AMERICAN FAMILY INSURANCE

AMERICAN FAMILY INSURANCE COMPANY
2710 PATTERSON RD STE A
GRAND JUNCTION CO 81506-4140

AmFam.com
1-800-MY AMFAM (692-6326)

April 9, 2021

000003EC124DAA3010990506 005588 001
ARLINGTON VILLA HOMEOWNERS ASSOCIATION
C/O BRAY PROPERTY MGMT
637 NORTH AVE
GRAND JUNCTION CO 81501-7513

RECEIVED
APR 12 2021
BY:

Regarding your Businessowners Policy

We appreciate your business

Important policy information enclosed

Policy number	Billing account number
91001-72753-71	600-552-110-01

Since 1927, American Family Insurance has made it our business to give our customers peace of mind by providing excellent customer service and financial protection.

To help you become better acquainted with your new Businessowners insurance, we have enclosed your declarations page, policy, endorsements and special notices. Please review these items carefully.

Thank you for placing your trust in American Family. We will work hard to ensure your satisfaction and peace of mind. If you have questions about this information, please contact your agent listed below or call us at 1-800-MY AMFAM (1-800-692-6326).

Commercial - Farm/Ranch Division
1-800-MY AMFAM (1-800-692-6326)

AMERICAN FAMILY INSURANCE COMPANY

Your American Family Agent is:

Jeffery E Crandell

jcrandel@amfam.com

2710 Patterson Rd Ste A
Grand Junction CO 81506-4140
970-257-1160

A000 00010064 000003 0000

BUSINESSOWNERS POLICY

AMERICAN FAMILY INSURANCE COMPANY
6000 American Pkwy
Madison WI 53783-0001
(608) 249-2111

Member of American Family Insurance Group

0000 00020064 000003 0000

OFFER OF TERRORISM INSURANCE COVERAGE AND DISCLOSURE OF PREMIUM

American Family Insurance Company
6000 American Parkway
Madison WI 53783

For customer service and claims service
24 hours a day, 7 days a week

1-800-MY AMFAM (1-800-692-6326)
amfam.com

APPLICANT (First Named Insured): Arlington Villa Homeowners Association	
DOING BUSINESS AS NAME (dba) Check if None ☑	
PRODUCER CODE: Jeffery E Crandell (5588)	POLICY NUMBER: 91001-72753-71

American Family Insurance Company

POLICY TYPE
Businessowners Policy

0000 00030064 000003 0000

Thank you for insuring with American Family Insurance. This notice provides you with important information about the Terrorism Risk Insurance Program Reauthorization Act of 2015. Please read the information below about the act and notify American Family of your decision to accept or reject the coverage for "certified acts of terrorism".

Some Background

On Nov. 26, 2002, President Bush signed the Terrorism Risk Insurance Act into law, which requires insurance carriers to make coverage available to policyholders for losses due to "certified acts of terrorism". This law has been reauthorized since then, and the latest reauthorization occurred in January of 2015 when President Obama signed the Terrorism Risk Insurance Program Reauthorization Act of 2015 into law. The most recent reauthorization extends the current program for six years.

As an American Family customer, you have the right, under the recently reauthorized law, to purchase insurance coverage for losses resulting from "certified acts of terrorism", which are defined as: any act that is certified by the Secretary of the Treasury, in consultation with the Secretary of Homeland Security and the Attorney General of the United States, to be an act of terrorism. The criteria contained in that law for certifying an act of terrorism includes the following:

- The act is a violent act or an act that is dangerous to human life, property or infrastructure;
- The act results in aggregate property and casualty insurance losses in excess of $5 million; and
- The act is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

Further Explanation

Where coverage is provided under the act for losses resulting from "certified acts of terrorism", such losses may be partially reimbursed by the United States Government as established by the act. You should also understand that your policy may contain exclusions (not part of the act) that might affect your coverage. For example, if a "certified act of terrorism" occurs and results in damage that you're not covered for under other portions of your policy, the terrorism coverage may not apply to the loss because you need to have underlying coverage to qualify for a "certified act of terrorism" loss covered by the act.

You should also be aware that the reauthorized act contains a $100 billion cap that limits United States

Declarations
Businessowners Policy

Please read your policy

American Family Insurance Company
6000 American Parkway
Madison WI 53783

For customer service and claims service
24 hours a day, 7 days a week

1-800-MY AMFAM (1-800-692-6326)
amfam.com

Named Insured And Mailing Address

Arlington Villa Homeowners Association
C/O Bray Property Mgmt
637 North Ave
Grand Junction CO 81501-7513

Policy Information

Policy number	Policy period	Billing account number
91001-72753-71	4/8/2021 to 4/8/2022 12:01 A.M. Standard Time at your mailing address shown above.	600-552-110-01

Business and Operations Information

Year Started: 1996

Description of Business and Operations:

Form of Business: Corporation

Insurance applies only for coverages for which a limit of insurance or the word "Included" is shown unless coverage is provided by an endorsement. Blanket Insurance applies only for coverages for which a Blanket Limit of Insurance is shown.

As of the effective date of this policy, the Limit of Insurance as shown includes any increase in the limit due to Inflation Coverage.

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

0000 00040064 000003 0000

Policy Number: 91001-72753-71

Location 1 - Location Details

Program: Condo/Townhouse Associations

Location Address: 250 BEACON CT GRAND JUNCTION CO 81503-2885

Location Description:

0000 00050064 000003 0000

Policy Number: 91001-72753-71

Location 1 Building 2 - Building Level Details

Building Address: 250 BEACON CT GRAND JUNCTION CO 81503-2885

Occupancy: Residential Condominiums without Mercantile

Building Interest: Owner - Leased to Other

Building Description: 254 Beacon Ct 1-7

Location 1 Building 2 - Building Level Coverages

Per Building Property Deductible (Apply Per Building, Per Occurrence)

Deductible	$2,500

Building

Limit Of Insurance	See Blanket Property Insurance

Replacement Cost Coverage applies.

Business Income Options

Extended Number of Days For Ordinary Payroll Expense	60 Days - Included
Extended Number of Days For Extended Business Income	60 Days - Included
Business Income From Dependent Properties Limit Of Insurance	$5,000
Business Income And Extra Expense - Revised Period of Indemnity - Number Of Consecutive Days	12-Months

72 Hour Waiting Period applies.

Ordinance Or Law

Coverage 1 Limit Of Insurance	$1,750,000
Coverage 2 Limit Of Insurance	
Coverage 3 Limit Of Insurance	
Coverages 2 And 3 Combined Limit Of Insurance	$175,000
Business Income And Extra Expense Optional Coverage applies	Refer to BPF 84 64
Number Of Hours Waiting Period For Period Of Restoration Applicable To Business Income And Extra Expense Optional Coverage	72 Hours

Water Backup And Sump Pump Overflow

Annual Aggregate Limit	$50,000
Deductible	$1,000

0000 00060064 000003 0000

Policy Number: 91001-72753-71

Forms And Endorsements		
Form Number	**Edition Date**	**Title**
BP 00 03	07 13	Businessowners Coverage Form
BP 04 17	01 10	Employment-Related Practices Exclusion
BP 04 39	07 02	Abuse Or Molestation Exclusion
BP 04 93	01 06	Total Pollution Exclusion With A Building Heating Equipment Exception And A Hostile Fire Exception
BP 05 01	07 02	Calculation of Premium
BP 05 17	01 06	Exclusion - Silica Or Silica-Related Dust
BP 05 24	01 15	Exclusion Of Certified Acts Of Terrorism
BP 05 41	01 15	Exclusion Of Certified Acts Of Terrorism And Exclusion Of Other Acts Of Terrorism Committed Outside The United States
BP 05 47	07 13	Computer Fraud And Funds Transfer Fraud
BP 05 77	01 06	Fungi Or Bacteria Exclusion (Liability)
BP 05 98	07 13	Amendment Of Insured Contract Definition
BP 14 06	01 10	Business Income, Extra Expense And Related Coverages Limit Of Insurance
BP 14 78	07 13	Exclusion Of Loss Due To By-Products Of Production Or Processing Operations (Rental Properties)
BP 15 04	02 19	Exclusion - Access Or Disclosure Of Confidential Or Personal Information And Data-Related Liability - With Limited Bodily Injury Exception
BP 85 04	07 10	Exclusion - Lead Liability
BP 85 05	07 98	Exclusion - Punitive Damages
BP 85 10	07 98	Other Insurance Limitation Liability And Medical Expenses
BP 85 12	01 06	Asbestos Exclusion
BP IN 01	07 13	Businessowners Coverage Form Index
BPF 80 01	08 18	Businessowners Policy Jacket
BPF 80 03	08 18	Businessowners Coverage Form Changes
BPF 81 04	08 18	Colorado Changes
BPF 84 09	08 18	Water Back-Up and Sump Overflow
BPF 84 11	08 18	Building Limit Inflation Protection Coverage
BPF 84 64	08 18	Ordinance Or Law Coverage
BPF 84 69	08 18	Buildings And Scheduled Structures Matching Undamaged Vinyl, Metal Or Wood Siding Coverage
BPF 84 71	08 18	Employee Dishonesty - Property Manager(s)
BPF 84 72	08 18	Employee Dishonesty Board Of Directors Member(s)
BPF 85 25	08 18	Marijuana Exclusion
BPF 86 03	08 18	Roof Surfacing Loss Payment Schedule
BPF 86 13	08 18	Statement of Values - Blanket Coverages

0000 00070064 000003 0000

BUSINESSOWNERS COVERAGE FORM INDEX

This index is provided only as a convenience. It should not be assumed to provide a reference to every provision that can affect a question, claim or coverage. To determine the full scope of coverage and pertinent restrictions and exclusions, the policy (including endorsements) must be read in its entirety. The features may also be affected by related provisions not referenced at all in the index, or noted elsewhere in it. For instance, an **Exclusion** feature addresses a specific policy exclusion; but restrictions of coverage and exclusions also appear within the areas where coverage, covered causes of loss, etc., are described.

Businessowners Coverage Feature	Page Number	Businessowners Coverage Feature	Page Number
Abandonment Property Loss Condition	24	Business Liability Coverage	34-36
Accounts Receivable Coverage Extension	16	Business Personal Property Coverage	1-2
Accounts Receivable Exclusion	22	Business Personal Property Limit – Seasonal Increase (Limit Of Insurance)	23
Acts Or Decisions Exclusion	22	Business Personal Property Temporarily In Portable Storage Units Coverage Extension	17
Additional Coverages	3-14	Cancellation Condition	50
Additional Exclusion – Loss Or Damage To Products Exclusion	22	Certain Computer-related Losses Exclusion	19
"Advertisement" Definition	46	Changes Condition	51
Aggregate Limits (Liability And Medical Expenses Limits Of Insurance)	45	Changes In Or Extremes Of Temperature Exclusion	21
Aircraft, Auto Or Watercraft Exclusion	38-39	Civil Authority Additional Coverage	8-9
Appraisal Property Loss Condition	24	Collapse Additional Coverage	5-6
"Auto" Definition	46	Collapse Exclusion	21
Bankruptcy General Condition	45	"Computer" Definition	32
"Bodily Injury" Definition	46	Concealment, Misrepresentation Or Fraud Condition	51
Building Coverage	1	Consequential Losses Exclusion	20
Building Limit – Automatic Increase (Limits Of Insurance)	23	Continuous Or Repeated Seepage Or Leakage Of Water Exclusion	21-22
Business Income Additional Coverage	6-7	Contractual Liability Exclusion	36
Business Income And Extra Expense Exclusions	22	Control Of Property General Condition	28
Business Income From Dependent Properties Additional Coverage	10-11	"Counterfeit Money" Definition	32

