of the following as they apply to vehicles in the support efforts:

1. The cost and fees of oversize/overweight permits required of carriers whose sole purpose is transportation of materials, equipment, and supplies used for recovery/relief efforts which require an overweight permit under Title 47 of Oklahoma statutes;

2. By execution of this Order, motor carriers and drivers providing direct assistance in support of relief efforts related to the COVID-19 outbreaks are granted emergency relief from Parts 390 through 399 of Title 49 Code of Federal Regulations, except as restricted herein. Direct assistance means transportation and other relief services provided by a motor carrier or its driver(s) incident to the immediate restoration of essential services, such as medical care, or essential supplies such as food, related to COVID-19 outbreaks during the emergency.
 - a. This Emergency Declaration provides regulatory relief for commercial motor vehicle operations that are providing direct assistance in support of emergency relief efforts related to the COVID-19 outbreaks, including transportation to meet immediate needs for: (1) medical supplies and equipment related to the testing, diagnosis and treatment of COVID-19; (2) supplies and equipment necessary for community safety, sanitation, and prevention of community transmission of COVID-19 such as masks, gloves, hand sanitizer, soap and disinfectants; (3) food for emergency restocking of stores; (4) equipment, supplies and persons necessary to establish and manage temporary housing, quarantine, and isolation facilities related to COVID-19; (5) persons designated by Federal, State or local authorities for medical, isolation, or quarantine purposes; (6) persons necessary to provide other medical or emergency services, the supply of which may be affected by the COVID-19 response; (7) fuels and petroleum products (to include fuel oil, diesel oil, gasoline, kerosene, propane, and liquid petroleum); and (8) livestock, poultry, feed for livestock and poultry, and crops and other agricultural products ready to be harvested.
 - b. Direct assistance does not include routine commercial deliveries, or transportation of mixed loads that include essential supplies, equipment and persons, along with supplies, equipment and persons that are not being transported in support of emergency relief efforts related to the COVID-19 outbreaks.
 - c. Direct assistance terminates when a driver or commercial motor vehicle is used in interstate commerce to transport cargo or provide services that are not in support of emergency relief efforts related to the COVID-19 outbreaks or when the motor carrier dispatches a driver or commercial motor vehicle to another location to begin operations in commerce. 49 CFR 390.23(b). Upon termination of direct assistance to emergency relief efforts related to the COVID-19 outbreaks, the motor carrier and driver are subject to the requirements of 49 CFR Parts 390 through 399, except that a driver may return empty to the motor carrier's terminal or the driver's normal work reporting location without complying with Parts 390 through 399. However, if the driver informs the motor carrier that he or she needs immediate rest, the driver must be permitted at least 10 consecutive hours off duty before the driver is required to return to

the motor carrier's terminal or the driver's normal reporting location. Once the driver has returned to the terminal or other location, the driver must be relieved of all duty and responsibilities and must receive a minimum of 10 hours off duty if transporting property, and 8 hours if transporting passengers.

3. The requirements for licensing/operating authority as required by the Oklahoma Corporation Commission; and
4. The requirements for licensing/registration authority as required by the Oklahoma Tax Commission.

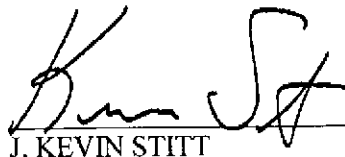
Nothing contained in this Order shall be construed as an exemption from the Controlled Substance and Alcohol Use and testing requirements. (49 C.F.R. part 382), the Commercial Driver License requirements (49 C.F.R. part 383), the Financial Responsibilities requirements (49 C.F.R. part 387), or any other portion of the regulations not specifically identified herein. Motor carriers that have an Out-of-Service Order in effect cannot take advantage of the relief from regulation that this declaration provided.

This Order shall be effective until the end of thirty (30) days after the filing of this Order.


Copies of this Executive Order shall be distributed to the Director of Emergency Management, the Oklahoma State Health Commissioner, the Commissioner of the Department of Public Safety and the Director of the Office of Management and Enterprise Services who shall cause the provisions of this Order to be implemented by all appropriate agencies of State government.


IN WITNESS WHEREOF, I have set my hand and caused the Great Seal of the State of Oklahoma to be affixed at Oklahoma City, this 24th day of March, 2020.

BY THE GOVERNOR OF THE STATE OF OKLAHOMA


J. KEVIN STITT

ATTEST:


MICHAEL ROGERS, SECRETARY OF STATE



The Great Seal of the State of Oklahoma is circular, featuring a five-pointed star in the center. The words "GREAT SEAL OF THE STATE OF OKLAHOMA" are inscribed around the perimeter of the seal. The year "1907" is visible at the bottom of the seal.





