SEVENTH COURT OF APPEALS OF TEXAS AT AMARILLO

In re Century Surety Company, Relator

In re Century Surety · No. 07-15-00386-CV · Decided November 2, 2015

SUMMARY

This document is Century Surety Company's reply to the real party in interest's response to Century's petition for writ of mandamus in the Seventh Court of Appeals of Texas. It argues that Century did not waive its contractual appraisal rights, that the opposing party failed to establish prejudice, and that the trial court should sever and abate extra-contractual claims following Century's settlement offer. The filing concerns an original proceeding arising from the 320th Judicial District Court of Potter County, Texas.

CASE DETAILS

COURT	Seventh Court of Appeals of Texas at Amarillo
JURISDICTION	Texas
DECIDED	November 2, 2015
DOCKET	07-15-00386-CV
DISPOSITION	other
PROCEDURAL POSTURE	Reply brief in Century Surety Company's petition for writ of mandamus challenging the trial court's rulings on appraisal and severance and abatement of extra-contractual insurance claims.
STANDARD OF REVIEW	Mandamus relief requires the relator to show that the trial court clearly abused its discretion and that no adequate remedy by appeal exists. The brief contends that the trial court abused its discretion by misapplying the law concerning appraisal, waiver, prejudice, severance, and abatement.
PRECEDENTIAL VALUE	none
PARTIES	Century Surety Company, Relator v. 1408 S. Jefferson, LLC, Real Party in Interest, Don R. Emerson, Respondent

TOPICS

writ of certiorari · appellate procedure · insurance · contract interpretation · commercial litigation

PRACTICE AREAS

appellate procedure | insurance | contracts | remedies | commercial litigation

QUESTIONS PRESENTED

1. Whether Century waived its contractual right to appraisal by defending the litigation, participating in discovery and mediation, or delaying its appraisal demand.
2. Whether 1408 S. Jefferson, LLC was required to show prejudice to establish waiver of the appraisal right and, if so, whether it demonstrated prejudice.
3. Whether Century's Rule 167 settlement offer covering all monetary claims required severance and abatement of the extra-contractual claims from the breach-of-contract claim.
4. Whether the trial court abused its discretion so that mandamus relief should issue.

KEY QUOTATIONS

> *“An impasse is not the same as a disagreement about the amount of loss. Ongoing negotiations, even when the parties disagree, do not trigger a party's obligation to demand appraisal.”* (Page 2)

> *“Rather, impasse requires "a mutual understanding that neither will negotiate further."”* (Page 2)

> *“Century's settlement offers on all of 1408 J's monetary claims require severance and abatement of the extra-contractual claims from the breach-of-contract action.”* (Page 9)

FACTUAL BACKGROUND

1408 S. Jefferson, LLC asserted insurance-related claims against Century Surety Company concerning property loss, including breach-of-contract and extra-contractual bad-faith claims. The parties negotiated, participated in mediation, and continued settlement discussions after suit was filed. Century invoked a policy appraisal provision after an alleged impasse and made a Rule 167 settlement offer covering all of the real party's monetary claims. Century argued that the appraisal clause was mandatory, that it had not waived appraisal or caused prejudice, and that the settlement offer required severance and abatement of the extra-contractual claims.

PROCEDURAL HISTORY

1408 S. Jefferson, LLC sued Century Surety Company in the 320th Judicial District Court of Potter County, Texas. Century moved to compel appraisal and to sever and abate the extra-contractual claims after making a settlement offer under Texas Rule of Civil Procedure 167. The trial court allegedly denied or improperly analyzed Century's motions, prompting Century to seek mandamus relief in the Seventh Court of Appeals.

DISPOSITION

other

CASES CITED

- Elledge v. Friberg-Cooper Water Supply Corp., 240 S.W.3d 869 (Tex. 2007)
- In re Acadia Ins. Co., 279 S.W.3d 777 (Tex. App.—Amarillo 2007, orig. proceeding)

- In re GuideOne Nat'l Ins. Co., 2015 WL 5050233 (Tex. App.—Dallas Aug. 27, 2015, orig. proceeding)
- In re GuideOne Nat'l Ins. Co., 2015 WL 5766496 (Tex. App.—Amarillo Sept. 29, 2015, orig. proceeding)
- In re State Farm Mut. Auto. Ins. Co., 395 S.W.3d 229 (Tex. App.—El Paso 2012, orig. proceeding)
- In re Trinity Universal Ins. Co., 64 S.W.3d 463 (Tex. App.—Amarillo 2001, orig. proceeding)
- In re Universal Underwriters of Tex. Ins. Co., 345 S.W.3d 404 (Tex. 2011)
- Jai Bhole, Inc. v. Employers Fire Ins. Co., 2014 WL 50165 (S.D. Tex. Jan. 7, 2014)
- Lund v. Giauque, 416 S.W.3d 122 (Tex. App.—Fort Worth 2013, no pet.)
- Palestine Contractors, Inc. v. Perkins, 386 S.W.2d 764 (Tex. 1964)

OPINION

PER CURIAM.

ACCEPTED 07-15-00386-CV SEVENTH COURT OF APPEALS AMARILLO, TEXAS 11/2/2015 12:46:05 PM Vivian Long, Clerk CASE NO. 07-15-00386-CV IN THE SEVENTH COURT OF APPEALS FILED IN 7th COURT OF APPEALS AMARILLO, TEXAS AMARILLO, TEXAS 11/2/2015 12:46:05 PM VIVIAN LONG CLERK IN RE: CENTURY SURETY COMPANY, Relator Original Proceeding from the 320th Judicial District Court, Potter County, Texas Trial Court Cause No. 101,961-D The Honorable Don R. Emerson, Respondent REPLY TO RESPONSE OF REAL-PARTY-IN-INTEREST TO PETITION FOR WRIT OF MANDAMUS Catherine L. Hanna State Bar No. 08918280 Email: channa@hannaplaut.com Eric S. Peabody State Bar No. 00789539 Email: epeabody@hannaplaut.com HANNA & PLAUT, L.L.P.

211 East Seventh Street, Suite 600 Austin, Texas 78701 Telephone: (512) 472-7700 Facsimile: (512) 472-0205 COUNSEL FOR RELATOR TABLE OF CONTENTS Page TABLE OF CONTENTS ii INDEX OF AUTHORITIES iii SUMMARY OF REPLY 1 ARGUMENT AND AUTHORITIES 2 A. Century did not waive its right to appraisal by defendaing itself in the litigation 1408 J initiated. 2 Barb. 1408 J has not demonstrated prejudice 6 Cow.

1408 J has admitted that Century's settlement offer was on its entire claim, which necessitates severance and abatement of the bad-faith causes of action. 7 CONCLUSION AND PRAYER FOR RELIEF 9 VERIFICATION 10 CERTIFICATE OF SERVICE 11 CERTIFICATE OF COMPLIANCE 12 SUPPLEMENTAL APPENDIX TO THE PETITION FOR WRIT OF MANDAMUS 13 ii INDEX OF AUTHORITIES Cases Page Elledge v. Friberg—Cooper Water Supply Corp., 240 S.W.3d 869 (Tex.

2007) 6 In re Acadia Ins. Co., 279 S.W.3d 777 (Tex. App.—Amarillo 2007, orig. proceeding) 3 In re Guideone Nat'l Ins. Co., 2015 WL 5050233 (Tex. App.—Dallas Aug. 27, 2015, orig. proceeding) 3 In re GuideOne Nat'l Ins. Co., 2015 WL 5766496 (Tex. App.—Amarillo Sept. 29, 2015, orig. proceeding) 4 In re State Farm Mut, Auto. Ins. Co., 395 S.W.3d 229 (Tex. App.—El Paso 2012, orig. proceeding) 9 In re Trinity Universal Ins.

Co., 64 S.W.3d 463 (Tex. App.—Amarillo 2001, orig. proceeding) 8, 9 In re Universal Underwriters of Tex. Ins. Co., 345 S.W.3d 404 (Tex. 2011) 2, 3, 4, 6 Jai Bhole, Inc. v. Employers Fire Ins. Co., 2014 WL 50165 (S.D. Tex. Jan. 7, 2014) 3, 7 Lund v. Giauque, 416 S.W.3d 122 (Tex. App.—Fort Worth 2013, no pet.) 6 Palestine Contractors, Inc. v. Perkins, 386 S.W.2d 764 (Tex.

1964) 6 Rules TEx. R. OF Cry. P. 167 8 iii SUMMARY OF REPLY Despite 1408 J's characterization of Century's actions as explicitly or implicitly waiving its right to appraisal, Century never denied liability for 1408 J's claim and never refused to participate in or be bound by appraisal.

After 1408 J filed suit, the parties negotiated until mediation. Even after mediation failed, both sides continued to make settlement offers. Century's contractual appraisal provision is "mandatory" if invoked by either party and contains no time limit; Century invoked appraisal immediately after impasse and did not waive its right to appraisal by defending itself in the suit 1408 J initiated.

1408 J incurred litigation expenses because it chose to file suit rather than invoke appraisal, which is a condition precedent to suit under the Policy. Neither 1408 J's voluntary decision to preemptively file suit nor Century's defense against 1408 J's litigation tactics constitutes "prejudice" to 1408 J as required to establish waiver. Century's Rule 167 settlement offer on all of 1408 J's claims necessitates severance and abatement of 1408 J's extra-contractual claims from its breach of contract action, because that offer covered all disputed claims and damages 1408 J asserts.

The evidentiary prejudice to an insurance carrier from defending contractual and extra-contractual claims in the same suit following a settlement offer on disputed claims is inherent and well-recognized. Reply to Response to Petition for Writ of Mandamus Page 1 Because the trial court abused its discretion by improperly applying the law to both of Century's motions, mandamus should issue.

ARGUMENT AND AUTHORITIES A. Century did not waive its right to appraisal by defending itself in the litigation 1408 J initiated. Retreating from its original position that impasse occurred when it filed suit, 1408 J now argues that the parties "reached an impasse nine months before Century invoked appraisal,"' when Century responded to a settlement demand from 1408 J with a counterdemand of its own based on causation questions raised by reinspection of the property.

See Response at 14. "An impasse is not the same as a disagreement about the amount of loss. Ongoing negotiations, even when the parties disagree, do not trigger a party's obligation to demand appraisal." In re Universal Underwriters of Tex. Ins. Co., 345 S.W.3d 404, 408-09 (Tex. 2011). Rather, impasse requires "a mutual understanding that neither will negotiate further."

Id. at 410 (emphasis added). Century's counterdemand did not end the parties' negotiations; Century invited 1408 J's response to the counterdemand, the parties continued to investigate the cause and extent of the loss, and Century made settlement offers at the mediation held on April 27, 2015. See Record Tab 15 at 11:11-20.

In fact, even after Century invoked appraisal following the unsuccessful I Compare Record Tab 7 and Record Tab 15 at 6:21-7:3 with Response at 3, 15. Reply to Response to Petition for Writ of Mandamus Page 2 mediation, 1408 J made a bracket offer on May 8, 2015, "in an effort to narrow the gap in negotiations on this case." Record Tab 6, Ex. C, Ex. 4. 1408 J sent the offer "prior to conducting additional discovery or appraisal."

Id. Even in its formal response to Century's request for appraisal, 1408 J stated that it was "interested in continuing settlement negotiations" and solicited Century's response to the settlement bracket proposed on May 8, 2015. Record Tab 6, Ex. C. Century did not believe that further negotiation was futile before the April 2015 mediation, and 1408 J's correspondence demonstrates that it did not believe impasse had been reached even then.2 Century did not deny liability for the loss or refuse to discuss the matter further.

A court may "not infer waiver where neither explicit language nor conduct indicates that such was the party's intent." Universal Underwriters, 345 S.W.3d at 410. 1408 J also ignores the unique language of Century's appraisal endorsement, which states that appraisal is "mandatory" when invoked by either party and provides specifically for submission of causation issues to the appraisal panel.

See 2 1408 J's authorities are easily distinguished on this basis. See In re Guideone Nat'l Ins. Co., No. 05-15-00981-CV, 2015 WL 5050233, at *2 (Tex. App.—Dallas Aug. 27, 2015, orig. proceeding) (denying mandamus because "there is no suggestion in the mandamus record of a genuine belief by GuideOne that negotiations regarding the existence or amount of loss remained ongoing and would prove productive" at least six months before insurer invoked apprasial); Jai Bhole, Inc. v. Employers Fire Ins.

Co., No. CIV.A. 0-10-522, 2014 WL 50165, at *2 (S.D. Tex. Jan. 7, 2014) (insurer's decision to stand on coverage defense through multiple motions for summary judgment rather than negotiate scuttled mediations and made plaintiff's settlement attempts futile); In re Acadia Ins, Co., 279 S.W.3d 777, 780 (Tex. App.—Amarillo 2007, orig. proceeding) (insurer denied coverage based on date of loss and refused to participate in appraisal in order to preserve coverage defense).

Reply to Response to Petition for Writ of Mandamus Page 3 Petition, Appx. C.3 As this Court recently held in construing another non-standard appraisal clause: [W]e cannot ignore language in the contract simply because we or one of the parties comes to dislike the provision or thinks that some other action is intended.

As is the case in most contract cases, the parties chose the language when the decision to enter into the insurance contract was made, and we cannot change that language at this late date. In re GuideOne Nat'l Ins. Co., No. 07-15-00281-CV, 2015 WL 5766496, at *3 (Tex. App.—Amarillo Sept. 29, 2015, orig. proceeding) (internal citations omitted).

As in GuideOne, Century's Policy also contains a "non-waiver" clause that provides the Policy's terms "can be amended or waived only by endorsement issued by us and made a part of the policy." Appendix D.4 Century did not waive or amend the scope of its broad appraisal clause.

The appraisal clause also contains no time limit for the request. See Universal Underwriters, 345 S.W.3d at 410. 3 As counsel for 1408 J argued at the hearing on the motion to compel appraisal: The difference here in this case is that Century sent a letter after the lawsuit was filed saying that they are — they've done a reinspection with an engineer and that they've changed their position on what was actually covered and that they asked our client for reimbursement of over $50,000.

And the fact that there's causation and coverage issues in this case, those cannot be addressed by an appraisal. Record Tab 15 at 7:18-25. This is directly contrary to the Policy. 4See Appendix D, attached hereto as a supplement, Endorsement IL 00 17 11 98, "Common Policy Conditions."

Although the complete Policy was not before the trial court, Century submits the Policy for the Court's reference. The standard "non-waiver" and "no action" clauses reinforce the non-standard language of Century's appraisal clause, which provides: "Appraisal is mandatory if invoked by either party." Petition, Appx. C. Reply to Response to Petition for Writ of Mandamus Page 4 Finally, 1408 J's newly-minted argument that the parties' February 2014 Rule 11 Agreement constitutes waiver of appraisal by Century is spurious.

See Response at 16-17.5 In the Rule 11 Agreement, 1408 J agreed to dismiss three defendants in exchange for Century's agreement to not seek removal of the case to federal court and to produce those defendants without subpoena for deposition and trial. See Response, Supplemental Record Exhibit 1, Ex. A. The Agreement also mentioned a mediation, which — contrary to 1408 J's argument — indicates continuing negotiation of the claim rather than "significant actions inconsistent with any intention to invoke appraisal, if not a renunciation of the right altogether."

Response at 17. Century did not "contractually commit" itself to litigation in lieu of appraisal through the Rule 11 or waive its right to appraisal by defending itself in the litigation 1408 J initiated. The fact that the parties engaged in discovery, reinspected the property, and consulted experts in a case in which causation was disputed does not mean that Century waived its contractual right to appraisal.

To the contrary, the appraisal clause in Century's Policy specifically anticipates that causation may be an issue in both appraisal and litigation. When the experts' opinions raised additional questions regarding causation, Century continued to negotiate with 1408 J and 5 The motion to enforce the Rule 11 Agreement 1408 J attached to its Response as Exhibit 1 was not before trial court when the court heard and ruled on the motion to compel appraisal.

Reply to Response to Petition for Writ of Mandamus Page 5 participated in a mediation at which it offered to settle 1408 J's claims. At no point did Century explicitly or implicitly waive its contractual right to appraisal. B. 1408 J has not demonstrated prejudice. Even if Century's request for reimbursement based on causation or defense of 1408 J's suit could be viewed as an impasse or implicit waiver, 1408 J must still demonstrate that it was prejudiced by Century's conduct.

1408 J asserts that it suffered prejudice because (1) it has incurred litigation expenses, and (2) it would be unfair and prejudicial if appraisers rather than a jury determined 1408 J's right to damages. Response at 20-21. If this were the standard for prejudice, courts would rarely order appraisal.

As the supreme court stated in Universal Underwriters, "[I]t is difficult to see how prejudice could ever be shown when the policy, like the one here, gives both sides the same opportunity to demand appraisal." 345 S.W.3d at 412.6 Century's Policy gave 1408 J the right to demand a mandatory appraisal on both damages and causation while "retain[ing] the right 61408 J claims that this statement is "dictum" because the insured in Universal Underwriters did not attempt to show prejudice.

Response at 18-19. Universal Underwriters set out the requirements for waiver of an appraisal right, which the court held included a showing of prejudice. 345 S.W.3d at 411-12. The court further stated in the paragraph containing this sentence: "If a party senses that impasse has been reached, it can avoid prejudice by demanding an appraisal itself. This could short-circuit potential litigation and should be pursued before resorting to the courts."

Id. at 412. If the court's statement about the difficulty of showing prejudice is dicta, it is judicial dicta "made deliberately after careful consideration and for future guidance in the conduct of litigation," which binds lower courts. See Lund v. Giauque, 416 S.W.3d 122, 129 (Tex. App.—Fort Worth 2013, no pet.) (citing Palestine Contractors, Inc. v. Perkins, 386 S.W.2d 764, 773 (Tex.1964)); see also Elledge v. Friberg—Cooper Water Supply Corp.,240 S.W.3d 869, 870 (Tex.2007) (holding that although "not essential to the outcomes" of two previous cases, the Texas Supreme Court's statements "should have been followed" by the court of appeals).

Reply to Response to Petition for Writ of Mandamus Page 6 to have a court of competent jurisdiction determine which elements of the appraisal, if any, are covered under this policy based on the facts determined by the appraisal, the policy and applicable law" as well as retaining "the right to have the court determine the cause(s) of the damage appraised, if there is any post-appraisal disagreement regarding causation."

Petition, Appx. C. Given the breadth of the appraisal provision and the parties' retained rights, 1408 J cannot demonstrate that it would be prejudiced by complying with the mandatory contractual provision.' C. 1408 J has admitted that Century's settlement offer was on its entire claim, which necessitates severance and abatement of the bad-faith causes of action.

While appearing to acknowledge that severance would be mandatory if Century "made a settlement offer specifically on the disputed part of the contract case," 1408 J argues that Century is not entitled to severance of 1408 J's extra- contractual claims because Century did not establish the nature of its settlement offer or "specify which claims it is talking about."

Response at 22-23. Century 7 1408 J's reliance on Jai Bhole, Inc. v. Employers Fire Ins. Co., No. CIV.A. G-10-522, 2014 WL 50165 (S.D. Tex. Jan. 7, 2014), is misplaced. See Response at 13-14, 19-20. In that case, Employers did not raise appraisal in its answer and filed three motions for summary judgment asserting accord and satisfaction as a complete bar to any further recovery by the plaintiff.

Jai Bhole, Inc., 2014 WL 50165, at *1. Employers' decision to "stand on its accord and satisfaction defense rather than negotiate... scuttled the initial mediation" and convinced the court that plaintiff's settlement efforts would have been futile. Id. at *2.

The court further noted that Employers "continually refused to recognize Plaintiffs right to claim any additional benefits and seemed poised to continue to do so despite any appraisal award favorable to Plaintiff." Id. In contrast, while Century believed that it had overpayed 1408 J's claims based on the initial reports of its engineering experts, it continued to negotiate with 1408 J and made settlement offers at and following mediation.

See Record Tab 6; Record Tab 7; Record Tab 15 at 11:11-20. Century has never said or intimated that it would not participate in appraisal or comply with an award if 1408 J had invoked the procedure. Reply to Response to Petition for Writ of Mandamus Page 7 did not need to offer additional proof of the terms of its settlement offer because, as 1408 J repeatedly stated in its response to Century's motion for severance,8 the June 18, 2015 offer was made pursuant to Texas Rule of Civil Procedure 167, which requires the offer to address "the terms by which all monetary claims — including any attorney fees, interest, and costs that would be recoverable up to the time of the offer — between the offeror or offerors on the one hand and the offeree or offerees on the other may be settled."

Tex. R. Civ. P. 167.2(b) (4). 1408 J's challenge to the scope of Century's settlement offer — which 1408 J never raised in the trial court — is disingenuous because the evidence conclusively shows that Century offered to settle all of 1408 J's claims, including the disputed contract and extra-contractual claims. 1408 J's assertion that Century did not prove prejudice from trying the contractual and extra-contractual claims together is similarly unavailing.

See Response at 23-24.9 This Court has held that severance of extra-contractual claims is necessary where there has been a settlement offer because the carrier "has a substantial right to the exclusion from evidence of its settlement offers and negotiations in the trial of the [contract] claim."

In re Trinity Universal Ins. Co., See Record Tab 12 passim; see also Record Tab 5, 9Notably, 1408 J does not address one of its primary arguments in the trial court: that severance and abatement following a settlement offer is required only in uninsured/underinsured ("UM/UIM") cases. See Record Tab 12 111 30-34; Record Tab 14. 1408 J also concedes that Century is entitled to abatement of the extra-contractual claims if it is entitled to severance because 1408 J has not briefed this issue in its Response.

Reply to Response to Petition for Writ of Mandamus Page 8 64 S.W.3d 463, 468 (Tex. App.—Amarillo 2001, orig. proceeding). This right is inherent in the defense of the different claims; the resulting prejudice does not require an evidentiary basis beyond the offer itself. See In re State Farm Mut. Auto. Ins. Co., 395 S.W.3d 229, 234 (Tex. App.—El Paso 2012, orig. proceeding) ("Absent severance, an insurer is presented with a 'Catch-22' in that its decision to admit or exclude evidence of a settlement offer jeopardizes the successful defense of the other claim.").

Century raised this issue in both pre- and post-hearing briefing. See Record Tab 11 at 3-4; Record Tab 13 at 2. CONCLUSION AND PRAYER FOR RELIEF Century's settlement offers on all of 1408 J's monetary claims require severance and abatement of the extra-contractual claims from the breach-of- contract action.

In the contract action, Century is entitled to appraisal of 1408 J's loss in accordance with the Policy. Because the trial court incorrectly analyzed and applied the law on these issues, mandamus should issue to correct the trial court's abuse of discretion. WHEREFORE, PREMISES CONSIDERED, Relator Century Surety Company respectfully prays that the Court grant its petition and issue a writ of mandamus ordering the Respondent to sever and abate 1408 J's extra-contractual claims from its cause of action for breach of contract and to enforce the appraisal Reply to Response to Petition for Writ of Mandamus Page 9 provision of the policy, and for such other and further relief to which Relator may show itself justly entitled.

Respectfully submitted, HANNA & PLAUT, L.L.P. 211 East Seventh Street, Suite 600 Austin, Texas 78701 Telephone: (512) 472-7700 Facsimile: (512) 472-0205 By: /s/ Catherine L. Hanna Catherine L. Hanna State Bar No. 08918280 Email: channa@hannaplaut.com Eric S. Peabody State Bar No. 00789539 Email: epeabody@hannaplaut.com COUNSEL FOR RELATOR VERIFICATION I hereby certify pursuant to Texas Rule of Appellate Procedure 52.3 that I have reviewed the Reply to the Response to the Petition for Writ of Mandamus and the facts and statements therein are true and correct and supported by competent evidence included in the appendix or recor and that the copy of the insurance policy attached as Supplemental Append I) is a true and correct copy from my fir in ' s files.

Catherine L. Hanna SUBSCRIBED and SWORN TO before me the undersigned Notary Public, on this the day of November, 2015. LAURA R. IHLEFELD Notary Public, State of Texas My Commission Expires 4-) JUNE 21, 2016 ota Public in and for t State of Texas Reply to Response to Petition for Writ of Mandamus Page 10 CERTIFICATE OF SERVICE I hereby certify that a true and correct copy of the foregoing Petition for Writ of Mandamus, along with a contemporaneously filed Record in Support of Petition for Writ of Mandamus, has been forwarded by e-service and/or certified mail, return receipt requested, on the 2nd day of November, 2015 to: The Honorable Don R. Emerson 320th Judicial District Court District Courts Building 501 S. Fillmore, Suite 4B Amarillo, Texas 79101 Respondent Amber Anderson Mostyn State Bar No. 90001704 Molly K. Bowen State Bar No. 24069898 Lauren J. Chapman State Bar No. 24065033 3810 W. Alabama Houston Texas 77027 Telephone: (713) 861-6616 Facsimile: (713) 861-8084 Email: ALA teamefile@mostynlaw.corn Attorneys for Real Party in Interest /s/ Catherine L. Hanna Catherine L. Hanna Reply to Response to Petition for Writ of Mandamus Page 11 CERTIFICATE OF COMPLIANCE I certify that this document was produced on a computer using Microsoft Word 2010 and contains 1,810 words, as determined by the computer software's word-count function, excluding the sections of the document listed in Texas Rule of Appellate Procedure 9.4(i)(2)(B). /s/ Catherine L. Hanna Catherine L. Hanna Eric S. Peabody Attorneys for Century Surety Company Dated: November 2, 2015 Reply to Response to Petition for Writ of Mandamus Page 12 SUPPLEMENTAL APPENDIX TO THE PETITION FOR WRIT OF MANDAMUS Relator Century Surety Company submits the following documents in support of the Petition for Writ of Mandamus.

APPENDIX D Copy of Policy No. CCP 794864. Reply to Response to Petition for Writ of Mandamus Page 13 Appendix D Century Surety Company 465 CLEVELAND AVENUE WESTERVILLE, OH 43082 A STOCK COMPANY COMMERCIAL LINES OLICY THIS POLICY JACKET VVITH COMMON POLICY CONDITIONS, THE DECLARATIONS PAGE, COVERAGE PART(S), COVERAGE FORM(S) AND APPLICABLE FORMS AND ENDORSEMENTS COMPLETE THIS POLICY.

CSCP1000 (02/04) CONFIDENTIAL CE0591 Century Surety Company 466 Cleveland Avenue Westerville, Ohio 43082 614-885-2000 www.centurysurety.com COMMERCIAL LINES POLICY COMMON POLICY DECLARATIONS POLICY NO.:CCP 794864 New NAMED INSURED AND ADDRESS: CODE NO.:5720A 1408 S. Jefferson, LLC INSUREDS AGENT: 600 S. Tyler, Suite 1510 Aaron Q Johnson 4557 S Western St Amarillo TX 79101 Suite A7 Amarillo TX 79109 POLICY PERIOD: From:01-31-2013 To:01-31-2014 at 12:01 A.M.

