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GOODWILL INDUSTRIES OF
ORANGE COUNTY, CALIFORNIA

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF ORANGE**

GOODWILL INDUSTRIES OF ORANGE
COUNTY, CALIFORNIA,

Plaintiff,

v.

PHILADELPHIA INDEMNITY INSURANCE
COMPANY;
CERTAIN UNDERWRITERS AT LLOYD'S,
LONDON SUBSCRIBING TO INSURANCE
POLICY NO. W27BCF190101; and
DOES 1-50,

Defendants.

Civil Case No. 30-2020-01169032-CU-IC-CXC

**COMPLAINT FOR BREACH OF
CONTRACT, DECLARATORY RELIEF,
AND BREACH OF THE IMPLIED
COVENANT OF GOOD FAITH AND
FAIR DEALING**

DEMAND FOR JURY TRIAL

Assigned for all purposes to: Judge Peter Wilson

Dept: CX102

NATURE OF ACTION

1. The COVID-19 pandemic has imposed enormous losses, both in lives and to organizations that have been forced to close their doors because of the physical loss and damage caused by the coronavirus and COVID-19. For Plaintiff Goodwill Industries of Orange County, California (“Goodwill”), these closures of its well-known stores and other properties because of physical loss and damage affect tens of thousands of people who rely upon Goodwill’s crucial social services and have resulted in substantial monetary losses.

2. Goodwill provides rehabilitation, training, and employment services in the local community for people with disabilities and other barriers. These services include, but are not limited to, providing employment training and job readiness programs to help persons with disabilities become more independent and successful in the workplace; veteran services to assist veterans and families obtain much-needed resources; and assistive technology services which provide children and adults with disabilities access to technology devices. Goodwill operates more than 25 retail stores and donation sites, and hosts social service programs throughout Orange County. Goodwill depends on revenue from retail operations to fund its vital social service programs.

3. The coronavirus and COVID-19 caused direct physical loss or damage to properties throughout Orange County, including to Goodwill’s own properties and surrounding properties, by altering the physical conditions of properties such that properties were no longer safe or fit for occupancy or use. The coronavirus and COVID-19 physically alter and damage the air within buildings such that the air is no longer safe to breathe. The coronavirus also attaches itself to surfaces and properties and causes a physical change in the condition of the surfaces and properties—from safe and touchable to unsafe and deadly.

4. Based in part on this physical loss and damage to property, starting in March 2020, the State of California and Orange County issued orders prohibiting Goodwill from accessing and operating its stores and other properties. The physical loss and damage and these orders resulted in losses to Goodwill of millions of dollars in business income, as well as other expenses Goodwill would not otherwise have incurred.

5. To protect itself against risks including these, and to ensure that it could continue providing its vital services, Goodwill purchased “all risks” property insurance policies from the defendant insurers that covered business income loss and extra expenses incurred, so that Goodwill could continue to provide beneficial social programs to the community. Those policies consisted of an “UltimateCover” property policy that Goodwill purchased from Defendant Philadelphia Indemnity Insurance Company, which includes coverage for business income losses, and a “Difference in Conditions” policy that Goodwill purchased from Defendant Certain Underwriters at Lloyd’s, London subscribing to Policy No. W27BCF190101, which provides additional limits of coverage for property and business income losses.

6. The insurance industry created a standard-form “virus or bacteria” exclusion in 2006 in an attempt to limit insurance for such losses. However, in selling the policies to Goodwill, the defendant insurers decided not to include any such exclusion in the policies. In fact, the insurers did nothing to limit liability for virus- or pandemic-associated risks. Neither of these policies sold to Goodwill excludes losses caused by or resulting from viruses or pandemics, despite the fact that exclusions purporting to exclude coverage for losses caused by or resulting from any virus that induces or is capable of inducing physical distress, illness, or disease have been widely available to insurers since 2006 and are included in other policies sold by the defendant insurers.

7. Without even conducting a reasonable investigation or considering supporting evidence, these insurers have wrongfully breached their obligations under the policies they sold Goodwill, depriving the insured of crucial revenue needed to support Goodwill's social service programs and missions.

8. Goodwill files this action to recover the amounts owed to it under the policies for which it paid substantial premiums, to obtain a declaration of its rights to coverage, and to recover other damages and amounts incurred as a result of the defendant insurers' breaches, including breaches of the implied covenant of good faith and fair dealing.

PARTIES

9. Plaintiff Goodwill Industries of Orange County, California is a non-profit organization organized and existing under the laws of the State of California. Its principal place of business is in

1 Santa Ana, California. Goodwill is the named insured under the property insurance policies issued by
2 the defendant insurers, specifically Policies Nos. PHPK2004025 and W27BCF190101 (together, the
3 “Policies”).

4 10. Goodwill owns and/or controls and holds all rights, title, and interest in the property loss
5 or damage and business interruption losses that are the subjects of this Complaint.

6 11. Defendant Philadelphia Indemnity Insurance Company (“Philadelphia”) is a
7 Pennsylvania corporation, with its principal place of business in Bala Cynwyd, Pennsylvania.
8 Philadelphia is the insurer for Policy No. PHPK2004025 (the “Philadelphia Policy”), which covers the
9 policy period from July 1, 2019 to July 1, 2020. A true and correct copy of the property policy

10 (“UltimateCover”) and other relevant excerpts of the Philadelphia Policy are attached hereto as Exhibit
11 1. At all relevant times, Philadelphia was and is authorized and qualified under California law to
12 conduct business in California, and has conducted substantial business in California and in this County,
13 generally and relating to the insurance that is the subject of this Complaint.

14 12. Defendant Certain Underwriters at Lloyd’s, London subscribing to Policy No.
15 W27BCF190101 (“Lloyd’s” and together with Philadelphia, the “Insurers”) are the insurers for Policy
16 No. W27BCF190101 (the “Lloyd’s Policy”). The Lloyd’s Policy covers the policy period from July 1,
17 2019 to July 1, 2020. A true and correct copy of the Lloyd’s Policy is attached hereto as Exhibit 2.

18 Goodwill is informed and believes and thereon alleges that Defendant Lloyd’s is comprised of
19 individuals, unincorporated associations, partnerships, and/or corporations existing under the laws of
20 various foreign and domestic jurisdictions who have subscribed to insurance policies through the
21 Lloyd’s of London insurance market located in the United Kingdom. Defendant Lloyd’s, including
22 without limitation Syndicate 2623 and Syndicate 623, collectively underwrote the Lloyd’s Policy.

23 Goodwill is informed and believes and thereon alleges that the relevant members of Lloyd’s are or were
24 at relevant times citizens of the State of California. Upon information and belief, at all relevant times,
25 Lloyd’s was and is authorized and qualified under California law to conduct business in California, and
26 has conducted substantial business in California and in this County, generally and relating to the
27 insurance that is the subject of this Complaint.

13. Defendants DOES 1-50 are persons and/or organizations whose specific identities and/or forms of organization are unknown to Goodwill at this time, but who are related in some manner to the Insurers or have acted in concert with the Insurers, and who are responsible in whole or in part, via principles of agency, contract or otherwise, for the wrongful acts, errors, omissions and conduct of the Insurers giving rise to this Complaint and contributing to the injuries and damages suffered by Goodwill. Goodwill will amend this Complaint to identify such DOES if and as their identities are ascertained in the future.

JURISDICTION AND VENUE

14. The Court has jurisdiction over the claims asserted in this Complaint pursuant to the California Constitution, Article VI, § 10.

15. The Court has jurisdiction over all persons and entities named in all subject matters identified in this Complaint.

16. Goodwill is informed and believes and thereon alleges that the Insurers are or at all relevant times were doing business in the State of California. The Insurers are subject to personal jurisdiction in the State of California by virtue of their business activities and operations in this State and issuing policies that cover California companies and risks located within the State, including the property insurance policies issued by the Insurers to Goodwill that are the subjects of this action. Insurers purposefully availed themselves of the privilege of doing insurance business in the State of California through their conduct in selling, underwriting, issuing and handling claims under the policies, and by contracting with and hiring others in connection with selling, underwriting, issuing and handling claims under the policies. The insured premises under the property insurance policies are all in the State of California and in this County. In addition, Lloyd's expressly consented in its All Risks Policy to the jurisdiction of the United States of America, which includes the State of California.

17. Venue is proper in this Court because each of the insurance policies issued by the Insurers under which Goodwill is an insured was made or was to be performed, Defendants' obligations or liabilities arise, and Defendants' breach or breaches of contract and other wrongful conduct occurred, in Orange County, where Goodwill's principal place of business is located and where the insured losses occurred.

STATEMENT OF FACTS

COVID-19's and the Coronavirus's Physical Harms and Damages

18. The world is experiencing an unprecedented pandemic as a highly contagious infectious disease caused by a virus has quickly spread around the world. This disease has been named “coronavirus disease 2019,” abbreviated “COVID-19,” with the causative virus, SARS-CoV-2, belonging to a large family of viruses known as coronaviruses.¹

19. In or around January 2020, SARS-CoV-2 (referred to herein as “the coronavirus”) and COVID-19 reached the United States and quickly began to spread across the country. On March 11, 2020, the World Health Organization (“WHO”), “deeply concerned both by the alarming levels of spread and severity, and by the alarming levels of inaction” by governments, characterized COVID-19 as a pandemic.² As of November 2020, there have been 49 million confirmed cases of COVID-19, with over 9 million confirmed cases in the United States.³

20. The WHO and the Centers for Disease Control and Prevention (“CDC”) have recognized the ability of the coronavirus to attach to objects and surfaces, “such as tables, doorknobs, and handrails.”⁴ The CDC has confirmed that the coronavirus “may remain viable for hours to days on surfaces made from a variety of materials.”⁵ Numerous other scientific studies have discovered that the

¹ Jing Cai et al., *Indirect Virus Transmission in Cluster of COVID-19 Cases, Wenzhou, China, 2020*, Emerging Infectious Diseases (June 2020), https://wwwnc.cdc.gov/eid/article/26/6/20-0412_article.

² Tedros Adhanom, *WHO Director-General's opening remarks at the media briefing on COVID-19*, World Health Organization (Mar. 11, 2020), <https://www.who.int/dg/speeches/detail/who-director-general-s-opening-remarks-at-the-media-briefing-on-covid-19---11-march-2020>.

³ *COVID-19 Dashboard*, John Hopkins Coronavirus Resource Center, <https://coronavirus.jhu.edu/map.html> (last updated Nov. 6, 2020).

⁴ *Q&A on coronaviruses (COVID-19)*, World Health Organization (Oct. 20, 2020), <https://www.who.int/emergencies/diseases/novel-coronavirus-2019/question-and-answers-hub/q-a-detail/coronavirus-disease-covid-19-how-is-it-transmitted>.

⁵ *Cleaning and Disinfection for Households*, Centers for Disease Control and Prevention, <https://www.cdc.gov/coronavirus/2019-ncov/prevent-getting-sick/cleaning-disinfection.html> (last updated July 17, 2020).

1 coronavirus can survive and persist on surfaces and buildings for nearly a month.⁶ Accordingly, the
2 CDC has recognized that the coronavirus and COVID-19 can spread through contact with surfaces and
3 objects, and thus recommended measures to “routinely clean and disinfect frequently touched
4 surfaces.”⁷

5 21. Recognizing the ability of the coronavirus to attach onto surfaces, researchers have begun
6 to develop technology to test buildings and properties for the coronavirus and COVID-19.
7 Biotechnology companies have been able to detect the virus on the surfaces of a facility.⁸

8 22. The CDC also has acknowledged that the coronavirus and COVID-19 spread through
9 indoor airborne transmission. Floating respiratory droplets, called aerosols, contain the live coronavirus.
10 The coronavirus lives in “small droplets and particles that can linger in the air for minutes to hours,” and
11 thus can infect persons who are “further than 6 feet away” and even “after that person has left the
12 space.”⁹ According to the experts, buildings and properties accumulate the airborne virus indoors,
13 which plays a significant role in community transmission.¹⁰

14 23. The persistent presence of this deadly, airborne live coronavirus and disease on surfaces
15 and in the air renders buildings and properties damaged, lost, unsafe, unfit, and uninhabitable for
16 occupancy or use. Virologists, scientists, and researchers have confirmed that the coronavirus lives and
17

18 ⁶ Jessie Hellman, *COVID-19 virus can survive on some surfaces for nearly a month in lab conditions*,
19 The Hill (Oct. 12 2020), <https://thehill.com/homenews/media/520647-covid-19-virus-can-survive-on-some-surfaces-for-nearly-a-month-in-lab>; *see also Public Health Responses to COVID-19 Outbreaks on Cruise Ships — Worldwide, February–March 2020*, Centers for Disease Control and Prevention (Mar. 27, 2020), <https://www.cdc.gov/mmwr/volumes/69/wr/mm6912e3.htm>.

21 ⁷ *How COVID-19 Spreads*, Centers for Disease Control and Prevention,
22 <https://www.cdc.gov/coronavirus/2019-ncov/prevent-getting-sick/how-covid-spreads.html> (last updated Oct. 28, 2020).

23 ⁸ Dr. Jay Bhatt & Kaitlyn Folmer, *Testing buildings may become added weapon in coronavirus*
24 *reopenings*, ABC News (July 24, 2020), <https://abcnews.go.com/GMA/News/testing-buildings-added-weapon-coronavirus-reopenings/story?id=71956136>.

25 ⁹ *Supra* note 7.

26 ¹⁰ Apoorva Mandavilli, *‘A Smoking Gun’: Infectious Coronavirus Retrieved From Hospital Air*, New
27 York Times (Oct. 5, 2020), <https://www.nytimes.com/2020/08/11/health/coronavirus-aerosols-indoors.html>.

1 is active on physical surfaces and in the air. Researchers have detected the coronavirus on properties
2 and surfaces and thus are developing technology to test buildings and properties for the coronavirus and
3 COVID-19. The scientific community has confirmed that coronavirus and COVID-19 alter the
4 conditions of properties and buildings such that the premises are no longer safe and habitable for normal
5 use.

6 24. In this regard, the novel coronavirus and COVID-19 cause direct physical loss and
7 damage to buildings and properties. The coronavirus, which has a material existence and is contained in
8 respiratory droplets, adheres to, attaches to, and alters the surfaces of the property and surfaces upon
9 which these physical droplets land and physically changes these once safe surfaces to “fomites.”
10 Fomites are objects, previously safe to touch, that now serve as agents and mechanisms for
11 transmissions of deadly, infectious viruses and diseases.¹¹

12 25. Thus, the coronavirus and COVID-19 physically change properties and surfaces such that
13 contact with these properties and surfaces, which previously would have been safe, are now deadly and
14 dangerous. This constitutes real and severe damage to and loss of the properties.

15 26. The coronavirus and COVID-19 also cause direct physical loss and damage to properties
16 and buildings by altering the physical condition of air in buildings from safe and breathable, to unsafe
17 and dangerous. The coronavirus and COVID-19 are able to live in aerosols and accumulate in buildings,
18 which render the properties and premises damaged, lost and unsafe and unfit for occupancy.

19 **California and Orange County’s Response to the Pandemic**

20 27. As of November 2020, California has more than 962,000 confirmed COVID-19 cases,
21 the second-highest total of confirmed cases of any state in the United States.¹² Orange County has many
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23
24 ¹¹ *Transmission of SARS-CoV-2: implications for infection prevention precautions*, World Health
25 Organization (July 9, 2020), <https://www.who.int/news-room/commentaries/detail/transmission-of-sars-cov-2-implications-for-infection-prevention-precautions>.

26 ¹² *Covid in the U.S.: Latest Map and Case Count*, New York Times,
27 <https://www.nytimes.com/interactive/2020/us/coronavirus-us-cases.html#states> (last updated Nov. 6,
28 2020).

1 hotspots and one of the highest number of cases in California, with a reported *61,100 confirmed cases to*
2 *date.*¹³

3 28. California's first case of COVID-19 was confirmed in Orange County on January 26,
4 2020.¹⁴ At that time, the United States had limited testing capacity, meaning the number of actual
5 COVID-19 cases was exponentially higher than the number of confirmed cases. Epidemiologists
6 reported that for every confirmed case, there were another ten cases undetected at that time.¹⁵

7 29. Beginning in March 2020, California and counties therein issued a series of civil
8 authority orders in response to the coronavirus and COVID-19. These civil authority orders were issued
9 because the coronavirus and COVID-19 had been found throughout California and Orange County;
10 therefore, a motivating factor behind these orders was to protect persons and property from the physical
11 loss and damage caused by the coronavirus and COVID-19.

12 30. On February 26, 2020, the Orange County Health Officer declared a Local Health
13 Emergency to exist in Orange County due to COVID-19.¹⁶

14 31. On March 4, 2020, Gavin Newsom, the Governor of California, declared a state of
15 emergency to exist in California due to COVID-19.¹⁷

16 32. On March 18, 2020, the Orange County Health Officer issued an order prohibiting all
17 non-essential public and private gatherings of any number of people.

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20 ¹³ *COVID-19 Case Counts and Testing Figures*, Orange County Health Care Agency,
<https://occovid19.ochealthinfo.com/coronavirus-in-oc> (last updated Nov. 5, 2020).

21 ¹⁴ *First Case of 2019 Novel Coronavirus Identified in Orange County*, Orange County Health Care
22 Agency (Jan. 26, 2020), https://myemail.constantcontact.com/CD-HEALTH-ALERT---First-Case-of-2019-Novel-Coronavirus-in-Orange-County--Update-for-Providers.html?soid=1128423022889&aid=RPQB7yg_ORE.

23 ¹⁵ Benedict Carey, *Coronavirus Is Hiding in Plain Sight*, New York Times (Mar. 16, 2020),
24 <https://www.nytimes.com/2020/03/16/health/coronavirus-statistics-undetected.html>.

25 ¹⁶ Press Release, County of Orange, *County of Orange Declares Emergency in Response to COVID-19*
26 (Feb. 26, 2020), <https://www.ocgov.com/civicax/inc/blobfetch.aspx?BlobID=112436>.

27 ¹⁷ *Proclamation of a State of Emergency*, Executive Department, State of California (Mar. 4, 2020),
28 <https://www.gov.ca.gov/wp-content/uploads/2020/03/3.4.20-Coronavirus-SOE-Proclamation.pdf>.

33. On March 19, 2020, Governor Newsom issued Executive Order N-33-20, ordering all residents of California to stay at home unless they worked in one of the “critical infrastructure sectors” as defined in the order.¹⁸

34. On March 20, 2020, the Orange County Health Officer, consistent with the state executive order, directed non-essential businesses to close and residents to stay at home. The order was to remain in place until further notice.¹⁹

35. On March 30, 2020, the Orange County Health Officer issued an order extending the March 20, 2020 order until further notice.²⁰

36. The orders were enacted because, as stated by the Chairwoman of the Board of Supervisors (acting as the Chair of Emergency Management Council), “the introduction of COVID-19 created conditions of *extreme peril to the safety of persons and property* within the territorial limits of Orange County.”²¹

37. Counties neighboring Orange County imposed similar civil authority orders, the purpose of which, as in Orange County, was to protect persons and property from damage caused by the coronavirus and COVID-19.

38. For example, the Mayor of Los Angeles proclaimed that the city’s “Safer At Home” order was “necessary for the protection of life and property,” as COVID-19 “is physically causing

¹⁸ *Executive Order N-33-20*, Executive Department, State of California (Mar. 19, 2020), <https://www.gov.ca.gov/wp-content/uploads/2020/03/3.19.20-attested-EO-N-33-20-COVID-19-HEALTH-ORDER.pdf>.

¹⁹ Press Release, Orange County Operational Area Emergency Operations Center, *What Orange County Residents Should Know About State Public Health Officer Order* (Mar. 20, 2020), <https://cms.ocgov.com/civicax/filebank/blobdload.aspx?BlobID=114476>.

²⁰ Press Release, Orange County Operational Area Emergency Operations Center, *State of California Health Order Remains In Effect Throughout Orange County* (Mar. 30, 2020), <https://cms.ocgov.com/civicax/filebank/blobdload.aspx?BlobID=114652>.

²¹ *County of Orange Health Officer’s Orders and Strong Recommendations*, Orange County Health Care Agency, <https://occovid19.ocalthinfo.com/article/oc-health-officers-orders-recommendations> (last updated Sept. 8, 2020) (emphasis added).

property loss or damage due to its tendency to attach to surfaces for prolonged periods of time.”²² Similarly, the Mayor of San Bernardino’s order declared that “conditions of extreme peril to the safety of persons and property have arisen within the City of San Bernardino caused by the worldwide spread of respiratory illness due to the novel coronavirus known as COVID-19.”²³ And the Public Health Officer for San Diego County promulgated the county’s orders “as a regulation for the protection of life and property.”²⁴

State and County Civil Authority Orders Prohibit Access to Goodwill’s Properties

39. Goodwill provides rehabilitation, training, and employment services in the local community for people with disabilities and other barriers. These services include, but are not limited to, providing employment training and job readiness programs to help persons with disabilities become more independent and successful in the workplace; veteran services to assist veterans and families obtain much-needed resources; and assistive technology services which provide children and adults with disabilities access to technology devices.

40. Goodwill operates more than 25 retail stores and donation sites, and hosts social service programs throughout Orange County. Goodwill depends on revenue from retail operations to fund its vital social service missions.

41. Because Goodwill’s stores and other properties did not constitute critical infrastructure sectors or essential workplaces that were permitted to remain open, the state and county civil authority orders prohibited Goodwill’s employees, customers, donors, program participants, and other individuals from accessing Goodwill’s retail operations, donation sites, and other insured premises and properties. Thus, in March 2020, because of physical loss and damage associated with the coronavirus and

²² *Public Order Under City of Los Angeles Emergency Authority: Safer at Home*, City of Los Angeles (Mar. 19, 2020), <https://www.lamayor.org/sites/g/files/wph446/f/page/file/20200527%20Mayor%20Public%20Order%20SAFER%20AT%20HOME%20ORDER%202020.03.19%20%28REV%202020.05.27%29.pdf>.

²³ *Resolution No. 2020-51*, City of San Bernardino, California (Mar. 18, 2020), <http://www.sbcity.org/civicax/filebank/blobdload.aspx?blobid=28162>.

²⁴ *Order of the Health Officer and Emergency Regulations*, County of San Diego, <https://www.sandiegocounty.gov/content/dam/sdc/hhsa/programs/phs/Epidemiology/HealthOfficerOrderCOVID19.pdf> (last updated Nov. 2, 2020).

COVID-19, Goodwill had to completely shut down its retail operations, donation sites, and other insured premises and properties for many months.

42. Furthermore, at the time Goodwill was required to close and closed its retail stores and other operations, the coronavirus and COVID-19 were present on and around Goodwill's properties, including but not limited to the insured premises. At all relevant times, the coronavirus and COVID-19 were prevalent in Orange County and its neighboring counties. Goodwill's premises and properties are frequented by tens of thousands of individuals a day, including customers, donors, employees, program participants, visitors, vendors, and other individuals carrying the virus. In addition to breathing the coronavirus and COVID-19 into the air, these individuals touched countless surfaces in Goodwill's insured premises, including walls, furniture, doors, tables, and other surfaces in workspaces, restrooms, and other areas on the premises.

43. Indeed, after Goodwill began gradually to reopen its retail operations at the end of May 2020, Goodwill employees tested positive for COVID-19. Goodwill also had to conduct additional cleaning and sanitization to respond to and remove the coronavirus and COVID-19 from physical surfaces in its insured premises and properties in accordance with public health orders that require such measures to protect against the coronavirus and COVID-19.

44. The presence of coronavirus and COVID-19 is not only limited to confirmed cases. Goodwill's premises and properties are frequented by tens of thousands of individuals a day, meaning that consumers, donors, employees, program participants, visitors, vendors, and other individuals carrying or otherwise exposed to the coronavirus would have been in contact with each other, furniture, doors, and other surfaces in workspaces, restrooms, and other areas on the premises and properties.

The Philadelphia Policy

45. The Philadelphia Policy comprises a property insurance policy titled "UltimateCover" that covers losses during the policy period from July 1, 2019 through July 1, 2020. The Philadelphia Policy has a blanket limit of more than \$34 million for business income and extra expense. The property policy insures more than 25 expressly identified Goodwill premises.

1 46. The Philadelphia Policy promised to insure Goodwill against business income losses
2 caused by “action of Civil Authority that prohibits access” to the insured premises. Specifically, the
3 Philadelphia Policy provides coverage to Goodwill for:

4 the actual loss of Business Income you sustain and necessary Extra
5 Expenses you incur caused by action of Civil Authority that prohibits
6 access to the described premises due to direct physical “loss” to property
7 other than at the described premises caused by or resulting from any of the
8 Covered Causes of Loss.

9 47. The coverage for lost Business Income begins 72 hours after the time of the Civil
10 Authority action that prohibits access to the insured premises.

11 48. The Philadelphia Policy defines “Covered Causes of Loss” expansively as “Risks of
12 Direct Physical Loss” unless the “loss” is excluded or limited in the “Causes of Loss” form. “Loss” is
13 defined as “accidental loss or damage.” There are no excluded losses listed in the “Causes of Loss”
14 form of the Philadelphia Policy.

15 49. Additionally, the Philadelphia Policy provides coverage for business income loss due to
16 the “necessary suspension” of Goodwill’s operations during the “period of restoration.” The suspension
17 “must be caused by direct physical ‘loss’ to property” at the insured premises, or within 1,000 feet of the
18 premises, “caused by or resulting from any of the Covered Causes of Loss.”

19 50. The “Period of Restoration” is defined as the period of time that commences “72 hours
20 after the time of direct physical ‘loss’” and ends on the date when the insured properties “should be
21 repaired, rebuilt or replaced with reasonable speed and similar quality,” or when operations are resumed
22 at a new permanent location, whichever is earlier.

23 51. The Philadelphia Policy also provides additional coverage for, among other things,
24 “necessary expenses you incur during the ‘period of restoration’ that you would not have incurred if
25 there had been no direct physical ‘loss’ to property caused by or resulting from any of the Covered
26 Causes of Loss.”

27 52. The Philadelphia Policy does *not* contain any exclusion or limitation whatsoever for a
28 “microorganism” or “virus” or for loss associated with a “microorganism” or “virus.”

53. Philadelphia was aware of and could have included language in the Philadelphia Policy purporting to exclude loss or damage caused by or resulting from viruses. Indeed, Philadelphia sells and has sold property policies containing an exclusion titled “Exclusion of Loss Due to Virus or Bacteria.” That exclusion states, *inter alia*, that the insurer “will not pay for loss or damage caused by or resulting from any virus, bacterium or other microorganism that induces or is capable of inducing physical distress, illness or disease.”

54. The Philadelphia Policy purchased by Goodwill does not contain this exclusion, or other language purporting to exclude loss or damage caused by or resulting from any virus. Philadelphia could have included such an exclusion on Goodwill’s coverage, but chose not to do so.

The Lloyd’s Policy

55. Goodwill is insured also under Lloyd’s “Difference in Conditions” policy, which broadens coverage by providing additional limits of coverage for specific perils or providing coverage for perils that are excluded or not insured against in the underlying commercial property policy (*i.e.*, the Philadelphia Policy). The Lloyd’s Policy provides coverage for the period July 1, 2019 through July 1, 2020. It has a \$5 million per occurrence and annual aggregate limit.

56. The Lloyd’s Policy expressly provides, in its “Civil or Military Authority” endorsement, that Lloyd’s will pay “for the actual Business Income loss” and “reasonable and necessary Extra Expense incurred” due to the “necessary interruption” of Goodwill’s businesses from “prevention of access to Insured locations by order of a civil or military authority,” provided that “such order is a direct result of physical loss or damage of the type Insured” to properties “situated within one statute mile of the Insured premises.” The endorsement expressly states that “[t]his endorsement . . . adds coverage otherwise excluded under the Policy.”

57. The Lloyd’s Policy also includes an Ingress and Egress endorsement, which also “adds coverage otherwise excluded under the Policy.” Under this endorsement, Lloyd’s is obligated to pay for the “actual loss of Business Income” and the “reasonable and necessary Extra Expense incurred” due to the “necessary interruption” of Goodwill’s business, due to the “prevention of ingress to or egress from Insured locations, whether or not the Insured Premises or Insured property is damaged,” provided that

1 such prevention is due to “direct physical loss or damage to Insured Property of the type insured by this
2 Policy and situated within one statute mile of [the] insured premises.”

3 58. In addition to the above obligations, the Lloyd’s Policy also provides Goodwill with
4 coverage for business income losses sustained during the “Period of Restoration” due to the “necessary
5 suspension of the Insured’s Operations caused directly by physical loss of, or damage to, Property
6 Insured directly caused by a Peril Insured.”

7 59. “Period of Restoration” is defined as the period of time that “begins with the date the
8 Peril Insured was sustained at the Property Insured,” and ends when the property insured “could have
9 been repaired, rebuilt or replaced using due diligence and dispatch,” or when “the Insured could have
10 restored Operations to the levels that would have existed if the Peril Insured had not occurred,”
11 whichever is earlier.

12 60. “Perils Insured” is expansively defined in the Lloyd’s Policy as “other perils” that are not
13 excluded in the policy or not insured by the Philadelphia Policy.

14 61. There is no “virus” or pandemic exclusion in the Lloyd’s Policy.

15 62. Lloyd’s was aware of and could have included language in the Lloyd’s Policy purporting
16 to exclude loss or damage caused by or resulting from viruses. Lloyd’s sells and has sold property
17 policies containing an exclusion titled “Exclusion of Loss Due to Virus or Bacteria.” That exclusion
18 states, *inter alia*, that the insurer “will not pay for loss or damage caused by or resulting from any virus,
19 bacterium or other microorganism that induces or is capable of inducing physical distress, illness or
20 disease.”

21 63. The Lloyd’s Policy purchased by Goodwill does not contain this exclusion, or other
22 language purporting to exclude loss or damage caused by or resulting from any virus. Lloyd’s could
23 have included such an exclusion on Goodwill’s coverage, but chose not to do so.

24 **Goodwill Sustained Losses and Expenses Covered by the Policies’ Civil Authority Coverage**

25 64. Goodwill sustained actual losses and incurred extra expenses insured by Philadelphia and
26 Lloyd’s under the Policies for its COVID-19-related losses, which included without limitation coverage
27 for business income losses and extra expenses caused by the civil authority orders.
28

1 65. The California and Orange County civil authority orders (described in Paragraphs 29–38)
2 prohibited access to Goodwill’s insured premises and properties. Goodwill’s retail stores, donation
3 sites, and other insured properties were not permitted to remain open under the civil authority orders.

4 66. The civil authority orders discussed above were issued as a result of direct physical loss
5 or damage caused by the coronavirus and COVID-19 to property throughout Orange County and
6 California, including properties and premises within one statute mile of Goodwill’s insured premises.
7 As the relevant health authorities noted, the civil authority orders were in response to “conditions of
8 extreme peril to the safety of persons *and property* within the territorial limits of Orange County.”

9 67. The coronavirus and COVID-19 have caused direct physical loss or damage to properties
10 and premises, including Goodwill’s and those within one statute mile of Goodwill’s insured premises,
11 by altering the physical condition of air in buildings from safe and breathable, to unsafe and deadly.

12 68. The coronavirus and COVID-19 also caused direct physical loss or damage to properties
13 and premises, including Goodwill’s and those within one statute mile of Goodwill’s insured premises,
14 because the coronavirus and COVID-19 physically attached to and altered the conditions of exterior and
15 interior walls, doors, furniture, bathroom facilities, equipment, tables, inventory, and supplies, by
16 converting these once safe and usable surfaces and premises to unsafe and deadly vehicles of
17 transmission for the dangerous coronavirus and COVID-19.

18 69. As a result of the civil authority orders, Goodwill sustained substantial losses, including
19 lost business revenue, from the inability to access its social service programs, retail operations, and
20 donation sites.

21 70. Goodwill has also incurred substantial costs in an attempt to mitigate the suspension of its
22 social service programs, retail operations, and donation sites, including but not limited to expenses
23 incurred for reconfiguration to remote networking and increased sanitization procedures. Goodwill
24 would not have incurred those costs but for the direct physical loss or damage caused by the coronavirus
25 and COVID-19.

Goodwill Sustained Losses and Expenses Caused by the Suspension of Its Operations Resulting From Direct Physical Loss or Damage to Insured Premises

71. Goodwill sustained actual losses and incurred extra expenses insured by Philadelphia and Lloyd's under the Policies for its losses, which included coverage for business income losses and extra expense caused by the necessary suspension of Goodwill's operations due to direct physical loss or damage at Goodwill's insured premises caused by the coronavirus and COVID-19.

72. The coronavirus and COVID-19 were present on Goodwill's insured premises and properties within 1,000 feet and/or one statute mile of Goodwill's insured premises, and the presence of the coronavirus and COVID-19 caused direct physical loss or damage to Goodwill's insured premises, and properties within 1,000 feet and/or one statute mile of Goodwill's insured premises. The coronavirus and COVID-19 have caused direct physical loss or damage by altering the physical condition of air in the buildings on Goodwill's insured premises and properties within 1,000 feet and/or one statute mile of Goodwill's insured premises, from safe and breathable, to unsafe and deadly. The direct physical loss or damage also includes but is not limited to the coronavirus physically attaching itself to the exterior and interior walls of Goodwill's insured premises, as well as doors, furniture, bathroom facilities, equipment, tables, inventory, and supplies, and converting these once safe and usable surfaces and premises to unsafe and deadly vehicles of transmission for the dangerous coronavirus and COVID-19.

73. The direct physical loss or damage to Goodwill's insured premises, and premises and properties within 1,000 feet and/or one statute mile, resulted in the necessary closure of Goodwill's operations and facilities at the insured premises. Goodwill has had to suspend its businesses, thereby losing substantial revenue necessary to fund its social services programs.

74. Goodwill also incurred substantial costs as a result of the direct physical loss or damage to properties, including but not limited to cleaning of surfaces and enhanced sanitization protocols for locations with confirmed cases of COVID-19. Goodwill also has incurred substantial costs in an attempt to mitigate the suspension of its social service programs, retail operations, and donation sites, including without limitation expenses incurred for reconfiguration to remote networking and re-formatting of

1 various programs. Goodwill would not have incurred those costs but for the direct physical loss or
2 damage caused by the coronavirus and COVID-19.

3 **Goodwill Sustained Losses and Expenses Covered by the Ingress and Egress Coverage**

4 75. Goodwill sustained actual losses and incurred extra expenses insured by Lloyd's under
5 the Lloyd's Policy's Ingress and Egress endorsement. The Ingress and Egress endorsement covers
6 business income losses and extra expenses caused by the interruption of Goodwill's businesses and
7 operations due to the prevention of ingress to or egress from Goodwill's insured premises.

8 76. Ingress to or egress from Goodwill's insured premises was prevented because the
9 coronavirus and COVID-19 caused direct physical loss or damage to Goodwill's insured premises and
10 properties within one statute mile of Goodwill's insured premises. The coronavirus and COVID-19
11 have caused direct physical loss or damage by altering the physical condition of air in the buildings on
12 Goodwill's insured premises and properties within one statute mile of Goodwill's insured premises,
13 from safe and breathable, to unsafe and deadly. The direct physical loss or damage also includes but is
14 not limited to the coronavirus physically attaching itself to the exterior and interior walls of Goodwill's
15 insured premises, as well as doors, furniture, bathroom facilities, equipment, tables, inventory, and
16 supplies, and converting these once safe and usable surfaces and premises to unsafe and deadly vehicles
17 of transmission for the dangerous coronavirus and COVID-19. These losses are of the type insured by
18 Lloyd's under the Lloyd's Policy's Ingress and Egress endorsement.

19 77. The direct physical loss or damage to Goodwill's insured premises, and premises and
20 properties within one statute mile, resulted in the interruption of Goodwill's operations and facilities at
21 the insured premises. Goodwill has had to suspend its businesses, thereby losing substantial revenue
22 necessary to fund its social services programs.

23 78. Goodwill has also incurred substantial costs in an attempt to mitigate the interruption of
24 its social service programs, retail operations, and donation sites, including but not limited to expenses
25 incurred for reconfiguration to remote networking, increased sanitization procedures and re-formatting
26 of various programs. Goodwill would not have incurred those costs but for the direct physical loss or
27 damage caused by the coronavirus and COVID-19.

Philadelphia's Wrongful Denial of Coverage

79. Goodwill timely submitted notice under the Philadelphia Policy and the Lloyd's Policy to the Insurers of its COVID-19-related losses on March 27, 2020.

80. Philadelphia was obligated to conduct a thorough investigation of Goodwill's claims and fully inquire into possible bases that might support Goodwill's claims. But Philadelphia, without engaging in any legitimate, true meaningful or thorough investigation, denied Goodwill's claim in a letter on April 13, 2020.

81. In that April 13, 2020 letter, Philadelphia did not contend that Goodwill's losses described herein were excluded by any applicable provision in the Philadelphia Policy. Yet Philadelphia's April 13, 2020 letter intentionally and wrongfully contended, without basis, that coverage is not owed because there was no "direct physical damage to the covered property." In so doing, Philadelphia wrongfully attempted to limit the coverage due under the Philadelphia Policy to only instances of "direct physical damage," consciously and deliberately omitting the portion of the Philadelphia Policy that requires coverage for "accidental loss *or* damage."

82. Goodwill sent Philadelphia a letter on August 13, 2020, in which it explained how the plain language of the Policy is inconsistent with Philadelphia's objectively unreasonable position. Goodwill also explained that the coronavirus and COVID-19 directly resulted in physical loss and damage to Goodwill's properties and to nearby properties, and that Goodwill has had confirmed cases of COVID-19 on its premises. Goodwill cited several applicable civil authority orders that prohibited access to Goodwill's insured premises—civil authority orders which, as expressly stated by public health authorities, were issued to protect persons and property.

83. Without considering and engaging with the additional facts and circumstances in Goodwill's letter, and without addressing the portions of the Philadelphia Policy that Philadelphia had misquoted or misrepresented, Philadelphia sent Goodwill a cursory letter the very next day reiterating its pre-emptive, baseless, rote and wrongful denial of insurance coverage.

84. Consequently, Philadelphia has refused and is refusing to pay any of Goodwill's covered losses sustained as a result of the property loss and damage caused by the coronavirus and COVID-19 and the resulting civil authority orders.

1 **Lloyd's' Wrongful Denial of Coverage**

2 85. Lloyd's was obligated to conduct a thorough investigation of Goodwill's claims and fully
3 inquire into possible bases that might support Goodwill's claims.

4 86. In response to Goodwill's notice, Lloyd's sent Goodwill communications on May 29,
5 2020 and April 30, 2020, making several statements and requesting confirmation of the "facts of the
6 loss[] as we know them." However, these supposed "facts" were actually coverage arguments that
7 Lloyd's wrongfully and misleadingly attempted to attribute to Goodwill, without Goodwill ever having
8 stated any agreement or disagreement with potential coverage arguments.

9 87. Lloyd's also made misrepresentations concerning the Lloyd's Policy. For example, in a
10 April 30, 2020 email, an agent of Lloyd's erroneously claimed that access to Goodwill's properties was
11 not limited or restricted by direct intervention of civil authority and took the objectively unreasonable
12 position that "roadblocks" or "road closures" were necessary for the civil authority coverage to apply.
13 The letter also erroneously asserted that the civil authority orders were "not in response to any physical
14 loss or damage to property."

15 88. Goodwill responded on July 25, 2020, explaining that the plain language of the Lloyd's
16 Policy did not require "roadblocks" or "road closures" to trigger the civil authority provision. This letter
17 cited examples of how the civil authority orders prohibited access to Goodwill's insured premises, and
18 provided examples from the relevant civil authority orders proving that the civil authority orders were in
19 response to conditions of extreme peril to persons and *property*.

20 89. To date, Lloyd's has not paid any of Goodwill's losses, has not retracted, altered or
21 amended the erroneous coverage positions and mischaracterizations of Goodwill positions stated in its
22 communications described above, and has not responded to Goodwill's July 25, 2020 letter.

23 **FIRST CAUSE OF ACTION**
24 **BREACH OF CONTRACT**
25 **(AGAINST PHILADELPHIA)**

26 90. Goodwill repeats and re-alleges the allegations of Paragraphs 1-89 as if fully set forth
27 herein.
28

1 91. The Philadelphia Policy constitutes a written contract under which Philadelphia agreed,
2 in consideration of the premiums paid, to provide certain insurance benefits to Goodwill.

3 92. Goodwill has incurred substantial financial losses as a result of the coronavirus and
4 COVID-19, their direct physical loss or damage to its covered properties, and the civil authority orders.
5 These losses include, but are not limited to, lost revenue from having to suspend or limits its operations,
6 and extra expenses incurred to mitigate the suspension of its operations.

7 93. Goodwill has complied fully with all of the applicable and necessary terms and
8 conditions of the Philadelphia Policy, and has fulfilled each obligation on its part to be performed,
9 except those which have been excused and/or waived.

10 94. Philadelphia has breached and continues to breach its contractual obligations by refusing
11 to pay amounts due under the Philadelphia Policy, including without limitation business income losses
12 and extra expenses that Goodwill has sustained as a result of the coronavirus and COVID-19 and their
13 direct physical loss or damage to Goodwill's insured premises and properties and premises and
14 properties within 1,000 feet of Goodwill's insured premises, and the civil authority orders due to direct
15 physical loss or damage to property surrounding Goodwill's insured premises and properties.

16 95. As a direct and proximate result of Philadelphia's breaches of contract, Goodwill has
17 been injured and damaged in an amount exceeding the jurisdictional minimum of this Court, and to be
18 proven at trial.

19 **SECOND CAUSE OF ACTION**
20 **BREACH OF CONTRACT**
 (AGAINST LLOYD'S)

21 96. Goodwill repeats and re-alleges the allegations of Paragraphs 1–95 as if fully set forth
22 herein.

23 97. The Lloyd's Policy constitutes a written contract under which Lloyd's agreed, in
24 consideration of the premiums paid, to provide certain insurance benefits to Goodwill.

25 98. Goodwill has incurred substantial financial losses as a result of the coronavirus and
26 COVID-19, their direct physical loss or damage to its covered properties, and the civil authority orders.
27 These losses include, but are not limited to, lost revenue from having to suspend or limit its operations,
28 and extra expenses incurred to mitigate the suspension of its operations.

99. Goodwill has complied fully with all of the applicable and necessary terms and conditions of the Lloyd's Policy, and has fulfilled each obligation on its part to be performed, except those which have been excused and/or waived.

100. Lloyd's has breached and continues to breach its contractual obligations by failing to pay amounts due under the Lloyd's Policy, including business income losses and extra expenses, that Goodwill has sustained as a result of the coronavirus and COVID-19 and their direct physical loss or damage to Goodwill's insured premises and properties, the civil authority orders due to direct physical loss or damage to Goodwill's insured premises and properties and premises and properties within one statute mile of Goodwill's insured premises and properties, and the prevention of ingress to or egress from Goodwill's insured premises and properties due to direct physical loss or damage to Goodwill's insured premises and properties and premises and properties within one statute mile of Goodwill's insured premises and properties. Lloyd's has indicated without dispute that it will not pay amounts due under the Lloyd's policy, and/or unfairly interfered with Goodwill's rights to receive the full benefits to which it is entitled under the Lloyd's Policy.

101. As a direct and proximate result of Lloyd's breaches of contract, Goodwill has been injured and damaged in an amount exceeding the jurisdictional minimum of this Court, and to be proven at trial.

THIRD CAUSE OF ACTION
DECLARATORY RELIEF
(AGAINST PHILADELPHIA)

102. Goodwill repeats and re-alleges the allegations of Paragraphs 1–101 as if fully set forth therein.

103. An actual controversy exists between Philadelphia, on the one hand, and Goodwill, on the other, concerning Philadelphia's respective rights and obligations under the Philadelphia Policy and whether Philadelphia's obligations require it to provide coverage for amounts incurred in connection with the losses arising out of the COVID-19-related claims.

104. A determination by this Court of the respective rights, duties, and obligations under the Philadelphia Policy is necessary and proper to avoid further prejudice to Goodwill's rights.

105. The controversy is of sufficient immediacy to justify the issuance of a declaratory judgment. The issuance of declaratory relief by this Court may terminate some or all of the existing controversy between the parties.

106. Goodwill has incurred and may continue to incur substantial financial losses and expenses in connection with its insurance claims that are covered under the Philadelphia Policy.

107. Goodwill is entitled to a declaration of the rights and obligations of Philadelphia, including, but not limited to, a judicial determination and declaration that Philadelphia is obligated to provide coverage for all amounts and losses incurred in connection with Goodwill's COVID-19-related claims.

FOURTH CAUSE OF ACTION
DECLARATORY RELIEF
(AGAINST LLOYD’S)

108. Goodwill repeats and re-alleges the allegations of Paragraphs 1–107 as if fully set forth therein.

109. An actual controversy exists between Lloyd's, on the one hand, and Goodwill, on the other, concerning Lloyd's' respective rights and obligations under the Lloyd's Policy and whether Lloyd's obligations require it to provide coverage for amounts incurred in connection with the losses arising out of the COVID-19-related claims.

110. A determination by this Court of the respective rights, duties, and obligations under the Lloyd's Policy is necessary and proper to avoid further prejudice to Goodwill's rights.

111. The controversy is of sufficient immediacy to justify the issuance of a declaratory judgment. The issuance of declaratory relief by this Court may terminate some or all of the existing controversy between the parties.

112. Goodwill has incurred and may continue to incur substantial financial losses and expenses in connection with its insurance claims that are covered under the Lloyd's Policy.

113. Goodwill is entitled to a declaration of the rights and obligations of Lloyd's, including, but not limited to, a judicial determination and declaration that Lloyd's is obligated to provide coverage for all amounts and losses incurred in connection with Goodwill's COVID-19-related claims.

FIFTH CAUSE OF ACTION
BREACH OF THE IMPLIED COVENANT OF GOOD FAITH AND FAIR DEALING
(AGAINST PHILADELPHIA)

114. Goodwill repeats and re-alleges the allegations of Paragraphs 1–113 as if fully set forth herein.

115. Philadelphia at all material times had a duty to act fairly and in good faith towards Goodwill in carrying out its responsibilities under the Philadelphia Policy. Part of Philadelphia’s obligation to act fairly and in good faith toward Goodwill is its obligation to provide coverage for covered or potentially covered matters, and to deny coverage only where there is an objectively reasonable and clear basis for denial.

116. Also part of Philadelphia’s duty to act fairly and in good faith toward Goodwill is its obligation to reasonably investigate, consider, and seek to discover evidence which supports coverage. Philadelphia is obligated to fully inquire into possible bases that might support Goodwill’s claims.

117. The implied covenant of good faith and fair dealing further constitutes promises and obligations on the part of Philadelphia that it would do nothing to injure, frustrate, or interfere with the rights of Goodwill under the Philadelphia Policy.

118. In contravention of its duties and obligations, Philadelphia has breached the implied covenant of good faith and fair dealing by, among other things:

- a) unreasonably refusing and declining to provide coverage and pay business income losses and extra expenses in connection with Goodwill’s COVID-19-related claims without a reasonable basis, and in contradiction with governing law;
- b) deciding without any reasonable basis in fact or law, and for its own purposes and to serve its own desires, to take objectively unreasonable positions regarding the interpretation of the provisions of the Philadelphia Policy concerning Goodwill’s COVID-19-related claims;
- c) unreasonably refusing to conduct a thorough investigation of Goodwill’s claims, and ignoring evidence which supports coverage instead of inquiring into possible bases that might support Goodwill’s claim;
- d) misrepresenting coverage available under the Philadelphia Policy; and

1 e) forcing Goodwill to litigate to obtain benefits under the Philadelphia Policy; all in
2 violation of accepted insurance industry customs, practices, standards, and its
3 duties to Goodwill.

4 119. Philadelphia did the things and committed the acts alleged above for the purpose of
5 consciously withholding from Goodwill the rights and benefits to which Goodwill is entitled under the
6 Philadelphia Policy, and without considering the interests of Goodwill at least to the same extent as it
7 did its own interests.

8 120. Philadelphia's acts are inconsistent with the reasonable expectations of Goodwill, are
9 contrary to established norms, practices, standards of care and legal requirements related to insurance
10 claims, are contrary to the express terms of the Philadelphia Policy, and constitute bad faith and a breach
11 of the implied covenant of good faith and fair dealing.

12 121. Philadelphia's conduct is and has been undertaken with a conscious disregard of
13 Goodwill's rights as a beneficiary of the Philadelphia Policy.

14 122. In light of information, facts, and relevant law to the contrary, Philadelphia, by acting as
15 alleged above and as will be proved at trial, consciously disregarded Goodwill's rights and has
16 prejudiced Goodwill in its ability to resolve and recover for its losses in connection with Goodwill's
17 COVID-19-related claims. Philadelphia has forced Goodwill to incur substantial financial losses and to
18 take action to pursue the insurance coverage to which Goodwill is rightfully entitled. Philadelphia has
19 established a pattern of wrongly refusing coverage. Philadelphia has ignored Goodwill's interests and
20 concerns through oppressive, malicious, and fraudulent conduct within the meaning of California Civil
21 Code Section 3294. Therefore, Goodwill is entitled to recover punitive damages from Philadelphia in an
22 amount sufficient to punish Philadelphia, and to deter similar misconduct in the future.

23 123. Goodwill is informed and believes and thereon alleges that Philadelphia's acts were
24 performed, authorized and/or ratified by its officers, directors, and managing agents, and/or with the
25 advance knowledge or conscious disregard of its officers, directors, and managing agents.

26 124. Goodwill is informed and believes and thereon alleges that Philadelphia's acts were
27 performed, authorized and/or ratified by its corporate affiliates.
28

1 125. As a direct and proximate result of Philadelphia's breaches and violations, Goodwill has
2 suffered and continues to suffer substantial damages, in an amount exceeding the jurisdictional
3 minimum of the Court, and to be determined at trial. Such damages include, among other things, losses
4 in connection with the COVID-19-related claims. Goodwill also has incurred and continues to incur
5 significant, recoverable attorneys' fees and costs to obtain the benefits to which it is entitled and which
6 Philadelphia wrongfully has denied under the Philadelphia Policy.

7
8 **SIXTH CAUSE OF ACTION**
9 **BREACH OF THE IMPLIED COVENANT OF GOOD FAITH AND FAIR DEALING**
10 **(AGAINST LLOYD'S)**

11 126. Goodwill repeats and re-alleges the allegations of Paragraphs 1–125 as if fully set forth
12 herein.