0000 00080064 000003 0000

© Insurance Services Office, Inc., 2012

Businessowners Coverage Feature	Page Number	Businessowners Coverage Feature	Page Number
Inspections And Surveys Condition	51	Medical Expenses Exclusions	42-44
Installation, Testing, Repair Exclusion	21	"Member" Definition	32
Insurance Under Two Or More Coverages Condition	51	Mobile Equipment Exclusion	39
"Insured Contract" Definition	47	"Mobile Equipment" Definition	48
Interruption Of Computer Operations Additional Coverage	12-13	Money And Securities Optional Coverage	29
"Leased Worker" Definition	47	"Money" Definition	32
Legal Action Against Us General Condition – Section **II** – Liability	46	Money Orders And "Counterfeit Money" Additional Coverage	9
Legal Action Against Us Property Loss Condition – Section **I** – Property	24	Mortgageholders Property General Condition	28
Liability And Medical Expenses Definitions	46-50	Neglect Exclusion	21
Liability And Medical Expenses General Conditions	45-46	Negligent Work Exclusion	22
Liability And Medical Expenses Limits Of Insurance	45	Nesting Or Infestation Exclusion	21
Liberalization Condition	51	Newly Acquired Or Constructed Property Coverage Extension	14-15
Limitations	2-3	No Benefit To Bailee Property General Condition	28
Limited Coverage For "Fungi", Wet Rot Or Dry Rot Additional Coverage	13-14	Nuclear Energy Liability Exclusion	42-44
Limits Of Insurance – Section **I** – Property	23	Nuclear Hazard Exclusion	18
Liquor Liability Exclusion	36-37	"Occurrence" Definition	48
"Loading Or Unloading" Definition	48	"Operations" Definition	32
Loss Payment Property Loss Condition	24-27	Optional Coverages	28-32
"Manager" Definition	32	Ordinance Or Law Exclusion	17
Marring Or Scratching Exclusion	21	Other Insurance Condition	51
Mechanical Breakdown Exclusion	21	Other Types Of Loss Exclusion	21
Medical Expenses Coverage	36	Outdoor Property Coverage Extension	15

0000 00090064 0000003 0000

© Insurance Services Office, Inc., 2012

Businessowners Coverage Feature	Page Number	Businessowners Coverage Feature	Page Number
Vacancy Property Loss Condition	27	Water Damage, Other Liquids, Powder Or Molten Material Damage Additional Coverage	6
Valuable Papers And Records Coverage Extension	15-16	Water Exclusion	19
"Valuable Papers And Records" Definition	33	Wear And Tear Exclusion	21
Violation Of Customer Protection Statutes Exclusion	42	Weather Conditions Exclusion	22
Virus Or Bacteria Exclusion	19	Who Is An Insured	44-45
"Volunteer Worker" Definition	49	Workers' Compensation And Similar Laws Exclusion	37
War And Military Action Exclusion	18	"Your Product" Definition	49-50
War Exclusion	39	"Your Work" Definition	50

0000 00100064 000003 0000

© Insurance Services Office, Inc., 2012

(5) Exterior building glass, if you are a tenant and no Limit Of Insurance is shown in the Declarations for Building property. The glass must be owned by you or in your care, custody or control.

2. Property Not Covered

Covered Property does not include:

a. Aircraft, automobiles, motortrucks and other vehicles subject to motor vehicle registration;

b. "Money" or "securities" except as provided in the:

(1) Money And Securities Optional Coverage; or

(2) Employee Dishonesty Optional Coverage;

c. Contraband, or property in the course of illegal transportation or trade;

d. Land (including land on which the property is located), water, growing crops or lawns (other than lawns which are part of a vegetated roof);

e. Outdoor fences, radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers, signs (other than signs attached to buildings), trees, shrubs or plants (other than trees, shrubs or plants which are part of a vegetated roof), all except as provided in the:

(1) Outdoor Property Coverage Extension; or

(2) Outdoor Signs Optional Coverage;

f. Watercraft (including motors, equipment and accessories) while afloat;

g. Accounts, bills, food stamps, other evidences of debt, accounts receivable or "valuable papers and records"; except as otherwise provided in this policy;

h. "Computer(s)" which are permanently installed or designed to be permanently installed in any aircraft, watercraft, motortruck or other vehicle subject to motor vehicle registration. This paragraph does not apply to "computer(s)" while held as "stock";

i. "Electronic data", except as provided under Additional Coverages – Electronic Data. This Paragraph **i.** does not apply to your "stock" of prepackaged software or to "electronic data" which is integrated in and operates or controls the building's elevator, lighting, heating, ventilation, air conditioning or security system; or

j. Animals, unless owned by others and boarded by you, or if owned by you, only as "stock" while inside of buildings.

3. Covered Causes Of Loss

Direct physical loss unless the loss is excluded or limited under Section **I** – Property.

4. Limitations

a. We will not pay for loss of or damage to:

(1) Steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment. But we will pay for loss of or damage to such equipment caused by or resulting from an explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.

(2) Hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment, other than an explosion.

(3) Property that is missing, where the only evidence of the loss or damage is a shortage disclosed on taking inventory, or other instances where there is no physical evidence to show what happened to the property. This limitation does not apply to the Optional Coverage for Money and Securities.

(4) Property that has been transferred to a person or to a place outside the described premises on the basis of unauthorized instructions.

(5) The interior of any building or structure, or to personal property in the building or structure, caused by or resulting from rain, snow, sleet, ice, sand or dust, whether driven by wind or not, unless:

(a) The building or structure first sustains damage by a Covered Cause of Loss to its roof or walls through which the rain, snow, sleet, ice, sand or dust enters; or

0000 00110064 000003 0000

© Insurance Services Office, Inc., 2012

(b) Subject to Paragraph **(3)(a)** above, the amount we will pay for debris removal expense is limited to 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage. However, if no Covered Property has sustained direct physical loss or damage, the most we will pay for removal of debris of other property (if such removal is covered under this Additional Coverage) is $5,000 at each location.

(4) We will pay up to an additional $25,000 for debris removal expense, for each location, in any one occurrence of physical loss or damage to Covered Property, if one or both of the following circumstances apply:

(a) The total of the actual debris removal expense plus the amount we pay for direct physical loss or damage exceeds the Limit of Insurance on the Covered Property that has sustained loss or damage.

(b) The actual debris removal expense exceeds 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage.

Therefore, if Paragraphs **(4)(a)** and/or **(4)(b)** apply, our total payment for direct physical loss or damage and debris removal expense may reach but will never exceed the Limit of Insurance on the Covered Property that has sustained loss or damage, plus $25,000.

(5) Examples

Example 1

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

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

Example 2

Limit of Insurance	$ 90,000
Amount of Deductible	$ 500
Amount of Loss	$ 80,000
Amount of Loss Payable	$ 79,500
	($80,000 – $500)
Debris Removal Expense	$ 40,000
Debris Removal Expense Payable	
Basic Amount	$ 10,500
Additional Amount	$ 25,000

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

The additional amount payable for debris removal expense is provided in accordance with the terms of Paragraph **(4),** because the debris removal expense ($40,000) exceeds 25% of the loss payable plus the deductible ($40,000 is 50% of $80,000), and because the sum of the loss payable and debris removal expense ($79,500 + $40,000 = $119,500) would exceed the Limit of Insurance ($90,000). The additional amount of covered debris removal expense is $25,000, the maximum payable under Paragraph **(4).** Thus, the total payable for debris removal expense in this example is $35,500; $4,500 of the debris removal expense is not covered.

0000 00120064 000003 0000

© Insurance Services Office, Inc., 2012

if an abrupt collapse is caused by a cause of loss listed in Paragraphs **(2)(a)** through **(2)(d),** we will pay for loss or damage to that property only if such loss or damage is a direct result of the abrupt collapse of a building insured under this policy and the property is Covered Property under this policy.

(5) If personal property abruptly falls down or caves in and such collapse is **not** the result of abrupt collapse of a building, we will pay for loss or damage to Covered Property caused by such collapse of personal property only if:

(a) The collapse of personal property was caused by a cause of loss listed in Paragraphs **(2)(a)** through **(2)(d)** of this Additional Coverage;

(b) The personal property which collapses is inside a building; and

(c) The property which collapses is not of a kind listed in Paragraph **(4),** regardless of whether that kind of property is considered to be personal property or real property.

The coverage stated in this Paragraph **(5)** does not apply to personal property if marring and/or scratching is the only damage to that personal property caused by the collapse.

(6) This Additional Coverage – Collapse does not apply to personal property that has not abruptly fallen down or caved in, even if the personal property shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.

(7) This Additional Coverage – Collapse will not increase the Limits of Insurance provided in this policy.

(8) The term Covered Cause of Loss includes the Additional Coverage – Collapse as described and limited in Paragraphs **d.(1)** through **d.(7).**

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

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

We will not pay the cost to repair any defect that caused the loss or damage, but we will pay the cost to repair or replace damaged parts of fire extinguishing equipment if the damage:

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

(2) Is directly caused by freezing.

f. Business Income

(1) Business Income

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

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

(i) The portion of the building which you rent, lease or occupy;

(ii) The area within 100 feet of the building or within 100 feet of the premises described in the Declarations, whichever distance is greater (with respect to loss of or damage to personal property in the open or personal property in a vehicle); and

(iii) Any area within the building or at the described premises, if that area services, or is used to gain access to, the portion of the building which you rent, lease or occupy.

0000 00130064 000003 0000

© Insurance Services Office, Inc., 2012

g. Extra Expense

(1) We will pay necessary Extra Expense you incur during the "period of restoration" that you would not have incurred if there had been no direct physical loss or damage to property at the described premises. The loss or damage must be caused by or result from a Covered Cause of Loss. With respect to loss of or damage to personal property in the open or personal property in a vehicle, the described premises include the area within 100 feet of such premises.

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

(a) The portion of the building which you rent, lease or occupy;

(b) The area within 100 feet of the building or within 100 feet of the premises described in the Declarations, whichever distance is greater (with respect to loss of or damage to personal property in the open or personal property in a vehicle); and

(c) Any area within the building or at the described premises, if that area services, or is used to gain access to, the portion of the building which you rent, lease or occupy.

(2) Extra Expense means expense incurred:

(a) To avoid or minimize the suspension of business and to continue "operations":

(i) At the described premises; or

(ii) At replacement premises or at temporary locations, including relocation expenses, and costs to equip and operate the replacement or temporary locations.

(b) To minimize the suspension of business if you cannot continue "operations".

(c) To:

(i) Repair or replace any property; or

(ii) Research, replace or restore the lost information on damaged "valuable papers and records";

to the extent it reduces the amount of loss that otherwise would have been payable under this Additional Coverage or Additional Coverage **f.** Business Income.

(3) With respect to the coverage provided in this Additional Coverage, suspension means:

(a) The partial slowdown or complete cessation of your business activities; or

(b) That a part or all of the described premises is rendered untenantable, if coverage for Business Income applies.

(4) We will only pay for Extra Expense that occurs within 12 consecutive months after the date of direct physical loss or damage. This Additional Coverage is not subject to the Limits of Insurance of Section **I** – Property.

h. Pollutant Clean-up And Removal

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

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

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

0000 00140064 000003 0000

© Insurance Services Office, Inc., 2012

(3) The ordinance or law referred to in Paragraph **(2)** of this Additional Coverage is an ordinance or law that regulates the construction or repair of buildings or establishes zoning or land use requirements at the described premises and is in force at the time of loss.

(4) Under this Additional Coverage, we will not pay any costs due to an ordinance or law that:

(a) You were required to comply with before the loss, even when the building was undamaged; and

(b) You failed to comply with.