J. Kevin Stitt
Office of the Governor
State of Oklahoma

FILED
APR 02 2020
OKLAHOMA SECRETARY
OF STATE

**EXECUTIVE DEPARTMENT
EIGHTH AMENDED EXECUTIVE ORDER 2020-07**

On April 2, 2020, the 879th case of a novel coronavirus ("COVID-19"), was confirmed in the State of Oklahoma. As noted in a previous Executive Order, the United States Centers for Disease Control and Prevention has identified the potential public health threat posed by COVID-19 as "high" both globally and in the United States. In addition, on March 14, 2020, the President of the United States declared a national health emergency in the United States as a result of the national spread of COVID-19.

As COVID-19's impact continues to evolve, it is important to take measures to protect all Oklahomans against this threat. Therefore, I believe, after consultation with numerous health experts within my administration, it is now necessary to provide for the rendering of mutual assistance among the State and political subdivisions of the State and to cooperate with the Federal government with respect to carrying out emergency functions during the continuance of the State emergency pursuant to the provisions of the Oklahoma Emergency Management Act of 2003.

Therefore, I, J. Kevin Stitt, Governor of the State of Oklahoma, pursuant to the power vested in me by Section 2 of Article VI of the Oklahoma Constitution, hereby declare and order the following:

1. There is hereby declared an emergency caused by the impending threat of COVID-19 to the people of this State and the public's peace, health, and safety. The counties included in this declaration are:

All 77 Oklahoma Counties

2. The State Emergency Operations Plan has been activated, and resources of all State departments and agencies available to meet this emergency are hereby committed to the reasonable extent necessary to prepare for and respond to COVID-19 and to protect the health and safety of the public. These efforts shall be coordinated by the Director of the Department of Emergency Management with comparable functions of the federal government and political subdivisions of the State.
3. State agencies, in responding to this emergency, may make necessary emergency acquisitions to fulfill the purposes of this declaration. If using a P-Card to make such acquisitions, agencies may purchase the necessary acquisitions without regard to the

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current P-Card policy limitation of \$5,000.00 purchase limit. Agencies may make the necessary emergency acquisitions without the requirement to follow bidding requirement/limitations on such emergency acquisitions, without the need to purchase from State Use Vendors, or to purchase from mandatory State Wide contracts. Such necessary emergency purchases shall be capped at \$250,000.00 per transaction. All such purchases must be readily identifiable as such, as following the conclusions of this threat, all such necessary emergency acquisitions will be audited to determine if they were made for emergency purposes.

4. Effective immediately, a moratorium is placed on all out-of-state travel for all employees and officers of agencies that is paid for, in whole or in part, by the State of Oklahoma. This moratorium shall apply to all travel expenses not already incurred as of the date of this Order. Any state employee or officer seeking an exception to this moratorium may submit a written request to the Governor, who shall have the sole discretion to approve or deny the request.
5. State agencies, in responding to this emergency, may employ additional staff without regard to the classification requirements of such employment.
6. State agencies shall continue to follow guidance for interaction with the public provided by the Oklahoma Department of Health.

In addition, I direct as follows:

1. Transmit a clear delegation of authority for state agency directors and designate an Emergency Management Liaison by 5:00 p.m. on March 16, 2020;
2. Establish and, if necessary, implement a remote work policy that balances the safety and welfare of state employees with the critical services they provide;
3. Encourage Oklahomans interacting with agency services to utilize online options whenever possible;
4. Ensure continued compliance with Executive Order 2019-13, which limits non-essential out-of-state travel.
5. Promulgate any emergency rules necessary to respond to the emergency and to comply with the directives contained herein.
6. Any medical professional who holds a license, certificate, or other permit issued by any state that is a party to the Emergency Management Compact evidencing the meeting of qualifications for the practice of certain medical services, as more particularly described below, shall be deemed licensed to practice in Oklahoma so long as this Order shall be in effect, subject to the following conditions:

- a. This shall only apply to Medical (MD) and Allied Licenses issued by the Board of Medical Licensure and Supervision, Licenses issued by State Board of Osteopathic Examiners, and Licenses and Certificates issued by the Board of Nursing, all three shall collectively be referred to as "Boards";
 - b. Any medical professional intending to practice in Oklahoma pursuant to this Order, hereinafter referred to as "Applicant," shall first apply with and receive approval from appropriate Board;
 - c. It is the responsibility of each Board to verify the license status of any applicant and, upon verification of good standing, shall issue a temporary license to practice within this State; and
 - d. Any applicant licensed under this Order shall be subject to the oversight and jurisdiction of the licensing Board, which includes the ability of the Board to revoke said license and to initiate any administrative or civil proceeding related to any alleged misconduct of the applicant.
7. All occupational licenses issued by any agency, board, or commission of the State of Oklahoma that expire during this emergency shall be extended so long as this Order is in effect. All occupational licenses extended during this Order will expire fourteen (14) days following the withdrawal or termination of this Order.
8. Hospitals and Physician Clinics (collectively referred to as "hospitals") operating in the State shall cooperate with and respond to all requests for critical data from the Oklahoma State Department of Health ("OSDH"), as applicable to the services they provide. This shall include, but will not be limited to, the daily submission, no later than noon, of critical data in a manner and format prescribed by OSDH. Critical Data shall include, but not be limited to:
 - a. The number of available (i) ICU beds, (ii) medical surgery beds, (iii) operating room beds, (iv) pediatric beds, (v) PICU beds, (vi) ventilators, (vii) anesthesia machines capable of patient ventilation, (viii) ventilator connecting circuits, (ix) patient interfaces, (x) negative flow rooms, (xi) and overall occupancy status;
 - b. COVID-19 Test Availability, as measured by the number of COVID-19 testing kits available for use at the hospital;
 - c. The number of (i) positive patients and persons under investigation in the hospital receiving treatment and (ii) positive patients and persons under investigation sent home for self-quarantine; and
 - d. Personal Protective Equipment stock on hand.
9. The OSDH shall provide daily an aggregated summary of the information

requested in the preceding paragraph to the Office of the Governor by 3:00 p.m.

10. Every public or private entity that is utilizing, or has utilized, an FDA-approved test, including an emergency use authorization test, for human diagnostic purposes of COVID-19, shall submit to Oklahoma State Department of Health (OSDH), as well as to the local health department, daily reports of all test results, both positive and negative, the number of test supplies ordered, the number of test supplies available, the number of samples/specimens received and pending processing, and timeframe of test completion, for all days from March 15, 2020 forward. In addition, OSDH shall promptly share this information with the CDC.
11. Telemedicine shall be used to maximum potential and shall be allowed for non-established patients for the purposes of the COVID-19 response. The preexisting patient relationship requirement for telemedicine, as required by 59 O.S. § 478.1, only applies to the prescribing of opiates and other controlled dangerous substances. 59 O.S. § 478.1 already allows the physician to see patients using telemedicine without the prior establishment of the physician patient relationship. Nothing in this Order shall waive 59 O.S. § 478.1 (C) for the purpose of prescribing opiates and other controlled dangerous substances reference therein.
12. The requirement that an individual be unemployed for a waiting period of one (1) week before benefits are paid, as required by 40 O.S. § 2-206, is hereby waived so long as this Order remains in effect.
13. Advanced practice registered nurses, registered nurses, licensed practical nurses and advanced unlicensed assistants who have lapsed or inactive licenses or certifications may have their single-state license or certification reinstated if they submit a reinstatement application and fee prescribed by the Board and meet the qualifications for licensure or certification established by the Board, provided such license shall only be valid as long as this Order is in effect. The continuing qualifications as required for licensure or certification by OAC 485:10-7-4 (h); 485:10-7-5 (g); 485:10-9-4 (h); 485:10-9-5 (g); 485:10-10-8.1 (d) are hereby waived as long as this Order remains in effect. It is strongly recommended any required fees be waived to the fullest extent possible.
14. The requirements for Oklahoma Tax Commission compliance for any advanced practice registered nurse, registered nurse, licensed practical nurse and advanced unlicensed assistant application for renewal or reinstatement of a lapsed or inactive license or certification who is identified as being Oklahoma Tax Commission non-compliant, as set forth in 68 OS § 238.1 (E), is hereby waived as long as this Order remains in effect.
15. Oklahoma State regulations requiring Clinical Laboratory Improvement Amendment (CLIA) certification for testing laboratories are hereby suspended until further notice for the universities named below and for the narrow purposes described herein. During this suspension, laboratories operated by or

through the University of Oklahoma and Oklahoma State University are authorized to conduct testing and testing-related activities in response to the COVID-19 pandemic. Further, the Oklahoma Commissioner of Health, acting through and on behalf of OSDH, is hereby authorized to contract with the Board of Regents for the Oklahoma Agricultural and Mechanical Colleges, the Board of Regents for the University of Oklahoma, and/or their constituent agencies to perform laboratory tests and test-related activities, without regard to CLIA certification requirements, as necessary to detect and report COVID-19 infection in compliance with applicable law. The Commissioner of Health is authorized to negotiate and execute any and all agreements and terms necessary to execute and implement this provision.