13 127. Lloyd's at all material times had a duty to act fairly and in good faith towards Goodwill
14 in carrying out its responsibilities under the Lloyd's Policy. Part of Lloyd's' obligation to act fairly and
15 in good faith toward Goodwill is its obligation to provide coverage for covered or potentially covered
16 matters, and to deny coverage only where there is an objectively reasonable and clear basis for denial.

17 128. Also part of Lloyd's' duty to act fairly and in good faith toward Goodwill is its obligation
18 to reasonably investigate, consider, and seek to discover evidence which supports coverage. Lloyd's is
19 obligated to fully inquire into possible bases that might support Goodwill's claims.

20 129. The implied covenant of good faith and fair dealing further constitutes promises and
21 obligations on the part of Lloyd's that it would do nothing to injure, frustrate, or interfere with the rights
22 of Goodwill under the Lloyd's Policy.

23 130. In contravention of its duties and obligations, Lloyd's has breached the implied covenant
24 of good faith and fair dealing by, among other things:

- 25 a) unreasonably refusing to provide coverage and pay business income losses and
26 extra expenses in connection with Goodwill's COVID-19-related claims without a
27 reasonable basis, and in contradiction with governing law;
28 b) deciding without any reasonable basis in fact or law, and for its own purposes and
to serve its own desires, to take objectively unreasonable positions regarding the
interpretation of the provisions of the Lloyd's Policy concerning Goodwill's

COVID-19-related claims;

- c) unreasonably refusing to conduct a thorough investigation of Goodwill's claims, and ignoring evidence which supports coverage instead of inquiring into possible bases that might support Goodwill's claim;
- d) misrepresenting coverage available under the Lloyd's Policy; and
- e) forcing Goodwill to litigate to obtain benefits under the Lloyd's Policy; all in violation of accepted insurance industry customs, practices, standards, and its duties to Goodwill.

131. Lloyd's did the things and committed the acts alleged above for the purpose of consciously withholding from Goodwill the rights and benefits to which Goodwill is entitled under the Lloyd's Policy, and without considering the interests of Goodwill at least to the same extent as it did its own interests.

132. Lloyd's' acts are inconsistent with the reasonable expectations of Goodwill, are contrary to established norms, practices, standards of care and legal requirements related to insurance claims, are contrary to the express terms of the Lloyd's Policy, and constitute bad faith and a breach of the implied covenant of good faith and fair dealing.

133. Lloyd's conduct is and has been undertaken with a conscious disregard of Goodwill's rights as a beneficiary of the Lloyd's Policy.

134. In light of information, facts, and relevant law to the contrary, Lloyd's, by acting as alleged above and as will be proved at trial, consciously disregarded Goodwill's rights and has prejudiced Goodwill in its ability to resolve and recover for its losses in connection with Goodwill's COVID-19-related claims. Lloyd's has forced Goodwill to incur substantial financial losses and to take action to pursue the insurance coverage to which Goodwill is rightfully entitled. Lloyd's has established a pattern of wrongly refusing coverage. Lloyd's has ignored Goodwill's interests and concerns through oppressive, malicious, and fraudulent conduct within the meaning of California Civil Code Section 3294. Therefore, Goodwill is entitled to recover punitive damages from Lloyd's in an amount sufficient to punish Lloyd's, and to deter similar misconduct in the future.

135. Goodwill is informed and believes and thereon alleges that Lloyd's' acts were performed, authorized and/or ratified by its officers, directors, and managing agents, and/or with the advance knowledge or conscious disregard of its officers, directors, and managing agents.

136. Goodwill is informed and believes and thereon alleges that Lloyd's' acts were performed, authorized and/or ratified by its corporate affiliates.

137. As a direct and proximate result of Lloyd's's breaches and violations, Goodwill has suffered and continues to suffer substantial damages, in an amount exceeding the jurisdictional minimum of the Court, and to be determined at trial. Such damages include, among other things, losses in connection with the COVID-19-related claims. Goodwill also has incurred and continues to incur significant, recoverable attorneys' fees and costs to obtain the benefits to which it is entitled and which Lloyd's wrongfully has denied under the Lloyd's Policy.

PRAYER FOR RELIEF

WHEREFORE, Goodwill requests that the Court enter judgment in its favor as follows:

1. Compensatory and consequential damages against the Insurers in an amount to be proven at trial;
2. Pre-judgment and post-judgment interest at the maximum legal rate;
3. An award of court costs and attorneys' fees and costs incurred in obtaining the benefits due under the Policies;
4. Interest on such court costs and attorneys' fees and costs;
5. Exemplary and punitive damages;
6. Declaratory judgment in favor of Goodwill and against the Insurers, declaring that the Policies provide coverage for amounts incurred in connection with each of Goodwill's claims; and
7. Such other and further relief that the Court deems just and proper.

1 Dated: November 6, 2020

COVINGTON & BURLING LLP

2
3 By: /s/ Rani Gupta
RANI GUPTA

4
5 *Attorneys for Plaintiff Goodwill Industries of Orange*
County, California

6
7
8 **JURY TRIAL DEMAND**

9 Plaintiff hereby demands a jury trial on all issues in this action.

10
11 Dated: November 6, 2020

COVINGTON & BURLING LLP

12
13 By: /s/ Rani Gupta
RANI GUPTA

14
15 *Attorneys for Plaintiff Goodwill Industries of Orange*
County, California

Exhibit 1



PHILADELPHIA INSURANCE COMPANIES

A Member of the Tokio Marine Group

One Bala Plaza, Suite 100, Bala Cynwyd, Pennsylvania 19004
610.617.7900 • Fax 610.617.7940 • PHLY.com

07/11/2019

Goodwill Industries of Orange Count
and per Named Insured Schedule
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Santa Ana, CA 92703-3412

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President & CEO
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- Nonprofit Risk Management Center
- IntelliCorp Records, Inc.
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- For more information please contact: [Customer Service](#)

800.873.4552

IMPORTANT NOTICE - The information and suggestions presented by Philadelphia Indemnity Insurance Company in this e-brochure is for your consideration in your loss prevention efforts. They are not intended to be complete or definitive in identifying all hazards associated with your business, preventing workplace accidents, or complying with any safety related, or other, laws or regulations. You are encouraged to alter them to fit the specific hazards of your business and to have your legal counsel review all of your plans and company policies.

Philadelphia Insurance Companies is the marketing name for the insurance company subsidiaries of the Philadelphia Consolidated Holding Corp., a Member of the Tokio Marine Group. Your insurance policy, and not the information contained in this document, forms the contract between you and your insurance company. If there is a discrepancy or conflict between the information contained herein and your policy, your policy takes precedence. All coverages are not available in all states due to state insurance regulations. Certain coverage(s) may be provided by a surplus lines insurer. Surplus lines insurers do not generally participate in state guaranty funds and insureds are therefore not protected by such funds. | © 2013 Philadelphia Consolidated Holding Corp., All Rights Reserved.



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PHILADELPHIA
INSURANCE COMPANIES

A Member of the Tokio Marine Group

One Bala Plaza, Suite 100
Bala Cynwyd, Pennsylvania 19004
610.617.7900 Fax 610.617.7940
PHLY.com

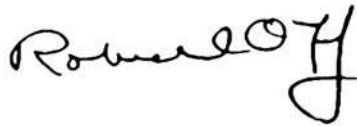
Philadelphia Indemnity Insurance Company

Commercial Lines Policy

THIS POLICY CONSISTS OF:

- DECLARATIONS
 - COMMON POLICY CONDITIONS
 - ONE OR MORE COVERAGE PARTS. A COVERAGE PART CONSISTS OF:
 - ONE OR MORE COVERAGE FORMS
 - APPLICABLE FORMS AND ENDORSEMENTS
-

IN WITNESS WHEREOF, we have caused this policy to be executed and attested, and, if required by state law, this policy shall not be valid unless signed by our authorized representative.

A handwritten signature in black ink, appearing to read "Rovner" followed by a stylized flourish.

President & CEO

A handwritten signature in black ink, appearing to read "Ed Sar" followed by a long horizontal flourish.

Secretary

NOTICE REINSTATEMENT FEE

Please be advised that if your policy is cancelled due to non-payment of the premium and we agree to reinstate your policy, you will be charged a reinstatement fee of \$50□ (where permitted).

This fee is in addition to any premium owed on the policy.

*\$25 in Delaware, Georgia, New Hampshire and New Mexico; and \$15 in Kansas and Nebraska

CALIFORNIA PREMIUM REFUND DISCLOSURE NOTICE

In accordance with CAL. INS. CODE § 481.(c), we are notifying you that in the event that the first Named Insured cancels the insurance policy, we shall retain 10% of the unearned premium. The premium refunded to you will therefore be calculated as 90% of the pro rata unearned premium. But if cancellation takes place during the first year of a multiyear prepaid policy, we will return 90% of the pro rata unearned premium for the first year and the full annual premium for the subsequent years.

If you have an Equipment Breakdown policy or your policy contains an Equipment Breakdown Coverage Part, then the following premium refund calculation applies instead of that provided in the preceding paragraph. For the Equipment Breakdown policy premium or for the premium attributable to the Equipment Breakdown Coverage Part, we shall retain 25% of the unearned premium. The premium refunded to you will therefore be calculated as 75% of the pro rata unearned premium. But if cancellation takes place during the first year of a multiyear prepaid policy, we will return 75% of the pro rata unearned premium for the first year and the full annual premium for the subsequent years.

However, the penalties set forth in the preceding paragraphs will not apply under the following circumstances, even if the first Named Insured cancels the policy:

1. The Insured(s) no longer has a financial or insurable interest in the property or business operation that is the subject of insurance;
2. Cancellation takes place after the first year for a prepaid policy written for a term of more than one year; or
3. The policy is rewritten in the same insuring company or company group.

PHILADELPHIA INSURANCE COMPANIES PRIVACY POLICY NOTICE

Philadelphia Indemnity Insurance Company



The Philadelphia Insurance Companies value your privacy and we are committed to protecting personal information that we collect during the course of our business relationship with you. The collection, use and disclosure of certain nonpublic personal information are regulated by law.

This notice is for your information only and requires no action on your part. It will inform you about the types of information that we collect and how it may be used or disclosed. This does not reflect a change in the way we do business or handle your information.

Information We Collect:

We collect personal information about you from the following sources:

- ☐ Applications or other forms such as claims forms or underwriting questionnaires completed by you;
- ☐ Information about your transactions with us, our affiliates or others; and
- ☐ Depending on the type of transaction you are conducting with us, information may be collected from consumer reporting agencies, health care providers, employers and other third parties.

Information We Disclose:

We will only disclose the information described above to our affiliates and non-affiliated third parties, as permitted by law, and when necessary to conduct our normal business activities.

For example, we may make disclosures to the following types of third parties:

- ☐ Your agent or broker (producer);
- ☐ Parties who perform a business, professional or insurance functions for our company, including our reinsurance companies;
- ☐ Independent claims adjusters, investigators, attorneys, other insurers or medical care providers who need information to investigate, defend or settle a claim involving you;
- ☐ Regulatory agencies in connection with the regulation of our business; and
- ☐ Lienholders, mortgagees, lessors or other persons shown on our records as having a legal or beneficial interest in your policy.

We do not sell your information to others for marketing purposes. We do not disclose the personal information of persons who have ceased to be our customers.

Protection of Information:

The Philadelphia Insurance Companies maintain physical, electronic and procedural safeguards that comply with state and federal regulations to protect the confidentiality of your personal information. We also limit employee access to personally identifiable information to those with a business reason for knowing such information.

Use of Cookies and Opt-Out:

We may place electronic "cookies" in the browser files of your computer when you access our website. Cookies are text files placed on your computer to enable our systems to recognize your browser and so that we may tailor information on our website to your interests. We or our third party service providers or business partners may place cookies on your computer's hard drive to enable us to match personal information that we maintain about you so that we are able to pre-populate on-line forms with your information. We also use cookies to help us analyze traffic on our website to better understand your interests. Although we do not use your non-public personal information for this purpose, you may opt-out of cookies and advertising features through one of the available options including but not limited to Ads Settings in Google.com or the Network Advertising Initiative (NAI) Consumer Opt-out. Opting out does not mean you will no longer receive online advertising. It does mean that companies from which you opted out will no longer customize ads based on your interests and web usage patterns using cookies.

How to Contact Us: Philadelphia Insurance Companies, One Bala Plaza, Suite 100, Bala Cynwyd, PA 19004
Attention: Chief Privacy Officer



PHILADELPHIA
INSURANCE COMPANIES

A Member of the Tokio Marine Group

One Bala Plaza, Suite 100
Bala Cynwyd, Pennsylvania 19004
610.617.7900 Fax 610.617.7940
PHLY.com

Philadelphia Indemnity Insurance Company
COMMON POLICY DECLARATIONS

Policy Number: PHPK2004025

Named Insured and Mailing Address:

Goodwill Industries of Orange Count
and per Named Insured Schedule
410 N Fairview St
Santa Ana, CA 92703-3412

Producer: 5590

POMS & ASSOCIATES INSURANCE BROKERS
PO Box 80517
City Of Industry, CA 91716

Policy Period From: 07/01/2019 **To:** 07/01/2020

(818)449-9300

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

Business Description: Non Profit Organization

IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS
POLICY, WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY.

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

	PREMIUM
Commercial Property Coverage Part	
Commercial General Liability Coverage Part	255,537.00
Commercial Crime Coverage Part	
Commercial Inland Marine Coverage Part	11,713.00
Commercial Auto Coverage Part	154,319.20
Businessowners	
Workers Compensation	
UltimateCover Property Coverage Part	125,956.00
Employee Benefits	300.00
Professional Liability	3,248.00
Sexual/Physical Abuse	15,307.00
Total	\$ 566,380.20
Total Includes Fees and Surcharges (See Schedule Attached)	343.20
Total Includes Federal Terrorism Risk Insurance Act Coverage	4,663.00

FORM (S) AND ENDORSEMENT (S) MADE A PART OF THIS POLICY AT THE TIME OF ISSUE
Refer To Forms Schedule

*Omits applicable Forms and Endorsements if shown in specific Coverage Part/Coverage Form Declarations

CPD- PIIC (06/14)

Secretary

President and CEO

Philadelphia Indemnity Insurance Company

Form Schedule – Policy

Policy Number: PHPK2004025

Forms and Endorsements applying to this Coverage Part and made a part of this policy at time of issue:

Form	Edition	Description
WHY MyPHLY	0000	WHY MyPHLY?
CSNotice-1	0818	Making Things Easier
BJP-190-1	1298	Commercial Lines Policy Jacket
PI-REINS-NOTICE 1	0318	Notice Reinstatement Fee
IL N 177	0912	California Premium Refund Disclosure Notice
PP2015	0615	Privacy Policy Notice
CPD-PIIC	0614	Common Policy Declarations
Location Schedule	0100	Location Schedule
Loss Payee Schedule	0100	Loss Payee Schedule
Additional Insured Schedule	0100	Additional Insured Schedule
Named Insured Sched	0100	Named Insured Schedule
Fees and Surcharge Schedule	0110	Fees and Surcharge Schedule
PI-BELL-1	1109	Bell Endorsement
PI-CME-1	1009	Crisis Management Enhancement Endorsement
IL0017	1198	Common Policy Conditions
IL0021	0908	Nuclear Energy Liability Exclusion Endorsement
IL0102	0505	California Changes - Actual Cash Value
IL0103	0699	California Changes - Actual Cash Value
IL0104	0907	California Changes
IL0270	0912	California Changes - Cancellation And Nonrenewal
IL0952	0115	Cap On Losses From Certified Acts Of Terrorism
PI-TER-DN1	0115	Disclosure Notice Of Terrorism Ins Coverage Rejection

Philadelphia Indemnity Insurance Company

Locations Schedule

Policy Number: PHPK2004025

Premis. No.	Bldg. No.	Address
0001	0001	410 N Fairview St Office - Training Santa Ana, CA 92703-3412
0001	0002	410 N Fairview St Plant - Warehouse Santa Ana, CA 92703-3412
0001	0003	412 N Fairview St Retail Store Santa Ana, CA 92703-3412
0001	0004	404 N Fairview St "as is" Auction Santa Ana, CA 92703-3412
0001	0005	2722 W 5th St Santa Ana, CA 92703-1822
0001	0006	2722 W 5th St Santa Ana, CA 92703-1821
0001	0007	2702 W 5th St Santa Ana, CA 92703-1822
0002	0001	5948-5950 Westminster Blvd Retail Store Westminster, CA 92683-3546
0003	0001	620 W 19th St Retail Store Costa Mesa, CA 92627-2716
0004	0001	200 N Fairview St Asst Technology Center Santa Ana, CA 92703-3408
0005	0001	9079 Adams Ave Retail Store Huntington Beach, CA 92646-3401
0006	0001	23740 El Toro Rd # 740 "Keepers" Retail Store Lake Forest, CA 92630-4711

Philadelphia Indemnity Insurance Company

Locations Schedule

Policy Number: PHPK2004025

Premis. No.	Bldg. No.	Address
0007	0001	23740 El Toro Rd # 741 Retail Store Lake Forest, CA 92630-4711
0008	0001	849 S Tustin St Retail Store Orange, CA 92866-3426
0009	0001	18631 & 18607 Beach Blvd "Classic Closet" Store Huntington Beach, CA 92648-2054
0010	0001	2430 E Chapman Ave Computer Works Store Fullerton, CA 92831-3604
0011	0001	11052 Magnolia St Garden Grove, CA 92841-1028
0012	0001	2118 S Bristol St Santa Ana, CA 92704-5123
0013	0001	632-634 S Brea Blvd Brea, CA 92821-5307
0014	0001	1800 N Grand Ave Ste B Santa Ana, CA 92705-7057
0015	0001	1601 E Saint Andrew Pl Santa Ana, CA 92705-4932
0016	0001	23871 Via Fabricante Suites 401 & 402 Mission Viejo, CA 92691-3110
0017	0001	3021 W Lincoln Ave Anaheim, CA 92801-6130
0018	0001	2050 W La Habra Blvd La Habra, CA 90631-5007
0019	0001	2090 E Lincoln Ave Anaheim, CA 92806-4101
0020	0001	675 N Euclid St Anaheim, CA 92801-4639

Philadelphia Indemnity Insurance Company

Locations Schedule

Policy Number: PHPK2004025

Premis. No.	Bldg. No.	Address
0021	0001	1221 E Dyer Rd Ste 105 Santa Ana, CA 92705-5634
0022	0001	1101 E Imperial Hwy Placentia, CA 92870-1717
0023	0001	502 E 1st St Ste C Tustin, CA 92780-3347
0024	0001	2250 S Yale St Santa Ana, CA 92704-4405
0025	0001	6741 Westminster Blvd Ste B Retail Store Westminster, CA 92683-8062
0026	0001	411 W Broadway Unit C-H Anaheim, CA 92805-3746
0027	0001	1231 Warner Ave Tustin, CA 92780-6432
0028	0001	5880 Edinger Ave Huntington Beach, CA 92649-1705
0029	0001	31892 Plaza Dr Ste A-1 San Juan Capistrano, CA 92675-3709
0030	0001	130 N Raymond Ave Fullerton, CA 92831-4610
0031	0001	2320 Redhill Ave Santa Ana, CA 92705-5538
0032	0001	6006 Lincoln Ave Cypress, CA 90630-5808
0033	0001	410 N Fairview St Santa Ana, CA 92703-3412

Philadelphia Indemnity Insurance Company

Loss Payee Schedule

Policy Number: PHPK2004025

Loss Payee

Gateway Mission Viejo, Inc.
(See Manuscript)
1630 S Sunkist St Ste A
Anaheim, CA 92806-5816

CA - Loc #16 - Bld #1 - BUSINESS PERSONAL PROPERTY (OFFICES (N.O.C.))

Philadelphia Indemnity Insurance Company

Additional Insured Schedule

Policy Number: PHPK2004025

Additional Insured

City of Santa Ana
Attn: Anabell Bates
1000 E Santa Ana Blvd Ste 200
Santa Ana, CA 92701-3900

CG2026 - General Liability

Additional Insured

City of Santa Ana
Attn: Terry Gilbreth
20 Civic Center Plz M# 37
Santa Ana, CA 92701-4058

CG2005 - CA - Loc #ALL - MANUSCRIPT ENDORSEMENT

CG2026 - General Liability

Additional Insured

County of Orange, Health Care Agency
Purchasing Division
515 N Sycamore St Rm 105
Santa Ana, CA 92701-4637

CG2026 - General Liability

Additional Insured

County of Orange
Attn: Mike St Mark
Purchasing & Real Estate
1300 S Grand Ave Ste A
Santa Ana, CA 92705-4434

CG2026 - General Liability

Additional Insured

County of Orange Social Services Agency
Contract Services
888 N Main St
Santa Ana, CA 92701-3518

CG2026 - General Liability

Philadelphia Indemnity Insurance Company

Additional Insured Schedule

Policy Number: PHPK2004025

Additional Insured

Department of Rehabilitation
Budget & Contract Section
2000 Evergreen St
Sacramento, CA 95815-3896

CG2026 - General Liability

Additional Insured

Department of the Navy
Attn: Dolores Leonard, Naval Weapons STA
800 Seal Beach Blvd
Seal Beach, CA 90740-5607

CG2026 - General Liability

Additional Insured

Fairview Development Center
Attn: Bebe Phillips
2501 Harbor Blvd
Costa Mesa, CA 92626-6143

CG2026 - General Liability

Additional Insured

Frank D Lanterman Regional Center
Attn: Karen Ingram
3303 Wilshire Blvd Fl 700
Los Angeles, CA 90010-4000

CG2026 - General Liability

Philadelphia Indemnity Insurance Company

Additional Insured Schedule

Policy Number: PHPK2004025

Additional Insured

Hoyle & Diane Schweitzer &
AMC Management
Attn: Melinda Powell
1600 Dove St Ste 140
c/o AMC Management
Newport Beach, CA 92660-2404

CG2026 - General Liability

Additional Insured

Islands Restaurant, L.P.
740 Lomas Santa Fe Dr, Ste 210
Santa Ana, CA 92705

CG2026 - General Liability

Additional Insured

Islands Restaurant, L.P. and their
Affiliates
740 Lomas Santa Fe Dr, Ste 210
Attn: Re/Dev Department
Carlsbad, CA 92008

CG2026 - CA - Loc #1

Philadelphia Indemnity Insurance Company

Additional Insured Schedule

Policy Number: PHPK2004025

Additional Insured

Marshalls
Attn: Bob Anderson
901 S Coast Dr Ste 696
Costa Mesa, CA 92626-1747

CG2026 - General Liability

Additional Insured

Newport-Mesa Unified School District
Purchasing Director
2985 Bear St
Costa Mesa, CA 92626-4300

CG2026 - General Liability

Additional Insured

Orange County Superintendent of Schools
Occupational Program
200 Kalmus Dr
Costa Mesa, CA 92626-5922

CG2026 - General Liability

Additional Insured

Orange Unified School District
1401 N Handy St
Orange, CA 92867-4434

CA - Loc #ALL - ADDL INS PRIMARY & NON-CONTRIBUTORY INS

CG2026 - General Liability
Re: DEAFinitely Professional Interpreting Services

Philadelphia Indemnity Insurance Company

Additional Insured Schedule

Policy Number: PHPK2004025

Additional Insured

Private Industry Council of Santa Ana
Attn: Fran Jutzi (M-34)
PO Box 1988
Santa Ana, CA 92702-1988

CG2026 - General Liability

Additional Insured

Regional Center of Orange County
Attn: Sandra Mesa
PO Box 22010
Santa Ana, CA 92702-2010

CG2026 - General Liability

Additional Insured

Saddleback Valley USD
Attn: Rona Martin, Dir Spec Education
25631 Diseno Dr
Mission Viejo, CA 92691

CG2026 - General Liability

Additional Insured

Target Corporation & Target Stores
Environmental Services - Salvage
1000 Nicollet Mall # TPN-725
Minneapolis, MN 55403-2542

CG2026 - General Liability

Philadelphia Indemnity Insurance Company

Additional Insured Schedule

Policy Number: PHPK2004025

Additional Insured

Temecula Valley Unified School District
15325 SE 30th Pl Ste 100
Bellevue, WA 98007-6597

CG2026 - General Liability

Additional Insured

The TAJ
23521 Paseo De Valencia Ste 200
Laguna Hills, CA 92653-3101

CG2026 - General Liability

Additional Insured

Xtra Lease
5901 Garfield Ave
Commerce, CA 90040-3606

CG2028 - CA - Loc #1

Additional Insured

North Orange County Community College
District, its Board of Trustees, its
officers, agents, employees & volunteers
1830 W Romneya Dr
Anaheim, CA 92801-1819

CG2026 - General Liability

Philadelphia Indemnity Insurance Company

Additional Insured Schedule

Policy Number: PHPK2004025

Additional Insured

The County of Orange - Insurance Desk
Sheriff - Purchasing
320 N Flower St Fl 2
Santa Ana, CA 92703-5000

CG2026 - CA - Loc #1 - 334 (BLDG/PREMS-OFFICE-NOC-NFP)

Additional Insured

South Coast Plaza
c/o Festival of Children 2005
3315 Fairview Rd
Attn: Eileen Daniher
Costa Mesa, CA 92626-1610

CG2026 - CA - Loc #1 - 334 (BLDG/PREMS-OFFICE-NOC-NFP)

Additional Insured

O C SHERIFF INS DESK
320 N Flower St
SHERIFF PRUCHASING 2ND FLR
Santa Ana, CA 92703-5000

CG2026 - CA - Loc #1

Additional Insured

WALF LLC & Westrust Ventures LLC
26901 Agoura Rd Ste 250
Attn: Darlene Duncan
Calabasas Hills, CA 91301-5103

CG2011 - CA - Loc #6

CG2011 - CA - Loc #7

Philadelphia Indemnity Insurance Company

Additional Insured Schedule

Policy Number: PHPK2004025

Additional Insured

West Santa Ana LLC
1900 E 1st St
Santa Ana, CA 92705-4004

CG2026 - General Liability
As respects Landscaping and Janitorial Work by the Named Insured

Additional Insured

West Mission Viejo, LLC
26051 Acero
Mission Viejo, CA 92691-2784

CG2026 - General Liability
As respects Janitorial Work by the Named Insured

CG2026 - CA - Loc #1 - 334 (JANITORIAL SERVICE)
As respects Janitorial Work provided by the Insured

Additional Insured

Murrieta Valley Unified School District
Zhanna Preston, Director of Special Educ
41870 McAlby Court
Murrieta, CA 92562-7036

CG2026 - CA - Loc #4 - 334 (SCHOOL-NOC-NFP)
As respects Student Assessments in Special Education

Philadelphia Indemnity Insurance Company

Additional Insured Schedule

Policy Number: PHPK2004025

Additional Insured

The City of Laguna Hills, CA
Its Officers, Directors and Employees
24035 E Toro Road
Laguna Hills, CA 92653

CG2026 - General Liability

Additional Insured

Target Corporation
Target Resource Recovery Program
1000 Nicollet Mall # TPN-1303
Minneapolis, MN 55403-2542

CG2026 - General Liability

Additional Insured

Capistrano Unified School District
33122 Valle Rd
San Juan Capistrano, CA 92675-4859

CG2026 - General Liability

Additional Insured

Moreno Valley Unified School District
Re: ATEC Program
25634 Alessandro Blvd
Moreno Valley, CA 92553-4916

CG2026 - General Liability

Philadelphia Indemnity Insurance Company

Additional Insured Schedule

Policy Number: PHPK2004025

Additional Insured

Lake Elsinore Unified School District
545 Chaney St
Lake Elsinore, CA 92530-2712

CG2026 - General Liability

Additional Insured

City of Irvine Community Development Dpt
It's Officers, Employees,Volunteers,
Agents and Representatives
PO Box 19575
Irvine, CA 92623-9575

CG2026 - General Liability

Additional Insured

B&B Specialties, Inc
4321 E La Palma Ave
Anaheim, CA 92807-1805

CG2010 - General Liability

Additional Insured

Oakley, Inc
1 Icon
Foothill Ranch, CA 92610-3000

CG2026 - General Liability

Philadelphia Indemnity Insurance Company

Additional Insured Schedule

Policy Number: PHPK2004025

Additional Insured

Kin Properties, Inc, (Landlord)
Mascot LLC. (Owner 50% Interest)
Jefan LLC (Owner 50% Interest)
c/o Kim Properties, Inc.
185 NW Spanish River Blvd Ste 100
Boca Raton, FL 33431-4230

CG2011 - CA - Loc #11
AI/CG2011 Landlord of Loc: 11052 Magnolia St, Garden Grove, CA

Additional Insured

Santa Ana Unified School District
1601 E Chestnut Ave
Santa Ana, CA 92701-6322

CG2037 - General Liability

Additional Insured

Charter Oak Unified School District
Attn: Christine Smith, Ed. Department
PO Box 9
Covina, CA 91723-0009

CG2026 - CA - Loc #ALL - MANUSCRIPT EXCLUSION

Philadelphia Indemnity Insurance Company

Additional Insured Schedule

Policy Number: PHPK2004025

Additional Insured

City of Irvine
Attn: Purchasing Agent
PO Box 19575
Irvine, CA 92623-9575

CG2005 - General Liability

Additional Insured

Baldwin Park Unified School District
PO Box 3699
North Holly Ave
Baldwin Park, CA 91706-7700

CG2026 - General Liability
RE: ATEC Program

Additional Insured

Desert Sands USD, The Dist & the State
& their agents, representatives, empl
trustees, officers, consultants, & vols
47950 Dune Palms Rd
La Quinta, CA 92253-4000

CG2026 - General Liability
RE: ATEC Program

Additional Insured

The Irvine Company
550 Newport Center Dr
Newport Beach, CA 92660-7011

CG2026 - General Liability
RE: E-Waste Disposal Services/Document Destruction

Philadelphia Indemnity Insurance Company

Additional Insured Schedule

Policy Number: PHPK2004025

Additional Insured

Pomona Unified School District
800 S Garey Ave
Pomona, CA 91766-3325

CG2026 - General Liability
Contract with school to provide technology equipment & services

Additional Insured

Westerm Medical Center Anaheim
AI/CG2037 Deaf Interpreting Services
1025 S Anaheim Blvd
Anaheim, CA 92805-5806

CG2037 - CA - Loc #ALL - LIABILITY DELUXE
AI/CG2037 Deaf Interpreting Services

Additional Insured

The State of California, Its Officers
Agents, Employees and Servants
A Div. CA Dept of Food & Agriculture
1220 N St
Sacramento, CA 95814-5603

CG2010 - General Liability
AI/CG2010/ \$0 CA Dept of Food & Agriculture /Janitorial Svc

Philadelphia Indemnity Insurance Company

Additional Insured Schedule

Policy Number: PHPK2004025

Additional Insured

Burbank Unified School District
AI/CG2026 Contracted Srvcs #PS096
1900 W Olive Ave
Burbank, CA 91506-2438

CG2026 - General Liability
AI/CG2026 Contract Srvcs #PS096 Assistive Technology Exchge Cntr

Additional Insured

OCTA, Its Officers, Directors,
Employees, and Agents
AI/CG2012 Leased Parking Area
PO Box 14184
550 S Main St
Orange, CA 92863-1584

CG2012 - CA - Loc #1 - 334 (PARKING-PRIVATE)
AI/CG2012 Leased Parking Area

Additional Insured

Chapman University; Communication
Sciences & Disorders Program
AI/CG2026 SLP Education Program
1 University Dr
Attn: Judy Montgomery CUCSD Director
Orange, CA 92866-1005

CG2026 - General Liability
AI/CG2026 the Speech Language Pathology (SLP) Education Program.

Philadelphia Indemnity Insurance Company

Additional Insured Schedule

Policy Number: PHPK2004025

Additional Insured

City of Costa Mesa
Housing & Community Development
(see manuscript for complete name)
PO Box 1200
Costa Mesa, CA 92628-1200

CG2005 - CA - Loc #ALL - MANUSCRIPT ENDORSEMENT
AI/CG2005 & CA2048 Funding Source /CDBG Sub-Recipient Contract

Additional Insured

Second Harvest Food Bank of
Orange County
AI/ CG2026 Food Distribution Needy
8014 Marine Way
Irvine, CA 92618-2235

CG2026 - CA - Loc #ALL - MANUSCRIPT ENDORSEMENT
AI/CG2026/Food Distribution to Needy People

Additional Insured

The SELPA, Its Subsidiaries, Officials,
& Employees; Riverside Unified School
District Attn: Timothy Walker, SELPA Dir
PO Box 2800
Riverside, CA 92516-2800

CG2026 - General Liability
AI/CG2026 Contracted Services for Goodwill's ATEC Services

Philadelphia Indemnity Insurance Company

Additional Insured Schedule

Policy Number: PHPK2004025

Additional Insured

County of Orange
AI/CG2010 Contracted Services
1300 S Grand Ave Bldg C
Santa Ana, CA 92705-4434

CG2010 - General Liability
AI/CG2010 Contracted Services for Registrar of Voters& DPI Srvc

Additional Insured

The Realty Associates Fund VIII LP and
The Davis Partners, LLC
1420 Bristol St N Ste 100
Newport Beach, CA 92660-2914

CG2026 - General Liability
RE: E-Waste Disposal Services/Document Destruction

Additional Insured

Embassy Suites Anaheim South
11767 Harbor Blvd
Garden Grove, CA 92840-2701

CG2026 - General Liability
RE: E-Waste Disposal Services/Document Destruction

Additional Insured

Brea United Methodist Church
(ADC Site)
480 N State College Blvd
Brea, CA 92821-4215

CG2011 - General Liability

Philadelphia Indemnity Insurance Company

Additional Insured Schedule

Policy Number: PHPK2004025

Additional Insured

South Orange County Community
College District
(ADC Site)
5500 Irvine Center Dr
Irvine, CA 92618-0301

CG2011 - General Liability

Additional Insured

Irvine Valley College
(ADC Site)
5500 Irvine Center Dr
Irvine, CA 92618-0301

CG2011 - General Liability

Additional Insured

Kroger Co, Its Affiliates & Subsidiaries
c/o EBIX, BPO
PO Box 881639
San Diego, CA 92168-1639

CG2026 - CA - Loc #2
RE: Landscaping/Prop. Maint./Common Areas at 5948 Westminster

Philadelphia Indemnity Insurance Company

Additional Insured Schedule

Policy Number: PHPK2004025

Additional Insured

Vestar/Kimco Tustin, LP; City of Tustin;
Tustin Comm. Redvelopment Agency;
Tustin Public Financing Authority United
States Dept of Navy; Wachovia Bank NA
2437 Park Ave
Tustin, CA 92782-2705

CG2010 - CA - Loc #ALL - MANUSCRIPT ENDORSEMENT
re: E Waste Event on 02/19/11 - CG2010 & Manuscript

Additional Insured

Ladera Ranch Maintenance Corporation
Ladera Ranch Community Services
24555 Town Center Dr
Merit Property Management, Inc.
Valencia, CA 91355-1363

CG2026 - General Liability

Additional Insured

South Central Los Angeles Regional Cente
650 W Adams Blvd Fl 2
Los Angeles, CA 90007-2580

CG2010 - General Liability
Assistive Technology Exchange Center

Philadelphia Indemnity Insurance Company

Additional Insured Schedule

Policy Number: PHPK2004025

Additional Insured

University of California, Irvine
250 Public Services
Irvine, CA 92697-4530

CG2026 - General Liability
RE: AI/CG2026: Deafinitely Professional Interpreting Services

Additional Insured

FATCO Holdings, LLC, A Delaware Limited
Liability Company & Its Affiliates First
American Title Ins. Co; Cushman &
Wakefield of CA, LLC; Managing Agent
1 First American Way
Santa Ana, CA 92707-5913

CG2026 - General Liability
RE: AI/CG2026: Goodwill's Supported Employment Program

Additional Insured

County of Orange, Its Elected and
Appointed Officials, Officers, Employees
and Agents.
Dept. of Child Support Services
1055 N Main St
Santa Ana, CA 92701-3601

CG2010 - CA - Loc #ALL - LIABILITY DELUXE
RE: AI/CG2010 Contracted Language Interpreting Services

CG2010 - CA - Loc #ALL - MANUSCRIPT ENDORSEMENT
RE: AI/CG2010 Contracted Language Interpreting Services

Philadelphia Indemnity Insurance Company

Additional Insured Schedule

Policy Number: PHPK2004025

Additional Insured

Rancho Niguel Plaza II, LLC., BUIE
Stoddard Properties, LLC.; Wells Fargo
Bank; PacificWest Asset Mgmt Corp.
PO Box 19068
c/o PacificWest Asset Management Corp.
Irvine, CA 92623-9068

CG2010 - General Liability
RE: AI/CG2010 E-Waste Event on 10/29/2011 only

Additional Insured

Desert/Mountain Special Education
Local Plan Area; Its Subsidiaries,
Officials and Employees
17800 US Highway 18
Apple Valley, CA 92307-1221

CG2010 - General Liability
RE: AI/CG2010 ATEC Contracts

Additional Insured

Fullerton School District
1401 W Valencia Dr
Fullerton, CA 92833-3938

CG2010 - General Liability
RE: AI/CG2010 ATEC Contracts

Philadelphia Indemnity Insurance Company

Additional Insured Schedule

Policy Number: PHPK2004025

Additional Insured

Anaheim Union High School District
501 N Crescent Way
Anaheim, CA 92801-5401

CG2026 - General Liability
RE: AI/CG2026 Contracted Services

Additional Insured

FATCO Holdings, LLC
2 First American Way
Santa Ana, CA 92707-5913

CG2026 - General Liability

Additional Insured

Red Hill Lutheran Church
13200 Red Hill Ave
Tustin, CA 92780-3839

CA2048 - CA - Veh #0 - MANUSCRIPT ENDORSEMENT - AUTO

Additional Insured

Red Hill Lutheran Church
13200 Red Hill Ave
Tustin, CA 92780-3839

CG2026 - General Liability

Philadelphia Indemnity Insurance Company

Additional Insured Schedule

Policy Number: PHPK2004025

Additional Insured

Redondo Beach Unified School District
Office of Special Education
1401 Inglewood Ave
Redondo Beach, CA 90278-3912

CG2026 - General Liability
Re: Written Contract Requirements

Additional Insured

Donald S. Ellis, trustee of the Donald S
Ellis Trust J&L RE, Inc. dba Jones and
Lawton Real Estate
110 W Fir St
Brea, CA 92821-6407

CG2011 - CA - Loc #18

Additional Insured

DK Euclid, LP
c/o Milan Capital Management, Inc.
888 S Disneyland Dr Ste 101
Anaheim, CA 92802-1806

CG2011 - CA - Loc #20

Additional Insured

City of Tustin
300 Centennial Way
Tustin, CA 92780-3715

CG2026 - General Liability
RE: Use of Veteran Services Program

Philadelphia Indemnity Insurance Company

Additional Insured Schedule

Policy Number: PHPK2004025

Additional Insured

Metro Charter School
2635 Pasadena Ave
Los Angeles, CA 90031-2323

CG2026 - General Liability
RE: Participation in ATEC (Assistive Technology Exchange Center)

Additional Insured

RHW Holdings, LLC
2320 Redhill Ave
Santa Ana, CA 92705-5538

CG2026 - General Liability
RE: Use of Parking Lot on 9/25/2018

Additional Insured

National MS Society
10089 Willow Creek Rd Ste 250
San Diego, CA 92131-1698

CG2026 - General Liability

Additional Insured

WOCCSE/Member Districts
Huntington Beach Union High School
District
5832 Bolsa Ave
Huntington Beach, CA 92649-1181

CG2026 - General Liability

Philadelphia Indemnity Insurance Company

Additional Insured Schedule

Policy Number: PHPK2004025

Additional Insured

Tustin Unified School District
300 S C St
Tustin, CA 92780-3633

CG2026 - General Liability

Additional Insured

Pasadena Unified School District
351 S Hudson Ave
Pasadena, CA 91101-3507

CG2026 - General Liability
Re: Requirement for participating in ATEC Program

Additional Insured

South Orange County Community College
District
28000 Marguerite Pkwy
Mission Viejo, CA 92692-3635

CG2026 - General Liability

Additional Insured

Anaheim Ducks Hockey Club, LLC
2695 E Katella Ave
Anaheim, CA 92806-5904

CG2026 - General Liability
RE: 2018 Eco Challenge Day on 11/10/2018

Philadelphia Indemnity Insurance Company

Additional Insured Schedule

Policy Number: PHPK2004025

Additional Insured

California Foundation for Independent
Living Centers
1000 G St Ste 100
Sacramento, CA 95814-0890

CG2026 - CA - Loc #1 - 334 (BLDG/PREMS-OFFICE-NOC-NFP)

Additional Insured

Santa Ana Country Club
20382 Newport Blvd
Santa Ana, CA 92707-5346

CG2026 - General Liability
RE: DEAFinitely Professional Interpreting Services

Additional Insured

The Regents of the University of
California
PO Box 20270
Long Beach, CA 90801-3270

CA - Loc #ALL - ADDL INS PRIMARY & NON-CONTRIBUTORY INS

CG2026 - General Liability

Additional Insured

St. Andrew's By-The-Sea United Methodist
Community of Faith
2001 Calle Frontera
San Clemente, CA 92673-5645

CG2026 - General Liability
Re: Use of facilities

Philadelphia Indemnity Insurance Company

Additional Insured Schedule

Policy Number: PHPK2004025

Additional Insured

Riverside Unified School District
3380 14th St
Riverside, CA 92501-3810

CG2026 - General Liability
Re: Assistive Technology Exchange Center (ATEC) program

Additional Insured

Beach Center Partners, LLC and
Essex Realty Management, Inc.
18012 Sky Park Cir Ste 200
Irvine, CA 92614-6671

CG2011 - CA - Loc #9

Additional Insured

RHW Holdings, LLC
240 Newport Center Dr Ste 200
Newport Beach, CA 92660-7514

CG2011 - CA - Loc #31

Additional Insured

Newport Harbor Lutheran Church
798 Dover Dr
Newport Beach, CA 92663-5931

CG2026 - General Liability

Philadelphia Indemnity Insurance Company

Additional Insured Schedule

Policy Number: PHPK2004025

Additional Insured

Gateway Mission Viejo, Inc.
DBA Mission Viejo Business Center
RREEF Management LLC
1630 S Sunkist St Ste A
Anaheim, CA 92806-5816

CG2011 - CA - Loc #16

CG2026 - General Liability

Additional Insured

County of Orange Health Care Agency
405 W 5th St Ste 600
Santa Ana, CA 92701-4536

CG2026 - General Liability

Additional Insured

California Foundation for Independent
Living Centers, its officers, agents,
1000 G St Ste 100
Sacramento, CA 95814-0890

CG2026 - General Liability
Participating in our insured's ATEC program

Philadelphia Indemnity Insurance Company

Additional Insured Schedule

Policy Number: PHPK2004025

Additional Insured

Greencore USA
3333 Finley Rd
Downers Grove, IL 60515-1227

CG2026 - General Liability
Re: DEAFinitely Professional Interpreting Services

Additional Insured

Cagney Enterprise, LLC
c/o CE Property Management Services
PO Box 549
Cardiff, CA 92007-0549

CA - Loc #ALL - ADDL INS PRIMARY & NON-CONTRIBUTORY INS

CG2026 - General Liability

Additional Insured

Ladera Ranch Community Services, Ladera
Ranch Maintenance Corporation and First
Service Residential California, LLC
28192 Oneill Dr
Ladera Ranch, CA 92694-0303

CG2026 - General Liability
Re: Contract requirement

Philadelphia Indemnity Insurance Company

Additional Insured Schedule

Policy Number: PHPK2004025

Additional Insured

College and Career Preparatory Academy,
County Superintendent, OCDE and the
Board of Education
1669 E Wilshire Ave
Santa Ana, CA 92705-4508

Commercial Automobile
WOS

Additional Insured

College and Career Preparatory Academy,
County Superintendent, OCDE and the
Board of Education
1669 E Wilshire Ave
Santa Ana, CA 92705-4508

General Liability
WOS

CG2026 - General Liability
Re: Collecting and hauling electronic waste

Additional Insured

RanchLife, their agents, directors,
members, officers and employees
30845 Gateway Pl Ste E-3
Rancho Mission Viejo, CA 92694-1857

CA - Loc #ALL - ADDL INS PRIMARY & NON-CONTRIBUTORY INS

CG2026 - General Liability
Re: Contract requirement

Philadelphia Indemnity Insurance Company

Additional Insured Schedule

Policy Number: PHPK2004025

Additional Insured

County of Orange, its elected and
appointed officials, officers, employees
Sheriff-Coroner Department
320 N Flower St Fl 2
Santa Ana, CA 92703-5000

CA - Loc #ALL - ADDL INS PRIMARY & NON-CONTRIBUTORY INS

CG2026 - General Liability
Re: Contract requirement

Additional Insured

Whittier City School District, its Board
of Trustees, Employees and Agents
7211 Whittier Ave
Whittier, CA 90602-1123

CG2026 - General Liability
Re: Assistive Technology Exchange Center program

Additional Insured

City of Los Alamitos and its officers,
employees, agents and volunteers
3191 Katella Ave
Los Alamitos, CA 90720-2335

CG2026 - General Liability
Re: Veteran's program outreach event

Philadelphia Indemnity Insurance Company

Additional Insured Schedule

Policy Number: PHPK2004025

Additional Insured

Bank of America Charitable
Foundation, Inc.
100 N Tryon St
NCI-007-20-05
Charlotte, NC 28202-2135

CA - Loc #ALL - ADDL INS PRIMARY & NON-CONTRIBUTORY INS

CG2026 - General Liability
Re: 2019 Student Leaders Program

Additional Insured

California State University Northridge,
its affiliates, directors, trustees,
officers, agents and employees
18111 Nordhoff St
Northridge, CA 91330-0001

CG2026 - General Liability
Re: ATEC (Assistive Technology Exchange Center) program

Philadelphia Indemnity Insurance Company

Named Insured Schedule

Policy Number: PHPK2004025

Goodwill Industries Of Orange Country

DbA: Goodwill Computerworks

DbA: Goodwill Deafinitely Professional
Interpreting Service

DbA: Goodwill Employment Works

DbA: Goodwill Keepers

DbA: Goodwill Marketplace

DbA: Assistive Technology Exchange
Center

Philadelphia Indemnity Insurance Company

Named Insured Schedule

Policy Number: PHPK2004025

DbA: Classic Closet

DbA: Community Based Services

DbA: Oc Goodwill Boutique

DbA: Rare By Goodwill

DbA: Shopgoodwill.Com

Goodwill Industries of Orange County,
California

Landmark Services, Inc.

Philadelphia Indemnity Insurance Company

Fees and Surcharge Schedule

Policy Number: **PHPK2004025**

Policy Term Effective Date: **07/01/2019**

Policy Term Expiration Date: **07/01/2020**

California Consumer Service Functions Related to Auto Insurance	\$	50.70
California Automobile Fraud Interdiction Program	\$	97.50
California Investigation and Prosecution of Auto Insurance Fraud	\$	195.00

ULTIMATECOVER PROPERTY COVERAGE PART DECLARATIONS

Policy Number PHPK2004025

Effective Date: 07/01/2019

Expiration Date: 07/01/2020
12:01 a.m., Standard Time☒ Extension of Declarations is attached**Business Description**

Non Profit Organization

Description of Premises

Prem. No.	Bldg. No.	Location, Construction and Occupancy	
0001	0001	410 N Fairview St Santa Ana, CA 92703-3412 OFFICES (N.O.C.)	FRAME
0001	0002	410 N Fairview St Santa Ana, CA 92703-3412 WAREHOUSES (OTHER THAN COLD STORAGE)	FRAME
0001	0003	412 N Fairview St Santa Ana, CA 92703-3412 WAREHOUSES (OTHER THAN COLD STORAGE)	FRAME
0001	0005	2722 W 5th St Santa Ana, CA 92703-1822 WAREHOUSES (OTHER THAN COLD STORAGE)	FRAME
0001	0007	2702 W 5th St Santa Ana, CA 92703-1822 WAREHOUSES (OTHER THAN COLD STORAGE)	JOISTED MASONRY
0002	0001	5948-5950 Westminster Blvd Westminster, CA 92683-3546 WAREHOUSES (OTHER THAN COLD STORAGE)	JOISTED MASONRY

Limits of Insurance

Insurance applies only for coverage for which a Limit of Insurance is shown.

Property at Specified Premises

Prem. No.	Bldg. No.	Your Business Personal Property	Personal Property of Others	Buildings
0001	0001	BKT #2		BKT #1
0001	0002	BKT #2		BKT #1
0001	0003	BKT #2		BKT #1
0001	0005	BKT #2		BKT #1
0001	0007	BKT #2		BKT #1
0002	0001	BKT #2		BKT #1

Personal Property at Location not Specifically Identified: \$100,000, unless a higher limit is shown on the Additional Coverage Summary Declarations.

Personal Property in Transit: \$50,000, unless a higher limit is shown on the Additional Coverage Summary Declarations.

These declarations are part of the policy declarations containing the Name of the Insured and the policy period.

Applications of Limits

- ☐ Specific ☒ Blanket - See Form PI-ULTD-006
☐ Exceptions:

Deductibles

Building \$ 1,000 Business Personal Property \$ 1,000 Transit \$

Coinsurance

☐ 80% ☐ 90% ☒ 100% ☒ Agreed Value

Mortgage Holders

Prem. No.	Bldg. No.	Mortgage Holder Name and Address
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SEE SCHEDULE ATTACHED

Forms and Endorsement

Forms and endorsements applying to this Coverage Part and made part of this policy at time of issue:

See Schedule of Forms and Endorsements attached.

Premium

Premium for this Coverage Part \$ 125,956.00

PROPERTY COVERAGE PART EXTENSION OF DECLARATIONS

Policy Number PHPK2004025

Description of Premises

Prem. No.	Bldg. No.	Location, Construction and Occupancy
0003	0001	620 W 19th St Costa Mesa, CA 92627-2716 WAREHOUSES (OTHER THAN COLD STORAGE) JOISTED MASONRY
0004	0001	200 N Fairview St Santa Ana, CA 92703-3408 SCHOOLS - VOCATIONAL FRAME
0005	0001	9079 Adams Ave Huntington Beach, CA 92646-3401 WAREHOUSES (OTHER THAN COLD STORAGE) FRAME
0006	0001	23740 El Toro Rd # 740 Lake Forest, CA 92630-4711 WAREHOUSES (OTHER THAN COLD STORAGE) FRAME
0007	0001	23740 El Toro Rd # 741 Lake Forest, CA 92630-4711 WAREHOUSES (OTHER THAN COLD STORAGE) FRAME
0008	0001	849 S Tustin St Orange, CA 92866-3426 WAREHOUSES (OTHER THAN COLD STORAGE) FRAME

Limits of Insurance

Insurance applies only for coverages for which a Limit of Insurance is shown.