(5) Under this Additional Coverage, we will not pay for:

(a) The enforcement of or compliance with any ordinance or law which requires demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants" or due to the presence, growth, proliferation, spread or any activity of "fungi", wet rot or dry rot; or

(b) Any costs associated with the enforcement of or compliance with an ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants", "fungi", wet rot or dry rot.

(6) The most we will pay under this Additional Coverage, for each described building insured under Section **I** – Property, is $10,000. If a damaged building(s) is covered under a blanket Limit of Insurance which applies to more than one building or item of property, then the most we will pay under this Additional Coverage, for each damaged building, is $10,000.

The amount payable under this Additional Coverage is additional insurance.

(7) With respect to this Additional Coverage:

(a) We will not pay for the Increased Cost of Construction:

(i) Until the property is actually repaired or replaced, at the same or another premises; and

(ii) Unless the repair or replacement is made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.

(b) If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay for the Increased Cost of Construction is the increased cost of construction at the same premises.

(c) If the ordinance or law requires relocation to another premises, the most we will pay for the Increased Cost of Construction is the increased cost of construction at the new premises.

(8) This Additional Coverage is not subject to the terms of the Ordinance Or Law Exclusion, to the extent that such exclusion would conflict with the provisions of this Additional Coverage.

(9) The costs addressed in the Loss Payment Property Loss Condition in Section **I** – Property do not include the increased cost attributable to enforcement of or compliance with an ordinance or law. The amount payable under this Additional Coverage, as stated in Paragraph **(6)** of this Additional Coverage, is not subject to such limitation.

m. Business Income From Dependent Properties

(1) We will pay for the actual loss of Business Income you sustain due to physical loss or damage at the premises of a dependent property or secondary dependent property caused by or resulting from any Covered Cause of Loss.

0000 00150064 000003 0000

© Insurance Services Office, Inc., 2012

(8) The definition of Business Income contained in the Business Income Additional Coverage also applies to this Business Income From Dependent Properties Additional Coverage.

n. Glass Expenses

(1) We will pay for expenses incurred to put up temporary plates or board up openings if repair or replacement of damaged glass is delayed.

(2) We will pay for expenses incurred to remove or replace obstructions when repairing or replacing glass that is part of a building. This does not include removing or replacing window displays.

o. Fire Extinguisher Systems Recharge Expense

(1) We will pay:

(a) The cost of recharging or replacing, whichever is less, your fire extinguishers and fire extinguishing systems (including hydrostatic testing if needed) if they are discharged on or within 100 feet of the described premises; and

(b) For loss or damage to Covered Property if such loss or damage is the result of an accidental discharge of chemicals from a fire extinguisher or a fire extinguishing system.

(2) No coverage will apply if the fire extinguishing system is discharged during installation or testing.

(3) The most we will pay under this Additional Coverage is $5,000 in any one occurrence.

p. Electronic Data

(1) Subject to the provisions of this Additional Coverage, we will pay for the cost to replace or restore "electronic data" which has been destroyed or corrupted by a Covered Cause of Loss. To the extent that "electronic data" is not replaced or restored, the loss will be valued at the cost of replacement of the media on which the "electronic data" was stored, with blank media of substantially identical type.

(2) The Covered Causes of Loss applicable to Business Personal Property include a computer virus, harmful code or similar instruction introduced into or enacted on a computer system (including "electronic data") or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation. But there is no coverage for loss or damage caused by or resulting from manipulation of a computer system (including "electronic data") by any employee, including a temporary or leased employee, or by an entity retained by you, or for you, to inspect, design, install, modify, maintain, repair or replace that system.

(3) The most we will pay under this Additional Coverage – Electronic Data for all loss or damage sustained in any one policy year, regardless of the number of occurrences of loss or damage or the number of premises, locations or computer systems involved, is $10,000, unless a higher Limit Of Insurance is shown in the Declarations. If loss payment on the first occurrence does not exhaust this amount, then the balance is available for subsequent loss or damage sustained in, but not after, that policy year. With respect to an occurrence which begins in one policy year and continues or results in additional loss or damage in a subsequent policy year(s), all loss or damage is deemed to be sustained in the policy year in which the occurrence began.

(4) This Additional Coverage does not apply to your "stock" of prepackaged software, or to "electronic data" which is integrated in and operates or controls a building's elevator, lighting, heating, ventilation, air conditioning or security system.

q. Interruption Of Computer Operations

(1) Subject to all provisions of this Additional Coverage, you may extend the insurance that applies to Business Income and Extra Expense to apply to a suspension of "operations" caused by an interruption in computer operations due to destruction or corruption of "electronic data" due to a Covered Cause of Loss.

0000 00160064 000003 0000

© Insurance Services Office, Inc., 2012

(6) Coverage for Extra Expense does not apply when action is taken to avoid or minimize a suspension of "operations" caused by destruction or corruption of "electronic data", or any loss or damage to "electronic data", except as provided under Paragraphs **(1)** through **(4)** of this Additional Coverage.

(7) This Additional Coverage does not apply when loss or damage to "electronic data" involves only "electronic data" which is integrated in and operates or controls a building's elevator, lighting, heating, ventilation, air conditioning or security system.

r. Limited Coverage For "Fungi", Wet Rot Or Dry Rot

(1) The coverage described in Paragraphs **r.(2)** and **r.(6)** only applies when the "fungi", wet rot or dry rot is the result of a "specified cause of loss" other than fire or lightning that occurs during the policy period and only if all reasonable means were used to save and preserve the property from further damage at the time of and after that occurrence.

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

(2) We will pay for loss or damage by "fungi", wet rot or dry rot. As used in this Limited Coverage, the term loss or damage means:

(a) Direct physical loss or damage to Covered Property caused by "fungi", wet rot or dry rot, including the cost of removal of the "fungi", wet rot or dry rot;

(b) The cost to tear out and replace any part of the building or other property as needed to gain access to the "fungi", wet rot or dry rot; and

(c) The cost of testing performed after removal, repair, replacement or restoration of the damaged property is completed, provided there is a reason to believe that "fungi", wet rot or dry rot is present.

(3) The coverage described under this Limited Coverage is limited to $15,000. Regardless of the number of claims, this limit is the most we will pay for the total of all loss or damage arising out of all occurrences of "specified causes of loss" (other than fire or lightning) which take place in a 12-month period (starting with the beginning of the present annual policy period). With respect to a particular occurrence of loss which results in "fungi", wet rot or dry rot, we will not pay more than the total of $15,000 even if the "fungi", wet rot or dry rot continues to be present or active, or recurs, in a later policy period.

(4) The coverage provided under this Limited Coverage does not increase the applicable Limit of Insurance on any Covered Property. If a particular occurrence results in loss or damage by "fungi", wet rot or dry rot, and other loss or damage, we will not pay more, for the total of all loss or damage, than the applicable Limit of Insurance on the affected Covered Property.

If there is covered loss or damage to Covered Property, not caused by "fungi", wet rot or dry rot, loss payment will not be limited by the terms of this Limited Coverage, except to the extent that "fungi", wet rot or dry rot causes an increase in the loss. Any such increase in the loss will be subject to the terms of this Limited Coverage.

(5) The terms of this Limited Coverage do not increase or reduce the coverage provided under the Water Damage, Other Liquids, Powder Or Molten Material Damage or Collapse Additional Coverages.

0000 00170064 000003 0000

© Insurance Services Office, Inc., 2012

c. Outdoor Property

You may extend the insurance provided by this policy to apply to your outdoor fences, radio and television antennas (including satellite dishes), signs (other than signs attached to buildings), trees, shrubs and plants (other than trees, shrubs or plants which are part of a vegetated roof), including debris removal expense. Loss or damage must be caused by or result from any of the following causes of loss:

(1) Fire;

(2) Lightning;

(3) Explosion;

(4) Riot or Civil Commotion; or

(5) Aircraft.

The most we will pay for loss or damage under this Extension is $2,500, unless a higher Limit Of Insurance for Outdoor Property is shown in the Declarations, but not more than $1,000 for any one tree, shrub or plant.

Subject to all aforementioned terms and limitations of coverage, this Coverage Extension includes the expense of removing from the described premises the debris of trees, shrubs and plants which are the property of others, except in the situation in which you are a tenant and such property is owned by the landlord of the described premises.

d. Personal Effects

You may extend the insurance that applies to Business Personal Property to apply to personal effects owned by you, your officers, your partners or "members", your "managers" or your employees, including temporary or leased employees. This extension does not apply to:

(1) Tools or equipment used in your business; or

(2) Loss or damage by theft.

The most we will pay for loss or damage under this Extension is $2,500 at each described premises.

e. Valuable Papers And Records

(1) You may extend the insurance that applies to Business Personal Property to apply to direct physical loss or damage to "valuable papers and records" that you own, or that are in your care, custody or control, caused by or resulting from a Covered Cause of Loss. This Coverage Extension includes the cost to research, replace or restore the lost information on "valuable papers and records" for which duplicates do not exist.

(2) This Coverage Extension does not apply to:

(a) Property held as samples or for delivery after sale; and

(b) Property in storage away from the premises shown in the Declarations.

(3) The most we will pay under this Coverage Extension for loss or damage to "valuable papers and records" in any one occurrence at the described premises is $10,000, unless a higher Limit Of Insurance for "valuable papers and records" is shown in the Declarations.

For "valuable papers and records" not at the described premises, the most we will pay is $5,000.

(4) Loss or damage to "valuable papers and records" will be valued at the cost of restoration or replacement of the lost or damaged information. To the extent that the contents of the "valuable papers and records" are not restored, the "valuable papers and records" will be valued at the cost of replacement with blank materials of substantially identical type.

(5) Paragraph **B.** Exclusions in Section **I** – Property does not apply to this Coverage Extension except for:

(a) Paragraph **B.1.c.,** Governmental Action;

(b) Paragraph **B.1.d.,** Nuclear Hazard;

(c) Paragraph **B.1.f.,** War And Military Action;

0000 00180064 000003 0000

© Insurance Services Office, Inc., 2012

(b) Requiring the tearing down of any property, including the cost of removing its debris.

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

(a) An ordinance or law that is enforced even if the property has not been damaged; or

(b) The increased costs incurred to comply with an ordinance or law in the course of construction, repair, renovation, remodeling or demolition of property or removal of its debris, following a physical loss to that property.

b. Earth Movement

(1) Earthquake, including tremors and aftershocks and any earth sinking, rising or shifting related to such event;

(2) Landslide, including any earth sinking, rising or shifting related to such event;

(3) Mine subsidence, meaning subsidence of a man-made mine, whether or not mining activity has ceased;

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

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

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

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

(a) Airborne volcanic blast or airborne shock waves;

(b) Ash, dust or particulate matter; or

(c) Lava flow.

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

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

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

c. Governmental Action

Seizure or destruction of property by order of governmental authority.

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

d. Nuclear Hazard

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

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

e. Utility Services

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

(1) Originates away from the described premises; or

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

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

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

0000 00190064 000003 0000

© Insurance Services Office, Inc., 2012

(2) Any advice, consultation, design, evaluation, inspection, installation, maintenance, repair, replacement or supervision provided or done by you or for you to determine, rectify or test for, any potential or actual problems described in Paragraph **(1)** above.

However, if excluded loss or damage, as described in Paragraph **(1)** above, results in a "specified cause of loss" under Section **I** – Property, we will pay only for the loss or damage caused by such "specified cause of loss".

We will not pay for repair, replacement or modification of any items in Paragraph **(1)(a)** or **(1)(b)** to correct any deficiencies or change any features.

i. "Fungi", Wet Rot Or Dry Rot

Presence, growth, proliferation, spread or any activity of "fungi", wet rot or dry rot.

But if "fungi", wet rot or dry rot results in a "specified cause of loss", we will pay for the loss or damage caused by that "specified cause of loss".