Standard time at your mailing address shown above. Business Description: Office, Garage and Arcade Gaming Machines Maintenance 0 Individual 0 Joint Venture 0 Partnership C) Limited Liability Company (LLC) 0 Organization (Other than Partnership, LLC or Joint Venture) 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 General Liability Coverage Part $500.00 Commercial Property Coverage Part $4,412.00 Policy Fee $250.00 Surplus Lines Tax $250.36 Stamping Fee $3.10 25 % of the Policy Premium is fully earned as of the effective TOTAL $5,415.46 date of this policy and is not subject to return or refund.

Service of Suit (if form CCP 20 10 is attached) may be made upon: American Underwriting Managers 365 Miron Drive Suite D Southlake TX 76092 Form(s) and Endorsement(s) made a part of this policy at time of issue*: See Attached Schedule of Forms, CIL 15 00b 02 02 *Omits applicable Forms and Endorsements If shown In specific Coverage Part/Coverage Form Declarations.

Any person who, with intent to defraud or knowing that he is facilitating a fraud against an Insurer, submits an application or files a claim containing false or deceptive statement is guilty.of insurance fraud, COMPANY REPRESENTATIVE: American Underwriting Managers Countersigned By 365 Mlron Drive &lite D Authorized Representative Southlake TX 76092 02/07/2013 avm it4WitNOst WHEREOF, this Company has executed and attested these presents; but this policy shall not be valid unless countersigned by the duly Authorized Agent of this Company at the Agency hereinbefore mentioned.

Secretary President CSCP 10 01 06 09 CONFIDENTIAL CE0592Page 1 of 1 Policy Number: CCP 794864 CIL 16 00b 02 02 SCHEDULE OF FORMS AND ENDORSEMENTS (other than applicable forms and endorsements shown elsewhere in the policy) Forms and Endorsements applying to the Coverage Parts listed below and made a part of this policy at time of issue: Form! Edition Endt. # Date Title Total # of Forms Selected: 33 Forms Applicable to this Coverage part - INTERLINE-ALL COVERAGE PARTS CCP 2010 05 08 Service of Suit Clause CIL 1500E 02 02 Schedule of Forms and Endorsements CSCP 1000 02 04 Century Surety Company Policy Jacket CSCP 1001 05 09 Century Surety Company Common Policy Declarations IL 0003 09 08 Calculation of Premium IL 0017 11 98 Common Policy Conditions PRIV 0001 11 09 Privacy Statement TRIA 0001 10 08 Policyholder Disclosure Notice of Terrorism TXPN 0001 05 07 Texas Complaint Notice TXPN 0003 04 09 Texas Policyholder Notice 10 Forms Forms Applicable to this Coverage part-GENERAL LIABILITY CG 0001 12 07 Commercial General Liability

Coverage Form CG 0068 05 09 Recording and Distribution of Material or information In Violation of Law Exclusion CG 0300 01 96 Deductible Liability Insurance CG 2147 12 07 Employment-Related Practices Exclusion Total Pollution Exclusion With A Building Heating, Cooling and Dehumidifying Equipment CG 2165 12 04 Exception and A Hostile Fire Exception Exclusion of Certified Acts of Terrorism and Exclusion of Other Acts of Terrorism Committed CG 2175 06 08 Outside the United States CG 2176 01 08 Exclusion of Punitive Damages Related to Certified Act of Terrorism Exclusion of Certified Nuclear, Biological, Chemical or Radiological Acts of Terrorism; Cap CG 2184 01 08 on Losses from Certified Acts of Terrorism CG 2196 03 05 Silica or Silica-Related Dust Exclusion CGL 1500 04 07 Century Insurance Group Commercial General Liability Declarations CGL 1701a 05 10 Special Exclusions And Limitations Endorsement CGL 1711a 09 11 Classification and Location Limitation Endorsement IL 0021 09 08 Nuclear Energy Liability Exclusion Endorsement (Broad Form) 13 Forms Forms Applicable to this Coverage part - PROPERTY CCF 1500 08 11 Commercial Property Coverage Part Declarations CCF 1503 10 01 Exclusion -"Vacant or Unoccupied" Property CCF 1512 12 11 Mandatory Property Deductible Form CIL 16 00b 02 02 CONFIDENTIAL CEOMei of 2 CCF 1526 10 12 Loss Conditions Appraisal Amendatory Endorsement CP 0010 06 07 Building and Personal Property Coverage Form CP 0090 07 88 Commercial Property Conditions CP 0140 07 06 Exclusion of Loss Due to Virus or Bacteria CP 1020 06 07 Cause of Loss - Broad Form IL 0935 07 02 Exclusion of Certain Computer-Related Losses Exclusion of Certified Acts of Terrorism Involving Nuclear, Biological, Chemical or IL 0986 03 08 Radiological Terrorism; Cap on Covered Certified Acts Losses 10 Forms CIL 16 00b 02 02 CONFIDENTIAL CE051914e 2 012 CCP 2010 0508 SERVICE OF SUIT CLAUSE This endorsement modifies insurance provided by the policy to which this form is attached.

Itis agreed that in the event of the failure by us to pay any amount claimed to be due hereunder, we will, at your request, submit to the jurisdiction of a court of competent jurisdiction within the United States of America. Nothing in this clause constitutes or should be understood to constitute a waiver of our rights to commence an action in a court of competent jurisdiction in the United States of America, 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 of America or of any state in the United States of America.

In any such suit against us, we will abide by the final decision of such court or of any Appellate Court in the event of an appeal. It is further agreed that service of process in such suit may be made upon the person or organization shown in the Policy Declarations or upon us at the address shown in the policy jacket.

The above named are authorized and directed to accept service of process on behalf of us in any such suit and/or upon your request to give a written undertaking to you that we will enter a general appearance upon our behalf in the event such a suit shall be instituted. Further, pursuant to any statute of any state, territory, or district of the United States of America, which makes provision therefore, we hereby designate the Superintendent, Commissioner, or Directors of Insurance or other officer specified for that purpose in the statute or his successor or 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 your behalf or any beneficiary hereunder arising out of this contract of insurance, and hereby designates the above named as the person to whom the said officer is authorized to mail such process or a true copy thereof.

CCP 20 10 0508 Page 1 of 1 CONFIDENTIAL CE0595 IL 00 03 09 08 THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY. CALCULATION OF PREMIUM 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 OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART POLLUTION LIABILITY COVERAGE PART PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART RAILROAD PROTECTIVE LIABILITY COVERAGE PART The following Is added: The premium shown in the Declarations was com- puted based on rates in effect at the time the policy was issued.

On each renewal, continuation, or anni- versary of the effective date of this policy, we will compute the premium In accordance with our rates and rules then in effect. IL 00 03 09 08 ©60RFIVENTIAE.07 COMMON POLICY CONDITIONS All Coverage parts included in this policy are subject to the following conditions. A. Cancellation b. Give you reports on the conditions we 1.

The first Named Insured shown in the find; and Declarations may cancel this policy by c. Recommend changes. mailing or delivering to us advanced written 2. We are not obligated to make any notice of cancellation. inspections, surveys, reports or recom- 2.

We may cancel this policy by mailing or mendations and any such actions we do delivering to the first Named Insured written undertake relate only to insurability and the notice of cancellation at least: premiums to be charged.

We do not make a. 10 days before the effective date of safety inspections. We do not undertake to cancellation if we cancel for nonpayment perform the duty of any person or of premium; or organization to provide for the health or safety of workers or the public. And we do b. 30 days before the effective date of not warrant that conditions: cancellation if we cancel for any other reason. a, Are safe or healthful; or 3.

We will mail or deliver our notice to the first b. Comply with laws, regulations, codes or Named Insured's last mailing address known standards. to us. 3. Paragraphs 1, and 2. of this condition apply 4. Notice of cancellation will state the effective not only to us, but also to any rating, date of cancellation, The policy period will advisory, rate services or similar organization end on that date. which makes insurance inspections, surveys, reports or recommendations.

5. If this policy is cancelled, we will send the first Named Insured any premium refund due. 4. Paragraph 2. of this condition does not apply If we cancel, the refund will be pro rata. If to any inspections, surveys, reports or the first Named Insured cancels, the refund recommendations we may make relative to may be less than pro rata.

The cancellation certification, under state or municipal Will be effective even if we have not made or statutes, ordinances or regulations, of boilers, offered a refund. pressure vessels or elevators. 6. If notice is mailed, proof of mailing will be E. Premiums sufficient proof of notice.

The first Named Insured shown in the B. Changes Declarations This policy contains all the agreements between 1. Is responsible for the payment of all you and us concerning the insurance afforded. premiums; and The first named Insured shown in the 2. Will be the payee for any return prenniurn$ Declarations is authorized to make changes in the we pay. terms of this policy with our consent.

This F. TranSfer Of Your Rights And Duties Under policy's terms can be amended or waived only by This Policy endorsement issued by us and made a part of this policy. Your rights and duties under this policy may not be transferred without our written consent except C. Examination Of Your Books And Records in the case of death Of an niiivtdual trained We may =Mine and audit your books and insured. records as they relate to this policy at any time If you die, your rights and duties will be during. the policy period and up to three years transferred to your legal representative but only afterward, while acting within the scope of duties as your D. Inspections And Surveys legal representative.

Until your legal repre- 1. We have the right to: sentative is appointed, anyone having proper temporary custody of your property will have a. Make inspections and surveys at any your rights and duties but only with respect to time; that property. IL 00 17 11 98 CopyrightdmregfersalEce, Inc., 1998 cEnbc/ 1 Privacy Statement In applying for insurance products and services with Meadowbrook Insurance Group, Inc.'s subsidiaries, you may have provided us with non-public personal information.

Additionally, we may seek additional information, such as your creditworthiness or credit history, from third party reporting agencies. This information allows us to provide you with the best products and customer service. Keeping your personal information private and secure, whether learned directly from you or a third party reporting agency, is our priority.

The categories of non-public personal and financial information that we collect may include your name, address, social security or employer identification number, assets, income, date of birth, motor vehicle driving information and other information that is appropriate or necessary to provide you with the insurance products and services that you request.

We do not disclose any non-public personal or financial information about you, unless permitted or required by law or with your consent, We may have shared this information with affiliated parties as permitted by law.

We refer to and use that information to issue and service your insurance policies, provide insurance services or administer claims. We restrict access to your non-public personal and financial information to those employees who need the information to provide you with products or services.

We maintain physical, electronic and procedural safeguards to protect your non-public personal and financial information. These safeguards comply with federal and state regulations. If you contact us at our website, "www. Meadowbrook,com" we do not use "cookies", which many organizations use to track visitors' actions on their websites. Cookies are a general mechanism that can store and retrieve information on your computer.

We value the relationship that we have established with current and former customers. Should you have any comments or questions regarding our Privacy Policy, please contact us at 800- 482-2726. This Privacy Policy applies to the following companies: (1) Meadowbrook Insurance Group, Inc.'s insurance company subsidiaries (Star Insurance Company, Ameritrust Insurance Corporation, Savers Property & Casualty Insurance Company, Williamsburg National Insurance Company, ProCentury Insurance Company, and Century Surety Company); (2) Crest Financial Corporation's subsidiaries; and (3) Meadowbrook, Inc.'s subsidiaries.

PRIV 0001 1109 CONFIDENTIAL PCFEC698 NOTE TO AGENT: It is required by federal law that you provide this document to the insured. POLICYHOLDER DISCLOSURE NOTICE OF TERRORISM INSURANCE COVERAGE Coverage for acts of terrorism Is Included in your policy. You are hereby notified that under the Terrorism Risk Insurance Act, as amended in 2007, the definition of act of terrorism has changed.

As defined in Section 102(1) of the Act: The term "act of terrorism" means any act that is certified by the Secretary of the Treasury—in concurrence with the Secretary of State, 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.

Under your coverage, any losses resulting from certified acts of terrorism may be partially reimbursed by the United States Government under a formula established by the Terrorism Risk Insurance Act, as amended. 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% of covered terrorism losses exceeding the statutorily established deductible paid by the insurance company providing the coverage. 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 exceeds $100 billion in any one calendar year.

If the aggregate Insured losses for ail insurers exceed $100 billion, your coverage may be reduced. THIS IS NOTIFICATION THAT UNDER THE TERRORISM RISK INSURANCE ACT, AS AMENDED, ANY LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM UNDER THE POLICY COVERAGE MAY BE PARTIALLY REIMBURSED BY THE UNITED STATES GOVERNMENT, MAY BE SUBJECT TO A $100 BILLION CAP THAT MAY REDUCE THE COVERAGE AND THE POLICYHOLDER HAS BEEN NOTIFIED OF THE PORTION OF THE PREMIUM ATTRIBUTABLE TO SUCH COVERAGE The portion of your annual premium that is attributable to coverage for acts of terrorism is: Property 0 Inland Marine $ Crime Excluded General Liability $ 0 Garage Excluded Total 0 Name of Insurer: Century Surety Company Policy Number: CCP 794864 TRIA 0001 1008 Page 1 of 1 CONFInENTIAI CF0599 TXPN 0001 0507 TEXAS COMPLAINT NOTICE IMPORTANT NOTICE AVISO IMPORTANTE 1.To obtain information or make a complaint: Para obtener informacion o para someter una queja: 2.

You may contact your agent at telephone number Puede comunicarse con su agente al (806) 318-3495 (806) 3 18-3 495 Usted puede liamar a immure de telefono gratis de 3. You may call Century Surety Company's toll- free Century Surety Company's para informacion o pars telephone number for information or to make a someter uns queja al: complaint at: 1-800-878-7389 1-800-878-7389 4.

You may also write to Century Surety Co. at: Usted tambien puede esciibir a Century Surety Co. Century Surety Co. Century Surety Co. 465 Cleveland Ave. 465 Cleveland Ave. Westerville, 011 43082 Westerville, OH 43082 5. You may contact the Texas Department of Puede comunicarse con el Departmento de Seguros de Insurance to obtain information on companies, Texas pars obtener information acerda de coverages, rights or complaints at: companieas, coberturas, derechos o quejas al: 1-800-252-3439 1-800-252-3439 6.

You may write the Texas Department of Insurance: Puede escribir al Departmento de Seguros de Texas: P.O. Box 149104 P.O. Box 149104 Austin, Texas 78714-9104 Austin, Texas 78714-9104 FAX #(512) 475-1771 FAX# (512) 475-1771 Web: http://www.tdi.state.tx.us Web: http://www.tdi.state.tx.us E-mail: ConsumerProtection@tdi.state.tx.us E-mail: ConsumerProtection@tdi.state.tx.us 7.

PREMIUM OR CLAIM DISPUTES: DISPUTAS SOMBRE PRIMAS 0 RtCLAMOS: Should you have a dispute concerning your Si tiene una disputa conceinietite a su prima o a un premium or about a claim you should contact the reclaim, debe comunicarse don- acigetite) (la • (agent) (company) (agent or the company) first. If compania) (agente o la compania) primero. Si no the dispute is not resolved, you may contact the resolve la disputa, puede entonces comunicarse con el Texas Department of Insurance (TDI). departmento (TDI).

8. ATTACH THIS NOTICE TO YOUR POLICY: UNA ESTE AVISO A SU POLIZA: This notice is for information only and does not Este aviso es solo para proposito de information y no become a part or condition of the attached se conviete en parte o condicion del documento document. adjunto. TXPN 0001 0507 CONFIDENTIAL CE0600 TXPN 0003 0409 TEXAS POLICYHOLDER NOTICE This insurance contract is with an insurer not licensed to transact insurance in this state and is issued and delivered as surplus line coverage under the Texas Insurance statutes, The Texas Department of Insurance does not audit the finances or review the solvency of the surplus lines insurer providing this coverage, and the insurer is not a member of the property and casualty insurance guaranty association created under Chapter 462 Insurance Code.

Chapter 225, Insurance Code, requires payment of a 4.85 percent tax on gross premium. TXPN 0003 0409 CONFIDENTIAL POE0601 Century Surety Company COMMERCIAL GENERAL LIABILITY COVERAGE PART DECLARATIONS Effective Date: 01/31/2013)t* Policy No: CCP 794864 12:01 A.M. Standard Time NAMED INSURED: 1408 S. Jefferson, LLC LIMITS OF INSURANCE: General Aggregate Limit (Other than Product-Completed Operations) $ 2,000,000 Products-Completed Operations Aggregate Limit $ Included in the General Aggregate.Personal and Advertising Injury Limit $1,000,000 Each Occurrence Limit $1,000,000 Damage to Premises Rented to You $100,000 Any one Fire!

Occurrence Medical Expense Limit $ 5,000 Any one Person RETROACTIVE DATE: (CG 00 02, CGL 0002, CGL 1661 or CGL 1553) Coverage A and B of this insurance does not apply to "bodily injury", "property damage", "personal and advertising injury", "personal injury" or "advertising injury" which occurs before the retroactive date shown here: N/A DEDUCTIBLE: Per Claim $ 500 Bodily Injury Liability & Property Damage Liability Combined (this deductible also applies to Personal and Advertising Injury Liability.)

Deductible also applies to Supplementary Payments - Coverages A arid B; Defense Expenses Coverages A and B (form CGL 0002 only) Yes • No LOCATION OF PREMISES YOU OWN, RENT OR OCCUPY: 1)1408 S Jefferson, Amarillo, TX 79101 2)205 N Tyler, Amarillo, TX 79107 3)207 N Tyler, Amarillo, TX 79101 PREMIUM RATE: ADVANCED PREMIUM State Terr Code Classification Prem. Basis Prem.

Ops. Pr/Co Pr/Co All Other TX 006 61212 Buildings.Or:PrerniSes-bank or office- a) 8,619 39.570 incl Inc! 500 MP mercantile or manufacturing (lessor's risk only)-Other than Not For Profit TX 006 68703 Warehouses-occupied by single interest a) 5,895 8.243 Inol Ind Inc! (lessor's risk only) TX 006 61212 8Liildings or Premises-bank or office- a) 1,880 39.570 Inc!

Inc! Inc! mercantile or manufacturing (lessor's risk only)-Other than Not For Profit COL 1500 04/07 CONFIDENTIAL CE0602 Page 1 of 2. Policy No; CCP 794864 NAMED INSURED: 1408 S. Jefferson, LLC PREMIUM RATE; ADVANCED PREMIUM State Terr Code Classification Prem. Basis Prem. Ops. Pr/Co Pr/Co AU Other Audit period Is Annual Unless Otherwise Stated Total Advance Premium $ 500 TRIA Coverage $ 0 Minimum Premium for This Coverage Part $ 500 FORMS AND ENDORSEMENTS (other than applicable Forms and Endorsements shown elsewhere in the policy); Forms and Endorsements applying to this Coverage Part and made part of this policy at time of issue: See Attached Schedule of Forms, CIL 15 00B 02 02 Inclusion of bate Optional.

THESE DECLARATIONS ARE PART OF THE POLICY DECLARATIONS CONTAINING THE NAME OF THIS INSURED AND THE POLICY PERIOD CGL 1600 04/07 CONFIDENTIAL CE0603Page 2 of 2 • COMMERCIAL GENERAL LIABILITY CG 00 01 12 07 COMMERCIAL GENERAL LIABILITY COVERAGE FORM Various provisions in this policy restrict coverage. b. This insurance applies to "bodily injury" and Read the entire policy carefully to determine rights, "property damage" only if: duties and what is and is not covered.

(1) The "bodily injury" or "property damage" is Throughout this policy the words "you" and "your" caused by an "occurrence" that takes place refer to the Named Insured shown in the Declarations, in the "coverage territory"; and any other person or organization qualifying as a (2) The "bodily Injury" or "property damage" Named Insured under this policy.

The words "we", occurs during the policy period; and "us" and "our" refer to the company providing this insurance. (3) Prior to the policy period, no insured listed under Paragraph 1. of Section II — Who Is The word "insured" means any person or organization An Insured and no "employee" authorized qualifying as such under Section II — Who Is An In- by you to give or receive notice of an "oc- sured. currence" or claim, knew that the "bodily in- Other words and phrases that appear in quotation jury" or "property damage" had occurred, in marks have special meaning.

Refer to Section V — whole or in part. If such a listed insured or Definitions. authorized "employee" knew, prior to the policy period, that the "bodily injury" or SECTION I — COVERAGES "property damage" occurred, then any con- COVERAGE A BODILY INJURY AND PROPERTY tinuation, change or resumption of such DAMAGE LIABILITY "bodily injury" or "property damage" during 1.

Insuring Agreement or after the policy period will be deemed to have been known prior to the policy period. a. We will pay those sums that the insured be- comes legally obligated to pay as damages c. "Bodily injury" or "property damage" which because of "bodily injury" or "property damage" occurs during the policy period and was not, to which this insurance applies.

We will have prior to the policy period, known to have oc- the right and duty to defend the insured against curred by any insured listed under Paragraph any "suit" seeking those damages. However, 1. of Section II — Who Is An Insured or any we will have no duty to defend the insured "employee" authorized by you to give or re- against any "suit" seeking damages for "bodily ceive notice of an "occurrence" or claim, in- Injury" or "property damage" to which this in- cludes any continuation, change or resumption surance does not apply.

We may, at our discre- of that "bodily Injury" or "property damage" af- tion, investigate any "occurrence" and settle ter the end of the policy period. any claim or "suit" that may result. But: d. "Bodily injury" or "property damage" will be (1) The amount we will pay for damages is deemed to have been known to have occurred limited as described in Section IiI — Limits at the earliest time when any insured listed un- Of Insurance; and der Paragraph 1. of Section II Who Is An In- sured or any "employee" authorized by you to (2) Our right and duty to defend ends when we give or receive notice of an "occurrence" or have used up the applicable limit of insur- claim: ance in the payment of judgments or set- tlements under Coverages A or B or medi- (1) Reports all, or any part, of the "bodily injury" cal expenses under Coverage C. or "property damage" to us or any other in- No other obligation or liability to pay sums or surer; perform acts or services Is covered unless ex- (2) Receives a written or verbal demand or plicitly provided for under Supplementary Pay- claim for damages because of the "bodily ments — Coverages A and B. injury" or "property damage"; or (3) Becomes aware by any other means that "bodily injury" or "property damage" has oc- curred or has begun to occur.

CO 00 01 12 07 RIFfEYENVT 6 Cegill504f 16 e. Damages because of "bodily injury" include c. Liquor Liability damages claimed by any person or organiza- "Bodily injury" or "property damage" for which tion for care, loss of services or death resulting any insured may be held liable by reason of: at any time from the "bodily injury".

(1) Causing or contributing to the Intoxication of 2. Exclusions any person; This Insurance does not apply to: (2) The furnishing of alcoholic beverages to a a. Expected Or Intended injury person

under the legal drinking age or un- "Bodily injury" or "property damage" expected der the influence of alcohol; or or intended from the standpoint of the insured.

(3) Any statute, ordinance or regulation relating This exclusion does not apply to "bodily injury" to the sale, gift, distribution or use of alco- resulting from the use of reasonable force to holic beverages.. protect persons or property. This exclusion applies only if you are in the b. Contractual Liability business of manufacturing, distributing, selling, "Bodily Injury" or "property damage" for which serving or furnishing alcoholic beverages. the insured is obligated to pay damages by d. Workers' Compensation And Similar Laws reason of the assumption of liability in a con- Any obligation of the insured under a workers' tract or agreement.

This exclusion does not compensation, disability benefits or unem- apply to liability for damages: ployment compensation law or any similar law. (1) That the insured would have in the absence e. Employer's Liability of the contract or agreement; or "Bodily injury" to: (2) Assumed in a contract or agreement that is an "insured contract", provided the "bodily (1) An "employee" of the insured arising out of injury" or "property damage" occurs subse- and in the course of: quent to the execution of the contract or (a) Employment by the insured; or agreement.

Solely for the purposes of lia- (b) Performing duties related to the conduct bility assumed in an "insured contract", rea- of the insured's business; or sonable attorney fees and necessary litiga- tion expenses incurred by or for a party (2) The spouse, child, parent, brother or sister other than an insured are deemed to be of that "employee" as a consequence of Pa- damages because of "bodily injury" or ragraph (1) above. "property damage", provided: This exclusion applies whether the Insured (a) Liability to such party for, or for the cost may be liable as an employer or in any other of, that party's defense has also been capacity and to any obligation to share damag- assumed in the same "insured contract"; es with or repay someone else who must pay and damages because of the injury. (b) Such attorney fees and litigation ex- This exclusion does not apply to liability as- penses are for defense of that party sumed by the insured under an "Insured con- against a civil or alternative dispute res- tract". olution proceeding in which damages to which this insurance applies are alleged.

Page 2 of 16 eMR9VENTIA2P6 6t,'Ve9652°7 f. Pollution (d) At or from any premises, site or location (1) "Bodily injury" or "property damage" arising on which any insured or any contractors out of the actual, alleged or threatened dis- or subcontractors working directly or in- charge, dispersal, seepage, migration, re- directly on any insured's behalf are per- lease or escape of "pollutants": forming operations if the "pollutants" are brought on or to the premises, site or lo- (a) At or from any premises, site or location cation in connection with such opera- which is or was at any time owned or tions by such insured, contractor or sub- occupied by, or rented or loaned to, any contractor.

However, this subparagraph insured. However, this subparagraph does not apply to: does not apply to: (I) "Bodily injury" or "property damage" (i) "Bodily injury" if sustained within a arising out of the escape of fuels, lu- building and caused by smoke, bricants or other operating fluids fumes, vapor or soot produced by or which are needed to perform the originating from equipment that is normal electrical, hydraulic or me- used to heat, cool or dehumidify the chanical functions necessary for the building, or equipment that is used to operation of "mobile equipment" or heat water for personal use, by the its parts, if such fuels, lubricants or building's occupants or their guests; other operating fluids escape from a (ii) "Bodily injury" or "property damage" vehicle part designed to hold, store for which you may be held liable, if or receive them, This exception does you are a contractor and the owner not apply if the "bodily injury" or or lessee of such premises, site or "property damage" arises out of the location has been added to your pol- intentional discharge, dispersal or re- icy as an additional insured with re- lease of the fuels, lubricants or other spect to your ongoing operations operating fluids, or if such fuels, lu- performed for that additional insured bricants or other operating fluids are at that premises, site or location and brought on or to the premises, site or such premises, site or location is not location with the intent that they be and never was owned or occupied discharged, dispersed or released as by, or rented or loaned to, any in- part of the operations being per- sured, other than that additional in- formed by such insured, contractor sured; or or subcontractor; (Ili) "Bodily injury" or "property damage" (ii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes sustained within a building and from a "hostile fire"; caused by the release of gases, (b) At or from any premises, site or location fumes or vapors from materials which is or was at any time used by or brought into that building in connec- for any insured or others for the han- tion with operations being performed dling, storage, disposal, processing or by you or on your behalf by a con- treatment of waste; tractor or subcontractor; or (c) Which are or were at any time trans- (iii) "Bodily injury" or "property damage" ported, handled, stored, treated, dis- arising out of heat, smoke or fumes posed of, or processed as waste by or from a "hostile fire". for: (e) At or from any premises, site or location (i) Any insured; or on which: any iriSured, or any contractors or subcontractors.