16. No prescription for chloroquine or hydroxychloroquine may be dispensed unless all of the following apply:
 - a. The prescription bears a written diagnosis from the prescriber consistent with the evidence for its use.
 - b. The prescription is limited to no more than a fourteen (14) day supply, unless the patient was previously established on the medication prior to the effective date of this Order.
 - c. No refills may be permitted unless a new prescription is furnished.

If a scenario is not addressed in these medication limitations a pharmacy can use the waiver form provided by the Board of Pharmacy to request further consideration.

17. Adults over the age of sixty-five (65) and people of any age who have serious underlying medical conditions, collectively referred to as "vulnerable individuals," shall stay in their home or place of residence except for working in a critical infrastructure sector, as more particularly described herein, and the conduct of essential errands. Essential errands shall mean those errands which are critical to everyday life and includes obtaining medication, groceries, gasoline, and visiting medical providers. The vulnerable population is encouraged to use delivery and/or curbside services whenever available.
18. Oklahomans and medical providers in Oklahoma shall postpone all elective surgeries, minor medical procedures, and non-emergency dental procedures until April 30, 2020.
19. Social gatherings of more than ten people are prohibited. Businesses within a critical infrastructure sector, as more particularly described herein, shall take all reasonable steps necessary to comply with this Order and protect their employees, workers, and patrons.
20. Effective at 11:59 p.m. on March 25, 2020, all businesses not identified as being within a critical infrastructure sector as defined by the U.S. Department of

Homeland Security or defined as essential by the Oklahoma Department of Commerce through the use of the North American Industry Classification System (NAICS) shall close to the public. A list of the essential business NAICS codes shall be published on the Oklahoma Department of Commerce website. Additional sectors may be designated as critical or essential by Executive Memorandum. Nothing in this provision shall prevent restaurants and bars from providing takeout, curbside, and delivery. This shall be effective until April 30, 2020.

21. Visitors are prohibited from entering and visiting patients and residents at nursing homes, long-term care facilities, and retirement homes.
22. All delivery personnel including package, floral, and food delivery shall, at the request of a hospital, clinic, long-term care facility, or childcare facility submit to a screening prior to delivering goods. Such screening shall include a temperature check and may include a short questionnaire about potential exposure. Additionally, package delivery drivers must take their own temperature daily and shall not deliver packages if it registers over 100.4 degrees Fahrenheit. Questionnaires shall include questions about recent travel to areas with significant community spread and personal contact with individuals who have tested positive for COVID-19.
23. As supporting front-line healthcare workers is essential to our battle against COVID-19, front-line healthcare workers and their children, who have not tested positive for COVID-19 and are not otherwise exhibiting the symptoms thereof, shall not – simply because they are healthcare workers or children of healthcare workers – be discriminated against in housing or childcare services.
24. Any statutory or rule-based time requirements for completing training and becoming certified as a peace officer for duly appointed or elected peace officers during the existence of this emergency are hereby waived during the period of the emergency and for thirty days after the emergency is declared to be over.
25. Any requirements that county reserve deputies, municipal reserve officers, or other duly appointed reserve peace officers in this State be CLEET-certified prior to serving in an individual capacity or be accompanied by a CLEET-certified peace officer prior to becoming CLEET-certified are hereby waived during the period of the emergency and for thirty days after the emergency is declared to be over. Any such reserve deputy, municipal reserve officer, or other duly appointed reserve peace officer must be commissioned and authorized by his or her appointing agency's head or designee before being allowed to work as a peace officer under this provision.
26. I hereby direct all persons who enter the State of Oklahoma from an area with substantial community spread, including but not limited to the New York Tri-State

Area (Connecticut, New Jersey and New York), the state of Washington, California, and Louisiana, to quarantine for a period of 14 days from the time of entry into the State of Oklahoma or the duration of the person's presence in the State of Oklahoma, whichever is shorter. This Order shall not apply to persons employed by the airlines and those performing military, emergency or health response, or those workers coming into the State to participate in businesses within critical infrastructure sectors as defined in paragraph 20 herein and in Amended Executive Memorandum 2020-01. This Order shall also not apply to persons employed by utility companies and their contractors, as well as their Mutual Aid partners, and Mutual Aide First Responders, who are traveling into the State to assist with Emergency Management. This Order shall take effect immediately and apply retroactively to all persons who have entered Oklahoma after being in any area with substantial community spread within the previous 14 days. All persons quarantining under this Section shall be responsible for all costs associated with their quarantine, including transportation, lodging, food, medical care and any other expenses to sustain the person during the period of quarantine.