Property at Specified Premises

Prem. No.	Bldg. No.	Your Business Personal Property	Personal Property of Others	Buildings
0003	0001	BKT #2		BKT #1
0004	0001	BKT #2		BKT #1
0005	0001	BKT #2		
0006	0001	BKT #2		
0007	0001	BKT #2		
0008	0001	BKT #2		

Mortgage Holders

Prem. No.	Bldg. No.	Mortgage Holder Name and Address
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SEE SCHEDULE ATTACHED

These declarations are part of the policy declarations containing the Name of the Insured and the policy period.

PROPERTY COVERAGE PART EXTENSION OF DECLARATIONS

Policy Number PHPK2004025

Description of Premises

Prem. No.	Bldg. No.	Location, Construction and Occupancy
0009	0001	18631 & 18607 Beach Blvd Huntington Beach, CA 92648-2054 WAREHOUSES (OTHER THAN COLD STORAGE) FRAME
0010	0001	2430 E Chapman Ave Fullerton, CA 92831-3604 WAREHOUSES (OTHER THAN COLD STORAGE) FRAME
0011	0001	11052 Magnolia St Garden Grove, CA 92841-1028 WAREHOUSES (OTHER THAN COLD STORAGE) FRAME
0012	0001	2118 S Bristol St Santa Ana, CA 92704-5123 WAREHOUSES (OTHER THAN COLD STORAGE) FRAME
0013	0001	632-634 S Brea Blvd Brea, CA 92821-5307 WAREHOUSES (OTHER THAN COLD STORAGE) JOISTED MASONRY
0014	0001	1800 N Grand Ave Ste B Santa Ana, CA 92705-7057 WAREHOUSES (OTHER THAN COLD STORAGE) JOISTED MASONRY

Limits of Insurance

Insurance applies only for coverages for which a Limit of Insurance is shown.

Property at Specified Premises

Prem. No.	Bldg. No.	Your Business Personal Property	Personal Property of Others	Buildings
0009	0001	BKT #2		
0010	0001	BKT #2		
0011	0001	BKT #2		BKT #1
0012	0001	BKT #2		
0013	0001	BKT #2		
0014	0001	BKT #2		

Mortgage Holders

Prem. No.	Bldg. No.	Mortgage Holder Name and Address
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SEE SCHEDULE ATTACHED

These declarations are part of the policy declarations containing the Name of the Insured and the policy period.

PROPERTY COVERAGE PART EXTENSION OF DECLARATIONS

Policy Number PHPK2004025

Description of Premises

Prem. No.	Bldg. No.	Location, Construction and Occupancy
0015	0001	1601 E Saint Andrew Pl Santa Ana, CA 92705-4932 RECREATION SERVICES JOISTED MASONRY
0016	0001	23871 Via Fabricante Mission Viejo, CA 92691-3110 OFFICES (N.O.C.) FRAME
0017	0001	3021 W Lincoln Ave Anaheim, CA 92801-6130 WAREHOUSES (OTHER THAN COLD STORAGE) JOISTED MASONRY
0018	0001	2050 W La Habra Blvd La Habra, CA 90631-5007 WAREHOUSES (OTHER THAN COLD STORAGE) JOISTED MASONRY
0019	0001	2090 E Lincoln Ave Anaheim, CA 92806-4101 WAREHOUSES (OTHER THAN COLD STORAGE) JOISTED MASONRY
0020	0001	675 N Euclid St Anaheim, CA 92801-4639 WAREHOUSES (OTHER THAN COLD STORAGE) JOISTED MASONRY

Limits of Insurance

Insurance applies only for coverages for which a Limit of Insurance is shown.

Property at Specified Premises

Prem. No.	Bldg. No.	Your Business Personal Property	Personal Property of Others	Buildings
0015	0001	BKT #2		BKT #1
0016	0001	BKT #2		
0017	0001	BKT #2		
0018	0001	BKT #2		
0019	0001	BKT #2		
0020	0001	BKT #2		

Mortgage Holders

Prem. No.	Bldg. No.	Mortgage Holder Name and Address
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SEE SCHEDULE ATTACHED

These declarations are part of the policy declarations containing the Name of the Insured and the policy period.

PROPERTY COVERAGE PART EXTENSION OF DECLARATIONS

Policy Number PHPK2004025

Description of Premises

Prem. No.	Bldg. No.	Location, Construction and Occupancy
0021	0001	1221 E Dyer Rd Ste 105 Santa Ana, CA 92705-5634 WAREHOUSES (OTHER THAN COLD STORAGE) JOISTED MASONRY
0022	0001	1101 E Imperial Hwy Placentia, CA 92870-1717 WAREHOUSES (OTHER THAN COLD STORAGE) MODIFIED FIRE RESISTIVE
0023	0001	502 E 1st St Ste C Tustin, CA 92780-3347 WAREHOUSES (OTHER THAN COLD STORAGE) MODIFIED FIRE RESISTIVE
0024	0001	2250 S Yale St Santa Ana, CA 92704-4405 WAREHOUSES (OTHER THAN COLD STORAGE) JOISTED MASONRY
0025	0001	6741 Westminster Blvd Ste B Westminster, CA 92683-8062 WAREHOUSES (OTHER THAN COLD STORAGE) JOISTED MASONRY
0026	0001	411 W Broadway Unit C-H Anaheim, CA 92805-3746 WAREHOUSES (OTHER THAN COLD STORAGE) FRAME

Limits of Insurance

Insurance applies only for coverages for which a Limit of Insurance is shown.

Property at Specified Premises

Prem. No.	Bldg. No.	Your Business Personal Property	Personal Property of Others	Buildings
0021	0001	BKT #2		
0022	0001	BKT #2		
0023	0001	BKT #2		
0024	0001	BKT #2		
0025	0001	BKT #2		
0026	0001	BKT #2		

Mortgage Holders

Prem. No.	Bldg. No.	Mortgage Holder Name and Address
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SEE SCHEDULE ATTACHED

These declarations are part of the policy declarations containing the Name of the Insured and the policy period.

PROPERTY COVERAGE PART EXTENSION OF DECLARATIONS

Policy Number PHPK2004025

Description of Premises

Prem. No.	Bldg. No.	Location, Construction and Occupancy	
0027	0001	1231 Warner Ave Tustin, CA 92780-6432 OFFICES (N.O.C.)	MODIFIED FIRE RESISTIVE
0028	0001	5880 Edinger Ave Huntington Beach, CA 92649-1705 WAREHOUSES (OTHER THAN COLD STORAGE)	FRAME
0029	0001	31892 Plaza Dr Ste A-1 San Juan Capistrano, CA 92675-3709 WAREHOUSES (OTHER THAN COLD STORAGE)	FRAME
0030	0001	130 N Raymond Ave Fullerton, CA 92831-4610 WAREHOUSES (OTHER THAN COLD STORAGE)	JOISTED MASONRY
0031	0001	2320 Redhill Ave Santa Ana, CA 92705-5538 WAREHOUSES (OTHER THAN COLD STORAGE)	NON-COMBUSTIBLE
0032	0001	6006 Lincoln Ave Cypress, CA 90630-5808 WAREHOUSES (OTHER THAN COLD STORAGE)	FRAME

Limits of Insurance

Insurance applies only for coverages for which a Limit of Insurance is shown.

Property at Specified Premises

Prem. No.	Bldg. No.	Your Business Personal Property	Personal Property of Others	Buildings
0027	0001	BKT #2		BKT #1
0028	0001	BKT #2		
0029	0001	BKT #2		
0030	0001	BKT #2		
0031	0001	BKT #2		
0032	0001	BKT #2		BKT #1

Mortgage Holders

Prem. No.	Bldg. No.	Mortgage Holder Name and Address
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SEE SCHEDULE ATTACHED

These declarations are part of the policy declarations containing the Name of the Insured and the policy period.

PROPERTY COVERAGE PART EXTENSION OF DECLARATIONS

Policy Number PHPK2004025

Description of Premises

Prem. No.	Bldg. No.	Location, Construction and Occupancy	
0033	0001	410 N Fairview St Santa Ana, CA 92703-3412 OFFICES (N.O.C.)	FRAME

Limits of Insurance

Insurance applies only for coverages for which a Limit of Insurance is shown.

Property at Specified Premises

Prem. No.	Bldg. No.	Your Business Personal Property	Personal Property of Others	Buildings
0033	0001	BKT #2		

Mortgage Holders

Prem. No.	Bldg. No.	Mortgage Holder Name and Address
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SEE SCHEDULE ATTACHED

These declarations are part of the policy declarations containing the Name of the Insured and the policy period.

ADDITIONAL COVERAGE SUMMARY DECLARATIONS

Policy Number PHPK2004025

As per the Property Coverage Part Declarations this Coverage Part provides the following Additional Coverages and Coverage Extensions, subject to the Limits of Insurance shown below.

	Limits of Insurance
Brands and Labels	Included in Policy Limits
Claim Expenses	\$ 10,000
Contract Penalty Clause	\$ 25,000
Computer Property	Included in Personal Property Limits
Excavation and Landscaping	\$ 25,000
Fine Arts	\$ 25,000
Fines for False Alarms	\$ 5,000
Fire Department Service Charge	\$ 50,000
Fire, Sprinkler or Burglar Alarm Upgrade	\$ 50,000
Fish in Aquariums	\$ 1,000
Glass	Included in Policy Limits, except when PI-ULT-030 applies
Guard Dogs	\$ 1,000
Lost Key Replacement	\$ 2,500
Newly Acquired Property	\$1,000,000 Blanket Limit Real and Personal
Property	
New Construction	\$ 500,000
Ordinance or Law – Undamaged Portion	Included in Building Limit
Ordinance or Law – Demolition	\$ 250,000
Ordinance or Law – Increased Cost of Construction	\$ 250,000
Personal Effects – Portable Electronic Equipment –	
Away from Premises	\$ 1,000
Personal Effects - Premises	\$ 25,000
Personal Effects – Spouses	\$ 500
Personal Effects – Worldwide	\$ 1,000
Pollutant Cleanup and Removal	\$ 25,000
Precious Metals	\$ 2,500
Signs	Included in Personal Property Limits
Theft Damage to Building	Included in Personal Property Limits
Utility Service	\$ 10,000
Voluntary Parting	\$ 10,000

For the Additional Coverages and Coverage Extensions shown below, if a Superceding Limit of Insurance is shown, that Superceding Limit is the applicable Limit of Insurance.

	Limits of Insurance	Superseding Limits
Accounts Receivable	\$ 250,000	\$
Arson Reward	\$ 25,000	\$
Computer Virus Extraction Expense	\$ 2,500	\$
Consequential Damage	\$ 25,000	\$
Debris Removal	\$ 250,000	\$
Personal Property in Transit	\$ 50,000	\$
Personal Property at Locations not		
Specifically Identified	\$ 100,000	\$
Valuable Papers and Records –		
Cost of Research	\$ 250,000	\$

Philadelphia Indemnity Insurance Company

Form Schedule – UltimateCover

Policy Number: PHPK2004025

Forms and Endorsements applying to this Coverage Part and made a part of this policy at time of issue:

Form	Edition	Description
PI-ULTD-002	1198	Property Coverage Part Declarations
PI-ULTD-003	1198	Property Coverage Part Extension Of Declarations
PI-ULTD-005	0513	Additional Coverage Summary Declarations
PI-ULTD-006	1198	UltimateCover Program Blanket Limits
CP0090	0788	Commercial Property Conditions
CP0299	1185	Cancellation Changes
IL0415	0498	Protective Safeguards
PI-ULT-007	1198	Property Coverage Form
PI-ULT-008	1198	Causes of Loss Form
PI-ULT-009	1198	Crime Coverage Form
PI-ULT-010	1198	Business Income with Extra Expense Coverage Form
ULT10COV	1198	Business Income with Extra Expense Coinsurance Sched
ULT10OPT	1198	Business Income with Extra Expense Optional Cov Sched
PI-ULT-014	0202	Ordinance or Law Coverage
PI-ULT-015	1198	Agreed Value Endorsement
PI-ULT-016	1198	Loss Payable Provisions
PI-ULT-023	0313	Equipment Breakdown Protection Endorsement
PI-ULT-024	1198	Legal Liability Coverage Form
PI-ULT-028	1198	Additional Exclusions
PI-ULT-072	1010	Limitations On Fungus,Wet Rot, Dry Rot And Bacteria
PI-ULT-83	0401	Loss of Income due to Workplace Violence
PI-ULT-085	0516	Cap On Losses From Certified Acts Of Terrorism
PI-ULT-088	0204	Changes - Electronic Data
PI-ULT-100	0906	Earthquake Sprinkler Leakage Endorsement
PI-ULT-142	0813	Collapse - Exclusion And Additional Coverage Re-Stated
PI-ULT-148 CA	1016	Equipment Breakdown - Separate Deductible Endorsement
PI-ULT-173	0215	Elite Property Enhancement: Human Services
PI-MANU-1	0100	PI-MANU-1 CP1509 (04/02)
PI-MANU-1	0100	PI-MANU-3 ORDINANCE OF LAW SUBLIMIT ADDENDUM
PI-MANU-1	0100	PI-MANU-4 PI-NP-006 NET INCOME REDEFINED
PI-MANU-1	0100	PI-MANU-6 Valuation of Donated Stock
PI-MANU-1	0100	AV applies to BPP excl Stock
PI-MANU-1	0100	PI-ULT-173 (02/15) Elite Property Enhancement: Human Services
PI-MANU-1	0100	CP1410 \$75K for the Endorsement for HVAC/Misc Items
PI-MANU-1	0100	Loss Payee - Gateway Mission Viejo, Inc.

UltimateCover Program Blanket Limits

Policy Number: PHPK2004025

Agent # 5590

ULTIMATECOVER PROPERTY – BLANKET STATEMENT OF VALUES

Blanket No.	Coverage	Limit of Insurance	Co- Insurance
1	Building	\$ 41,428,717	100%
2	Bus Per Prop	\$ 22,614,831	100%
3	Bus Income-Ext	\$ 34,674,089	100%

These declarations are part of the policy declarations containing the name of the insured and the policy period.

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

PHILADELPHIA
INSURANCE COMPANIES

A Member of the Tokio Marine Group

One Bala Plaza, Suite 100
Bala Cynwyd, Pennsylvania 19004
610.617.7900 Fax 610.617.7940
PHLY.com

Unless otherwise stated herein, the terms, conditions, exclusions and other limitations set forth in this endorsement are solely applicable to coverage afforded by this endorsement, and the policy is amended as follows:

I. SCHEDULE OF ADDITIONAL COVERAGES AND LIMITS

The following is a summary of Limits of Liability or Limits of Insurance and/or additional coverages provided by this endorsement. This endorsement is subject to the provisions of the policy to which it is attached.

COVERAGE	LIMITS OF INSURANCE
Business Travel Accident Benefit	\$50,000
Conference Cancellation	\$25,000
Donation Assurance	\$50,000
Emergency Real Estate Consulting Fee	\$50,000
Fundraising Event Blackout	\$25,000
Identity Theft Expense	\$50,000
Image Restoration and Counseling	\$50,000
Key Individual Replacement Expenses	\$50,000
Kidnap Expense	\$50,000
Political Unrest	\$5,000 per employee: \$25,000 policy limit
Temporary Meeting Space Reimbursement	\$25,000
Terrorism Travel Reimbursement	\$50,000
Travel Delay Reimbursement	\$1,500
Workplace Violence Counseling	\$50,000

II. CONDITIONS

A. Applicability of Coverage

Coverage provided by your policy and any endorsements attached thereto is amended by this endorsement where applicable.

B. Limits of Liability or Limits of Insurance

1. When coverage is provided by this endorsement and another coverage form or endorsement attached to this policy, the greater limits of liability or limits of insurance will apply. In no instance will multiple limits apply to coverages which may be duplicated within this policy. Additionally, if this policy and any other coverage part or policy issued to you by us, or any company affiliated with us, apply to the same occurrence, offense, wrongful act, accident or loss, the maximum limits of liability or limits of insurance under all such coverage parts or policies combined shall not exceed the highest applicable limits of liability or limits of insurance under any one coverage part or policy.
2. Limits of liability or limits of insurance identified in Section I. **SCHEDULE OF ADDITIONAL COVERAGES AND LIMITS** above are not excess of, but are in addition to the applicable Limits of Liability or Limits of Insurance stated in the Declarations.

C. Claim Expenses

Coverages provided herein are not applicable to the generation of claim adjustment costs by you; such as fees you may incur by retaining a public adjuster or appraiser.

III. ADDITIONAL COVERAGES

A. Business Travel Accident Benefit

We will pay a Business Travel Accident Benefit to the insured if a director or officer suffers injury or death while traveling on a common carrier for your business during the policy period.

For the purpose of Business Travel Accident Benefit coverage, injury means:

1. Physical damage to the body caused by violence, fracture, or an accident that results in loss of life not later than one hundred eighty (180) days after the policy expiration, the date of cancellation or the date of non-renewal;
2. Accidental loss of limbs or multiple fingers;
3. Total loss of sight, speech or hearing.

The limit of insurance for this coverage is \$50,000 per policy period for all insureds combined. No deductible applies to this coverage.

The Business Travel Accident Benefit shall not be payable if the cause of the injury was:

1. An intentional act by the insured;
2. An act of suicide or attempted suicide;
3. An act of war; or
4. A disease process.

B. Conference Cancellation

We will reimburse the insured for any business-related conference expenses, paid by the insured and not otherwise reimbursed, for a canceled conference that an employee was scheduled to attend. The cancellation must be due directly to a "natural catastrophe" or a "communicable disease" outbreak that forces the cancellation of the conference.

With respect to a conference cancellation claim, it is further agreed as follows:

1. The insured employee must have registered for the conference at least thirty (30) days prior to the cancellation; and
2. The cancellation must be ordered by a local, state or federal Board of Health or other governmental authority having jurisdiction over the location of the conference.

The limit of insurance for this coverage is \$25,000 per policy period for all insureds combined. No deductible applies to this coverage.

C. Donation Assurance

If the insured is a 501(c)(3) status non-profit organization as defined in the United States Internal Revenue Code, we will reimburse the insured for "failed donation claim(s)."

With respect to any "failed donation claim," it is further agreed as follows:

1. The donor must not have been in bankruptcy, nor have filed for bankruptcy or reorganization in the past seven (7) years prior to the time said pledge was made to the insured;
2. For non-cash donations, our payment of a "failed donation claim" shall be based on the fair market value of said non-cash donation at the time of the "failed donation claim";
3. In the case of unemployment or incapacitation of a natural person donor and as a condition of payment of the "failed donation claim":
 - a. Neither the natural person donor nor the insured shall have had reason to believe the donor would become unemployed or incapacitated subsequent to the donation date; and
 - b. The donor shall be unemployed for at least sixty (60) days prior to a claim being submitted by the insured;
4. No coverage shall be afforded for a written pledge of funds or other measurable, tangible property to the insured dated prior to the policy period; and
5. A donation amount which is to be collected by the insured over more than a twelve (12) month period shall be deemed a single donation.

The limit of insurance for this coverage is \$50,000 per policy period for all insureds combined. No deductible applies to this coverage.

D. Emergency Real Estate Consulting Fee

We will reimburse the insured any realtor's fee or real estate consultant's fee necessitated by the insured's need to relocate due to the "unforeseeable destruction" of the insured's "principal location" listed in the Declarations during the policy period. The limit of insurance for this

coverage is \$50,000 per policy period for all insureds combined. No deductible applies to this coverage.

E. Fundraising Event Blackout

We will reimburse the insured for “fundraising expenses” that are incurred due to the cancellation of a fundraising event caused by the lack of electric supply resulting in a power outage, provided the fundraising event is not re-scheduled. The fundraising event must have been planned at least thirty (30) days prior to the power outage. The limit of insurance for this coverage is \$25,000 per policy period for all insureds combined. No deductible applies to this coverage.

F. Identity Theft Expense

We will reimburse any present director or officer of the named insured for “identity theft expenses” incurred as the direct result of any “identity theft” first discovered and reported during the policy period; provided that it began to occur subsequent to the effective date of the insured’s first policy with us. The limit of insurance for this coverage is \$50,000 per policy period for all insureds combined. No deductible applies to this coverage.

G. Image Restoration and Counseling

We will reimburse the insured for expenses incurred for image restoration and counseling arising out of “improper acts” by any natural person.

Covered expenses are limited to:

1. The costs of rehabilitation and counseling for the accused natural person insured, provided the natural person insured is not ultimately found guilty of criminal conduct; this reimbursement to occur after acquittal of the natural person insured;
2. The costs charged by a recruiter or expended on advertising, for replacing an officer as a result of “improper acts”; and
3. The costs of restoring the named insured’s reputation and consumer confidence through image consulting.

The limit of insurance for this coverage is \$50,000 per policy period for all insureds combined. No deductible applies to this coverage.

H. Key Individual Replacement Expenses

We will pay “key individual replacement expenses” if the Chief Executive Officer or Executive Director suffers an “injury” during the policy period which results in the loss of life during the policy period. The limit of insurance for this coverage is the lesser of \$50,000 or ten (10) times the annual premium paid for this policy. No deductible applies to this coverage.

I. Kidnap Expense

We will pay on behalf of any director or officer of the insured, reasonable fees incurred as a result of the kidnapping of them or their spouse, “domestic partner,” parent or child during the policy period. Coverage will not apply to any kidnapping by or at the direction of any present or former family member of the victim.

Reasonable fees will include:

1. Fees and costs of independent negotiators;
2. Interest costs for any loan from a financial institution taken by you to pay a ransom demand or extortion threat;
3. Travel costs and accommodations incurred by the named insured;
4. Reward money paid to an informant which leads to the arrest and conviction of parties responsible for loss covered under this insurance; and
5. Salary, commissions and other financial benefits paid by you to a director or officer. Such compensation applies at the level in effect on the date of the kidnap and ends upon the earliest of:
 - a. Up to thirty (30) days after their release, if the director or officer has not yet returned to work;
 - b. Discovery of their death;
 - c. One hundred twenty (120) days after the last credible evidence following abduction that they are still alive; or
 - d. Twelve (12) months after the date of the kidnapping.

The limit of insurance for this coverage is \$50,000 each policy period for all insureds combined. No deductible applies to this coverage.

J. Political Unrest Coverage

We will reimburse any present director, officer, employee or volunteer of the named insured while traveling outside the United States of America for "emergency evacuation expenses" that are incurred as a result of an incident of "political unrest." This "political unrest" must occur during the policy period. No coverage is granted for travel to countries in a state of "political unrest" at the time of departure of the travel. The limit of insurance for this coverage is \$5,000 per covered person, subject to a maximum of \$25,000 per policy period for all insureds combined. No deductible applies to this coverage.

K. Temporary Meeting Space Reimbursement

We will reimburse the insured for rental of meeting space which is necessitated by the temporary unavailability of the insured's primary office space due to the failure of a climate control system, or leakage of a hot water heater during the policy period. Coverage will exist only for the renting of temporary meeting space required for meeting with parties who are not insured under this policy. The limit of insurance for this coverage is \$25,000 per policy period for all insureds combined. No deductible applies to this coverage.

L. Terrorism Travel Reimbursement

We will reimburse any present director or officer of the named insured in the event of a "certified act of terrorism" during the policy period which necessitates that he/she incurs "emergency travel expenses." The limit of insurance for this coverage is \$50,000 per policy period for all insureds combined. No deductible applies to this coverage.

M. Travel Delay Reimbursement

We will reimburse any present director or officer of the named insured for any “non-reimbursable expenses” they incur as a result of the cancellation of any regularly scheduled business travel on a common carrier. The limit of insurance for this coverage is \$1,500 per policy period for all insureds combined. A seventy-two (72) hour waiting period deductible applies to this coverage.

N. Workplace Violence Counseling

We will reimburse the insured for emotional counseling expenses incurred directly as a result of a “workplace violence” incident at any of the insured’s premises during the policy period. The emotional counseling expenses incurred must have been for:

1. Your employees who were victims of, or witnesses to the “workplace violence”;
2. The spouse, “domestic partner,” parents or children of your employees who were victims of, or witnesses to the “workplace violence”; and
3. Any other person or persons who directly witnessed the “workplace violence” incident.

The limit of insurance for this coverage is \$50,000 per policy period for all insureds combined. No deductible applies to this coverage.

IV. DEFINITIONS

For the purpose of this endorsement, the following definitions apply:

- A. “Certified act of terrorism” means any act so defined under the Terrorism Risk Insurance Act, and its amendments or extensions.
- B. “Communicable disease” means an illness, sickness, condition or an interruption or disorder of body functions, systems or organs that is transmissible by an infection or a contagion directly or indirectly through human contact, or contact with human fluids, waste, or similar agent, such as, but not limited to Meningitis, Measles or Legionnaire’s Disease.
- C. “Domestic partner” means any person who qualifies as a domestic partner under the provisions of any federal, state or local statute or regulation, or under the terms and provisions of any employee benefit or other program established by the named insured.
- D. “Emergency evacuation expenses” mean:
 1. Additional lodging expenses;
 2. Additional transportation costs;
 3. The cost of obtaining replacements of lost or stolen travel documents necessary for evacuation from the area of “political unrest”; and
 4. Translation services, message transmittals and other communication expenses.

provided that these expenses are not otherwise reimbursable.

- E. “Emergency travel expenses” mean:

1. Hotel expenses incurred which directly result from the cancellation of a scheduled transport by a commercial transportation carrier, resulting directly from and within forty-eight (48) hours of a “certified act of terrorism”; and
2. The increased amount incurred which may result from re-scheduling comparable transport, to replace a similarly scheduled transport canceled by a commercial transportation carrier in direct response to a “certified act of terrorism”;

provided that these expenses are not otherwise reimbursable.

F. “Failed donation claim” means written notice to the insured during the policy period of:

1. The bankruptcy or reorganization of any donor whereby such bankruptcy or reorganization prevents the donor from honoring a prior written pledge of funds or other measurable, tangible property to the insured; or
2. The unemployment or incapacitation of a natural person donor preventing him/her from honoring a prior written pledge of funds or other measurable, tangible property to the insured.

G. “Fundraising expenses” mean deposits forfeited and other charges paid by you for catering services, property and equipment rentals and related transport, venue rentals, accommodations (including travel), and entertainment expenses less any deposits or other fees refunded or refundable to you.

H. “Identity theft” means the act of knowingly transferring or using, without lawful authority, a means of identification of any director or officer (or spouse or “domestic partner” thereof) of the named insured with the intent to commit, or to aid or abet another to commit, any unlawful activity that constitutes a violation of federal law or a felony under any applicable state or local law.

I. “Identity theft expenses” mean:

1. Costs for notarizing affidavits or similar documents attesting to fraud required by financial institutions or similar credit grantors or credit agencies;
2. Costs for certified mail to law enforcement agencies, credit agencies, financial institutions or similar credit grantors; and
3. Loan application fees for re-applying for a loan or loans when the original application is rejected solely because the lender received incorrect credit information.

J. “Improper acts” means any actual or alleged act of:

1. Sexual abuse;
2. Sexual intimacy;
3. Sexual molestation; or
4. Sexual assault;

committed by an insured against any natural person who is not an insured. Such “improper acts” must have been committed by the insured while in his or her capacity as an insured.

K. “Injury” whenever used in this endorsement, other than in Section III. A. **Business Travel**,

means any physical damage to the body caused by violence, fracture or an accident.

- L.** “Key individual replacement expenses” mean the following necessary expenses:
1. Costs of advertising the employment position opening;
 2. Travel, lodging, meal and entertainment expenses incurred in interviewing job applicants for the employment position opening; and
 3. Miscellaneous extra expenses incurred in finding, interviewing and negotiating with the job applicants, including, but not limited to, overtime pay, costs to verify the background and references of the applicants and legal expenses incurred to draw up an employment contract.

M. “Natural catastrophe” means hurricane, tornado, earthquake or flood.

N. “Non-reimbursable expenses” means the following travel-related expenses incurred after a seventy-two (72) hour waiting period, beginning from the time documented on the proof of cancellation, and for which your director or officer produces a receipt:

1. Meals and lodging;
2. Alternative transportation;
3. Clothing and necessary toiletries; and
4. Emergency prescription and non-prescription drug expenses.

O. “Political unrest” means:

1. A short-term condition of disturbance, turmoil or agitation within a foreign country that poses imminent risks to the security of citizens of the United States;
2. A long-term condition of disturbance, turmoil or agitation that makes a foreign country dangerous or unstable for citizens of the United States; or
3. A condition of disturbance, turmoil or agitation in a foreign country that constrains the United States Government’s ability to assist citizens of the United States, due to the closure or inaccessibility of an embassy or consulate or because of a reduction of its staff

for which either an alert or travel warning has been issued by the United States Department of State.

P. “Principal location” means the headquarters, home office or main location where most business is substantially conducted.

Q. “Unforeseeable destruction” means damage resulting from a “certified act of terrorism,” fire, collision or collapse which renders all of the insured’s “principal locations” completely unusable.

R. “Workplace violence” means any intentional use of or threat to use deadly force by any person with intent to cause harm and that results in bodily “injury” or death of any person while on the insured’s premises.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CRISIS MANAGEMENT ENHANCEMENT ENDORSEMENT

Unless otherwise stated herein, the terms, conditions, exclusions and other limitations set forth in this endorsement are solely applicable to coverage afforded by this endorsement, and the policy is amended as follows:

Solely for the purpose of this endorsement: 1) The words "you" and "your" refer to the Named Insured shown in the Declarations, and any other person or organization qualifying as a Named Insured under this policy. 2) The words "we," "us" and "our" refer to the company providing this insurance.

I. SCHEDULE OF ADDITIONAL COVERAGE AND LIMITS

The following is the Limit of Liability provided by this endorsement. This endorsement is subject to the provisions of the policy to which it is attached.

Crisis Management Expense	\$25,000
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II. CONDITIONS

A. Applicability of Coverage

Coverage provided by your policy and any endorsements attached thereto is amended by this endorsement where applicable. All other terms and conditions of the policy or coverage part to which this endorsement is attached remain unchanged.

B. Limits of Liability or Limits of Insurance

When coverage is provided by this endorsement and any other coverage form or endorsement attached to this policy, 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 Liability or Limit of Insurance.

C. Claim Expenses

Coverages provided herein are not applicable to the generation of claim adjustment costs by you; such as fees you may incur by retaining a public adjuster or appraiser.

III. ADDITIONAL COVERAGES

A. We will reimburse you for "crisis management emergency response expenses" incurred because of an "incident" giving rise to a "crisis" to which this insurance applies. The amount of such reimbursement is limited as described in Section **II. CONDITIONS, B. Limits of Liability or Limits of Insurance**. No other obligation or liability to pay sums or perform acts or services is covered.

B. We will reimburse only those "crisis management emergency response expenses" which are incurred during the policy period as shown in the Declarations of the policy to which this coverage is attached and reported to us within six (6) months of the date the "crisis" was initiated.

IV. DEFINITIONS

- A. "Crisis" means the public announcement that an "incident" occurred on your premises or at an event sponsored by you.
- B. "Crisis management emergency response expenses" mean those expenses incurred for services provided by a "crisis management firm." However, "crisis management emergency response expenses" shall not include compensation, fees, benefits, overhead, charges or expenses of any insured or any of your employees, nor shall "crisis management emergency response expenses" include any expenses that are payable on your behalf or reimbursable to you under any other valid and collectible insurance.
- C. "Crisis management firm" means any service provider you hire that is acceptable to us. Our consent will not be unreasonably withheld.
- D. "Incident" means an accident or other event, including the accidental discharge of pollutants, resulting in death or serious bodily injury to three or more persons.
- E. "Serious bodily injury" means any injury to a person that creates a substantial risk of death, serious permanent disfigurement, or protracted loss or impairment of the function of any bodily member or organ.

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.

CALIFORNIA CHANGES – ACTUAL CASH VALUE

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART
 COMMERCIAL INLAND MARINE COVERAGE PART
 COMMERCIAL PROPERTY COVERAGE PART
 FARM COVERAGE PART
 STANDARD PROPERTY POLICY

With respect to an "open policy", the following are added to any provision which uses the term actual cash value:

- A.** In the event of a total loss to a building or structure, actual cash value is calculated as the lesser of the following:
 - 1. The Limit of Insurance applicable to that building or structure; or
 - 2. The fair market value of the building or structure.
- B.** In the event of a partial loss to a building or structure, actual cash value is calculated as the lesser of the following:
 - 1. The amount it would cost to repair, rebuild or replace the property less a fair and reasonable deduction for physical depreciation of the components of the building or structure that are normally subject to repair or replacement during its useful life. Physical depreciation is based upon the condition of the property at the time of the loss; or
 - 2. The Limit of Insurance applicable to the property.
- C.** In the event of a partial or total loss to Covered Property other than a building or structure, actual cash value is calculated as the lesser of the following:
 - 1. The amount it would cost to repair or replace the property less a fair and reasonable deduction for physical depreciation, based on the condition of the property at the time of loss; or
 - 2. The Limit of Insurance applicable to the property.
- D.** An "open policy" is a policy under which the value of Covered Property is not fixed at policy inception, but is determined at the time of loss in accordance with policy provisions on valuation. The term "open policy" does not apply to Covered Property that is subject to an Agreed Value clause or similar clause that establishes an agreed value prior to loss, unless such clause has expired.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CALIFORNIA CHANGES – ACTUAL CASH VALUE

This endorsement modifies insurance provided under the following:

BOILER AND MACHINERY COVERAGE PART
COMMERCIAL CRIME COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
FARM COVERAGE PART
STANDARD PROPERTY POLICY

The following is added to any provision which uses the term actual cash value:

Actual cash value is calculated as the amount it would cost to repair or replace Covered Property, at the time of loss or damage, with material of like kind and quality, subject to a deduction for deterioration, depreciation and obsolescence. Actual cash value applies to valuation of Covered Property regardless of whether that property has sustained partial or total loss or damage.

The actual cash value of the lost or damaged property may be significantly less than its replacement cost.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CALIFORNIA CHANGES

This endorsement modifies insurance provided under the following:

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

- A.** When this endorsement is attached to the Standard Property Policy **CP 00 99** the term Coverage Part in this endorsement is replaced by the term Policy.
- B.** The **Concealment, Misrepresentation Or Fraud** Condition is replaced by the following with respect to loss ("loss") or damage caused by fire:

We do not provide coverage to the insured ("insured") who, whether before or after a loss ("loss"), has committed fraud or intentionally concealed or misrepresented any material fact or circumstance concerning:

 - 1. This Coverage Part;
 - 2. The Covered Property;
 - 3. That insured's ("insured's") interest in the Covered Property; or
 - 4. A claim under this Coverage Part or Coverage Form.
- C.** The **Concealment, Misrepresentation Or Fraud** Condition is replaced by the following with respect to loss ("loss") or damage caused by a Covered Cause of Loss other than fire:

This Coverage Part is void if any insured ("insured"), whether before or after a loss ("loss"), has committed fraud or intentionally concealed or misrepresented any material fact or circumstance concerning:

 - 1. This Coverage Part;
 - 2. The Covered Property;
 - 3. An insured's ("insured's") interest in the Covered Property; or
- 4. A claim under this Coverage Part or Coverage Form.
- D.** Except as provided in **E.**, the **Appraisal** Condition is replaced by the following:

If we and you disagree on the value of the property or the amount of loss ("loss"), either may make written request for an appraisal of the loss ("loss"). If the request is accepted, each party will select a competent and impartial appraiser. Each party shall notify the other of the appraiser selected within 20 days of the request. The two appraisers will select an umpire. If they cannot agree within 15 days, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the value of the property and amount of loss ("loss"). If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

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

If there is an appraisal, we will still retain our right to deny the claim.
- E.** The Appraisal Condition in:
 - 1. Business Income (And Extra Expense) Coverage Form **CP 00 30** and
 - 2. Business Income (Without Extra Expense) Coverage Form **CP 00 32**

is replaced by the following:

If we and you disagree on the amount of Net Income and operating expense or the amount of loss, either may make written request for an appraisal of the loss. If the request is accepted, each party will select a competent and impartial appraiser. Each party shall notify the other of the appraiser selected within 20 days of the request. The two appraisers will select an umpire. If they cannot agree within 15 days, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the amount of Net Income and operating expense or amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

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

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CALIFORNIA CHANGES – CANCELLATION AND NONRENEWAL

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART
 COMMERCIAL AUTOMOBILE COVERAGE PART
 COMMERCIAL GENERAL LIABILITY COVERAGE PART
 COMMERCIAL INLAND MARINE COVERAGE PART
 COMMERCIAL PROPERTY COVERAGE PART
 CRIME AND FIDELITY COVERAGE PART
 EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART
 EQUIPMENT BREAKDOWN COVERAGE PART
 FARM COVERAGE PART
 LIQUOR LIABILITY COVERAGE PART
 MEDICAL PROFESSIONAL LIABILITY COVERAGE PART
 POLLUTION LIABILITY COVERAGE PART
 PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

A. Paragraphs 2. and 3. of the Cancellation Common Policy Condition are replaced by the following:

2. All Policies In Effect For 60 Days Or Less

If this policy has been in effect for 60 days or less, and is not a renewal of a policy we have previously issued, we may cancel this policy by mailing or delivering to the first Named Insured, at the mailing address shown in the policy, and to the producer of record, advance written notice of cancellation, stating the reason for cancellation, at least:

a. 10 days before the effective date of cancellation if we cancel for:

(1) Nonpayment of premium; or

(2) Discovery of fraud by:

(a) Any insured or his or her representative in obtaining this insurance; or

(b) You or your representative in pursuing a claim under this policy.

b. 30 days before the effective date of cancellation if we cancel for any other reason.

3. All Policies In Effect For More Than 60 Days

a. If this policy has been in effect for more than 60 days, or is a renewal of a policy we issued, we may cancel this policy only upon the occurrence, after the effective date of the policy, of one or more of the following:

(1) Nonpayment of premium, including payment due on a prior policy we issued and due during the current policy term covering the same risks.

(2) Discovery of fraud or material misrepresentation by:

(a) Any insured or his or her representative in obtaining this insurance; or

(b) You or your representative in pursuing a claim under this policy.

(3) A judgment by a court or an administrative tribunal that you have violated a California or Federal law, having as one of its necessary elements an act which materially increases any of the risks insured against.

- (4) Discovery of willful or grossly negligent acts or omissions, or of any violations of state laws or regulations establishing safety standards, by you or your representative, which materially increase any of the risks insured against.
 - (5) Failure by you or your representative to implement reasonable loss control requirements, agreed to by you as a condition of policy issuance, or which were conditions precedent to our use of a particular rate or rating plan, if that failure materially increases any of the risks insured against.
 - (6) A determination by the Commissioner of Insurance that the:
 - (a) Loss of, or changes in, our reinsurance covering all or part of the risk would threaten our financial integrity or solvency; or
 - (b) Continuation of the policy coverage would:
 - (i) Place us in violation of California law or the laws of the state where we are domiciled; or
 - (ii) Threaten our solvency.
 - (7) A change by you or your representative in the activities or property of the commercial or industrial enterprise, which results in a materially added, increased or changed risk, unless the added, increased or changed risk is included in the policy.
- b.** We will mail or deliver advance written notice of cancellation, stating the reason for cancellation, to the first Named Insured, at the mailing address shown in the policy, and to the producer of record, at least:
- (1) 10 days before the effective date of cancellation if we cancel for nonpayment of premium or discovery of fraud; or
 - (2) 30 days before the effective date of cancellation if we cancel for any other reason listed in Paragraph **3.a.**
- B.** The following provision is added to the **Cancellation** Common Policy Condition:
- 7. Residential Property**
- This provision applies to coverage on real property which is used predominantly for residential purposes and consisting of not more than four dwelling units, and to coverage on tenants' household personal property in a residential unit, if such coverage is written under one of the following:
- Commercial Property Coverage Part
Farm Coverage Part – Farm Property – Farm Dwellings, Appurtenant Structures And Household Personal Property Coverage Form
- a.** If such coverage has been in effect for 60 days or less, and is not a renewal of coverage we previously issued, we may cancel this coverage for any reason, except as provided in **b.** and **c.** below.
 - b.** We may not cancel this policy solely because the first Named Insured has:
 - (1) Accepted an offer of earthquake coverage; or
 - (2) Cancelled or did not renew a policy issued by the California Earthquake Authority (CEA) that included an earthquake policy premium surcharge.

However, we shall cancel this policy if the first Named Insured has accepted a new or renewal policy issued by the CEA that includes an earthquake policy premium surcharge but fails to pay the earthquake policy premium surcharge authorized by the CEA.
 - c.** We may not cancel such coverage solely because corrosive soil conditions exist on the premises. This restriction (**c.**) applies only if coverage is subject to one of the following, which exclude loss or damage caused by or resulting from corrosive soil conditions:
 - (1) Commercial Property Coverage Part – Causes Of Loss – Special Form; or
 - (2) Farm Coverage Part – Causes Of Loss Form – Farm Property, Paragraph **D.** Covered Causes Of Loss – Special.

- C. The following is added and supersedes any provisions to the contrary:

Nonrenewal

1. Subject to the provisions of Paragraphs **C.2.** and **C.3.** below, if we elect not to renew this policy, we will mail or deliver written notice, stating the reason for nonrenewal, to the first Named Insured shown in the Declarations, and to the producer of record, at least 60 days, but not more than 120 days, before the expiration or anniversary date.

We will mail or deliver our notice to the first Named Insured, and to the producer of record, at the mailing address shown in the policy.

2. Residential Property

This provision applies to coverage on real property used predominantly for residential purposes and consisting of not more than four dwelling units, and to coverage on tenants' household property contained in a residential unit, if such coverage is written under one of the following:

Commercial Property Coverage Part

Farm Coverage Part – Farm Property – Farm Dwellings, Appurtenant Structures And Household Personal Property Coverage Form

- a. We may elect not to renew such coverage for any reason, except as provided in **b.**, **c.** and **d.** below.
- b. We will not refuse to renew such coverage solely because the first Named Insured has accepted an offer of earthquake coverage.

However, the following applies only to insurers who are associate participating insurers as established by Cal. Ins. Code Section 10089.16. We may elect not to renew such coverage after the first Named Insured has accepted an offer of earthquake coverage, if one or more of the following reasons applies:

- (1) The nonrenewal is based on sound underwriting principles that relate to the coverages provided by this policy and that are consistent with the approved rating plan and related documents filed with the Department of Insurance as required by existing law;

- (2) The Commissioner of Insurance finds that the exposure to potential losses will threaten our solvency or place us in a hazardous condition. A hazardous condition includes, but is not limited to, a condition in which we make claims payments for losses resulting from an earthquake that occurred within the preceding two years and that required a reduction in policyholder surplus of at least 25% for payment of those claims; or

- (3) We have:

- (a) Lost or experienced a substantial reduction in the availability or scope of reinsurance coverage; or
- (b) Experienced a substantial increase in the premium charged for reinsurance coverage of our residential property insurance policies; and

the Commissioner has approved a plan for the nonrenewals that is fair and equitable, and that is responsive to the changes in our reinsurance position.

- c. We will not refuse to renew such coverage solely because the first Named Insured has cancelled or did not renew a policy, issued by the California Earthquake Authority, that included an earthquake policy premium surcharge.

- d. We will not refuse to renew such coverage solely because corrosive soil conditions exist on the premises. This restriction (**d.**) applies only if coverage is subject to one of the following, which exclude loss or damage caused by or resulting from corrosive soil conditions:

- (1) Commercial Property Coverage Part – Causes Of Loss – Special Form; or
- (2) Farm Coverage Part – Causes Of Loss Form – Farm Property, Paragraph **D.** Covered Causes Of Loss – Special.

3. We are not required to send notice of nonrenewal in the following situations:

- a. If the transfer or renewal of a policy, without any changes in terms, conditions or rates, is between us and a member of our insurance group.

- b. If the policy has been extended for 90 days or less, provided that notice has been given in accordance with Paragraph **C.1**.
- c. If you have obtained replacement coverage, or if the first Named Insured has agreed, in writing, within 60 days of the termination of the policy, to obtain that coverage.
- d. If the policy is for a period of no more than 60 days and you are notified at the time of issuance that it will not be renewed.
- e. If the first Named Insured requests a change in the terms or conditions or risks covered by the policy within 60 days of the end of the policy period.
- f. If we have made a written offer to the first Named Insured, in accordance with the timeframes shown in Paragraph **C.1**., to renew the policy under changed terms or conditions or at an increased premium rate, when the increase exceeds 25%.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM

This endorsement modifies insurance provided under the following:

BOILER AND MACHINERY COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
EQUIPMENT BREAKDOWN COVERAGE PART
FARM COVERAGE PART
STANDARD PROPERTY POLICY

A. Cap On Certified Terrorism Losses

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act, to be an act of terrorism pursuant to such Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:

1. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

B. Application Of Exclusions

The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for any loss which would otherwise be excluded under this Coverage Part or Policy, such as losses excluded by the Nuclear Hazard Exclusion or the War And Military Action Exclusion.

Policy Number: PHPK2004025Named Insured: Goodwill Industries of Orange Count
**PHILADELPHIA
INSURANCE COMPANIES**

A Member of the Tokio Marine Group

 One Bala Plaza, Suite 100
 Bala Cynwyd, Pennsylvania 19004
 610.617.7900 Fax 610.617.7940
 PHLY.com

 Terrorism Premium (Certified Acts) \$ 4,663.00

PHILADELPHIA INSURANCE COMPANIES DISCLOSURE NOTICE OF TERRORISM INSURANCE COVERAGE REJECTION OPTION

You are hereby notified that under the Terrorism Risk Insurance Act, as amended, you have a right to purchase insurance coverage for losses resulting from acts of terrorism. *As defined in Section 102(1) of the Act:* The term “act of terrorism” means any act or acts that are certified by the Secretary of the Treasury—in consultation with the Secretary of Homeland Security, and the Attorney General of the United States—to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

YOU SHOULD KNOW THAT WHERE COVERAGE IS PROVIDED BY THIS POLICY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM, SUCH LOSSES MAY BE PARTIALLY REIMBURSED BY THE UNITED STATES GOVERNMENT UNDER A FORMULA ESTABLISHED BY FEDERAL LAW. HOWEVER, YOUR POLICY MAY CONTAIN OTHER EXCLUSIONS WHICH MIGHT AFFECT YOUR COVERAGE, SUCH AS AN EXCLUSION FOR NUCLEAR EVENTS. UNDER THE FORMULA, THE UNITED STATES GOVERNMENT GENERALLY REIMBURSES 85% THROUGH 2015; 84% BEGINNING ON JANUARY 1, 2016; 83% BEGINNING ON JANUARY 1, 2017; 82% BEGINNING ON JANUARY 1, 2018; 81% BEGINNING ON JANUARY 1, 2019 and 80% BEGINNING ON JANUARY 1, 2020, OF COVERED TERRORISM LOSSES EXCEEDING THE STATUTORILY ESTABLISHED DEDUCTIBLE PAID BY THE INSURANCE COMPANY PROVIDING THE COVERAGE. THE PREMIUM CHARGED FOR THIS COVERAGE IS PROVIDED ABOVE AND DOES NOT INCLUDE ANY CHARGES FOR THE PORTION OF LOSS THAT MAY BE COVERED BY THE FEDERAL GOVERNMENT UNDER THE ACT.

YOU SHOULD ALSO KNOW THAT THE TERRORISM RISK INSURANCE ACT, AS AMENDED, CONTAINS A \$100 BILLION CAP THAT LIMITS U.S. GOVERNMENT REIMBURSEMENT AS WELL AS INSURERS’ LIABILITY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM WHEN THE AMOUNT OF SUCH LOSSES IN ANY ONE CALENDAR YEAR EXCEEDS \$100 BILLION. IF THE AGGREGATE INSURED LOSSES FOR ALL INSURERS EXCEED \$100 BILLION, YOUR COVERAGE MAY BE REDUCED.

Your attached proposal (or policy) includes a charge for terrorism. We will issue (or have issued) your policy with terrorism coverage unless you decline by placing an “X” in the box below.

NOTE 1: If -included is shown on your proposal (or policy) for terrorism you WILL NOT have the option to reject the coverage.

NOTE 2: You will want to check with entities that have an interest in your organization as they may require that you maintain terrorism coverage (e.g. mortgagees).

EXCEPTION: If you have property coverage on your policy, the following Standard Fire Policy states do not permit an Insured to reject fire ensuing from terrorism: CA, CT, GA, HI, IA, IL, ME, MA, MO, NJ, NY, NC, OR, RI, VA, WA, WV, WI. Therefore, if you are domiciled in the above states and reject terrorism coverage, you will still be charged for fire ensuing from terrorism as separately designated on your proposal.

	I decline to purchase terrorism coverage. I understand that I will have no coverage for losses arising from "certified" acts of terrorism, EXCEPT as noted above.
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You, as the Insured, have 30 days after receipt of this notice to consider the selection/rejection of "terrorism" coverage. After this 30 day period, any request for selection or rejection of terrorism coverage WILL NOT be honored.

REQUIRED IN GA – LIMITATION ON PAYMENT OF TERRORISM LOSSES (applies to policies which cover terrorism losses insured under the federal program, including those which only cover fire losses)

The provisions of the Terrorism Risk Insurance Act, as amended, can limit our maximum liability for payment of losses from certified acts of terrorism. That determination will be based on a formula set forth in the law involving the national total of federally insured terrorism losses in an annual period and individual insurer participation in payment of such losses. If one or more certified acts of terrorism in an annual period causes the maximum liability for payment of losses from certified acts of terrorism to be reached, and we have satisfied our required level of payments under the law, then we will not pay for the portion of such losses above that maximum. However, that is subject to possible change at that time, as Congress may, under the Act, determine that payments above the cap will be made.