This exclusion does not apply:

(1) When "fungi", wet rot or dry rot results from fire or lightning; or

(2) To the extent that coverage is provided in the Limited Coverage For "Fungi", Wet Rot Or Dry Rot Additional Coverage, with respect to loss or damage by a cause of loss other than fire or lightning.

j. Virus Or Bacteria

(1) Any virus, bacterium or other microorganism that induces or is capable of inducing physical distress, illness or disease.

(2) However, the exclusion in Paragraph **(1)** does not apply to loss or damage caused by or resulting from "fungi", wet rot or dry rot. Such loss or damage is addressed in Exclusion **i.**

(3) With respect to any loss or damage subject to the exclusion in Paragraph **(1),** such exclusion supersedes any exclusion relating to "pollutants".

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

a. Electrical Apparatus

Artificially generated electrical, magnetic or electromagnetic energy that damages, disturbs, disrupts or otherwise interferes with any:

(1) Electrical or electronic wire, device, appliance, system or network; or

(2) Device, appliance, system or network utilizing cellular or satellite technology.

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

(1) Electrical current, including arcing;

(2) Electrical charge produced or conducted by a magnetic or electromagnetic field;

(3) Pulse of electromagnetic energy; or

(4) Electromagnetic waves or microwaves.

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

We will pay for loss or damage to "computer(s)" due to artificially generated electrical, magnetic or electromagnetic energy if such loss or damage is caused by or results from:

(1) An occurrence that took place within 100 feet of the described premises; or

(2) Interruption of electric power supply, power surge, blackout or brownout if the cause of such occurrence took place within 100 feet of the described premises.

b. Consequential Losses

Delay, loss of use or loss of market.

c. Smoke, Vapor, Gas

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

0000 00200064 000003 0000

© Insurance Services Office, Inc., 2012

k. Neglect

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

l. Other Types Of Loss

(1) Wear and tear;

(2) Rust or other corrosion, decay, deterioration, hidden or latent defect or any quality in property that causes it to damage or destroy itself;

(3) Smog;

(4) Settling, cracking, shrinking or expansion;

(5) Nesting or infestation, or discharge or release of waste products or secretions, by insects, birds, rodents or other animals;

(6) Mechanical breakdown, including rupture or bursting caused by centrifugal force.

This exclusion does not apply with respect to the breakdown of "computer(s)";

(7) The following causes of loss to personal property:

(a) Dampness or dryness of atmosphere;

(b) Changes in or extremes of temperature; or

(c) Marring or scratching.

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

m. Errors Or Omissions

Errors or omissions in:

(1) Programming, processing or storing data, as described under "electronic data" or in any "computer" operations; or

(2) Processing or copying "valuable papers and records".

However, we will pay for direct physical loss or damage caused by resulting fire or explosion if these causes of loss would be covered by this Coverage Form.

n. Installation, Testing, Repair

Errors or deficiency in design, installation, testing, maintenance, modification or repair of your "computer" system including "electronic data".

However, we will pay for direct physical loss or damage caused by resulting fire or explosion if these causes of loss would be covered by this Coverage Form.

o. Electrical Disturbance

Electrical or magnetic injury, disturbance or erasure of "electronic data", except as provided for under the Additional Coverages of Section **I** – Property.

However, we will pay for direct loss or damage caused by lightning.

p. Continuous Or Repeated Seepage Or Leakage Of Water

Continuous or repeated seepage or leakage of water, or the presence or condensation of humidity, moisture or vapor, that occurs over a period of 14 days or more.

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

a. Weather Conditions

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

b. Acts Or Decisions

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

c. Negligent Work

Faulty, inadequate or defective:

(1) Planning, zoning, development, surveying, siting;

(2) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;

(3) Materials used in repair, construction, renovation or remodeling; or

(4) Maintenance;

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

0000 00210064 000003 0000

© Insurance Services Office, Inc., 2012

b. The amount of increase is calculated as follows:

(1) Multiply the Building limit that applied on the most recent of the policy inception date, the policy anniversary date or any other policy change amending the Building limit by:

(a) The percentage of annual increase shown in the Declarations, expressed as a decimal (example: 7% is .07); or

(b) .08, if no percentage of annual increase is shown in the Declarations; and

(2) Multiply the number calculated in accordance with **b.(1)** by the number of days since the beginning of the current policy year, or the effective date of the most recent policy change amending the Building limit, divided by 365.

Example

If:

The applicable Building limit is $100,000. The annual percentage increase is 8%. The number of days since the beginning of the policy year (or last policy change) is 146.

The amount of increase is

$100,000 x .08 x 146 ÷ 365 = $3,200.

5. Business Personal Property Limit – Seasonal Increase

a. Subject to Paragraph **5.b.**, the Limit of Insurance for Business Personal Property is automatically increased by:

(1) The Business Personal Property – Seasonal Increase percentage shown in the Declarations; or

(2) 25% if no Business Personal Property – Seasonal Increase percentage is shown in the Declarations;

to provide for seasonal variances.

b. The increase described in Paragraph **5.a.** will apply only if the Limit Of Insurance shown for Business Personal Property in the Declarations is at least 100% of your average monthly values during the lesser of:

(1) The 12 months immediately preceding the date the loss or damage occurs; or

(2) The period of time you have been in business as of the date the loss or damage occurs.

D. Deductibles

1. We will not pay for loss or damage in any one occurrence until the amount of loss or damage exceeds the Deductible shown in the Declarations. We will then pay the amount of loss or damage in excess of the Deductible up to the applicable Limit of Insurance of Section **I** – Property.

2. Regardless of the amount of the Deductible, the most we will deduct from any loss or damage under all of the following Optional Coverages in any one occurrence is the Optional Coverage Deductible shown in the Declarations:

a. Money and Securities;

b. Employee Dishonesty;

c. Outdoor Signs; and

d. Forgery or Alteration.

But this Optional Coverage Deductible will not increase the Deductible shown in the Declarations. This Deductible will be used to satisfy the requirements of the Deductible in the Declarations.

3. No deductible applies to the following Additional Coverages:

a. Fire Department Service Charge;

b. Business Income;

c. Extra Expense;

d. Civil Authority; and

e. Fire Extinguisher Systems Recharge Expense.

E. Property Loss Conditions

1. Abandonment

There can be no abandonment of any property to us.

2. Appraisal

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

a. Pay its chosen appraiser; and

b. Bear the other expenses of the appraisal and umpire equally.

0000 00220064 000003 0000

© Insurance Services Office, Inc., 2012

(ii) The cost to replace, on the same premises, the lost or damaged property with other property:

i. Of comparable material and quality; and

ii. Used for the same purpose; or

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

If a building is rebuilt at a new premises, the cost is limited to the cost which would have been incurred had the building been built at the original premises.

(b) If, at the time of loss, the Limit of Insurance applicable to the lost or damaged property is less than 80% of the full replacement cost of the property immediately before the loss, we will pay the greater of the following amounts, but not more than the Limit of Insurance that applies to the property:

(i) The actual cash value of the lost or damaged property; or

(ii) A proportion of the cost to repair or replace the lost or damaged property, after application of the deductible and without deduction for depreciation. This proportion will equal the ratio of the applicable Limit of Insurance to 80% of the full replacement cost of the property.

Example

The full replacement cost of property which suffers a total loss is $100,000. The property is insured for $70,000. 80% of the full replacement cost of the property immediately before the loss is $80,000 ($100,000 x .80 = $80,000). A partial loss of $25,000 is sustained. The amount of recovery is determined as follows:

Amount of recovery

$70,000 ÷ $80,000 = .875

.875 x $25,000 = $21,875

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

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

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

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

However, if the cost to repair or replace the damaged building property is $2,500 or less, we will settle the loss according to the provisions of Paragraphs **d.(1)(a)** and **d.(1)(b)** above whether or not the actual repair or replacement is complete.

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

(2) If the Actual Cash Value – Buildings option applies, as shown in the Declarations, Paragraph **(1)** above does not apply to Buildings. Instead, we will determine the value of Buildings at actual cash value.

(3) The following property at actual cash value:

(a) Used or secondhand merchandise held in storage or for sale;

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

0000 00230064 000003 0000

© Insurance Services Office, Inc., 2012

h. A party wall is a wall that separates and is common to adjoining buildings that are owned by different parties. In settling covered losses involving a party wall, we will pay a proportion of the loss to the party wall based on your interest in the wall in proportion to the interest of the owner of the adjoining building. However, if you elect to repair or replace your building and the owner of the adjoining building elects not to repair or replace that building, we will pay you the full value of the loss to the party wall, subject to all applicable policy provisions including Limits of Insurance and all other provisions of this Loss Payment Condition. Our payment under the provisions of this paragraph does not alter any right of subrogation we may have against any entity, including the owner or insurer of the adjoining building, and does not alter the terms of the Transfer Of Rights Of Recovery Against Others To Us Condition in this policy.

6. Recovered Property

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

7. Resumption Of Operations

We will reduce the amount of your:

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

b. Extra Expense loss to the extent you can return "operations" to normal and discontinue such Extra Expense.

8. 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 Paragraphs **(a)** and **(b)** below:

(a) When this policy is issued to a tenant, and with respect to that tenant's interest in Covered Property, building means the unit or suite rented or leased to the tenant. Such building is vacant when it does not contain enough business personal property to conduct customary operations.

(b) When this policy is issued to the owner or general lessee of a building, building means the entire building. Such building is vacant unless at least 31% of its total square footage is:

(i) Rented to a lessee or sublessee and used by the lessee or sublessee to conduct its customary operations; and/or

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

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

b. Vacancy Provisions

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

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

(a) Vandalism;

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

0000 00240064 000003 0000

© Insurance Services Office, Inc., 2012

G. Optional Coverages

If shown as applicable in the Declarations, the following Optional Coverages also apply. These coverages are subject to the terms and conditions applicable to property coverage in this policy, except as provided below:

1. Outdoor Signs

a. We will pay for direct physical loss of or damage to all outdoor signs at the described premises:

(1) Owned by you; or

(2) Owned by others but in your care, custody or control.

b. Paragraph **A.3.,** Covered Causes Of Loss and Paragraph **B.,** Exclusions in Section **I** – Property do not apply to this Optional Coverage, except for:

(1) Paragraph **B.1.c.,** Governmental Action;

(2) Paragraph **B.1.d.,** Nuclear Hazard; and

(3) Paragraph **B.1.f.,** War And Military Action.

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

(1) Wear and tear;

(2) Hidden or latent defect;

(3) Rust;

(4) Corrosion; or

(5) Mechanical breakdown.

d. The most we will pay for loss or damage in any one occurrence is the Limit Of Insurance for Outdoor Signs shown in the Declarations.

e. The provisions of this Optional Coverage supersede all other references to outdoor signs in this policy.

2. Money And Securities

a. We will pay for loss of "money" and "securities" used in your business while at a bank or savings institution, within your living quarters or the living quarters of your partners or any employee (including a temporary or leased employee) having use and custody of the property, at the described premises, or in transit between any of these places, resulting directly from:

(1) Theft, meaning any act of stealing;

(2) Disappearance; or

(3) Destruction.

b. In addition to the Limitations and Exclusions applicable to Section **I** – Property, we will not pay for loss:

(1) Resulting from accounting or arithmetical errors or omissions;

(2) Due to the giving or surrendering of property in any exchange or purchase; or

(3) Of property contained in any "money"-operated device unless the amount of "money" deposited in it is recorded by a continuous recording instrument in the device.

c. The most we will pay for loss in any one occurrence is:

(1) The limit shown in the Declarations for Inside the Premises for "money" and "securities" while:

(a) In or on the described premises; or

(b) Within a bank or savings institution; and

(2) The limit shown in the Declarations for Outside the Premises for "money" and "securities" while anywhere else.

d. All loss:

(1) Caused by one or more persons; or

(2) Involving a single act or series of related acts;

is considered one occurrence.

e. You must keep records of all "money" and "securities" so we can verify the amount of any loss or damage.