27. I hereby direct all persons covered under paragraph 26 of this Order to inform any individual in Oklahoma with whom they have had direct physical contact in the past 21 days that they traveled from an area with substantial community spread.
28. All local educational agencies shall to the greatest extent practicable, continue to pay their employees and contractors for the remainder of the contracted period of the 2019-20 fiscal year, and in furtherance of this intent the State hereby authorizes accredited public school districts to pay support staff for the remainder of their contracted period for the 2019-20 fiscal year and waives any statutory or rule-based time limitations on which support personnel (as defined in 70 O.S. § 1-116) may accumulate or receive leave for the 2019-20 fiscal year.

Further, I hereby order the temporary suspension of the following as they apply to vehicles in the support efforts:

1. The cost and fees of oversize/overweight permits required of carriers whose sole purpose is transportation of materials, equipment, and supplies used for recovery/relief efforts which require an overweight permit under Title 47 of Oklahoma statutes;
2. By execution of this Order, motor carriers and drivers providing direct assistance in support of relief efforts related to the COVID-19 outbreaks are granted emergency relief from Parts 390 through 399 of Title 49 Code of Federal Regulations, except as restricted herein. Direct assistance means transportation and other relief services provided by a motor carrier or its driver(s) incident to the immediate restoration of essential services, such as medical care, or essential supplies such as food, related to COVID-19 outbreaks

during the emergency.

- a. This Emergency Declaration provides regulatory relief for commercial motor vehicle operations that are providing direct assistance in support of emergency relief efforts related to the COVID-19 outbreaks, including transportation to meet immediate needs for: (1) medical supplies and equipment related to the testing, diagnosis and treatment of COVID-19; (2) supplies and equipment necessary for community safety, sanitation, and prevention of community transmission of COVID-19 such as masks, gloves, hand sanitizer, soap and disinfectants; (3) food for emergency restocking of stores; (4) equipment, supplies and persons necessary to establish and manage temporary housing, quarantine, and isolation facilities related to COVID-19; (5) persons designated by Federal, State or local authorities for medical, isolation, or quarantine purposes; (6) persons necessary to provide other medical or emergency services, the supply of which may be affected by the COVID-19 response; (7) fuels and petroleum products (to include fuel oil, diesel oil, gasoline, kerosene, propane, and liquid petroleum); and (8) livestock, poultry, feed for livestock and poultry, and crops and other agricultural products ready to be harvested.
- b. Direct assistance does not include routine commercial deliveries, or transportation of mixed loads that include essential supplies, equipment and persons, along with supplies, equipment and persons that are not being transported in support of emergency relief efforts related to the COVID-19 outbreaks.
- c. Direct assistance terminates when a driver or commercial motor vehicle is used in interstate commerce to transport cargo or provide services that are not in support of emergency relief efforts related to the COVID-19 outbreaks or when the motor carrier dispatches a driver or commercial motor vehicle to another location to begin operations in commerce. 49 CFR 390.23(b). Upon termination of direct assistance to emergency relief efforts related to the COVID-19 outbreaks, the motor carrier and driver are subject to the requirements of 49 CFR Parts 390 through 399, except that a driver may return empty to the motor carrier's terminal or the driver's normal work reporting location without complying with Parts 390 through 399. However, if the driver informs the motor carrier that he or she needs immediate rest, the driver must be permitted at least 10 consecutive hours off duty before the driver is required to return to the motor carrier's terminal or the driver's normal reporting location. Once the driver has returned to the terminal or other location, the driver must be relieved of all duty and responsibilities and must receive a minimum of 10 hours off duty if transporting property, and 8 hours if transporting passengers.

3. The requirements for licensing/operating authority as required by the Oklahoma Corporation Commission; and
4. The requirements for licensing/registration authority as required by the Oklahoma Tax Commission.

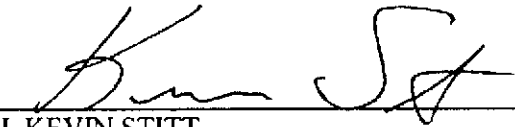
Nothing contained in this Order shall be construed as an exemption from the Controlled Substance and Alcohol Use and testing requirements. (49 C.F.R. part 382), the Commercial Driver License requirements (49 C.F.R. part 383), the Financial Responsibilities requirements (49 C.F.R. part 387), or any other portion of the regulations not specifically identified herein. Motor carriers that have an Out-of-Service Order in effect cannot take advantage of the relief from regulation that this declaration provided.