INSURED'S SIGNATURE_____

DATE_____

COMMERCIAL PROPERTY CONDITIONS

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

A. CONCEALMENT, MISREPRESENTATION OR FRAUD

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

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

B. CONTROL OF PROPERTY

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

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

C. INSURANCE UNDER TWO OR MORE COVERAGES

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

D. LEGAL ACTION AGAINST US

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

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

E. LIBERALIZATION

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

F. NO BENEFIT TO BAILEE

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

G. OTHER INSURANCE

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

H. POLICY PERIOD, COVERAGE TERRITORY

Under this Coverage Part:

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

I. TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

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

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

This will not restrict your insurance.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CANCELLATION CHANGES

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART

The following is added to the CANCELLATION Common Policy Condition:

If any one of the following conditions exists at any building that is Covered Property in this policy, we may cancel this Coverage Part by mailing or delivering to the first Named Insured written notice of cancellation at least 5 days before the effective date of cancellation.

- A.** The building has been vacant or unoccupied 60 or more consecutive days. This does not apply to:
 - 1. Seasonal unoccupancy;
 - 2. Buildings in the course of construction, renovation or addition; or
 - 3. Buildings to which the Vacancy Permit endorsement applies.

Buildings with 65% or more of the rental units or floor area vacant or unoccupied are considered unoccupied under this provision.

- B.** After damage by a covered cause of loss, permanent repairs to the building:
 - 1. Have not started, and
 - 2. Have not been contracted for,
 within 30 days of initial payment of loss.

- C.** The building has:
 - 1. An outstanding order to vacate;
 - 2. An outstanding demolition order;
 - 3. Been declared unsafe by governmental authority.
- D.** Fixed and salvageable items have been or are being removed from the building and are not being replaced. This does not apply to such removal that is necessary or incidental to any renovation or remodeling.
- E.** Failure to:
 - 1. Furnish necessary heat, water, sewer service or electricity for 30 consecutive days or more, except during a period of seasonal unoccupancy; or
 - 2. Pay property taxes that are owing and have been outstanding for more than one year following the date due, except that this provision will not apply where you are in a bona fide dispute with the taxing authority regarding payment of such taxes.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PROTECTIVE SAFEGUARDS

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART
FARM COVERAGE PART

SCHEDULE*

Prem. No.	Bldg. No.	Protective Safeguards Symbols Applicable
0001	0001	P-1
0001	0002	P-1
0001	0003	P-1
Describe any "P-9":		
* Information required to complete this Schedule, if not shown on this endorsement, will be shown in the Declarations.		

A. The following is added to the:

Commercial Property Conditions
General Conditions in the
Farm Property – Other Farm
Provisions Form – Additional Coverages,
Conditions, Definitions
General Conditions in the Mobile Agricultural
Machinery and Equipment Coverage Form
General Conditions in the Livestock Coverage
Form

PROTECTIVE SAFEGUARDS

- As a condition of this insurance, you are required to maintain the protective devices or services listed in the Schedule above.
- The protective safeguards to which this endorsement applies are identified by the following symbols:

"P-1" Automatic Sprinkler System, including related supervisory services.

Automatic Sprinkler System means:

- Any automatic fire protective or extinguishing system, including connected:
 - Sprinklers and discharge nozzles;
 - Ducts, pipes, valves and fittings;

(3) Tanks, their component parts and supports; and

(4) Pumps and private fire protection mains.

b. When supplied from an automatic fire protective system:

(1) Non-automatic fire protective systems; and

(2) Hydrants, standpipes and outlets.

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

- Connected to a central station; or
- Reporting to a public or private fire alarm station.

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

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

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

B. The following is added to the EXCLUSIONS section of:

CAUSES OF LOSS – BASIC FORM
CAUSES OF LOSS – BROAD FORM
CAUSES OF LOSS – SPECIAL FORM
MORTGAGE HOLDERS ERRORS AND
OMISSIONS COVERAGE FORM
STANDARD PROPERTY POLICY
CAUSES OF LOSS FORM – FARM
PROPERTY
MOBILE AGRICULTURAL MACHINERY AND
EQUIPMENT COVERAGE FORM
LIVESTOCK COVERAGE FORM

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

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

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PROTECTIVE SAFEGUARDS

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART
FARM COVERAGE PART

SCHEDULE*

Prem. No.	Bldg. No.	Protective Safeguards Symbols Applicable
0001	0005	P-1
0001	0007	P-1
Describe any "P-9":		
* Information required to complete this Schedule, if not shown on this endorsement, will be shown in the Declarations.		

A. The following is added to the:

Commercial Property Conditions
General Conditions in the
Farm Property – Other Farm
Provisions Form – Additional Coverages,
Conditions, Definitions
General Conditions in the Mobile Agricultural
Machinery and Equipment Coverage Form
General Conditions in the Livestock Coverage
Form

PROTECTIVE SAFEGUARDS

- As a condition of this insurance, you are required to maintain the protective devices or services listed in the Schedule above.
- The protective safeguards to which this endorsement applies are identified by the following symbols:

"P-1" Automatic Sprinkler System, including related supervisory services.

Automatic Sprinkler System means:

- Any automatic fire protective or extinguishing system, including connected:
 - Sprinklers and discharge nozzles;
 - Ducts, pipes, valves and fittings;

(3) Tanks, their component parts and supports; and

(4) Pumps and private fire protection mains.

b. When supplied from an automatic fire protective system:

(1) Non-automatic fire protective systems; and

(2) Hydrants, standpipes and outlets.

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

- Connected to a central station; or
- Reporting to a public or private fire alarm station.

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

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

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

B. The following is added to the EXCLUSIONS section of:

CAUSES OF LOSS – BASIC FORM
CAUSES OF LOSS – BROAD FORM
CAUSES OF LOSS – SPECIAL FORM
MORTGAGE HOLDERS ERRORS AND
OMISSIONS COVERAGE FORM
STANDARD PROPERTY POLICY
CAUSES OF LOSS FORM – FARM
PROPERTY
MOBILE AGRICULTURAL MACHINERY AND
EQUIPMENT COVERAGE FORM
LIVESTOCK COVERAGE FORM

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

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

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

PROPERTY COVERAGE FORM

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

Throughout this Coverage Form 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 G., Definitions.**

A. Coverage

We will pay for direct physical **"loss"** to Covered Property caused by or resulting from any of the Covered Causes of Loss.

1. Covered Property

Covered Property, as used in this Coverage Form, means the following types of property for which a Limit of Insurance is shown in the Declarations.

a. Your Business Personal Property, and similar property of others in your care, custody or control:

- (1) Located in or on the **"buildings"** described in the Declarations or within 1,000 feet of the described premises;
- (2) In transit; and
- (3) Property at locations not specifically identified, including property in the care, custody or control of salespersons, property at exhibitions, and trade shows;

Consisting of the following:

- (a) Furniture and fixtures;
- (b) Machinery and equipment;
- (c) **"Stock"**;
- (d) **"Fine Arts"**

If the total value of **"Fine Arts"** is over \$25,000 they must be listed in a schedule on file with us;

- (e) **"Computer Property"**;
- (f) All other personal property owned by you and used in your business;
- (g) Labor, materials or services furnished or arranged by you on personal property of others;

- (h) Your use interest as tenant in improvements and betterments. Improvements and betterments are fixtures, alterations, installations or additions:
 - (i) Made a part of the **"buildings"** you occupy but do not own; and
 - (ii) You acquired or made at your expense but cannot legally remove;
- (i) Building glass for which you have a contractual responsibility as tenant, including encasement frames, alarm tape, lettering and ornamentation;
- (j) Communication towers, antennas or satellite dishes including their lead-in wiring, masts and guy wires; and
- (k) Signs.

b. "Buildings" described in the Declarations including:

- (1) Building glass;
- (2) Completed additions;
- (3) Permanently installed;
 - (a) Fixtures;
 - (b) Machinery; and
 - (c) Equipment;
- (4) Outdoor fixtures, including awnings;
- (5) Fences;
- (6) Personal property owned by you that is used to maintain or service the **"buildings"** or their premises, including:
 - (a) Fire extinguishing equipment;
 - (b) Outdoor furniture;
 - (c) Floor coverings;
 - (d) Appliances used for refrigerating, ventilating, cooking, dishwashing or laundering;
 - (e) Alarm, communication and monitoring systems;
- (7) If not covered by other insurance:
 - (a) Alterations within, or on the exterior of, the existing **"buildings"**;
 - (b) Materials, equipment, supplies and temporary structures, on or within 1,000 feet of the described premises, used for making alterations to the existing **"buildings"**;

- (8) Foundations of covered **"buildings"**, machinery and boilers and foundations of equipment and machinery, whether above or below ground;
- (9) Underground pipes, flues and drains.
- (10) Retaining walls that are not part of **"buildings"**;
- (11) Bridges, roadways, walks, patios, and other paved surfaces, including in-ground pools.

2. Property Not Covered

Covered Property does not include:

- a. Aircraft, watercraft, or railroad rolling stock;
- b. Animals, birds or fish;
- c. Automobiles held for sale;
- d. Pilings, piers, wharves or docks;
- e. Contraband, or property in the course of illegal transportation or trade;
- f. **"Money"** or **"securities"**;
- g. The cost of excavations, grading, filling or backfilling, all except as provided under the Coverage Extensions;
- h. Land (including land on which the property is located), water, growing crops, standing timber or lawns;
- i. 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;
- j. Vehicles or self-propelled machines 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:

- (1) Vehicles or self-propelled machines or autos you manufacture, process or warehouse; or
- (2) Vehicles or self-propelled machines, other than autos, you hold for sale;
- k. The following property while outside of **"buildings"**:
 - (1) Grain, hay, straw or other crops;
 - (2) Trees, shrubs or plants (other than **"stock"** of trees, shrubs or plants) except as provided in the Coverage Extensions;

- l. Property that is covered under any import or export ocean marine insurance policy;
- m. After delivery to customers, property that you have sold under a conditional sale or trust agreement, installment payment or other deferred payment plan;
- n. Property of others for which you are responsible as a:
 - (1) Carrier for hire; or
 - (2) Carloader, consolidator, transportation broker, freight forwarder, shipping association or arranger of transportation.
- o. **"Fine Arts"**, if the total value of such property is greater than \$25,000, unless such property is listed in a Schedule on file with us;
- p. **"Data"** and **"media"** which cannot be reproduced or replaced with others of the same kind or quality;
- q. Property which is intended for installation at a premises you do not own, lease or control, after it has left your premises: and
- r. (1) **"Buildings"**; or
 - (2) Additions to existing **"buildings"**;

In the course of construction, except as provided in the Additional Coverages.

3. Covered Causes of Loss

See the Causes of Loss Form.

4. Additional Coverages

The most we will pay in any one occurrence for each of the following Additional Coverages is as stated under each, unless a different limit is shown in the Superseding Limits section of the Additional Coverage Summary Declarations.

a. Debris Removal

- (1) We will pay your expenses to remove debris of Covered Property caused by or resulting from any of the Covered Causes of Loss that occur 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"**.
- (2) (a) The most we will pay under this Additional Coverage in any one occurrence is 25% of :
 - (i) The amount we pay for the direct physical **"loss"** to Covered Property; plus
 - (ii) The Deductible in this Coverage Form applicable to that **"loss"**.

This limit does not increase any applicable Limits of Insurance provided by this Coverage Form.

(b) But if either:

- (i)** The sum of direct physical **"loss"** and Debris Removal expenses exceeds the applicable Limit of Insurance; or
- (ii)** The Debris Removal expenses exceed the amount payable under the 25% limitation in subparagraph **(2) (a)** above;

We will pay up to an additional \$250,000 for each described premises in any one occurrence.

This limit is in addition to the applicable Limits of Insurance provided by this Coverage Form.

(3) This Additional Coverage does not apply to costs to:

- (a)** Extract **"pollutants"** from land or water; or
- (b)** Remove, restore or replace polluted land or water.

b. Preservation of Property

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

- (1)** While it is being moved or while temporarily stored at another premises; and
- (2)** Only if the **"loss"** occurs within 90 days after the property is first moved.

This Additional Coverage does not increase the Limits of Insurance provided under this Coverage Form.

c. Fire Department Service Charge

When the fire department is called to save or protect Covered Property from any of the Covered Causes of Loss, we will pay for your liability of fire department service charges:

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

The most we will pay under this Additional Coverage in any one occurrence is \$50,000.

This Additional Coverage is in addition to the applicable Limits of Insurance provided by this Coverage Form.

No deductible applies to this Additional Coverage.

d. Fines for False Alarms

We will pay any fines your are assessed that you are legally obligated to pay under local or state ordinances, regulations or laws, for any false alarms sent in to police or fire stations or to central monitoring stations by fire, burglar or sprinkler alarms installed to protect Covered Property at described premises or in safes or vaults on described premises.

The most we will pay in any one occurrence is \$2,500, but no more than \$5,000 in any one policy year. This Additional Coverage is in addition to the applicable Limits of Insurance provided by this Coverage Form.

No Deductible applies to this Additional Coverage.

e. Fire, Sprinkler or Burglar Alarm Upgrade

In the event of a total **"loss"** to covered fire, sprinkler or burglar alarm systems at described premises caused by or resulting from any of the Covered Causes of Loss, we will pay for the cost to purchase upgraded equipment.

The most we will pay in any one occurrence is \$50,000. This Additional Coverage does not increase the Limits of Insurance provided under this Coverage Form.

f. Pollutant Clean Up and Removal

We will pay your expenses 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 any of the Covered Causes of Loss that occur 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 Causes of Loss occur.

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 \$25,000 for the sum of all covered expenses arising out of Covered Causes of Loss occurring during each separate 12 month period of this policy.

This Additional Coverage is in addition to the applicable limits of insurance provided by this Coverage Form.

g. Recharge or Refill of Fire Protection System

We will pay your expenses to recharge or refill automatic fire protection systems when such systems are discharged as the result of any of the Covered Causes of Loss.

We will not pay recharging or refilling expenses if the discharge occurred while the system was being tested.

No Deductible applies to this Additional Coverage.

This Additional Coverage does not increase the Limits of Insurance provided by this Coverage Form.

h. Theft Damage to "Buildings"

We will pay for **"loss"** to **"buildings"** (including equipment within the **"buildings"** used to maintain or service the **"buildings"**) caused by theft or attempted theft of Covered Business Personal Property.

This Additional Coverage is applicable only to the premises where you are a tenant and are liable for such damage.

This Additional Coverage does not increase the Limits of Insurance provided by this Coverage Form.

i. Brands and Labels

If your **"stock"** is damaged as a result of any of the Covered Causes of Loss, you have two options when you do not want to sell it under your brand or label even though it has a salvage value. You can:

- (1) Remove the brand or label and then relabel the **"stock"** to comply with the law; or
- (2) Label the damaged **"stock"** as salvage but, in doing so, cause no further damage to the damaged **"stock"**.

We will pay the cost of removing and relabeling your **"stock"**.

In either case, we will pay the difference between the salvage value of the damaged **"stock"** with the brand and label attached, and the salvage value of the damaged **"stock"** with the brand and label removed.

This Additional Coverage does not increase the Limits of Insurance provided by this Coverage Form.

j. Consequential Damage

We will pay for **"consequential damage"** to covered Business Personal Property caused by or resulting from any of the Covered Causes of Loss.

The most we will pay under this Additional Coverage in any one occurrence is \$25,000.

This Additional Coverage does not increase the Limits of Insurance provided by this Coverage Form.

k. Arson Reward

In the event that a covered fire **"loss"** was the result of an act of arson, we will reimburse you up to \$25,000 for rewards you pay for information leading to conviction of the person or persons responsible for that act of arson. This is additional insurance. The Coinsurance Condition and Deductible do not apply to this Additional Coverage.

l. Computer Virus Extraction Expense

We will pay:

Your expenses to extract a **"computer virus"** from covered electronic data processing **"hardware"**, **"data"** and **"media"**.

The most we will pay under this Coverage Extension in any one occurrence is \$2,500.

This Additional Coverage is the only portion of this policy that provides coverage for a **"computer virus"** extraction loss, regardless of any other cause or event that contributes concurrently or in any sequence to the **"loss"**.

This Additional Coverage is in addition to the applicable Limits of Insurance provided by this Coverage Form.

m. Computer Upgrade

- (1) In the event of **"loss"** to covered electronic data processing **"hardware"** caused by or resulting from a Covered Cause of Loss, we will allow you to use the amount we pay you for that **"loss"** to purchase upgraded electronic data processing **"hardware"**.
- (2) If you choose to upgrade that equipment, we will pay for the expenses you incur to convert your **"data"** and **"media"** to the upgraded system.

n. Contract Penalty Clause

We will pay for any contractual penalties you are required to pay to your customers as a result of any clause in your contracts for failure to timely deliver your product according to the contract terms. The penalties must result solely from direct physical **"loss"** to Covered Property caused by or resulting from any of the Covered Causes of Loss.

The most we will pay for penalties for all contracts in any one occurrence is \$25,000.

This Additional Coverage is in addition to the applicable Limits of Insurance provided by this Coverage Form.

o. Claim Expenses

In the event of a covered **"loss"**, we will pay for all reasonable expenses you incur at our request to assist us in:

- (1) The investigation of a claim; or
- (2) The determination of the amount of **"loss"**, such as taking inventory.

We will not pay for:

- (1) Expenses to prove that **"loss"** is covered;
- (2) Expenses incurred under Loss Condition **E.2., Appraisal**; or
- (3) Expenses billed by and payable to independent or public adjusters.

The most we will pay under this Additional Coverage is \$10,000. This Additional Coverage is in addition to the applicable Limits of Insurance provided by this Coverage Form.

No deductible applies to this Additional Coverage.

p. Worldwide Coverage

We will pay for **"loss"** to Covered Property:

(1) In transit, other than in the custody of a mail carrier, to or from:

(a) The United States of America;

(b) Canada; or

(c) Territories or possessions of the United States of America; and

Points worldwide, except those excluded below. This coverage applies from the delivery of the Covered Property at the point of origin shown in the bill of lading until it is discharged at the destination shown in the bill of lading.

(2) At locations outside the Coverage Territory, while it is in the custody of directors, officers or employees who are traveling in the conduct of your business, except in those countries listed below.

(3) This Additional Coverage does not apply to property located in, or in transit to, from or within, Afghanistan, Albania, Cambodia, Cuba, El Salvador, Guatemala, Haiti, Honduras, Iraq, Iran, Laos, Lebanon, Libya, Myanmar, Nicaragua, North Korea, Syria, Republics formerly a part of the Union of Soviet Socialist Republics, Vietnam, or Yugoslavia or Republics formerly a part of Yugoslavia.

The most we will pay in any one occurrence is \$25,000. This Additional Coverage is in addition to the applicable Limits of Insurance under this Coverage Form.

5. Coverage Extensions

Except as otherwise provided, the following Coverage Extensions apply to property located in or on the **"buildings"** described in the Declarations or within 1,000 feet of the described premises.

The most we will pay in any one occurrence for each of the following Coverage Extensions is as stated under each, unless a different limit is shown in the Superseding Limits column of the Additional Coverage Summary Declarations.

a. Newly Acquired Property

We will pay for direct physical **"loss"** to:

(1) **"Buildings"** and business personal property you acquire; and

(2) **"Buildings"** which you have had constructed after:

(a) Construction is completed; and

(b) You have accepted the **"buildings"** for occupancy; and

- (c) A Certificate of Occupancy has been issued by a civil or regulatory agency or authority that has jurisdiction over the **"buildings"**;

At any premises caused by or resulting from any of the Covered Causes of Loss.

The most we will pay under this Coverage Extension for **"loss"** to **"buildings"** and business personal property combined in any one occurrence is \$1,000,000.

This Coverage Extension does not increase the Limit of Insurance for **"buildings"** and business personal property at unspecified premises.

This Coverage Extension for each Newly Acquired or Constructed Property will end when any of the following first occurs:

- (1) This policy expires;
- (2) 180 days expire after you acquire the property or have completed construction; or
- (3) You report values to us.

We will charge you additional premium for values reported from the date you acquire the property or construction is completed.

b. New Construction

We will pay for direct physical **"loss"** caused by or resulting from any of the Covered Causes of Loss to:

- (1) **"Buildings"**; or
- (2) Additions to existing **"buildings"**;

In the course of construction at any premises, if the construction began after the inception date of this policy. We do not cover **"buildings"** which you construct to sell to others or for the account of others.

The most we will pay in any one occurrence is \$500,000.

This Additional Coverage will end when any of the following first occurs:

- (1) This policy expires;
- (2) 60 days expire after construction begins; or
- (3) You report the new construction to us;

We will charge you additional premium for values reported from the date construction begins.

This Additional Coverage is in addition to the applicable Limits of Insurance provided by this Coverage Form.

c. Personal Effects

- (1) We will pay for direct physical **"loss"** to cellular phones and other portable electronic equipment owned by your employees and used in your business, while they are away from described premises, caused by or resulting from any of the Covered Causes of Loss. The most we will pay for such **"loss"** is \$1,000 for property of any one employee and \$2,500 in any one occurrence.
- (2) We will pay for direct physical **"loss"** to personal effects of your directors, officers, (partners) and employees, while they are traveling anywhere in the world in the conduct of your business, caused by or resulting from any of the Covered Causes of Loss. The most we will pay for such **"loss"** in any one occurrence is \$1,000.
- (3) We will pay for direct physical **"loss"** to personal effects owned by you, your officers, your partners or your employees caused by or resulting from any of the Covered Cause of Loss at a described premises. The most we will pay for such **"loss"** is \$25,000 at any one described premises.

No Deductible applies to this Coverage Extension.

d. Personal Effects - Spouses

We will pay for direct physical **"loss"** to personal effects belonging to spouses of your directors, officers or partners when such spouses are traveling with your directors, officers or partners who are traveling anywhere in the world in the conduct of your business, caused by or resulting from any of the Covered Causes of Loss. The most we will pay for such **"loss"** is \$500 for any one person or \$1,000 in any one occurrence.

No Deductible applies to this Coverage Extension.

e. Accounts Receivable

We will pay the following loss and expenses which are the direct result of **"loss"** to accounts receivable records caused by or resulting from any of the Covered Causes of Loss:

- (1) All sums due you from customers, provided you are unable to collect;
- (2) Interest charges on any loan to offset amounts you are unable to collect pending our payments of these accounts;
- (3) Collection expenses in excess of your normal collection expenses made necessary because of **"loss"**; and
- (4) Other reasonable expenses you incur to re-establish your records of accounts receivable following such **"loss"**.

We will not pay for **"loss"** that requires any audit of records or any inventory computation to prove its factual existence.

The most we will pay under this Coverage Extension in any one occurrence is \$250,000.

f. Excavations and Landscaping

We will pay for:

- (1) Your reasonable costs for excavations, grading, filling or backfilling at a described premises made necessary by direct physical **"loss"** to Covered Property caused by or resulting from any of the Covered Causes of Loss; and
- (2) Direct physical **"loss"** to your outdoor trees, shrubs and plants, including debris removal expenses, caused by or resulting from any of the following Causes of Loss:
 - (a) Fire;
 - (b) Lightning;
 - (c) Explosion;
 - (d) Riot or Civil Commotion; or
 - (e) Aircraft.

This Coverage Extension does not apply to **"stock"** of trees, shrubs and plants.

The most we will pay under this Coverage Extension in any one occurrence is \$25,000.

g. Valuable Papers and Records - Cost of Research

We will pay your expenses to research, replace, or restore the lost information on **"valuable papers and records"**, including those converted to electronic data format, that are lost or damaged as a result of any of the Covered Causes of Loss.

We will not pay for such expenses arising out of **"loss"** caused by or resulting from errors or omissions in processing or copying **"valuable papers and records"**. But we will pay for expenses arising out of **"loss"** caused by resulting fire or explosion.

The most we will pay under this Coverage Extension in any one occurrence is \$250,000 at each described premises.

h. Guard Dogs

We will pay for direct death or destruction of a **"guard dog"** caused by or resulting from, or made necessary by, any of the following Causes of Loss:

- (1) Fire;
- (2) Lightning;
- (3) Explosion
- (4) Theft;
- (5) Vandalism (including shooting or poisoning);

(6) Vehicles; or

(7) Collision, upset or overturn of the vehicle transporting the **"guard dog"**.

The Cause of Loss must occur at described premises and during other than normal business hours, or while the **"guard dog"** is being transported to or from the described premises. This Additional Coverage does not apply to death or destruction of **"stock"** held for sale.

The most we will pay for any one **"guard dog"** is \$500, but not more than \$1,000 in any one occurrence.

No Deductible applies to this Coverage Extension.

i. Fish in Aquariums

We will pay for direct death or destruction of fish in aquariums caused by or resulting from, or made necessary by, any of the following Causes of Loss at the described premises:

(1) Fire;

(2) Lightning;

(3) Explosion

(4) Riot or Civil Commotion;

(5) Aircraft; or

(6) Interruption of power supply service to the described premises, when the cause of the event occurs more than 1,000 feet from the premises.

This Coverage Extension does not apply to death or destruction of **"stock"** held for sale.

The most we will pay in any one occurrence is \$1,000.

No deductible applies to this Coverage Extension.

j. Ordinance or Law

If a Covered Cause of Loss occurs to a covered **"building"**, we will pay for:

(1) Loss to the undamaged portion of the **"building"** caused by enforcement of any ordinance or law that:

(a) Requires the demolition of parts of the same property not damaged by a Covered Cause of Loss; and

(b) Regulates the construction or repair of **"buildings"** or establishes zoning or land use requirements at the described premises.

This coverage is included within the Limit of Insurance applicable to the covered **"buildings"** shown in the UltimateCover Program Declarations.

(2) The cost to demolish and clear the site of undamaged parts of the property caused by enforcement of building, zoning or land use ordinance or law.

The most we will pay for such demolition costs is \$250,000 in any one occurrence.

- (3) We will pay for the increased cost to repair, rebuild or construct the property caused by enforcement of building, zoning or land use ordinance or law. If the property is repaired or rebuilt, it must be intended for similar occupancy as the current property, unless otherwise required by zoning or land use ordinance or law.

However, we will not pay for the increased cost of construction if the **"building"** is not repaired or replaced.

The most we will pay for such increased cost of construction is \$250,000 in any one occurrence.

Insurance under this Coverage Extension applies only with respect to an ordinance or law that is in effect at the time of **"loss"**. Insurance under this Additional Coverage does not apply to costs associated with the enforcement of any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way to respond to or assess the effects of **"pollutants"**.

k. Lost Key Replacement

In the event of the theft or disappearance of a master key to **"buildings"**, rooms or compartments at described premises in which covered Business Personal Property is located, we will pay the actual and necessary expenses you incur to:

- (1) Replace the key; and
- (2) (a) Adjust existing locks to accept the new key; or
- (b) Replace the lock;

Whichever is less.

The most we will pay under this Coverage Extension is \$2,500.

No deductible applies to this Coverage Extension.

Each of these Coverage Extensions is additional insurance, unless otherwise indicated.

The Additional Condition, Coinsurance (if applicable to this Coverage Form), does not apply to these Coverage Extensions.

B. Exclusions

See the Causes of Loss Form.

C. Limits of Insurance

The most we will pay for **"loss"** in any one occurrence:

- 1. For each Additional Coverage is the Limit of Insurance applicable to that Additional Coverage.

2. For each Coverage Extension is the Limit of Insurance applicable to that Coverage Extension;
3. For **"Fine Arts"** is:
 - a. \$25,000; or
 - b. The amount shown in the **"Fine Arts"** Schedule on file with us;
 Whichever is greater; and
4. For all other coverage provided under this Coverage Form is the applicable Limit of Insurance shown in the Property Coverage Part Declarations.

D. Deductible

We will not pay for **"loss"** in any one occurrence until the amount of the **"loss"** exceeds the Deductible shown in the Declarations or schedules. We will then pay the amount of the **"loss"** in excess of the Deductible, up to the applicable Limit of Insurance, after any deduction required by any of the following:

1. Coinsurance Condition;
2. Agreed Value Optional Coverage; or
3. Reporting Endorsement.

If more than one Deductible is applicable under this Coverage Form to **"loss"** in any one occurrence, we will only apply the highest applicable Deductible.

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

a. You must see that the following are done in the event of **"loss"** to Covered Property:

- (1) Notify the police if a law may have been broken.
- (2) Give us prompt notice of the **"loss"**. Include a description of the property involved.
- (3) As soon as possible, give us a description of how, when and where the **"loss"** occurred.
- (4) Take all reasonable steps to protect the Covered Property from further damage by any of the Covered Causes of Loss. If feasible, set the damaged property aside and in the best possible order for examination. Also keep a record of your expenses for emergency and temporary repairs, for consideration in the settlement of the claim. This will not increase the Limit of Insurance.
- (5) At our request, give us complete inventories of the damaged and undamaged property, including quantities, costs, values and amount of **"loss"** claimed.
- (6) As often as may be reasonably required, permit us to inspect the property and records proving the **"loss"**.

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) Make no statement that will assume any liability, for any **"loss"** for which we may be liable, without our consent.
- (8) Promptly send us any legal papers or notices received concerning the **"loss"**.
- (9) 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.
- (10) 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 signed.

4. Loss Payment

a. In the event of **"loss"** to Covered Property 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;
- (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.

- b. We will give notice of our intentions within 30 days after we receive the sworn proof of loss.
- c. We will not pay you more than your financial interest in the Covered Property.
- d. We may adjust the **"loss"** 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.
- e. We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.
- f. We will pay for covered **"loss"** within 30 days after we receive the sworn proof of loss, if:
 - (1) You have complied with all of the terms of this coverage form; and
 - (2) (a) We have reached agreement with you on the amount of **"loss"**;
 - (b) An appraisal award has been made; or
 - (c) Final judgment has been entered.

5. a. 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 your property. We will pay recovery expenses and the expenses to repair the recovered property, subject to the Limit of Insurance.

b. Recoveries

The following applies only to the Accounts Receivable Coverage Extension:

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

6. Vacancy

If the **"building"** where **"loss"** occurs has been vacant for more than 60 consecutive days before that **"loss,"** we will:

- a. Not pay for any **"loss"** caused by any of the following even if they are Covered Causes of Loss:
 - (1) Vandalism;
 - (2) Sprinkler leakage, unless you have protected the system against freezing;
 - (3) Building glass breakage;
 - (4) Water damage;
 - (5) Theft; or
 - (6) Attempted theft.

- b. Reduce the amount we would otherwise pay for the **"loss"** by 15%.

"Buildings" are vacant when they do not contain enough business personal property to conduct customary operations.

7. Valuation

We will determine the value of Covered Property in the event of **"loss"** as follows:

- a. At replacement cost (without deduction for depreciation) as of the time of **"loss"**, except as provided in **b.**, **c.**, **d.**, **e.**, **f.**, **g.**, and **h.** below.

- (1) We will not pay more for **"loss"** on a replacement costs basis than the least of:

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

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

- (i) Of comparable material and quality; and

- (ii) Used for the same purpose; or

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

- (2) We will not pay on a replacement cost basis for any **"loss"**:

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

- (b) Unless the repairs or replacement are made as soon as reasonably possible after the **"loss"**.

If the repairs or replacement are not made as soon as reasonably possible after the **"loss"**, the value of the property will be actual cash value.

- b. **"Fine Arts"** as stated in a Schedule on file with us. If there is no schedule on file, valuation will be at fair market value as of the time of **"loss"**.

- c. **"Stock"** as follows:

- (1) **"Finished Stock"** you have sold but not delivered, at selling price less discounts and expenses you otherwise would have had;

- (2) **"Merchandise"** you have sold but not delivered, at selling price less discounts and expenses you otherwise would have had;

- (3) **"Stock in process"** at the cost to replace plus labor and overhead expenses you have actually incurred.

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

- e. **"Valuable Papers and Records"** at the cost of:

- (1) Blank materials for reproducing the records; and
 - (2) Labor to transcribe or copy the records when there is a duplicate.
- f. **"Data"** and **"media"** (other than prepackaged software programs)
- The value of the property will be either:
- (1) The actual cost of reproducing or replacing the lost or damaged **"data"** and **"media"**, if you actually reproduce or replace them; or
 - (2) The cost to replace the blank **"media"** with substantially identical property.
- g. Accounts Receivable
- (1) If you cannot accurately establish the amount of accounts receivable outstanding as of the time of the **"loss"** the following method will be used:
 - (a) Determine the total of the average monthly amounts of accounts receivable for the 12 months immediately preceding the month in which the **"loss"** occurred; and
 - (b) Adjust that total for any normal fluctuations in the amount of accounts receivable for the month in which the **"loss"** occurred or any demonstrated variance from the average for that month.
 - (2) The following will be deducted from the total amount of accounts receivable, however that amount is established.
 - (a) The amount of the accounts for which there is no **"loss"**;
 - (b) The amount of the accounts that you are able to re-establish or collect;
 - (c) An amount to allow for probable bad debts that you are normally unable to collect; and
 - (d) All unearned interest and service charges.
- h. Tenant's Improvements and Betterments at:
- (1) Replacement cost (without deduction for depreciation) 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"** 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 for your benefit and at no cost to you.

8. Pair, Sets or Parts

a. Pair or set. In case of **"loss"** to any part of a pair or set we may:

- (1) Repair or replace any part to restore the pair or set to its value before the **"loss"**; or
- (2) Pay the difference between the value of the pair or set before and after the **"loss"**

b. Parts. In case of **"loss"** to any part of Covered Property consisting of several parts when complete, we will only pay for the value of the lost or damaged part.

F. General 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 Premium Property Program Declarations, the following condition applies.

a. We will not pay the full amount of any **"loss"** if the value of Covered Property (except property in transit and Business Personal Property of others in your care, custody or control) at the time of **"loss"** times the Coinsurance percentage shown in the Declarations is greater than the Limit of Insurance for that 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.

Step (3) will not apply to property in transit or to Business Personal Property of others in your care, custody or control.

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	X	80%	=	\$200,000
(The minimum amount of insurance to meet your Coinsurance requirements.)					
Step (2)	\$100,000.	÷	\$200,000	=	.50
Step (3)	\$40,000	X	.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

Step (1)	\$250,000	X	80%	=	\$200,000
(The minimum amount of insurance to meet your Coinsurance requirements.)					
Step (2)	\$200,000	÷	\$200,000	=	1.00
Step (3)	\$40,000	X	1.00	=	\$ 40,000
Step (4)	\$40,000	–	\$250	=	\$ 39,750

We will cover the \$39,750 **"loss"** in excess of the Deductible. No penalty applies.

- 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:

The Value of the property is:
"Building" at Premises No. 1 \$ 75,000
"Building" at Premises No. 2 \$100,000
 Personal Property at Premises No. 2 \$ 75,000
 \$250,000
 The Coinsurance percentage for it is 90%
 The Limit of Insurance for:
"Buildings" and Personal Property at
 Premises No. 1 and 2. \$180,000
 The Deductible is \$ 1,000
 The Amount of **" Loss"** is:
"Building" at Premises No. 2 \$ 30,000
 Personal Property at Premises No. 2 \$ 20,000
 \$ 50,000

Step (1)	\$250,000	X	90%	=	\$225,000
(The minimum amount of Insurance to meet your Coinsurance requirements)					
Step (2)	\$180,000	÷	\$225,000	=	.80
Step (3)	\$50,000	X	.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. Mortgage Holders

- a. The term mortgage holder includes trustee.
- b. We will pay for covered **"loss"** to **"buildings"** to each mortgage holder shown in the Declarations in their order of precedence, as interests may appear.
- c. The mortgage holder has the right to receive **"loss"** payment even if the mortgage holder has started foreclosure or similar action on the **"buildings"**.
- d. If we deny your claim because of your acts or because you have failed to comply with the terms of the Coverage Form, the mortgage holder will still have the right to receive **"loss"** payment if the mortgage holder:
 - (1) Pays any premium due under this Coverage Form at our request if you have failed to do so;
 - (2) Submits a signed, sworn statement 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 mortgage holder.

All other terms of this Coverage Form will then apply directly to the mortgage holder.

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

At our option, we may pay to the mortgage holder 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 mortgage holder 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 mortgage holder at least 10 days before the expiration date of this policy.

3. Other Insurance

The following is added to subparagraph 2. of Commercial Property Condition **G., Other Insurance**:

But this provision does not apply to **"loss"** to personal property of others in your care, custody or control.

4. Policy Period, Coverage Territory

Commercial Property Condition H., **Policy Period, Coverage Territory**, is replaced by the following:

a. We cover **"loss"** commencing:

- (1) During the Policy Period shown in the UltimateCover Program Declarations; and
- (2) Within the Coverage Territory.

b. The Coverage Territory is:

- (1) The United States of America; and
- (2) Canada.

G. Definitions

1. **"Buildings"** means buildings or structures.
2. **"Computer Virus"** means unauthorized intrusive codes or programming that are entered into covered **"hardware"**, **"data"** and **"media"** and interrupt your operations at the described premises.
3. **"Consequential Damage"** means the decrease in value to the undamaged part or parts of Business Personal Property which is unmarketable as a complete product.
4. **Computer Property** means **"data"**, **"hardware"** and **"media"**.
 - a. **"Data"** means facts, figures, concepts, or instructions that are in a form that can be communicated, interpreted or processed by computer systems (including records of accounts receivable and **"valuable papers and records"** when they are converted into **"data"** form).
 - b. **"Hardware"** means a network of equipment and components which accept information, process and analyze that information according to a plan, and then produces the desired results. It includes disk and tape drives, printers, display screens, remote terminals, computers which control manufacturing or production equipment or machinery, and computerized telephone systems, but it does not include computer **"media"**, or manufacturing or production machinery or equipment.
 - c. **"Media"** means materials on which **"data"** can be recorded, such as magnetic tapes, disk packs, paper tapes and cards.

"Data" and **"media"** include pre-packaged software and any instructional manuals for that software.
5. **"Fine Arts"** means paintings, etchings, pictures, tapestries, art glass windows, valuable rugs, statuary, marbles, bronzes, antique furniture, rare books, antique silver, manuscripts, porcelains, rare glass, bric-a-brac, and similar property, of rarity, historical value or artistic merit.

6. **"Guard Dog"** means a dog that is trained to protect premises from intruders and kept on your premises when they are not open for business.
7. **"Loss"** means accidental loss or damage.
8. **"Money"** means:
 - a. Currency, coins and bank notes whether or not in current use; and
 - b. Travelers' checks, register checks and money orders held for sale to the public.
9. **"Pollutants"** means any solid, liquid, gaseous or thermal irritant or containment, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes material to be recycled, reconditioned or reclaimed.
10. **"Securities"** means negotiable and non-negotiable instruments or contracts representing either **"money"** or other property and includes:
 - a. Tokens, tickets, revenue and other stamps whether or not in current use;
 - b. Evidences of debt issued in connection with credit or charge cards, which are not of your own issue;

But does not include **"money"**. Lottery tickets held for sale are not **"securities"**.
11. **"Stock"** means **"finished stock"**, **"merchandise"** and **"stock in process"**.
 - a. **"Finished Stock"** means property that you manufactured or processed which in the ordinary course of your business is ready for packing, shipment or sale.
 - b. **"Merchandise"** means goods kept for sale by you that are not the product of your manufacturing or processing operations.
 - c. **"Stock in Process"** means raw materials that have undergone any processing or manufacturing but which has not become **"finished stock."**
12. **"Valuable Papers and Records"** means inscribed, printed or written documents, manuscripts or records, including abstracts, books, deeds, drawings, films, maps or mortgages.

But **"valuable papers and records"** does not mean **"money"** or **"securities"**.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**CAUSES OF LOSS FORM**

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

A. Covered Causes of Loss

Covered Causes of Loss means Risks of Direct Physical Loss unless the **loss** is:

1. Excluded in Section **B., Exclusions**; or
2. Limited in Section **C., Limitations**;

that follow.

B. Exclusions

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

a. Ordinance or Law

The enforcement of any ordinance or law:

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

b. Earth Movement

Any earth movement (other than sinkhole collapse or volcanic action, eruption, explosion or effusion), such as an earthquake, landslide, mine subsidence or earth sinking, rising or shifting. But if **loss** by fire or explosion results, we will pay for that resulting **loss**

This exclusion does not apply to the following:

- (1) Business Personal Property in transit or away from premises you own, lease, rent or control;
- (2) The Accounts Receivable Coverage Extension; or
- (3) The Valuable Papers and Records - Cost to Research Coverage Extension.

c. Governmental Action

Seizure or destruction of property by order of governmental authority.

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

d. Nuclear Hazard

- (1) Any weapon employing atomic fission or fusion; or
- (2) Nuclear reaction or radiation, or radioactive contamination from any other cause.

But we will pay for direct **loss** caused by resulting fire if the fire would be covered under this Policy.

e. Utility Services

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

But if **loss** by a Covered Cause of Loss results, we will pay for that resulting **loss**.

This exclusion does not apply to the following Coverages:

- (1) Accounts Receivable Coverage Extension;
- (2) **Computer Property** for interruption of electrical power supply when the cause of such event occurs within 1,000 feet of the premises; or
- (3) Utility Services - Direct Damage Additional Coverage Extension.

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. Flood

Flood

But if **loss** by fire, explosion, theft or sprinkler leakage results, we will pay for that resulting **loss**.

This exclusion does not apply to the following:

- (1) Business Personal Property in transit or away from premises you own, lease rent or control;
- (2) The Accounts Receivable Coverage Extension; or
- (3) The Valuable Papers and Records - Cost to Research Coverage Extension.

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

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

But if ☐loss☐ by fire or explosion results, we will pay for that resulting ☐loss☐.

This exclusion does not apply to ☐computer property☐.

- b. Delay, loss of use, loss of market or any other consequential loss.
- c. Smoke, vapor or gas from agricultural smudging or industrial operations. This exclusion does not apply to ☐computer property☐.
- d. (1) Wear and tear;
 (2) Rust, corrosion, fungus, decay, deterioration, spoilage, contamination, 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) Insects, birds, rodents or other animals;
 (6) Mechanical breakdown, including rupture or bursting caused by centrifugal force. However, this does not apply to any resulting ☐loss☐ caused by elevator collision;
 (7) Dampness or dryness of atmosphere; changes in or extremes of temperature; freezing or thawing.

Paragraphs d. (3), (4), (6) and (7) do not apply to ☐computer property☐.

But if ☐loss☐ by the ☐specified causes of loss☐ or building glass breakage results, we will pay for that resulting ☐loss☐.

- e. Explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control. But if ☐loss☐ by fire or combustion explosion results, we will pay for that resulting ☐loss☐. We will also pay for ☐loss☐ 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. 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 ☐buildings☐ or
- (2) You drain the equipment and shut off the supply if the heat is not maintained.

This exclusion does not apply to ☐computer property☐.

- g. Dishonest or criminal acts by you, any of your partners, employees, directors, trustees, authorized representatives or anyone to whom you entrust the property for any purpose:
 (1) Acting alone or in collusion with others; or

(2) Whether or not occurring during the hours of employment.

This exclusion does not apply to:

- (1) Acts of destruction by your employees (but theft by employees is not covered);
- (2) Property in the custody of a carrier for hire (provided the carrier is not in collusion with you, any of your partners, directors, trustees or authorized representatives); or
- (3) ☐ **Loss** ☐ to ☐ **computer property** ☐ (provided your employees are not in collusion with you, any of your partners, directors, trustees or authorized representatives).

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

i. Collapse, except as provided below in the Additional Coverage for Collapse. But if ☐ **loss** ☐ by any of the Covered Causes of Loss results at the described premises, we will pay for that resulting ☐ **loss** ☐.

j. Discharge, dispersal, seepage, migration, release or escape of ☐ **pollutants** ☐.

But we will pay for resulting ☐ **loss** ☐ to Covered Property when the discharge, dispersal, seepage, migration, release or escape of ☐ **pollutants** ☐ is caused by any of the ☐ **specified causes of loss** ☐.

k. Processing or work upon the property.

But we will pay for ☐ **loss** ☐ caused by resulting fire or explosion.

This exclusion does not apply to ☐ **computer property** ☐.

l. Alteration, falsification, concealment or destruction of records of accounts receivable done to conceal the wrongful giving, taking or withholding of ☐ **money** ☐, ☐ **securities** ☐ or other property.

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

m. Bookkeeping, accounting or billing errors or omissions.

n. Unexplained disappearance. This exclusion does not apply to ☐ **computer hardware** ☐.

o. Shortage found upon taking inventory or audit. This exclusion does not apply to ☐ **computer hardware** ☐.

p. Electrical or magnetic disturbance or erasure of records of accounts receivable that have been converted into electronic format, when such ☐ **loss** ☐ is caused by or results from:

- (1) Programming errors or faulty machine instructions;
- (2) Faulty installation or maintenance of data processing equipment or component parts; or
- (3) An occurrence that took place more than 1,000 feet from your premises.

But we will pay for such ☐ **loss** ☐ caused by lightning.

q. Voluntary parting with any property by you, or by anyone else to whom you have entrusted the property, if induced to do so by any fraudulent scheme, trick, device or false pretense.

- r. Changes in your electrical power supply to **computer property** including interruption of power, power surge, blackout or brownout, if the cause of such event originates more than 1,000 feet from any of the premises listed in the Declarations, Extension of Declarations or attached Schedule.
3. We will not pay for **loss** caused by or resulting from any of the following. But if **loss** by a Covered Cause of Loss results, we will pay for that resulting **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**.
 - 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.

This exclusion does not apply to **computer property**.

4. Special Exclusions

The following provisions apply only to the Coverage Forms listed below, if these Coverage Forms are attached to this Policy.

a. Business Income, Extra Expenses and Business Income with Extra Expenses Coverage Forms.

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 Expenses.

- (2) Any loss caused by or resulting from direct physical **loss** to communication antennas or satellite dishes, including 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 premises 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**.
- (4) Any Extra Expenses 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.
- (6) Any loss caused by or resulting from error in machine programming or instructions to any machine.
- (7) Any loss caused by or resulting from direct physical **loss** to property at locations not specifically identified. This exclusion does not apply to coverage provided to Business Income from Dependent Property - Additional Coverage.
- (8) Any loss caused by or resulting from direct physical **loss** to:
 - (a) **Buildings** or
 - (b) Additions to existing **buildings**
 That are under the course of construction.

b. 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 Service; 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.
 - (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.

C. Limitations

1. We will not pay for **loss** to:
 - 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** 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 **buildings** or to personal property in **buildings** caused by or resulting from rain, snow, sleet, ice, sand or dust, whether driven by wind or not, unless:
 - (1) The **buildings** first sustain damage by a Covered Cause of Loss to their roof or walls through which the rain, snow, sleet, ice, sand or dust enters; or
 - (2) The **loss** is caused by or results from thawing of snow, sleet or ice on the **buildings**
2. For **loss** by theft, the following types of property are covered only up to the Limits of Insurance shown:
 - 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 of Insurance does not apply to jewelry and watches worth \$100 or less per item.
 - c. \$250 for stamps, tickets, including lottery tickets held for sale, and letters of credit.
3. We will not pay for **loss** to property in transit caused by or resulting from breakage; leakage; contamination; being spotted, discolored, molded, rusted, frosted, rotted, soured, steamed or changed in flavor.

But we will pay for such **loss** caused by: the **specified causes of loss** an accident to the vehicle or railroad car carrying the Covered Property; burning, collision or crashing of the aircraft carrying the Covered Property; or the stranding, sinking, burning or collision of the vessel carrying the Covered Property.

D. Additional Coverage - Collapse

We will pay for **loss** caused by or resulting from risks of direct physical **loss** involving collapse of **buildings** or any part of **buildings** caused only by one or more of the following:

1. The **specified causes of loss** or breakage of building glass, all only as insured against in this form;
2. Hidden decay;
3. Hidden insect or vermin damage;
4. Weight of people or personal property;

5. Weight of rain that collects on a roof.

We will not pay for **loss** to the following types of property, if otherwise covered in this Policy, under items **2.**, **3.**, **4.** and **5.**, unless the **loss** is a direct result of the collapse of **buildings** outdoor communication antennas or satellite dishes, including their masts or lead - in wiring; awnings, gutters and downspouts; yard fixtures; outdoor swimming pools; fences; beach or diving platforms or appurtenances; retaining walls.

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

This Additional Coverage will not increase the Limits of Insurance provided by this Policy.

E. Additional Coverage Extensions

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

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

We will not pay the cost to repair any defect 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.

This Coverage Extension will not increase the Limits of Insurance provided by this Policy.

2. Utility Services - Direct Damage

We will pay for direct physical **loss** caused by interruption of utility service to the described premises. The interruption must be caused by direct physical **loss** by any of the Covered Causes of Loss to the following types of property not on the described premises supplying water, communication and power to the described premises.

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

- a. Utility Generating Plants;
- b. Switching stations;
- c. Substations;
- d. Transformers; and
- e. Transmission Lines.

But not overhead transmission lines.

Water Supply Services, meaning the following types of property supplying water to the described premises.

- a. Pumping Stations; and

- b. Water mains.

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

- a. Communication transmission lines, including optical fiber transmission lines;
- b. Coaxial cables; and
- c. Microwave radio relays except satellites.

But not overhead transmission lines.

The most we will pay under this Coverage Extension for the sum of all occurrences at all premises during each separate 12 month period of this policy is \$10,000.

This Coverage Extension is in addition to the Limits of Insurance provided by this Policy.

3. Voluntary Parting

We will pay for **loss** caused by or resulting from voluntary parting with any property by you, or by anyone else to whom you have entrusted the property, if induced to do so by any fraudulent scheme, trick, device or false pretense.

The most we will pay under this Coverage Extension in any one occurrence is \$10,000.

This Coverage Extension will not increase the Limits of Insurance provided by this Policy.

F. Definitions

- 1. **Buildings** means buildings or structures.

- 2. **Computer Property** means **data**, **hardware** and **media**.

- a. **Data** means facts, figures, concepts or instructions that are in a form that can be communicated, interpreted, or processed by computer systems (including records of accounts receivable and **valuable papers and records** when they are converted into **data** form).

It does not include Valuable Papers unless converted to electronic form.

- b. **Hardware** means a network of equipment and components which accept information, process and analyze that information according to a plan, and then produces the desired results. It includes disk and tape drives, printers, display screens, remote terminals, computers which control manufacturing or production equipment or machinery, and computerized telephone systems, but it does not include computer **media** or production machinery or equipment.

- c. **Media** means materials on which **data** can be recorded, such as magnetic tapes, disk packs, paper tapes and cards.