3. Employee Dishonesty

a. We will pay for direct loss of or damage to Business Personal Property and "money" and "securities" resulting from dishonest acts committed by any of your employees acting alone or in collusion with other persons (except you or your partner) with the manifest intent to:

(1) Cause you to sustain loss or damage; and also

(2) Obtain financial benefit (other than salaries, commissions, fees, bonuses, promotions, awards, profit sharing, pensions or other employee benefits earned in the normal course of employment) for:

(a) Any employee; or

(b) Any other person or organization.

0000 00250064 000003 0000

© Insurance Services Office, Inc., 2012

(2) Any natural person who is furnished temporarily to you:

(a) To substitute for a permanent employee, as defined in Paragraph **(1)** above, who is on leave; or

(b) To meet seasonal or short-term workload conditions;

(3) Any natural person who is leased to you under a written agreement between you and a labor leasing firm, to perform duties related to the conduct of your business, but does not mean a temporary employee as defined in Paragraph **(2)** above;

(4) Any natural person who is a former employee, director, partner, member, manager, representative or trustee retained as a consultant while performing services for you; or

(5) Any natural person who is a guest student or intern pursuing studies or duties, excluding, however, any such person while having care and custody of property outside any building you occupy in conducting your business.

But employee does not mean:

(1) Any agent, broker, factor, commission merchant, consignee, independent contractor or representative of the same general character; or

(2) Any "manager", director or trustee except while performing acts coming within the usual duties of an employee.

4. Equipment Breakdown Protection Coverage

a. We will pay for direct loss of or damage to Covered Property caused by or resulting from a mechanical breakdown or electrical failure to pressure, mechanical or electrical machinery and equipment.

Mechanical breakdown or electrical failure to pressure, mechanical or electrical machinery and equipment does not mean any:

(1) Malfunction including but not limited to adjustment, alignment, calibration, cleaning or modification;

(2) Leakage at any valve, fitting, shaft seal, gland packing, joint or connection;

(3) Damage to any vacuum tube, gas tube, or brush; or

(4) The functioning of any safety or protective device.

b. Paragraphs **A.4.a.(1)** and **A.4.a.(2),** Limitations, do not apply to this Optional Coverage.

c. With respect to the coverage provided by this Optional Coverage, the following exclusions in Paragraph **B. Exclusions** do not apply:

(1) Paragraph **B.2.a.,** Electrical Apparatus;

(2) Paragraph **B.2.d.,** Steam Apparatus; and

(3) Paragraph **B.2.l.(6),** Mechanical Breakdown.

d. With respect to the coverage provided by this Optional Coverage, Paragraph **G.1.c.(5)** of the **Outdoor Signs Optional Coverage** does not apply.

e. If a dollar deductible is shown in the Declarations for this Optional Coverage, we will first subtract the applicable deductible amount from any loss we would otherwise pay. We will then pay the amount of loss in excess of the applicable deductible up to the applicable limit for this coverage.

If no optional deductible is chosen for this Optional Coverage, the Property Deductible shown in the Declarations applies.

f. With respect to Additional Coverages **5.f.** Business Income and **5.g.** Extra Expense, if the 72-hour time period in the definition of "period of restoration" (hereinafter referred to as time deductible) is amended for this Optional Coverage as shown in the Declarations, we will not pay for any Business Income loss that occurs during the consecutive number of hours shown as the time deductible in the Declarations immediately following a mechanical breakdown or electrical failure. If a time deductible is shown in days, each day shall mean 24 consecutive hours.

With respect to the coverage provided by this Optional Coverage, any time deductible shown in the Declarations for Equipment Breakdown Protection Coverage supersedes any time deductible otherwise applicable to the Business Income coverage provided by this policy.

g. With respect to the coverage provided by this Optional Coverage, Paragraph **H. Property Definitions** is amended as follows:

1. "Computer" means:

a. Programmable electronic equipment that is used to store, retrieve and process data; and

0000 00260064 000003 0000

© Insurance Services Office, Inc., 2012

(2) Ends on the earlier of:

(a) The date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality; or

(b) The date when business is resumed at a new permanent location.

b. Does not include any increased period required due to the enforcement of or compliance with any ordinance or law that:

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

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

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

10. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

11. "Securities" means negotiable and nonnegotiable instruments or contracts representing either "money" or other property and includes:

a. Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and

b. Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you;

but does not include "money".

12. "Specified causes of loss" means the following:

Fire; lightning; explosion; windstorm or hail; smoke; aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire extinguishing equipment; sinkhole collapse; volcanic action; falling objects; weight of snow, ice or sleet; water damage.

a. Sinkhole collapse means the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite. This cause of loss does not include:

(1) The cost of filling sinkholes; or

(2) Sinking or collapse of land into man-made underground cavities.

b. Falling objects does not include loss of or damage to:

(1) Personal property in the open; or

(2) The interior of a building or structure, or property inside a building or structure, unless the roof or an outside wall of the building or structure is first damaged by a falling object.

c. Water damage means:

(1) Accidental discharge or leakage of water or steam as the direct result of the breaking apart or cracking of any part of a system or appliance (other than a sump system including its related equipment and parts) containing water or steam; and

(2) Accidental discharge or leakage of water or waterborne material as the direct result of the breaking apart or cracking of a water or sewer pipe that is located off the described premises and is part of a municipal potable water supply system or municipal sanitary sewer system, if the breakage or cracking is caused by wear and tear.

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

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

13. "Stock" means merchandise held in storage or for sale, raw materials and in-process or finished goods, including supplies used in their packing or shipping.

0000 00270064 000003 0000

© Insurance Services Office, Inc., 2012

f. Coverage Extension – Supplementary Payments

(1) We will pay, with respect to any claim we investigate or settle, or any "suit" against an insured we defend:

(a) All expenses we incur.

(b) Up to $250 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which Business Liability Coverage for "bodily injury" applies. We do not have to furnish these bonds.

(c) The cost of bonds to release attachments, but only for bond amounts within our Limit of Insurance. We do not have to furnish these bonds.

(d) All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to $250 a day because of time off from work.

(e) All court costs taxed against the insured in the "suit". However, these payments do not include attorneys' fees or attorneys' expenses taxed against the insured.

(f) Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the Limit of Insurance, we will not pay any prejudgment interest based on that period of time after the offer.

(g) All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within our Limit of Insurance.

These payments will not reduce the limit of liability.

(2) If we defend an insured against a "suit" and an indemnitee of the insured is also named as a party to the "suit", we will defend that indemnitee if all of the following conditions are met:

(a) The "suit" against the indemnitee seeks damages for which the insured has assumed the liability of the indemnitee in a contract or agreement that is an "insured contract";

(b) This insurance applies to such liability assumed by the insured;

(c) The obligation to defend, or the cost of the defense of, that indemnitee, has also been assumed by the insured in the same "insured contract";

(d) The allegations in the "suit" and the information we know about the "occurrence" are such that no conflict appears to exist between the interests of the insured and the interests of the indemnitee;

(e) The indemnitee and the insured ask us to conduct and control the defense of that indemnitee against such "suit" and agree that we can assign the same counsel to defend the insured and the indemnitee; and

(f) The indemnitee:

(i) Agrees in writing to:

i. Cooperate with us in the investigation, settlement or defense of the "suit";

ii. Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "suit";

iii. Notify any other insurer whose coverage is available to the indemnitee; and

0000 00280064 000003 0000

© Insurance Services Office, Inc., 2012

(b) Such attorney fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which damages to which this insurance applies are alleged.

c. Liquor Liability

"Bodily injury" or "property damage" for which any insured may be held liable by reason of:

(1) Causing or contributing to the intoxication of any person;

(2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or

(3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies even if the claims allege negligence or other wrongdoing in:

(a) The supervision, hiring, employment, training or monitoring of others by an insured; or

(b) Providing or failing to provide transportation with respect to any person that may be under the influence of alcohol;

if the "occurrence" which caused the "bodily injury" or "property damage", involved that which is described in Paragraph **(1)**, **(2)** or **(3)** above.

However, this exclusion applies only if you are in the business of manufacturing, distributing, selling, serving or furnishing alcoholic beverages. For the purposes of this exclusion, permitting a person to bring alcoholic beverages on your premises, for consumption on your premises, whether or not a fee is charged or a license is required for such activity, is not by itself considered the business of selling, serving or furnishing alcoholic beverages.

d. Workers' Compensation And Similar Laws

Any obligation of the insured under a workers' compensation, disability benefits or unemployment compensation law or any similar law.

e. Employer's Liability

"Bodily injury" to:

(1) An "employee" of the insured arising out of and in the course of:

(a) Employment by the insured; or

(b) Performing duties related to the conduct of the insured's business; or

(2) The spouse, child, parent, brother or sister of that "employee" as a consequence of Paragraph **(1)** above.

This exclusion applies whether the insured may be liable as an employer or in any other capacity and to any obligation to share damages with or repay someone else who must pay damages because of the injury.

This exclusion does not apply to liability assumed by the insured under an "insured contract".

f. Pollution

(1) "Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":

(a) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any insured. However, this subparagraph does not apply to:

(i) "Bodily injury" if sustained within a building and caused by smoke, fumes, vapor or soot produced by or originating from equipment that is used to heat, cool or dehumidify the building, or equipment that is used to heat water for personal use, by the building's occupants or their guests;

(ii) "Bodily injury" or "property damage" for which you may be held liable, if you are a contractor and the owner or lessee of such premises, site or location has been added to your policy as an additional insured with respect to your ongoing operations performed for that additional insured at that premises, site or location and such premises, site or location is not and never was owned or occupied by, or rented or loaned to, any insured, other than that additional insured; or

(iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire";

0000 00290064 000003 0000

© Insurance Services Office, Inc., 2012

This exclusion applies even if the claims allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by an insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft that is owned or operated by or rented or loaned to any insured.

This exclusion does not apply to:

(1) A watercraft while ashore on premises you own or rent;

(2) A watercraft you do not own that is:

(a) Less than 51 feet long; and

(b) Not being used to carry persons or property for a charge;

(3) Parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the insured;

(4) Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft or watercraft; or

(5) "Bodily injury" or "property damage" arising out of:

(a) The operation of machinery or equipment that is attached to, or part of, a land vehicle that would qualify under the definition of "mobile equipment" if it were not subject to a compulsory or financial responsibility law or other motor vehicle insurance or motor vehicle registration law where it is licensed or principally garaged; or

(b) The operation of any of the following machinery or equipment:

(i) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and

(ii) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

h. Mobile Equipment

"Bodily injury" or "property damage" arising out of:

(1) The transportation of "mobile equipment" by an "auto" owned or operated by or rented or loaned to any insured; or

(2) The use of "mobile equipment" in, or while in practice for, or while being prepared for, any prearranged racing, speed, demolition or stunting activity.

i. War

"Bodily injury", "property damage" or "personal and advertising injury", however caused, arising, directly or indirectly, out of:

(1) War, including undeclared or civil war;

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

(3) Insurrection, rebellion, revolution, usurped power, or action taken by government authority in hindering or defending against any of these.

j. Professional Services

"Bodily injury", "property damage" or "personal and advertising injury" caused by the rendering or failure to render any professional service. This includes but is not limited to:

(1) Legal, accounting or advertising services;

(2) Preparing, approving, or failing to prepare or approve maps, drawings, opinions, reports, surveys, change orders, designs or specifications;

(3) Supervisory, inspection or engineering services;

(4) Medical, surgical, dental, X-ray or nursing services treatment, advice or instruction;

(5) Any health or therapeutic service treatment, advice or instruction;

(6) Any service, treatment, advice or instruction for the purpose of appearance or skin enhancement, hair removal or replacement or personal grooming;

0000 00300064 000003 0000

© Insurance Services Office, Inc., 2012

if such product, work or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

p. Personal And Advertising Injury

"Personal and advertising injury":

(1) Caused by or at the direction of the insured with the knowledge that the act would violate the rights of another and would inflict "personal and advertising injury";

(2) Arising out of oral or written publication, in any manner, of material, if done by or at the direction of the insured with knowledge of its falsity;

(3) Arising out of oral or written publication, in any manner, of material whose first publication took place before the beginning of the policy period;

(4) For which the insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement;

(5) Arising out of a breach of contract, except an implied contract to use another's advertising idea in your "advertisement";

(6) Arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your "advertisement";

(7) Arising out of the wrong description of the price of goods, products or services stated in your "advertisement";

(8) Committed by an insured whose business is:

(a) Advertising, broadcasting, publishing or telecasting;

(b) Designing or determining content of web sites for others; or

(c) An Internet search, access, content or service provider.