This Order shall be effective until the end of thirty (30) days after the filing of this Order.

Copies of this Executive Order shall be distributed to the Director of Emergency Management, the Oklahoma State Health Commissioner, the Commissioner of the Department of Public Safety, the Director of the Office of Management and Enterprise Services, the Oklahoma Tax Commission, and the Oklahoma Corporation Commission who shall cause the provisions of this Order to be implemented by all appropriate agencies of State government.

IN WITNESS WHEREOF, I have set my hand and caused the Great Seal of the State of Oklahoma to be affixed at Oklahoma City, this 2nd day of April 2020.

BY THE GOVERNOR OF THE STATE OF OKLAHOMA



J. KEVIN STITT

ATTEST:



MICHAEL ROGERS, SECRETARY OF STATE


The seal features a five-pointed star with a smaller star in the center, surrounded by a wreath. The words "GREAT SEAL OF THE STATE OF OKLAHOMA" are inscribed around the perimeter, and the year "1907" is at the bottom.





REVISED PROCLAMATION OF STATE OF EMERGENCY

WHEREAS, the United States is experiencing an outbreak of Novel Coronavirus-2019 also known as COVID-19; and

WHEREAS, on March 11, 2020, the World Health Organization characterized the COVID-19 outbreak as a pandemic; and

WHEREAS, on March 13, 2020, the President of the United States declared a National Emergency because of the COVID-19 pandemic; and

WHEREAS, on March 15, 2020, the Governor of Oklahoma declared a State of Emergency because of the COVID-19 pandemic; and

WHEREAS, the Center for Disease Control ("CDC") has emphasized the COVID-19 risk to individuals is dependent on exposure and transmission is through respiratory droplets produced when an infected person coughs or sneezes; and

WHEREAS, public health officials state that estimates of mortality rates for COVID-19 exceed typical seasonal viruses; and

WHEREAS, on March 13, 2020, the Oklahoma State Department of Health announced the first COVID-19 presumptive positive test result for a resident of the Oklahoma City metropolitan area; and

WHEREAS, on March 15, 2020, it was confirmed that COVID-19 is being transmitted through local community transmission and the number of confirmed cases continues to grow; and

WHEREAS, there have been COVID-19 related deaths statewide with multiple deaths in the Oklahoma City metropolitan area; and

WHEREAS, Oklahoma City-County Health Department states this is the worst public health crisis to face our city in the last half-century; and

WHEREAS, the CDC issued Interim Guidance for Mass Gatherings or Large Community Events which recommends putting into action strategies for postponing or canceling events; and

WHEREAS, on March 24, 2020, the Governor issued the Fourth Amended Executive Order 2020-07 and Executive Memorandum 2020-01 requiring vulnerable individuals to stay home except for essential errands, closing non-essential businesses in counties with confirmed cases of COVID-19, suspending certain elective and minor medical procedures, prohibiting gatherings of 10 or more individuals and restricting visitation at nursing homes; and

WHEREAS, on March 25, 2020, the Governor issued an Amended Executive Memorandum 2020-01 provided a list of essential business types authorized to remain open; and

WHEREAS, on March 25, 2020, the State Board of Education unanimously approved an order that implements a Distance Learning Plan to complete the 2019-20 school year for Oklahoma students without reopening school buildings; and

WHEREAS, Title 21, Section 1321.9 of the Oklahoma Statutes allows cities and towns to enact ordinances to issue a Proclamation of State of Emergency; and

WHEREAS, Section 15-37 of the Oklahoma City Municipal Code provides that I, as the Mayor, after finding that a public disaster exists which affects life, health, property or the public peace, may proclaim a state of emergency in the area affected; and

EXHIBIT

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exhibits.sticker.com

WHEREAS, Section 15-37 requires the proclamation be in writing, signed, and filed with the City Clerk and public notice as practical is provided through the news media of the issuance of said proclamation; and

WHEREAS, Section 15-38 provides that during the existence of a state of emergency, by proclamation, the following may be prohibited: (2) a designated number of persons from assembling or gathering on the public streets, parks or other areas either public or private, (6) the sale, purchase, or dispensing of alcoholic beverages, (7) the sale, purchase or dispensing of other commodities or goods, and (9) such other activities as Mayor reasonably believes should be prohibited to help preserve and maintain life, health, property or the public peace; and

WHEREAS, due to the urgency of the situation and the advice of our public health professionals, I have determined that an actual emergency exists that requires the use of measures to secure the safety and protection of the public life and health; and