- 3. **Flood** means:

- a. Flood, surface water, waves, tides, tidal waves, overflow of any body of water, or their spray, all whether driven by wind or not; or

- b. Mudslide or mudflow.
- 4. **Loss** means accidental loss or damage.
- 5. **Money** means:
 - a. Currency, coins and bank notes whether or not in current use; and
 - b. Travelers' checks, register checks and money orders held for sale to the public.
- 6. **Operations** means:
 - a. Business activities you perform at the described premises; and
 - b. The tenantability of the described premises, if coverage for Business Income including **Rental Value** or **Rental Value** applies.
- 7. **Period Of Restoration** means the period of time that:
 - a. Begins:
 - (1) 72 hours after the time of direct physical **loss** for Business Income Coverage; or;
 - (2) Immediately after the time of direct physical **loss** for Extra Expense Coverage;
 - 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.
 - c. **Period of Restoration** does not include any increased period required due to the enforcement of any ordinance or law that:
 - (1) Regulates the construction, use or repair, or requires the tearing down of any property; or
 - (2) Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of **pollutants**.

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

- 8. **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.
- 9. **Rental Value** means
 - a. Total anticipated rental income from tenant occupancy of the premises described in the Declarations as furnished and equipped by you; and
 - b. Amount of all charges which are legal obligation of the tenant(s) and which would otherwise be your obligations; and
 - c. Fair rental value of any portion of the described premises which is occupied by you.

10. **Securities** means negotiable and non-negotiable instruments or contracts representing either **money** or other property and includes:

- a. Tokens, tickets, revenue and other stamps whether or not in current use; and
- b. Evidences of debt issued in connection with credit or charge cards, which are not of your own issue;

But does not include **money** Lottery tickets held for sale are not **securities**

11. **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 man-made underground cavities.

b. Falling objects does not include **loss** to:

- (1) Personal property in the open; or
- (2) The interior of **buildings**, or property inside **buildings**, unless the roof or an outside wall of the **buildings** is first damaged by a falling object.

c. Water damage means accidental discharge or leakage of water or steam as the direct result of the breaking or cracking of any part of a system or appliance containing water or steam.

12. **Stock** means **finished stock**, **merchandise**, and **stock in process**

- a. **Finished Stock** means property that you manufactured or processed which in the ordinary course of your business is ready for packing, shipment or sale.
- b. **Merchandise** means goods kept for sale by you that are not the product of your manufacturing or processing operations.
- c. **Stock in Process** means raw materials that have undergone any processing or manufacturing but which have not become **finished stock**.

13. **Suit** includes an arbitration proceeding to which you must submit or submit with our consent.

CRIME COVERAGE FORM

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

Throughout this Coverage Form 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 **G., Definitions**.

Coverage Summary

	Basic Limit Of Insurance	Basic Deductible	Superseding Limit Of Insurance	Superseding Deductible
"Money" and "Securities" - Inside the Premises	\$ 5,000	\$ 500	\$	\$
"Money" and "Securities" - Outside the Premises	\$ 5,000	\$500	\$	\$
Money Orders and Counterfeit Paper Currency	\$ 5,000	\$500	\$	\$
Kidnap and Ransom – Extortion	\$25,000	None		

Optional Coverage Summary

	Limit of Insurance	Deductible
Forgery or Alteration	\$	\$
Computer Fraud	\$	\$
Employee Dishonesty	\$	\$

☐ If this box is marked with **"X"**, **Clause B.1.f., Coverage Extension - Welfare and Pension Plan ERISA Compliance**, applies to this policy.

A. Coverage

1. Money and Securities

Covered Property, as used in this Coverage, means **"money"** and **"securities"** used in your business.

a. We will pay for all loss to Covered Property:

(1) Inside the Premises - while at a bank or savings institution, at the **"premises"**, or

(2) Outside the Premises - in transit between any of the places described in **1. a. (1)** above; resulting directly from:

- (a) Theft, meaning any act of stealing;
- (b) Disappearance; or
- (c) Destruction.

b. In addition to the General Exclusions of this Form, we will not pay for loss:

- (1) Resulting from accounting or arithmetical errors or omissions.
- (2) Due to the giving or surrendering of property in any exchange or purchase.
- (3) Of property contained in any money-operated device unless the amount of money deposited in it is recorded by a continuous recording instrument in the device.
- (4) Resulting from any dishonest or criminal act committed by any of your **"employees"**, directors, trustees or authorized representatives:
 - (a) Acting alone or in collusion with other persons; or
 - (b) While performing services for you or otherwise.
- (5) Of Covered Property after it has been transferred or surrendered to a person or place outside the **"premises"** or a bank or savings institution on the basis of unauthorized instructions.
- (6) Resulting from your, or anyone acting on your express or implied authority, being induced by any dishonest act to voluntarily part with title to or possession of any property.

c. Additional Definition

As respects Money and Securities coverage:

"Occurrence" means an:

- (1) Act or series of related acts involving one or more persons; or
- (2) Act or event, or a series of related acts or events not involving any person.

2. Money Orders and Counterfeit Paper Currency

We will pay for loss due to the acceptance in good faith of Covered Property.

a. Covered Property, as used in this Coverage, means:

- (1) Any post office or express money order accepted in exchange for merchandise, **"money"** or services issued, or purporting to have been issued, by any post office or express company, if such money order is not paid upon presentation; or
- (2) Counterfeit United States or Canadian paper currency accepted in the regular course of business.

b. In addition to the General Exclusions of this Form, we will not pay for loss resulting from:

- (1) Any dishonest or criminal act committed by any of your **"employees"**, directors, trustees or authorized representatives:

- (a) Acting alone or in collusion with other persons; or
 - (b) While performing services for you or otherwise.
- (2) Your, or anyone acting on your express or implied authority, being induced by any dishonest act to voluntarily part with title to or possession of any property.

c. Additional Definition

As respects Money Orders and Counterfeit Paper Currency coverage:

"Occurrence" means an:

- (1) Act or series of related acts involving one or more persons; or
- (2) Act or event, or a series of related acts or events not involving any person.

3. Kidnap and Ransom-Extortion

- a. We will pay for loss of **"money"**, **"securities"**, and **"property other than money and securities"** resulting directly from **"extortion"**. Loss is covered only if:
 - (1) The threat to do bodily harm is first communicated to you during the Policy Period; and
 - (2) The capture or alleged capture takes place within the United States of America, U.S. Virgin Islands, Puerto Rico, Canal Zone or Canada.
- b. We will not pay for loss as specified below:
 - (1) Loss resulting from any dishonest or criminal acts committed by any of your **"employees"**, directors, trustees, or authorized representatives:
 - (a) Acting alone or in collusion with other persons; or
 - (b) While performing services for you or otherwise.
 - (2) Loss of property surrendered before a reasonable effort has been made to report an extortionist's demand to all the following:
 - (a) An associate;
 - (b) The Federal Bureau of Investigation; and
 - (c) Local law enforcement authorities.

- c. The most we will pay for loss in any one **"occurrence"** is \$25,000.

d. Additional Definition

"Occurrence" means an:

- (1) Act or series of related acts involving one or more persons; or
- (2) Act or event, or a series of related acts or event not involving any person.

B. Optional Coverages

The following Optional Coverages for which a limit of insurance is shown in the Coverage Summary are also provided:

1. Employee Dishonesty

We will pay for loss of, and loss from damage to Covered Property resulting directly from **"employee dishonesty"**.

- a. Covered Property, as used in this Coverage, means **"money"**, **"securities"** and **"property other than money and securities"**.
- b. We will pay for loss caused by any **"employee"** while temporarily outside the Coverage Territory for a period not more than 90 days.
- c. We will not pay for:
 - (1) Loss caused by any **"employee"** of yours, or predecessor in interest of yours, for whom similar prior insurance has been canceled and not reinstated since the last such cancellation.
 - (2) Loss, or that part of any loss, the proof of which as to its existence or amount is dependent upon:
 - (a) An inventory computation; or
 - (b) A profit and loss computation.

d. Additional Condition

The following applies in addition to the General Conditions of this Form.

Cancellation As To Any Employee

This insurance is canceled as to any **"employee"**:

- (1) Immediately upon discovery by:
 - (a) You; or
 - (b) Any of your partners, officers or directors not in collusion with the **"employee"**;
 of any dishonest act committed by that **"employee"** whether before or after becoming employed by you.
- (2) On the date specified in a notice mailed to you. That date will be at least 30 days after the date of mailing.

The mailing of notice to you at the last mailing address known to us will be sufficient proof of notice. Delivery of notice is the same as mailing.

e. Additional Definition

As respects Employee Dishonesty coverage:

"Occurrence" means all loss caused by, or involving, one or more **"employees"**, whether the result of a single act or series of acts.

f. Coverage Extension - Welfare and Pension Plan ERISA Compliance

In compliance with certain provisions of the Employee Retirement Income Security Act (ERISA):

(1) "Employee" also includes any natural person who is:

- (a)** A trustee, officer, employee, administrator or a manager, except an administrator or a manager who is an independent contractor, of any Employee Welfare or Pension Benefit Plan (hereinafter called Plan) insured under this insurance; and
- (b)** Your director or trustee while that person is handling funds or other property of any Plan insured under this insurance.

(2) If any Plan is insured jointly with any other entity under this insurance, you or the Plan Administrator must select a Limit of Insurance that is sufficient to provide an amount of insurance for each Plan that is at least equal to that required if each Plan were separately insured.

(3) If the Insured first named in the Declarations is an entity other than a Plan, any payment we make to that Insured for loss sustained by any Plan will be held by that Insured for the use and benefit of the Plan(s) sustaining the loss.

(4) If two or more Plans are insured under this insurance, any payment we make for loss:

- (a)** Sustained by two or more Plans; or
- (b)** Of commingled funds or other property of two or more Plans;

that arises out of one **"occurrence"** is to be shared by each Plan sustaining loss in the proportion that the amount of insurance required for each such Plan under ERISA provisions bears to the total of those amounts.

(5) The Deductible provision does not apply to loss sustained by any Plan subject to ERISA which is insured under this insurance.

2. Forgery or Alteration

We will pay for loss due to forgery or alteration of, on or in any Covered Property.

a. Covered Property, as used in this Coverage, means **"Covered Instruments"** that are:

- (1)** Made or drawn by or drawn upon you;
- (2)** Made or drawn by one acting as your agent;

or that are purported to have been so made or drawn.

b. If you are sued for refusing to pay any **"covered instrument"** on the basis that it has been forged or altered, and you have our written consent to defend against the suit, we will pay for any reasonable legal expenses that you incur and pay in that defense. The amount we will pay is in addition to the Limit of Insurance applicable to this insurance.

c. The following applies in addition to the General Exclusions of this Form:

We will not pay for loss resulting from any dishonest or criminal act committed by any of your **"employees"**, directors, trustees or authorized representatives:

- (1) Acting alone or in collusion with other persons; or
- (2) While performing services for you or otherwise.

d. Additional Conditions

The following apply in addition to the General Conditions of this Form.

(1) Facsimile Signatures

We will treat mechanically reproduced facsimile signatures the same as handwritten signatures.

(2) Proof of Loss

You must include with your proof of loss any instrument involved in that loss, or, if that is not possible, an affidavit setting forth the amount and cause of loss.

(3) Territory

We will cover loss you sustain anywhere in the world.

The **Territory General Condition** does not apply to this Optional Coverage.

e. Additional Definition

As respects Forgery or Alteration coverage:

"Occurrence" means all loss caused by any person or in which that person is involved, whether the loss involves one or more instruments.

3. Computer Fraud

We will pay for loss of, and loss from damage to, Covered Property resulting directly from **"computer fraud"**.

a. Covered Property, as used in this Coverage means **"money"**, **"securities"** and **"property other than money and securities"**.

b. The following apply in addition to the General Exclusions of this Form:

(1) We will not pay for loss resulting from any dishonest or criminal act committed by any of your **"employees"**, directors, trustees or authorized representatives:

- (a) Acting alone or in collusion with other persons; or

(b) While performing services for you or otherwise.

(2) We will not pay for loss, or that part of any loss, the proof of which as to its existence or amount is dependent upon:

(a) An inventory computation; or

(b) A profit and loss computation.

d. Additional Conditions

The following apply in addition to the General Conditions of this Form:

(1) Duties in the Event of Loss

If you have reason to believe that any loss of, or loss from damage to, Covered Property involves a violation of law, you must notify the police.

(2) Special Limit of Insurance for Specified Property

For loss of, or loss from damage to, manuscripts, drawings or records of any kind the most we will pay in any one **"occurrence"** is the lesser of the following amounts:

(a) The cost of reconstructing such property or reproducing any information contained in such property; or

(b) \$5,000.

e. Additional Definition

As respects Computer Fraud coverage:

"Occurrence" means an:

(1) Act or series of related acts involving one or more persons; or

(2) Act or event, or a series of related acts or events not involving any person.

C. Limits of Insurance

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

1. For Money and Securities Coverage and for Money Orders and Counterfeit Paper Currency Coverage, the applicable Limit of Insurance is:

a. The Basic Limit of Insurance shown in the Coverage Summary if no Superseding Limit of Insurance is shown; or

b. The Superseding Limit of Insurance if a Superseding Limit is shown in the Coverage Summary.

2. For all other coverages, the applicable Limit of Insurance is the Limit shown in the Coverage Summary.

D. Deductible

We will not pay for loss in any one **"occurrence"** until the amount of the loss exceeds the applicable Deductible shown in the Coverage Summary. We will then pay the amount of the loss in excess of the applicable Deductible, up to the applicable Limit of Insurance.

1. For Money and Securities Coverage and for Money Orders and Counterfeit Paper Currency Coverage, the applicable Deductible is:
 - a. The Basic Deductible shown in the Coverage Summary if no Superseding Deductible is shown; or
 - b. The Superseding Deductible if a Superseding Deductible is shown in the Coverage Summary.
2. For all other coverages, the applicable Deductible is the Deductible shown in the Coverage Summary.

E. General Exclusions

Unless stated otherwise in any Coverage or Optional Coverage in this Crime Coverage Form, the Policy Declarations or an endorsement, the following General Exclusions apply to all Coverages and Optional Coverages provided by this Coverage Form.

We will not pay for loss as specified below:

1. Acts Committed by You or Your Partners

Loss resulting from any dishonest or criminal act committed by you or any of your partners whether acting alone or in collusion with other persons.

2. Governmental Action

Loss resulting from seizure or destruction of property by order of governmental authority.

3. Indirect Loss

Loss that is an indirect result of any act or **"occurrence"** covered by this insurance including, but not limited to, loss resulting from;

- a. Your inability to realize income that you would have realized had there been no loss of, or loss from damage to, Covered Property.
- b. Payment of damages of any type for which you are legally liable. But, we will pay compensatory damages arising directly from a loss covered under this insurance.
- c. Payment of costs, fees or other expenses you incur in establishing either the existence or the amount of loss under this insurance.

4. Legal Expenses

Expenses related to any legal action, except as provided in the Forgery or Alteration Optional Coverage, if the coverage is applicable to this policy.

5. Nuclear

Loss resulting from nuclear reaction, nuclear radiation or radioactive contamination, or any related act or incident.

6. War and Similar Actions

Loss resulting from war, whether or not declared, warlike action, insurrection, rebellion or revolution, or any related act or incident.

F. General Conditions

Unless stated otherwise in any Coverage or Optional Coverage in this Crime Coverage Form, the Policy Declarations or an endorsement, the following General Conditions apply to all Coverages and Optional Coverages provided by this Coverage Form:

1. Concealment, Misrepresentation or Fraud

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

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

2. Consolidation - Merger

If through consolidation or merger with, or purchase of assets of, some other entity:

- a. Any additional persons become "**employee**"; or
- b. You acquire the use and control of any additional "**premises**";

Any insurance afforded for "**employees**" or "**premises**" also applies to those additional "**employees**" and "**premises**", but only if you:

- a. Give us written notice within 30 days thereafter; and
- b. Pay us an additional premium.

3. Discovery Period for Loss

We will pay only for covered loss discovered no later than one year from the end of the policy period.

4. Duties in the Event of Loss

After you discover a loss or a situation that may result in loss of, or loss from damage to, Covered Property you must:

- a. Notify us as soon as possible.
- b. Submit to examination under oath at our request and give us a signed statement of your answers.
- c. Give us a detailed, sworn proof of loss within 120 days.
- d. Cooperate with us in the investigation and settlement of any claim.

5. Joint Insured

- a. If more than one Insured is named in the Declarations, the first Named Insured will act for itself and for every other Insured for all purposes of this insurance. If the first Named Insured ceases to be covered, then the next named Insured will become the first Named Insured.
- b. If any Insured or partner or officer of that Insured has knowledge of any information relevant to this insurance, that knowledge is considered knowledge of every Insured.
- c. An **"employee"** of any Insured is considered to be an **"employee"** of every Insured.
- d. If this insurance or any of its coverages is canceled or terminated as to any Insured, loss sustained by that Insured is covered only if discovered no later than one year from the date of that cancellation or termination.
- e. We will not pay more for loss sustained by more than one Insured than the amount we would pay if all the loss had been sustained by one Insured.

6. Legal Action Against Us

You may not bring any legal action against us involving loss:

- a. Unless you have complied with all the terms of this insurance;
- b. Until 90 days after you have filed proof of loss with us; and
- c. Unless brought within 2 years from the date you discover the loss.

7. Liberalization

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

8. Loss Covered Under More Than One Coverages Of This Insurance

If two or more coverages of this insurance apply to the same loss, we will pay the lesser of:

- a. The actual amount of loss; or
- b. The sum of the limits of insurance applicable to those coverages.

9. Loss Sustained During Prior Insurance

- a. If you, or any predecessor in interest, sustained loss during the period of any prior insurance that you or the predecessor in interest could have recovered under that insurance except that

the time within which to discover loss had expired, we will pay for it under this insurance, provided:

- (1) This insurance became effective at the time of cancellation or termination of the prior insurance; and
- (2) The loss would have been covered by this insurance had it been in effect when the acts or events causing the loss were committed or occurred.

b. The insurance under this Condition is part of, not in addition to the Limits of Insurance applying to this insurance and is limited to the lesser of the amount recoverable under:

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

10. Loss Covered Under This Insurance and Prior Insurance Issued by Us or Any Affiliate

If any loss is covered:

- a. Partly by this insurance; and
- b. Partly by any prior canceled or terminated insurance that we or any affiliate had issued to you or any predecessor in interest;

The most we will pay is the larger of the amount recoverable under this insurance or the prior insurance.

11. Non-Cumulation of Limit of Insurance

Regardless of the number of years this insurance remains in force or the number of premiums paid, no Limit of Insurance accumulates from year to year or period to period.

12. Other Insurance

This insurance does not apply to loss recoverable or recovered under other insurance or indemnity. However, if the limit of the other insurance or indemnity is insufficient to cover the entire amount of the loss, this insurance will apply to that part of the loss, other than that falling within any deductible amount, not recoverable or recovered under the other insurance or indemnity. However, this insurance will not apply to the amount of loss that is more than the applicable Limit of Insurance shown in the Coverage Summary or the Optional Coverage Summary.

13. Ownership of Property; Interests Covered

The property covered under this insurance is limited to property:

- a. That you own or hold; or
- b. For which you are legally liable.

However, this insurance is for your benefit only. It provides no rights or benefits to any other person or organization.

14. Policy Period

- a. The Policy Period is shown in the Common Policy Declarations.
- b. Subject to the Loss Sustained During Prior Insurance condition, we will pay only for loss that you sustain through acts committed or events occurring during the Policy Period.

15. Records

You must keep records of all Covered Property so we can verify the amount of any loss.

16. Recoveries

- a. Any recoveries, less the cost of obtaining them, made after settlement of loss covered by this insurance will be distributed as follows:
 - (1) To you, until you are reimbursed for any loss that you sustain that exceeds the Limit of Insurance and the Deductible Amount, if any;
 - (2) Then to us, until we are reimbursed for the settlement made;
 - (3) Then to you, until you are reimbursed for that part of the loss equal to the Deductible Amount, if any.
- b. Recoveries do not include any recovery:
 - (1) From insurance, suretyship, reinsurance, security or indemnity taken for our benefit; or
 - (2) Of original "**securities**" after duplicates of them have been issued.

17. Territory

This insurance covers only acts committed or events occurring within the United States of America, and Canada.

18. Transfer of Your Rights of Recovery Against Others to Us

You must transfer to us all your rights of recovery against any person or organization for any loss you sustained and for which we have paid or settled. You must also do everything necessary to secure those rights and do nothing after loss to impair them.

19. Valuation - Settlement

- a. Subject to the applicable Limit of Insurance provision we will pay for:
 - (1) Loss of "**money**" but only up to and including its face value. We may, at our option, pay for loss of "money" issued by any country other than the United States of America:
 - (a) At face value in the "**money**" issued by that country; or
 - (b) In the United States of America dollar equivalent determined by the rate of exchange on the day the loss was discovered.
 - (2) Loss of "**securities**" but only up to and including their value at the close of business on the day the loss was discovered. We may, at our option:

- (a) Pay the value of such **"securities"** or replace them in kind, in which event you must assign to us all your rights, title and interest in and to those **"securities"**; or
- (b) Pay the cost of any Lost Securities Bond required in connection with issuing duplicates of the **"securities"**. However, we will be liable only for the payment of so much of the cost of the bond having a penalty not exceeding the lesser of the;
 - (i) Value of the **"securities"** at the close of business on the day the loss was discovered; or
 - (ii) Limit of Insurance.
- (3) Loss of, or loss from damage to, **"property other than money and securities"** or loss from damage to the **"premises"** for not more than the;
 - (a) Actual cash value of the property on the day the loss was discovered;
 - (b) Cost of repairing the property or **"premises"**; or
 - (c) Cost of replacing the property with property of like kind and quality.

We may, at our option, pay the actual cash value of the property or repair or replace it.

If we cannot agree with you upon the actual cash value or the cost of repair or replacement, the value or cost will be determined by arbitration.
- b. We may, at our option, pay for loss of, or loss from damage to, property other than **"money"**:
 - (1) In the **"money"** of the country in which the loss occurred; or
 - (2) In the United States of America dollar equivalent of the **"money"** of the country in which the loss occurred determined by the rate of exchange on the day the loss was discovered.
 - (3) Any property that we pay for or replace becomes our property.

G. Definitions

- 1. **"Banking Premises"** means the interior of that portion of any building occupied by a banking institution or similar safe depository.
- 2. **"Computer Fraud"** means **"theft"** of property following and directly related to the use of any computer to fraudulently cause a transfer of that property from inside the **"premises"** or **"banking premises"** to a person (other than a **"messenger"**) outside those **"premises"** or to a place outside those **"premises"**.
- 3. **"Covered Instrument(s)"** means checks, drafts, promissory notes, or similar written promises, orders or directions to pay a sum certain in **"money"**.
- 4. **"Employee"** means:
 - a. Any natural person:
 - (1) While in your service (and for 30 days after termination of service); and

- (2) Whom you compensate directly by salary, wages or commissions; and
 - (3) Whom you have the right to direct and control while performing services for you; or
 - b. Any natural person employed by an employment contractor while that person is subject to your direction and control and performing services for you excluding, however any such person while having care and custody of property outside the **"premises"**.
- But **"employee"** does not mean any:
- a. Agent, broker, factor, commission merchant, consignee, independent contractor or representative of the same general character; or
 - b. Director or trustee except while performing acts coming within the scope of the usual duties of an employee.
5. **"Employee Dishonesty"** means only dishonest acts committed by an **"employee"**, whether identified or not, acting alone or in collusion with other persons, except you or a partner, with the manifest intent to:
- a. Cause you to sustain loss; and also
 - b. Obtain financial benefit (other than employee benefits earned in the normal course of employment, including: salaries, commissions, fees, bonuses, promotions, awards, profit sharing or pensions) for:
- (1) The **"employee"**; or
 - (2) Any person or organization intended by the **"employee"** to receive that benefit.
6. **"Extortion"** means the surrender of property away from the premises as a result of a threat communicated to you to do bodily harm to you or an **"employee"**, or to a relative or invitee of either, who is, or allegedly is, being held captive.
7. **"Messenger"** means you, any of your partners or any **"employee"** while having care and custody of the property outside the **"premises"**.
8. **"Money"** means:
- a. Currency, coins and bank notes in current use and having a face value; and
 - b. Travelers checks, register checks and money orders held for sale to the public.
9. **"Premises"** means the interior of that portion of any building you occupy in conducting your business.
10. **"Property Other Than Money and Securities"** means any tangible property other than **"money"** and **"securities"** that has intrinsic value but does not include any property listed in any Crime Coverage Form as Property Not Covered.
11. **"Securities"** means negotiable and non-negotiable instruments or contracts representing either **"money"** or other property and includes:
- a. Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and

b. Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you;

but does not include **"money"**.

12. "Theft" means any act of stealing.

BUSINESS INCOME WITH 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 **G., Definitions**.

COVERAGE SUMMARY

Coinurance Option - applicable only if a percentage is indicated in the schedule below.

Premises No.	Building No.	Coverage	Limit of Insurance	Coinurance Option
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SEE SCHEDULE

Optional Coverages - applicable only when entries are made in the schedule below.

Premises No.	Building No.	Monthly Limit Of Indemnity (Fraction)	Maximum Period of Indemnity (X)	Extended Period of Indemnity (Days)	Agreed Value Amount (\$)
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SEE SCHEDULE

A. Coverage

- Coverage is provided as described below for one or more of the following options for which a Limit of Insurance is shown in the Coverage Summary above:

- Business Income including "**Rental Value.**"
- Business Income other than "**Rental Value.**"
- "**Rental Value.**"

If option (i) above is selected, the term Business Income will include "**Rental Value.**" If option (iii) 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 Form 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**" to property at the premises described in the Declarations, or within 1000 feet of the premises, caused by or resulting from any of the Covered Causes of Loss.

If you are a tenant, your premises is the portion of **"buildings"** which you rent, lease or occupy, including:

- a. All routes within **"buildings"** to gain access to the described premises; and
- b. Your personal property within 1000 feet of the premises.

2. 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.

3. Covered Causes Of Loss

See the Causes of Loss Form.

4. Additional Coverages

a. Extra Expenses

Extra Expenses means necessary expenses you incur during the **"period of restoration"** that you would not have incurred if there had been no direct physical **"loss"** to property caused by or resulting from any of the Covered Causes of Loss.

- (1) We will pay any Extra Expenses to avoid or minimize the suspension of business and to continue **"operations"**:

- (a) At the described premises; or

- (b) At replacement premises or at temporary locations, including:

- (i) Relocation expenses; and

- (ii) Costs to equip and operate the replacement or temporary locations.

- (2) We will pay any Extra Expenses to minimize the suspension of business if you cannot continue **"operations"**.

- (3) We will pay any Extra Expenses to:

- (a) Repair or replace any property; or

- (b) Research, replace or restore the lost information on damaged valuable papers and records;

to the extent it reduces the amount of loss that otherwise would have been payable under this Coverage Form.

b. Civil Authority

We will pay for the actual loss of Business Income you sustain and necessary Extra Expenses you incur caused by action of Civil Authority that prohibits access to the described premises due to direct physical **"loss"** to property other than at the described premises caused by or resulting from any of the Covered Causes of Loss.

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

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

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

Whichever is later.

c. Alterations

We will pay for the actual loss of Business Income you sustain due to direct physical **"loss"** at the described premises caused by or resulting from any of the Covered Causes of Loss to:

- (1) Alterations within, or on the exterior of, existing **"buildings"**; and
- (2) Machinery, equipment, supplies or building materials located on or within 1000 feet of the described premises and used in the alterations.

If such direct physical **"loss"** delays the start of **"operations,"** the **"period of restoration"** will begin on the date **"operations"** would have begun if the direct physical **"loss"** had not occurred.

This Additional Coverage does not increase the Limits of Insurance provided by this Coverage Form.

d. 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"** had occurred; or
- (ii) 60 consecutive days after the date determined in (1)(a) above.

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

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

This Additional Coverage does not increase the Limits of Insurance provided by this Coverage Form.

(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"** had occurred; or
- (ii)** 60 consecutive days after the date determined in **(2)(a)** above.

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

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

This Additional Coverage does not increase the Limits of Insurance provided by this Coverage Form.

e. Business Income From Dependent Properties

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"** at the premises of a **"contingent business property,"** caused by or resulting from any of the Covered Causes of Loss. But we will not pay more than .3% (three-tenths of one percent) of the Business Income Limit of Insurance for each day's suspension of **"operations"** at a described premises due to direct physical **"loss"** at any one **"contingent business property."**

The most we will pay under this Additional Coverage is \$25,000 per Policy Period.

This Additional Coverage does not apply to **"contingent business property"** for which you have more specific insurance either under this policy or another.

This Additional Coverage is in addition to the applicable Limits of Insurance provided by this Coverage Form.

f. Property in Transit

In the event of direct physical **"loss"** to your property in transit within the Coverage Territory, we will pay for loss of Business Income and necessary Extra Expenses you incur during the **"period of restoration"**.

This Additional Coverage does not apply to property of others in your care, custody or control.

The most we will pay under this Additional Coverage in any one occurrence is \$25,000. This Additional Coverage is in addition to the applicable Limits of Insurance provided by this Coverage Form.

5. Coverage Extension - Newly Acquired Premises

- a. We will pay for the actual loss of Business Income you sustain caused by direct physical **"loss"** to property at any premises you acquire other than at fairs or exhibitions.
- b. The most we will pay for loss under this Extension is 10% of the sum of the Limits of Insurance for Business Income shown in the Coverage Summary above, but not more than \$100,000 at each premises.
- c. Insurance under this Coverage Extension for each newly acquired premises will end when any of the following first occurs:
 - (1) This policy expires;
 - (2) 90 days expire after you acquire 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.

This Coverage Extension is in addition to the applicable Limits of Insurance provided by this Coverage Form. The Coinsurance Option does not apply to this Extension.

B. Exclusions

See the Causes of Loss Form.

C. Limits of Insurance

The most we will pay for loss in any one occurrence:

- 1. For the Business Income From Dependent Properties Additional Coverage is the Limit of Insurance applicable to that Additional Coverage.
- 2. For the Coverage Extension - Newly Acquired Premises is the Limit of Insurance applicable to that Coverage Extension.
- 3. For all other coverages provided under this Coverage Form is the applicable Limit of Insurance shown in the Coverage Summary.

D. 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 expenses 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 expenses 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

You must see that the following are done in the event of loss:

- a. Notify the police if a law may have been broken.
- b. Give us prompt notice of the direct physical **"loss"**. Include a description of the property involved.
- c. As soon as possible, give us a description of how, when and where the direct physical **"loss"** occurred.
- d. Take all reasonable steps to protect the Covered Property from further damage by any of the Covered Causes of Loss. If feasible, set the damaged property aside and in the best possible order for examination. Also keep a record of your expenses for emergency and temporary repairs, for consideration in the settlement of the claim. This will not increase the Limit of Insurance.
- e. As often as may be reasonably required, permit us to inspect the property proving the **"loss"** 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.
- f. 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.
- g. 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.

- h. Cooperate with us in the investigation or settlement of the claim.
- i. If you intend to continue your business, you must resume all or part of your **"operations"** as quickly as possible.

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"** occurred;
- (2) The likely net income of the business if no physical **"loss"** 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"**; 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. Resumption of Operations

We will reduce the amount of your Business Income loss to the extent you can resume your **"operations,"** in whole or in part, by using:

- (1) Damaged or undamaged property (including merchandise or stock) at the described premises or elsewhere;
 - (2) Any other available sources of material or outlets for your product.
- c. 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:

- a. You have complied with all of the terms applicable to this Coverage Form; and
- b. (1) We have reached agreement with you in the amount of loss; or
- (2) An appraisal award has been made.

E. Coinsurance Option

1. If a Coinsurance percentage is shown in the Coverage Summary, the following condition applies in addition to the Common Policy Conditions and the Commercial Property Conditions.
 - a. We will not pay the full amount of any loss if the Limit of Insurance for Business Income is less than:
 - (1) The Coinsurance percentage shown in the Coverage Summary; times
 - (2) The sum of:
 - (a) The net income (net profit or loss before income taxes); and
 - (b) All 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).
 - b. Instead, we will determine the most we will pay using the following steps:
 - (1) Multiply the net income and operating expenses 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.
2. 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:
 - a. Prepaid freight - outgoing;
 - b. Returns and allowances;
 - c. Discounts;
 - d. Bad debts;
 - e. Collection expenses;
 - f. Cost of raw stock and factory supplies consumed (including transportation charges);
 - g. Cost of merchandise sold (including transportation charges);
 - h. Cost of other supplies consumed (including transportation charges);
 - i. Cost of services purchased from outsider (not employees) to resell, that do not continue under contract;
 - j. All ordinary payroll expense excluded (if form **PI-ULT-011** is attached); and

- k. 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 X 50% = \$200,000
 (the minimum amount of insurance to meet your Coinsurance requirements)
 Step 2: \$150,000 ÷ \$200,000 = .75
 Step 3: \$ 80,000 X .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

Step 1: \$400,000 X 50% = \$200,000
 (the minimum amount of insurance to meet your Coinsurance requirements)
 Step 2: \$200,000 ÷ \$200,000 = 1.00
 Step 3: \$80,000 X 1.00 = \$80,000

We will pay the \$80,000 loss. No penalty applies.

This condition does not apply to the Extra Expense Additional Coverage.

3. Agreed Value

- a. To activate this Optional Coverage:
 - (1) A Business Income Work Sheet must be made a part of this policy and must show financial data for your **"operations"**:
 - (a) During the 12 months prior to the date of the Business Income Work Sheet; and
 - (b) Estimated for the 12 months immediately following the inception of this Optional Coverage.
 - (2) An Agreed Value must be shown in the Coverage Summary. The Agreed Value should be at least equal to:
 - (a) The Coinsurance percentage shown in the Coverage Summary; multiplied by
 - (b) The amount of Net Income and Operating Expenses for the following 12 months you report on the Business Income Work Sheet.
- b. The Coinsurance Option is suspended until the expiration date of this policy.
- c. We will reinstate the Coinsurance Option automatically if you do not submit a new Business Income 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	÷	\$200,000	=	.50
Step (b)	.50	X	\$80,000	=	\$40,000

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

F. Optional Coverages

If shown in the Coverage Summary, the following Optional Coverages apply separately to each item.

1. Maximum Period of Indemnity

- a. The Coinsurance Option does not apply at the described premises to which this Optional Coverage applies.
- b. The most we will pay for loss of Business Income is the lesser of:
 - (1) The amount of loss sustained during the 120 days immediately following the beginning of the **"period of restoration"**; or
 - (2) The Limit of Insurance shown in the Coverage Summary.

2. Monthly Limit of Indemnity

- a. The Coinsurance Option does not apply 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 Coverage Summary for this Optional Coverage.

Example:

When:

The Limit of Insurance is \$120,000

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

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

$$\$120,000 \times \frac{1}{4} = \$30,000$$

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

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

We will pay:

Days 1-30	\$30,000
Days 31-60	20,000
Days 61-90	<u>30,000</u>
	\$80,000

The remaining \$10,000 is not covered.

3. Extended Period of Indemnity

Under paragraph **A.4.d.**, Extended Business Income, the number "60" in subparagraphs **(1)(b)** and **(2)(b)** is replaced by the number shown in the Coverage Summary for this Optional Coverage.

G. Definitions

1. **"Buildings"** means buildings or structures.
2. **"Contingent Business Property"** means property operated by others you depend on to:
 - a. Deliver materials or services (other than water, communications or power supply) to you, or to others for your account (Contributing Locations);
 - b. Accept your products or services (Recipient Locations); or
 - c. Manufacture products for delivery to your customers under contract of sale (Manufacturing Locations).
3. **"Finished Stock"** means stock you have manufactured.

"Finished Stock" also includes whiskey and alcoholic products being aged.

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

4. **"Loss"** means accidental loss or damage.
5. **"Operations"** means:
 - a. Business activities you perform at the described premises; and
 - b. The tenantability of the described premises, if coverage for Business Income including **"Rental Value"** or **"Rental Value"** applies.
6. **"Period of Restoration"** means the period of time that:
 - a. Begins:
 - (1) 72 hours after the time of direct physical **"loss"** for Business Income coverage; or
 - (2) Immediately after the time of direct physical **"loss"** for Extra Expense coverage; 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.
 - c. **"Period of Restoration"** does not include any increased period required due to the enforcement of any ordinance or law that:
 - (1) Regulates the construction, use or repair, or requires the tearing down of any property; or

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

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

7. **"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.
8. **"Rental Value"** means:
- a. Total anticipated rental income from tenant occupancy of the premises described in the Declarations as furnished and equipped by you; and
 - b. Amount of all charges which are the legal obligation of the tenant(s) and which would otherwise be your obligations; and
 - c. Fair rental value of any portion of the described premises which is occupied by you.

Policy Number: PHPK2004025
Named Insured: Goodwill Industries of Orange Count

SCHEDULE -
Business Income with Extra Expense Coverage Form

Coverage Summary

Coinsurance Option – applicable only if a percentage is indicated in the schedule below.

Premises No.	Building No.	Coverage	Limit of Insurance	Coinsurance Option
0001	0001	(i)	BKT # 3	100%
0001	0002	(i)	BKT # 3	100%
0001	0003	(i)	BKT # 3	100%
0001	0005	(i)	BKT # 3	100%
0001	0007	(i)	BKT # 3	100%
0002	0001	(i)	BKT # 3	100%
0003	0001	(i)	BKT # 3	100%
0004	0001	(i)	BKT # 3	100%
0005	0001	(i)	BKT # 3	100%
0006	0001	(i)	BKT # 3	100%
0007	0001	(i)	BKT # 3	100%
0008	0001	(i)	BKT # 3	100%
0009	0001	(i)	BKT # 3	100%
0010	0001	(i)	BKT # 3	100%
0011	0001	(i)	BKT # 3	100%
0012	0001	(i)	BKT # 3	100%
0013	0001	(i)	BKT # 3	100%
0014	0001	(i)	BKT # 3	100%
0015	0001	(i)	BKT # 3	100%
0016	0001	(i)	BKT # 3	100%
0017	0001	(i)	BKT # 3	100%
0018	0001	(i)	BKT # 3	100%
0019	0001	(i)	BKT # 3	100%
0020	0001	(i)	BKT # 3	100%
0021	0001	(i)	BKT # 3	100%
0022	0001	(i)	BKT # 3	100%
0023	0001	(i)	BKT # 3	100%
0024	0001	(i)	BKT # 3	100%
0025	0001	(i)	BKT # 3	100%
0026	0001	(i)	BKT # 3	100%
0027	0001	(i)	BKT # 3	100%
0030	0001	(i)	BKT # 3	100%
0033	0001	(i)	BKT # 3	100%

Policy Number: PHPK2004025

Named Insured: Goodwill Industries of Orange Count

SCHEDULE -

Business Income with Extra Expense Coverage Form

Coverage Summary

Optional Coverages – applicable only when entries are made in the schedule below.

Premises No.	Building No.	Monthly Limit Of Indemnity (Fraction)	Maximum Period of Indemnity (X)	Extended Period Of Indemnity (Days)	Agreed Value Amount (\$)
0001	0001	NONE		180	BKT # 3
0001	0002	NONE		180	BKT # 3
0001	0003	NONE		180	BKT # 3
0001	0005	NONE		180	BKT # 3
0001	0007	NONE		180	BKT # 3
0002	0001	NONE		180	BKT # 3
0003	0001	NONE		180	BKT # 3
0004	0001	NONE		180	BKT # 3
0005	0001	NONE		180	BKT # 3
0006	0001	NONE		180	BKT # 3
0007	0001	NONE		180	BKT # 3
0008	0001	NONE		180	BKT # 3
0009	0001	NONE		180	BKT # 3
0010	0001	NONE		180	BKT # 3
0011	0001	NONE		180	BKT # 3
0012	0001	NONE		180	BKT # 3
0013	0001	NONE		180	BKT # 3
0014	0001	NONE		180	BKT # 3
0015	0001	NONE		180	BKT # 3
0016	0001	NONE		180	BKT # 3
0017	0001	NONE		180	BKT # 3
0018	0001	NONE		180	BKT # 3
0019	0001	NONE		180	BKT # 3
0020	0001	NONE		180	BKT # 3
0021	0001	NONE		180	BKT # 3
0022	0001	NONE		180	BKT # 3
0023	0001	NONE		180	BKT # 3
0024	0001	NONE		180	BKT # 3
0025	0001	NONE		180	BKT # 3
0026	0001	NONE		180	BKT # 3
0027	0001	NONE		180	BKT # 3
0030	0001	NONE		180	BKT # 3
0033	0001	NONE		180	BKT # 3

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ORDINANCE OR LAW COVERAGE

This endorsement modifies insurance provided under the following:

Property Coverage Form

SCHEDULE

Limits of Insurance			
Premises No.	Building No.	Demolition Cost	Increased Cost of Construction
0001	0002	\$ 2,000,000	\$ 2,000,000

A. Subparagraphs (2) and (3) of Coverage Extension A.5.j., **Ordinance or Law**, does not apply to "buildings" covered under this Endorsement.

B. Coverage

1. Demolition Cost Coverage

If a Covered Cause of Loss occurs to covered "buildings" and a Demolition Cost Limit of Insurance is shown in the Schedule above, we will pay the cost to demolish and clear the site of undamaged parts of the property caused by enforcement of building, zoning or land use ordinance or law.

The General Condition, **Coinsurance**, does not apply to Demolition Cost Coverage

2. Increased Cost of Construction Coverage.

If a Covered Cause of Loss occurs to covered "buildings" and an Increased Cost of Construction Limit of Insurance is shown in the Schedule above, we will pay for the increased cost to repair, rebuild or construct the property caused by enforcement of building, zoning or land use ordinance or law. If the property is repaired or rebuilt, it must be intended for similar occupancy as the current property, unless otherwise required by zoning or land use ordinance or law.

However, we will not pay for the increased cost of construction if the "buildings" are not repaired or replaced.

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

- C. We will not pay under this endorsement for the costs associated with the enforcement of any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of **"pollutants"**.
- D. We will not pay more under Demolition Cost Coverage than the lesser of the following:
 - 1. The amount you actually spend to demolish and clear the site of the described premises; or
 - 2. The applicable Demolition Cost Limit of Insurance shown in the Schedule above.
- E. 1. We will not pay under Increased Cost of Construction Coverage:
 - a. Until the property is actually repaired or replaced, at the same or another premises; and
 - b. Unless the repairs or replacement are made as soon as reasonably possible after the **"loss"**, not to exceed two years. We may extend this period in writing during the two years.
- 2. If the **"buildings"** are repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay under Increased Cost of Construction Coverage is the lesser of:
 - a. The increased cost of construction at the same premises; or
 - b. The applicable Increased Cost of Construction Limit of Insurance shown in the Schedule above.
- 3. If the ordinance or law requires relocation to another premises, the most we will pay under Increased Cost of Construction Coverage is the lesser of:
 - a. The increased cost of construction at the new premises; or
 - b. The applicable Increased Cost of Construction Limit of Insurance shown in the Schedule above.
- F. The terms of this endorsement apply separately to each of the **"buildings"** to which this endorsement applies.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AGREED VALUE ENDORSEMENT

This endorsement modifies insurance provided under the following:

Property Coverage Form

Schedule

Premises No.	Building No.	Description of Covered Property
0001	0001	Building
0001	0002	Building
0001	0003	Building
0001	0005	Building
0001	0007	Building
0002	0001	Building
0003	0001	Building
0004	0001	Building
0011	0001	Building
0015	0001	Building

Agreed Value Effective Date 07/01/2019

Agreed Value Expiration Date 07/01/2020

- A.** The Additional Condition, Coinsurance, does not apply to Covered Property listed and described above.
- B.** If the Agreed Value Expiration Date shown above is not extended, the Additional Condition, Coinsurance, is reinstated and this Endorsement expires.
- C.** The terms of this Endorsement apply only to "**loss**" that occurs:
 - (1)** On or after the Agreed Value Effective Date shown above; and
 - (2)** Before the Agreed Value Expiration Date shown above or the policy expiration date, whichever occurs first.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**LOSS PAYABLE PROVISIONS**

This endorsement modifies insurance provided under the following:

UltimateCover Policy**SCHEDULE**

				Provision
Prem. No.	Applicable Bldg. No.	Description of Property	Loss Payee	(Indicate A, B, or C)
0016	0001		Gateway Mission Viejo, Inc. (See Manuscript) 1630 S Sunkist St Ste A Anaheim, CA 92806-5816	A

The following is added to the Loss Conditions, **Loss Payment**, as shown by an "A", "B", or "C" in Schedule:

A. Loss Payable

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

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

B. Lender's Loss Payable

1. The Loss Payee shown in the Schedule is a creditor, including a mortgageholder or trustee, whose interest in the 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**" to each Loss Payee in their order or 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 Form, the Loss Payee will still have the right to receive "**loss**" payment if the Loss Payee:
 - (1) Pays any premium due under this Coverage Form at our request if you have failed to do so;
 - (2) Submits a signed, sworn proof of loss within 60 days after receiving notice from us of your failure to do so; and
 - (3) Has notified us of any change in ownership, occupancy or substantial change in risk known to the Loss Payee.

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

- d. If we pay the Loss Payee for any "**loss**" and deny payment to you because of your acts or because you have failed to comply with the terms of this Coverage Form:
 - (1) The 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 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 "**loss**" with you; and
 - b. Pay any claim for "**loss**" 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.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY**EQUIPMENT BREAKDOWN PROTECTION ENDORSEMENT**

This endorsement modifies insurance provided under the following:

- Property Coverage Form
- Causes of Loss Form
- Business Income and Extra Expense Coverage Form
- Business Income Coverage Form
- Extra Expense Coverage Form

EQUIPMENT BREAKDOWN PROTECTION SCHEDULE

Premises: This endorsement applies to all Covered Premises specified elsewhere in this Policy.

Coverages, Limits of Insurance and Options: Insurance under this Endorsement applies only to coverages as set forth below.

COVERAGE	LIMIT OF INSURANCE
Limit per One Breakdown	\$ 98,717,637
Property Damage	Included with total Limit per One Breakdown
Business Income	Included with total Limit per One Breakdown
Business Income "Period of Restoration"	Follows Property Coverage part
Extra Expense	Included with Business Income limit
Spoilage Damage (including Utility Interruption-Spoilage Damage) • Coverage for Utility Interruption-Spoilage Damage applies only if interruption lasts at least:	\$ 100,000 24 hours
Utility Services – Time Element • Coverage applies only if interruption lasts at least:	Included with Business Income limit 24 hours
Accounts Receivable	Follows Property Coverage part
Business Personal Property at Locations Not Specifically Identified	Follows Property Coverage part
Civil Authority	Follows Property Coverage part
"Diagnostic Equipment"	
Expediting Expense	\$ 250,000
Extended "Period of Restoration"	0 Days
Fungus, Wet Rot, Dry Rot and Bacteria • Property Damage • Business Income and Extra Expense	\$ 25,000 30 Days
Newly Acquired Property	Follows Property Coverage part
New Construction	Follows Property Coverage part
Pollutant Clean Up and Removal	\$ 100,000
Refrigerant Contamination	\$ 100,000
Ordinance or Law • Undamaged Portion of Building • Demolition Increased Cost of Construction	Follows Property Coverage part
Time Element from Dependent Properties	\$ 250,000
Valuable Papers and Records – Cost of Research	\$ 100,000
Water Damage	\$ 100,000

OPTIONAL EQUIPMENT COVERAGE	
Power Generating Equipment	<input type="checkbox"/> Included <input type="checkbox"/> Excluded

COVERAGE	DEDUCTIBLES
Property Damage	Follows Property Coverage part
Business Income	Follows Property Coverage part
Extra Expense	Included in Business Income deductible
Spoilage Damage (including Utility Interruption-Spoilage Damage)	Included in Property Damage deductible
Utility Interruption-Time Element	24 hours
Refrigerant Contamination:	Included in Property Damage deductible
Time Element from Dependent Properties	Included in Business Income deductible
Other:	

ADDITIONAL COVERAGE EXTENSION, RESTRICTIONS, SPECIAL PROVISIONS:

A. COVERAGE

As respects coverage provided under this Policy, the following coverage is added:

1. Equipment Breakdown Protection**Property Damage**

We will pay for direct physical damage to "Covered Property" located at the Covered Premises described in the Equipment Breakdown Protection Schedule resulting from a "Breakdown" to "Covered Equipment".

The most we will pay is the Limit of Insurance for Property Damage indicated in the Equipment Breakdown Protection Schedule.

2. Coverage Extensions. As respects coverage provided under this Equipment Breakdown Protection Endorsement only, the following is added:

You may extend the insurance provided by this Equipment Breakdown Protection Endorsement as follows. If coverage is selected on the Equipment Breakdown Protection Schedule, the most we will pay under these Coverage Extensions are the Limits of Insurance in such Schedule. These limits are a part of and not in addition to the total "Limit per One Breakdown".

These coverages apply only to that portion of the loss or damage that is a direct result of a "Breakdown" to "Covered Equipment" that is not excluded elsewhere in this Policy or this Equipment Breakdown Protection Endorsement.

If any of the following Coverage Extensions are selected, the Limit of Insurance identified for the applicable coverage extension shown in the Equipment Breakdown Protection Endorsement shall replace any limit as may be found elsewhere in this Policy with regard to coverage provided under this Endorsement only.

a. Business Income

If Business Income is selected in the Equipment Breakdown Protection Schedule, coverage for Business Income as provided elsewhere in this Policy is extended to include loss and expense resulting from a "Breakdown" to "Covered Equipment".

b. Extra Expense

If Extra Expense is selected in the Equipment Breakdown Protection Schedule, coverage for Extra Expense as provided elsewhere in this Policy is extended to include loss and expense resulting from a "Breakdown" to "Covered Equipment".

c. Spoilage Damage

We will pay for:

(1) Spoilage damage to "Perishable Goods".

(2) Utility Interruption – Spoilage

Spoilage damage to "Perishable Goods" that is caused by or results from an interruption in utility services that is the direct result of a "Breakdown" to "Covered Equipment" owned, operated or controlled by a private or public utility, landlord or other supplier with whom you have a contract to provide you with any of the following services: air conditioning, communication services, electric power, gas, heating, refrigeration, steam, water or waste treatment.

The interruption of such utility service to your Covered Premises must last at least the consecutive period of time shown in the Equipment Breakdown Protection Schedule for Utility Interruption – Spoilage. Once this waiting period is met, coverage will commence at the initial time of the interruption and will then be subject to the applicable deductible.