Working directly or In- (ii) Any person or organization for whom directly on any insured's behalf are per- you may be legally responsible; or forming operations if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the ef- fects of, "pollutants". CG 00 01 12 07 %se RIFOENTIAV.96 CEeteef 16 CI (2) Any loss, cost or expense arising out of (6) "Bodily injury" or "property damage" arising any: out of: (a) Request, demand, order or statutory or (a) The operation of machinery or equip-.regulatory requirement that any insured ment that is attached to, or part of, a or others test for, monitor, clean up, re- land vehicle that would qualify under the move, contain, treat, detoxify or neutral- definition of "mobile equipment" if It were ize, or in any way respond to, or assess not subject to a compulsory or financial the effects of, "pollutants"; or responsibility law or other motor vehicle (b)

Claim or "suit' by or on behalf of a go- insurance law in the state where it is li- vernmental authority for damages be- censed or principally garaged; or cause of testing for, monitoring, cleaning (b) the operation of any of the machinery or up, removing, containing, treating, de- equipment listed in Paragraph C(2) or toxifying or neutralizing, or in any way f.(3) of the definition of "mobile equip- responding to, or assessing the effects ment", of, "pollutants". h. Mobile Equipment However, this paragraph does not apply to "Bodily injury" or "property damage" arising out liability for damages because of "property of: damage" that the insured would have in the absence of such request, demand, order or (1) The transportation of "mobile equipment" by statutory or regulatory requirement, or such an "auto" owned or operated by or rented or claim or "suit" by or on behalf of a govern- loaned to any insured; or mental authority.

(2) The use of "mobile equipment" in, or while g. Aircraft, Auto Or Watercraft in practice for, or while being prepared for, any prearranged racing, speed, demolition, "Bodily injury" or "property damage" arising out or stunting activity. of the ownership, maintenance, use or en- trustment to others of any aircraft, "auto" or wa- i. War tercraft owned or operated by or rented or "Bodily injury" or "property damage", however loaned to any insured.

Use includes operation caused, arising, directly or indirectly, out of: and "loading or unloading", (1) War, including undeclared or civil war; This exclusion applies even if the claims (2) Warlike action by a military force, including against any insured allege negligence or other action in hindering or defending against an wrongdoing in the supervision, hiring, employ- actual or expected attack, by any govern- ment, training or monitoring of others by that ment, sovereign or other authority using insured, if the "occurrence" which caused the military personnel or other agents; or "bodily injury" or "property damage" involved the ownership, maintenance, use or entrust- (3) Insurrection, rebellion, revolution, usurped ment to others of any aircraft, "auto" or water- power, or action taken by governmental au= craft that Is owned or operated by or rented or thority in hindering or defending against any loaned to any insured. of these.

This exclusion does. not apply to: J. Damage To Property (1) A Watercraft While 'ashore On Prernises you "Property damage" to: own or rent; (1) Property you own, rent, or occupy, including (2) A Watercraft you do not own that is: any costs or expenses incurred by you, or any other peradn, Organization or entity, for • (a) Less than 26 feet long; and repair, replacement, enhancement, restora- (b) Not being: Used, to carry persons or tion or maintenance of such property for property for a• oharge; any reason, including prevention of injury to oy Parking an "auto" On, or on the ways next a person or damage to another's property; to, premises you own or rent, provided the (2) Premises you sell, give away or abandon, if "auto" is not owned by or rented or loaned the "property damage" arises out of any to you or the insured; part of those premises; (4) Liability assumed under any "insured con- (3) Property loaned to you; tract" for the ownership, maintenance or (4) Personal property in the care, custody or use of aircraft or watercraft; or control of the insured; Page 4 of 16 VORREYENTIAT6 ettveor 07 (5) That particular part of real property on This exclusion does not apply to the loss of use which you or any contractors or subcontrac- of other property arising out of sudden and ac- tors working directly or indirectly on your cidental physical injury to "your product" or behalf are performing operations, if the "your work" after it has been put to its intended "property damage" arises out of those op- use. erations; or n. Recall Of Products, Work Or Impaired (6) That particular part of any property that Property must be restored, repaired or replaced be- Damages claimed for any loss, cost or ex- cause "your work" was incorrectly per- pense incurred by you or others for the loss of formed on it, use, withdrawal, recall, inspection, repair, re- Paragraphs (1), (3) and (4) of this exclusion do placement, adjustment, removal or disposal of: not apply to "property damage" (other than (1) "Your product"; damage by fire) to premises, including the con- tents of such premises, rented to you for a pe- (2) "Your work"; or riod of 7 or fewer consecutive days.

A separate (3) "Impaired property"; limit of insurance applies to Damage To Pre- if such product, work, or property is withdrawn mises Rented To You as described in Section or recalled from the market or from use by any III — Limits Of Insurance. person or organization because of a known or Paragraph (2) of this exclusion does not apply suspected defect, deficiency, Inadequacy or if the premises are "your work" and were never dangerous condition in it. occupied, rented or held for rental by you. o. Personal And Advertising Injury Paragraphs (3), (4), (5) and (6) of this exclu- "Bodily injury" arising out of "personal and ad- sion do not apply to liability assumed under a vertising injury". sidetrack agreement. p. Electronic Data Paragraph (6) of this exclusion does not apply to "property damage" included in the "products- Damages arising out of the loss of, loss of use completed operations hazard". of, damage to, corruption of, inability to access, or inability to manipulate electronic data. k. Damage To Your Product As used in this exclusion, electronic data "Property damage" to "your product" arising out means information, facts or programs stored as of it or any part of it. or on, created or used on, or transmitted to or I. Damage To Your Work from computer software, including systems and "Property damage" to "your work" arising out of applications software, hard or floppy disks, CD- it or any part of it and Included in the "products- ROMS, tapes, drives, cells, data processing completed operations hazard". devices or any other media which are used with electronically controlled equipment.

This exclusion does not apply if the damaged work or the work out of which the damage aris- q. Distribution Of Material In Violation Of es was performed on your behalf by a subcon- Statutes tractor. "Bodily injury" or "property damage" arising di- m. Damage To impaired Property Or Property rectly or indirectly out of any action or omission Not Physically Injured that violates or is alleged to violate: "Property damage" to "impaired property" or (1) The Telephone Consumer Protection Act property that has not been physically injured, (TCPA), including any amendment of or arising out of: addition to such laW; or (1) A defect, deficiency, inadequacy or danger- (2) The CAN-SPAM Act,of 2003, including any ous condition in "your product" or "your amendment of or addition to such law; or work"; or (3) Any statute, ordinance or regulation, other (2) A delay or failure by you or anyone acting than the TCPA or CAN-SPAM Act of 2003, on your behalf to perform a contract or that prohibits or limits the sending, transmit- agreement in accordance with its terms. ting, communicating or distribution of ma- terial or information.

CO 00 01 12 07 °M1RITTCYENTIAE96 ctmemf 16 EXcluSiOne c: through n. do not apply to damage c. Material Published Prior To Policy Period by fire tb, premises while rented to you or tempora- "Personal and advertising Injury" arising out of rily occupied, by you with permission of the owner. oral' or written publication of material whose A Separate.11Mit of insurance applies to this cover- first publication took place before the beginning age'.as. deSCribed in Section III — Limits Of Insur- of the policy period. ance. d. Criminal Acts COVERAG,E B PERSONAL AND ADVERTISING INJURY.LIABILITY "Personal and advertising injury" arising out of a criminal act committed by or at the direction 1.

Insuring Agreement of the insured. a. We will pay those sums that the insured be- e. Contractual Liability comes legally obligated to pay as damages because of "personal and advertising injury" to "Personal and advertising injury" for which the which' this insurance applies.

We will have the insured has assumed liability in a contract or right and duty to defend the insured against agreement. This exclusion does not apply to any "suit" seeking those damages, However, liability for damages that the insured would we will have no duty to defend the insured have in the absence of the contract or agree- against any "suit" seeking damages for "per- ment. sonal and advertising injury" to which this in- f. Breach Of Contract surance does not apply.

We may, at our discre- "Personal and advertising injury" arising out of tion, investigate any offense and settle any a breach of contract, except an implied con- claim or "suit" that may result, But: tract to use another's advertising idea in your (1) The amount we will pay for damages is "advertisement'. limited as described in Section III — Limits Quality Or Performance Of Goods — Failure Of Insurance; and To Conform To Statements (2) Our right and duty to defend end when we "Personal and advertising injury" arising out of have used up the applicable limit of insur- the failure of goods, products or services to ance in the payment of judgments or set- conform with any statement of quality or per- tlements under Coverages A or B or medi- formance made in your "advertisement", cal expenses under Coverage C. No other obligation or liability to pay sums or h. Wrong Description Of Prices perform acts or services is covered unless ex- "Personal and advertising injury" arising out of plicitly provided for under Supplementary Pay- the wrong description of the price of goods,, merits — Coverages A and B. products or services stated in your "advertise- ment". b. This insurance applies to "personal and adver- tising injury" caused by an offense arising out i. Infringement Of Copyright, Patent, of your business but only if the offense was Trademark Or Trade Secret committed in the "coverage territory" during the "Personal and advertising injury" arising Out of policy period. the infringement,of copyright, patent, trade- 2.

Exclusions mark, trade secre or Other intellectual property rights; Under this eXclUSIon, such' other intelle6. This insurance does not apply to:. tual property rights do not inclUde the use of a. Knowing Violation Of Rights Of Another another's advertising idea in your "advertise-. "Personal and advertising injury" caused by or ment". at the direction of the insured with the know- However, this eXCIUSibri'does, not apply to in- ledge that the act would violate the rights of fringement, in Skite l'adyeettlenieli", Of copy- another and would infild "personal and adver- right, trade dress or slOgan. tising injury".

Insureds. In Media And Internet Type b. Material PUblithed With Knowledge Of Businesses FalSity "Personal and advertising Injury" committed by "Personal and advertising Injury" arising out of an insured whose business is: oral or written publication of material, if done by (1) Advertising, broadcasting, publishing or or at the direction of the insured with know- telecasting; ledge of its falsity.

(2) Designing or determining content of web- sites for others; or Page 6 of 16 eCra9 ritAe.06 (3) An Internet search, access, content or (3) Insurrection, rebellion, revolution, usurped service provider. power, or action taken by governmental au- However, this exclusion does not apply to Pa- thority in hindering or defending against any ragraphs 14.a., b. and c. of "personal and ad- of these. vertising injury" under the Definitions Section, p. Distribution Of Material In Violation Of For the purposes of this exclusion, the placing Statutes of frames, borders or links, or advertising, for "Personal and advertising injury" arising direct- you or others anywhere on the Internet, is not ly or indirectly out of any action or omission by itself, considered the business of advertis- that violates or is alleged to violate: ing, broadcasting, publishing or telecasting.

(1) The Telephone Consumer Protection Act k. Electronic Chatrooms Or Bulletin Boards (TCPA), including any amendment of or. "Personal and advertising injury" arising out of addition to such law; or an electronic chatroom or bulletin board the in- (2) The CAN-SPAM Act of 2003, including any sured hosts, owns, or over which the insured amendment of or addition to such law; or exercises control.

(3) Any statute, ordinance or regulation, other I. Unauthorized Use Of Another's Name Or than the TCPA or CAN-SPAM Act of 2003, Product that prohibits or limits the sending, transmit- "Personal and advertising injury" arising out of ting, communicating or distribution of ma- the unauthorized use of another's name or terial or information. product in your e-mail address, domain name COVERAGE C MEDICAL PAYMENTS or metatag, or any other similar tactics to mis- 1.

Insuring Agreement lead another's potential customers. a. We will pay medical expenses as described m. Pollution below for "bodily injury" caused by an accident: "Personal and advertising injury" arising out of (1) On premises you own or rent; the actual, alleged or threatened discharge, dispersal, seepage, migration, release or es- (2) On ways next to premises you own or rent; cape of "pollutants" at any time.

Or n. Pollution-Related (3) Because of your operations; Any loss, cost or expense arising out of any: provided that: (1) Request, demand, order or statutory or (a) The accident takes place in the "cover- regulatory requirement that any insured or age territory" and during the policy pe- others test for, monitor, clean up, remove, riod; contain, treat, detoxify or neutralize, or in (b) The expenses are Incurred and reported any way respond to, or assess the effects to us within one year of the date of the of, "pollutants"; or accident; and (2) Claim or suit by or on behalf of a govern- (c) The injured person submits to examina- mental authority for damages because of tion, at our expense, by physicians of testing for, monitoring, cleaning up, remov- our choice as often as we reasonably ing, containing, treating, detoxifying or neu- require. tralizing, or in any way responding to, or b. We will make these payments regardless of assessing the effects of, "pollutants". fault, These payments will not exceed the ap- o. War plicable limit of insurance.

We will pay reason- "Personal and advertising injury", however able expenses for: caused, arising, directly or indirectly, out of: (1) First aid administered at the time of an (1) War, including undeclared or civil war; accident; (2) Warlike action by a military force, including (2) Necessary medical, surgical, x-ray and action in hindering or defending against an dental services, including prosthetic devic- actual or expected attack, by any govern- es; and ment, sovereign or other authority using (3) Necessary ambulance, hospital, profes- military personnel or other agents; or sional nursing and funeral services.

CG 00 01 12 07 °M1IFIVENTI1/1" Cg1515TOf 16 2. Exclusions f. Prejudgment interest awarded against the We will not pay expenses for "bodily injury": insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of a. Any insured insurance, we will not pay any prejudgment In- To any insured, except "volunteer workers". terest based on that period of time after the of- b. Hired Person fer.

To a person hired to do work for or on behalf of g. All interest on the full amount of any judgment that accrues after entry of the judgment and any insured or a tenant of any insured. before we have paid, offered to pay, or depo- c. Injury On Normally Occupied Premises sited in court the part of the judgment that is To a person injured on that part of premises within the applicable limit of insurance. you own or rent that the person normally occu- These payments will not reduce the limits of insur- •pies. ance. d. Workers Compensation And Similar Laws 2.

If we defend an insured against a "suit" and an To a person, whether or not an "employee" of indemnitee of the insured is also named as a party any insured, if benefits for the "bodily Injury" to the "suit", we will defend that indemnitee if all of are payable or must be provided under a work- the following conditions are met: ers' compensation or disability benefits law or a a. The "suit" against the indemnitee seeks dam- similar law. ages for which the insured has assumed the e. Athletics Activities liability of the indemnitee in a contract or agreement that is an "insured contract"; To a person injured while practicing, instructing or participating in any physical exercises or b. This insurance applies to such liability as- games, sports, or athletic contests, sumed by the insured; f. Products-Completed Operations Hazard c. The obligation to defend, or the cost of the defense of, that indemnitee, has also been as- Included within the "products-completed opera- sumed by the insured in the same "insured tions hazard". contract"; g. Coverage A Exclusions d. The allegations in the "suit" and the information EXcluded under Coverage A. we know about the "occurrence" are such that SUPPLEMENTARY PAYMENTS COVERAGES A no conflict appears to exist between the inter- AND El ests of the insured and the interests of the in- demnitee; 1.

We will pay, with respect to any claim we investi- gate or settle, or any "suit' against an insured we e. The indemnitee and the insured ask us to defend: conduct and control the defense of that indem- nitee against such "suit" and agree that we can a. All expenses we incur, assign the same counsel to defend the insured b. Up to $250 for cost of bail bonds required and the indemnitee; and because of accidents or traffic law violations f. The indemnitee: arising out of the use of any vehicle to which the Bodily Injury Liability Coverage applies.

We (1) Agrees in writing to: do not have to furnish these bonds. (a) Cooperate with us in the investigation, c. The cost of bonds to release attachments, but settlement or defense of the "suit"; only for bond amounts within the applicable (b) Immediately send, us copies of any limit of. insurance.

We do not have to furnish demands, notices, summonses or legal these bonds. papers received in connection with the d. All..reasonable expenses incurred by the in- "suit"; sured at our request to assist us in the investi- (c) Notify any other insurer whose coverage gation or defense of the claim or "suit", includ- is available to the indemnitee;. and ing actual loss of earnings up to $250 a day (d) Cooperate with us with respect to coor- because of time off from work. dinating other applicable insurance e. All court costs taxed against the insured in the available to the indemnitee; and "suit".

However, these payments do not include (2) Provides us with written authorization to: attorneys' fees or attorneys' expenses taxed against the insured. (a) Obtain records and other information related to the "suit"; and Page 8 of 16 attlell 12 07 11FftlYENTIAP,.°6 (b) Conduct and control the defense of the 2. Each of the following is also an insured: indemnitee in such "suit". a. Your "volunteer workers" only while performing So long as the above conditions are met, attor- duties related to the conduct of your business, neys' fees incurred by us in the defense of that in- or your "employees", other than either your demnitee, necessary litigation expenses incurred "executive officers" (if you are an organization by us and necessary litigation expenses incurred other than a partnership, joint venture or limited by the indemnitee at our request will be paid as liability company) or your managers (if you are Supplementary Payments.

Notwithstanding the a limited liability company), but only for acts provisions of Paragraph 2.b.(2) of Section I — within the scope of their employment by you or Coverage A — Bodily Injury And Property Damage while performing duties related to the conduct Liability, such payments will not be deemed to be of your business.

However, none of these "em- damages for "bodily injury" and "property damage" ployees" or "volunteer workers" are insureds and will not reduce the limits of insurance. for: Our obligation to defend an Insured's indemnitee (1) "Bodily injury" or "personal and advertising and to pay for attorneys' fees and necessary litiga- injury"; tion expenses as Supplementary Payments ends when we have used up the applicable limit of in- (a) To you, to your partners or members (If you are a partnership or joint venture), surance in the payment of judgments or settle- to your members (if you are a limited ments or the conditions set forth above, or the liability company), to a co-"employee" terms of the agreement described in Paragraph f. while in the course of his or her em- above, are no longer met. ployment or performing duties related to SECTION II —WHO IS AN INSURED the conduct of your business, or to your 1.

If you are designated in the Declarations as: other 'Volunteer workers" while perform- ing duties related to the conduct of your a. An individual, you and your spouse are insu- business; reds, but only with respect to the conduct of a business of which you are the sole owner. (b) To the spouse, child, parent, brother or sister of that co-"employee" or 'Volun- b. A partnership or joint venture, you are an in- teer worker" as a consequence of Para- sured.

Your members, your partners, and their graph (1)(a) above; spouses are also insureds, but only with re- spect to the conduct of your business. (c) For which there is any obligation to share damages with or repay someone c. A limited liability company, you are an insured. else who must pay damages because of Your members are also insureds, but only with the injury described in Paragraphs (1)(a) respect to the conduct of your business.

Your or (b) above; or managers are insureds, but only with respect to their duties as your managers. (d) Arising out of his or her providing or failing to provide professional health d. An organization other than a partnership, joint care services. venture or limited liability company, you are an insured, Your "executive officers" and directors (2) "Property damage" to property: are insureds, but only with respect to their du- (a) Owned, occupied or used by, ties as your officers or directors.

Your stock- (b) Rented to, in the care, custody or con- holders are also Insureds, but only with respect trol of, or over which physical control is to their liability as stockholders. being exercised for any purpose by e. A trust, you are an insured, Your trustees are you, any of your "employees", "volunteer also insureds, but only with respect to their du- workers", any partner or member (If you are ties as trustees. a partnership or joint venture), or any mem- ber (if you are a limited liability company).

CG 00 01 12 07 (')OORPH5ENTiAE.06 CEte12196 b. Any person (other than your "employee" or 3. The Products-Completed Operations Aggregate "volunteer worker"), or any organization while Limit is the most we will pay under Coverage A for acting as your real estate manager. damages because of "bodily injury" and "property damage" included in the "products-completed op- c. Any person or organization having proper erations hazard". temporary custody of your property if you die, but only: 4.

Subject to Paragraph 2. above, the Personal and Advertising Injury Limit is the most we will pay un- (1) With respect to liability arising out of the maintenance or use of that property; and der Coverage B for the sum of all damages be- cause of all "personal and advertising injury" sus,.

(2) Until your legal representative has been tained by any one person or organization. appointed. 6. Subject to Paragraph 2. or 3. above, whichever d. Your legal representative if you die, but only applies, the Each Occurrence Limit is the most we.with respect to duties as such. That represent- will pay for the sum of: ative will have all your rights and duties under this Coverage Part. a. Damages under Coverage A; and 3.

Any organization you newly acquire or form, other b. Medical expenses under Coverage C than a partnership, joint venture or limited liability because of all "bodily injury" and "property dam- company, and over which you maintain ownership age" arising out of any one "occurrence". or majority interest, will qualify as a Named In- 6. Subject to Paragraph 5. above, the Damage To sured if there is no other similar Insurance availa- Premises Rented To You Limit is the most we will ble to that organization.

However: pay under Coverage A for damages because of a. Coverage under this provision is afforded only "property damage" to any one premises, while until the 90th day after you acquire or form the rented to you, or in the case of damage by fire, organization or the end of the policy period, while rented to you or temporarily occupied by you whichever is earlier; with permission of the owner. b. Coverage A does not apply to "bodily injury" or 7.

Subject to Paragraph 6. above, the Medical Ex- "property damage" that occurred before you pense Limit is the most we will pay under Cover- acquired or formed the organization; and age C for all medical expenses because of "bodily c. Coverage B does not apply to "personal and injury" sustained by any one person. advertising injury" arising out of an offense The Limits of Insurance of this Coverage Part apply committed before you acquired or formed the separately to each consecutive annual period and to organization. any remaining period of less than 12 months, starting No person or organization is an insured with respect with the beginning of the policy period shown in the to the conduct of any current or past partnership, joint Declarations, unless the policy period is extended venture or limited liability company that is not shown after issuance for an additional period of less than 12 as a Named Insured in the Declarations. months.

In that case, the additional period will be deemed part of the last preceding period for purposes SECTION III — LIMITS OF INSURANCE of determining the Limits of Insurance. 1. The Limits of Insurance shown in the Declarations SECTION IV — COMMERCIAL GENERAL LIABILITY and the rules below fix the most we will pay re- CONDITIONS gardless of the number of: 1. Batikeil 'Pity a. Insureds; Bankruptcy or insolvency of the insured or of the b. Claims made or "suits" brought; or insured's estate will not relieve us of our obliga- c. Persons or organizations making claims or tions under this Coverage Nit. bringing "suits".

2. Duties in The Event Of Cleciarreace,.0ffetite, 2. The General Aggregate Limit is the most we will Claim. Or Suit pay for the sum of: a. You must see to it that we are notified as soon a. Medical expenses under Coverage C; as practicable of an "occurrence" or an offense which may result in a claim.

To the extent b. Damages under Coverage A, except damages possible, notice should include: because of "bodily injury" or "property damage" Included in the "products-completed operations (1) How, when and where the "occurrence" or hazard"; and offense took place; c. Damages under Coverage B. (2) The names and addresses of any injured persons and witnesses; and Page 10 of 16 64(LR961 07 0 009 NFIIIENTIAP6 (3) The nature and location of any injury or 4.

Other Insurance damage arising out of the "occurrence" or If other valid and collectible Insurance is available offense. to the insured for a loss we cover under Coverag- b. If a claim is made or "suit" is brought against es A or B of this Coverage Part, our obligations any insured, you must: are limited as follows: (1) Immediately record the specifics of the a. Primary Insurance claim or "suit" and the date received; and This insurance is primary except when Para- (2) Notify us as soon as practicable. graph b. below applies, If this insurance is pri- You must see to it that we receive written no- mary, our obligations are not affected unless tice of the claim or "suit" as soon as practica- any of the other insurance is also primary. ble.

Then, we will share with all that other insur- ance by the method described in Paragraph c. c. 'You and any other involved insured must: below, (1) Immediately send us copies of any de- b. Excess insurance mands, notices, summonses or legal pa- pers received in connection with the claim (1) This insurance is excess over: or "suit"; (a) Any of the other insurance, whether (2) Authorize us to obtain records and other primary, excess, contingent or on any information; other basis; (3) Cooperate with us in the investigation or (I) That is Fire, Extended Coverage, settlement of the claim or defense against Builder's Risk, Installation Risk or the "suit"; and similar coverage for "your work"; (4) Assist us, upon our request, in the en- (ii) That is Fire insurance for premises forcement of any right against any person rented to you or temporarily occu- or organization which may be liable to the pied by you with permission of the Insured because of injury or damage to owner; which this insurance may also apply. (iii) That Is insurance purchased by you d. No Insured will, except at that insured's own to cover your liability as a tenant for cost, voluntarily make a payment, assume any "property damage" to premises obligation, or incur any expense, other than for rented to you or temporarily occu- first aid, without our consent. pied by you with permission of the owner; or 3.

Legal Action Against Us (iv) If the loss arises out of the mainten- No person or organization has a right under this ance or use of aircraft, "autos" or wa- Coverage Part: tercraft to the extent not subject to a. To join us as a party or otherwise bring us into Exclusion g. of Section I — Coverage a "suit" asking for damages from an Insured; or A — Bodily Injury And Property Dam- b. To sue us on this Coverage Part unless all of age Liability. its terms have been fully complied with. (b) Any other primary Insurance available to A person or organization may sue us to recover on you covering liability for damages aris- an agreed settlement or on a final judgment ing out of the premises or operations, or against an insured; but we will not be liable for the products and completed operations, damages that are not payable under the terms of for which you have been added as an this Coverage Part or that are in excess of the ap- additional.* insured by attachment of an plicable limit of insurance.

An agreed settlement endoreement. means a settlement and release of liability signed (2) When this insurance is excess, we will haVe by us, the insured and the claimant or the clai- no duty under Coverages A or B to defend mant's legal representative. the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer de- fends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

CG 00 01 12 07 c091KrnirjEhlrFIAPP6 Cittffil14f 16 13 (3) When this insurance is excess over other c. We have issued this policy in reliance upon insurance, we will pay only our share of the your representations. amount of the loss, if any, that exceeds the 7. Separation Of insureds sum of: Except with respect to the Limits of Insurance, and (a) The total amount that all such other any rights or duties specifically assigned in this insurance would pay for the loss in the Coverage Part to the first Named Insured, this in- absence of this insurance; and surance applies: (b) The total of all deductible and self- a. As if each Named Insured were the only insured amounts under all that other in- Named Insured; and surance. b. Separately to each insured against whom claim (4) We will share the remaining loss, if any, is made or "suit" is brought. with any other insurance that is not de- scribed in this Excess Insurance provision 8.

Transfer Of Rights Of Recovery Against Others and was not bought specifically to apply in To Us excess of the Limits of Insurance shown in If the insured has rights to recover all or part of the Declarations of this Coverage Part. any payment we have made under this Coverage c. Method Of Sharing Part, those rights are transferred to us.