WHEREAS, on March 16, 2020, after a press conference at 5:20 pm on March 15, 2020, I issued a Proclamation of State of Emergency declaring a public disaster due to COVID-19 and suspending events on public property, revoking special event permits, and imposing distance requirements for public transit riders; and

WHEREAS, on March 16, 2020, subsequent to execution of the Proclamation, President Trump announced guidelines providing that "in states with evidence community transmission, bars, restaurants, food courts, gyms, and other indoor and outdoor venues where groups of people congregate should be closed" and on March 17, 2020, after holding a press conference at 2:15pm I issued a Revised Proclamation concerning those locations; and

WHEREAS, on March 25, 2020, I issued a second Revised Proclamation which included additional provisions concerning closing locations and limiting gatherings; and

WHEREAS, pursuant to the powers and authority provided in Section 15-37 and 15-38 of the Oklahoma City Municipal Code, my previous Revised Proclamation should be revised to provide Shelter in Place for the residents of Oklahoma City and a press release was issued providing notice of a third Revised Proclamation on March 28, 2020.

NOW THEREFORE, BE IT PROCLAIMED as the Mayor of The City of Oklahoma City, the COVID-19 pandemic, and specifically the local community transmission of such disease, is and continues to be a public disaster which affects life, health, property and public peace within the limits of The City of Oklahoma City.

AND I DO FURTHER PROCLAIM, effective 11:59 pm, March 28, 2020 through April 16, 2020, residents living within the limits of The City of Oklahoma City are required to shelter at their place of residence as provided herein:

1. For the purposes of this Proclamation, "residence" includes homes, apartments, condominiums, dormitories, hotels, motels, shared rentals, temporary outdoor shelters, and similar facilities.
2. Persons may leave their residences only for Essential Activities as defined herein, or to or to operate Essential Businesses.
 - a. For purposes of the Proclamation "Essential Activities" shall include:
 - i. to engage in activities or perform tasks essential to their health and safety, or to the health and safety of their family, household members, or pets (for example, obtaining medical supplies or medication, visiting a health care professional, obtaining supplies needed to work from home, or perform property maintenance);
 - ii. to obtain necessary services or supplies for themselves, family, household members, or pets or to deliver those services or supplies to others (for example, food and beverage, pet supply, and any other household consumer products, and products necessary to maintain the safety, sanitation, and essential operation of residences;

- iii. to engage in outdoor activity, provided the individuals, except household members, follow social distancing guidelines issued by the CDC (for example, walking, biking, hiking, or running);
- iv. to perform work at an Essential Business;
- v. to care for or transport a family member or pet in another household;
- vi. to move to another residence either in or outside the limits of The City of Oklahoma City; and
- vii. to otherwise carry out activities specifically permitted in this Order.

- b. For purposes of this Proclamation "Essential Businesses" shall mean those businesses identified by the Governor of the State of Oklahoma, or his designee, as critical infrastructure sectors, including critical government workers as defined by the government employer.

AND I DO FURTHER PROCLAIM, the following provisions are issued and applicable within The City of Oklahoma City limits and are immediately effective and shall continue until the state of emergency is terminated by issuance of a subsequent proclamation:

1. Suspension of all events through April 16, 2020, with 10 or more participants at City operated properties/facilities.
2. Suspension of all events through April 16, 2020, with 10 or more participants at the City owned – subcontractor operated properties and City beneficiary Public Trust properties listed below.
 - Scissortail Park
 - Myriad Botanical Gardens
 - Riversport Adventure Property
 - Civic Center Music Hall
 - South Lakes Soccer Complex
 - North OKC Soccer Complex
 - Chickasaw Bricktown Ballpark
 - Cox Convention Center
 - Chesapeake Energy Arena
 - USA Softball Hall of Fame Stadium Complex
 - Oklahoma City Zoo
 - Zoo Amphitheater
 - MAPS 3 Senior Health and Wellness Facilities
 - Putnam City Athletic Association Ballpark at Lake Hefner Park
 - Putnam City Optimist Baseball and Softball Fields at Dolese Park
 - OKC Fairgrounds
 - Lake Hefner
 - Lake Overholser
 - Lake Stanley Draper
3. Revocation of the City's approval of all special events permits and revocable permits issued for events on City and/or City beneficiary Public Trust property or requiring the closure of public right-of-way for events to through April 16, 2020.
4. Requirement of a distance of at least three (3) feet between all users during transport on public transit.
5. Through April 16, 2020, all bars without on-premises food service, night clubs, hookah bars, cigar bars, and vaping lounges shall be closed to the public. This does not prohibit the presence of personnel required for the maintenance of the facility or grounds. All other persons are restricted from such places.
6. Through April 16, 2020, all bars with on-premises food service, breweries, wineries, taverns, and restaurants are restricted to providing only take-out or delivery of food and sale of alcohol authorized for sale under state law. Such locations are otherwise closed to the public and persons, other than employees, are restricted from such places for any other purpose. This provision does not include institutional or in-house cafeterias serving

residents, employees, childcare facilities, hospitals or congregate care facilities, including but not limited nursing homes and assisted living facilities.