However, this exclusion does not apply to Paragraphs **14.a., b.** and **c.** of "personal and advertising injury" under Paragraph **F.** Liability And Medical Expenses Definitions.

For the purposes of this exclusion, the placing of frames, borders or links, or advertising, for you or others anywhere on the Internet, by itself, is not considered the business of advertising, broadcasting, publishing or telecasting;

(9) Arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time;

(10) With respect to any loss, cost or expense arising out of any:

(a) Request, demand or order that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or

(b) Claim or "suit" by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants";

(11) Arising out of an electronic chatroom or bulletin board the insured hosts, owns or over which the insured exercises control;

(12) Arising out of the infringement of copyright, patent, trademark, trade secret or other intellectual property rights. Under this exclusion, such other intellectual property rights do not include the use of another's advertising idea in your "advertisement".

However, this exclusion does not apply to infringement, in your "advertisement", of copyright, trade dress or slogan;

(13) Arising out of the unauthorized use of another's name or product in your e-mail address, domain name or metatags, or any other similar tactics to mislead another's potential customers.

q. Electronic Data

Damages arising out of the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

However, this exclusion does not apply to liability for damages because of "bodily injury".

0000 00310064 000003 0000

© Insurance Services Office, Inc., 2012

(2) Resulting from the "hazardous properties" of "nuclear material" and with respect to which:

(a) Any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof; or

(b) The insured is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.

b. Under Medical Expenses Coverage, to expenses incurred with respect to "bodily injury" resulting from the "hazardous properties" of "nuclear material" and arising out of the operation of a "nuclear facility" by any person or organization.

c. Under Business Liability Coverage, to "bodily injury" or "property damage" resulting from the "hazardous properties" of the "nuclear material"; if:

(1) The "nuclear material":

(a) Is at any "nuclear facility" owned by, or operated by or on behalf of, an insured; or

(b) Has been discharged or dispersed therefrom;

(2) The "nuclear material" is contained in "spent fuel" or "waste" at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of an insured; or

(3) The "bodily injury" or "property damage" arises out of the furnishing by an insured of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any "nuclear facility"; but if such facility is located within the United States of America, its territories or possessions or Canada, this Exclusion **(3)** applies only to "property damage" to such "nuclear facility" and any property thereat.

d. As used in this exclusion:

(1) "By-product material" has the meaning given it in the Atomic Energy Act of 1954 or in any law amendatory thereof;

(2) "Hazardous properties" include radioactive, toxic or explosive properties;

(3) "Nuclear facility" means:

(a) Any "nuclear reactor";

(b) Any equipment or device designed or used for:

(i) Separating the isotopes of uranium or plutonium;

(ii) Processing or utilizing "spent fuel"; or

(iii) Handling, processing or packaging "waste";

(c) Any equipment or device used for the processing, fabricating or alloying of "special nuclear material" if at any time the total amount of such material in the custody of the insured at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;

(d) Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of "waste";

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations;

(4) "Nuclear material" means "source material", "special nuclear material" or "by-product material";

(5) "Nuclear reactor" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material;

(6) "Property damage" includes all forms of radioactive contamination of property;

(7) "Source material" has the meaning given it in the Atomic Energy Act of 1954 or in any law amendatory thereof;

(8) "Special nuclear material" has the meaning given it in the Atomic Energy Act of 1954 or in any law amendatory thereof;

(9) "Spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a "nuclear reactor";

0000 00320064 000003 0000

© Insurance Services Office, Inc., 2012

(b) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by;

you, any of your "employees", "volunteer workers", any partner or member (if you are a partnership or joint venture), or any member (if you are a limited liability company).

b. Any person (other than your "employee" or "volunteer worker"), or any organization while acting as your real estate manager.

c. Any person or organization having proper temporary custody of your property if you die, but only:

(1) With respect to liability arising out of the maintenance or use of that property; and

(2) Until your legal representative has been appointed.

d. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this policy.

No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

D. Liability And Medical Expenses Limits Of Insurance

1. The Limits of Insurance of Section **II** – Liability shown in the Declarations and the rules below fix the most we will pay regardless of the number of:

a. Insureds;

b. Claims made or "suits" brought; or

c. Persons or organizations making claims or bringing "suits".

2. The most we will pay for the sum of all damages because of all:

a. "Bodily injury", "property damage" and medical expenses arising out of any one "occurrence"; and

b. "Personal and advertising injury" sustained by any one person or organization;

is the Liability and Medical Expenses limit shown in the Declarations. But the most we will pay for all medical expenses because of "bodily injury" sustained by any one person is the Medical Expenses limit shown in the Declarations.

3. The most we will pay under Business Liability Coverage for damages because of "property damage" to a premises while rented to you or in the case of fire while rented to you or temporarily occupied by you with permission of the owner is the applicable Damage To Premises Rented To You limit shown for that premises in the Declarations. For a premises temporarily occupied by you, the applicable limit will be the highest Damage To Premises Rented To You limit shown in the Declarations.

4. Aggregate Limits

The most we will pay for:

a. All "bodily injury" and "property damage" that is included in the "products-completed operations hazard" is twice the Liability and Medical Expenses limit.

b. All:

(1) "Bodily injury" and "property damage" except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard";

(2) Plus medical expenses;

(3) Plus all "personal and advertising injury" caused by offenses committed;

is twice the Liability and Medical Expenses limit.

Subject to Paragraph **a.** or **b.** above, whichever applies, the Damage To Premises Rented To You limit is the most we will pay for damages because of "property damage" to any one premises, while rented to you, or in the case of fire, while rented to you or temporarily occupied by you with permission of the owner.

The Limits of Insurance of Section **II** – Liability apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

E. Liability And Medical Expenses General Conditions

1. Bankruptcy

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this policy.

0000 00330064 000003 0000

© Insurance Services Office, Inc., 2012

b. International waters or airspace, but only if the injury or damage occurs in the course of travel or transportation between any places included in Paragraph **a.** above; or

c. All other parts of the world if the injury or damage arises out of:

(1) Goods or products made or sold by you in the territory described in Paragraph **a.** above;

(2) The activities of a person whose home is in the territory described in Paragraph **a.** above, but is away for a short time on your business; or

(3) "Personal and advertising injury" offenses that take place through the Internet or similar electronic means of communication;

provided the insured's responsibility to pay damages is determined in a "suit" on the merits in the territory described in Paragraph **a.** above or in a settlement we agree to.

5. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".

6. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, bylaws or any other similar governing document.

7. "Hostile fire" means one which becomes uncontrollable or breaks out from where it was intended to be.

8. "Impaired property" means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:

a. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or

b. You have failed to fulfill the terms of a contract or agreement;

if such property can be restored to use by:

(1) The repair, replacement, adjustment or removal of "your product" or "your work"; or

(2) Your fulfilling the terms of the contract or agreement.

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, roadbeds, tunnel, underpass or crossing;

(2) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:

(a) Preparing, approving or failing to prepare or approve maps, drawings, opinions, reports, surveys, change orders, designs or specifications; or

(b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or

(3) Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in Paragraph **(2)** above and supervisory, inspection or engineering services.

10. "Leased worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".

0000 00340064 000003 0000

© Insurance Services Office, Inc., 2012

f. The use of another's advertising idea in your "advertisement"; or

g. Infringing upon another's copyright, trade dress or slogan in your "advertisement".

15. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

16. "Products-completed operations hazard":

a. Includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:

(1) Products that are still in your physical possession; or

(2) Work that has not yet been completed or abandoned. However, "your work" will be deemed completed at the earliest of the following times:

(a) When all of the work called for in your contract has been completed.

(b) When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site.

(c) When that part of the work done at the job site has been put to its intended use by any other person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

The "bodily injury" or "property damage" must occur away from premises you own or rent, unless your business includes the selling, handling or distribution of "your product" for consumption on premises you own or rent.

b. Does not include "bodily injury" or "property damage" arising out of:

(1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the "loading or unloading" of that vehicle by any insured; or

(2) The existence of tools, uninstalled equipment or abandoned or unused materials.

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 programs stored as, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

18. "Suit" means a civil proceeding in which damages because of "bodily injury", "property damage", or "personal and advertising injury" to which this insurance applies are alleged. "Suit" includes:

a. An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or

b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.

19. "Temporary worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.

20. "Volunteer worker" means a person who is not your "employee", and who donates his or her work and acts at the direction of and within the scope of duties determined by you, and is not paid a fee, salary or other compensation by you or anyone else for their work performed for you.

21. "Your product":

a. Means:

(1) Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:

(a) You;

(b) Others trading under your name; or

0000 00350064 000003 0000

© Insurance Services Office, Inc., 2012

6. If notice is mailed, proof of mailing will be sufficient proof of notice.

B. Changes

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

C. Concealment, Misrepresentation Or Fraud

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

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

D. Examination Of Your Books And Records

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

E. Inspections And Surveys

1. We have the right to:
   a. Make inspections and surveys at any time;
   b. Give you reports on the conditions we find; and
   c. Recommend changes.
2. We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:
   a. Are safe and healthful; or
   b. Comply with laws, regulations, codes or standards.
3. Paragraphs **1.** and **2.** of this condition apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.
4. Paragraph **2.** of this condition does not apply to any inspections, surveys, reports or recommendations we may make relative to certification, under state or municipal statutes, ordinances or regulations, of boilers, pressure vessels or elevators.

F. Insurance Under Two Or More Coverages

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

G. Liberalization

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

H. Other Insurance

1. If there is other insurance covering the same loss or damage, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not. But we will not pay more than the applicable Limit of Insurance of Section **I** – Property.
2. Business Liability Coverage is excess over:
   a. Any other insurance that insures for direct physical loss or damage; or
   b. Any other primary insurance available to you covering liability for damages arising out of the premises or operations for which you have been added as an additional insured.
3. When this insurance is excess, we will have no duty under Business Liability Coverage to defend any claim or "suit" that any other insurer has a duty to defend. 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.

I. Premiums

1. The first Named Insured shown in the Declarations:
   a. Is responsible for the payment of all premiums; and
   b. Will be the payee for any return premiums we pay.
2. The premium shown in the Declarations was computed based on rates in effect at the time the policy was issued. On each renewal, continuation or anniversary of the effective date of this policy, we will compute the premium in accordance with our rates and rules then in effect.

0000 00360064 000003 0000

© Insurance Services Office, Inc., 2012

POLICY NUMBER: 91001-72753-71

BUSINESSOWNERS
BP 05 24 01 15

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF CERTIFIED ACTS OF TERRORISM

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

SCHEDULE

The **Exception Covering Certain Fire Losses** (Paragraph **B.2.**) applies to property located in the following state(s):
Georgia, Illinois, Iowa, Missouri, Oregon, Washington, Wisconsin
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

A. The following provisions are added to the Businessowners Policy and apply to Property and Liability Coverages:

1. The following definition is added with respect to the provisions of this endorsement:

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

a. 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

b. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

2. The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for loss or injury or damage that is otherwise excluded under this Policy.