The in- sured must do nothing after loss to impair them. At If all of the other insurance permits contribution our request, the insured will bring "suit" or transfer by equal shares, we will follow this method al- those rights to us and help us enforce them. so.

Under this approach each insurer contri- butes equal amounts until it has paid its appli- 9. When We Do Not Renew cable limit of insurance or none of the loss If we decide not to renew this Coverage Part, we remains, whichever comes first. will mail or deliver to the first Named Insured If any of the other insurance does not permit shown in the Declarations written notice of the contribution by equal shares, we will contribute nonrenewal not less than 30 days before the expi- by limits.

Under this method, each insurer's ration date. share is based on the ratio of its applicable lim- If notice is mailed, proof of mailing will be sufficient it of insurance to the total applicable limits of proof of notice. insurance of all insurers, SECTION V — DEFINITIONS 5. Premium Audit 1. "Advertisement" means a notice that is broadcast a. We will compute all premiums for this Cover- or published to the general public or specific mar- age Part in accordance with our rules and ket segments about your goods, products or ser- rates. vices for the purpose of attracting customers or b. Premium shown in this Coverage Part as ad- supporters.

For the purposes of this definition: vance premium is a deposit premium only. At a. Notices that are published include material the close of each audit period we will compute placed on the Internet or on similar electronic the earned premium for that period and send means of communication; and notice to the first Named Insured.

The due date b. Regarding web-sites, only that part of a web- for audit and retrospective premiums is the site that is about your goods, products or ser- date shown as the due date on the bill. If the vices for the purposes of attracting customers sum of the advance and audit premiums paid or supporters is considered an advertisement for the policy period is greater than the earned premium, we will return the excess to the first 2.

"Auto" means: Named Insured. a. A land motor vehicieii ft:a ilet„pr:semitrailer de- c. The first. Named Insured must keep records of signed for travel on public roads, Mokiding any the information we need for premium computa- attached machinery or equipment; or tion, and send us copies at such times as we b. Any other land vehicle that is subject to a com- may request. pulsory or financial responsibility law or other 6.

Representations motor vehicle insurance law in the state where By accepting this policy, you agree: It is licensed or principally garaged. However, "auto" does not include "mobile equip- a. The statements in the Declarations are accu- rate and complete; ment". b. Those statements are based upon representa- tions you made to us; and Page 12 of 16 (400FINI5ENTIA2.06 et/501 07 3.

"Bodily injury" means bodily injury, sickness or 9. "Insured contract" means: disease sustained by a person, including death re- a. A contract for a lease of premises. However, sulting from any of these at any time. that portion of the contract for a lease of pre- 4. "Coverage territory" means:

mises that indemnifies any person or organiza- a. The United States of America (including its tion for damage by fire to premises while territories and possessions), Puerto Rico and rented to you or temporarily occupied by you Canada; with permission of the owner is not an "insured contract"; b. International waters or airspace, but only if the Injury or damage occurs in the course of travel b. A sidetrack agreement; or transportation between any places included c. Any easement or license agreement, except in in Paragraph a. above; or connection with construction or demolition op- c..

All other parts of the world if the injury or dam- erations on or within 50 feet of a railroad; age arises out of: d. An obligation, as required by ordinance, to (1) Goods or products made or sold by you in indemnify a municipality, except in connection the territory described in Paragraph a. with work for a municipality; above; e. An elevator maintenance agreement; (2) The activities of a person whose home is in f. That part of any other contract or agreement the territory described in Paragraph a. pertaining to your business (including an in- above, but is away for a short time on your demnification of a municipality in connection business; or with work performed for a municipality) under which you assume the tort liability of another (3) "Personal and advertising injury" offenses party to pay for "bodily injury" or "property that take place through the Internet or simi- lar electronic means of communication damage" to a third person or organization.

Tort liability means a liability that would be imposed provided the insured's responsibility to pay dam- by law In the absence of any contract or ages is determined In a "suit" on the merits, in the agreement. territory described in Paragraph a. above or in a settlement we agree to. Paragraph f% does not include that part of any contract or agreement: 6. "Employee" includes a "leased worker.

"Em- ployee" does not Include a "temporary worker'. (1) That indemnifies a railroad for "bodily injury" or "property damage" arising out of con- 6. "Executive officer" means a person holding any of struction or demolition operations, within 50 the officer positions created by your charter, con- feet of any railroad property and affecting stitution, by-laws or any other similar governing any railroad bridge or trestle, tracks, road- document. beds, tunnel, underpass or crossing; 7.

"Hostile fire" means one which becomes uncon- (2) That indemnifies an architect, engineer or trollable or breaks out from where it was Intended surveyor for injury or damage arising out of:. to be. (a) Preparing, approving, or failing to pre- 8. "Impaired property" means tangible property, other pare or approve, maps, shop drawings, than "your product" or "your work", that cannot be opinions, reports, surveys, field orders, used or is less useful because: change orders or drawings and specifi- a. It incorporates "your product" or "your work" cations; or that is known or thought to be defective, defi- (b) Giving directions or instructions, or cient, inadequate or dangerous; or failing to give them, if that is the primary b. You have failed to fulfill the terms of a contract cause of the injury or daMage; or or agreement; (3) Under which the insured, if an architect, if such property can be restored to use by the re- engineer or surveyor, assumes liability for pair, replacement, adjustment or removal of "your an injury or damage arising out of the in- product" or "your work" or your fulfilling the terms sured's rendering or failure to render pro- of the contract or agreement. fessional services, including those listed in (2) above and supervisory, inspection, arc- hitectural or engineering activities.

CG 00 01 12 07 omEriliveNlowles citmitef 16 10."Leased worker" means a person leased to you by However, self-propelled vehicles with the fol- a labor leasing firm under an agreement between lowing types of permanently attached equip- you and the labor leasing firm, to perform duties ment are not "mobile equipment" but will ID? related to the conduct of your business.

"Leased considered "autos": worker" does not include a 'temporary worker". (1) Equipment designed primarily for: 11."Loading or unloading" means the handling of (a) Snow removal; property: (b) Road maintenance, but not construction a. After it is moved from the place where it is or resurfacing; or accepted for movement into or onto an aircraft, watercraft or "auto"; (c) Street cleaning; b. While it is in or on an aircraft, watercraft or (2) Cherry pickers and similar devices mounted "auto"; or on automobile or truck chassis and used to raise or lower workers; and c. While it is being moved from an aircraft, water- craft or "auto" to the place where it is finally de- (3) Air compressors, pumps and generators, livered; including spraying, welding, building clean- ing, geophysical exploration, lighting and but "loading or unloading" does not include the well servicing equipment. movement of property by means of a mechanical device, other than a hand truck, that is not at- However, "mobile equipment" does not include tached to the aircraft, watercraft or "auto", any land vehicles that are subject to a compulsory or financial responsibility law or other motor ve- 12."Mobile equipment" means any of the following hicle insurance law In the state where it Is licensed types of land vehicles, including any attached ma- or principally garaged.

Land vehicles subject to a chinery or equipment: compulsory or financial responsibility law or other a. Bulldozers, farm machinery, forklifts and other motor vehicle Insurance law are considered "au- vehicles designed for use principally off public tos" roads; 13."Occurrence" means an accident, including conti- b. Vehicles maintained for use solely on or next to nuous or repeated exposure to substantially the premises you own or rent; same general harmful conditions. c. Vehicles that travel on crawler treads; 14."Personal and advertising injury" means injury, d. Vehicles, whether self-propelled or not, main- including consequential "bodily Injury", arising out tained primarily to provide mobility to perma- of one or more of the following offenses: nently mounted: a. False arrest, detention or imprisonment; (1) Power cranes, shovels, loaders, diggers or b. Malicious prosecution; drills; or c. The wrongful eviction from, wrongful entry into, (2) Road construction or resurfacing equipment or invasion of the right of private occupancy of such as graders, scrapers or rollers; a room, dwelling or premises that a person oc- e. Vehicles not described in Paragraph a9 b., c. cupies, committed by or on behalf of its owner, or d. above that are not self-propelled and are landlord or lessor; maintained primarily to provide mobility to per- d. Oral or written publication, in any manner, of manently attached equipment of the following material that slanders or libels a person or or- types: ganization or disparages a person's or organi- (1) Air compressors, pumps and generators, zation's goods, products or services; including spraying, welding, building clean- e. Oral or written publication, in any manner, of ing, geophysical exploration, lighting and material that violates a pelt-oils right of priva- well servicing equipment; or cy; (2) Cherry pickers and similar devices used to f. The use of another's advertising idea In your raise or lower workers; "advertisement"; or f. Vehicles not described in Paragraph a., b., c. g. Infringing upon another's copyright, trade dress or d. above maintained primarily for purposes or slogan in your "advertisement". other than the transportation of persons or car- go.

Page 14 of 16 °MtRITIVENTIAPP6 El j107 15."Pollutants" mean any solid, liquid, gaseous or b. Loss of use of tangible property that is not thermal irritant or contaminant, including smoke, physically injured. All such loss of use shall be vapor, soot, fumes, acids, alkalis, chemicals and deemed to occur at the time of the "occur- waste. Waste includes materials to be recycled, rence" that caused it. reconditioned or reclaimed.

For the purposes of this insurance, electronic data 16."Products-completed operations hazard": is not tangible property. a. Includes all "bodily injury" and "property dam- As used in this definition, electronic data means age" occurring away from premises you own or information, facts or programs stored as or on, rent and arising out of "your product" or "your created or used on, or transmitted to or from com- work" except: puter software, including systems and applications (1) Products that are still in your physical pos- software, hard or floppy disks, CD-ROMS, tapes, session; or drives, cells, data processing devices or any other media which are used with electronically controlled (2) Work that has not yet been completed or equipment. abandoned.

However, "your work" will be deemed completed at the earliest of the fol- 18."Sult" means a civil proceeding in which damages lowing times: because of "bodily injury", "property damage" or "personal and advertising injury" to which this in- (a) When all of the work called for in your surance applies are alleged. "Suit" includes: contract has been completed. a. An arbitration proceeding in which such dam- (b) When all of the work to be done at the ages are claimed and to which the insured job site has been completed if your con- must submit or does submit with our consent; tract calls for work at more than one Job or site. b. Any other alternative dispute resolution pro- (c) When that part of the work done at a job ceeding in which such damages are claimed site has been put to its intended use by and to which the insured submits with our con- any person or organization other than sent, another contractor or subcontractor working on the same project.

19."Temporary worker' means a person who is fur- nished to you to substitute for a permanent "em- Work that may need service, maintenance, ployee" on leave or to meet seasonal or short-term correction, repair or replacement, but which workload conditions. is otherwise complete, will be treated as completed. 20."Volunteer worker' means a person who is not your "employee", and who donates his or her work b. Does not include "bodily injury" or "property and acts at the direction of and within the scope of damage" arising out of: duties determined by you, and is not paid a fee, (1) The transportation of property, unless the salary or other compensation by you or anyone injury or damage arises out of a condition in else for their work performed for you. or on a vehicle not owned or operated by 21."Your product": you, and that condition was created by the "loading or unloading" of that vehicle by any a. Means: insured; (1) Any goods or products, other than real (2) The existence of tools, uninstalled equip- property, manufactured, sold, handled, dis- ment or abandoned or unused materials; or tributed or disposed of by: (3) Products or operations for which the classi- (a) You; fication, listed in the Declarations or in a (b) Others tracliriO,urider.your name; or:.. policy schedule, states that products- (c) A person or orgariizatieri 'whose busi- completed operations are subject to the ness or assets you have acquired; and General Aggregate Limit.

(2) Containers (other than vehicles), materialS, 17."Property damage" means: parts or equipment furnished in connection a. Physical injury to tangible property, including with such goods or products. all resulting loss of use of that property. All b. Includes: such loss of use shall be deemed to occur at the time of the physical injury that caused it; or (1) Warranties or representations made at any time with respect to the fitness, quality, du- rability, performance or use of 'your prod- uct"; and CG 00 01 12 07 ©0314FPITYENTIAP°6 Citet8'16 (2) The providing of or failure to provide warn- ings or instructions. c. Does not include vending machines or other property rented to or located for the use of oth- ers but not sold, 22.

"Your work": a. Means: (1) Work or operations performed by you or on your behalf; and (2) Materials, parts or equipment furnished in connection with such work or operations. b. Includes: (1) Warranties or representations made at any time with respect to the fitness, quality, du- rability, performance or use of "your work", and (2) The providing of or failure to provide warn- ings or instructions.

Page 16 of 16 s"09R191EYENTIAP6 07 COMMERCIAL GENERAL LIABILITY CG 00 68 05 09 RECORDING AND DISTRIBUTION OF MATERIAL OR INFORMATION IN VIOLATION OF LAW EXCLUSION This endorsement modifies insurance provided under the following: COMMERCIAL GENERAL LIABILITY COVERAGE PART A. Exclusion q. of Paragraph 2. Exclusions of Sec- B. Exclusion p. of Paragraph 2. Exclusions of Sec- tion I — Coverage A — Bodily Injury And Proper- tion I — Coverage B — Personal And Advertising ty Damage Liability is replaced by the following: Injury Liability Is replaced by the following: 2.

Exclusions 2. Exclusions This insurance does not apply to: This insurance does not apply to: q. Recording And Distribution Of Material p. Recording And Distribution Of Material Or Information In Violation Of Law Or Information In Violation Of Law "Bodily Injury" or "property damage" arising "Personal and advertising injury" arising di- directly or indirectly out of any action or rectly or indirectly out of any action or omis- omission that violates or is alleged to vision that violates or is alleged to violate: olate: (1) The Telephone Consumer Protection (1) The Telephone Consumer Protection Act (TCPA), Including any amendment Act (TCPA), including any amendment of or addition to such law; of or addition to such law; (2) The CAN-SPAM Act of 2003, Including (2) The CAN-SPAM Act of 2003, including any amendment of or addition to such any amendment of or addition to such law; law; The Fair Credit Reporting Act (FCRA), (3) (3) The Fair Credit Reporting Act (FCRA), and any amendment of or addition to and any amendment of or addition to such law, including the Fair and Accu- such law, including the Fair and Accu- rate Credit Transaction Act (FACIA); or rate Credit Transaction Act (FACIA); or (4) Any federal, state or local statute, ordin- (4) Any federal, state or local statute, ordin- ance or regulation, other than the TCPA, ance or regulation, other than the TCPA, CAN-SPAM Act of 2003 or FORA and CAN-SPAM Act of 2003 or FCRA and their amendments and additions, that their amendments and additions, that addresses, prohibits, or limits the print- addresses, prohibits, or limits the print- ing, dissemination, disposal, collecting, ing, dissemination, disposal, collecting, recording, sending, transmitting, com- recording, sending, transmitting, com- municating or distribution of material or municating or distribution of material or information.

Information. CG 00 68 05 09 Q InsureviqpirmgifiFtpitc., 2008 c ENTOof 1 COMMERCIAL GENERAL LIABILITY CG 03 00 01 96 THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY. DEDUCTIBLE LIABILITY INSURANCE This endorsement modifies Insurance provided under the following: COMMERCIAL GENERAL LIABILITY COVERAGE PART PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART SCHEDULE Coverage Amount and Basis of Deductible PER CLAIM or PER OCCURRENCE Bodily Injury Liability $ OR Property Damage Liability OR Bodily Injury Liability and/or 500 $ Property Damage Liability Combined APPLICATION OF ENDORSEMENT (Enter below any limitations on the application of this endorsement.

If no limitation is entered, the deductibles apply to damages for all "bodily Injury" and "property damage", however caused): A. Our obligation under the Bodily Injury Liability and b. Under Property Damage Liability Coverage, to Property Damage Liability Coverages to pay dam- all damages sustained by any one person ages on your behalf applies only to the amount of because of "property damage"; or damages in excess of any deductible amounts c. Under Bodily Injury Liability and/or Property stated in the Schedule above as applicable to Damage Liability Coverage Combined, to such coverages. all damages sustained by any one person B.You may select a deductible amount on either a because of: per claim or a per "occurrence" basis.

Your se- (1) "Bodily Injury"; lected deductible applies to the coverage option (2) "Property damage"; or and to the basis of the deductible Indicated by the placement of the deductible amount in the Sched- (3) "Bodily injury" and "property damage" ule above.

The deductible amount stated in the combined as the result of any one "occurrence". Schedule above applieS as follows: 1. PER CLAIM' BASIS, If the deductible amount If damages are claimed for care, loss of ser- indicated in the Schedule above is on a per claim vices or death resulting at any time from "bodily basis, that deductible applies as follows: injury", a separate deductible amount will be applied to each person making a claim for such a. Under Bodily Injury Liability Coverage, to all damages. damages sustained by any one person be- With respect to "property damage", person in- cause of "bodily injury"; cludes an organization.

CG 03 00 01 96 Copyright, IrmiNFTE)StkriTte2 Inc., 1994 2. PER OCCURRENCE BASIS. If the deductible C. The terms of this insurance, including those with amount indicated in the Schedule above is on respect to: a "per occurrence" basis, that deductible 1.Our right and duty to defend the insured amount applies as follows: against any "suits" seeking those damages; a. Under Bodily Injury Liability Coverage, to all and damages because of "bodily injury"; 2.Your duties in the event of an "occurrence", b,Under Property Damage Liability Coverage, claim, or "suit" to all damages because of "property dam- apply irrespective of the application of the de- age"; or ductible amount, C. Under Bodily Injury Liability and/or Property D. We may pay any part or all of the deductible Damage Liability Coverage Combined, to amount to effect settlement of any claim or "suit" all damages because of: and, upon notification of the action taken, you shall (1) "Bodily injury"; promptly reimburse us for such part of the de- (2) "Property damage"; or ductible amount as has been paid by us.

(3) "Bodily injury" and "property damage" combined as the result of any one "occurrence", regard- less of the number of persons or organizations who sustain damages because of that "occur- rence". co ot op 01 96 Copyright, irlsorpqmtv,t-FrAt, Inc., 1994 COMMERCIAL GENERAL LIABILITY CG 21 47 12 07 THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY, EMPLOYMENT-RELATED PRACTICES EXCLUSION This endorsement modifies insurance provided under the following: COMMERCIAL GENERAL LIABILITY COVERAGE PART A. The following exclusion is added to Paragraph 2., B. The following exclusion is added to Paragraph 2., Exclusions of Section I — Coverage A — Bodily Exclusions of Section I — Coverage B Person- Injury And Property Damage Liability: al And Advertising Injury Liability: This insurance does not apply to: This insurance does not apply to: "Bodily injury" to: "Personal and advertising Injury" to: (1) A person arising out of any: (1) A person arising out of any: (a) Refusal to employ that person; (a) Refusal to employ that person; (b) Termination of that person's employment; (b) Termination of that person's employment; or or (c) Employment-related practices, policies, (c) Employment-related practices, policies, acts or omissions, such as coercion, demo- acts or omissions, such as coercion, demo- tion, evaluation, reassignment, discipline, tion, evaluation, reassignment, discipline, defamation, harassment, humiliation, dis- defamation, harassment, humiliation, dis- crimination or malicious prosecution di- crimination or malicious prosecution di- rected at that person; or rected at that person; or (2)

The spouse, child, parent, brother or sister of (2) The spouse, child, parent, brother or sister of that person as a consequence of "bodily injury" that person as a consequence of "personal and to that person at whom any of the employment- advertising injury" to that person at whom any related practices described in Paragraphs (a), of the employment-related practices described (b), or (c) above is directed. in Paragraphs (a), (b), or (c) above is directed.

This exclusion applies: This exclusion applies: (1) Whether the injury-causing event described in (1) Whether the injury-causing event described in Paragraphs (a), (b) or (c) above occurs before Paragraphs (a), (b) or (c) above occurs before employment, during employment or after em- employment, during employment or after em- ployment of that person; ployment of that person; (2) Whether the insured may be liable as an em- (2) Whether the insured may be liable as an em- ployer or in any other capacity; and ployer or in any other capacity; and (3) To any obligation to share damages with or (3) To any obligation to share damages with or repay someone else who must pay damages repay someone else who must pay damages because of the injury. because of the injury.

CG 21 47 12 07 ©60MVENT11496 CEN2tof, COMMERCIAL GENERAL LIABILITY CG 21 65 12 04 THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY. TOTAL POLLUTION EXCLUSION WITH A BUILDING HEATING, COOLING AND DEHUMIDIFYING EQUIPMENT EXCEPTION AND A HOSTILE FIRE EXCEPTION This endorsement modifies insurance provided under the following: COMMERCIAL GENERAL LIABILITY COVERAGE PART Exclusion f. under Paragraph 2.

Exclusions of Sec- (ii) At any premises, site or location on tion I — Coverage A — Bodily Injury And Property which any insured or any contractors or Damage Liability is replaced by the following: subcontractors working directly or indi- This insurance does not apply to: rectly on any insured's behalf are per- forming operations to test for, monitor, f. Pollution clean up, remove, contain, treat, detox- (1) "Bodily injury" or "property damage" which ify, neutralize or in any way respond to, would not have occurred in whole or part but or assess the effects of, "pollutants". for the actual, alleged or threatened discharge, (2) Any loss, cost or expense arising out of any: dispersal, seepage, migration, release or es- cape of "pollutants" at any time. (a) Request, demand, order or statutory or regulatory requirement that any insured or This exclusion does not apply to: others test for, monitor, clean up, remove, (a) "Bodily injury" if sustained within a building contain, treat, detoxify or neutralize, or in which is or was at any time owned or occu- any way respond to, or assess the effects pied by, or rented or loaned to, any insured of, "pollutants"; or and caused by smoke, fumes, vapor or soot (b) Claim or suit by or on behalf of a govern- produced by or originating from equipment mental authority for damages because of that is used to heat, cool or dehumidify the testing for, monitoring, cleaning up, remov- building, or equipment that is used to heat ing, containing, treating, detoxifying or neu- water for personal use, by the building's oc- tralizing, or in any way responding to, or cupants or their guests; or assessing the effects of, "pollutants". (b) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire" unless that "hostile fire" occurred or originated: (i) At any premises, site or location which is or was at any time used by or for any insured or others for the handling, stor- age, disposal, processing or treatment of waste; or CG 21 65 12 04 ©MIFIVENTIAL°3 CEitY621iPfl COMMERCIAL GENERAL LIABILITY CG 21 75 06 08 THIS ENDORSEMENT CHANGES THE POLICY.

PLEASE READ IT CAREFULLY. EXCLUSION OF CERTIFIED ACTS OF TERRORISM AND EXCLUSION OF OTHER ACTS OF TERRORISM COMMITTED OUTSIDE THE UNITED STATES This endorsement modifies insurance provided under the following: COMMERCIAL GENERAL LIABILITY COVERAGE PART LIQUOR LIABILITY COVERAGE PART OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART POLLUTION LIABILITY COVERAGE PART PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART RAILROAD PROTECTIVE LIABILITY COVERAGE PART UNDERGROUND STORAGE TANK POLICY A. The following exclusion is added: b. Protracted and obvious physical disfigure- This insurance does not apply to: ment; or TERRORISM c. Protracted loss of or impairment of the function of a bodily member or organ; or "Any injury or damage" arising, directly or indirect- ly, out of a "certified act of terrorism", or out of an 3.

The terrorism involves the use, release or "other act of terrorism" that is committed outside of escape of nuclear materials, or directly or indi- the United States (including its territories and pos- rectly results in nuclear reaction or radiation or sessions and Puerto Rico), but within the "cover- radioactive contamination; or age territory".

However, with respect to an "other 4. The terrorism is carried out by means of the act of terrorism" this exclusion applies only when dispersal or application of pathogenic or poi- one or more of the following are attributed to such sonous biological or chemical materials; or act: 5. Pathogenic or poisonous biological or chemical 1.

The total of Insured damage to all types of materials are released, and It appears that one property exceeds $25,000,000 (valued in US purpose of the terrorism was to release such dollars). In determining whether the materials. $25,000,000 threshold Is exceeded, we will in- With respect to this exclusion, Paragraphs 1. and clude all insured damage sustained by property 2. describe the thresholds used to measure the of all persons and entities affected by the ter- magnitude of an incident of an "other act of terror- rorism and business interruption losses sus- ism" and the circumstances in which the threshold tained by owners or occupants of the damaged will apply for the purpose of determining whether property.

For the purpose of this provision, in- this exclusion will apply to that incident. sured damage means damage that is covered by any insurance plus damage that would be B. The following definitions are added: covered by any insurance but for the applica- 1.

For the purposes of this endorsement, "any tion of any terrorism exclusions; or injury or damage" means any injury or damage 2. Fifty or more persons sustain death or serious covered under any Coverage Part to which this physical injury.

For the purposes of this provi- endorsement is applicable, and includes but is sion, serious physical injury means: not limited to "bodily injury", "property dam- age", "personal and advertising injury", "injury" a. Physical injury that involves a substantial or "environmental damage" as may be defined risk of death; or in any applicable Coverage Part CG 21 75 06 08 © InsureatFityERriptAvs., 2008 CENT t°1 2 2.

"Certified act of terrorism" means an act that is c. The act is a violent act or an act that is certified by the Secretary of the Treasury, in dangerous to human life, property or infra- concurrence with the Secretary of State and structure and is committed by an individual the Attorney General of the United States, to or individuals as part of an effort to coerce be an act of terrorism pursuant to the federal the civilian population of the United States Terrorism Risk Insurance Act.

The criteria con- or to influence the policy or affect the con- tained in the Terrorism Risk Insurance Act for a duct of the United States Government by "certified act of terrorism" include the following: coercion. a. The act resulted in Insured losses in excess 3. "Other act of terrorism" means a violent act or of $5 million in the aggregate, attributable to an act that is dangerous to human life, property all types of insurance subject to the Terror- or infrastructure that is committed by an indi- ism Risk Insurance Act; vidual or individuals and that appears to be •b.

The act resulted in damage: part of an effort to coerce a civilian population or to influence the policy or affect the conduct (1) Within the United States (including its of any government by coercion, and the act is territories and possessions and Puerto not a "certified act of terrorism". Rico); or Multiple incidents of an "other act of terrorism" (2) Outside of the United States in the case which occur within a seventy-two hour period of: and appear to be carried out in concert or to (a) An air carrier (as defined in Section have a related purpose or common leadership ti 40102 of title 49, United States shall be considered to be one incident.

Code) or United States flag vessel C. In the event of any incident of a "certified act of (or a vessel based principally in the terrorism" or an "other act of terrorism" that is not United States, on which United subject to this exclusion, coverage does not apply States income tax is paid and whose to any loss or damage that is otherwise excluded insurance coverage is subject to under this Coverage Part regulation in the United States), re- gardless of where the loss occurs; or (b) The premises of any United States mission; and Page 2 of 2 insureeridn —iEFERITIAE, 2008 COMMERCIAL GENERAL LIABILITY CG 21 76 01 08 THIS ENDORSEMENT CHANGES THE POLICY.