(3) Any necessary expenses you incur to reduce or avert the amount of loss under this Coverage Extension. We will pay such expenses to the extent they do not exceed the amount of loss that otherwise would have been payable under this Coverage Extension. As respects spoilage damage caused by a "Breakdown" to "Covered Equipment" only, coverage provided under this Coverage Extension supersedes any other Spoilage coverage provided elsewhere in this policy.

d. Utility Services – Time Element

If Utility Services – Time Element coverage is included under this Equipment Breakdown Protection Endorsement and Business Income and/or Extra Expense is also covered under this Endorsement, the selected coverage(s) are extended to include loss resulting from the interruption of utility services provided all of the following conditions are met:

- (1) The interruption is the direct result of a "Breakdown" to "Covered Equipment" owned, operated or controlled by the local private or public utility or distributor that directly generates, transmits, distributes or provides utility services which you receive; and
- (2) The "Covered Equipment" is used to supply air conditioning, communication services, electric power, gas, heating, refrigeration, steam, water or waste treatment to your Premises; and
- (3) The interruption of utility service to your Covered Premises lasts at least the consecutive period of time shown in the Equipment Breakdown Protection Schedule.

e. Accounts Receivable

If Accounts Receivable is selected in the Equipment Breakdown Protection Schedule, coverage for Accounts Receivable as provided elsewhere in this Policy is extended to include loss and expense resulting from a "Breakdown to "Covered Equipment".

f. Business Personal Property at Locations Not Specifically Identified

The most we will pay for loss or expense to Business Personal Property at locations not specifically identified, resulting from a "Breakdown to "Covered Equipment", is the Limit of Insurance shown in the Equipment Breakdown Protection Schedule.

g. Civil Authority

If Civil Authority is selected in the Equipment Breakdown Protection Schedule, coverage for Civil Authority as provided elsewhere in this Policy is extended to include loss and expense resulting from a "Breakdown to "Covered Equipment".

h. Expediting Expense

With respect to your damaged "Covered Property", we will pay the reasonable extra cost to:

- (1) Make temporary repairs; and
- (2) Expedite permanent repairs or permanent replacement.

i. Extended ☐ Period of Restoration ☐

The "Period of Restoration is extended by the number of consecutive days indicated in the Equipment Breakdown Protection Schedule.

j. Fungus, Wet Rot, Dry Rot and Bacteria – Limited Coverage

Limited coverage for Fungus Wet Rot, Dry Rot and Bacteria as provided elsewhere in this policy is extended to include loss or expense resulting from a "Breakdown" to "Covered Equipment".

k. Newly Acquired Property

If Newly Acquired Property is selected in the Equipment Breakdown Protection Schedule, coverage for Newly Acquired Property as provided elsewhere in this Policy is extended to loss and expense resulting from a "Breakdown" to "Covered Equipment".

I. New Construction

If New Construction is selected in the Equipment Breakdown Protection Schedule, coverage for New Construction as provided elsewhere in this Policy is extended to loss and expense resulting from a "Breakdown" to "Covered Equipment".

m. Ordinance or Law (Including Demolition and Increased Cost of Construction)

If Ordinance or Law (Including Demolition and Increased Cost of Construction) is selected in the Equipment Breakdown Protection Schedule, coverage for Ordinance or Law (Including Demolition and Increased Cost of Construction) as provided elsewhere in this Policy is extended to include loss and expense resulting from a "Breakdown" to "Covered Equipment".

n. Pollutant Clean Up and Removal

If "Covered Property", including land or water owned by you at a described premises, is damaged, contaminated or polluted by a "Hazardous Substance" as a direct result of a "Breakdown" to "Covered Equipment", we will pay for any additional expenses incurred by you for clean-up, repair, replacement or disposal of the affected "Covered Property".

As used here, additional expenses means the additional cost incurred over and above the amount that we would have paid had no "Hazardous Substance" been involved with the loss. Ammonia is not considered to be a "Hazardous Substance" as respects this limitation.

If you have selected "Business Income" and/or "Extra Expense" coverages under this Equipment Breakdown Protection Endorsement, we will also pay for any loss of "Business Income" or "Extra Expense" caused by such damage, contamination or pollution.

The maximum we will pay for damage to "Covered Property", "Business Income" and/or "Extra Expense" under this Coverage Extension shall be the Limit of Insurance indicated in the Equipment Breakdown Protection Schedule for Pollutant Clean Up and Removal.

o. Refrigerant Contamination

If "Covered Property" is contaminated by a refrigerant, including ammonia, as a direct result of a "Breakdown" to "Covered Equipment", we will pay for this kind of damage, including salvage expense and any additional expenses incurred by you for clean-up, repair, replacement or disposal of that property.

p. Time Element from Dependent Property

If Time Element from Dependent Property is selected in the Equipment Breakdown Protection Schedule, coverage for Time Element from Dependent Property as provided elsewhere in this Policy is extended to include loss and expense resulting from a "Breakdown" to "Covered Equipment".

q. Valuable Papers and Research – Cost of Research

If Valuable Papers and Research – Cost of Research is selected in the Equipment Breakdown Protection Schedule, coverage for Valuable Papers and Research – Cost of Research as provided elsewhere in this Policy is extended to loss and expense resulting from a "Breakdown" to "Covered Equipment".

r. Water Damage

If "Covered Property" is damaged by water as a direct result of a "Breakdown" to "Covered Equipment" we will pay for this kind of damage, including salvage expense.

3. Additional Coverage Extensions. As respects coverage provided under this Equipment Breakdown Protection Endorsement only, the following is added:

Coverages as may be provided elsewhere in this policy for the following coverages are extended to include loss and expense resulting from a "Breakdown" to "Covered Equipment", subject to the Limits of Insurance shown below. Such Limits are in addition to any Limits shown elsewhere in this policy. Such Limits are part of, not in addition to, the Limit per One Breakdown.

COVERAGE EXTENSIONS

- Brands and Labels
- Claim Expenses
- Contract Penalty Clause
- Consequential Damage
- Debris Removal
- Fish in Aquariums
- Guard Dogs
- Personal Effects
 - On Premises
 - Portable Electronic Equipment
 - Spouses
 - Worldwide
- Preservation of Property

LIMITS OF INSURANCE

- Included in Limit per One Breakdown
- \$10,000
- \$25,000
- Included in Limit shown in Declarations
- Included in Limit shown in Declarations
- \$1,000 per "One Breakdown"
- \$500 per dog; \$1,000 per "One Breakdown"
- \$25,000
- \$1,000
- \$500
- \$1,000
- Included in Limit per One Breakdown

B. EXCLUSIONS

1. As respects coverage provided under this Equipment Breakdown Protection Endorsement only, Exclusions B.2.a; B.2.d.(6); B.2.e. and Limitations C.1.a. and C.1.b. of the Causes Of Loss Form attached to this policy are deleted.
2. The following exclusions are added as respects coverage provided under this Equipment Breakdown Protection Endorsement only.
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. "Breakdown" resulting from or caused by capsizing, collapse, collision, upset or overturning of any mobile "Covered Equipment", the vehicle or floating vessel by which the mobile "Covered Equipment" is transported or the platform or other base on which the mobile "Covered Equipment" is positioned.
 - b. Depletion, deterioration, corrosion, erosion, wear and tear, and rust. However, if a "Breakdown" ensues, we will pay the ensuing loss or damage not otherwise excluded.
 - c. Earth Movement including, but not limited to, earthquake; landslide; land subsidence; mine subsidence; sinkhole collapse; or volcanic action; or other rising or shifting of earth that results from, contributes to, or is aggravated by any of the above, all whether naturally occurring or due to man-made or other artificial causes.
 - d. An explosion. However, we will pay for direct loss or damage caused by an explosion of "Covered Equipment" of the following kind:
 - (1) Steam boiler; electric steam generator; steam piping; steam turbine; steam engine; or
 - (2) Gas turbine or any other moving or rotating machinery, when such explosion is caused by centrifugal force or mechanical breakdown.
 - e. Fire, including smoke, and water or other means used to extinguish a fire even when the attempt is unsuccessful.
 - f. "Fungus", wet rot and dry rot, and bacteria except as provided under Coverage Extensions, j. "Fungus", Wet Rot, Dry Rot and Bacteria – Limited Coverage
 - g. Specified Perils
Loss caused by or resulting from: aircraft; civil commotion; collapse; combustion explosion; freezing caused by cold weather; hail; impact of aircraft, missile or vehicle; lightning; molten

material; objects falling from aircraft or missiles; riot; smoke; vandalism; vehicles; weight of snow, ice or sleet; or windstorm.

However, we will pay for a "Breakdown" to "Covered Equipment" if one of the perils listed above occurs away from the Covered Premises described in the Equipment Breakdown Protection Schedule, and causes an electrical surge or other electrical disturbance that comes through utility transmission lines, if such electrical surge or disturbance is not covered elsewhere in this Policy.

h. Testing

Any "Breakdown" to "Covered Equipment" that takes place while the "Covered Equipment" is undergoing a test which subjects the "Covered Equipment" to greater than maximum allowable operating conditions as identified by the manufacturer of the "Covered Equipment".

i. Water

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

(2) Mudflow or mudslides; or

(3) Water damage caused by backup of sewers, drains, or drainage piping, all whether naturally occurring or due to manmade or other artificial causes.

However, we will pay the expenses you incur to dry out electrical "Covered Equipment" resulting from such causes of loss. We will not pay for any other resulting loss or expense.

j. Water damage caused by the discharge or leakage of a sprinkler system, sewer piping or domestic water piping, unless such discharge or leakage is the direct result of a "Breakdown" to "Covered Equipment". The most we will pay for such water damage is the Limit of Insurance shown in the Equipment Breakdown Protection Schedule for Water Damage.

k. With respect to Business Income, Extra Expense or Utility Services-Time Element coverages, the following additional exclusions will apply:

(1) The business that would not or could not have been carried on if the "Breakdown" had not occurred; or

(2) Your failure to use due diligence and dispatch to operate your business as nearly normal as practicable at the Covered Premises shown in the Equipment Breakdown Protection Schedule; or

(3) The suspension, lapse or cancellation of a contract following a "Breakdown" to "Covered Equipment" extending beyond the time business could have resumed if the contract had not lapsed, been suspended or cancelled.

l. With respect to Utility Services-Spoilage and Utility Services-Time Element coverages, the following additional exclusions will apply:

(1) Acts of sabotage;

(2) Deliberate act(s) of load shedding by the supplying or distributing utility.

C. LIMITS OF INSURANCE

As respects coverage provided under this Endorsement only, the following is added:

1. The most we will pay for loss and expense arising from any "One Breakdown" is the amount shown as the "Limit per One Breakdown" in the Equipment Breakdown Protection Schedule. This limit applies to all coverages under Section A – Coverage, including Coverage Extensions.
2. The Limit of Insurance under each of the Coverage Extensions for loss or expense arising from any "One Breakdown" is the amount shown in the Equipment Breakdown Protection Schedule for the applicable Coverage Extension. If two or more limits apply to the same portion of a loss the most we will pay is the smallest applicable Limit of Insurance.

3. The most we will pay for physical damage caused by a "Breakdown" to "Diagnostic Equipment" is \$250,000 for any single piece of equipment, unless another Limit is shown in the Equipment Breakdown Protection Schedule. This limit is part of, not in addition to, the Property Damage Limit shown in the Equipment Breakdown Protection Schedule.

D. DEDUCTIBLES

As respects coverage provided under this Endorsement only, the following shall apply:

1. Application of Deductibles

We will not pay for loss or damage resulting from any "One Breakdown" until the amount of covered loss or damage exceeds the deductible shown in the Equipment Breakdown Protection Schedule. We will then pay the amount of covered loss or damage in excess of the deductible, up to the applicable Limit of Insurance.

Deductibles apply separately for each applicable coverage except if:

- a. A deductible is shown as Combined for any of the coverages in the Equipment Breakdown Protection Schedule, then we will first subtract the combined deductible amount from the aggregate amount of any loss to which the combined deductible applies; or
- b. More than one "Covered Equipment" is involved in "One Breakdown", then only one deductible, the highest, shall apply to each of the applicable coverages.

2. Determination of Deductibles

a. Dollar Deductible

If a dollar deductible is shown in the Equipment Breakdown Protection Schedule, we will first subtract the deductible amount from a loss we would otherwise pay.

b. Multiple per Unit Deductible

If a multiple of units is shown in the Equipment Breakdown Protection 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.)

c. Time Deductible

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

d. Multiple of Daily Value Deductible

If a multiple of daily value is shown in the Equipment Breakdown Protection Schedule, this deductible will be calculated as follows:

- (1) For the entire Covered Premises 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.
- (2) 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.
- (3) Multiply the daily value in Paragraph (2) by the number of daily value multiples shown in the Equipment Breakdown Protection 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.

e. Percentage of Loss Deductible

If a deductible is expressed as a percentage of loss in the Equipment Breakdown Protection Schedule, we will not be liable for the indicated percentage of the gross amount of loss or

damage (prior to the applicable deductible or coinsurance) insured under the applicable coverage.

f. Minimum Or Maximum Deductible

- (1) If a minimum dollar amount deductible is shown in the Equipment Breakdown Protection Schedule; and 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 Equipment Breakdown Protection Schedule will be the applicable deductible.
- (2) If a maximum dollar amount deductible is shown in the Equipment Breakdown Protection Schedule; and 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 Equipment Breakdown Protection Schedule will be the applicable deductible.

E. CONDITIONS

As respects coverage provided under this Equipment Breakdown Protection Endorsement only, the following shall apply:

1. Jurisdictional Inspection

At your option, we will provide certificate-of-operation inspection services for boilers and other pressure vessels where:

- (1) You have notified us of equipment that is insured under this Coverage Part and that requires a certificate-of-operation;
- (2) The certificate-of-operation is required by state, city or provincial law; and
- (3) The state, city or provincial law permits inspections by insurance company employees.

Certificate-of-operation inspection services shall be provided only in the United States of America, Puerto Rico and Canada as allowed by state, city or provincial law.

2. Suspension:

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 Equipment Breakdown Protection 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. Once suspended in this way, your coverage can be reinstated only by an endorsement for that "Covered Equipment".

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.

3. Valuation

- a. We will pay the amount you spend to repair or replace "Covered Property" with other property of like kind, quality and capacity if such "Covered Property" is directly damaged by a "Breakdown" to "Covered Equipment". Our payment will be the smallest of:

- (1) The cost to repair the damaged property; or
- (2) The cost to replace the damaged property; or
- (3) The amount you actually spend that is necessary to repair or replace the damaged property.

But we will not pay for such damaged property that is obsolete or useless to you.

- b. New Generation

If "Covered Equipment" cannot be repaired or the cost to repair is more than the cost to replace, and the damage to the "Covered Equipment" equals or exceeds 100% of the actual cash value of the "Covered Equipment", you may choose to apply the following provision.

New Generation Coverage – If you want to replace damaged “Covered Equipment” with a newer generation “Covered Equipment” of the same capacity, we will pay up to 25% more than “Covered Equipment” of like kind, quality and capacity would have cost at the time of the “Breakdown”.

With regard to newer generation of “Computer Equipment”, if you choose to upgrade that equipment, we will pay for the expenses you incur to convert your “electronic data” and “media” to the upgraded system.

- c. Except for New Generation Coverage, you must pay the extra cost of replacing damaged property with property of a better kind or quality or of a larger capacity.
- d. Brands and Labels
 - (1) If branded or labeled merchandise that is "Covered Property" is damaged by a "Covered Cause of Loss", we may take all or any part of the property at an agreed or appraised value. If we take such property, you may:
 - (a) Stamp the word SALVAGE on the merchandise or its containers if the stamp will not physically damage the merchandise; or
 - (b) Remove the brands or labels if doing so will not physically damage the merchandise. You must re-label the merchandise or its containers to comply with any law.
 - (2) We will pay the reasonable cost you incur to perform the activities described in paragraphs E.3.d.(1) (a) and (b) above.

However, if costs identified in paragraphs E.3.d.(1)(a) and (b) above are incurred as a result of damage as covered under the Hazardous Substance, Refrigerant Contamination or Water Damage coverage extensions, such costs will be a part of, not in addition to, the respective limits shown in the Equipment Breakdown Protection Schedule for the applicable coverage extension.
- e. Pair, Sets or Parts

As otherwise provided in this Policy.
- f. Spoilage Damage

We will determine the value of “Covered Property” under Spoilage Damage Coverage as follows:

 - (1) For raw materials, the replacement cost;
 - (2) For goods in process, the replacement cost of the raw materials, the labor extended and the proper proportion of overhead charges; and
 - (3) For finished goods, the selling price, as if no loss or damage had occurred, less any discounts you offered and expenses you otherwise would have had.
- g. Selling Price

Selling price valuation as otherwise provided in this Policy shall apply, except as specified in E.3.f. above.
- h. Warranty and Service Contract

If any damaged “Covered Property”, that is intended for your use, is protected by an extended warranty, or maintenance or service contract; and that warranty or contract becomes void or unusable due to a “Breakdown”; we will reimburse you for the prorated amount of the unused costs of non-refundable, non-transferable warranties or contracts.

F. DEFINITIONS

As respects coverage provided under this Endorsement only, the following are added:

- 1. “Breakdown”
 - a. “Breakdown” means the following direct physical loss that causes physical damage to “Covered Equipment” and necessitates its repair or replacement:

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

unless such loss or damage is otherwise excluded within this Policy or any Endorsement forming a part of this Policy.
- b. "Breakdown" does not mean or include:
 - (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) Functioning of any safety or protective device;
 - (6) Leakage at any valve, fitting, shaft seal, gland packing, joint or connection; or
 - (7) Malfunction including but not limited to adjustment, alignment, calibration, cleaning or modification.
- 2. "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".
- 3. "Computer Programs" means a set of related electronic instructions which direct the operations and functions of a computer or device connected to it, which enable the computer or device to receive, process, store, retrieve or send data.
- 4. "Covered Equipment"
 - a. "Covered Equipment" means any:
 - (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 or include any:
 - (1) Astronomical telescope, cyclotron used for other than medical purposes, nuclear reactor, particle accelerator used for other than medical purposes, 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) Equipment or any part of equipment manufactured by you for sale.
 - (5) 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;
 - (6) Insulating or refractory material;
 - (7) "Media";

- (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) "Power Generating Equipment", unless shown as Included in the Equipment Breakdown Protection Schedule;
 - (11) Pressure vessels and piping that are buried below ground and require the excavation of materials to inspect, remove, repair or replace;
 - (12) Structure, foundation, cabinet or compartment supporting or containing the "Covered Equipment" or part of the "Covered Equipment" including penstock, draft tube or well casing;
 - (13) 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.
5. "Covered Property", as used in this Endorsement only, means any property that you own, or is in your care, custody or control and for which you are legally liable, while located at the Covered Premises described in the Equipment Breakdown Protection Schedule.
"Covered Property" does not mean live mammals, fish, birds, reptiles or insects. It also does not mean eggs intended to become live mammals, fish, birds, reptiles or insects.
 6. "Diagnostic Equipment" means any machine or apparatus (other than astronomical telescopes, cyclotron, nuclear reactor or particle accelerator) used solely for research, diagnosis, medical, surgical, therapeutic, dental or pathological purposes.
 7. "Electronic Data" means information, facts or "Computer Programs" stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment.
 8. "Hazardous Substance" means any substance, other than ammonia, that has been declared to be hazardous to health by a governmental agency.
 9. "Media" means electronic data processing or storage material such as films, tapes, discs, drums or cells. However, "Media" does not include any hard disk drive that is an internal component of "Computer Equipment".
 10. "One Breakdown" means if an initial "Breakdown" causes other "Breakdowns", all will be considered "One Breakdown".
All "Breakdowns" at any one location that manifest themselves at the same time and are the result of the same cause will be considered "One Breakdown". If an initial "Breakdown" causes other "Breakdowns", all will be considered "One Breakdown".
 11. "Period of Restoration" means the period of time that:
 - (a) Begins at the time of the "Breakdown"; and
 - (b) When the damaged property at the Covered Premises described in the Schedule above could have been repaired or replaced with reasonable speed and similar quality.
 12. "Power Generating Equipment" means any pressure, mechanical or electrical equipment, machinery, apparatus used in, or associated with, the generation of electric power; but it does not include emergency power generating equipment less than or equal to 1000kw in capacity.

ALL OTHER TERMS AND CONDITIONS OF THIS POLICY REMAIN UNCHANGED.

LEGAL LIABILITY COVERAGE FORM

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

Throughout this Coverage Form 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**.

COVERAGE SUMMARY

Premises No. and Occupancy	Description of Property	Limit of Insurance
33	Building	\$ 1,000,000
33	Personal Property	1,000,000

A. Coverage

We will pay those sums that you become legally obligated to pay as damages because of direct physical **"loss"**, including loss of use, to Covered Property caused by accident and arising out of any Covered Cause of Loss. We will have the right and duty to defend any **"suit"** seeking those damages. But:

- (1) The amount we will pay for damages is limited as described in Section C., **Limits of Insurance**;
- (2) We may investigate and settle any claim or **"suit"** at our discretion; and
- (3) Our right and duty to defend end when we have used up the Limit of Insurance in the payment of judgments or settlements.

1. Covered Property

Covered Property, as used in this Coverage Form, means tangible property of others in your care, custody or control that is described in the Coverage Summary above.

2. Covered Causes of Loss

See the Causes of Loss Form.

3. Additional Coverage

Supplementary Payments. We will pay, with respect to any claim or **"suit"** we defend:

- a. All expenses we incur.
- b. The cost of bonds to release attachments, but only for bond amounts within our Limit of Insurance. We do not have to furnish these bonds.
- c. All reasonable expenses you incur at our request, including actual loss of earnings up to \$100 a day because of time off from work.
- d. All costs taxed against you in the **"suit"**.
- e. Prejudgment interest awarded against you on that part of the judgment we pay. If we make an offer to pay the Limit of Insurance, we will not pay any prejudgment interest based on that period of time after the offer.
- f. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within our Limit of Insurance.

This Additional Coverage is in addition to the Limits of Insurance provided by this Coverage Form.

4. Coverage Extensions

- a. **Additional Insureds.** If the Named Insured shown in the Declarations is a partnership or corporation, throughout this Coverage Form, the words **"you"** and **"your"** include partners, executive officers, trustees, directors and stockholders of such partnership or corporation, but only with respect to their duties as such.
- b. **Newly Acquired Organizations.** Throughout this Coverage Form, the words **"you"** and **"your"** also include any organization (other than a partnership or joint venture) you newly acquire or form and over which you maintain ownership or majority interest if there is no other similar insurance available to that organization.

This Coverage Extension ends:

- (1) 90 days after you acquire or form the organization; or
- (2) At the end of the policy period shown in the Declarations;

Whichever is earlier.

This Coverage Extension does not apply to direct physical **"loss"** that occurred before you acquired or formed the organization.

c. Newly Acquired Property

- (1) Covered Property, as used in this Coverage Extension, means tangible property of others that comes under your care, custody or control after the beginning of the current policy period. This Extension is subject to the following:
 - (a) All terms and conditions of this Coverage Form.
 - (b) Buildings or structures must be intended for:

- (i) Similar use as the buildings or structures described in the Coverage Summary; or
- (ii) Use as a warehouse.

The most we will pay as the result of any one accident for **"loss"** to the total of all buildings or structures covered under this Extension is 25% of the Legal Liability Limit of Insurance for buildings or structures shown in the Coverage Summary, but not more than \$500,000 at each premises.

(c) Personal Property must be at a premises:

- (i) That you own; or
- (ii) That is or comes under your care, custody or control;

Other than at fairs or exhibitions.

The most we will pay as the result of any one accident for **"loss"** to the total of all personal property covered under this Coverage Extension is 10% of the Legal Liability Limit of Insurance for personal property shown in the Coverage Summary, but not more than \$250,000 at each premises.

(2) Insurance under this Coverage Extension for each item of property of others will end when any of the following first occurs:

- (a)** This policy expires;
- (b)** 30 days expire after the property has come under your care, custody or control; or
- (c)** You report values to us.

We will charge you additional premium for values reported from the date the property comes under your care, custody or control.

This Coverage Extension does not apply to direct physical **"loss"** that occurred before the property came under your care, custody or control.

This Coverage Extension is in addition to the applicable Limits of Insurance provided by this Coverage Form.

B. Exclusions

See the Causes of Loss Form.

C. Limits of Insurance

The most we will pay in damages as the result of any one accident is the applicable Limit of Insurance shown in the Coverage Summary.

The existence of one or more:

1. Additional Insureds, or
2. Newly Acquired Organizations,

Does not increase the Limit of Insurance.

D. Loss Conditions

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

1. Duties In The Event Of Accident, Claim or Suit

- a. You must see to it that we are notified promptly of any accident that may result in a claim. Notice should include:

- (1) How, when and where the accident took place; and
- (2) The names and addresses of any witnesses.

Notice of an accident is not notice of a claim.

- b. If a claim is made or **"suit"** is brought against you, you must see to it that we receive prompt written notice of the claim or **"suit"**.

- c. You must:

- (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or **"suit"**;
- (2) Authorize us to obtain records and other information;
- (3) Cooperate with us in the investigation, settlement or defense of the claim or **"suit"**; and
- (4) Assist us, upon our request, in the enforcement of any right against any person or organization that may be liable to you because of damage to which this insurance may also apply.

- d. You will not, except at your own cost, voluntarily make a payment, assume any obligation, or incur any expense without our consent.

2. Legal Action Against Us

No person or organization has a right under this Coverage Form:

- a. To join us as a party or otherwise bring us into a **"suit"** asking for damages from you; or
- b. To sue us on this Coverage Form unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against you obtained after an actual trial; but we will not be liable for damages that are not payable under the terms of this Coverage Form or that are in excess of the Limit of Insurance. An agreed settlement means a settlement and release of liability signed by us, you and the claimant or the claimant's legal representative.

3. Other Insurance

You may have other insurance covering the same **"loss"** as the insurance under this Coverage Form. If you do, we will pay our share of the covered **"loss"**. Our share is the proportion that the Limit of Insurance under this Coverage Form covering such **"loss"** bears to the Limits of Insurance of all insurance covering the **"loss"**.

4. Transfer Of Rights Of Recovery Against Others To Us

If you have rights to recover all or part of any payment we have made under this Coverage Form, those rights are transferred to us. You must do nothing after **"loss"** to impair them. At our request, you will bring **"suit"** or transfer those rights to us and help us enforce them.

E. Additional Conditions

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

1. Amendment of Commercial Property Conditions

None of the Commercial Property Conditions apply to this Coverage Form, except:

- a. Condition **A.**, Concealment, Misrepresentation and Fraud;
- b. Condition **C.**, Insurance Under Two or More Coverages; and
- c. Condition **E.**, Liberalization.

2. Bankruptcy

Bankruptcy or insolvency of you or your estate will not relieve us of our obligations under this Coverage Form.

3. Policy Period, Coverage Territory

Under this Coverage Form:

- a. We will pay for **"loss"** caused by an accident:
 - (1) During the Policy Period shown in the Premier Property Program Declarations; and
 - (2) Within the Coverage Territory.
- b. The Coverage Territory is:
 - (1) The United States of America; and
 - (2) Canada.

4. Separation Of Insureds

The insurance under this Coverage Form applies separately to you and each additional insured, except with respect to the Limits of Insurance.

F. Definitions

- 1. **"Loss"** means accidental loss or damage.
- 2. **"Suit"** includes an arbitration proceeding to which you must submit or submit with our consent.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL EXCLUSIONS

This endorsement modifies coverage provided under the following:

UltimateCover Program Policy

SCHEDULE

☐ **Description of Property Not Covered**

The item or items marked below by an "**X**" are added to paragraph **A.2.**, Property Not Covered of the Property Coverage Form:

☐ Contractors Equipment

☐ Fine Arts

☒ Other (describe)

PI-CIM-010 ; PI-CIM-032 ; PI-CIM-053

☐ Property in transit by the following mode(s) of transportation:

☐ Property at the following location(s):

Location Address

☐ **Specific Cause(s) of Loss Excluded**

The following is added to section **B. Exclusions** of the Causes of Loss Form.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LIMITATIONS ON FUNGUS, WET ROT, DRY ROT AND BACTERIA

This endorsement modifies insurance provided under the following:

**PROPERTY COVERAGE FORM
CAUSES OF LOSS FORM**

I. CAUSES OF LOSS FORM, Section E. Additional Coverage Extensions is amended to include the following:

A. Coverage

1. We will pay for **"loss"** or damage by **"fungus,"** wet or dry rot or bacteria that is the result of fire or lightning.
2. a. We will also pay for loss or damage by **"fungus,"** wet or dry rot or bacteria that is the result of one or more of the following causes that occurs during the policy period. Coverage applies only if all reasonable means were used to save and preserve the property from further damage at the time of and after that occurrence.
 - (1) A **"specified cause of loss"** other than fire or lightning;
 - (2) Water that backs up or overflows from a sewer, drain or sump; or
 - (3) Water under the ground surface pressing on, or flowing or seeping through:
 - (a) Foundations, walls, floors or paved surfaces;
 - (b) Basements, whether paved or not;
 - (c) Doors, windows or other openings; or
 - (4) **"Flood,"** if the Flood Endorsement applies to the affected premises.
- b. The term loss or damage as used in Item 2.a. means:
 - (1) 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;
 - (2) 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
 - (3) 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 amount we will pay for coverage described in 2.a. above is limited as described in **B. Limits of Insurance** and **C. Additional Conditions – Business Income and/or Extra Expense**.

B. Limits of Insurance

1. The most we will pay for all **"loss"** or damage for coverage described in **A.1.** above is the Limit of Insurance for Covered Property shown in the Declarations.
2. a. The most we will pay for all loss or damage for coverage described in **A. 2.** above is limited to \$15,000:
 - (1) Regardless of the number of claims arising out of all occurrences which take place in a 12 month period, starting with the beginning of the present annual policy period; and
 - (2) Even if the **"fungus,"** wet or dry rot or bacteria continues to be present or active, or recurs in a later policy period.
- b. The \$15,000 Limit of Insurance is included within, and is not in addition to, the applicable Limit of Insurance for any Covered Property.
- c. 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 endorsement.
- d. The terms of this Limited Coverage do not increase or reduce the coverage provided under:
 - (1) Paragraph **D. Additional Coverage – Collapse;** or
 - (2) Paragraph **E. 1. Water Damage, Other Liquids, Powder or Molten Material Damage**
 In the **CAUSES OF LOSS FORM.**

C. Additional Conditions – Business Income and/or Extra Expense

Under Item **A. 2.** above, the following applies only if the 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 (WITH EXTRA EXPENSE) COVERAGE FORM:**

1. If the **"specified cause of 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.
2. 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 bacterial 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.

II. **CAUSES OF LOSS FORM,** Section **B. Exclusions,** is amended as follows:

A. Exclusion **2.d. (2)** is deleted in its entirety and replaced with the following:

- (2) Rust, corrosion, decay, deterioration, spoilage, contamination, hidden or latent defect or any quality in property that causes it to damage or destroy itself.

B. The following exclusions are added:

1. Unless as provided for in Section **I.A. Coverage** above, 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 a cause of loss covered by this endorsement, we will pay for the **"loss"** or damage caused by that covered cause of loss.

2. 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.

3. We will not pay under:

a. The **Ordinance or Law** coverage extension in the **PROPERTY COVERAGE FORM**; or

b. The **ORDINANCE OR LAW COVERAGE** endorsement, if it applies to this policy:

For:

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

III. **CAUSES OF LOSS FORM**, Section **C. Limitations**, Paragraph **3.** is deleted and replaced by the following:

3. We will not pay for **"loss"** to property in transit caused by or resulting from breakage; leakage; contamination; being spotted, discolored, frosted, rotted, soured, steamed, or changed in flavor.

But we will pay for such **"loss"** caused by: the **"specified causes of loss"**; an accident to the vehicle or railroad car carrying the Covered Property; burning, collision or crashing of the aircraft carrying the Covered Property; or the stranding, sinking, burning or collision of the vessel carrying the Covered Property.

IV. **CAUSES OF LOSS FORM**, Section **F. Definitions**, is amended by adding the following:

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LOSS OF INCOME DUE TO WORKPLACE VIOLENCE

This endorsement modifies and is subject to the insurance provided under the following:

ULTIMATECOVER PROGRAM - BUSINESS INCOME WITH EXTRA EXPENSE COVERAGE FORM

The following is added to **Section A. Coverage, 4. Additional Coverages:**

g. Workplace Violence

(1) Coverage:

Loss of Business Income:

We will pay for the actual loss of Business Income you sustain due to the suspension of your **“operations”** caused by any intentional use, or threat to use, deadly force by any person.

The most we will pay under this coverage is \$100,000.

Extra Expense:

Coverage is extended to include the cost of public relations consultants or other specialists to restore the insured's reputation following an incident of workplace violence. Additionally, coverage includes mental health counseling for employees.

The most we will pay under this coverage is \$5,000.

(2) Loss Determination:

Determination of the Business Income loss under this additional coverage will be calculated only for the location where the workplace violence occurred. Coverage will only be for the **“period of restoration”**.

Extra expense will apply even though operations have resumed. However, they will not apply after 60 days following the incident.

All other terms and conditions remain the same.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

**CAP ON LOSSES FROM CERTIFIED ACTS OF
TERRORISM**

This endorsement modifies insurance provided under the following:

**ULTIMATECOVER PROPERTY COVERAGE PART
ULTIMATECOVER CRIME COVERAGE PART**

A. Cap On Certified Terrorism Losses

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act, to be an act of terrorism pursuant to such act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:

1. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

B. Application Of Exclusions

The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for any loss which would otherwise be excluded under this Coverage Part or Policy, such as losses excluded by the Nuclear Hazard Exclusion or the War And Military Action Exclusion.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CHANGES – ELECTRONIC DATA

This endorsement modifies insurance provided under the following:

ULTIMATECOVER PROPERTY COVERAGE PART

- A.** Under this endorsement, electronic data means information, facts or computer programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs, referred to in the foregoing description of electronic data, means a set of related electronic instructions which direct the operations and functions of a computer or device connected to it, which enable the computer or device to receive, process, store, retrieve or send data. For the purpose of this endorsement, the term electronic data does not include your "stock" of prepackaged software.
- B.** This section, **B.**, and the following sections **C.** and **D.**, apply to the UltimateCover Property Coverage Form, Condominium Association Coverage Endorsement, Commercial Condominium Unit-Owner's Coverage Endorsement, and the UltimateCover Causes of Loss Form. Paragraphs **B.1.** and **B.2.** supersede any provisions relating to electronic data, electronic media or valuable papers or records, including any such provisions under Property Not Covered, Coverage Extensions, Valuation Conditions or Limitations in the aforementioned forms.
- 1.** Covered Property does not include electronic data, except as provided below in **C.**, Limited Coverage – Electronic Data.
 - 2.** Covered Property does not include 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. However, limited coverage for valuable papers and records, other than those which exist as electronic data, is provided below in **D.**, Limited Coverage – Valuable Papers And Records (Other Than Electronic Data).
- C. Limited Coverage – Electronic Data**
- 1.** Subject to the provisions of this Limited 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.
 - 2.** The Covered Causes of Loss applicable to Your Business Personal Property apply to this Limited Coverage – Electronic Data, subject to the following:
 - a.** If the Ultimate Cover Causes of Loss Form applies, coverage under this Limited 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 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 Limited Coverage – Electronic Data.
 - c.** The Covered Causes of Loss include a virus, harmful code or similar instruction introduced into or enacted on a computer system (including electronic data) or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation. But there is no coverage for loss or damage caused by or resulting from manipulation of a computer system (including electronic data) by any employee, including a temporary or leased employee, or by an entity retained by you or for you to inspect, design, install, modify, maintain, repair or replace that system.

3. The most we will pay under this Limited Coverage – Electronic Data is \$250,000 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.

D. Limited Coverage – 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 Limited Coverage does not apply to valuable papers and records which exist as electronic data.
2. If the Ultimate Cover Causes of Loss Form applies, coverage under this Limited Coverage is limited to the "specified causes of loss" as defined in that Form, and Collapse as set forth in that Form.
3. Under this Limited Coverage, the most we will pay to replace or restore the lost information is \$250,000 at each described premises. 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.

- E.** With respect to the UltimateCover Business Income and/or Extra Expense Coverage Forms, the following exclusion is added:

Exclusion – Interruption Of Computer Operations

1. 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 below in **F.**, Limited Coverage – Interruption Of Computer Operations.

2. 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 below in **F.**, Limited Coverage – Interruption Of Computer Operations.

F. Limited Coverage – Interruption Of Computer Operations

This Limited Coverage applies only to the UltimateCover Business Income and/or Extra Expense Coverage Forms.

1. Subject to all provisions of this Limited Coverage, you may extend the insurance that applies to Business Income and/or 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.
2. With respect to the coverage provided under this Limited Coverage, the Covered Causes of Loss are subject to the following:
 - a. If the Ultimate Cover Causes of Loss Form applies, coverage under this Limited 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 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 Limited Coverage – Interruption Of Computer Operations.
 - c. The Covered Causes of Loss include a virus, harmful code or similar instruction introduced into or enacted on a computer system (including electronic data) or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation. But there is no coverage for 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.

3. The most we will pay under this Limited Coverage -Interruption Of Computer Operations is \$250,000 for the total of all loss sustained and/or 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.
4. This Limited 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 3. above has not been exhausted.
- G. Under the Legal Liability Coverage Form, Covered Property does not include electronic data.
- H. If this policy is endorsed to cover damage to Covered Property or Business Income loss or Extra Expense caused by or related to interruption in utility service, such coverage does not apply to destruction or corruption of (or any loss or damage to) electronic data.
- I. If this policy is endorsed to cover Business Income loss or Extra Expense related to "suspension" of "operations" due to loss or damage to a "dependent property", such coverage does not apply when the only loss to "dependent property" is destruction or corruption of (or any loss or damage to) electronic data. If the "dependent property" sustains loss or damage to electronic data and other property, coverage under the "dependent property" endorsement will not continue once the other property is repaired, rebuilt or replaced.

P

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EARTHQUAKE SPRINKLER LEAKAGE ENDORSEMENT

This endorsement modifies insurance provided under the following:

**CAUSES OF LOSS FORM
PROPERTY COVERAGE FORM
BUSINESS INCOME COVERAGE FORM
BUSINESS INCOME WITH EXTRA EXPENSE COVERAGE FORM
EXTRA EXPENSES COVERAGE FORM**

SCHEDULE

Limits of Insurance

Any One Covered Premises	\$	1,000,000
All Covered Premises in Any Single Policy Year	\$	1,000,000

Coverage Applies At Locations:
1-1, 1-2, 1-3, 1-5, 1-7, 29-1, 33-1

Dollar Deductible	\$	25,000
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Percentage Deductible

Special Earthquake Sprinkler Leakage Provision, if Any:

A. Coverage

The following is included as a covered cause of loss:

Earthquake Sprinkler Leakage, meaning Sprinkler Leakage loss or damage caused by Earthquake or Volcanic Eruption, Explosion or Effusion.

All earthquake shocks or Volcanic Eruptions that occur within a 168-hour period will constitute a single Earthquake or Volcanic Eruption. The expiration of this policy will not reduce the 168-hour period.

B. Exclusions

For coverage provided under this endorsement only, the **CAUSES OF LOSS FORM** is revised as follows:

1. The following exclusions are added:

- a. We will not pay for any Earthquake Sprinkler Leakage loss or damage caused by or resulting from Earthquake Sprinkler Leakage that begins before the inception of this endorsement.

b. High Hazard Areas

- (1) Unless we agree in writing, we will not pay for any loss or damage arising out of direct physical **loss** to property at any premises in the states of Alaska or Hawaii.
- (2) We will not pay for such loss or damage, even if the premises location is specifically listed in a schedule of locations that is:
 - (a) Attached to this policy; or
 - (b) On file with us.

c. Unspecified or Newly Acquired Premises

- (1) We will not pay for any loss or damage arising out of direct physical **loss** to property at any premises that is not listed in a schedule of locations:
 - (a) Attached to this policy; or
 - (b) On file with us.
- (2) We will not pay for such loss or damage, even if a limit of insurance for personal property at premises not specifically identified is shown in the Declarations.
- (3) Coverage under this endorsement does not apply to:
 - (a) The Newly Acquired Property Coverage Extension in the **PROPERTY COVERAGE FORM**, if such newly acquired property is at any premises that is not listed in the schedule of locations; or
 - (b) The Newly Acquired Premises Coverage Extension in the **BUSINESS INCOME COVERAGE FORM**, **BUSINESS INCOME WITH EXTRA EXPENSE COVERAGE FORM** or the **EXTRA EXPENSES COVERAGE FORM**.

d. New Construction

(1) We will not pay for any loss or damage arising out of direct physical **loss** to

(a) **Buildings** or

(b) Additions to existing **buildings**

In the course of construction.

(2) Coverage under this endorsement does not apply to the New Construction Coverage Extension.

C. Limits of Insurance

1. The most we will pay in any one occurrence at Any One Covered Premises for the sum of:

a. All direct physical **loss** and

b. All loss of business income and all extra expenses incurred, if business income and extra expenses are covered by this policy;

Caused by or resulting from Earthquake Sprinkler Leakage is the Earthquake Sprinkler Leakage Limit of Insurance for Any One Covered Premises shown in the schedule above.

2. The most we will pay for the sum of all such **loss** occurrences caused by or resulting from Earthquake Sprinkler Leakage at all premises during each separate policy period is the Earthquake Sprinkler Leakage Limit of Insurance for All Covered Premises in Any Single Policy Year for covered locations shown in the schedule above.

3. This Endorsement does not increase the Limits of Insurance provided by this policy.

D. Deductible

1. Dollar Deductible

We will not pay for **loss** or damage caused by or resulting from Earthquake Sprinkler Leakage in any one occurrence until the total amount of the **loss** or damage exceeds the Dollar Deductible shown in the schedule above. We will then pay the amount of the **loss** or damage in excess of the Deductible, up to the applicable Earthquake Sprinkler Leakage Limit of Insurance shown in the schedule above, after any deduction required by any of the following:

a. Coinsurance Condition;

b. Agreed Value Optional Coverage; or

c. Reporting Endorsement.

2. Percentage Deductible

a. The provisions of paragraph **D.1.b.** are applicable to the **PROPERTY COVERAGE FORM**.

b. (1) All Policies

(a) We will not pay for direct physical **loss** caused by or resulting from Earthquake Sprinkler Leakage in any one occurrence until the amount of the **loss** exceeds the applicable Deductible amount. We will then pay the excess of that Deductible, up to the applicable Limit of Insurance shown in the Schedule of the Earthquake Sprinkler Leakage

Endorsement, after any reduction required by any of the following:

- (i) Coinsurance Condition;
- (ii) Agreed Value Optional Coverage; or
- (iii) Reporting Endorsement.

(b) A Deductible is calculated separately for, and applies separately to:

- (i) Each **building**, if two or more **buildings** sustain **loss**;
- (ii) The **building** and to personal property in that **building**, if both sustain **loss**;
- (iii) Personal property at each **building**, if personal property at two or more **buildings** sustains **loss**;
- (iv) Personal property in the open.

(2) Calculation of the Deductible - Specific Insurance

(a) Property Other Than "Stock Subject to the Reporting Endorsement"

In determining the amount, if any, that we will pay for **loss**, we will deduct an amount equal to a percentage (shown in the schedule above) of the limit(s) of insurance shown in the Property Coverage Part Declarations applicable to the property that has sustained **loss**.

(b) Stock Subject to the Reporting Endorsement

In determining the amount, if any, that we will pay for **loss**, we will deduct an amount equal to a percentage (shown in the schedule above) of the value(s) of the property that has sustained **loss**. The value(s) to be used are the latest value(s) shown in the most recent Report of Values on file with us.

However:

- (i) 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 date.
- (ii) If the first Report of Values is not filed with us prior to the **loss**, we will determine the deductible amount as a percentage of the applicable limit(s) of insurance.

(3) Calculation of the Deductible - Blanket Insurance**(a) Property Other Than "Stock Subject to the Reporting Endorsement"**

In determining the amount, if any, that we will pay for **loss**, we will deduct an amount equal to a percentage (shown in the schedule above) of the value(s) of the property that has sustained **loss**. The value(s) to be used are those shown in the most recent Statement of Values on file with us.

(b) Stock Subject to the Reporting Endorsement

In determining the amount, if any, that we will pay for **loss**, we will deduct an amount equal to a percentage (shown in the schedule above) of the value(s) of the property that has sustained **loss** as of the time of the **loss**.

c. Business Income

The following apply to the **BUSINESS INCOME COVERAGE FORM** and the **BUSINESS INCOME WITH EXTRA EXPENSE COVERAGE FORM**:

The definition of the **period of restoration** for Business Income coverage is amended to begin 168 hours after the time of direct physical **loss**.

d. Examples - Application of Deductibles in D.1.b.:**Example 1 - Specific Insurance (D.1.b.(2)(a))**

The amount of **loss** to the damaged building is \$60,000.

The value of the damaged building at the time of the **loss** is \$100,000. The Coinsurance percentage shown in the Declarations is 80%; the minimum limit of insurance needed to meet the coinsurance requirement is \$80,000 (80% of \$100,000).

The actual Limit of Insurance of the damaged building is \$70,000.

The Deductible is 5%.

Step (1):	\$70,000	÷	\$80,000	=	.875
Step (2):	\$60,000	X	.875	=	\$52,500
Step (3):	\$70,000	X	5%	=	\$3,500
Step (4):	\$52,500	–	\$3,500	=	\$49,000

The most we will pay is \$49,000. The remainder of the **loss**, \$11,000, is not covered due to the Coinsurance penalty for the inadequate insurance (steps (1) and (2)) and the application of the Deductible (steps (3) and (4)).

Example 2 - Specific Insurance (D.1.b.(2)(a))

The amounts of **loss** to the damaged property are \$60,000 (building) and \$40,000 (business personal property in building).

The value of the damaged building at the time of **loss** is \$100,000. The value of the business personal property in that building is \$80,000. The Coinsurance percentage shown in the Declarations is 80%; the minimum limits of insurance needed to meet the coinsurance

requirement are \$80,000 (80% of \$100,000) for the building and \$64,000 (80% of \$80,000) for the business personal property.

The actual limits of insurance on the damaged property are \$80,000 on the building and \$64,000 on the business personal property (therefore no Coinsurance penalty).

The Deductible is 10%.

Building

Step (1): \$80,000 X 10% = \$8,000

Step (2): \$60,000 – \$8,000 = \$52,000

Business Personal Property

Step (1): \$64,000 X 10% = \$6,400

Step (2): \$40,000 – \$6,400 = \$33,600

The most we will pay is \$85,600. That portion of the total **loss** not covered due to application of the Deductible is \$14,400.

Example 3 - Blanket Insurance (D.1.b.(3)(a))

The sum of the values of Building #1 (\$500,000), Building #2 (\$500,000) and Building #3 (\$1,000,000), as shown in the most recent Statement of Values on file with us, is \$2,000,000.

The Coinsurance percentage shown in the Declarations is 90%; the minimum Blanket Limit of Insurance needed to meet the Coinsurance Requirement is \$1,800,000 (90% of \$2,000,000).

The actual Blanket Limit of Insurance covering Buildings #1, #2 and #3, shown in the Declarations, is \$1,800,000 (therefore no Coinsurance Penalty).

Buildings #1 and #2 have sustained damage; the amount of the **loss** to these buildings is \$40,000 (Building #1) and \$60,000 (Building #2).

The Deductible is 5%.

Building 1

Step (1): \$500,000 X 5% = \$25,000

Step (2): \$40,000 – \$25,000 = \$15,000

Building 2

Step (1): \$500,000 X 5% = \$25,000

Step (2): \$60,000 – \$25,000 = \$35,000

The most we will pay is \$50,000. That proportion of the total **loss** not covered due to application of the Deductible is \$50,000.

Example 4 - Blanket Insurance (D.1.b.(3)(a))

The sum of the values of Building #1 (\$500,000), Building #2 (\$500,000), Business Personal Property at Building #1 (\$250,000) and Business Personal Property at Building #2 (\$250,000), as shown in the Statement of Values on file with us, is \$1,500,000.

The Coinsurance percentage shown in the Declarations is 90%; the minimum Blanket Limit of Insurance needed to meet the coinsurance requirement is \$1,350,000 (90% of \$1,500,000).

The actual Blanket Limit of Insurance covering Buildings #1 and #2 and Business Personal Property at Buildings #1 and #2, shown in the Declarations, is \$1,350,000 (therefore no Coinsurance penalty).

Building #1 and Business Personal Property at Building #1 have sustained damage; the amounts of **loss** are \$95,000 (Building) and \$5,000 (Business Personal Property).

The Deductible is 10%.

Building

Step (1): \$500,000 X 10% = \$50,000.

Step (2): \$95,000 – \$50,000 = \$45,000.

Business Personal Property

Step (1): \$250,000 X 10% = \$25,000.

The **loss**, \$5,000, does not exceed the deductible.

The most we will pay is \$45,000. The remainder of the building **loss**, \$50,000, is not covered due to application of the Deductible. There is no loss payment for the business personal property.

E. Definitions

1. **Blanket insurance** means insurance that covers two or more items of insurance (for example a building and personal property in that building or two buildings) under a single limit of insurance. Items of insurance and corresponding limit(s) of insurance are shown in the Declarations or in the Blanket Limits endorsement.
2. **Buildings** means buildings or structures.
3. **Loss** means accidental loss or damage.
4. **Specific insurance** means insurance that covers each item of insurance (for example, each building or personal property in a building) under a separate limit of insurance. Items of insurance and corresponding limits(s) are shown in the Declarations.
5. **Stock** means:
 - a. **Finished Stock** means property that you manufactured or processed which in the ordinary course of your business is ready for packing, shipment or sale.
 - b. **Merchandise** means goods kept for sale by you that are not the product of your manufacturing or processing operations.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**COLLAPSE – EXCLUSION AND ADDITIONAL COVERAGE
RE-STATED**

This endorsement modifies insurance provided under the following:

CAUSES OF LOSS FORM

I. Section **B. Exclusions, 2.i.** is deleted in its entirety and replaced with the following:

- i. 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 i. 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.