B. The following provisions are added to Businessowners Standard Property Coverage Form **BP 00 01**, Businessowners Special Property Coverage Form **BP 00 02** or **Section I – Property** of Businessowners Coverage Form **BP 00 03**:

1. The following exclusion is added:

CERTIFIED ACT OF TERRORISM EXCLUSION

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

2. Exception Covering Certain Fire Losses

The following exception to the exclusion in Paragraph **B.1.** applies only if indicated and as indicated in the Schedule of this endorsement.

If a "certified act of terrorism" results in fire, we will pay for the loss or damage caused by that fire. Such coverage for fire applies only to direct loss or damage by fire to Covered Property. Therefore, for example, the coverage does not apply to insurance provided under Business Income and/or Extra Expense Additional Coverages.

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

0000 00370064 000003 0000

© Insurance Services Office, Inc., 2015

POLICY NUMBER: 91001-72753-71

BUSINESSOWNERS
BP 14 06 01 10

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BUSINESS INCOME, EXTRA EXPENSE AND RELATED COVERAGES LIMIT OF INSURANCE

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

SCHEDULE

With respect to the premises shown in the Schedule, the following provisions apply to **Section I - Property** and supersede any provisions to the contrary:

A. The most we will pay under:

1. Paragraph **A.5.f.** Business Income Additional Coverage;
2. Paragraph **A.5.g.** Extra Expense Additional Coverage;
3. Paragraph **A.5.i.** Civil Authority Additional Coverage;
4. Paragraph **A.5.m.** Business Income From Dependent Properties Additional Coverage; and
5. Paragraph **A.5.q.** Interruption Of Computer Operations Additional Coverage;

for all loss sustained and expense incurred is the applicable Business Income, Extra Expense and Related Coverages Limit of Insurance shown in the Schedule of this endorsement. This Limit of Insurance is the only limit that applies to the Additional Coverages listed above. The Limit of Insurance of **Section I - Property** shown in the Declarations does not apply to these Additional Coverages.

B. Paragraph **A.5.f.(1)(b)** is replaced by the following:

(b) We will only pay for ordinary payroll expenses for 60 days following the date of direct physical loss or damage, unless a greater number of days is shown in the Declarations.

C. Paragraph **A.5.g.(4)** does not apply.

D. However, Paragraphs **A., B.** and **C.** do not apply to coverage provided by any of the following endorsements:

1. Water Back-up And Sump Overflow Endorsement **BP 04 53** (if that endorsement is attached to this Businessowners Policy);
2. Earthquake Endorsement **BP 10 03** (if that endorsement is attached to this Businessowners Policy);
3. Earthquake And Volcanic Eruption (Sub-limit) Endorsement **BP 10 11** (if that endorsement is attached to this Businessowners Policy); or
4. Flood Coverage Endorsement **BP 10 79** (if that endorsement is attached to this Businessowners Policy).

0000 00380064 000003 0000

© Insurance Services Office, Inc., 2009

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WATER BACK-UP AND SUMP OVERFLOW

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

The coverages provided in this endorsement will not trigger any other policy coverages that are outside of this endorsement.

Section I - Property is amended as follows:

A. We will pay for direct physical loss or damage to Buildings and Business Personal Property covered under **Section I - Property,** caused by or resulting from:

1. Water or waterborne material which backs up through or overflows or is otherwise discharged from a sewer or drain; or
2. Water or waterborne material which overflows or is otherwise discharged from a sump, sump pump or related equipment, even if the overflow or discharge results from mechanical breakdown of a sump pump or its related equipment.

However, with respect to Paragraph **A.2.,** we will not pay the cost of repairing or replacing a sump pump or its related equipment in the event of mechanical breakdown.

B. Loss or damage which occurs or is in progress within five (5) days of the effective date of this endorsement is not covered.

C. The coverage described in Paragraph **A.** of this endorsement does not apply to loss or damage resulting from:

1. An insured's failure to keep a sump pump or its related equipment in proper working condition;
2. An insured's failure to perform the routine maintenance or repair necessary to keep a sewer or drain free from obstructions; or
3. Sump pump failure which is caused by or results from failure of power, unless this policy is endorsed to cover power failure affecting the described premises.

D. With respect to the coverage provided under this endorsement, only the following Additional Coverages apply:

1. Paragraph **a. Debris Removal** of Section **5. Additional Coverages;**
2. Paragraph **f. Business Income** of Section **5. Additional Coverages;** and
3. Paragraph **g. Extra Expense** of Section **5. Additional Coverages.**

The Annual Aggregate Limit Of Insurance shown in the Declarations for Water Back-up And Sump Overflow is the most we will pay under this endorsement including these Additional Coverages.

E. The applicable Annual Aggregate Limit Of Insurance shown in the Declarations for Water Back-up and Sump Overflow is the most we will pay under this endorsement for the total of all direct physical loss or damage sustained in any one policy period, regardless of the number of occurrences that cause or result in loss or damage. If loss payment for the first such occurrence does not exhaust the applicable Annual Aggregate Limit Of Insurance shown in the Declarations, then the balance of that limit is available for subsequent loss or damage sustained in, but not after, that policy period. With respect to an occurrence which begins in one policy period and continues or results in additional loss or damage in a subsequent policy period(s), all loss or damage is deemed to be sustained in the policy period in which the occurrence began.

F. With respect to the coverage provided under this endorsement, Paragraph **1.g. Water** of **B. Exclusions** in **Section I - Property** is replaced by the following:

Water

1. Flood, surface water, waves (including tidal wave and tsunami), tides, tidal water, overflow of any body of water, or spray from any of these, all whether or not driven by wind (including storm surge);
2. Mudslide or mudflow;
3. Water under the ground surface pressing on, or flowing or seeping through:
   a. Foundations, walls, floors or paved surfaces;
   b. Basements, whether paved or not; or
   c. Doors, windows or other openings; or
4. Waterborne material carried or otherwise moved by any of the water referred to in Paragraph **1.** or **3.,** or material carried or otherwise moved by mudslide or mudflow.

This exclusion applies regardless of whether any of the above, in Paragraphs **1.** through **4.,** is caused by an act of nature or is otherwise caused. An example of a situation to which this exclusion applies is the situation where a dam, levee,

0000 00390064 000003 0000

Includes copyrighted material of Insurance Services Office, Inc. with its permission

POLICY NUMBER: 91001-72753-71

BUSINESSOWNERS
BPF 84 64 08 18

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ORDINANCE OR LAW COVERAGE

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

SCHEDULE

Premises Number	Building Number	Coverage 1 Limit Of Insurance	Coverage 2 Limit Of Insurance	Coverage 3 Limit Of Insurance	Coverages 2 And 3 Combined Limit Of Insurance*
		$	$	$	$
		$	$	$	$
		$	$	$	$
Business Income And Extra Expense Optional Coverage (Enter Yes or No):					
Number Of Hours Waiting Period For Period Of Restoration Applicable To Business Income And Extra Expense Optional Coverage:					
*Do **not** enter a Combined Limit Of Insurance if individual Limits Of Insurance are selected for Coverages 2 and 3, or if one of these coverages is not applicable.					
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.					

Section I – Property is amended as follows:

A. Each Coverage – Coverage **1**, Coverage **2** and Coverage **3** – is provided under this endorsement only if that Coverage(s) is chosen by entry in the above Schedule and then only with respect to the Building identified for the Coverage(s) in the Schedule.

B. Application Of Coverage(s)

The Coverage(s) provided by this endorsement applies only if both **B.1.** and **B.2.** are satisfied and are then subject to the qualifications set forth in **B.3.**

1. The ordinance or law:

a. Regulates the demolition, construction or repair of buildings, or establishes zoning or land use requirements at the described premises; and

b. Is in force at the time of loss.

But coverage under this endorsement applies only in response to the minimum requirements of the ordinance or law. Losses and costs incurred in complying with recommended actions or standards that exceed actual requirements are not covered under this endorsement.

2. The Building sustains direct physical damage:

a. That is covered under this policy and as a result of such damage, you are required to comply with the ordinance or law; or

b. That is covered under this policy and direct physical damage that is not covered under this policy, and as a result of the Building damage in its entirety, you are required to comply with the ordinance or law.

c. But if the damage is not covered under this policy, and such damage is the subject of the ordinance or law, then there is no coverage under this endorsement even if the Building has also sustained covered direct physical damage.

3. In the situation described in **B.2.b.** above, we will not pay the full amount of loss otherwise payable under the terms of Coverages **1**, **2** and/or **3** of this endorsement. Instead, we will pay a proportion of such loss, meaning the proportion that the covered direct physical damage bears to the total direct physical damage.

(Section **H.** of this endorsement provides an example of this procedure.)

However, if the covered direct physical damage alone would have resulted in a requirement to comply with the ordinance or law, then we will pay the full amount of loss otherwise payable under terms of Coverages

0000 00400064 000003 0000

Includes copyrighted material of Insurance Services Office, Inc., with its permission.

(1) Until the property is actually repaired or replaced, at the same or another premises; and

(2) Unless the repair or replacement is made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.

b. If the Building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay under Coverage **3** is the lesser of:

(1) The increased cost of construction at the same premises; or

(2) The applicable Limit Of Insurance shown for Coverage **3** in the Schedule above for the covered Building.

c. If the ordinance or law requires relocation to another premises, the most we will pay under Coverage **3** is the lesser of:

(1) The increased cost of construction at the new premises; or

(2) The applicable Limit Of Insurance shown for Coverage **3** in the Schedule above for the covered Building.

5. If a Combined Limit Of Insurance is shown for Coverages **2** and **3** in the Schedule above, Paragraphs **E.3.** and **E.4.** of this endorsement do not apply with respect to the Building property that is subject to the Combined Limit, and the following loss payment provisions apply instead:

The most we will pay, for the total of all covered losses for Demolition Cost and Increased Cost Of Construction, is the Combined Limit Of Insurance shown for Coverages **2** and **3** in the Schedule above. Subject to this Combined Limit Of Insurance, the following loss payment provisions apply:

a. For Demolition Cost, we will not pay more than the amount you actually spend to demolish and clear the site of the described premises.

b. With respect to the Increased Cost Of Construction:

(1) We will not pay for the increased cost of construction:

(a) Until the property is actually repaired or replaced, at the same or another premises; and

(b) Unless the repair or replacement is made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.

(2) If the Building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay for the increased cost of construction is the increased cost of construction at the same premises.

(3) If the ordinance or law requires relocation to another premises, the most we will pay for the increased cost of construction is the increased cost of construction at the new premises.

F. The terms of this endorsement apply separately to each Building to which this endorsement applies.

G. Under this endorsement, we will not pay for loss due to any ordinance or law that:

1. You were required to comply with before the loss, even if the Building was undamaged; and

2. You failed to comply with.

H. Example of Proportionate Loss Payment for Ordinance or Law Coverage Losses (procedure as set forth in Section **B.3.** of this endorsement).

Assume:

- Wind is a Covered Cause of Loss. Flood is an excluded Cause of Loss;
- The covered building has a value of $200,000;
- Total direct physical damage to covered building: $100,000;
- The ordinance or law in this jurisdiction is enforced when building damage equals or exceeds 50% of the covered building's value;
- Portion of direct physical damage that is covered (caused by wind): $30,000;
- Portion of direct physical damage that is not covered (caused by flood): $70,000; and
- Loss under Ordinance or Law Coverage **3** of this endorsement: $60,000.

Step **1**: Determine the proportion that the covered direct physical damage bears to the total direct physical damage.