PLEASE READ IT CAREFULLY. EXCLUSION OF PUNITIVE DAMAGES RELATED TO A CERTIFIED ACT OF TERRORISM This endorsement modifies insurance provided under the following: COMMERCIAL GENERAL LIABILITY COVERAGE PART LIQUOR LIABILITY COVERAGE PART OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART POLLUTION LIABILITY COVERAGE PART PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART RAILROAD PROTECTIVE LIABILITY COVERAGE PART UNDERGROUND STORAGE TANK POLICY A. The following exclusion is added: 2.

The act is a violent act or an act that is dan- This insurance does not apply to: gerous to human life, property or infrastructure and is committed by an individual or individuals TERRORISM PUNITIVE DAMAGES as part of an effort to coerce the civilian popu- Damages arising, directly or indirectly, out of a lation of the United States or to influence the "certified act of terrorism" that are awarded as pu- policy or affect the conduct of the United States nitive damages.

Government by coercion. B. The following definition is added: "Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in con- currence with the Secretary of State and the Attor- ney General of the United States, to be an act of terrorism pursuant to the federal Terrorism Risk Insurance Act, The criteria contained in the Terror- ism Risk Insurance Act for a "certified act of terror- ism" 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 CO 21 76 01 08 ©MtIritYBITIAE97 CERY321Pf 1 0 COMMERCIAL GENERAL LIABILITY CG 21 84 01 08 THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY. EXCLUSION OF CERTIFIED NUCLEAR, BIOLOGICAL, CHEMICAL OR RADIOLOGICAL ACTS OF TERRORISM; CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM This endorsement modifies insurance provided under the following: COMMERCIAL GENERAL LIABILITY COVERAGE PART LIQUOR LIABILITY COVERAGE PART OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART POLLUTION LIABILITY COVERAGE PART PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART RAILROAD PROTECTIVE LIABILITY COVERAGE PART UNDERGROUND STORAGE TANK POLICY A. The following exclusion is added: 2.

"Certified act of terrorism" means an act that is This insurance does not apply to: certified by the Secretary of the Treasury, in concurrence with the Secretary of State and TERRORISM the Attorney General of the United States, to "Any injury or damage" arising, directly or indirect- be an act of terrorism pursuant to the federal ly, out of a "certified act of terrorism".

However, Terrorism Risk Insurance Act, The criteria con- this exclusion applies only when one or more of tained in the Terrorism Risk Insurance Act for a the following are attributed to such act:

"certified act of terrorism" include the following: 1.

The terrorism involves the use, release or a. The act resulted in insured losses in excess escape of nuclear materials, or directly or indi- of $5 million in the aggregate, attributable to rectly results in nuclear reaction or radiation or all types of Insurance subject to the Terror- radioactive contamination; or ism Risk Insurance Act; and 2.

The terrorism is carried out by means of the b. The act is a violent act or an act that is dispersal or application of pathogenic or poi- dangerous to human life, property or infra- sonous biological or chemical materials; or structure and is committed by an individual 3. Pathogenic or poisonous biological or chemical or individuals as part of an effort to coerce materials are released, and it appears that one the civilian population of the United States purpose of the terrorism Was to release such or to influence the policy or affect the con- materials. duct of the United States Government by coercion.

B. The following definitions are added: C. In the event of any incident of a "certified act of 1. For the purposes of this endorsement, "any terrorism" that is not subject to this exclusion, cov- injury or damage" means any injury or damage erage does not apply to any loss,or damage that Is covered under any Coverage Part to which this otherwise excluded under this Coverage Part. endorsement is applicable; and includes but is riot limited to "bodily injury", "property dam- age", "personal and advertising injury", "injury" or "environmental damage" as may be defined in any applicable Coverage Part.

CG 21 84 01 08 ©MRIFIVENTiAP7 C EltipistOf 2 D. If aggregate insured losses attributable to terrorist acts certified under the federal Terrorism Risk In- surance Act exceed $100 billion in a Program Year (January 1 through December 31) and we have met our insurer deductible under the Terror- ism 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 es- tablished by the Secretary of the Treasury.

Page 2 of 2 ©MKiiiVieNnFIAC97 tttlietY COMMERCIAL GENERAL LIABILITY CO 21 96 03 06 THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY. SILICA OR SILICA-RELATED DUST EXCLUSION This endorsement modifies insurance provided under the following: COMMERCIAL GENERAL LIABILITY COVERAGE PART A. The following exclusion is added to Paragraph 2., B. The following exclusion is added to Paragraph 2., Exclusions of Section I — Coverage A — Bodily Exclusions of Section 1 — Coverage B — Per- Injury And Property Damage Liability: sonal And Advertising Injury Liability: 2.

Exclusions 2. Exclusions This insurance does not apply to: This insurance does not apply to: Silica Or Silica-Related Dust Silica Or Silica-Related Dust a. "Bodily injury" arising, in whole or in part, a. "Personal and advertising injury" arising, in out of the actual, alleged, threatened or whole or in part, out of the actual, alleged, suspected inhalation of, or Ingestion of, "sil- threatened or suspected inhalation of, in- ica" or "silica-related dust". gestion of, contact with, exposure to, exis- tence of, or presence of, "silica" or "silica- b. "Property damage" arising, In whole or in part, out of the actual, alleged, threatened related dust". or suspected contact with, exposure to, ex- b. Any loss, cost or expense arising, in whole istence of, or presence of, "silica" or "silica- or in part, out of the abating, testing for, related dust". monitoring, cleaning up, removing, contain- ing, treating, detoxifying, neutralizing, reme- c. Any loss, cost or expense arising, in whole or In part, out of the abating, testing for, diating or disposing of, or in any way re- monitoring, cleaning up, removing, contain- sponding to or assessing the effects of, ing, treating, detoxifying, neutralizing, reme- "silica" or "silica-related dust", by any in- diating or disposing of, or in any way re- sured or by any other person or entity. sponding to or assessing the effects of, C. The following definitions are added to the Defini- "silica" or "silica-related dust", by any in- tions Section: sured or by any other person or entity.

1. "Silica" means silicon dioxide (occurring in crystalline, amorphous and impure forms), sil- ica particles, silica dust or silica compounds. 2. "Silica-related dust" means a mixture or com- bination of silica and other dust or particles. CG 21 96 03 06 RITIVENTIAT4 C Mitto CGL 1701a 0510 THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY. SPECIAL EXCLUSIONS AND LIMITATIONS.

ENDORSEMENT This endorsement modifies insurance provided under the following: COMMERCIAL GENERAL LIABILITY COVERAGE PART A. In consideration of the premium charged this policy has been issued subject to the following exclusions being added to Coverages A & B: This insurance does not apply to: 1. Asbestos or Lead "Bodily injury", "property damage", or "personal and advertising injury" arising out of or resulting from the disposal, existence, handling, ingestion, inhalation, removal, sale, storage, transportation or use of: a. Asbestos or any material containing asbestos; or b. Lead, lead based paint, lead compounds or any material containing lead.

1 Athletic or Sports Participants "Bodily injury" to any person while practicing for, participating in or officiating at any sports or athletic contest or exhibition that you sponsor or in which you or your employees or guests participate. 3. Communicable Disease or Diseases "Bodily injury" or "personal and advertising injury" arising out of or resulting from the transmission or alleged transmission of any sexually transmitted disease or any other disease transmitted by bodily fluids or excretions.

4. Criminal Acts a. "Bodily injury" or "property damage" arising out of or resulting from a criminal act committed by any insured, including any additional insureds or b. "Bodily injury" or "property damage" arising out of or resulting from a criminal act at the direction of any insured, including any additional insureds. CGL 1701a 0510 CONFIDENTIAL C 5 CGL 1701a 0510 5.

Mold, Fungi, Virus, Bacteria, Air Quality, Contaminants, Minerals or Other Harmful Materials a. "Bodily injury", "property damage", or "personal and advertising injury" arising out of, caused by, or contributed to in any way by the existence, growth, spread, dispersal, release, or escape of any mold, fungi, lichen, virus, bacteria or other growing organism that has toxic, hazardous, noxious, pathogenic, irritating or allergen qualities or characteristics.

This exclusion applies to all such claims or causes of action, including allegations that any insured caused or contributed to conditions that encouraged the growth, depositing or establishment of such colonies of mold, lichen, fungi, virus, bacteria or other living or dead organism or b. "Bodily injury", "property damage", or "personal and advertising injury" arising out of, caused by, or alleging to be contributed to in any way by any toxic, hazardous, noxious, irritating, pathogenic or allergen qualities or characteristics of indoor air regardless of cause or c. "Bodily injury", "property damage", or "personal and advertising injury" arising out of, caused by, or alleging to be contributed to in any way by any insured's use, sale, installation or removal of any substance, material, or other product that is either alleged or deemed to be hazardous, toxic, irritating, pathogenic or noxious in any way, or contributes in any way to an allergic reaction. d. "Bodily injury", "property damage", or "personal and advertising injury" arising out of, caused by, or alleging to be contributed to in any way by toxic or hazardous properties of minerals or other substances.

6. Work or Premises Specifically Insured Elsewhere Claims, demands, requests for defense, payment, or any other cost arising out of, caused by, or occurring at premises or "your work" covered under any insurance purchased by you or others on your behalf specifically for that premises or project under a Consolidated Insurance Program (CIP), Owner Controlled Insurance Program (OCIP), Contractor Controlled Insurance Program (COP), Wrap-Up or similar insurance program.

7, Failure To Complete "Your Work" "Bodily injury", or "property damage" arising out of, caused by, resulting from, or alleged to be related to any insured's failure to complete "your work". 8. Loss, Cost or Damages Prior To Tendered Claim Any claim, leSS, cost or damages that are projected, estimated, or otherwise assessed or adjudicated to be likely before such claims are actually made against the insured by the claimant, or their representatives, actually suffering the alleged "bodily injury" or "property daniage".

CGL 1701a 0510 CONFIDENTIAL CE4116M 5 CGL 1701a 0510 B. It is agreed that the following exclusions from Section I Coverages are changed as shown below: 1. Liquor Liability

Exclusion c„ Liquor Liability of Section I Coverages, Coverage A 2. Exclusions, is deleted and entirely replaced with the following: c. Liquor Liability "Bodily injury" or "property damage" for which any insured may be held liable by reason of: a. Causing or contributing to the intoxication of any person; b. Furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or c. Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies only if you: a. Are in the business of manufacturing, distributing, selling, serving or furnishing alcoholic beverages; or b. Sell, otherwise provide, or make available alcoholic beverages as a regular part of your business or operations otherwise covered by this policy. 2. Infringement Of Copyright, Patent, Trademark or Trade Secret Exclusion i., Infringement of Copyright, Patent, Trademark or Trade Secret, of Section I Coverages, Coverage B. 2.

Exclusions, is deleted and entirely replaced with the following: I. Infringement Of Copyright, Patent, Trademark or Trade Secret Claims arising out of the infringement of copyright, patent, trademark, trade name, trade dress, trade secret or other intellectual property rights. C. It is agreed that SECTION IV — COMMERCIAL GENERAL LIABILITY CONDITIONS is changed as follows: 1.

Item 4. Other Insurance is deleted and entirely replaced by the following: 4. Other Insurance • If other valid and colleetible insurance is available to the insured for a loss we cover under Coverages A or B of this Coverage Part, Our obligations are limited as follows: a. This insurance is excess over any other insurance whether the tither itistirariee-iS,'Stated. to Priniaryi•pro rain' contributory,' excess, contingent, umbrella, or on any other basis; unless the other insurance is issued to the named insured shown in the Declarations of. this Coverage Part and is written explicitly to apply in excess of the Limits of Insurance shown in the DeclaratiotnI of this Coverage Part. b. When this insurance is excess, we will have no duty under Coverage A or B to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit".

If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers. CGL 1701a 0510 CONFIDENTIAL C NNW 5 CGL 1701a 0510 c. When this insurance is excess over other insurance, we will pay only our share of the amount of loss, if any, that exceeds the sum of: (1) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and (2) The total of all deductible and self insured amounts under all that other insurance.

2. Item 5, Premium Audit is deleted and entirely replaced by the following: 5. Premium Audit a. We will compute all premiums for this Coverage Part in accordance with our rules and rates. b. Premium shown in this Coverage Part as advance premium is a deposit premium only. At the close

of each audit period we will compute the earned premium for that period. Audit premiums are due and payable on notice to the first Named Insured.

If the sum of the advance and audit premiums paid for the policy period is greater than the earned premium, we will return the excess to the first Named Insured. G. The first Named Insured must keep records of the information we need for premium computation, and send us copies at such times as we may request. d. Any premium to be returned under b. above is subject to the minimum premium shown in the Declarations page as applicable to this Coverage Part.

3. Item 9. When We Do Not Renew is deleted in its entirety and is not replaced. D. It is agreed that the following changes are made to SECTION V — DEFINITIONS: The following definitions are deleted and entirely replaced: 1. Item 5. "Employee" is deleted in its entirety and replaced by the following: 5. "Employee" includes a "leased worker", a "temporary worker" and a "volunteer worker".

2. Item 9. "Insured contract" is deleted in its entirety and replaced by the following: 9, "Insured contract" means: a. A contract for a lease of premises. However, that portion of the contract for a lease of premiSes that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract"; b. A sidetrack agreement; c. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad; d. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality; e. An elevator maintenance agreement; f. That part Of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization.

Tort liability means a liability that would be imposed by law in the absence of any contract or agreement. Paragraph f. does not include that part of any contract or agreement: (1) That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, road-beds, tunnel, underpass or crossing; CGL 1701a 0510 CONFIDENTIAL C ENSEff 5 CGL 1701a 0510 (2) That indemnifies an architect, engineer or surveyor for injury or damage arising out of: (a) Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications;.or (b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or (3) Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in (2) above and supervisory, inspection, architectural or engineering activities.

(4) That indemnifies another for the sole negligence of such other person or organization. 3. Item 13. "Occurrence" is deleted in its entirety and replaced with the following: 13. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions. All "bodily injury" or "property damage" arising out of an "occurrence" or series of related "occurrences" is deemed to take place at the time of the first such damage or injury even though the nature and extent of such damage or injury may change; and even though the damage may be continuous, progressive, cumulative, changing or evolving; and even though the "occurrence" causing such "bodily injury" or "property damage" may be continuous or repeated exposure to substantially the same general harmful conditions.

4. Item 14. "Personal and advertising injury" is deleted in its entirety and replaced with the following: 14. "Personal and advertising injury" means injury, including consequential "bodily injury", arising out of one or more of the following offenses: a. False arrest, detention or imprisonment; b. Malicious prosecution; c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor; or d. Oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services.

5. Item 17, "Property Damage" is deleted in its entirety and replaced with the following. 17. "Property damage" means: a. Physical injury to tangible property, including all resulting loss of use of that property: All such loss of use shall be deemed to occur at the time of the physical injury that caused it;. or b. Loss of use of tangible property that is not physically injured.

All such lOSS of use shall be deemed to occur at the time of the "occurrence" that caused it. For the purposes of this insurance, electronic data is not tangible property. As used in this definition, electronic data means information, faCts or looarp,s,.. stored as Or on, created or used on, or transmitted to or from computer soft*are, ifieltiViiCSYSteiris and applications software, hard or floppy disks, CD-ROMS, tapes, drives,' cells, data processing devices or any other media which are used with electronically controlled equipment.

For the purposes of this insurance, "property damage" is not physical injury to tangible property, any resultant loss of use of tangible property, nor loss of use of tangible property that is not physically injured that arises out of failure to complete or abandonment of "your work". 6. Item 20. "Volunteer worker" is deleted in its entirety and replaced with the following: 20.

"Volunteer worker" means a person who donates his or her work and acts at the direction of and within the scope of duties determined by you, and is not paid a fee, salary or other compensation by you or anyone else for their work performed for you. CGL 1701a 0510 CONFIDENTIAL CENSET 5 CGL 1711a 0911 THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CLASSIFICATION AND LOCATION LIMITATION ENDORSEMENT This endorsement modifies insurance provided under the following: COMMERCIAL GENERAL LIABILITY COVERAGE FORM A. The following condition is added to Section IV— Commercial General Liability Conditions: Classification and Location Limitation Coverage under this contract is strictly limited to the classification(s), code(s), and scheduled location(s) listed on the Commercial General Liability Coverage Declarations page and its endorsements or supplements.

No coverage is provided for operations not included within the classification shown on the Commercial General Liability Declarations, its endorsements or supplements for "bodily injury", "property damage", "personal and advertising injury" or medical payments. No coverage Is provided for locations which are not shown on the Commercial General Liability Coverage Declarations page its endorsements or supplements for "bodily injury", "property damage", "personal and advertising injury" or medical expenses.

This limitation does not apply to "bodily injury", "property damage", "personal and advertising injury" or medical expenses resulting from: 1. Work done at your customers' location if the operations are shown on the Commercial General Liability Coverage Declarations, its endorsements or supplements; or 2. Necessary and incidental operations that are directly related to the operations shown on the Commercial General Liability Coverage Declarations, its endorsements or supplements.

B. Paragraph 3. of Section II — Who is an Insured, is deleted in its entirety and is not replaced. All other terms and conditions of this policy remain unchanged. CGL 1711a 0911 CONFIDENTIAL CE06€60f 1 IL 00 21 09 08 THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY. NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT (Broad Form) This endorsement modifies insurance provided under the following: COMMERCIAL AUTOMOBILE COVERAGE PART COMMERCIAL GENERAL LIABILITY COVERAGE PART FARM COVERAGE PART LIQUOR LIABILITY COVERAGE PART MEDICAL PROFESSIONAL LIABILITY COVERAGE PART OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART POLLUTION LIABILITY COVERAGE PART PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART RAILROAD PROTECTIVE LIABILITY COVERAGE PART UNDERGROUND STORAGE TANK POLICY 1.

The insurance does not apply: C. Under any Liability Coverage, to "bodily Injury" or "property damage" resulting from "hazard- A. Under any Liability Coverage, to "bodily injury" ous properties" of "nuclear material", if: or "property damage": (1) With respect to which an "insured" under (1) The "nuclear material" (a) Is at any "nuclear the policy is also an insured under a nuc- facility" owned by, or operated by or on be- lear energy liability policy issued by Nuclear half of, an "insured" or (b) has been dis- Energy Liability Insurance ASsociation, Mu- charged or dispersed therefrom; tual Atomic Energy Liability Underwriters, (2) The "nuclear material" is contained in Nuclear InSurance Association of Canada "spent fuel" or "waste" at any time pos- or any of their successors, or would be an sessed, handled, used, processed, stored, insured under any such policy but for its transported or disposed of, by or on behalf termination upon exhaustion of its limit of of an "insured"; or liability; or The "bodily injury" or "property damage" (3) (2) Resulting from the "hazardous properties" arises out of the furnishing by an "insured" of "nuclear material" and with respect to of services, materials, parts or equipment in which (a) any person or organization Is re- connection with the planning, construction, quired to maintain financial:,protection pur- maintenance, operation or use of any "nuc- suant to the.

Atbmic EtiergY.Apt of 1954, or lear facility", but if such facility is located any law amendatory thereof: Or (b) the "in- within the United States of America, its terri- sured" is, or had this policy not been issued tories or possessions or Canada, this ex- would bei. entitled to indemnity from the clusion (3) applies only to "property dam- United, States of.

America, or any agency age" to such "nuclear facility" and any thereof; Under any: agreement entered into property thereat. by. the United States 'of America, or any 2. As used in this endorsement: agency thereof, with any person or organi- zation. "Hazardous properties" incluqes radioactive, toxic or explosive properties. B. Under any Mediiiai Payments coverage, to expenses incurred with respect to "bodily in- "Nuclear material" means "source material", "spe- jury" resulting from the "hazardous properties" cial nuclear material" or "by-product material". of "nuclear material" and arising out of the op- eration of a "nuclear facility" by any person or organization.

IL 00 21 09 08 MrKtiliVENTIAE97 CS/of 2 "Source material', "special nuclear material", and (c) Any equipment or device used for the "by-product material" have the meanings given processing, fabricating or alloying of "spe- them in the Atomic Energy Act of 1954 or in any cial nuclear material" if at any time the total law amendatory thereof. amount of such material in the custody of "Spent fuel" means any fuel element or fuel com- the "insured" at the premises where such equipment or device is located consists of ponent, solid or liquid, which has been used or ex- or contains more than 25 grams of pluto- posed to radiation in a "nuclear reactor. nium or uranium 233 or any combination 'Waste" means any waste material (a) containing thereof, or more than 250 grams of uranium "by-product material" other than the tailings or 235; wastes produced by the extraction or concentra- tion of uranium or thorium from any ore processed (d) Any structure, basin, excavation, premises primarily for its "source material" content, and (b) or place prepared or used for the storage or resulting from the operation by any person or or- disposal of "waste"; ganization of any "nuclear facility" included under and includes the site on which any of the foregoing the first two paragraphs of the definition of "nuc- is located, all operations conducted on such site lear facility". and all premises used for such operations, "Nuclear facility" means: "Nuclear reactor" means any apparatus designed or used to sustain nuclear fission in a self- (a)

Any "nuclear reactor; supporting chain reaction or to contain a critical (b) Any equipment or device designed or used mass of fissionable material. for (1) separating the isotopes of uranium or plutonium, (2) processing or utilizing "spent "Property damage" includes all forms of radioac- fuel", or (3) handling, processing or packag- tive contamination of property. ing "waste"; Page 2 of 2 ©MNitrii5ENTIAP7 Century Surety Company COMMERCIAL PROPERTY COVERAGE PART DECLARATIONS Policy No.: CCP 794864 Effective Date: 01-31-2013 ** 12:01 AM Standard Time NAMED INSURED: 1408 S. Jefferson, LLC DESCRIPTION OF PREMISES: PREM BLDG NO LOCATION ADDRESS CITY ST ZIP CONST OCCUPANCY P/C 1 1 1408 S. Jefferson Amarillo TX 79101 Joisted Masonry Office PC - 2 2 1 205 N. Tyler Amarillo TX 79107 Frame Garage PC - 2 3 1 207 N. Tyler Amarillo TX 79101 Frame Arcade Gaming Machines pc - 2 Maintenance COVERAGES PROVIDED - Insurance at the described premises applies only for which a limit of Insurance Is shown.

BLDG 0CC PREM NO CODE COVERAGE LIMIT INSURED VALUATION COVERED CAUSES OF LOSS COINS RATE 1 1. 0702 Building $ 430,000 RC Broad Form 80% 0.44000 2 1 1213 Building $ 295,000 ACV Broad Form 80% 0.69100 3 1 0567 Building $ 96,000 ACV Broad Form 80% 0.50200 RC means Replacement Cost; ACV means Actual Cash Value; MP means Minimum Premium; AV means Agreed Value OPTIONAL COVERAGES - Applicable only when entries are made in the schedule below BLDG PREM NO CODE COVERAGE LIMIT INSURED COVERED CAUSES OF LOSS COINS RATE ES means Equipment Breakdown, BI means Business Income, EE means Extra Expense MONTHLY LIMIT MAXIMUM PERIOD EXTENDED PERIOD OF PREM BLDG NO OF INDEMNITY OF INDEMNITY INDEMNITY MORTGAGE HOLDERS PREM BLDG MORTGAGE HOLDER NAME AND MAILING ADDRESS DEDUCTIBLE See Attached Form CCF 1512 or CCF 0321 or DIC 1512 FORMS AND ENDORSEMENTS Forms and Endorsements applying to this Coverage Part arid made part of this policy at time of issue: See Attached Schedule of Forms, CIL 15 00B 0202 PREMIUM Subtotal for this Coverage Part: $ 4,412 Minimum Premium for this Coverage $ 300 Part: TRIA Coverage: $ 0 Premium for this Coverage Part $ 4,412.., THESE DECLARATIONS ARE PART OF THE POLICY DECLARATIONS CONTAINING THE NAMED INSURED AND THE POLICY PERIOD CCF 15 00 0811 CONFIDENTIAL CEO 6exie 1 of 1 COMMERCIAL PROPERTY CP 00 10 06 07 BUILDING AND PERSONAL PROPERTY COVERAGE FORM Various provisions in this policy restrict coverage.

Read the entire policy carefully to determine rights, duties and what is and is not covered. Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the Company providing this insurance. Other words and phrases that appear in quotation marks have special meaning. Refer to Section H., Definitions.

A. Coverage (b) Materials, equipment, supplies and We will pay for direct physical loss of or damage to temporary structures, on or within 100 feet of the described premises, Covered Property at the premises described in the Declarations caused by or resulting from any Cov- used for making additions, altera- tions or repairs to the building or ered Cause of Loss. structure. t Covered Property b. Your Business Personal Property located Covered Property, as used in this Coverage in or on the building described in the Decla- Part, means the type of property described in rations or in the open (or in a vehicle) within this section, A.1., and limited in A.2., Property 100 feet of the described premises, consist- Not Covered, if a Limit of Insurance is shown in ing of the following unless otherwise speci- the Declarations for that type of property. fied in the Declarations or on the Your a. Building, meaning the building or structure Business Personal Property — Separation described in the Declarations, including: Of Coverage form: (1) Completed additions; (1) Furniture and fixtures; (2) Fixtures, including outdoor fixtures; (2) Machinery and equipment; (3) Permanently installed: (3) "Stock"; (a) Machinery and (4) All other personal property owned by you and used in your business; (b) Equipment; (5) Labor, materials or services furnished or (4) Personal property owned by you that is used to maintain or service the building arranged by you on personal property of others; or structure or its premises, including: (6) Your use Interest as tenant In Improve- (a) Fire-extinguishing equipment; ments and betterments.

Improvements (b) Outdoor furniture; and betterments are fixtures, alterations, (c) Floor coverings; and installations or additions: (d) Appliances Used for refrigerating, (a) Made a part of the building or struc- ventilating, cooking, dishwashing or ture you occupy but do not own; and laundering; (b) You acquired or made at your ex- (5) If not covered by other Insurance: pense but cannot legally remove; (a) Additions under construction, altera- (7) Leased personal proOrtyfor'whibh you tions and repairs to the building or have a contractual responsibility to in- structure; sure, unless otherwise provided for un- der Personal Property Of Others.

CP 00 10 06 07 060RIFIteNrrig.°7 cEte4ef 15 c. Personal Property Of Others that is: n. Electronic data, except as provided under (1) In your care, custody or control; and the Additional Coverage, Electronic Data. Electronic data means information, facts or (2) Located in or on the building described computer programs stored as or on, in the Declarations or in the open (or In created or used on, or transmitted to or a vehicle) within 100 feet of the de- from computer software (including systems scribed premises. and applications software), on hard or flop- However, our payment for loss of or dam- py disks, CD-ROMs, tapes, drives, cells, age to personal property of others will only data processing devices or any other repo- be for the account of the owner of the prop- sitories of computer software which are erty. used with electronically controlled equip- ment.