7. Through April 16, 2020, the following places are closed to the public and all persons, except personnel necessary for maintenance of the facility and grounds, are restricted from such places:
 - a. Athletic gyms, exercise facilities, indoor sports facilities, indoor climbing facilities, bowling alleys, skating rinks, trampoline parks, playgrounds, and similar recreational facilities;
 - b. Movie and live theaters;
 - c. Seating areas of shopping mall food courts and food halls;
 - d. Remington Park gaming area;
 - e. Commercial amusement facilities;
 - f. City-owned or operated sport courts, golf courses, sports fields, dog parks, or fitness courts.
8. Through April 16, 2020, the following facilities, including non-medical personal care service facilities where services cannot be provided while maintaining six (6) feet distance between persons, are closed to the public and all persons, except personnel necessary for the maintenance of the facility or grounds are restricted from such places. This includes but is not limited to:
 - a. Salons (hair and nail);
 - b. Barber shops;
 - c. Cosmetology facilities;
 - d. Esthetician facilities;
 - e. Laser hair removal facilities;
 - f. Spas;
 - g. Massage facilities
 - h. Tattoo parlors;
 - i. Piercing facilities.
9. Through April 16, 2020, except as provided herein, events, organized gatherings, and social gatherings of 10 or more people on public or private property are prohibited. An "organized gathering" is defined as people coming together at a central point for a meeting, event, sporting activity, or game. "Organized gathering" does not include people in a location independently performing work as part of employment; however employers shall not have meetings of 10 or more. This provision does not include and specifically excludes events and organized gatherings of people in the following locations:
 - a. Government Office Buildings;
 - b. Food Banks;
 - c. Congregate care, including but not limited to nursing homes and assisted living facilities;
 - d. Medical and Medical Research facilities;
 - e. Childcare facilities;
 - f. Day Camps;
 - g. Media Press Conferences;
 - h. Blood Drives;
 - i. Other Disaster Response Activities.
10. Other than event permits, all licenses, permits, and certificates previously issued by the City and scheduled to expire while this State of Emergency is in effect shall be deemed to be renewed, provided that the applicable fees are paid and necessary inspections and approvals, if any, are satisfactorily completed, within thirty (30) days following the termination of this State of Emergency.
11. Metered parking directly adjacent to locations providing take-out services shall be temporarily out of service and be made available for pick-up and take-out services only. Parking meters in such locations shall indicate "Out of Service - For Pick-up/ Take-out Services Only". Take-out service providers may place signs in the right-of-way, so long as

it is not impeding vehicular or pedestrian traffic, to identify the location of pick-up/take-out services.

12. Effective, 11:59 pm, March 28, 2020 through April 16, 2020, all businesses operating or located within the limits of The City of Oklahoma City, except Essential Businesses, are required to close all facilities located within the City and all persons, except as provided in subsection a. below, are restricted from such places.

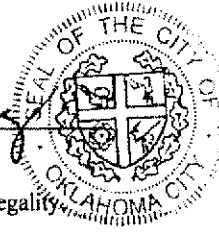
- a. Provided that any business may continue to perform essential functions with employees or contractors as necessary to maintain the value of the business' inventory, preserve the condition of the business' physical plant and equipment, ensure security, process payroll and employee benefits and related functions.
- b. For clarity, non-essential businesses may continue operations consisting exclusively of employees or contractors performing activities remotely (i.e. working from home).
- c. For Essential Businesses continuing to operate, to the extent possible all businesses shall practice social distancing which may include but is not limited to maintaining six (6) feet between both employees and the general public, off-setting shifts and/or days, and requiring employees to conduct work remotely.
- d. Any business owner keeping a non-essential business open in violation the Proclamation shall be subject to Section 15-40 of the Oklahoma City Municipal Code.

AND I DO FURTHER PROCLAIM, that public notice of this proclamation and state of emergency shall be given to and filed with the City Clerk of The City of Oklahoma City.

ADOPTED and SIGNED this 28th day of March, 2020.

ATTEST:


City Clerk




MAYOR DAVID HOLT

APPROVED as to form and legality


Deputy Municipal Counselor