II. Section **D. Additional Coverage – Collapse** is deleted in its entirety and replaced with the following:

D. Additional Coverage – Collapse

The coverage provided under this Additional Coverage – Collapse, applies only to an abrupt collapse as described and limited in **D.1.** through **D.7.**

1. For the purpose of this Additional Coverage – Collapse, abrupt collapse means an abrupt falling down or caving in of a ☐building☐ or any part of a ☐building☐ with the result that the ☐building☐ or part of the ☐building☐ cannot be occupied for its intended purpose.
2. We will pay for direct physical ☐loss☐ or damage to Covered Property, caused by abrupt collapse of a ☐building☐ or any part of a ☐building☐ that is insured under this Coverage Form or that contains Covered Property insured under this Coverage Form, if such collapse is caused by one or more of the following:

- a. **Building** decay that is hidden from view, unless the presence of such decay is known to an insured prior to collapse;
 - b. Insect or vermin damage that is hidden from view, unless the presence of such damage is known to an insured prior to collapse;
 - c. Use of defective material or methods in construction, remodeling or renovation if the abrupt collapse occurs during the course of the construction, remodeling or renovation;
 - d. Use of defective material or methods in construction, remodeling or renovation if the abrupt collapse occurs after the construction, remodeling or renovation is complete, but only if the collapse is caused in part by:
 - (1) A cause of loss listed in **2.a.** or **2.b.**;
 - (2) One or more of the **specified causes of loss**;
 - (3) Breakage of **building** glass;
 - (4) Weight of people or personal property; or
 - (5) Weight of rain that collects on a roof.
3. This Additional Coverage – Collapse does not apply to:
- a. A **building** or any part of a **building** that is in danger of falling down or caving in;
 - b. A part of a **building** that is standing, even if it has separated from another part of the **building**; or
 - c. A **building** that is standing or any part of a **building** that is standing, even if it shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.
4. With respect to the following property:
- a. Outdoor radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers;
 - b. Awnings, gutters and downspouts;
 - c. Yard fixtures;
 - d. Outdoor swimming pools;
 - e. Fences;
 - f. Piers, wharves and docks;
 - g. Beach or diving platforms or appurtenances;
 - h. Retaining walls; and
 - i. Walks, roadways and other paved surfaces;

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

(1) Such **loss** or damage is a direct result of the abrupt collapse of a **building** insured under this Coverage Form; and

(2) The property is Covered Property under this Coverage Form.

5. If personal property abruptly falls down or caves in and such collapse is not the result of abrupt collapse of a **building**, we will pay for **loss** or damage to Covered Property caused by such collapse of personal property only if:
 - a. The collapse of personal property was caused by a cause of loss listed in **2.a.** through **2.d.**;
 - b. The personal property which collapses is inside a **building**; and
 - c. The property which collapses is not of a kind listed in **4.**, regardless of whether that kind of property is considered to be personal property or real property.

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

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**EQUIPMENT BREAKDOWN - SEPARATE DEDUCTIBLE
ENDORSEMENT**

This endorsement modifies insurance provided under the following:

PROPERTY COVERAGE FORM

- A.** When any Equipment Breakdown Endorsement is attached to the policy, deductibles apply separately for each applicable coverage as shown in the Equipment Breakdown Endorsement except if:
1. A deductible is shown as combined or included within another deductible for any of the coverages in these endorsements, then we will first subtract the combined deductible amount from the aggregate amount of any **loss** to which the combined deductible applies; or
 2. More than one **covered equipment** is involved in **one breakdown**, then only one deductible, the highest, shall apply for each of the applicable coverages.
- B.** The last sentence in **D. Deductible** does not apply whenever:
1. there is a covered property **loss** in the Property Coverage Form; and
 2. a covered equipment breakdown **loss** in any Equipment Breakdown Endorsement for the same occurrence.

Instead,:

1. the applicable property **loss** deductible will apply to the property **loss**; and
2. the applicable equipment breakdown **loss** deductible will apply to the equipment breakdown **loss** for the same occurrence.

This language supersedes anything to the contrary.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**ELITE PROPERTY ENHANCEMENT:
HUMAN SERVICES**

This endorsement modifies insurance provided under the following:

**PROPERTY COVERAGE FORM
BUSINESS INCOME WITH EXTRA EXPENSE COVERAGE FORM
CAUSES OF LOSS FORM**

I. Schedule of Coverages and Limits

The following is a summary of increased Limits of Insurance, additional coverages and/or coverage extensions provided by this endorsement. This endorsement is subject to the provisions of your policy.

Coverage Applicable	Limit of Insurance	Page <input type="checkbox"/>
Covered Property		
Business Personal Property	Within 1600 feet	3
Fine Arts	Limits ≤ \$50,000 not required to be scheduled	3
Garages and Storage Sheds	\$5,000	3
Additional Coverages		
Automated External Defibrillators (AEDs)	\$5,000	4
Claim Expenses	\$50,000	4
Emergency Vacating Expense	\$25,000	4
Green Consultant Expense Coverage	\$5,000	5
Joint or Disputed Loss Agreement	Included	5
Lease Cancellation Moving Expenses	\$5,000	7
Coverage Extensions		
Business Income with Extra Expense Mobile Shredding/Mobile Medical Units Civil Authority Contingent Business Property	\$300,000 Included in BI/EE limit Included in BI/EE limit Included in BI/EE limit	7
Damage to Property of Home Care Providers	\$50,000	9
Excavations, Landscaping and Other Outdoor Property	\$50,000	10
Fire Extinguisher Recharge (Portable Extinguishers)	\$25,000	10
Lost Key Replacement	\$10,000	10
Mobile Medical Equipment	\$15,000	11
New Construction	180 Days	11
Ordinance or Law – Demolition Cost Ordinance or Law – Increased Cost of Construction	\$500,000 \$500,000	11
Personal Effects	\$50,000	11
Money and Securities of Your Residents or Clients	\$5,000	11
Residential Room Reserve	\$100,000	12
Reward Reimbursement	\$50,000	12
Spoilage	1600 feet, \$50,000	12

Coverage Applicable	Limit of Insurance	Page <input type="checkbox"/>
Loss Conditions		
Vacancy Clause Modification	90 Days	13
Exclusion Amendments		
Earthquake Sprinkler Leakage	\$30,000	13
Flood (exception for Additional Coverage – Water)	Amended	13
Dampness/Extremes of Temperature	Exclusion removed	13
Limitations		
Furs	\$10,000	13
Precious Metals	\$25,000	13
Causes of Loss Additional Coverage		
Water Coverage	\$30,000	13
Causes of Loss Additional Coverage Extensions		
Utility Services – Direct Damage	\$50,000	14
Business Income Additional Coverages		
Extended Business Income	180 Days	14
Utility Service Interruption	Included	14

II. Conditions

A. Applicability of Coverage

Coverage provided in forms attached to your policy is amended by this endorsement where applicable. If two or more coverages apply to the same ☐loss,☐the broader coverage and only the broader coverage, will apply.

B. Limits of Insurance

1. When coverage is provided by this endorsement and another coverage form attached to this policy, the greater Limits of Insurance will apply. In no instance will multiple limits apply to coverages which may be duplicated within this policy.
2. Limits of Insurance identified herein are not excess of, or in addition to, Limits of Insurance provided by the coverage or Causes of Loss forms applicable to this endorsement, unless otherwise stated.
3. Coverage provided by this endorsement is considered to be on an occurrence basis (not on a per location basis), unless otherwise specified.
4. The deductible listed in the Property Declarations will apply unless specific deductible provisions are set forth under any Additional Coverage or Coverage Extension.

C. Adjusters' Fees

Coverages provided herein are not applicable to the generation of fees you may incur by retaining a public adjuster or appraiser.

D. Applicability of Exclusions

Specific exclusionary endorsements attached to the policy supersede coverage provisions contained in this endorsement.

E. Requirement for Covered Causes of Loss

Except where a specific Covered Cause of Loss is identified in this endorsement, coverage for the ☐losses☐ described herein are applicable only for Covered Causes of Loss as designated in the **CAUSES OF LOSS FORM** attached to the policy.

F. Other Insurance

If there is other insurance under a separate policy covering the same ☐loss☐ as provided for in this endorsement, we will pay only for the amount of covered ☐loss☐ in excess of the amount due from that other insurance, regardless of whether you are able to collect. However, we will not pay more than the applicable Limit of Insurance.

III. Covered Property

In the **PROPERTY COVERAGE FORM**, Section **A. Coverage** is amended as follows:

- A. Paragraph 1. Covered Property, a. Your Business Personal Property, Item (1)** is deleted in its entirety and replaced with the following:

- (1) Located in or on the ☐buildings☐ described in the Declarations or within 1,600 feet of the described premises;

B. Fine Arts

1. Paragraph 1. **Covered Property, a. Your Business Personal Property, Item (d) ☐Fine Arts☐** is deleted in its entirety and replaced with the following:

- (d) ☐Fine Arts☐

If the total value of ☐Fine Arts☐ is over \$50,000, they must be listed in a schedule on file with us;

2. Paragraph 2. **Property Not Covered, o. ☐Fine Arts☐** is deleted in its entirety and replaced with the following:
- o. ☐Fine Arts☐, if the total value of such property is greater than \$50,000, unless such property is listed in a schedule on file with us;

C. Garages and Storage Sheds

Paragraph 1. **Covered Property, b. ☐Buildings☐** is amended by adding the following:

- (12) ☐Buildings☐ also include garages and storage sheds located at the premises described in the Declarations.

The most we will pay under this Coverage Extension is \$5,000 for all garages and storage sheds combined.

IV. Additional Coverages

The following are added to or are amended under the **PROPERTY COVERAGE FORM**, Section **A. Coverage, 4. Additional Coverages**:

A. Automated External Defibrillators

Automated external defibrillators (AEDs) are considered Covered Property.

We will pay for direct physical **loss** to automated external defibrillators (AEDs) at the premises described in the Declarations. The most we will pay for **loss** under this coverage is limited to \$5,000 for any one occurrence, which is in addition to the Business Personal Property Limit stated in the Declarations.

B. Claim Expenses

Paragraph **o. Claim Expenses** is deleted in its entirety and replaced with the following:

o. Claim Expenses

Coverage is extended to cover all reasonable expenses your incur, excluding those for public adjusters and appraisers, to investigate a claim, record information, compile inventories, or obtain appraisals we require to comply with the loss conditions of this Coverage Part.

We will not pay for expenses to prove that **loss** is covered.

The most we will pay for **loss** under this Additional Coverage is \$50,000 for any one **loss** to Covered Property caused by a Covered Cause of Loss.

No deductible shall apply to this coverage.

C. Emergency Vacating Expense

1. The coverage provided by this policy is extended to apply to the reasonable packing and transportation expenses that you incur in the emergency vacating of the premises of your facility described in the Declarations, provided that vacating is necessary due to an emergency situation resulting from a Covered Cause of Loss.
2. For the purpose of this Additional Coverage, emergency means imminent danger arising from an external event or a condition in the facility which would cause loss of life or harm to occupants.
3. We will not pay for any expenses under this Additional Coverage arising out of:
 - a. A strike, bomb threat or false fire alarm, unless vacating is ordered by a civil authority;
 - b. A planned vacating drill; or
 - c. The vacating of one or more patients or residents that is due solely to their individual medical condition.

4. The most we will pay for emergency vacating expenses in any one occurrence under this Additional Coverage is \$25,000. The deductible for emergency vacating expenses is \$250 per occurrence.

No other exclusions in your policy apply to this Additional Coverage. However, specific exclusionary endorsements attached to the policy supersede coverage provisions contained in this endorsement.

D. Green Consultant Expense Coverage

In the event of a total **loss** to a covered **building** due to a covered cause of loss, and the **building** has been replaced and rebuilt as a LEED® (Leadership in Energy and Environmental Design) Certified Green Building, we will reimburse you up to \$5,000 for the service of a consultant for the design of the structure.

Prior to payment, construction of the replaced **building** must be completed and have a minimum of Silver Rating Level LEED® Green Building certification.

E. Joint or Disputed Loss Agreement

1. This coverage is intended to facilitate payment of insurance proceeds when:
 - a. Both a boiler and machinery policy and this commercial property policy are in effect;
 - b. Damage occurs to Covered Property that is insured by the boiler and machinery policy and this commercial property policy; and
 - c. There is disagreement between the insurers as to whether there is coverage or as to the amount of the **loss** to be paid, if any, by each insurer under its own policies.
2. This coverage does not apply if:
 - a. Both the boiler and machinery insurer(s) and we do not admit to any liability; and
 - b. Neither the boiler and machinery insurer(s) nor we contend that coverage applies under the other insurer's policy.
3. The provisions of this coverage apply only if all of the following requirements are met:
 - a. The boiler and machinery policy carried by the named insured, insuring the Covered Property, contains a similar provision at the time of the **loss**, with substantially the same requirements, procedures and conditions as contained in this endorsement;
 - b. The damage to the Covered Property was caused by a **loss** for which:
 - (1) Both the boiler and machinery insurer(s) and we admit to some liability for payment under the respective policies; or
 - (2) Either:
 - (a) The boiler and machinery insurer(s) does not admit to any liability for payment, while we contend that:
 - (i) All liability exists under the boiler and machinery policy; or

- (ii) Some liability exists under both the boiler and machinery policy and this commercial property policy;
 - (b) We do not admit to any liability for payment, while the boiler and machinery insurer(s) contends that:
 - (i) All liability exists under this commercial property policy; or
 - (ii) Some liability exists under both the boiler and machinery policy and this commercial property policy; or
 - (c) Both the boiler and machinery insurer(s) and we:
 - (i) Do not admit to any liability for payment; and
 - (ii) Contend that some or all liability exists under the other insurer's policy; and
 - c. The total amount of the ☐loss☐ is agreed to by you, the boiler and machinery insurer(s) and us.
4. If the requirements listed in Paragraph 3. above are satisfied, we and the boiler and machinery insurer(s) will make payments to the extent, and in the manner, described as follows:
- a. We will pay, after your written request, the entire amount of ☐loss☐ that we have agreed as being covered, if any, by this commercial property policy and one-half (1/2) the amount of the ☐loss☐ that is in disagreement.
 - b. The boiler and machinery insurer(s) will pay, after your written request, the entire amount of ☐loss☐ that they have agreed as being covered, if any, by the boiler and machinery policy and one-half (1/2) the amount of ☐loss☐ that is in disagreement.
 - c. Payments by the insurers of the amounts that are in disagreement, as described in Paragraphs a. and b. above, do not alter, waive or surrender any rights of any insurer against any other with regard to the portion of the ☐loss☐ for which each insurer is liable.
 - d. The amount in disagreement to be paid by us under this endorsement shall not exceed the amount payable under the equivalent Loss Agreement(s) of the boiler and machinery policy.
 - e. The amount to be paid under this endorsement shall not exceed the amount we would have paid had no boiler and machinery policy been in effect at the time of ☐loss☐. In no event will we pay more than the applicable Limit of Insurance shown in the Declarations.
 - f. Acceptance by you of sums paid under this endorsement does not alter, waive or surrender any other rights against us.
5. Arbitration
- a. If the circumstances described in Paragraph 3.b.(1) exist and the boiler and machinery insurer(s) and we agree to submit our differences to arbitration, the boiler and

machinery insurer(s) and we will determine the amount each will pay and will pay the insured within 90 days. Arbitration will then take place within 90 days after payment of the ☐loss☐ under the terms of this endorsement.

- b. If any of the circumstances described in Paragraph **3.b.(2)** exist, then the boiler and machinery insurer(s) and we agree to submit our differences to arbitration within 90 days after payment of the ☐loss☐ under the terms of this endorsement.
- c. You agree to cooperate with any arbitration procedures. There will be three arbitrators: one will be appointed by us, and another will be appointed by the boiler and machinery insurer(s). The two arbitrators will select a third arbitrator. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. A decision agreed to by two of the three arbitrators will be binding on both parties. Judgment on any award can be entered in any court that has jurisdiction.

6. Final Settlement Between Insurers

The insurer(s) found responsible for the greater percentage of the ultimate ☐loss☐ must return the excess contribution to the other insurer(s). In addition, the insurer(s) found responsible for the greater portion of the ☐loss☐ must pay Liquidated Damages to the other insurer(s) on the amount of the excess contribution of the other insurer(s). Liquidated Damages are defined as interest from the date the insured invokes this Agreement to the date the insurer(s) that contributed the excess amount is reimbursed. The interest is calculated at 1.5 times the highest prime rate from the Money Rates column of the Wall Street Journal during the period of the Liquidated Damages. Arbitration expenses are not a part of the excess contribution for which liquidated damages are calculated. Arbitration expenses will be apportioned between insurers on the same basis that the ultimate ☐loss☐ is apportioned.

F. Lease Cancellation Moving Expenses

We will reimburse you for any moving expenses necessitated by your need to relocate due to the cancellation of the lease at your premises listed in the Declarations. The lease cancellation must occur as a result of a Covered Cause of Loss.

The limit for this Additional Coverage will be \$5,000 for all insureds combined. No deductible applies to this coverage.

V. Coverage Extensions

The following are added to or are amended under the **PROPERTY COVERAGE FORM**, Section **A. Coverage, 5. Coverage Extensions**:

A. Business Income and Extra Expense

This Coverage Extension applies only to the extent that separate coverage for Business Income or Business Income with Extra Expense has not been purchased at the described premises, and that neither the **BUSINESS INCOME COVERAGE FORM** nor the **BUSINESS INCOME WITH EXTRA EXPENSE COVERAGE FORM** applies to the described premises. This provision supersedes anything to the contrary.

- 1. Coverage is extended to include the actual ☐loss☐ of Business Income you sustain due to the necessary suspension of your ☐operations☐ during the period of restoration, and necessary Extra Expense you incur when your covered ☐building☐ or business personal

property listed in the Declarations is damaged by a Covered Cause of Loss.

We pay any Extra Expense you incur:

- a. To continue your normal **operations** at the described premises; or
- b. To continue your normal **operations** at replacement premises or temporary locations; including:
 - (1) Relocation expenses; and
 - (2) The costs to equip or operate the replacement premises or temporary locations; or
- c. To minimize the suspension of your normal **operations** if you cannot continue them.

This coverage also applies to your mobile shredding operations and your mobile medical units.

2. Civil Authority

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

The coverage for Business Income will begin 72 hours after the time of that action and will apply for a period of up to four consecutive weeks after coverage begins. The coverage for Extra Expense will begin immediately after the time of that action and will end:

- a. Four consecutive weeks after the time of that action; or
- b. When your Business Income coverage ends; whichever comes first.

3. Contingent Business Property

We will pay for the actual **loss** of Business Income you sustain, and necessary Extra Expense you incur when Contingent Business Property is damaged by a Covered Cause of Loss. We will reduce the amount of your Business Income **loss**, other than Extra Expense, to the extent you can resume **operations**, in whole or in part, by using any other available:

- a. Source of materials; or
- b. Outlet for your products.

The most we will pay under these sections **A. 1., 2., and 3.** combined is \$300,000 for any one occurrence.

4. The following, when used in this section, are defined as follows:

- a. Business Income means Net Income (net profit or loss before income taxes) that would have been earned or incurred during the period of restoration and continuing normal operating expenses including payroll.

- 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☐ to property caused by or resulting from a Covered Cause of Loss.
- c. Contingent Business Property means property operated by others whom you depend on to:
 - (1) Deliver materials or services to you or to others for your account (Contributing Locations);
 - (2) Accept your products or services (Recipient Locations);
 - (3) Manufacture products for delivery to your customers under contract of sale (Manufacturing Locations); or
 - (4) Attract customers to your business (Leader Locations).
- d. Period of restoration means the period of time that:
 - (1) Begins with the date of physical ☐loss☐ caused by or resulting from any Covered Cause of Loss; and
 - (2) Ends on the date when the property should be repaired, rebuilt or replaced with reasonable speed and similar quality.

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

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

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

- e. Suspension means:
 - (1) The slowdown or cessation of your business activities; or
 - (2) That a part or all of the described premises is rendered un-tenantable.

B. Damage to Property of Home Care Providers

Coverage is extended to apply to direct physical ☐loss☐ to property owned by, or in the care, custody or control of a home care provider caused by a patient placed by you or an appropriate governmental agency on your behalf, in the care of the home care provider or employees of the insured. This Coverage Extension also applies to vehicles and self-propelled machines and outdoor trees, shrubs and plants owned by, or in the care, custody or control of the home care provider or employees of the insured.

For the purpose of this extension, home care provider means a foster parent (or parents) paid or unpaid by you or an appropriate governmental agency on your behalf, to care for one or

more patients on a continuous basis away from your premises.

The most we will pay for **loss** under this Coverage Extension is \$50,000 in any one occurrence.

C. Excavations, Landscaping and Other Outdoor Property

Paragraph f. **Excavations and Landscaping** is deleted in its entirety and replaced with the following:

f. Excavations, Landscaping and Other Outdoor Property

We will pay for:

- (1) Your reasonable costs for excavations, grading, filling or backfilling at a described premises made necessary direct physical **loss** to Covered Property caused by or resulting from any of the Covered Causes of Loss; and
- (2) Direct physical **loss** to the following property if located within 1600 feet of the premises described in the Declarations netting, outdoor lighting, court surfaces, trees, shrubs, plants, lawns, and playground equipment, including the cost of debris removal, caused by or resulting from any of the following Causes of Loss:
 - (a) Fire;
 - (b) Lightning;
 - (c) Explosion;
 - (d) Riot or civil commotion;
 - (e) Aircraft or vehicles;
 - (f) Vandalism and malicious mischief; or
 - (g) Theft.

The most we will pay for **loss** under this Coverage Extension is \$50,000. The most we will pay for any one tree, shrub, plant or acre of lawn, including the cost of debris removal, is \$1,000.

D. Fire Extinguisher Recharge (Portable Extinguishers)

Coverage is extended to cover expenses you incur to recharge portable fire extinguishers if discharged to fight a fire or due to a mechanical malfunction.

The most we will pay for **loss** under this Coverage Extension is \$25,000. No deductible shall apply to this coverage.

E. Lost Key Replacement

Paragraph k. **Lost Key Replacement** is amended as follows:

The most we will pay under this Coverage Extension is increased from \$2,500 to \$10,000.

F. Mobile Medical Equipment

You may extend the insurance provided by this Coverage Form to apply to your mobile medical equipment, including equipment which you rent.

The most we will pay for **loss** under this Coverage Extension is \$15,000.

G. New Construction

Paragraph **b. New Construction**, (2) is deleted in its entirety and replaced with the following:

This Additional Coverage will end when any of the following first occurs:

- (2) 180 days expire after construction begins; or

H. Ordinance or Law

Paragraph **j. Ordinance or Law** is amended as follows:

1. The most we will pay for demolition costs under Item **j.(2)** is increased from \$250,000 to \$500,000.
2. The most we will pay for increased cost of construction under Item **j.(3)** is increased from \$250,000 to \$500,000.

I. Personal Effects

Paragraph **c. Personal Effects**, Item (3) is deleted in its entirety and replaced with the following:

- (3) We will pay for direct physical **loss** to personal effects owned by you, your officers, your partners, your employees or your volunteers caused by or resulting from any of the Covered Causes of Loss at a described premises. The most we will pay for such **loss** is \$50,000 at any one described premises.

J. Money and Securities of Your Residents or Clients

Coverage is extended to apply to direct physical **loss** to the **money** and **securities** of your residents or clients, in your care, custody or control while at a described premises.

The most we will pay under this Coverage Extension is \$5,000 in any one occurrence, but we will not pay more than \$500 for **loss** to the **money** and **securities** of any one resident or client. A deductible of \$250 per occurrence applies.

The value of your residents' or clients' **money** and **securities** will be calculated as the smaller of the following:

1. The cost to replace the **money** or **securities** at the time of **loss**; or
2. The actual cash value of the **money** or **securities** at the time of **loss**.

However, at your option, the cost of replacing **securities** may be calculated using the market value of the securities at the time the claim is settled.

K. Residential Room Reserve

Coverage is extended to apply to actual net loss of income that you incur resulting from holding a resident's room when the resident has been temporarily hospitalized due to an accident or illness. Coverage begins three (3) days after the funding for the resident's room has been suspended.

The most we will pay under this Coverage Extension is \$5,000 in any one occurrence. The most we will pay for all ☐losses☐ under this Coverage Extension is \$100,000 in any one policy period.

L. Reward Reimbursement

We will pay a reward for information that leads to a criminal conviction in connection with ☐loss☐ to Covered Property by a Covered Cause of Loss; provided that the reward is pre-approved by us.

The most we will pay for ☐loss☐ under this Coverage Extension is \$50,000 regardless of the number of persons who provide information. No deductible shall apply to this coverage.

This extension does not include arson reward, as arson reward is included in Section 4. **Additional Coverages of the PROPERTY COVERAGE FORM.**

M. Spoilage

1. If this policy covers Your Business Personal Property, we will pay for direct physical ☐loss☐ to:

- a. Your perishable Business Personal Property; and
- b. The perishable personal property of your residents or clients,

while at or within 1600 feet of the described premises caused by spoilage due to changes in temperature or humidity resulting from:

- (1) Complete or partial interruption of electrical power to the described premises, due to conditions beyond your control; or
- (2) Mechanical breakdown or failure of heating, cooling or humidity control apparatus or equipment, only while such equipment or apparatus is at the described premises.

2. We will not pay for ☐loss☐ caused by or resulting from:

- a. The disconnection of any refrigerating, cooling or humidity control system from the source of power;
- b. The deactivation of electrical power caused by the manipulation of any switch or other device used to control the flow of electrical power or current;
- c. The inability of an electrical utility company or other power source to provide sufficient power due to:

- (1) Lack of fuel; or
 - (2) Governmental order;
 - d. The inability of a power source at the described premises to provide sufficient power due to lack of generating capacity to meet demand; or
 - e. Breaking of any glass that is a permanent part of any refrigerating, cooling or humidity control unit.
3. The most we will pay for ☐loss☐ in any one occurrence is \$50,000.

VI. Loss Conditions

In the **PROPERTY COVERAGE FORM**, Section **E. Loss Conditions**, **6. Vacancy** is amended to increase the time from 60 consecutive days to 90 consecutive days.

VII. Exclusion Amendments

In the **CAUSES OF LOSS FORM**, Section **B. Exclusions**, is amended as follows:

A. Subparagraph **1. b. Earth Movement** is amended to include:

- (4) If Earth Movement described in **b.(1)** through **(3)** above, results in sprinkler leakage, we will pay up to \$30,000 per occurrence for ☐loss☐ by that sprinkler leakage at all locations combined.

B. Subparagraph **1.g. Flood** is amended to include the following provision:

This exclusion does not apply to the extent that coverage is provided in Section **IX. Additional Coverage – Water**, below.

C. Subparagraph **2. d. (7)** is deleted in its entirety.

VIII. Limitations

In the **CAUSES OF LOSS FORM**, Section **C. Limitations** is amended as follows:

- 2. **a.** The limit for furs, fur garments and garments trimmed with fur is increased from \$2,500 to \$10,000.
- 2. **b.** The limit for jewelry, watches, watch movements, jewels, pearls, precious and semi-precious stones, bullion, gold, silver, platinum and other precious alloys or metals is increased from \$2,500 to \$25,000. This Limit of Insurance does not apply to jewelry and watches worth \$100 or less per item.

IX. Additional Coverage – Water

In the **CAUSES OF LOSS FORM**, the following Additional Coverage is included:

Additional Coverage – Water is added:

Water is included as a Covered Cause of Loss; however, we will not pay more than \$30,000 in any one occurrence.

1. For the purpose of this Additional Coverage, water means **flood**.
2. This extension applies to all **loss** combined, including but not limited to **building**, business personal property, personal property of others, business income and extra expense, and debris removal, subject to the \$30,000 per occurrence limit shown above.
3. This extension does not apply to:
 - a. Roof drainage systems, gutters, or downspouts;
 - b. **Utility Services – Direct Damage**; or
 - c. **Utility Service Interruption** (if coverage is applicable).

X. Additional Coverage Extensions

In the **CAUSES OF LOSS FORM**, Section **E. Additional Coverage Extensions 2. Utility Services – Direct Damage** is amended as follows:

The most we will pay under this Coverage Extension for the sum of all occurrences at all premises during each separate 12 month period of this policy is increased from \$10,000 to \$50,000.

XI. Business Income and Extra Expense Additional Coverages

The following Additional Coverages apply only if:

Either the **BUSINESS INCOME COVERAGE FORM** or the **BUSINESS INCOME WITH EXTRA EXPENSE COVERAGE FORM** is attached to your policy for a described premises; and

A limit of insurance for Business Income or Business Income with Extra Expense is shown in the Declarations for that described premises.

The applicable form is amended as follows:

A. Extended Business Income

Section **A. COVERAGE, 4. Additional Coverages, Paragraph d. Extended Business Income** is amended as follows:

1. Subparagraph **(1)(b)(ii)** is amended to increase the time from 60 consecutive days to 180 consecutive days.
2. Subparagraph **(2)(b)(ii)** is amended to increase the time from 60 consecutive days to 180 consecutive days.

B. Utility Service Interruption

1. We will pay for the actual **loss** of Business Income you sustain at the premises described in the Declarations, caused by an interruption in utility service to such premises. The interruption in utility service must result from direct physical **loss** by a Covered Cause of Loss to the utility services property described below, not on a premises described in the Declarations.

2. Utility Services

a. Water Supply Services means the following types of property supplying water to the described premises:

(1) Pumping stations; and

(2) Water mains.

b. Communication Supply Services means property supplying communication services, including telephone, radio, microwave or television services, to the described premises, such as:

(1) Underground communication transmission lines, including underground optic fiber transmission lines;

(2) Coaxial cables; and

(3) Microwave radio relays except satellites.

Communication Supply Services does not include overhead transmission, distribution, or communication lines.

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

(1) Utility generating plants;

(2) Switching stations;

(3) Substations;

(4) Transformers; and

(5) Underground transmission lines.

Power Supply Services does not include overhead transmission, distribution, or power lines.

3. We will only pay for **loss** you sustain after the first twelve (12) hours following loss of service caused by the direct physical **loss** to the utility services property described above and ends when utility services are restored.

4. This Additional Coverage does not apply to direct physical **loss** to Covered Property.

5. This Additional Coverage is included within and is not in addition to the applicable Business Income limit of insurance.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

PI-MANU-1 CP1509 (04/02)

POLICY NUMBER: PHPK2004025 COMMERCIAL PROPERTY CP-1509 0402
THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BUSINESS INCOME FROM DEPENDENT
PROPERTIES - LIMITED FORM

This endorsement modifies insurance provided under the following:

BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM

BUSINESS INCOME (WITHOUT EXTRA EXPENSE) COVERAGE FORM

SCHEDULE*

Name And Describe Occupancy And Location Limit Of Insurance

(A) Contributing Locations:

(B) Recipient Locations: \$15,000

(C) Manufacturing Locations:

(D) Leader Locations:

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

A. Coverage, with respect to "dependent property", is replaced by the following:

COVERAGE

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 "dependent property" at a premises described in the Schedule caused by or resulting from a Covered Cause of Loss. However, coverage under this endorsement does not apply when the only loss to "dependent property" is loss or damage to electronic data, including destruction or corruption of electronic data.

If the "dependent property" sustains loss or damage to electronic data and other property, coverage under this endorsement will not continue once the other property is repaired, rebuilt or replaced. The term electronic data has the meaning set forth in the Coverage Form to which this endorsement applies.

B. The provisions of the Business Income Coverage Form respecting direct physical loss or damage at

All other terms and conditions of this Policy remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

the described premises will apply separately to each premises described in the Schedule. Limits of Insurance shown in the Schedule are separate from any Business Income Limit of Insurance in this policy applicable when direct physical loss or damage occurs at your premises.

C. The following is added to Additional Coverages:

MISCELLANEOUS LOCATIONS

We will pay for the actual loss of Business Income you sustain due to direct physical loss or damage at the premises of a "dependent property" not described in the Schedule caused by or resulting from any Covered Cause of Loss. But we will not pay more than .03% of the sum of all Limits of Insurance shown in the Schedule for each day's "suspension" of "operations" due to loss arising from any one location.

D. With respect to "dependent property", the following replaces the Resumption Of Operations Provision in the Loss Determination Loss Condition:

RESUMPTION OF OPERATIONS

We will reduce the amount of your:

a. Business Income loss, other than Extra Expense, to the extent you can resume "operations", in whole or in part, by using any other available:

- (1) Source of materials; or
- (2) Outlet for your products.

b. Extra Expense loss to the extent you can return "operations" to normal and discontinue such Extra Expense.

E.1. The following is added to the Definitions Section:

"Dependent Property" means property operated by others whom you depend on to:

a. Deliver materials or services to you, or to others for your account (Contributing Locations).

But any property which delivers any of the following services is not a Contributing Location with respect to such services:

All other terms and conditions of this Policy remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

- (1) Water supply services;
 - (2) Power supply services; or
 - (3) Communication supply services, including services relating to internet access or access to any electronic network;
 - b. Accept your products or services (Recipient Locations);
 - c. Manufacture products for delivery to your customers under contract of sale (Manufacturing Locations); or
 - d. Attract customers to your business (Leader Locations).
2. The Period of Restoration Definition, with respect to "dependent property", is replaced by the following:
- "Period of Restoration" means the period of time that:
- a. Begins 72 hours after the time of direct physical loss or damage caused by or resulting from any Covered Cause of Loss at the premises of the "dependent property"; and
 - b. Ends on the date when the property at the premises of the "dependent property" should be repaired, rebuilt or replaced with reasonable speed and similar quality. "Period of restoration" does not include any increased period required due to the enforcement of any ordinance or law that:
- a. Regulates the construction, use or repair, or requires the tearing down of any property; or
 - b. Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".
- The expiration date of this policy will not cut short the "period of restoration".

All other terms and conditions of this Policy remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

PI-MANU-3 ORDINANCE OF LAW SUBLIMIT ADDENDUM

The following Coverages/limits are amended from the PI-EPE-HS (06/09):

Ordinance and Law, Coverage B is amended to a \$1,000,000 limit instead of a \$500,000 limit.

Ordinance and Law, Coverage C is amended to a \$1,000,000 limit instead of a \$500,000 limit.

All other terms and conditions of this Policy remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

PI-MANU-4 PI-NP-006 NET INCOME REDEFINED

PI-NP-006 (8/96)

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

"NET INCOME" REDEFINED FOR NON PROFIT ORGANIZATIONS

This endorsement modifies insurance provided under the following:

BUSINESS INCOME COVERAGE FORM WITHOUT EXTRA EXPENSE

BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM

Paragraph A. 1. a. is deleted and replaced with the following:

a. Net Income (Net Profit or Loss before income taxes, or the excess or deficit of public support and revenue over functional expenses) that would have been earned or incurred; and

All other terms and conditions of this Policy remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

PI-MANU-6 Valuation of Donated Stock

VALUATION OF DONATED STOCK

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM

The following amendments are made to the Valuation provisions contained in the policy:

1. We will determine the value of "Stock" which has been donated to the insured, and which has been priced for sale, according to the selling price, less discounts which would have applied, as of the time and place of loss or damage.

2. For "Stock" which is not priced for sale, the value will be the salvage value per pound as of the time and place of loss or damage.

For the purposes of the valuation of "Stock" these provisions override any other valuation provision contained in the policy.

All other policy provisions remain unchanged.

All other terms and conditions of this Policy remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

AV applies to BPP excl Stock

Agreed Value applies to Business Personal Property excluding Stock

All other terms and conditions of this Policy remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

PI-ULT-173 (02/15) Elite Property Enhancement: Human Services

is apportioned.

"pollutants."

All other terms and conditions of this Policy remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY**CP1410 \$75K for the Endorsement for HVAC/Misc Items**

COMMERCIAL PROPERTY

CP 14 10 06 95

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL COVERED PROPERTY

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM

CONDOMINIUM ASSOCIATION COVERAGE FORM

CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM

STANDARD PROPERTY POLICY

The following is withdrawn from PROPERTY NOT COVERED and added to COVERED PROPERTY:

SCHEDULE

		Type of Property Coverage	
Prem.		Bldg	BUILDING or PERSONAL
No.	No.	Paragraph Reference	Description of Property

Locations 5,6,7,8,9,10,12,13,14,16,17,18,19,20,21,22,23,24,25,26 & 27

"We will agree to \$75,000 for the Endorsements for HVAC/Misc. Items, which include air conditioner units, roofs, utilities, fixtures, plumbing, HVAC, electrical panels and wiring, interior & exterior doors & glass, floor coverings and wall covering that the insured is contractually obligated to maintain, repair or replace."

All other terms and conditions of this Policy remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

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Page 1 of 1

All other terms and conditions of this Policy remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

Loss Payee - Gateway Mission Viejo, Inc.

Gateway Mission Viejo, Inc.
DBA Mission Business Center
RREEF Management LLC, RREEF America LLC
Transwestern Property West LLC
DBA TRANSWEST
1630 S Sunkist St Ste A
Anaheim, CA 92806

All other terms and conditions of this Policy remain unchanged.

Exhibit 2

Certificate

of

Beazley Insurance Services
101 California St Ste 1850
San Francisco CA 94111
U.S.A.
CA License #0G55497

(hereinafter called "Correspondent")
Evidencing Placement of Insurance with certain
UNDERWRITERS AT LLOYD'S, LONDON

Correspondent hereby certifies that insurance as described herein has been effected with certain Underwriters at Lloyd's, London.

NOTICE:

- 1. THE INSURANCE POLICY THAT YOU HAVE PURCHASED IS BEING ISSUED BY AN INSURER THAT IS NOT LICENSED BY THE STATE OF CALIFORNIA. THESE COMPANIES ARE CALLED "NONADMITTED" OR "SURPLUS LINE" INSURERS.**
- 2. THE INSURER IS NOT SUBJECT TO THE FINANCIAL SOLVENCY REGULATION AND ENFORCEMENT THAT APPLY TO CALIFORNIA LICENSED INSURERS.**
- 3. THE INSURER DOES NOT PARTICIPATE IN ANY OF THE INSURANCE GUARANTEE FUNDS CREATED BY CALIFORNIA LAW. THEREFORE, THESE FUNDS WILL NOT PAY YOUR CLAIMS OR PROTECT YOUR ASSETS IF THE INSURER BECOMES INSOLVENT AND IS UNABLE TO MAKE PAYMENTS AS PROMISED.**
- 4. THE INSURER SHOULD BE LICENSED EITHER AS A FOREIGN INSURER IN ANOTHER STATE IN THE UNITED STATES OR AS A NON-UNITED STATES (ALIEN) INSURER. YOU SHOULD ASK QUESTIONS OF YOUR INSURANCE AGENT, BROKER, OR "SURPLUS LINE" BROKER OR CONTACT THE CALIFORNIA DEPARTMENT OF INSURANCE AT THE FOLLOWING TOLL-FREE TELEPHONE NUMBER 1-800-927-4357 OR INTERNET WEB**

SITE WWW.INSURANCE.CA.GOV . ASK WHETHER OR NOT THE INSURER IS LICENSED AS A FOREIGN OR NON-UNITED STATES (ALIEN) INSURER AND FOR ADDITIONAL INFORMATION ABOUT THE INSURER. YOU MAY ALSO CONTACT THE NAIC'S INTERNET WEB SITE AT WWW.NAIC.ORG.

- 5. FOREIGN INSURERS SHOULD BE LICENSED BY A STATE IN THE UNITED STATES AND YOU MAY CONTACT THAT STATE'S DEPARTMENT OF INSURANCE TO OBTAIN MORE INFORMATION ABOUT THAT INSURER.**
- 6. FOR NON-UNITED STATES (ALIEN) INSURERS, THE INSURER SHOULD BE LICENSED BY A COUNTRY OUTSIDE OF THE UNITED STATES AND SHOULD BE ON THE NAIC'S INTERNATIONAL INSURERS DEPARTMENT (IID) LISTING OF APPROVED NONADMITTED NON-UNITED STATES INSURERS. ASK YOUR AGENT, BROKER, OR "SURPLUS LINE" BROKER TO OBTAIN MORE INFORMATION ABOUT THAT INSURER.**
- 7. CALIFORNIA MAINTAINS A LIST OF APPROVED SURPLUS LINE INSURERS. ASK YOUR AGENT OR BROKER IF THE INSURER IS ON THAT LIST, OR VIEW THAT LIST AT THE INTERNET WEB SITE OF THE CALIFORNIA DEPARTMENT OF INSURANCE: WWW.INSURANCE.CA.GOV.**
- 8. IF YOU, AS THE APPLICANT, REQUIRED THAT THE INSURANCE POLICY YOU HAVE PURCHASED BE BOUND IMMEDIATELY, EITHER BECAUSE EXISTING COVERAGE WAS GOING TO LAPSE WITHIN TWO BUSINESS DAYS OR BECAUSE YOU WERE REQUIRED TO HAVE COVERAGE WITHIN TWO BUSINESS DAYS, AND YOU DID NOT RECEIVE THIS DISCLOSURE FORM AND A REQUEST FOR YOUR SIGNATURE UNTIL AFTER COVERAGE BECAME EFFECTIVE, YOU HAVE THE RIGHT TO CANCEL THIS POLICY WITHIN FIVE DAYS OF RECEIVING THIS DISCLOSURE. IF YOU CANCEL COVERAGE, THE PREMIUM WILL BE PRORATED**

**AND ANY BROKER'S FEE CHARGED FOR THIS INSURANCE
WILL BE RETURNED TO YOU.**

Such insurance has been placed in accordance with the limited authorization granted to the Correspondent by certain Underwriters at Lloyd's, London, whose syndicate numbers and the proportions underwritten by them can be ascertained from the office of the said Correspondent (such Underwriters being hereinafter called "Underwriters") and in consideration of the premium specified herein, Underwriters have agreed to bind themselves severally and not jointly each for his own part and not one for another, their Executors and Administrators.

The Assured is requested to read this Certificate and if it is not correct, return it immediately to the Correspondent for appropriate alteration.

CERTIFICATE PROVISIONS

1. **Signature Required.** This Certificate shall not be valid unless signed by the Correspondent on the attached Declaration Page.
2. **Correspondent Not Insurer.** The Correspondent is not an Insurer of the insurance described herein and neither is nor shall be liable for any loss or claim whatsoever. The Insurers of such insurance are those Underwriters at Lloyd's, London, whose names can be ascertained as hereinbefore set forth. As used in this Certificate "Underwriters" shall be deemed to include incorporated as well as unincorporated persons or entities that are Underwriters at Lloyd's, London.
3. **Cancellation.** If the insurance described herein provides for cancellation and if said insurance is cancelled after the inception date, earned premium must be paid for the time the insurance has been in force.
4. **Service of Suit Clause.** In the event of the failure of Underwriters to pay any amount claimed to be due under the insurance described herein, Underwriters have agreed that, at the request of the Assured, they will submit to the jurisdiction of a Court of competent jurisdiction within the United States. Nothing in this Clause constitutes or should be understood to constitute a waiver of Underwriters' rights to commence an action in any Court of competent jurisdiction in the United States, to remove an action to a United States District Court, or to seek a transfer of a case to another Court as permitted by the laws of the United States or of any State in the United States. In any suit instituted against any one of them upon the insurance described herein, Underwriters have agreed to abide by the final decision of such Court or of any Appellate Court in the event of an appeal.

Underwriters have further agreed that service of process in such suit may be made upon FLWA Service Corp, c/o Foley & Lardner LLP, 555 California Street, Suite 1700, San Francisco, CA 94104-1520. Underwriters have agreed that such firm or person is authorized and directed to accept service of process on behalf of Underwriters in any such suit and/or upon the request of the Assured to give a written undertaking to the Assured that they will enter a general appearance upon Underwriters' behalf in the event that such a suit shall be instituted.

Further, pursuant to any statute of any state, territory or district of the United States which makes provision therefor, Underwriters have designated the Superintendent, Commissioner or Director of Insurance or other officer specified for that purpose in the statute, or his successors in office, as their true and lawful attorney upon whom may be served any lawful process in any action, suit or proceeding instituted by or on behalf of the Assured or any beneficiary arising out of the insurance described herein, and have designated the above-mentioned as the person to whom the said officer is authorized to mail such process or true copy thereof.

5. **Assignment.** The insurance described herein shall not be assigned either in whole or in part without the written consent of the Correspondent endorsed hereon.
6. **Attached Conditions Incorporated.** The insurance described in this Certificate is subject to all provisions, conditions and warranties set forth herein, attached, or endorsed, all of which are to be considered incorporated herein as further descriptive of the insurance the placement of which is evidenced by this Certificate.
7. **Short Rate Cancellation.** If the attached provisions provide for cancellation, the table below will be used to calculate the short rate proportion of the premium when applicable under the terms of cancellation. Premiums for cancellations pursuant to Paragraph 6 of the Notice on page 1 of this Certificate will be prorated.

Short Rate Cancellation Table For Term of One Year.

Days Insurance in Force	Per Cent of one year Premium	Days Insurance in Force	PerCent of one year Premium	Days Insurance in Force	PerCent of one year Premium	Days Insurance in Force	PerCent of one year Premium
1 .....	.5%	66 - 69 .....	.29%	154 - 156 .....	.53%	256 - 260 .....	.77%
2 .....	.6	70 - 73 .....	.30	157 - 160 .....	.54	261 - 264 .....	.78
3 - 4 .....	.7	74 - 76 .....	.31	161 - 164 .....	.55	265 - 269 .....	.79
5 - 6 .....	.8	77 - 80 .....	.32	165 - 167 .....	.56	270 - 273 (9 mos) .....	.80
7 - 8 .....	.9	81 - 83 .....	.33	168 - 171 .....	.57	274 - 278 .....	.81
9 - 10 .....	.10	84 - 87 .....	.34	172 - 175 .....	.58	279 - 282 .....	.82
11 - 12 .....	.11	88 - 91 (3 mos) .....	.35	176 - 178 .....	.59	283 - 287 .....	.83
13 - 14 .....	.12	92 - 94 .....	.36	179 - 182 (6 mos) .....	.60	288 - 291 .....	.84
15 - 16 .....	.13	95 - 98 .....	.37	183 - 187 .....	.61	292 - 296 .....	.85
17 - 18 .....	.14	99 - 102 .....	.38	188 - 191 .....	.62	297 - 301 .....	.86
19 - 20 .....	.15	103 - 105 .....	.39	192 - 196 .....	.63	302 - 305 (10 mos) .....	.87
21 - 22 .....	.16	106 - 109 .....	.40	197 - 200 .....	.64	306 - 310 .....	.88
23 - 25 .....	.17	110 - 113 .....	.41	201 - 205 .....	.65	311 - 314 .....	.89
26 - 29 .....	.18	114 - 116 .....	.42	206 - 209 .....	.66	315 - 319 .....	.90
30 - 32 (1 mos) .....	.19	117 - 120 .....	.43	210 - 214 (7 mos) .....	.67	320 - 323 .....	.91
33 - 36 .....	.20	121 - 124 (4 mos) .....	.44	215 - 218 .....	.68	324 - 328 .....	.92
37 - 40 .....	.21	125 - 127 .....	.45	219 - 223 .....	.69	329 - 332 .....	.93
41 - 43 .....	.22	128 - 131 .....	.46	224 - 228 .....	.70	333 - 337 (11 mos) .....	.94
44 - 47 .....	.23	132 - 135 .....	.47	229 - 232 .....	.71	338 - 342 .....	.95
48 - 51 .....	.24	136 - 138 .....	.48	233 - 237 .....	.72	343 - 346 .....	.96
52 - 54 .....	.25	139 - 142 .....	.49	238 - 241 .....	.73	347 - 351 .....	.97
55 - 58 .....	.26	143 - 146 .....	.50	242 - 246 (8 mos) .....	.74	352 - 355 .....	.98
59 - 62 (2 mos) .....	.27	147 - 149 .....	.51	247 - 250 .....	.75	356 - 360 .....	.99
63 - 65 .....	.28	150 - 163 (5 mos) .....	.52	251 - 255 .....	.76	361 - 365 (12 mos) .....	.100

Rules applicable to insurance with terms less than or more than one year:

- A. If insurance has been in force for one year or less, apply the short rate table for annual insurance to the full annual premium determined as for insurance written for a term of one year.
- B. If insurance has been in force for more than one year:
1. Determine full annual premium as for insurance written for a term of one year.
 2. Deduct such premium from the full insurance premium, and on the remainder calculate the pro rata earned premium on the basis of the ratio of the length of time beyond one year the insurance has been in force to the length of time beyond one year for which the policy was written.
 3. Add premium produced in accordance with items (1) and (2) to obtain earned premium during full period insurance has been in force.
8. The Certificate is intended for use as evidence of the placement of the insurance described herein, in accordance with Section 1764 of the California Insurance Code.
9. **It is hereby** understood and agreed that wherever the word "Policy" appears herein it shall be deemed to read "Certificate"
10. **Cancellation.** Notwithstanding any cancellation provisions within this Certificate it is hereby noted and agreed that should a minimum earned premium percentage be shown in the declarations of this Certificate, then the Underwriters shall retain as a minimum such percentage of premium stated.
11. **Complaints Procedure.** If you have a complaint with any aspect of your policy with Lloyd's Underwriters: You may contact the broker/agent who arranged your policy for you. Should you be dissatisfied with the outcome of your broker's resolution, please submit your written complaint to:

Beazley USA Services Inc.
141 Tremont Street – Suite 1200,
Boston MA 02111
U.S.A.

12. **Law and Jurisdiction.** This Insurance shall be governed by the laws of California and subject to the exclusive jurisdiction of the courts of USA per the Service of Suit Clause contained herein
13. **Conformity to statute.** Any terms of this Certificate which may conflict with applicable statutes (or statutes deemed applicable by a court of competent jurisdiction) are amended to conform with the minimum requirements of such statutes.
14. **Conformity.** It is hereby noted and agreed that wherever the words "Assured" and "Insured" appear in this Certificate they shall be deemed to be synonymous.