The term computer programs, re- 2. Property Not Covered ferred to in the foregoing description of 'Covered Property does not include: electronic data, means a set of related elec- a. Accounts, bills, currency, food stamps or tronic instructions which direct the opera- other evidences of debt, money, notes or tions and functions of a computer or device securities.

Lottery tickets held for sale are connected to it, which enable the computer not securities; or device to receive, process, store, retrieve or send data. This paragraph, n., does not b, Animals, unless owned by others and apply to your "stock!' of prepackaged soft- boarded by you, or if owned by you, only as ware; "stock' while inside of buildings; a. The cost to replace or restore the informa- c. Automobiles held for sale; tion on valuable papers and records, includ- d. Bridges, roadways, walks, patios or other ing those which exist as electronic data. paved surfaces; Valuable papers and records include but e. Contraband, or property in the course of are not limited to proprietary information, illegal transportation or trade; books of account, deeds, manuscripts, ab- stracts, drawings and card index systems. f. The cost of excavations, grading, backfilling Refer to the Coverage Extension for Valua- or filling; ble Papers And Records (Other Than Elec- g, Foundations of buildings, structures, ma- tronic Data) for limited coverage for valua- chinery or boilers if their foundations are ble papers and records other than those below: which exist as electronic data; (1) The lowest basement floor; or p. Vehicles or self-propelled machines (includ- (2) The surface of the ground, if there is no ing aircraft or watercraft) that: basement; (1) Are licensed for use on public roads; or h. Land (including land on which the property (2) Are operated principally away from the is located), water, growing crops or lawns; described premises. i. Personal property while airborne or water- This paragraph does not apply to: borne; (a) Vehicles or self-propelled machines J. Bulkheads, pilings, piers, wharves or docks; or autos you manufacture, process k. Property that is covered under another or warehouse; coverage form of this or any other policy in (b) Vehicles or self-propelled machines, which it is more specifically described, ex- other than autos, you hold for sale; cept for the excess of the amount due (c) Rowboats or canoes out of water at (whether you can collect on It or not) from the described premises; or that other insurance; (d) Trailers, but only to the extent pro- I. Retaining walls that are not part of a build- vided for in the Coverage Extension ing; for Non-owned Detached Trailers; m. Underground pipes, flues or drains; Page 2 of 16 ©VORIFIVENTIA297 etvegt (Is 07 0 q. The following property while outside of (a) The total of the actual debris removal buildings: expense plus the amount we pay for (1) Grain, hay, straw or other crops; direct physical loss or damage ex- ceeds the Limit of Insurance on the (2) Fences, radio or television antennas Covered Property that has sustained (including satellite dishes) and their loss or damage. lead-in wiring, masts or towers, trees, shrubs or plants (other than "stock" of (b) The actual debris removal expense trees, shrubs or plants), all except as exceeds 25% of the sum of the de- provided in the Coverage Extensions. ductible plus the amount that we pay for direct physical loss or damage to 3.

Covered Causes Of Loss the Covered Property that has sus- See applicable Causes Of Loss Form as tained loss or damage, shown in the Declarations. Therefore, if (4)(a) and/or (4)(b) apply, 4. Additional Coverages our total payment for direct physical loss a. Debris Removal or damage and debris removal expense may reach but will never exceed the (1) Subject to Paragraphs (3) and (4), we Limit of Insurance on the Covered Prop- will pay your expense to remove debris erty that has sustained loss or damage, of Covered Property caused by or re- plus $10,000, sulting from a Covered Cause of Loss that occurs during the policy period.

The (5) Examples expenses will be paid only if they are The following examples assume that reported to us in writing within 180 days there is no Coinsurance penalty. of the date of direct physical loss or EXAMPLE #1 damage.

(2) Debris Removal does not apply to costs Limit of Insurance: $ 90,000 to: Amount of Deductible: $ 500 (a) Extract "pollutants" from land or Amount of Loss: $ 50,000 water; or Amount of Loss Payable: $ 49,500 (b) Remove, restore or replace polluted ($50,000 — $500) land or water. Debris Removal Expense: $ 10,000 (3) Subject to the exceptions in Paragraph Debris Removal Expense Payable: $ 10,000 (4), the following provisions apply: ($10,000 Is 20% of $60,000.) (a) The most we will pay for the total of direct physical loss or damage plus The debris removal expense is less than 25% of the debris removal expense is the Limit sum of the loss payable plus the deductible.

The sum of Insurance applicable to the Cov- of the loss payable and the debris removal expense ered Property that has sustained ($49,500 + $10,000 = $59,500) is less than the Limit loss or damage. of Insurance. Therefore the full amount of debris removal expense Is payable in accordance with the (b) Subject to (a) above, the amount we terms of Paragraph (3). will pay for debris removal expense is limited to 25% of the sum of the EXAMPLE #2 deductible plus the amount that we pay for direct physical loss or dam- Limit of Insurance: $ 90,000 age to the Covered Property that has Amount of Deductible: $ 500 sustained loss or damage.

Amount of Loss: $ 80,000 (4) We will pay up to an additional $10,000 Amount of Loss Payable: $ 79,500 for debris removal expense, for each lo- ($80,000 — $500) cation, in any one occurrence of physi- cal loss or damage to Covered Property, Debris Removal Expense: $ 30,000 if one or both of the following circums- Debris Removal Expense Payable tances apply: Basic Amount: $ 10,500 Additional Amount: $ 10,000 CP 00 10 06 07 ©MRATIVENTIA297 C eet942f 15 ❑ The basic amount payable for debris removal ex- d. Pollutant Clean-up And Removal pense under the terms of Paragraph (3) is calculated We will pay your expense to extract "pollu- as follows: $80,000 ($79,500 + $500) x.25 = $20,000; tants" from land or water at the described capped at $10,500.

The cap applies because the sum premises if the discharge, dispersal, see- of the loss payable ($79,500) and the basic amount page, migration, release or escape of the payable for debris removal expense ($10,500) cannot "pollutants" Is caused by or results from a exceed the Limit of Insurance ($90,000). Covered Cause of Loss that occurs during The additional amount payable for debris removal the policy period.

The expenses will be paid expense is provided In accordance with the terms of only if they are reported to us in writing Paragraph (4), because the debris removal expense within 180 days of the date on which the ($30,000) exceeds 25% of the loss payable plus the Covered Cause of Loss occurs. deductible ($30,000 is 37.5% of $80,000), and be- This Additional Coverage does not apply to causethe sum of the loss payable and debris removal costs to test for, monitor or assess the exis- expense ($79,500 + $30,000 = $109,500) would ex- tence, concentration or effects of "pollu- ceed the Limit of Insurance ($90,000).

The additional tants". But we will pay for testing which is amount of covered debris removal expense is performed in the course of extracting the $10,000, the maximum payable under Paragraph (4). "pollutants" from the land or water.

Thus the total payable for debris removal expense in this example is $20,500; $9,500 of the debris removal The most we will pay under this Additional expense is not covered. Coverage for each described premises is $10,000 for the sum of all covered ex- b. Preservation Of Property penses arising out of Covered Causes of If it is necessary to move Covered Property Loss occurring during each separate 12- from the described premises to preserve it month period of this policy. from loss or damage by a Covered Cause e. Increased Cost Of Construction of Loss, we will pay for any direct physical loss or damage to that property: (1) This Additional Coverage applies only to buildings to which the Replacement (1) While it is being moved or while tempo- Cost Optional Coverage applies. rarily stored at another location; and (2) In the event of damage by a Covered (2) Only if the loss or damage occurs within Cause of Loss to a building that is Cov- 30 days after the property is first moved. ered Property, we will pay the increased c. Fire Department Service Charge costs incurred to comply with enforce- ment of an ordinance or law in the When the fire department is called to save course of repair, rebuilding or replace- or protect Covered Property from a Cov- ment of damaged parts of that property, ered Cause of Loss, we will pay up to subject to the limitations stated in e.(3) $1,000, unless a higher limit is shown in the through e.(9) of this Additional Cover- Declarations, for your liability for fire de- age. partment service charges: (1) Assumed by contract or agreement prior (3) The ordinance or law referred to in e.(2) of this Additional Coverage is an ordin- to loss; or ance or law that regulates the construc- (2) Required by local ordinance. tion or repair of buildings or establishes No Deductible applies to this Additional zoning or land use requirements at the Coverage. described premises, and is in force at the time of loss.

Page 4 Of 15 ©60 RFIVENTIA.07 elEVERS6 07 (4) Under this Additional Coverage, we will (ii) Unless the repairs or replace- not pay any costs due to an ordinance ment are made as soon as rea- or law that: sonably possible after the loss or (a) You were required to comply with damage, not to exceed two before the loss, even when the build- years.

We may extend this period ing was undamaged; and in writing during the two years. (b) You failed to comply with. (b) If the building is repaired or replaCed at the same premises, or if you elect (5) Under this Additional Coverage, we will to rebuild at another premises, the not pay for: most we will pay for the Increased' (a) The enforcement of any ordinance or Cost of Construction, subject to the. law which requires demolition, repair, provisions of e.(6) of this Additional replacement, reconstruction, re- Coverage, is the increased cost of modeling or remediation of property construction at the same premises. due to contamination by "pollutants" (c) If the ordinance or law requires relo- or due to the presence, growth, proli- cation to another premises, the most feration, spread or any activity of we will pay for the Increased Cost of "fungus", wet or dry rot or bacteria; Construction, subject to the provi- Or sions of e.(6) of this Additional Cov- (b) Any costs associated with the en- erage, is the increased cost of con- forcement of an ordinance or law struction at the new premises. which requires any Insured or others (8) This Additional Coverage is not subject' to test for, monitor, clean up, re- to the terms of the Ordinance Or Law move, contain, treat, detoxify or neu- Exclusion, to the extent that such Exclu- tralize, or In any way respond to, or sion would conflict with the provisions of assess the effects of "pollutants", this Additional Coverage. "fungus", wet or dry rot or bacteria.

(9) The costs addressed in the Loss Pay- (6) The most we will pay under this Addi- ment and Valuation Conditions, and the tional Coverage, for each described Replacement Cost Optional Coverage, building insured under this Coverage in this Coverage Form, do not include Form, is $10,000 or 5% of the Limit of the increased cost attributable to en- Insurance applicable to that building, forcement of an ordinance or law.

The whichever is less. If a damaged building amount payable under this Additional is covered under a blanket Limit of In- Coverage, as stated in e.(6) of this Addi- surance which applies to more than one tional Coverage, is not subject to such building or item of property, then the limitation. most we will pay under this Additional Coverage, for that damaged building, is f. Electronic Data the lesser of: $10,000 or 5% times the (1) Under this Additional Coverage, elec.: value of the damaged building as of the tronic data has the meaning described time of loss times the applicable Coin- under Property Not Covered, ElectroniC surance percentage.

Data. The amount payable under this Addi- (2) Subject to the provisions of this Addi- tional Coverage is additional insurance. tional Coverage, we will pay for the cost to: *replace:- or,..feStore electronic data (7) With respect to this Additional Cover- which hea:.•15666.:dOtiby-ed,.or corrupted age: by a Covered Cause of Loss.

To the ex-. (a) We will not pay for the Increased tent that electronic dea is not replaced • Cost of Construction: or restored, the loss will be valued at the (I) Until the property is actually re- cost of replacement of the media on paired or replaced, at the same which the electronic data was stored, or another premises; and with blank media of substantially iden- tical type.

CP 00 10 06 07 ',Lisa FIRM 71 AEN C ne44f 16 (3) The Covered Causes of Loss applicable 6. Coverage Extensions to Your Business Personal Property ap- Except as otherwise provided, the following Ex- ply to this Additional Coverage, Elec- tensions apply to property located in or on the tronic Data, subject to the following: building described in the Declarations or in the (a) If the Causes Of Loss — Special open (or in a vehicle) within 100 feet of the de- Form applies, coverage under this scribed premises.

Additional Coverage, Electronic Da- If a Coinsurance percentage of 80% or more, ta, is limited to the "specified causes or a Value Reporting period symbol, is shown of loss" as defined in that form, and in the Declarations, you may extend the insur- Collapse as set forth in that form. ance provided by this Coverage Part as fol- (b) If the Causes Of Loss — Broad Form lows: applies, coverage under this Addi- a. Newly Acquired Or Constructed tional Coverage, Electronic Data, in- Property cludes Collapse as set forth in that form.

(1) Buildings (c) If the Causes Of Loss Form Is en- If this policy covers Building, you may dorsed to add a Covered Cause of extend that insurance to apply to: Loss, the additional Covered Cause (a) Your new buildings while being built of Loss does not apply to the cover- on the described premises; and age provided under this Additional (b) Buildings you acquire at locations, Coverage, Electronic Data. other than the described premises, (d) The Covered Causes of Loss include intended for: a virus, harmful code or similar in- (i) Similar use as the building de- struction introduced into or enacted scribed in the Declarations; or on a computer system (including electronic data) or a network to (ii) Use as a warehouse. which it is connected, designed to The most we will pay for loss or damage damage or destroy any part of the under this Extension is $250,000 at system or disrupt its normal opera- each building. tion.

But there is no coverage for (2) Your Business Personal Property loss or damage caused by or result- ing from manipulation of a computer (a) If this policy covers Your Business system (including electronic data) by Personal Property, you may extend any employee, including a temporary that insurance to apply to: or leased employee, or by an entity (i) Business personal property, retained by you or for you to inspect, including such property that you design, install, modify, maintain, re- newly acquire, at any location pair or replace that system. you acquire other than at fairs, (4) The most we will pay under this Addi- trade shows or exhibitions; tional Coverage, Electronic Data, is (ii) Business personal property, $2,500 for all loss or damage sustained including such property that yoU in any one policy year, regardless of the newly acquire, located at your number of occurrences of loss or dam- newly constructed or acquired age or the number of premises, loca- buildings, _ at the location tions or computer systems involved.

If scribed in. he Declarations; or loss payment on the first occurrence does not exhaust this amount, then the (iii) Business personal- property that. balance is available for subsequent loss you newly acquire, located at the or damage sustained in but not after that described premises. policy year. With respect to an occur- The most we will pay for loss or rence which begins in one policy year damage under this Extension Is and continues or results in additional $100,000 at each building. 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.

Page 6 of 16 4W)RFOENTIAP7 elMitS6 07 (b) This Extension does not apply to: c. Valuable Papers And Records (Other Than Electronic Data) (I) Personal property of others that is temporarily in your possession You may extend the insurance that in the course of Installing or per- applies to Your Business Personal forming work on such property; or Property to apply to the cost to replace or restore the lost Information on valua- (ii) Personal property of others that ble papers and records for which dupli- is temporarily in your possession in the course of your manufactur- cates do not exist.

But this Extension ing or wholesaling activities. does not apply to valuable papers and records which exist as electronic data. (3) Period Of Coverage Electronic data has the meaning de- With respect to insurance on or at each scribed under Property Not Covered, newly acquired or constructed property, Electronic Data. coverage will end when any of the fol- (2) If the Causes Of Loss — Special Form lowing first occurs: applies, coverage under this Extension (a) This policy expires; is limited to the "specified causes of loss" as defined in that form, and Col- (b) 30 days expire after you acquire the lapse as set forth in that form. property or begin construction of that part of the building that would qualify (3) If the Causes Of Loss — Broad Form as covered property; or applies, coverage under this Extension includes Collapse as set forth in that (c) You report values to us. form.

We will charge you additional premium for values reported from the date you (4) Under this Extension, the most we will pay to replace or restore the lost infor- acquire the property or begin construc- mation is $2,500 at each described tion of that part of the building that would premises, unless a higher limit is shown qualify as covered property. in the Declarations.

Such amount is ad- b. Personal Effects And Property Of Others ditional insurance. We will also pay for You may extend the insurance that applies the cost of blank material for reproduc- to Your Business Personal Property to ap- ing the records (whether or not dupli- ply to: cates exist), and (when there is a dupli- cate) for the cost of labor to transcribe (1) Personal effects owned by you, your or copy the records.

The costs of blank officers, your partners or members, your material and labor are subject to the ap- managers or your employees. This Ex- plicable Limit of Insurance on Your tension does not apply to loss or dam- Business Personal Property and there- age by theft. fore coverage of such costs is not addi- (2) Personal property of others in your care, tional Insurance. custody or control. d. Property Off-premises The most we will pay for loss or damage (1) You may extend the insurance provided under this Extension is $2,500 at each de- by this Coverage Form to apply to your. sCribed premises.

Our payment for loss of Covered Property while it is away from or damage to personal property of others the described premises, if it is: will only be for the account of the owner of the property. (a) Temporarily at a location you do not own, lease or operate; (b) In storage at a location you lease, provided the lease was executed af- ter the beginning of the current policy term; or (c) At any fair, trade show or exhibition.

CP 00 10 06 07 AE97 C effegef 16 (2) This. Extension does not apply to proper- (2) We will not pay for any loss or damage ty: that occurs: (a) In or on a vehicle; or (a) While the trailer is attached to any (b) In the care, custody or control of motor vehicle or motorized con- your salespersons, unless the prop- veyance, whether or not the motor erty is in such care, custody or con- vehicle or motorized conveyance is trol at a fair, trade show or exhibition. in motion; (3) The most we will pay for loss or damage (b) During hitching or unhitching opera- under this Extension is $10,000. tions, or when a trailer becomes ac- cidentally unhitched from a motor e. Outdoor Property vehicle or motorized conveyance.

You may extend the insurance provided by (3) The most we will pay for loss or damage this Coverage Form to apply to your out- under this Extension is $5,000, unless a door fences, radio and television antennas higher limit is shown In the Declarations. (including satellite dishes), trees, shrubs and plants (other than "stock" of trees, (4) This insurance is excess over the shrubs or plants), including debris removal amount due (whether you can collect on expense, caused by or resulting from any of it or not) from any other insurance cov- the following causes of loss if they are Cov- ering such property. ered Causes of Loss: Each of these Extensions is additional Insurance (1) Fire; unless otherwise indicated.

The Additional Condi- tion, Coinsurance, does not apply to these Exten- (2) Lightning; sions. (3) Explosion; B. Exclusions And Limitations (4) Riot or Civil Commotion; or See applicable Causes Of Loss Form as shown in (5) Aircraft. the Declarations.

The most we will pay for loss or damage C. Limits Of Insurance under this Extension is $1,000, but not The most we will pay for loss or damage in any more than $250 for any one tree, shrub or one occurrence is the applicable Limit of Insur- plant. These limits apply to any one occur- ance shown in the Declarations. rence, regardless of the types or number of items lost or damaged in that occurrence.

The most we will pay for loss or damage to out- door signs, whether or not the sign is attached to a f. Non-owned Detached Trailers building, is $2,500 per sign in any one occurrence. (1) You may extend the insurance that The amounts of insurance stated in the following applies to Your Business Personal Additional Coverages apply in accordance with the Property to apply to loss or damage to terms of such coverages and are separate from trailers that you do not own, provided the Limit(s) of Insurance shown in the Declarations that: for any other coverage: (a) The trailer is used in your business; 1.

Fire Department Service Charge; (b) The trailer is in your care, custody or 2. Pollutant Clean-up And Removal; control at the premises described in the Declarations; and 3. Increased Cost Of Construction; and (c) You have a contractual responsibility 4. Electronic Data. to pay for loss or damage to the trai- Payments under the Preservation Of Property Ad- ler. ditional Coverage will not increase the applicable Limit of Insurance.

Page 8 of 15 c'CAO NfriVENTIAP07 D. Deductible EXAMPLE #2 In any one occurrence of loss or damage (herei- (This example, too, assumes there is no Coinsurance nafter referred to as loss), we will first reduce the penalty.) amount of loss if required by the Coinsurance The Deductible and Limits of Insurance are the same Condition or the Agreed Value Optional Coverage. as those in Example #1.

If the adjusted amount of loss is less than or equal to the Deductible, we will not pay for that loss. If Loss to Building #1: $ 70,000 the adjusted amount of loss exceeds the Deducti- (Exceeds Limit of Insurance plus Deductible) ble, we will then subtract the Deductible from the adjusted amount of loss, and will pay the resulting Loss to Building #2: $ 90,000 amount or the Limit of Insurance, whichever is (Exceeds Limit of Insurance plus Deductible) less.

Loss Payable — Building #1: $ 60,000 When the occurrence involves loss to more than (Limit of Insurance) one item of Covered Property and separate Limits Loss Payable — Building #2: $ 80,000 of Insurance apply, the losses will not be com- bined in determining application of the Deductible. (Limit of Insurance) But the Deductible will be applied only once per Total amount of loss payable: $ 140,000 occurrence.

E. Loss Conditions EXAMPLE #1 The following conditions apply in addition to the (This example assumes there is no Coinsurance Common Policy Conditions and the Commercial penalty.) Property Conditions. 1. Abandonment Deductible: $ 250 Limit of Insurance — Building #1: $ 60,000 There can be no abandonment of any property to us. Limit of Insurance — Building #2: $ 80,000 2.

Appraisal Loss to Building #1: $ 60,100 If we and you disagree on the value of the Loss to Building #2: $ 90,000 property or the amount of loss, either may The amount of loss to Building #1 ($60,100) is less make written demand for an appraisal of the than the sum ($60,250) of the Limit of Insurance ap- loss.

In this event, each party will select a plicable to Building #1 plus the Deductible. competent and impartial appraiser. The two The Deductible will be subtracted from the amount of appraisers will select an umpire. If they cannot loss in calculating the loss payable for Building #1: agree, either may request that selection be made by a judge of a court having jurisdiction. $ 60,100 The appraisers will state separately the value — 250 of the property and amount of loss.

If they fail to agree, they will submit their differences to $ 59,850 Loss Payable Building #1 the umpire. A decision agreed to by any two The Deductible applies once per occurrence and will be binding. Each party will: therefore is not subtracted in determining the amount a. Pay its chosen appraiser; and of loss payable for Building #2. Loss payable for Building #2 is the Limit of Insurance of $80,000. b. Bear the other expenses of the appraisal and umpire equally.

Total amount of loss payable: If there is an appraisal, we will still retain our $59,850 + $80,000 = $139,850 right to deny the claim, CP 00 10 06 07 f4FRIYENTIAP.97 Ctee4ef 15 ❑ 3. Duties In The Event Of Loss Or Damage 4. Loss Payment a. You must see that the following are done in a. In the event of loss or damage covered by the event of loss or damage to Covered this Coverage Form, at our option, we will Property: either: (1) Notify the police if a law may have been (1) Pay the value of lost or damaged prop- broken. erty; (2) Give us prompt notice of the loss or (2) Pay the cost of repairing or replacing the damage.

Include a description of the lost or damaged property, subject to b. property involved. below; (3) As soon as possible, give us a descrip- (3) Take all or any part of the property at an tion of how, when and where the loss or agreed or appraised value; or damage occurred.

(4) Repair, rebuild or replace the property (4) Take all reasonable steps to protect the with other property of like kind and quali- Covered Property from further damage, ty, subject to b. below. and keep a record of your expenses ne- We will determine the value of lost or dam- cessary to protect the Covered Property, aged property, or the cost of its repair or for consideration in the settlement of the replacement, in accordance with the appli- claim.

This will not increase the Limit of cable terms of the Valuation Condition in Insurance. However, we will not pay for this Coverage Form or any applicable pro- any subsequent loss or damage result- vision which amends or supersedes the ing from a cause of loss that is not a Valuation Condition. Covered Cause of Loss. Also, if feasi- ble, set the damaged property aside and b. The cost to repair, rebuild or replace does in the best possible order for examina- not include the Increased cost attributable tion. to enforcement of any ordinance or law re- gulating the construction, use or repair of (6) At our request, give us complete inven- any property. tories of the damaged and undamaged property.

Include quantities, costs, val- c. We will give notice of our intentions within ues and amount of loss claimed. 30 days after we receive the sworn proof of loss. (6) As often as may be reasonably required, d. We will not pay you more than your finan- permit us to inspect the property proving the loss or damage and examine your cial interest in the Covered Property. books and records. e. We may adjust losses with the owners of Also permit us to take samples of dam- lost or damaged property if other than you. aged and undamaged property for in- If we pay the owners, such payments will spection, testing and analysis, and per- satisfy your claims against us for the own- mit us to make copies from your books ers' property.

We will not pay the owners and records. more than their financial interest in the Covered Property. (7) Send us a signed, sworn proof of loss containing the Information we request to f. We may elect to defend you against suits investigate the claim. You must do this arising from claims of owners of property. within 60 days after our request.

We will We will do this at our expense. supply you with the necessary forms. We.will pay for covered loss or damage (8) Cooperate with us in the investigation or within 30 days after we_teceive the sworn settlement of the claim. proof of loss, if you have complied with all of the terms of this Coverage Part and: b. We may examine any insured under oath, while not in the presence of any other in- (1) We have reached agreement with you sured and at such times as may be reason- on the amount of loss; or ably required, about any matter relating to (2) An appraisal award has been made. this insurance or the claim, including an in- sured's books and records.

In the event of an examination, an insured's answers must be signed. Page 10 of 15 ©09RITIVENTIAE.°7 6t/96EIV " h. A party wall is a wall that separates and is (b) When this policy is issued to the common to adjoining buildings that are owner or general lessee of a build- owned by different parties.

In settling cov- ing, building means the entire build- ered losses Involving a party wall, we will ing. Such building Is vacant unless at pay a proportion of the loss to the party wall least 31% of its total square footage based on your interest in the wall In propor- is: tion to the interest of the owner of the ad- (I) Rented to a lessee or sub-lessee joining building.

However, If you elect to re- and used by the lessee or sub- pair or replace your building and the owner lessee to conduct its customary of the adjoining building elects not to repair operations; and/or or replace that building, we will pay you the full value of the loss to the party wall, sub- (ii) Used by the building owner to ject to all applicable policy provisions in- conduct customary operations. ' cluding Limits of Insurance, the Valuation (2) Buildings under construction or renova- and Coinsurance Conditions and all other tion are not considered vacant. provisions of this Loss Payment Condition. b. Vacancy Provisions Our payment under the provisions of this paragraph does not alter any right of subro- If the building where loss or damage occurs gation we may have against any entity, in- has been vacant for more than 60 consecu- cluding the owner or insurer of the adjoining tive days before that loss or damage oc- building, and does not alter the terms of the curs: Transfer Of Rights Of Recovery Against (1) We will not pay for any loss or damage Others To Us Condition in this policy. caused by any of the following even if 6, Recovered Property they are Covered Causes of Loss: If either you or we recover any property after (a) Vandalism; loss settlement, that party must give the other (b) Sprinkler leakage, unless you have prompt notice.

At your option, the property will protected the system against freez- be returned to you. You must then return to us ing; the amount we paid to you for the property. We (c) Building glass breakage; will pay recovery expenses and the expenses to repair the recovered property, subject to the (d) Water damage; Limit of Insurance. (e) Theft; or 6. Vacancy (f) Attempted theft a. Description Of Terms (2) With respect to Covered Causes of Loss (1) As used in this Vacancy Condition, the other than those listed in b.(1)(a) term building and the term vacant have through b.(1)(f) above, we will reduce the meanings set forth in (1)(a) and the amount we would otherwise pay for (1)(b) below: the loss or damage by 15%. (a) When this policy is issued to a te- 7.

Valuation nant, and with respect to that te- We will determine the value of Covered Prop- nant's Interest in Covered Property, erty In the event of loss or damage as follows: building means the unit or suite rented or leased to the tenant. Such a. At actual cash value as of the time of loss building is vacant when it does not or damage, except as provided in b., c., d. contain enough business personal and e. below. property to conduct customary oper- b. If the Limit of Itisutmos for l3uilditig sitisL ations.

Pies the Additional Condition, Coinsurance, and the cost to repair or replace the dam- aged building property is $2,500 or less, we will pay the cost of building repairs or re- placement. CP 00 10 06 07 CMRFVENTIAPP7 Citef05ef 16 The cost of building repairs or replacement 1. Coinsurance does not include the increased cost attri- If a Coinsurance percentage is shown In the butable to enforcement of any ordinance or Declarations, the following condition applies. law regulating the construction, use or re- pair of any property. a. We will not pay the full amount of any loss if the value of Covered Property at the time of However, the following property will be va- loss times the Coinsurance percentage lued at the actual cash value even when at- shown for it in the Declarations is greater tached to the building: than the Limit of Insurance for the property.

(1) Awnings or floor coverings; Instead, we will determine the most we will (2) Appliances for refrigerating, ventilating, pay using the following steps: cooking, dishwashing or laundering; or (1) Multiply the value of Covered Property (3) Outdoor equipment or furniture. at the time of loss by the Coinsurance percentage; c. "Stock" you have sold but not delivered at the selling price less discounts and ex- (2) Divide the Limit of Insurance of the penses you otherwise would have had. property by the figure determined in Step (1); d. Glass at the cost of replacement with safe- ty-glazing material if required by law.

(3) Multiply the total amount of loss, before the application of any deductible, by the e. Tenants' Improvements and Betterments at: figure determined in Step (2); and (1) Actual cash value of the lost or dam- aged property if you make repairs (4) Subtract the deductible from the figure promptly. determined in Step (3).

We will pay the amount determined in Step (2) A proportion of your original cost if you do not make repairs promptly. We will (4) or the limit of insurance, whichever is determine the proportionate value as fol- less.

For the remainder, you will either have lows: to rely on other insurance or absorb the loss yourself. (a) Multiply the original cost by the num- ber of days from the loss or damage EXAMPLE #1 (UNDERINSURANCE) to the expiration of the lease; and When: The value of the property Is: $ 250,000 (b) Divide the amount determined in (a) The Coinsurance percentage above by the number of days from for it is: 80% the installation of improvements to the expiration of the lease.

The Limit of Insurance for it is: $ 100,000 The Deductible is: $ 250 If your lease contains a renewal option, the expiration of the renewal option pe- The amount of loss is: $ 40,000 riod will replace the expiration of the Step (1): $250,000 x 80% = $200,000 lease in this procedure. (the minimum amount of insurance to (3) Nothing if others pay for repairs or re- meet your Coinsurance requirements) placement.

Step (2): $100,000 ÷ $200,000 =.50 F. Additional COnditions Step (3): $40,000 x.50 = $20,000 The following conditions apply in addition to the Step (4): $20,000 — $250 = $19,750 Common Policy Conditions and the Commercial Property Conditions.

We will pay no more than $19,750. The remaining $20,250 is not covered. Page 12 of 15 RFEIJENTIIII°7 eimej 5 (16 07 CI EXAMPLE #2 (ADEQUATE INSURANCE) 2. Mortgagehotders When: The value of the property Is: $ 250,000 a. The term mortgageholder includes trustee.

The Coinsurance percentage b. We will pay for covered loss of or damage for it is: 80% to buildings or structures to each mort- The Limit of Insurance for it is: $ 200,000 gageholder shown in the Declarations in their order of precedence, as interests may The Deductible is: $ 250 appear.

The amount of loss is: $ 40,000 c. The mortgageholder has the right to receive The minimum amount of insurance to meet your loss payment even if the mortgageholder Coinsurance requirement is $200,000 ($250,000 x has started foreclosure or similar action on 80%), Therefore, the Limit of Insurance in this exam- the building or structure, ple is, adequate and no penalty applies.

We will pay d. If we deny your claim because of your acts no more than $39,750 ($40,000 amount of loss minus or because you have failed to comply with the deductible of $250). the terms of this Coverage Part, the mort- b. If one Limit of Insurance applies to two or gageholder will still have the right to receive more separate items, this condition will ap- loss payment If the mortgageholder: ply to the total of all property to which the (1) Pays any premium due under this Cov- limit applies. erage Part at our request if you have failed to do so; EXAMPLE #3 (2) Submits a signed, sworn proof of loss When: The value of the property is: within 60 days after receiving notice Building at Location #1: $ 75,000 from us of your failure to do so; and Building at Location #2: $ 100,000 (3) Has notified us of any change in owner- Personal Property ship, occupancy or substantial change at Location #2: $ 75,000 In risk known to the mortgageholder. $ 250,000 All of the terms of this Coverage Part will The Coinsurance percentage then apply directly to the mortgageholder. for it is: 90% e. If we pay the mortgageholder for any loss The Limit of Insurance for or damage and deny payment to you be- Buildings and Personal Property cause of your acts or because you have at Locations #1 and #2 is: $ 180,000 failed to comply with the terms of this Cov- erage Part: The Deductible is: $ 1,000 (1) The mortgageholder's rights under the The amount of loss is: mortgage will be transferred to us to the Building at Location #2: $ 30,000 extent of the amount we pay; and Personal Property (2) The mortgageholder's right to recover at Location #2: $ 20,000 the full amount of the mortgageholder's $ 50,000 claim will not be impaired.

Step (1): $250,000 x 90% = $225,000 At our option, we may pay to the mortgage- (the minimum amount of insurance to holder the whole principal on the mortgage Meet your Coinsurance requirements plus any accrued interest.

In this event, and to avoid the penalty shown below) your mortgage and: note will be transferred to us and you will pay your remaining mort- Step (2): $1.60000 ÷ $225,000 =.80 gage debt to us. Step (3):: W),600 x.80 = $40,000 f. If we cancel this policy, we will give written Step (4): $40,000 — $i,000 $39M00 notice to the mortgageholder at least: We will pay no more than $39,000.

The remaining (1) 10 days before the effective date of $11,000 is not covered. cancellation if we cancel for your non- payment of premium; or (2) 30 days before the effective date of cancellation if we cancel for any other reason. CP 00 10 06 07 0 IIFIEYENTIAE07 CM13152f 15 g. If we elect not to renew this policy, we will EXAMPLE give written notice to the mortgageholder at least 10 days before the expiration date of If: The applicable Limit of Insurance is: $ 100,000 this policy.

The annual percentage increase is: 8% G. Optional Coverages The number of days since the beginning of the policy year If shown as applicable in the Declarations, the fol- (or last policy change) is: 146 lowing Optional Coverages apply separately to each item.

The amount of increase is: $100,000 x.08 x 146 + 365 = $ 3,200 1. Agreed Value a. The Additional Condition, Coinsurance, 3. Replacement Cost does not apply to Covered Property to a. Replacement Cost (without deduction for which this Optional Coverage applies.

We depreciation) replaces Actual Cash Value in will pay no more for loss of or damage to the Valuation Loss Condition of this Cover- that property than the proportion that the age Form. Limit of Insurance under this Coverage Part for the property bears to the Agreed Value b. This Optional Coverage does not apply to: shown for it in the Declarations.

(1) Personal property of others; b. If the expiration date for this Optional Cov- (2) Contents of a residence; erage shown in the Declarations is not ex- (3) Works of art, antiques or rare articles, tended, the Additional. Condition, Coinsur- including etchings, pictures, statuary, ance, is

reinstated and this Optional Cover- marbles, bronzes, porcelains and bric-a- age expires. brac; or c. The terms of this Optional Coverage apply (4) "Stock", unless the Including "Stock" only to loss or damage that occurs: option is shown in the Declarations.

(1) On or after the effective date of this Under the terms of this Replacement Cost Optional Coverage; and Optional Coverage, tenants' improvements (2) Before the Agreed Value expiration date and betterments are not considered to be shown in the Declarations or the policy the personal property of others. expiration date, whichever occurs first. c. You may make a claim for loss or damage 2.

Inflation Guard covered by this insurance on an actual cash value basis instead of on a replacement a. The Limit of Insurance for property to which cost basis. In the event you elect to have this Optional Coverage applied will auto- loss or damage settled on an actual cash matically increase by the annual percen- tage shown in the Declarations. value basis, you may still make a claim for the additional coverage this Optional Cov- b. The amount of increase will be: erage provides if you notify us of your intent (1) The Limit of Insurance that applied on to do so within 180 days after the loss or the most recent of the policy inception damage. date, the policy anniversary date, or any d. We will not pay on a replacement cost basis other policy change amending the Limit for any loss or damage: of Insurance, times (1) Until the lost or damaged property Is (2) The percentage of annual increase actually repaired or replaced; and shown in the Declarations, expressed as a decimal (example: 8% is.08), times (2) Unless the repairS or replacement are made as scon • as reasonably poib16 (3) The nUrnber Of days since the beginning after the loss or damage. of the current policy year or the effective date of the most recent policy change amending the Limit of Insurance, divided by 365, Page 14 of 15 MM:101E4\171AP '1 et-m856 07 CI With respect to tenants' improvements and 4.

Extension Of Replacement Cost To betterments, the following also apply: Personal Property Of Others (3) If the conditions in d.(1) and d.(2) above a. If the Replacement Cost Optional Coverage are not met, the value of tenants' im- is shown as applicable in the Declarations, provements and betterments will be de- then this Extension may also be shown as termined as a proportion of your original applicable.

If the Declarations show this Ex- cost, as set forth in the Valuation Loss tension as applicable, then Paragraph Condition of this Coverage Form; and 3.b.(1) of the Replacement Cost Optional (4) We will not pay for loss or damage to Coverage Is deleted and all other provisions tenants' improvements and betterments of the Replacement Cost Optional Cover- if others pay for repairs or replacement. age apply to replacement cost on personal property of others. e. We will not pay more for loss or damage on a replacement cost basis than the least of b. With respect to replacement cost on the (1), (2) or (3), subject to f. below: personal property of others, the following limitation applies: (1) The Limit of Insurance applicable to the lost or damaged property; If an item(s) of personal property of others is subject to a written contract which go- (2) The cost to replace the lost or damaged verns your liability for loss or damage to property with other property: that item(s), then valuation of that item(s) (a) Of comparable material and quality; will be based on the amount for which you and • are liable under such contract, but not to exceed the lesser of the replacement cost (b) Used for the same purpose; or of the property or the applicable Limit of In- (3) The amount actually spent that is ne- surance. cessary to repair or replace the lost or damaged property.

H. Definitions If a building is rebuilt at a new premises, the 1. "Fungus" means any type or form of fungus, cost described in e.(2) above is limited to including mold or mildew, and any mycotoxins, the cost which would have been incurred If spores, scents or by-products produced or re- the building had been rebuilt at the original leased by fungi, premises.

2. "Pollutants" means any solid, liquid, gaseous or f. The cost of repair or replacement does not thermal Irritant or contaminant, including Include the increased cost attributable to smoke, vapor, soot, fumes, acids, alkalis, enforcement of any ordinance or law regu- chemicals and waste. Waste includes materials lating the construction, use or repair of any to be recycled, reconditioned or reclaimed. property, 3.

"Stock" means merchandise held in storage or for sale, raw materials and in-process or fi- nished goods, including supplies used in their packing or shipping. CP 00 10 08 07 ©MIIPTIVENTiAE97 Cf013154f 15 ❑ 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 Limits of Insurance of all insurance covering on the FRAUD same basis. This Coverage Part is void in any case of fraud by you as 2. If there is other insurance covering the same loss or it relates to this Coverage Part at any time. It is also void damage, other than that described in 1. above, we if you or any other insured, at any time, intentionally will pay only for the amount of covered loss or conceal or misrepresent a material fact concerning: damage in excess of the amount due from that other insurance, whether you can collect on it or not.

But 1. This Coverage Part; we will not pay more than the applicable Limit of 2. The Covered Property; Insurance. 3, Your interest in the Covered Property; or H. POLICY PERIOD, COVERAGE TERRITORY 4, A claim under this Coverage Part, Under this Coverage Part: B. CONTROL OF PROPERTY 1.

We cover loss or damage commencing: Any act or neglect of any person other than you beyond a. During the policy period shown in the your direction or control will not affect this insurance.

Declarations; and The breach of any condition of this Coverage Part at any b. Within the coverage territory. one or more locations will not affect coverage at any 2.

The coverage territory is: location where, at the time of loss or damage, the breach of condition does not exist. a. The United States of America (including its territories and possessions); C. INSURANCE UNDER TWO OR MORE COVERAGES b. Puerto Rico; and If two or more of this policy's coverages apply to the c, Canada. same loss or damage, we will not pay more than the L TRANSFER OF RIGHTS OF RECOVERY actual amount of the loss or damage.

AGAINST OTHERS TO US D. LEGAL ACTION AGAINST US If any person or organization to or for whom we make No one may bring a legal action against us under this payment under this Coverage Part has rights to recover Coverage Part unless: damages from another, those rights are transferred to us 1. There has been full compliance with all of the terms to the extent of our payment.

That person or organization of this Coverage Part; and must do everything necessary to secure our rights and must do nothing after loss to impair them. But you may 2. The action is brought within 2 years after the date on waive your rights against another party in writing: which the direct physical loss or damage occurred, 1. Prior to a loss to your Covered Property or Covered E. LIBERALI7ATION Income.

If we adopt any revision that would broaden the coverage 2. After a loss to your Covered Property or Covered under this Coverage. Part without additional premium Income only if, at time of loss, that party is one of within 45 days prior to or during the policy period, the the following: broadened coverage will immediately apply to this Coverage Part. a. Someone insured by this insurance; F. NO BENEFIT TO BAILEE b. A business firm:- No person or organization, other than you, having (1) Owned or controlled by you; or custody of Covered Property will benefit from this (2) That owns or controls you; or insurance. c. Your tenant.

G. an-TER INSURANCE This will not restrict your 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 CP 00 90 07 88 Copyright, ISO Commercial Risk Services, Inc., 1983, 1987 Page 1 of 1 CONFIDENTIAL CE0655 CCF 1503 10/01 THIS ENDORSEMENT CHANGES THE POLICY.

PLEASE READ IT CAREFULLY. EXCLUSION - "VACANT" OR "UNOCCUPIED" PROPERTY This endorsement modifies insurance provided under the following: BUILDING AND PERSONAL PROPERTY COVERAGE FORM. It is agreed that subpart 6. VACANCY of part E. Loss Conditions of ISO form CP0010 is deleted and replaced by the following: 6. VACANCY a. Description of Terms (1) As used in this Vacancy Condition, the term building and the term vacant have the meanings set forth in (1)(a) and (1)(b) below; (a) When this policy is issued to a tenant, and with respect to that tenant's interest in Covered Property, building means the unit or suite rented or leased to the tenant.

Such building is vacant when it does not contain enough business personal property to conduct customary operations. (b) When this policy is issued to the owner of a building, building means the entire building. Such building is vacant when 70% or more of its square footage: (i) Is not rented; or (ii) Is not used to conduct customary operations.

(2) Buildings under construction or renovation are not considered vacant. b. Vacancy Provisions We will not pay for any loss or damage if the building where loss or damage occurs has been vacant or unoccupied for more than: (1) 30 consecutive days before that loss or damage if caused by Vandalism (if it is Covered Cause of Loss); or (2) 60 coriseetitiVe days before that loss or damage if caused by any other Covered Cause of Loss; whether or not such vacancy or unoccupancy begins before the inception of this policy.

But we will pay if the building is unoccupied due to circumstances that are usual or incidental to the described occupancy. This condition does not apply if the Vacancy Permit endorsement is attached. CCF 1503 10/01 CONFIDENTIAL CEO656 CCF 1512 1211 THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY MANDATORY PROPERTY DEDUCTIBLE FORM (FIXED DOLLAR DEDUCTIBLES) This endorsement modifies insurance provided under the following: BUILDING AND PERSONAL PROPERTY COVERAGE FORM BUILDERS' RISK COVERAGE FORM CONDOMINIUM ASSOCIATION COVERAGE FORM CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM The Deductibles applicable to any one occurrence are shown below and the Deductibles apply as indicated by checking one of the boxes below: Each Building (regardless of the number of premises) ❑ Each Premises (regardless of the number of buildings on the premises) El SCHEDULE Prem.

No. Bldg. No. Coverage Type Deductible Covered Causes of Loss ** 1 1 Building 1,000 2 2 1 Building 1,000 2 3 1 Building 1,000 2 1 1 Building 2,500 6 2 1 Building 2,500 6 3 1 Building 2,500 6 ** For each deductible listed in this Schedule, enter the number corresponding to the Covered Cause(s) of Loss to which that deductible applies (or enter the description): 1.

All Covered Causes of Loss 2. All Covered Causes of Loss except Windstorm or Hail 3. All Covered Causes of Loss except Theft 4. All Covered Causes of Loss except Windstorm or Hall and Theft 5. All Covered Causes of Loss except Water Damage 6. Windstorm or Hail 7. Theft 8. Water Damage CCF 1512 1211 Page 1 of 2 Includes copyrighted matetimonvEeftAt2c, with its permission.

CE0657 Section D.; Deductible, Is deleted in its entirety including the Examples and replaced with the following: D. Deductible 1. In any one occurrence of loss or damage (hereinafter referred to as loss), we will first reduce the amount of loss if required by the Coinsurance Condition or the Agreed Value Optional Coverage, If the adjusted amount of loss is less than or equal to the Deductible, we will not pay for that loss.

If the adjusted amount of loss exceeds the Deductible, we will then subtract the Deductible from the adjusted amount of loss, and will pay the resulting amount or the Limit of Insurance, whichever is less. 2. In the event that loss or damage occurs to Covered Property at more than one building location as a result of one occurrence, the Schedule above will determine how the Deductible will apply, either to each premise or to each building.

3. When the occurrence involves loss to more than one item of Covered Property and separate Limits of Insurance apply, the losses will not be combined in determining application of the Deductible. But the Deductible will be applied only once per occurrence for that Covered Property. 4.

The terms of this endorsement do not apply to any Earthquake Deductible or to any Windstorm or Hall Percentage Deductible provided elsewhere in this policy. CCF 1512 1211 Page 2 of 2 Includes copyrighted materlec,INtfliteNtrfm Lc. with its permission, CE0658 CCF 1526 1012 THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY. LOSS CONDITIONS — APPRAISAL AMENDATORY ENDORSEMENT This endorsement modifies insurance provided under the following: BUILDING AND PERSONAL PROPERTY COVERAGE FORM CONDOMINIUM ASSOCIATION COVERAGE FORM CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM DIFFERENCE IN CONDITIONS COVERAGE FORM A. When attached to the Building And Personal Property Coverage Form, CP 0010; the Condominium Association Coverage Form, CP 0017, the Condominium Commercial Unit-Owners Coverage Form, CP 0018 or the Difference In Conditions Coverage Form, DIC 0010: Paragraph 2.

Appraisal of E. Loss Conditions is deleted in its entirety and replaced with the following: 2. Appraisal If we and you disagree on the amount of loss, either may make written demand for an appraisal of the IOSs. Appraisal is mandatory if invoked by either party.

In this event, each party will select a qualified, impartial appraiser. The two appraisers will select a qualified, impartial umpire. If the appraisers cannot agree on the umpire, either you or we may request, after reasonable written notice to the other, that the selection be made by a court having Jurisdiction.

We and you will cooperate with the appraisers and umpire to provide information and access to the property to appraise the loss. If the appraisers agree, they shall issue a detailed appraisal decision which will be binding on you and us. If the appraisers fail to agree, they will submit their differences to the umpire.

The umpire shall consider the submissions, independently appraise the loss, and issue a detailed appraisal decision that will be binding on you and us. Each party will: a. Pay its chOsen appraiser; and b. Bear the other expenses of the appraisal and umpire equally.

In this section, impartial appraiser and impartial umpire shall mean a person who is not a current employee of either party and whose compensation from any source is not affected by the amount of the award or the insured's recovery on the claim.

In this section, detailed appraisal decision shall mean a written appraisal which provides line-item descriptions and • amounts for any category of damage or expense requested by you or us, in writing, within thirty (30) days of the initial request for appraisal.

The requests for particular line-items may include, but are not limited to, the value Of the prbperty, the cost of repair or replacement of any particular component of the property; the cost attributable to' r, cede upgrades, the cause(s) of the damage appraised, and the dates that any particular damage occurred or manifested.

However, the requests may not, and the appraisal shall not, address which categories of the award, if any, are covered by this policy. The parties retain the right to have a court of COrribetent jUtiediction determine which elements of the appraisal, if any, are covered under this.policy based ontlie. f6oti'deteritirie6 by the appraisal; the IJoliCy arid applicable law.

They also retain the right to have the court determine the causes) of the • damage' appraised, if there is any post-appraisal disagreement concerning causation. The request for a particular line-item shall not be deemed an admission by either party that such category is covered or not covered by this policy.

In the event the appraisal panel cannot determine a line-item requested by you or us, that inability and the reason shall be indicated on the detailed appraisal decision. To the extent that any questions of coverage or causation require determination of any fact not established by the detailed appraisal decision, the parties may offer evidence relevant to that fact in litigating the issues of coverage or causation.

  C E0659 CCF 1526 1012 B. When attached to the Business Income (And Extra Expense) Coverage Form, CP 0030 or the Business Income (And Extra Expense) Coverage Form, DIC 0031: Paragraph 1. Appraisal of C. Loss Conditions is deleted in its entirety and replaced with the following: 1.

Appraisal If we and you disagree on the amount of loss, either may make written demand for an appraisal of the loss. Appraisal is mandatory If Invoked by either party. In this event, each party will select a qualified, impartial appraiser.

The two appraisers will select a qualified, impartial umpire. If the appraisers cannot agree on the umpire, either you or we may request, after reasonable written notice to the other, that the selection be made by a court having jurisdiction.

We and you will cooperate with the appraisers and umpire to provide information and access to the property to appraise the loss, If the appraisers agree, they shall issue a detailed appraisal decision which will be binding on you and us. If the appraisers fail to agree, they will submit their differences to the umpire.

The umpire shall consider the submissions, independently appraise the loss, and issue a detailed appraisal decision that will be binding on you and us. Each party will: a. Pay its chosen appraiser; and b. Bear the other expenses of the appraisal and umpire equally.

In this section, Impartial appraiser and impartial umpire shall mean a person who is not a current employee of either party and whose compensation from any source is not affected by the amount of the award or the insured's recovery on the claim.

In this section, detailed appraisal decision shall mean a written appraisal which provides line-item descriptions and amounts for any category of damage or expense requested by you or us, in writing, within thirty (30) days of the initial request for appraisal.

The requests for particular line-Items may include, but are not limited to, the value of the property, the cost of repair or replacement of any particular component of the property, the cost attributable to code upgrades, the cause(s) of the damage appraised, and the dates that any particular damage occurred or manifested.

However, the requests may not, and the appraisal shall not, address which categories of the award, if any, are covered by this policy. The parties retain the right to have a court of competent jurisdiction determine which elements of the appraisal, if any, are covered under this policy based on the facts determined by the appraisal, the policy and applicable law.

They also retain the right to have the court determine the cause(s) of the damage appraised, if there is any post-appraisal disagreement concerning causation. The request for a particular line-item shall not be deemed an admission by either party that such category is covered or not covered by this policy.

In the event the appraisal panel cannot determine a line-item requested by you or us, that inability and the reason shall be indicated on the detailed appraisal decision. To the extent that any questions of coverage or causation require determination of any fact not established by the detailed appraisal decision, the parties may offer evidence relevant to that fact in litigating the issues of coverage or causation.

All other terms and conditions of this policy remain unchanged. CCF 1526 1012 Page 2 of 2 hiclu des copyrighted mated COME*13S4i444A.c., used with its pain issi on. CE0660 ' "• COMMERCIAL PROPERTY CP 01 40 07 06 THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY. EXCLUSION OF LOSS DUE TO VIRUS OR BACTERIA This endorsement modifies insurance provided under the following: COMMERCIAL PROPERTY COVERAGE PART STANDARD PROPERTY POLICY A. Ttie exclusion set forth in Paragraph B. applies to D. The following provisions in this Coverage Part or all coverage under all forms and endorsements Policy are hereby amended to remove reference that comprise this Coverage Part or Policy, includ- to bacteria: ing but not limited to forms or endorsements that 1.

Exclusion of "Fungus", Wet Rot, Dry Rot And cover property damage to buildings or personal Bacteria; and property and forms or endorsements that cover business income, extra expense or action of civil 2. Additional Coverage — Limited Coverage for authority, "Fungus", Wet Rot, Dry Rot And Bacteria, in- cluding any endorsement Increasing the scope B. We will not pay for loss or damage caused by or or amount of coverage. resulting from any virus, bacterium or other micro- organism that Induces or Is capable of inducing E. The terms of the exclusion in Paragraph B., or the physical distress, illness or disease. inapplicability of this exclusion to a particular loss, do not serve to create coverage for any loss that However, this exclusion does not apply to loss or would otherwise be excluded under this Coverage damage caused by or resulting from "fungus", wet Part or Policy. rot or dry rot.

Such loss or damage is addressed in a separate exclusion in this Coverage Part or Poli- cy. C. With respect to any loss or damage subject to the exclusion in Paragraph B., such exclusion super- sedes any exclusion relating to "pollutants". CP 01 40 07 06 ©MISIFIVENTIAEP6 CENVIa l COMMERCIAL PROPERTY CP 10 20 06 07 CAUSES OF LOSS BROAD FORM A. Covered Causes Of Loss 8.

Vandalism, meaning willful and malicious dam- When Broad is shown in the Declarations, Cov- age to, or destruction of, the described proper- ered Causes of Loss means the following: ty. 1. Fire. We will not pay for loss or damage caused by or resulting from theft, except for building dam- 2. Lightning, age caused by the breaking in or exiting of 3. Explosion, including the explosion of gases or burglars. fuel within the furnace of any fired vessel or 9.

Sprinkler Leakage, meaning leakage or dis- within the flues or passages through which the charge of any substance from an Automatic gases of combustion pass. This cause of loss Sprinkler System, including collapse of a tank does not Include loss or damage by: that is part of the system. a. Rupture, bursting or operation of pressure- If the building or structure containing the Auto- relief devices; or matic Sprinkler System is Covered Property, b. Rupture or bursting due to expansion or we will also pay the cost to: swelling of the contents of any building or a. Repair or replace damaged parts of the structure, caused by or resulting from wa- Automatic Sprinkler System if the damage: ter.