It is hereby noted and agreed that wherever the words "Underwriters", "Insurers," "Company" appear in this Certificate they shall be deemed to be synonymous

It is hereby noted and agreed that wherever the term "we", "us" and "our" appears herein, same shall be deemed to read "Insurers"

It is hereby noted and agreed that wherever the term "you" or "your" appears herein, same shall be deemed to read "the Insured"

Insurance is effective with certain **UNDERWRITERS AT LLOYD'S, LONDON**
percentage: 100%

LLOYDS SECURITY SCHEDULE

Syndicate 2623 82%
Syndicate 623 18%



One Lime Street London EC3M 7HA

GENERAL COVER DECLARATIONS PAGE

THE COVERHOLDER	THE PRODUCER
Beazley Insurance Services 101 California Street, Suite 1850 San Francisco, CA 94111 <i>Please send correspondence to the above address.</i> Beazley Lloyd's Syndicate 2623-82% Beazley Lloyd's Syndicate 623-18% Unique Market Reference: B6012BUSA19	CRC Insurance Services - Los Angeles, CA 515 South Figueroa Street Suite 600 Los Angeles, CA 90071-3339

POLICY NUMBER: W27BCF190101	POLICY PERIOD
New	From: 01-Jul-2019 To: 01-Jul-2020 at 12:01 A.M. Standard Time at the Insured's Address

INSURED'S NAME AND ADDRESS
Goodwill Industries of Orange County; Landmark Services, Inc. 410 North Fairview Santa Ana, CA 92703

PERILS INSURED AGAINST:
Difference In Conditions Earthquake Earthquake Sprinkler Leakage Flood

PREMIUM:
\$62,000 Policy Premium
Declined Certified Acts of Terrorism Premium
\$750 Inspection Fees
\$62,750.00 Total Premium for above stated Policy Period

CLAIMS:	
<p>In case of loss, please refer notice immediately to:</p> <p>Claims Manager Beazley USA Services Inc. 141 Tremont Street, Suite 1200 Boston, MA 02111 Telephone: 617-239-2600 Fax: 617-239-2659 Email: propertyclaims@beazley.com</p>	<p>Premium: \$62,000.00 Fees: \$750.00 Surplus Lines Tax: \$1,882.50 Stamping Fee: \$125.50 CA License 0778135</p>

Terms and Conditions Applicable: See FS C 426 12 12 Supplemental Dec Page and /or FS C 424 Schedule of Forms as attached.

This contract is subject to US state surplus lines requirements. It is the responsibility of the surplus lines broker to affix a surplus lines notice to the contract document before it is provided to the insured. In the event that the surplus lines notice is not affixed to the contract document the insured should contact the surplus lines broker.

This Declaration, together with Policy jacket, the above policy wording and endorsements, issued to form a part thereof, completes the above numbered policy.

Signed:

A handwritten signature in black ink, appearing to read "Joseph J. Munk", is written over a horizontal line.

Date Issued: 01-Jul-2019

SUPPLEMENTAL DECLARATIONS PAGE

POLICY NO. W27BCF190101

EFFECTIVE DATE 01-Jul-2019

NAMED INSURED
Goodwill Industries of Orange County; Landmark Services, Inc. 410 North Fairview Santa Ana, CA 92703
<input type="checkbox"/> See 'Additional Named Insured Schedule' attached to this policy.

LOCATION	ADDRESS OF LOCATION
Loc. Bldg.	
<input checked="" type="checkbox"/> As per Schedule on file with the Underwriter	
Total Insured Value: \$96,740,522	

COVERAGE	LIMIT OF LIABILITY
Real Property	\$5,000,000 Each Occurrence and in the Annual Aggregate (applying
Personal Property	separately) in respect of Earthquake (including Earthquake Sprinkler
Improvement & Betterments	Leakage) and Flood
Machinery & Equipment	
Electronic Data Processing	
Hardware	
Electronic Data Processing Media	
Stock	
Business Income	
Extra Expense	
Rental Income	
Ingress/Egress	
Civil or Military Authority	
Ordinance or Law - Undamaged	
Portion (Cov A)	

COVERAGE	SUB-LIMIT
Ordinance or Law - Demolition (Cov B) and Increased Cost of Construction (Cov C) combined	\$2,000,000 Sub-Limit
Outdoor Property (including Trees, Shrubs & Plants)	\$500,000 Sub-Limit
Sign	\$500,000 Sub-Limit

Total LIMIT OF LIABILITY in any one occurrence for all above coverages combined: \$5,000,000

DEDUCTIBLE
10.00 %Values Per Unit of Insurance Earthquake \$25,000 Minimum Per Occurrence
5.00 % Values Per Unit of Insurance Earthquake Sprinkler Leakage \$25,000 Minimum Per Occurrence

\$50,000 Per Occurrence	Flood
\$100,000 Per Occurrence in respects to Flood Zone X500	Flood
\$25,000 Per Occurrence	All Other Perils

POLICY FORM CHANGES

FS C 486: Cancellation, Section 17. the term is amended to 60 days, except 10 days for non-payment of premium.

FS C 486: Optional Valuation, Section 10. is amended to show Replacement Cost applies to Real Property, Personal Property, Improvements & Betterments, Machinery & Equipment, Electronic Data Processing Hardware and Stock.

FS C 486: Limits of Insurance, Section 8. Item B. is deleted in it's entirety.

FS C 487: Extended Period of Indemnity, Item 2.(ii) 2. is amended to 365 consecutive days.

MORTGAGE HOLDER / LOSS PAYEE

Prem. No.	Bldg. No.	Mortgage Holder / Loss Payee Name and Mailing Address	Interest Mortgage Holder = MH Loss Payee = LP
<input type="checkbox"/> As per Schedule on file with the Underwriter			

PREMIUM:

\$62,000	Policy Premium
Declined	Certified Acts of Terrorism Premium
\$750	Inspection Fees
\$62,750.00	Total Premium for above stated Policy Period

Schedule of All Forms and Endorsements

Named Insured: Goodwill Industries of Orange County; Landmark Services, Inc.
Policy Number: W27BCF190101
Effective Date: 01-Jul-2019

<u>Number</u>	<u>Name</u>
LMA3102A (amended)	Lloyd's Certificate
FS C 422 01 13	General Cover Declarations Page
FS C 426 12 12	Supplemental Declarations Page
FS C 424	Schedule of Forms and Endorsements
FS C 486 05 17	Beazley Difference in Conditions Policy
FS C 491 10 12	Statement of Deductible for Earthquake and/or Flood if Covered By This Policy
FS C 493 10 12	Statement of Deductible for Earthquake and/or Flood if Covered By This Policy
FS C 490 10 12	Earthquake Sprinkler Leakage Endorsement
FS C 489 08 17	Flood Endorsement
FS C 487 06 13	Time Element Endorsement to Beazley Difference in Conditions Policy
FS C 507 10 12	Civil or Military Authority Extension
FS C 506 10 12	Ingress / Egress Extension
FS C 505 10 12	Flood Exclusion - Specified Locations
FS C 488 10 12	Ordinance or Law Endorsement
FS C 429 12 12	Additional Covered Property Endorsement
FS C 495 10 12	Ordinance or Law Endorsement - Increased Period of Restoration
LSW1135B	Lloyd's Privacy
LMA3100	Sanction Limitation and Exclusion Clause
LMA5219	TRIA Not Purchased Clause

BEAZLEY DIFFERENCE IN CONDITIONS POLICY

(hereinafter the "Policy")

1. INSURING CLAUSE

Subject to its terms, exclusions, limitations and conditions, this Policy insures against direct physical loss or damage caused directly by Perils Insured to Property Insured. "Perils Insured" are defined herein as the peril of Earthquake (as defined below), and other perils to the extent such perils are (i) not insured by the separate All-Risks Policy (as defined below), and (ii) not hereafter excluded. All such losses must commence during the Policy Period stated in the Difference in Conditions Declaration Page attaching to and forming part of this Policy (referred to herein as the "Declaration").

2. PROPERTY INSURED

Except for property excluded elsewhere in this Policy, this Policy insures real and business personal property owned by the Insured, including improvements and betterments the Insured has an interest in, all to the extent the location, description and value of such property is shown in the Declaration and has been declared to and agreed by the Underwriters prior to being insured under this Policy (referred to herein as the "Property Insured").

3. SUM INSURED

This Policy shall not cover for more than the Limit of Liability stated in the Declaration in respect of each Loss Occurrence, nor for more than any aggregate amount(s) during the Period of Insurance stated in the Declaration in respect of specified causes.

4. DEDUCTIBLE(S) AND SUB-LIMIT(S)

Each Loss Occurrence shall be adjusted separately, and from the amount of each adjusted Loss Occurrence the applicable deductible (as set out in the statement of deductible attached to and forming part of this policy) shall be deducted and sub-limit(s) applied.

5. ALL-RISKS POLICY IN PLACE

It is a condition precedent of this Policy that the Insured has in place an "All-Risks Policy," defined as a policy or policies which provide insurance which is no more restrictive than ISO form CP 10 30 04 02. In the event the Insured fails to maintain such All-Risks Policy in force throughout the term of this Policy, this Policy does not apply to loss or damage to any component of Loss Occurrence that would have been insured under the All-Risks Policy had such policy been in effect, and shall apply to any Loss Occurrence only as if the Insured had maintained in force ISO form CP 10 30 04 02, and subject to all other terms, limitations and conditions of this Policy.

6. EXCLUDED CAUSES OF LOSS

This Policy does not insure against any loss or damage, directly or indirectly caused by, or which is contributed to by the following regardless of any other cause or event contributing concurrently or in any other sequence thereto:

- a. fire, smoke, lightning, explosion;
- b. Earth Movement, as defined herein, except Earth Movement ensuing as a direct result of Earthquake;

- c. Flood, as defined herein;
- d. Water Damage, as defined herein;
- e. Wind Storm, as defined herein;
- f. collapse;
- g. sprinkler leakage;
- h. theft, burglary, robbery, fraud, or any kind of wrongful conversion or abstraction;
- i. riot, riot attending a strike, civil commotion, malicious mischief, vandalism;
- j. falling objects;
- k. weight of snow, ice or sleet;
- l. wear, tear or gradual deterioration, wet rot or dry rot, spoilage, decay or decomposition, cracking, settling, shrinking or expansion in buildings, structures or foundations, corrosion or rust, erosion, leakage, any other gradually occurring loss;
- m. error or omission in design, plans, or specifications, faulty workmanship, defective faulty or unsuitable materials;
- n. processing, renovating work or repair to Property Insured;
- o. moths, termites or other insects; vermin;
- p. inherent vice or latent defect;
- q. dampness or dryness of atmosphere; condensation; smog or fog; or extremes or changes in atmospheric temperature;
- r. mold, mildew, fungus, spores or other microorganism of any type, nature or description, including but not limited to any substance whose presence poses an actual or potential threat to human health;
- s. war, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power, martial law, or warlike operations;
- t. confiscation, requisition, detention, legal or illegal occupation, embargo, quarantine, or any result of any order of public or government authority, which deprives the Insured of the use or value of the Property Insured, nor for loss or damage arising from acts of contraband or illegal transportation or illegal trade;
- u. enforcement of any ordinance or law regulating the use, reconstruction, repair or demolition of any Property Insured;
- v. any loss, damage, costs, expenses, fine or penalty which is incurred, or sustained by or imposed on the Insured at the order of any governmental agency, court, or other authority arising from any cause whatsoever;
- w. terrorism;
- x. actual or threatened malicious use of pathogenic or poisonous biological or chemical materials;
- y. nuclear reaction, nuclear radiation or radioactive contamination;

- z. any kind of seepage or any kind of pollution and/or contamination, or threat thereof, whether or not caused by or resulting from a peril insured or from steps or measures taken in connection with the avoidance, prevention, abatement, mitigation, remediation, clean-up or removal of such seepage or pollution and/or contamination or threat thereof; as used herein the term "any kind of seepage or any kind of pollution and/or contamination" includes (but is not limited to):
 - i. seepage of, or pollution and/or contamination by, anything, including but not limited to, any material designated as a "hazardous substance" by the United States Environmental Protection Agency or as a "hazardous material" by the United States Department of Transportation, or defined as a "toxic substance" by the Canadian Environmental Protection Act for the purposes of Part II of that Act, or any substance designated or defined as toxic, dangerous, hazardous or deleterious to persons or the environment under any other Federal, State, Provincial, Municipal or other law, ordinance or regulation; and
 - ii. the presence, existence, or release of anything which endangers or threatens to endanger the health, safety or welfare of persons or the environment.
- aa. breakdown or derangement of mechanical or electrical machinery and/or explosion or implosion of boilers and/or pressure and/or vacuum vessels, where such are owned and/or operated by the Insured; nor against the operation of any relief valve or other safety device;
- bb. loss of earnings, delay or loss of market, however caused or arising and despite any preceding loss insured hereunder, except to the extent this Policy includes a Time Element Endorsement and then only to the extent insured under the terms and conditions of such Time Element Endorsement;
- cc. mysterious disappearance or inventory shortage;
- dd. insolvency or any financial impairment of any person or organization to whom the Property Insured may be entrusted;
- ee. processing, renovating, repairing or working upon Property Insured;
- ff. shrinkage, evaporation, loss of weight, leakage, breakage of glass or other fragile articles, marring, scratching, exposure to light, or change in color, texture or flavor;
- gg. electrical or magnetic injury to, or disturbance or erasure of, electronic recordings;
- hh. artificially generated current creating a short circuit or other electric disturbance within electrical systems, devices or equipment including wiring;
- ii. action of Electronic Data whether or not contributed to, or aggravated by:
 - i. alteration, manipulation or destruction of computer media and data, the addition of a Computer Virus, destructive code or similar instruction that disrupts the normal operation of computer equipment or results in the loss of use or physical damage to computer equipment or computer media and data;
 - ii. denial of service; including but not limited to unauthorized direction of a high volume of messages or inquiries to a web site or e-mail destinations, effectively denying, interrupting or limiting legitimate access;
 - iii. transfer of property caused by, resulting from, or arising out of unauthorized instructions transmitted by a computer;

- iv. financial loss or any other loss or damage due to unauthorized viewing, copying or use of any data (including proprietary or confidential information) by any person, even if such activity is characterized as theft;
- jj. failure, malfunction or inadequacy of:
 - i. any of the following, whether belonging to the Insured or to others:
 - (a) computer hardware, including microprocessors
 - (b) computer application software
 - (c) computer operating systems and related software
 - (d) computer networks
 - (e) microprocessors (computer chips) not part of any computer system;
 - (f) any other computerized or electronic equipment or components;

nor does this Policy insure against repair, replacement or modification or any of the items listed in this paragraph (i) in order to correct any deficiencies or change any features;
 - ii. any other products, and any services, data or function that directly or indirectly use or rely upon, in any manner, and of the items listed in paragraph (i) above; due to the inability to correctly recognize, process, distinguish, interpret or accept one or more dates or times; an example is the inability of computer software to recognize the year 2000; or
 - iii. any advice, consultation, design, evaluation, inspection, installation, maintenance, repair, replacement or supervision provided or done by the Insured or by others to determine, rectify or test for, any potential or actual problems described in paragraph (i) above.
- kk. failure of any utility service provider to provide utility services;
- ll. cessation, fluctuation or variation in, or insufficiency of, water, gas or electricity supplies;
- mm. exposure to weather conditions to personal Property Insured which is left in the open or not contained in buildings which are on permanent foundations and capable of secure storage.

7. EXCLUDED PROPERTY

This Policy does not insure:

- a. land (including but not limited to land on which Property Insured is located), water (other than water contained in plumbing or fire fighting installations), or air, or any interest or right therein;
- b. shafts, mines, tunnels, wells, ponds, dams, dikes, wharves, piers, jetties, docks, embankments, bulkheads, earthen structures and the like, and any man-made property in or under the ground, underwater or waterborne;
- c. driveways, pavements, curbing, culverts sidewalks, roads, bridges, tunnels, pipelines, levies or dams;
- d. buildings or structures in the course of construction, including materials and supplies therefore, except additions, alterations and repairs to Property Insured;
- e. transmission, distribution, or feeder lines located more than 1000 feet from Property Insured;

- f. neon signs and automatic or mechanical and/or electric signs, awnings, bric-a-brac, porcelains and similar fragile articles, glass or any ornamentation or lettering thereon;
- g. asbestos; nor does this Policy insure against the cost of removal, disposal, decontamination or replacement of Property Insured containing asbestos;
- h. property in transit;
- i. property sold by or under encumbrance to the Insured after it leaves the custody of the Insured or an employee of the Insured;
- j. accounts, bills, currency, money, notes, securities, deeds, evidence of debt and valuable papers;
- k. aircraft or any other aerial device, watercraft, vehicles designed for highway use and/or any public roads, or locomotives or rolling stock designed for railroad use;
- l. animals, plants, growing crops and living things of all types;
- m. jewelry, watches and watch movements, precious and semi-precious stones, gold, silver, platinum and other precious alloys or metals;
- n. fine arts, furs or garments trimmed with fur;
- o. foundations of buildings, including pilings and construction equivalents to support a building, or structures, machinery or boilers, if their foundations are below;
 - i. the lowest basement floor; or
 - ii. the surface of the ground if there is no basement;
- p. property while covered under import and export ocean marine policies.

8. LIMITS OF INSURANCE

The premium for this Policy is based upon the Statement of Values reported to and on file with the Insurers, or attached to this Policy. In the event of any covered Loss Occurrence under this Policy, the liability of the Underwriters shall, notwithstanding anything contained herein to the contrary, be limited to the least of the following:

- a. The actual adjusted amount of the Loss Occurrence within the coverage of the Policy, after reduction for applicable deductible(s) and sub-limit(s);
- b. an amount calculated by:
 - i. adding together, for each scheduled item of Property Insured which actually sustained loss in the Loss Occurrence, 100% of the individually stated value, as shown in the Declaration or any update thereto on file with Underwriters; and
 - ii. subtracting from the sum calculated in (i) applicable deductibles and primary and underlying excess limits, and applying applicable sub-limits;

and further provided that if no value is shown for a scheduled item then there is no coverage for that item; or

- c. The Policy Limit of Liability or applicable sub-limit(s) of liability.

9. VALUATION

In case of loss of or damage to Property Insured, the basis of adjustment shall be as follows:

- a. on stock in process at the value of raw material and labor expended plus the proper proportion of overhead charges;
- b. on finished goods manufactured by the Insured, at the regular cash selling prices at the location where the loss occurs, less all discounts and charges to which the property would have been subject had no loss occurred;
- c. property of others at the amount for which the Insured is liable but in no event to exceed the actual cash value;
- d. tenants improvements and betterments at Actual Cash Value if repaired or replaced by the Insured; if repaired or replaced by others for the use of the Insured, there shall be no liability hereunder;
- e. on documents not specifically excluded, at value blank plus cost of transcribing;
- f. on media storing Electronic Data, the cost of the blank media and, if and to the extent that the media is repaired, replaced or restored, the costs of copying the Electronic Data from back-up or form originals of a previous generation; for avoidance of doubt, such costs shall not include research and engineering nor any costs of recreating, gathering or assembling such Electronic Data media, nor does this Policy insure any amount pertaining to the value of such Electronic Data to the Insured or to any other party, even if such Electronic Data cannot be recreated, gathered or assembled;
- g. all other property at Actual Cash Value immediately prior to the loss.

The above valuations shall also be used for the purpose of reporting values on the Declaration and will be considered for the premium computation of this Policy.

Actual Cash Value wherever used in this Policy shall mean the amount it would cost to repair or replace Property Insured as provided in this Policy, on the date of loss, with material of like kind and quality, with proper deduction for obsolescence and physical depreciation.

10. OPTIONAL VALUATION

If shown in the Declaration, the following Optional Valuation applies separately to each item:

- a. Replacement Cost wherever used in this Policy shall mean the amount it would cost, on the date of the loss, to repair or replace Property Insured, with material of like kind and quality, without deduction for depreciation.

Increased costs of repair or replacement due to operation of any written ordinance or other law are not included in Replacement Cost.

Debris Removal Costs, as defined herein, are not included in Replacement Cost.
- b. Replacement Cost shall replace Actual Cash Value in the Valuation section of this coverage form. However, this Optional Valuation does not apply to:
 - i. contents of a residence;
 - ii. manuscripts; or
 - iii. media storing Electronic Data.

- c. Where Replacement Cost coverage is selected such that this Optional Valuation section of the Policy applies, it is subject to the following provisions:
 - i. any settlement shall be based on whichever is the least of the cost of repairing, replacing or reinstating the destroyed or damaged property with material of like kind and quality;
 - ii. the repair, replacement or reinstatement shall be on the same site and intended for the same occupancy as the destroyed or damaged property;
 - iii. the repair, replacement or reinstatement must be executed with due diligence and dispatch; and
 - iv. until repair, replacement or reinstatement has been effected, the amount of liability under this Policy in respect of each Loss Occurrence shall be limited to the actual cash value at the time of the Loss Occurrence.
- d. Underwriters' liability for loss under this Policy shall not exceed the smallest of the following amounts:
 - i. the amount applicable to the destroyed or damaged property as calculated in Section 7, Limits of Insurance;
 - ii. the replacement cost of the property or any part thereof identical with such property and intended for the same occupancy and use; or
 - iii. the amount actually and necessarily expended in replacing said property or any part thereof.

11. DEBRIS REMOVAL

This Policy, subject to all other terms and conditions, and without increasing the Policy Limit of Liability, insures Debris Removal Costs, defined herein to be the costs necessarily incurred in connection with an insured Loss Occurrence to remove from the Insured's property solid remnants of Property Insured to permit repair, replacement or reinstatement.

The maximum amount payable under this Policy for Debris Removal Costs is the greater of US\$25,000 (twenty-five thousand dollars) or 10% (ten percent) of the total of the adjusted amounts of the other components of the Loss Occurrence.

12. DUE DILIGENCE

The Insured shall use due diligence and do and concur in doing all things reasonable to avoid or diminish any loss of or damage to the Property Insured. However, Underwriters liability, if any, for such expenses shall be limited to the amount by which insured losses under this Policy are thereby reduced.

13. NOTIFICATION OF CLAIMS

The Insured upon knowledge of any Loss Occurrence likely to give rise to a claim hereunder shall give immediate written advice thereof to the person(s) or firm named for the purpose in the Declaration. Any losses shall not be insured by this Policy if such losses are not reported within a year of when the loss occurred.

14. PROOF OF LOSS

The Insured shall render a signed and sworn proof of loss within ninety (90) days after the occurrence of a loss (unless such period be extended by the written agreement of Underwriters) stating the time, place and

cause of loss, the interest of the Insured and of all others in the property, the sound value thereof and the amount of loss or damage thereto.

15. SUBROGATION

If the Underwriters become liable for any payment under this Policy in respect of loss or damage the Underwriters shall be subrogated, to the extent of such payment, to all the rights and remedies of the Insured against any party in respect of such loss or damage and shall be entitled at their own expense to sue in the name of the Insured. The Insured shall give to the Underwriters all such assistance in its power as the Underwriters may require to secure their rights and remedies and, at Underwriters' request, shall execute all documents necessary to enable Underwriters effectively to bring suit in the name of the Insured including the execution and delivery of the customary form of loan receipt.

The Underwriters hereon agree that this Policy shall not be invalidated should the Insured waive in writing, prior to loss affected thereby, any or all rights of recovery against any party for loss or damage occurring to the property described herein. The Underwriters expressly waive subrogation against any subsidiary, parent, associated, or affiliated company of the Insured, but the above waivers shall not apply where the party otherwise protected by that waiver is supplying or receiving goods or services for which compensation passes between the Insured and such other party.

16. PROTECTION MAINTENANCE

It is agreed that any protections provided for the safety of Property Insured shall be maintained in good order throughout the Policy Period of this Policy and shall be in use at all times out of business hours or when the Insured's premises are left unattended, and that such protections shall not be withdrawn or varied to the detriment of the interests of the Underwriters without their consent.

17. CANCELLATION

This Policy may be cancelled by the Insured at any time by written notice or by surrender of this Policy. This Policy may also be cancelled by or on behalf of the Underwriters by delivering to the Insured or by mailing to the Insured, by registered, certified or other first class mail, at the Insured's address as shown in the Declaration, written notice stating when, not less than thirty (30) days thereafter, or not less than ten (10) days in the event of nonpayment of premiums, the cancellation shall be effective. The mailing of such notice as aforesaid shall be sufficient proof of notice and this Policy shall terminate at the date and hour specified in such notice.

If this Policy shall be cancelled by the Insured the Underwriters shall retain the customary short rate proportion of the premium hereon, except that if this Policy is on an adjustable basis the Underwriters shall receive the earned premium hereon or the customary short rate proportion of any minimum premium stipulated herein whichever is the greater.

If this Policy shall be cancelled by or on behalf of the Underwriters the Underwriters shall retain the pro rata proportion of the premium hereto, except that if this Policy is on an adjustable basis the Underwriters shall receive the earned premium hereon or the pro rata proportion of any minimum premium stipulated herein whichever is the greater.

Payment or tender of any unearned premium by the Underwriters shall not be a condition precedent to the effectiveness of cancellation but such payment shall be made as soon as practicable.

If the period of limitation relating to the giving of notice is prohibited or made void by any law controlling the construction thereof, such period shall be deemed to be amended so as to be equal to the minimum requirements of the statute concerning cancellation in the relevant jurisdiction.

18. ABANDONMENT

There shall be no abandonment to the Underwriters of any property.

19. ASSIGNMENT

Assignment or transfer of this Policy shall not be valid except with the written consent of Underwriters.

20. EXCESS INSURANCE

Permission is granted to the Insured to have excess insurance over the limit of liability set forth in this Policy without prejudice to this Policy and the existence of such insurance, if any, shall not reduce any liability under this Policy.

21. EXAMINATION UNDER OATH

If required by the Underwriters, in the event of a claim being made under this Policy, the Insured, or if a Company of other body, then the appropriate representatives, shall submit to examination on oath at such reasonable times and places as may be arranged

22. INSPECTION AND AUDIT

The Underwriters shall be permitted but not obligated to inspect the Insured's property at any time. Neither the Underwriters' right to make inspection nor the making thereof nor any report thereon shall constitute an undertaking, on behalf of or for the benefit of the Insured or others, to determine or warrant that such property is safe.

The Underwriters may examine and audit the Insured's books and records at any time during the Policy period and extensions thereof and within three years after the final termination of this Policy, as far as they relate to the subject matter of this Insurance.

23. ASSISTANCE AND COOPERATION

The Insured shall cooperate with the Underwriters and, upon Underwriter's request, shall assist in securing and giving evidence, and obtaining the attendance of witnesses.

24. SALVAGE AND RECOVERIES

All salvages, recoveries and payments recovered or received subsequent to a loss settlement under this Policy shall be applied as if recovered or received prior to the said settlement and all necessary adjustments shall be made by the parties hereto.

25. MISREPRESENTATION AND FRAUD

This entire Policy shall be void if the Insured has willfully concealed or misrepresented, in writing or otherwise, any material facts or circumstances concerning this Policy or the subject matter thereof or any claim thereunder.

26. TITLES OF PARAGRAPHS

The several titles of the various paragraphs of this form (and of endorsements and supplemental contracts, if any, now or hereafter attached to this Policy) are inserted solely for convenience or reference and shall not be deemed in any way to limit the provisions to which they relate.

27. MINIMUM EARNED PREMIUM

In the event of cancellation of this Policy by the Insured, a minimum premium of 25 % of the Policy premium shall become due and payable by the Insured regardless of any conditions of the Policy to the contrary. Failure of the Insured to make timely payment of premium shall be considered a request by the Insured for the Underwriters to cancel. In the event of such cancellation by the Underwriters for non-payment, the minimum premium shall be immediately due and payable. Cancellation for non-payment of premium may be rescinded at the discretion of the Underwriters by payment of the full amount of premium due to the Underwriters and upon verification by the Underwriters that the Property Insured is in essentially the same or better condition than at the time of cancellation. In the event the premium due is paid after the

cancellation date has become effective, there may be, at the discretion of the Underwriters, a lapse in coverage between the date of cancellation and the date the premium was paid.

28. ADDITIONAL DEFINITIONS

- a. Loss Occurrence wherever used in this Policy shall mean:

the sum of all individual losses or series of individual losses resulting from or arising out of and directly occasioned by any one event.

- b. Earthquake wherever used in this Policy shall mean:

collapse, falling, cracking, rupturing, shifting, crushing, breaking, bursting, fracturing, or shattering of Property Insured resulting from a shock, shaking, tremor, and/or convulsion of the earth's surface caused by natural seismic forces, or from the eruption, explosions or effusion of a volcano.

Loss resulting directly or indirectly from any resulting peril shall not be insured hereunder, except that this Policy shall insure direct physical loss or damage to Property Insured resulting directly from Earth Movement ensuing as a direct result of Earthquake.

When the term Loss Occurrence applies to a loss or series of losses from the peril Earthquake and the peril of Earth Movement ensuing as a direct result of Earthquake, one event shall be construed to be all losses arising during a continuous period of 168 hours. When filing a proof of loss the Insured may elect the moment at which the 168 hour period shall be deemed to have commenced, which shall not be earlier than the first loss to occur at any covered location. The Insured may select only one continuous period of 168 hours for any Loss Occurrence that includes Earthquake and/or Earth Movement ensuing as a direct result of that Earthquake.

- c. Earth Movement wherever used in this Policy shall mean:

landslide, mudslide, mudflow, sinkhole or earth sinking, subsidence, rising or shifting including soil conditions which caused settling 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.

- d. Flood wherever used in this Policy shall mean:

- i. inundation of normally dry land by natural or human cause;
- ii. tsunami, seaquake; and/or
- iii. surface water, waves, tide or tidal water, and the rising (including the overflow or breaking of boundaries) of lakes, ponds, reservoirs, levies, rivers, harbors, streams, and other similar bodies of water, whether driven by wind or not.

- e. Water Damage wherever used in this Policy shall mean:

- i. back-up of sewers and/or drains;
- ii. water below the surface of ground including that which flows, seeps or leaks through sidewalks, driveways, foundations, walls, basement or other floors, or through doors, windows or any other opening in such sidewalks, driveways, foundations, walls, or floors; and/or

- iii. snow, ice, sleet, hail or rain, all whether or not driven by wind, which causes water damage.
- f. Wind Storm wherever used in this Policy shall mean:

any loss from the impact of wind or wind-driven object on insured property, including but not limited to hurricane, typhoon, named storm, tropical depression, tornado, cyclone, hail, sandstorm, and wind gusts of wind action of any kind.
- g. Electronic Data wherever used in this Policy shall mean:

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.
- h. Computer Virus wherever used in this Policy shall mean:

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'.

This endorsement, subject to its stated terms and conditions, is subject to the terms and conditions of the Policy to which it attaches.

STATEMENT OF DEDUCTIBLE FOR EARTHQUAKE AND/OR FLOOD IF COVERED BY THIS POLICY

As respects any Loss Occurrence directly or indirectly caused by, or contributed to by the peril of Earthquake and the peril of Earthmovement ensuing as a direct result of Earthquake, the sum of See Form FS C 493 10 12 shall be deducted from the amount of each adjusted Loss Occurrence.

If this Policy includes a Flood Endorsement, then as respects any Loss Occurrence directly or indirectly caused by, or contributed to by, the peril of Flood, the sum of \$50,000; \$100,000 for Flood Zone X500 shall be deducted from the amount of each adjusted Loss Occurrence.

This endorsement, subject to its stated terms and conditions, is subject to the terms and conditions of the Policy to which it attaches.

STATEMENT OF DEDUCTIBLE FOR EARTHQUAKE AND/OR FLOOD IF COVERED BY THIS POLICY

As respects any Loss Occurrence directly or indirectly caused by, or contributed to by the peril of Earthquake, and the peril of Earthmovement ensuing as a direct result of Earthquake, Underwriters shall not be liable for loss to any unit of insurance unless such loss exceeds an amount equal to the greater of (i) the Minimum Deductible stated below; or (ii) 10% of the individually stated value for each unit of insurance which actually sustained loss in the Loss Occurrence, and then only for its proportions of such excess amounts. The following shall each be considered a separate unit of insurance:

- a) each separately-scheduled building or structure;
- b) the contents of each separately-scheduled building or structure; and
- c) to the extent this Policy includes a Time Element Endorsement, Operations (as defined therein) conducted at each separately-scheduled building or structure

A minimum sum of \$25,000 shall be deducted from the amount of each adjusted Loss Occurrence (hereinafter referred to as the "Minimum Deductible").

If this Policy includes a Flood Endorsement, then as respects any Loss Occurrence directly or indirectly caused by, or contributed to by, the peril of Flood, Underwriters shall not be liable for loss to any unit of insurance unless such loss exceeds an amount equal to the greater of (i) the Minimum Deductible stated below; or (ii) See Form FS C 491 10 12 of the individually stated value for each unit of insurance which actually sustained loss in the Loss Occurrence, and then only for its proportions of such excess amounts. The following shall each be considered a separate unit of insurance:

- a) each separately-scheduled building or structure;
- b) the contents of each separately-scheduled building or structure; and
- c) to the extent this Policy includes a Time Element Endorsement, Operations (as defined therein) conducted at each separately-scheduled building or structure

A minimum sum of See Form FS C 491 10 12 shall be deducted from the amount of each adjusted Loss Occurrence (hereinafter referred to as the "Minimum Deductible")

This endorsement, subject to its stated terms and conditions and the terms and conditions of the Policy to which it attaches, adds coverage otherwise excluded under the Policy.

EARTHQUAKE SPRINKLER LEAKAGE ENDORSEMENT

1. It is agreed that the Policy, subject to its terms, exclusions, limitations and conditions, insures against direct physical loss, damage or destruction of Property Insured caused by Earthquake Sprinkler Leakage, as defined herein, to the extent such peril is not insured by the separate All-Risks Policy. The term "All-Risks Policy" is defined in the Policy to which this endorsement attaches.

2. Earthquake Sprinkler Leakage, as used herein, shall mean:

discharge of water and/or other substances from automatic sprinkler installations but only when such discharge is the direct result of physical loss, damage or destruction of said installations directly caused by the peril of Earthquake, as that peril is defined in the Policy to which this endorsement attaches.

Earthquake Sprinkler Leakage does not mean leakage from automatic sprinkler installations caused by fire, smoke or any other peril resulting from Earthquake.

Earthquake Sprinkler Leakage shall be deemed a "Peril Insured" as that term is used in the Policy and any endorsements.

This endorsement, subject to its stated terms and conditions and the terms and conditions of the Policy to which it attaches, adds coverage otherwise excluded under the Policy.

FLOOD ENDORSEMENT

1. It is agreed that the Policy, subject to its terms, exclusions, limitations and conditions, insures against direct physical loss, damage or destruction caused by the peril of Flood to the extent such peril is not insured by the separate All-Risks Policy. The terms "Flood" and "All-Risks Policy" are defined in the Policy to which this endorsement attaches.
2. The total liability of Underwriters for any one Loss Occurrence directly or indirectly caused by, or contributed to by, Flood:
 - shall not exceed the sum of \$5,000,000 for loss or damage to any one scheduled item of Property Insured; and
 - shall not exceed the sum of \$5,000,000 regardless of the number of scheduled items of Property Insured involved.

The total aggregate liability of Underwriters for all Loss Occurrences directly or indirectly caused by, or contributed to by, Flood shall not exceed the sum of \$5,000,000 during the Policy Period.
3. When the defined term Loss Occurrence applies to a loss or series of losses directly or indirectly caused by, or contributed to by, Flood, one event shall be construed to be all losses arising during a continuous period of 168 hours. When filing a proof of loss the Insured may elect the moment at which the 168 hour period shall be deemed to have commenced, which shall not be earlier than the first loss to occur at any covered location.

TIME ELEMENT ENDORSEMENT TO BEAZLEY DIFFERENCE IN CONDITIONS POLICY

In consideration of the premium paid and subject to the terms, exclusions, limitations and conditions of the Policy to which this Endorsement is attached, and also to the following additional terms, exclusions, limitations and conditions, this Policy is extended to insure against:

Actual Loss of Business Income sustained by the Insured during the Period of Restoration due to the necessary suspension of the Insured's Operations caused directly by physical loss of, or damage to, Property Insured directly caused by a Peril Insured.

Extra Expense consisting of those expenses incurred by the Insured to conduct Operations during the Period of Restoration and that are above the expenses which would have been incurred by the Insured to conduct Operations during the Period of Restoration had there been no physical loss of, damage to, Property Insured directly caused by a Peril Insured.

1) Definitions:

- a) Actual Loss of Business Income, as used in this Endorsement, means:
 - i) an amount calculated by adding:
 - (1) gross earnings that would have been earned, including rental income from tenant occupancy of the Property Insured, had there been no necessary suspension of the Insured's Operations; and
 - (2) continuing normal operating expenses incurred, including ordinary payroll and, as to manufacturing facilities, the net sales value of production;
 - ii) provided that the amount of Actual Loss of Business Income will be determined based on:
 - (1) the financial records and accounting procedures of the Insured prior to the Loss Occurrence;
 - (2) budgets, forecasts or other estimates of what the financial performance of the Insured's Operations would have been had the Peril Insured not occurred; and
 - (3) other relevant sources of information, including:
 - (a) the Insured's financial records and accounting procedures;
 - (b) bills, invoices, and other vouchers; and
 - (c) deeds, liens, rental agreements or contracts; and
 - iii) in no event shall the Actual Loss of Business Income include any amount attributable to an estimate of the gross earnings that would have been earned as a result of favorable business conditions caused by the impact of the Peril Insured on customers, competitors or others.
- b) Extra Expense, as used in this Endorsement, means:
 - i) an amount calculated by adding:

- (1) the reasonable and necessary operating expenses that exceed normal operating expenses that would have been incurred by the Insured to conduct Operations during the Period of Restoration had there been no physical loss, damage or destruction of Property Insured directly caused by a Peril Insured; and
- (2) such further reasonable and necessary expenses incurred during the Period of Restoration to avoid or minimize the necessary suspension of the Insured's Operations directly caused by a Peril Insured sustained at Property Insured, but only to the extent that such expenses actually reduce the loss.
- ii) Extra Expense may include reasonable and necessary relocating expenses and costs to equip and operate replacement or temporary locations.
- iii) Underwriters will deduct from the total Extra Expense the salvage value that remains of any property bought for temporary use during the Period of Restoration, measured at the end of the Period of Restoration.
- c) Operations, as used in this Endorsement, means:
the regular business activities of the Insured occurring at Property Insured, including rental of Property Insured to others.
- d) Period of Restoration, as used in this Endorsement, means:
the period of time that:
 - (i) begins with the date the Peril Insured was sustained at the Property Insured; and
 - (ii) ends on the earlier of :
 - 1. when the Property Insured could have been repaired, rebuilt or replaced using due diligence and dispatch; or
 - 2. the date when the Insured could have restored Operations to the levels that would have existed if the Peril Insured had not occurred, whether by means of an alternate location or otherwise;

2) Additional Coverage:
Extended Business Income

If the necessary suspension of the Insured's Operations produces an Actual Loss of Business Income as insured by this Policy, Underwriters will pay for the Actual Loss of Business Income sustained by the Insured during the period that:

- (i) Begins on the date the Property Insured is actually repaired rebuilt or replaced and Operations are resumed; and
- (ii) Ends on the earlier of:
 - 1. The date the Insured could restore operations with due diligence and dispatch, to the level which would generate the business income amount that would have existed if no direct physical loss or damage had occurred; or
 - 2. 30 consecutive days after the date determined in 2) (ii) 1 above.

3) Exclusions: This Endorsement and the Policy to which it attaches do not insure:

- a) any Actual Loss of Business Income or Extra Expense caused by or resulting from damage to or destruction of finished stock, defined herein as stock you have manufactured or stock consisting

of alcoholic products being aged, excepting stock held for sale on the premises of any Property Insured the Insured is operating as a retail outlet;

- b) any Actual Loss of Business Income or Extra Expense caused by or resulting from damage to or destruction of business personal property while in transit;
- c) any Actual Loss of Business Income or Extra Expense caused by or resulting from delay in rebuilding, repairing or replacing the Property Insured or resuming Operations due to strikers; or
- d) any Actual Loss of Business Income or Extra Expense caused by or resulting from the suspension, lapse or cancellation of any license, lease, contract or order for any reason other than as a direct result of the necessary suspension of the Insured's Operations directly caused by physical loss of or damage to Property Insured directly caused by a Peril Insured.
- e) any Actual Loss of Business Income or Extra Expense caused by or resulting from the enforcement of any ordinance or law regulating the use, reconstruction, repair or demolition of any property Insured hereunder.

This endorsement, subject to its stated terms and conditions and the terms and conditions of the Policy to which it attaches, adds coverage otherwise excluded under the Policy.

CIVIL OR MILITARY AUTHORITY EXTENSION

In consideration of the premium charged and subject to the terms, exclusions, limits and conditions of the Policy to which this endorsement is attached and to the provisions contained within this endorsement, it is agreed that the following additional coverage is added to this Policy.

Underwriters will pay for the actual Business Income loss the Insured sustains and reasonable and necessary Extra Expense incurred by the Insured due to the necessary interruption of the Insured's business due to prevention of access to Insured locations by order of a civil or military authority, provided that such order is a direct result of physical loss or damage of the type Insured by to Property of the type insured by this Policy and situated within one statute mile of the Insured premises.

Underwriters will not provide coverage under this Extension for more than 30 consecutive days.

This endorsement, subject to its stated terms and conditions and the terms and conditions of the Policy to which it attaches, adds coverage otherwise excluded under the Policy.

INGRESS / EGRESS EXTENSION

In consideration of the premium charged and subject to the terms, exclusions, limits and conditions of the Policy to which this endorsement is attached and to the provisions contained within this endorsement, it is agreed that the following additional coverage is added to this Policy.

Underwriters will pay for the actual loss of Business Income the Insured sustains and the reasonable and necessary Extra Expense incurred by the Insured due to the necessary interruption of the Insured's business due to prevention of ingress to or egress from Insured locations, whether or not the Insured premises or Insured property is damaged, provided that such prevention is due to direct physical loss or damage to Insured Property of the type insured by this Policy and situated within one statute mile of insured premises.

Ingress/Egress Exclusions: As respects Ingress/Egress, the following exclusions are applicable:

Underwriters will not pay for loss resulting from:

- 1) Lack of incoming or outgoing service consisting of electric, fuel, gas, water, steam, refrigerant, sewerage and voice, data or video.
- 2) Picketing or other action by strikers except for physical damage not excluded by this Policy.

Underwriters will not provide coverage under this Extension for more than 30 consecutive days.

FLOOD EXCLUSION – SPECIFIED LOCATIONS

This endorsement modifies insurance provided under the following:

ALL COVERAGE PARTS

Underwriters will not pay for loss or damage caused directly or indirectly by Flood at any location selected below, in a Flood Hazard Zone selected below, or at any location situated in a 100 Year Flood Plain as delineated by the Flood Insurance Rate Map for the community in which the location is situated. Such loss is excluded regardless of any other cause or event contributing concurrently or in any sequence to the loss.

- ☒ Zones beginning with A (including zones A, A1-A30, AE, AH, AO, A99)
- ☒ Zones beginning with V (including zones V, V1-V30, VE)
- ☐ Zone B
- ☐ Zone X
- ☐ Shaded Zone X
- ☐ Zone X500
- ☐ _____

The Flood Insurance Rate Map is published by the National Flood Insurance Program and is available from the Federal Emergency Management Agency.

This endorsement, subject to its stated terms and conditions and the terms and conditions of the Policy to which it attaches, adds coverage otherwise excluded under the Policy.

ORDINANCE OR LAW ENDORSEMENT

The coverage set forth in this Endorsement applies only to those locations specifically listed in the schedule below:

SCHEDULE

Building/Premises	Sublimit for Coverage B (Demolition Cost)	Sublimit for Coverage C (Increased Cost of Construction)	Combined Sublimit for Coverage B and C
All/All			\$2,000,000 Sub-Limit

1. Coverage

If a Peril Insured causes direct physical loss or damage to Property Insured and that item of Property Insured is shown on the Schedule above, then this Policy provides the following with respect to that item of Property Insured:

a) Coverage A — Loss to the Undamaged Portion of an Item of Property Insured.

If enforcement of any written ordinance or other law in force at the time of the physical loss or damage requires the demolition of undamaged portions of the item of Property Insured, Underwriters will pay for:

- (i) the Actual Cash Value of such undamaged portions or,
- (ii) if Replacement Cost coverage is selected such that the Optional Valuation section of the Policy applies to the item of Property Insured and the item of Property Insured is actually repaired, replaced or rebuilt, the Replacement Cost of such undamaged portions.

b) Coverage B — Demolition Cost.

If enforcement of any written ordinance or other law in force at the time of the physical loss or damage requires the demolition of undamaged portions of the item of Property Insured, Underwriters will pay the reasonable and necessary cost to demolish and clear undamaged portions of the item of Property Insured from the premises on which it is located, subject to the following condition:

- (i) Underwriters will not pay more under Coverage B for the item of Property Insured than the Sublimit(s) shown in the Schedule above. If no Sublimit is shown for that item of Property Insured, Coverage B does not apply.

c) Coverage C — Increased Cost of Construction.

To the extent the item of Property Insured is repaired, replaced or rebuilt (at the same or other premises), Underwriters will pay for the increased cost to repair, replace or rebuild the item of Property Insured caused by enforcement of any written ordinance or other law in force at the time of the physical loss or damage, whether such increased costs are incurred with respect to damage or undamaged portions of the item of Property Insured, subject to the following conditions:

- i) Underwriters will not pay under Coverage C until the item of Property Insured is actually repaired, replaced or rebuilt (at the same or other premises), and further provided that the repair, replacement or rebuilding must occur as soon as reasonably possible and, in any event, within two years after the physical loss or damage.
- ii) Underwriters will not pay more under Coverage C than the increased cost of construction at the same premises, unless the written ordinance or other law requires relocation to other premises.

- iii) Underwriters will not pay more under Coverage C for the item of Property Insured than the Sublimit(s) shown in the Schedule above. If no Sublimit is shown for that item of Property Insured, Coverage C does not apply.

d) Additional Conditions Applicable to Coverages A, B and C:

- a. This Endorsement is subject to, and does not increase, the Limits of Insurance specified in the Policy.
- b. In no event shall Underwriters' total liability with respect to the item of Property Insured exceed the lesser of (i) the amount the Insured actually spends to demolish and clear undamaged parts of the item of Property Insured from the premises on which it is located plus the amount the Insured actually spends to repair, replace or rebuild the item of Property Insured, or (ii) the amount it would cost to demolish and clear undamaged parts of the item of Property Insured from the premises on which it is located plus the amount it would cost to repair, replace or rebuild the item of Property Insured on the same premises.
- c. Underwriters will not pay under this endorsement for the costs associated with the enforcement of any written ordinance or other law which requires any action (including, but not limited to testing, monitoring, clean-up, or treatment) with respect to:
 - i. mold;
 - ii. asbestos; or
 - iii. "any kind of seepage or any kind of pollution and/or contamination" as that phrase is defined in the Policy.

This endorsement, subject to its stated terms and conditions and the terms and conditions of the Policy to which it attaches, adds coverage otherwise excluded under the Policy.

ADDITIONAL COVERED PROPERTY

Notwithstanding statements to the contrary contained in the "Excluded Property" section in the form to which this endorsement is attached; the following identified Property is added as property covered under this Policy subject to all other terms, conditions and exclusions contained within the Policy to which this endorsement is attached.

SCHEDULE			
Premises No.	Building No.	Description of Property	Type of Property Coverage (Enter Building or Personal Property)
All	All	Walkways, Walls, Fences, Water Fountain, Foundations	Building

This endorsement is subject to all terms and conditions of the Policy to which it attaches.

ORDINANCE OR LAW – INCREASED PERIOD OF RESTORATION

- A. If an Insured Loss occurs to property at the Insured premises described in the Declarations, coverage is extended to include the amount of actual and necessary loss the Insured sustains during the increased period of "suspension" of "operations" caused by or resulting from the enforcement of any ordinance or law that:
1. Regulates the construction or repair of any Insured property;
 2. Requires the tearing down of parts of any Insured property not damaged by an Insured Cause of Loss; and
 3. Is in force at the time of loss.

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

1. The demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants" or due to the presence, growth, proliferation, spread or any activity of "fungus", wet or dry rot or bacteria; or
2. Any Insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants", "fungus", wet or dry rot or bacteria.

B. The Period of Restoration definition is replaced by the following:

d) "Period of Restoration" means the period of time that:

- i. Begins with the date of direct physical loss or damage caused by or resulting from any Insured Loss at insured premises; and
- ii. Ends on the earlier date when:
 - The property at insured premises should be repaired, rebuilt, or replaced with reasonable speed and similar quality.
 - The date when business is resumed at a new permanent location.

"Period of restoration" includes any increased period required to repair or reconstruct the property to comply with the minimum standards of any ordinance or law, in force at the time of loss, that regulates the construction or repair, or requires the tearing down of any property. The "period of restoration" will not be limited by the date of expiration of this Policy.

C. The following definition is added:

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

LLOYD'S PRIVACY POLICY STATEMENT UNDERWRITERS AT LLOYD'S, LONDON

The Certain Underwriters at Lloyd's, London want you to know how we protect the confidentiality of your non-public personal information. We want you to know how and why we use and disclose the information that we have about you. The following describes our policies and practices for securing the privacy of our current and former customers.

INFORMATION WE COLLECT

The non-public personal information that we collect about you includes, but is not limited to:

- Information contained in applications or other forms that you submit to us, such as name, address, and social security number
- Information about your transactions with our affiliates or other third-parties, such as balances and payment history
- Information we receive from a consumer-reporting agency, such as credit-worthiness or credit history

INFORMATION WE DISCLOSE

We disclose the information that we have when it is necessary to provide our products and services. We may also disclose information when the law requires or permits us to do so.

CONFIDENTIALITY AND SECURITY

Only our employees and others who need the information to service your account have access to your personal information. We have measures in place to secure our paper files and computer systems.

RIGHT TO ACCESS OR CORRECT YOUR PERSONAL INFORMATION

You have a right to request access to or correction of your personal information that is in our possession.

CONTACTING US

If you have any questions about this privacy notice or would like to learn more about how we protect your privacy, please contact the agent or broker who handled this insurance. We can provide a more detailed statement of our privacy practices upon request.

Sanction Limitation and Exclusion Clause

No (re)insurer shall be deemed to provide cover and no (re)insurer shall be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose that (re)insurer to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.

LMA3100
15 September 2010

U.S. Terrorism Risk Insurance Act of 2002 as amended Not Purchased Clause

This Clause is issued in accordance with the terms and conditions of the "U.S. Terrorism Risk Insurance Act of 2002" as amended as summarized in the disclosure notice.

It is hereby noted that the Underwriters have made available coverage for "insured losses" directly resulting from an "act of terrorism" as defined in the "U.S. Terrorism Risk Insurance Act of 2002", as amended ("TRIA") and the Insured has declined or not confirmed to purchase this coverage.

This Insurance therefore affords no coverage for losses directly resulting from any "act of terrorism" as defined in TRIA except to the extent, if any, otherwise provided by this policy.

All other terms, conditions, insured coverage and exclusions of this Insurance including applicable limits and deductibles remain unchanged and apply in full force and effect to the coverage provided by this Insurance.

LMA5219

12 January 2015