(1) Results in sprinkler leakage; or 4. Windstorm or Hail, but not including: (2) Is directly caused by freezing. a. Frost or cold weather; b. Tear out and replace any part of the build- b. Ice (other than hail), snow or sleet, whether ing or structure to repair damage to the Au- driven by wind or not; or tomatic Sprinkler System that has resulted c. Loss or damage to the interior of any build- in sprinkler leakage. ing or structure, or the property inside the Automatic Sprinkler System means: building or structure, caused by rain, snow, sand or dust, whether driven by wind or not, (1) Any automatic fire-protective or extin- unless the building or structure first sustains guishing system, including connected: wind or hall damage to its roof or walls (a) Sprinklers and discharge nozzles; through which the rain, snow, sand or dust (b) Ducts, pipes, valves and fittings; enters.

(C) Tanks, their component parts and 5. Smoke causing sudden and accidental loss or supports; and damage. This cause of loss does not include smoke from agricultural smudging or industrial (d) Pumps and private fire protection operations. mains. 6. Aircraft or Vehicles, meaning only physical (2) When supplied from an automatic fire- contact of an aircraft a spacecraft, a self-protective system: propelled missile, a vehicle or an object thrown (a) Non-automatic fire-protective sys- up by a vehicle with the described property or tems; and with the building or structure containing the de- (b) Hydrants, standpipes and outlets. scribed property.

This cause of loss includes loss or damage by objects falling from aircraft. 10. Sinkhole CollaPse, meaning- loss 'or darnage caused by the sudden 'sinking or collapse of We will not pay'for loss or damage caused by land into underground empty spaces created or resulting from vehicles you own or which are by the action of water on limestone or dolomite. operated in the course of your business.

This cause of loss does not Include: 7. Riot or Civil Commotion, including: a. The cost of filling sinkholes; or a. Acts of striking employees while occupying b. Sinking or collapse of land into man-made the described premises; and underground cavities. b. Looting occurring at the time and place of a riot or civil commotion. CP 10 20 08 07 'trk9114FIVENTIAE°7 CEMet°" CJ 11.

Volcanic Action, meaning direct loss or dam- (4) Loss or damage caused by or resulting age resulting from the eruption of a volcano from freezing, unless; when the loss or damage is caused by: (a) You do your best to maintain heat in a. Airborne volcanic blast or airborne shock the building or structure; or waves; (b) You drain the equipment and shut off b. Ash, dust or particulate matter; or the water supply if the heat is not c. Lava flow. maintained.

All volcanic eruptions that occur within any b. If coverage applies subject to a. above, and 168-hour period will constitute a single occur- the building or structure containing the sys- rence. tem or appliance is Covered Property, we will also pay the cost to tear out and replace This cause of loss does not include the cost to any part of the building or structure to repair ' remove ash, dust or particulate matter that damage to the system or appliance from does not cause direct physical loss or damage which the water or steam escapes.

But we to the described property. will 'not pay the cost to repair any defect 12. Falling Objects that caused the loss or damage. But we will not pay for loss or damage to: B. Exclusions a, Personal property in the open; or 1.

We will not pay for loss or damage caused b. The interior of a building or structure, or directly or indirectly by any of the following. property inside a building or structure, un- Such loss or damage is excluded regardless of less the roof or an outside wall of the build- any other cause or event that contributes con- ing or structure is first damaged by a falling currently or in any sequence to the loss. object. a. Ordinance Or Law 13.

Weight Of Snow, Ice Or Sleet The enforcement of any ordinance or law: But we will not pay for loss or damage to per- (1) Regulating the construction, use or sonal property outside of buildings or struc- repair of any property; or tures.

(2) Requiring the tearing down of any prop- 14. Water Damage erty including the cost of removing its a. Water Damage, meaning accidental dis- debris. charge or leakage of water or steam as the This exclusion, Ordinance Or Law, applies direct result of the breaking apart or crack- whether the loss results from: ing of a plumbing, heating, air conditioning (a) An ordinance or law that is enforced or other system or appliance, that Is located • even if the property has not been on the described premises and contains damaged; or water or steam. (b) The increased costs incurred to However, Water Damage does not include: comply with an ordinance or law In (1) Discharge or leakage from: the course of construction, repair, (a) An Automatic Sprinkler System; renovation, remodeling or demolition of property, or removal of its debritz • (b) A sump or related equipment and following a physical loss to that parts, Including overflow due to property. sump pump failure or excessive vo- lume of water; or. b. Earth.Movethant• *• (c) Roof drains, guttert, doWnspouts or (1) Earthquake; 4'161414 any sOM.th sinking,. similar fixtures or equipment; rising or shifting related to such event; (2) The cost to repair any defect that (2) Landslide, including any earth sinking, caused the loss or damage; rising or shifting related to such event; (3) Mine subsidence, meaning subsidence (3) Loss or damage caused by or resulting of a man-made mine, whether or not from continuous or repeated seepage or leakage of water, or the presence or mining activity has ceased; condensation of humidity, moisture or vapor, that occurs over a period of 14 days or more; or Page 2 of 7 ©MIIFFEYENITIA.97 €191.

(45V " (4) Earth sinking (other than sinkhole col- But if the failure or surge of power, or the lapse), rising or shifting including soil failure of communication, water or other util- conditions which cause settling, crack- ity service, results in a Covered Cause of ing or other disarrangement of founda- Loss, we will pay for the loss or damage tions or other parts of realty.

Soil condi- caused by that Covered Cause of Loss. tions include contraction, expansion, Communication services include but are not freezing, thawing, erosion, improperly limited to service relating to Internet access compacted soil and the action of water or access to any electronic, cellular or satel- under the ground surface. lite network. But if Earth Movement, as described in 1.

War And Military Action b.(1) through (4) above, results in fire or explosion, we will pay for the loss or dam- (1) War, including undeclared or civil war;, age caused by that fire or explosion. (2) Warlike action by a military force, includ- (6) Volcanic eruption, explosion or effusion. ing action in hindering or defending But if volcanic eruption, explosion or ef- against an actual or expected attack, by fusion results in fire, building glass any government, sovereign or other au- breakage or Volcanic Action, we will pay thority using military personnel or other for the loss or damage caused by that agents; or fire, building glass breakage or Volcanic (3) Insurrection, rebellion, revolution, Action. usurped power, or action taken by go- c. Governmental Action vernmental authority in hindering or de- fending against any of these.

Seizure or destruction of property by order of governmental authority. g. Water But we will pay for loss or damage caused (1) Flood, surface water, waves, tides, tidal by or resulting from acts of destruction or- waves, overflow of any body of water, or dered by governmental authority and taken their spray, all whether driven by wind or at the time of a fire to prevent its spread, if not; the fire would be covered under this Cover- (2) Mudslide or mudflow; age Part.

(3) Water that backs up or overflows from a d. Nuclear Hazard sewer, drain or sump; or Nuclear reaction or radiation, or radioactive (4) Water under the ground surface press- contamination, however caused. ing on, or flowing or seeping through: But If nuclear reaction or radiation, or ra- (a) Foundations, walls, floors or paved dioactive contamination, results in fire, we surfaces; will pay for the loss or damage caused by (b) Basements, whether paved or not; or that fire. (c) Doors, windows or other openings. e. Utility Services But if Water, as described in g.(1) through The failure of power, communication, water g.(4) above, results in fire, explosion or or other utility service supplied to the de- sprinkler leakage, we will pay for the loss or scribed premises, however caused, if the damage caused by that fire, explosion or failure: sprinkler leakage.

(1) Originates away from the described h. "Fungus", Wet Rot, Dry Rot And premises; or Bacteria _ (2) Originates at the described premises, Presence, growth, proliferation, spread or but only if such failure involves equip- any activity of "fungus", wet or dry rot or ment used to supply the utility service to bacteria. the described premises from a source away from the described premises.

But if "fungus", wet or dry rot or bacteria re- sults in a Covered Cause of Loss, we will Failure of any utility service includes lack of pay for the loss or damage caused by that sufficient capacity and reduction in supply. Covered Cause of Loss. Loss or damage caused by a surge of pow- er is also excluded, if the surge would not have occurred but for an event causing a failure of power.

CP 10 20 06 07 '"Cr6GRIFIVENI9A297 CE1 64°f 7 1:3 This exclusion does not apply: 3. Special Exclusions 1. When "fungus", wet or dry rot or bacteria The following provisions apply only to the spe: results from fire or lightning; or cified Coverage Forms. 2.

To the extent that coverage Is provided a. Business income (And Extra Expense) in the Additional Coverage — Limited Coverage Form, Business Income Coverage For "Fungus", Wet Rot, Dry (Without Extra Expense) Coverage Form, Rot And Bacteria with respect to loss or Or Extra Expense Coverage Form damage by a cause of loss other than We will not pay for: fire or lightning.

(1) Any loss caused by or resulting from: Exclusions B.1.a. through B,1.h. apply whether or not the loss event results in widespread (a) Damage or destruction of "finished damage or affects a substantial area, stock"; or 2.

We will not pay for loss or damage caused by (b) The time required to reproduce "fi- or resulting from: nished stock", a. Artificially generated electrical, magnetic or This exclusion does not apply to Extra electromagnetic energy that damages, dis- Expense. turbs, disrupts or otherwise interferes with (2) Any loss caused by or resulting from any: direct physical loss or damage to radio (1) Electrical or electronic wire, device, or television antennas (including satellite appliance, system or network; or dishes) and their lead-in wiring, masts or towers.

(2) Device, appliance, system or network utilizing cellular or satellite technology. (3) Any increase of loss caused by or re- sulting from: For the purpose of this exclusion, electrical, magnetic or electromagnetic energy in- (a) Delay in rebuilding, repairing or cludes but is not limited to: replacing the property or resuming "operations", due to Interference at (a) Electrical current, including arcing; the location of the rebuilding, repair (b) Electrical charge produced or con- or replacement by strikers or other ducted by a magnetic or electromag- persons; or netic field; (b) Suspension, lapse or cancellation of (c) Pulse of electromagnetic energy; or any license, lease or contract.

But if (d) Electromagnetic waves or micro- the suspension, lapse or cancellation waves. is directly caused by the "suspen- sion" of "operations", we will cover But if fire results, we will pay for the loss or such loss that affects your Business damage caused by that fire. Income during the "period of restore.: • b, Explosion of steam boilers, steam pipes, tion" and any extension of the "04.;•, steam engines or steam turbines owned or hod of restoration" in accordance leased by you, or operated under your con- with the terms of the Extended BCiak trol. ness Income Additional

Coverage But If explosion of steam boilers, steam and the Extended Period Of Indem- pipes, steam engines or steam turbines re- nity Optional Coverage or any varia- tion of these., sults in fire or combustion explosion, we will pay for the loss or damage caused by that (4) Any Extra: Expense, caused.. by or result: fire or combustion explosion. ing from suspension,' lapse br cariCella-• tion of any license, lease or contract c. Mechanical breakdown, including rupture or bursting caused by centrifugal force. beyond the "period. of restoration".

But If mechanical breakdown results in a (5) Any other consequential loss.. Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss. d. Neglect of an insured to use all reasonable means to save and preserve property from further damage at and after the time of loss. Page 4 of 7 ©68011fVENTIAP7 B503 07 I:3 b. Leasehold Interest Coverage Form C. Additional Coverage — Collapse (1) Paragraph B.1.a., Ordinance Or Law, The coverage provided under this Additional Cov- does not apply to insurance under this erage — Collapse applies only to an 'abrupt col- Coverage Form. lapse as described and limited in C.1. through C.7.

(2) We will not pay for any loss caused by: 1. For the purpose of this Additional Coverage — (a) Your cancelling the lease; Collapse, abrupt collapse means an abrupt fall- ing down or caving in of a building or any part (b) The suspension, lapse or cancella- of a building with the result that the building or tion of any license; or part of the building cannot be occupied for its (c) Any other consequential loss.

Intended purpose. c. Legal Liability Coverage Form 2. We will pay for direct physical loss or damage • (1) The following exclusions do not apply to to Covered Property, caused by abrupt col- insurance under this Coverage Form: lapse of a building or any part of a building that is insured under this Coverage Form or that (a) Paragraph B.1.a., Ordinance Or contains Covered Property insured under this Law; Coverage Form, If such collapse is caused by (b) Paragraph 8.1.c., Governmental one or more of the following: Action; a. Fire; lightning; explosion; windstorm or hail; (c) Paragraph B.1.d., Nuclear Hazard; smoke; aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire- (d) Paragraph B.1.e., Utility Services; extinguishing equipment; sinkhole collapse; and volcanic action; breakage of building glass; (e) Paragraph B.1.f., War And Military falling objects; weight of snow, ice or sleet; Action. water damage, meaning accidental dis- (2) The following additional exclusions charge or leakage of water or steam as the apply to insurance under this Coverage direct result of the breaking apart or crack- Form: ing of a plumbing, heating, air conditioning or other system or appliance (other than a (a) Contractual Liability sump system including its related equip- We will not defend any claim or ment and parts), that is located on the de- "suit", or pay damages that you are scribed premises and contains water or legally liable to pay, solely by reason steam; all only as insured against in this of your assumption of liability in a Coverage Part; contract or agreement.

But this ex- b. Building decay that is hidden from view, clusion does not apply to a written unless the presence of such decay is lease agreement in which you have known to an insured prior to collapse; assumed liability for building damage resulting from an actual or attempted c. Insect or vermin damage that is hidden burglary or robbery, provided that: from view, unless the presence of Such damage is known to an insured prior to col- (I) Your assumption of liability was lapse; executed prior to the accident; and d. Weight of people or personal property; (II) The building is Covered Property e. Weight of rain that collects on a roof; under this Coverage Form. f. Use of defective material or methods in (b) Nuclear Hazard construction,,remodelinaor renovation if the: abrupt collapse occurs during the course of We will not defend any claim or the construction, remodeling or renovation. "suit", or pay any damages, loss, ex- However, if such collapse occurs after con- pense or obligation, resulting from struction, remodeling or renovation is com- nuclear reaction or radiation, or ra- plete and is caused in part by a cause of dioactive contamination, however loss listed in 2.a. through 2.e., we will pay caused, for the loss or damage even if use of defec- tive material or methods, in construction, remodeling or renovation, contributes to the collapse.

CP 10 20 06 07 cCq9 RFEYENTIAL°7 C Etfit5Vf 7 This Additional Coverage •-• Collapse does not limit The coverage stated in this Paragraph 5. does the coverage otherwise provided under this Caus- not apply to personal property if marring and/or es of Loss' Form for the causes of loss listed in scratching is the only damage to that personal 2.a. property caused by the collapse.

3. This Additional Coverage - Collapse does 6. This Additional Coverage - Collapse does not not apply to: apply to personal property that has not abruptly fallen down or caved in, even if the personal a. A building or any part of a building that is In property shows evidence of cracking, bulging, danger of falling down or caving in; sagging, bending, leaning, settling, shrinkage b. A part of a building that is standing, even if or expansion. it has separated from another part of the building; or 7.

This Additional Coverage - Collapse will not increase the Limits of Insurance provided in c. A building that is standing or any part of a this Coverage Part. building that Is standing, even if it shows evidence of cracking, bulging, sagging, 8.

The term Covered Cause of Loss Includes the bending, leaning, settling, shrinkage or ex- Additional Coverage - Collapse as described pansion. and limited in C.1. through C.7. D. Additional Coverage - Limited Coverage For 4. With respect to the following property: "Fungus", Wet Rot, Dry Rot And Bacteria a. Outdoor radio or television antennas (in- cluding satellite diShes) and their lead-in 1.

The coverage described in D.2. and D.B. only applies when the "fungus", wet or dry rot or wiring, masts or towers; bacteria is the result of one or more of the fol- b. Awnings, gutters and downspouts; lowing causes that occurs during the policy pe- c. Yard fixtures; riod and only If all reasonable means were used to save and preserve the property from d. Outdoor swimming pools; further damage at the time of and after that oc- e. Fences; currence. f. Piers, wharves and docks; a. A Covered Cause of Loss other than fire or g. Beach or diving platforms or appurten- lightning; or ances; b. Flood, if the Flood Coverage Endorsement h. Retaining walls; and applies to the affected premises. i. Walks, roadways and other paved surfaces; 2.

We will pay for loss or damage by "fungus", wet or dry rot or bacteria. As used in this Li- if an abrupt collapse Is caused by a cause of mited Coverage, the term loss or damage loss listed In 2.b. through 2J. we will pay for means: loss or damage to that property only if: a. Direct physical loss or damage to Covered (1) Such loss or damage Is a direct result of Property caused by "fungus",wet or dry rot the abrupt collapse of a building insured or bacteria, including the cost of removal of under this Coverage Form; and the "fungus", wet or dry rot or bacteria; (2) The property is Covered Property under b. The cost to tear out and replace any part of this COverage Form,.....:.. the building or other property as needed to 5.

If personal propertyabrUptly falls down or gain access to the "fungus", wet or dry rot caves in and such collapse is not the result of or bacteria; and abrupt Collapse,. Of a building, we will pay for c. The cost of testing performed after removal, loss Or damage to Covered Property caused by repair, replaterrierit or Testbration of the such collapse; •.. of • personal, • property only if: damaged property is completed, provided a.'

The'011apSe.'personal: prOperty was there is a reason to believe that "fungus", Caused: by Ey cause of loss listed in 2.a. wet or dry rot or bacteria are present. through 21 above; 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 person- al property or real property.

Page 6 of 7 ©09 M1E4\11'66E7 St1968 96 07 3. The coverage described under D.2. of this 6. The following, 6.a. or 6.b., applies only if Busi- Limited Coverage is limited to $15,000. Re- ness Income and/or Extra Expense Coverage gardless of the number of claims, this limit is applies to the described premises and only if the most we will pay for the total of all loss or the "suspension" of "operations" satisfies all damage arising out of all occurrences of Cov- terms and conditions of the applicable Busi- ered Causes of Loss (other than fire or ness Income and/or Extra Expense Coverage lightning) and Flood which take place in a 12- Form. month period (starting with the beginning of the a. If the loss which resulted in "fungus", wet or present annual policy period).

With respect to a dry rot or bacteria does not In Itself necessi- particular occurrence of loss which results in tate a "suspension" of "operations", but "fungus", wet or dry rot or bacteria, we will not such "suspension" is necessary due to loss pay more than a total of $15,000 even if the or damage to property caused by "fungus", "fungus", wet or dry rot or bacteria continues to wet or dry rot or bacteria, then our payment be present or active, or recurs, in a later policy under Business Income and/or Extra Ex- period. pense is limited to the amount of loss 4.

The coverage provided under this Limited and/or expense sustained in a period of not Coverage does not increase the applicable more than 30 days. The days need not be Limit of Insurance on any Covered Property. If consecutive. a particular occurrence results in loss or dam- b. If a covered "suspension" of "operations" age by "fungus", wet or dry rot or bacteria, and was caused by loss or damage other than other loss or damage, we will not pay more, for "fungus", wet or dry rot or bacteria but re- the total of all loss or damage, than the appli- mediation of "fungus", wet or dry rot or bac- cable Limit of Insurance on the affected Cov- teria prolongs the "period of restoration", we ered Property. will pay for loss and/or expense sustained If there is covered loss or damage to Covered during the delay (regardless of when such a Property, not caused by "fungus", wet or dry rot delay occurs during the "period of restora- or bacteria, loss payment will not be limited by tion"), but such coverage is limited to 30 the terms of this Limited Coverage, except to days.

The days need not be consecutive. the extent that "fungus", wet or dry rot or bacte- E. Limitation ria causes an increase in the loss. Any such increase in the loss will be subject to the terms We will pay for loss of animals only if they are of this Limited Coverage. killed or their destruction is made necessary. 5.

The terms of this Limited Coverage do not F. Definitions increase or reduce the coverage provided un- "Fungus" means any type or form of fungus, in- der Paragraph b. of Covered Cause Of Loss cluding mold or mildew, and any mycotoxins, 9., Sprinkler Leakage, or Paragraph b. of Cov- spores, scents or by-products produced or re- ered Causes Of Loss 14., Water Damage, or leased by fungi. under the Additional Coverage — Collapse.

CP 10 20 06 07 ©MtlFitEi\IriA.07 CERffina 7 IL 09 36 07 02 THIS ENDORSEIVIENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY. EXCLUSION OF CERTAIN COMPUTER-RELATED LOSSES This endorsement modifies insurance provided under the following: COMMERCIAL INLAND MARINE COVERAGE PART COMMERCIAL PROPERTY COVERAGE PART CRIME AND FIDELITY COVERAGE PART STANDARD PROPERTY POLICY A. We will not pay for loss ("loss") or damage caused 2.

Any advice, consultation, design, evaluation, directly or indirectly by the following. Such loss inspection, installation, maintenance, repair, ("loss") or damage is excluded regardless of any replacement or supervision provided or done other cause or event that contributes concurrently by you or for you to determine, rectify or test or in any sequence to the loss ("loss") or damage. for, any potential or actual problems described 1.

The failure, malfunction or inadequacy of: in Paragraph A.1. of this endorsement. a. Any of the following, whether belonging to B. If an excluded Cause of Loss as described in any insured or to others: Paragraph A. of this endorsement results: (1) Computer hardware, Including micro- 1.

In a Covered Cause of Loss under the Crime processors; and Fidelity Coverage Part, the Commercial Inland Marine Coverage Part or the Standard (2) Computer application software; Property Policy; or (3) Computer operating systems and re- 2.

Under the Commercial Property Coverage lated software; Part: (4) Computer networks; a. In a "Specified Cause of Loss", or in eleva- (5) Microprocessors (computer chips) not tor collision resulting from mechanical part of any computer system; or breakdown, under the Causes of Loss —) Any other computerized or electronic Special Form; or (8 equipment or components; or b. In a Covered Cause of Loss under the CauSes Of Loss — Basic Form or the b. Any other products, and any services, data or functions that directly or indirectly use or Causes Of Loss — Broad Form; rely upon, in any manner, any of the items we will pay only for the loss, ("loss") or damage listed in Paragraph A.1.a. of this endorse- caused by such "Specified Cause of Loss", eleva- ment; tor collision, or Covered CauSe of Loss. due to the Inability to correctly recognize, proc- C. We will not pay for repair, repladeMent or modifi-.. ess, distinguish, interpret or accept one or cation of any items in Paragraphs A.1.a. and more dates or times.

An example is the inability A.1.b. of this endorsement to correct any deficien- of computer software to recognize the year cies or change any features, 2000. IL 09 35 07 02 ©CCAFFEJENPFIAP IL 09 86 03 08 POLICY NUMBER: CCP 794864 THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY. EXCLUSION OF CERTIFIED ACTS OF TERRORISM INVOLVING NUCLEAR, BIOLOGICAL, CHEMICAL OR RADIOLOGICAL TERRORISM; CAP ON COVERED CERTIFIED ACTS LOSSES This endorsement modifies insurance provided under the following: BOILER AND MACHINERY COVERAGE PART COMMERCIAL INLAND MARINE COVERAGE PART COMMERCIAL PROPERTY COVERAGE PART CRIME AND FIDELITY COVERAGE PART EQUIPMENT BREAKDOWN COVERAGE PART FARM COVERAGE PART STANDARD PROPERTY POLICY SCHEDULE The Exception Covering Certain Fire Losses (Paragraph C) applies to property located in the following state(s), if covered under the Indicated Coverage Form, Coverage Part or Policy: State(s) Coverage Form, Coverage Part Or Policy Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

A. The following definition is added with respect to 1. The act resulted in Insured losses in excess of the provisions of this endorsement: $5 million in the aggregate, attributable to all "Certified act of terrorism" means an act that is types of insurance subject to the Terrorism certified by the Secretary of the Treasury, In con- Risk Insurance Act; and currence with the Secretary of State and the Attor- 2.

The act is a violent act or an act that is dan- ney General of the United States, to be an act of gerous to human life, property or infrastructure terrorism pursuant to the federal Terrorism Risk and is committed by an individual or individuals Insurance Act.

The criteria contained in the Terror- as part of an effort to coerce the civilian popu- ism Risk Insurance Act for a "certified act of terror- lation of the United States or to influence the ism" include the following: policy or affect the conduct of the United States Government by coercion. It. 09 86 03 08 caORRIDIENTIAD.05 CE067@je 1 of 2 B. The following exclusion is added: C. Exception Covering Certain Fire Losses LIMITED EXCLUSION OF CERTIFIED ACTS OF The following exception to the exclusion in Para- TERRORISM graph B. applies only if indicated and as indicated We will not pay for loss or damage caused directly in the Schedule of this endorsement. or indirectly by a "certified act of terrorism".

Such If a "certified act of terrorism" excluded under Pa- loss or damage is excluded regardless of any oth- ragraph B. results in fire, we will pay for the loss or er cause or event that contributes concurrently or damage caused by that fire, subject to all applica- in any sequence to the loss. But this exclusion ap- ble policy provisions Including the Limit of Insur- plies only when one or more of the following are ance on the affected property.

Such coverage for attributed to such act: fire applies only to direct loss or damage by fire to 1. The terrorism Is carried out by means of the Covered Property. Therefore, for example, the dispersal or application of radioactive material, coverage does not apply to insurance provided or through the use of a nuclear weapon or de- under Business Income and/or Extra Expense vice that involves or produces a nuclear reac- coverage forms or endorsements that apply to tion, nuclear radiation or radioactive contami- those coverage forms, or to the Legal Liability nation; or Coverage Form or the Leasehold Interest Cover- 2.

Radioactive material is released, and it ap- age Form. pears that one purpose of the terrorism was to D. Cap On Certified Terrorism Losses release such material; or The following limitation applies to coverage for any 3.

The terrorism is carried out by means of the one or more "certified acts of terrorism" that are dispersal or application of pathogenic or poi- sonous biological or chemical material; or not excluded by the terms of the exclusion in Pa- ragraph B. and to any loss or damage that is cov- 4. Pathogenic or poisonous biological or chemical material is released, and it appears that one ered and to which the exception in Paragraph C. purpose of the terrorism was to release such applies: material.

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance When this terrorism exclusion applies in accor- Act exceed $100 billion in a Program Year (Janu- dance with the terms of Paragraph B.1. or B.2., the terrorism exclusion applies without regard to ary 1 through December 31) and we have met our the Nuclear Hazard Exclusion in this Coverage insurer deductible under the Terrorism Risk Insur- Part or Policy. ance Act, we shall not be liable for the payment of any portion of the amount of such losses that ex- ceeds $100 billion, and in such case insured losses up to that amount are subject to pro rata al- location in accordance with procedures estab- lished by the Secretary of the Treasury.

This Paragraph, D., does not apply to insurance provided under the Crime And Fidelity Coverage Part. E. Application Of Exclusions The terms and limitations of any terrorism exclu- sion, or the non-applicability or omission of a ter- rorism 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 War And Military Action Exclu- sion.

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