$30,000/100,000 = .30

Step **2**: Apply that proportion to the Ordinance or Law loss.

$60,000 x .30 = $18,000

In this example, the most we will pay under this endorsement for the Coverage **3** loss is $18,000, subject to the applicable Limit Of Insurance and any other applicable provisions.

NOTE: The same procedure also applies to losses under Coverages **1** and **2** of this endorsement.

I. If shown as applicable in the Schedule of this endorsement, the following applies:

Business Income And Extra Expense Optional Coverage

1. If a Covered Cause of Loss occurs to property at the premises described in the Declarations, coverage is extended to include the amount of actual and necessary loss you sustain during the increased period of suspension of your "operations" caused by or resulting from a requirement to comply with any ordinance or law that:

a. Regulates the construction or repair of any

0000 00410064 000003 0000

Includes copyrighted material of Insurance Services Office, Inc., with its permission.

POLICY NUMBER: 91001-72753-71

BUSINESSOWNERS
BPF 86 13 08 18

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BLANKET COVERAGE - STATEMENT OF VALUES

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

SCHEDULE

Blanket Number	Premises Number	Building Number	Location	Covered Property Type	Description Of Covered Property	Value
1	1	1	Location 1: 250 BEACON CT, GRAND JUNCTION, CO	Building	Residential Condominiums without Mercantile	$1,250,000
1	1	2	Location 1: 250 BEACON CT, GRAND JUNCTION, CO	Building	Residential Condominiums without Mercantile	$1,750,000

Blanket coverage is only available for property types of: Buildings, Scheduled Structures, Unscheduled Structures and Business Personal Property.
The most we will pay for loss or damage in any one occurrence is the applicable blanket Limit of Insurance shown in the Declarations.

Loss Payment Penalties may apply if property is not insured to at least 80% of replacement cost value at the time of loss.

Applicant or Insured

All property values submitted are 100% of the replacement cost value to the best of my knowledge and American Family can reply upon my statements in providing blanket coverage.

Signed: Certified by Print and Sign

Name: Arlington Villa Homeowners Association

Title:

Date: 04/08/2021 02:57 PM

Producer

I have explained to the insured the Loss Payment Penalties that may apply if the property is not insured to 80% of replacement cost value.

Signed:

Name: Jeffery E Crandell

Producer ID: 5588

Date:

0000 00420064 000003 0000

Includes copyrighted material of Insurance Services Office, Inc., with its permission.

covered by this insurance according to all applicable terms, conditions and exclusions.

2. **Insuring Agreement - Association Reimbursement**

We will pay on behalf of the "association" any "loss" for which the "association" has indemnified an "insured person", as permitted or required by law, and which the "insured person" becomes legally obligated to pay as a result of a "claim" first made against that "insured person" (or an "insured person's" spouse or any other party granted the rights of an "insured person" under Paragraph **1.**) during the policy period, or during the Automatic Extended Reporting Period or Optional Extended Reporting Period, if purchased, as described in Paragraph **G.**

However, this insurance applies only to a "claim" arising out of a "wrongful act" committed by the "insured person" which occurs on or after the Retroactive Date, if any, shown in the Schedule, and before the end of the policy period.

3. **Insuring Agreement - Association Liability**

We will pay on behalf of the "association" any "loss" which the "association" becomes legally obligated to pay as a result of a "claim" first made against the "association" during the policy period or during the Automatic Extended Reporting Period or Optional Extended Reporting Period, if purchased, as described in Paragraph **G.**

However, this insurance applies only to a "claim" arising out of a "wrongful act" committed by the "association" which occurs on or after the Retroactive Date, if any, shown in the Schedule, and before the end of the policy period.

4. **Defense And Settlement**

a. We will have the right and duty to defend any "claim" made against the insured under Paragraph **A.** of this endorsement. However, we will have no duty to defend the insured against any "claim" because of a "wrongful act" to which this insurance does not apply. We may, at our discretion, investigate any incident that may result in a "loss". We may, with your written consent, settle any "claim".

b. **Mediation**

If, prior to institution of arbitration proceedings or service of suit or within 60 days of the institutions of such proceedings or service of suit, we and the "association" agree to use a process of non binding intervention by a neutral third party to resolve any "claim" reported to us, and if such "claim" is resolved through such process, we will reduce the deductible applicable to such "claim" by 50%.

All "claims" arising out of the same "wrongful act" or "interrelated wrongful acts" committed by one or more "insured persons" shall be considered a single "claim". Such single "claim" shall be deemed to be first made on the date the initial "claim" arising out of such "wrongful act" or "interrelated wrongful acts" was first made pursuant to Paragraph **E.** or notice of such "wrongful act" or "interrelated wrongful acts" was first reported pursuant to Paragraph **E.**

B. For the purposes of the coverage provided by this endorsement, Paragraph **B. Exclusions,** Sub-paragraph **1. Applicable To Business Liability Coverage** is replaced by the following:

This insurance does not apply to any "loss" resulting from any "claim":

a. **Dishonest, Malicious, Fraudulent, Or Criminal Act**

Arising out of any dishonest, fraudulent, criminal or malicious act or omission or any willful violation of the law by the insured.

This exclusion applies only if:

(1) a judgment or other final adjudication, including pleas, adverse to the insured establishes such an act, omission or willful violation by the insured; or

(2) an "insured person" is not convicted or convicted of a lesser charge due to mental incapacity, disease, or defect. This exclusion applies even if an "insured person" lacks the mental capacity to govern his or her conduct.

b. **Bodily Injury, Property Damage, Or Personal And Advertising Injury**

Arising out of "bodily injury", "property damage" or "personal and advertising injury".

c. **Illegal Financial Gain**

Arising out of the gaining of any profit, remuneration or advantage to which any insured was not legally entitled.

d. **Prior Acts**

Arising out of a "wrongful act" or "interrelated wrongful act" that has occurred before the Retroactive Date, if any, shown in the Schedule.

e. **Pending And Prior Claims**

Arising out of the same facts, "wrongful acts" or "interrelated wrongful acts", alleged or contained in any "claim" which has been reported, or in any circumstances of which notice has been given:

(1) During a prior policy period of this policy; or

0000 00430064 000003 0000

Includes copyrighted material of Insurance Services Office, Inc., with its permission.

r. Salaries Or Remuneration

Arising out of the payment or administration of salaries, bonuses, or other remuneration of an "insured person."

s. Securities

Arising under statutory or common law relating to the purchase, sale, or disposition of securities.

t. Civil Rights Laws

Arising out of any federal, state, county, municipal or local law, ordinance, order, directive or regulation barring discrimination, including but not limited to those based on race, color, national origin, ancestry, citizenship, gender, sexual orientation, marital status, religion or religious belief, age, economic status, income, medical condition, pregnancy, parenthood or mental or physical disability.

A "wrongful act" committed by any "insured person" shall not be imputed to any other "insured person" for purposes of applying the exclusions set forth in this Paragraph **B.**

C. For the purposes of the coverage provided by this endorsement, Paragraph **C. Who Is An Insured** is replaced by the following:

1. The "association" is an insured.

2. "Insured persons" are insureds.

D. For the purposes of the coverage provided by this endorsement, Paragraph **D. Liability And Medical Expenses Limits Of Insurance** is replaced by the following:

1. Annual Aggregate Limit Of Insurance

The most we will pay for the sum of all "loss" under Paragraphs **A.1., A.2.** and **A.3.** is the aggregate Limit of Insurance shown in the Schedule. This limit applies regardless of the number of:

a. Insureds;

b. "Claims" made or "suits" brought; or

c. Persons, organizations or government agencies making "claims" or bringing "suits".

If the aggregate Limit of Insurance is exhausted by the payment of "loss", we will have no further obligations or liability of any kind under this endorsement.

"Claims expenses" are part of the "loss" and are payable within the Limit of Insurance shown in the Schedule, thereby reducing that Limit.

2. Deductible

Subject to Paragraph **D.1.** of this endorsement, we will pay only that amount of "loss" which is in excess of the Deductible shown in the Schedule. The Deductible will be borne by the insureds, uninsured and at their own risk. A single deductible will apply to all "loss" resulting from all "claims" alleging the same "wrongful acts" or "interrelated wrongful acts".

If the "association" is permitted or required by law to indemnify an "insured person" for "loss", but fails or refuses, other than for reason of "financial insolvency", then our payment for such "loss" will not be subject to any deductible and the "association" shall be responsible for, and shall hold us harmless from, and shall reimburse us for such "loss" up to the deductible shown in the Schedule.

E. For the purposes of the coverage provided by this endorsement, the **Duties In The Event Of Occurrence, Offense, Claim Or Suit** condition is replaced by the following:

Duties In The Event Of A Claim Or A Wrongful Act That May Result In A Claim

a. You must see to it that we are notified as soon as practicable of a "wrongful act" which may result in a "claim". To the extent possible, notice should include:

(1) How, when and where the "wrongful act" took place;

(2) The names and addresses of any person involved in the specific "wrongful act", including names and addresses of the potential claimants;

(3) Particulars as to the reasons for anticipating a "claim" which may result from such specific "wrongful act";

(4) The nature of the alleged or potential damages arising from such specific "wrongful act"; and

(5) The circumstances by which the insureds first became aware of the specific "wrongful act".

b. If a "claim" is received by any insured, you must:

(1) Immediately record the specifics of the "claim" and the date received; and

(2) Notify us as soon as practicable.

You must see to it that we receive written notice of the "claim" as soon as practicable.

c. You and any other involved insured must:

(1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "claim";

(2) Authorize us to obtain records and other information;

(3) Cooperate with us in the investigation or settlement of the "claim"; and

(4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of "wrongful acts" to which this insurance may also apply.

0000 00440064 000003 0000

Includes copyrighted material of Insurance Services Office, Inc., with its permission.

of limitations relating to a potential civil or administrative proceeding.

for a "wrongful act", including any appeal therefrom.

3. "Claims expenses" means that part of a "loss" consisting of reasonable and necessary fees (including attorneys' and experts' fees), expenses incurred in the defense or appeal of a "claim", and the premium for appeal, attachment or similar bonds (without any obligation on our part to provide such bonds), excluding the wages, salaries, benefits or expenses of any "insured person".
4. "Financial insolvency" means the status of the "association" resulting from:
   a. The appointment of any receiver, conservator, liquidator, trustee, rehabilitator or similar official to control, supervise, manage or liquidate the "association"; or
   b. The "association" becoming a debtor in possession.
5. "Fungi" means any form of fungus, including but not limited to yeast, mold, mildew, rust, smut or mushroom, and any spores, mycotoxins, odors or any other substances, or by products produced by, released by, or arising out of the current or past presence of fungi.
6. "Insured person" means
   a. any former, present or future director, officer, trustee, employee or volunteer of the "association".
   b. The association's property or real estate manager; but only while acting at the direction and within the scope of their duties for the association. However, the property or real estate manager is not an "insured person" for "claims" brought against them by the association.
7. "Interrelated wrongful act" means all causally connected "wrongful acts".
8. "Loss" means "claims expenses", compensatory damages, settlement amounts, legal fees and costs awarded pursuant to judgments. "Loss" does not include civil or criminal fines or penalties imposed by law, punitive or exemplary damages, the multiplied portion of multiplied damages, taxes or matters that are uninsurable pursuant to applicable law, and the cost of any non-monetary relief.
9. "Wrongful act" means:
   a. With respect to the "insured person", any actual or alleged error, misstatement, misleading statement, neglect or breach of duty, omission or act by the "insured person" in their insured position or capacity for the "association"; or any matter claimed against them solely by reason of their serving in such insured position or capacity. This does not apply to a position or capacity in any entity other than the "association", even if the "association" directed or requested the "insured person" to serve in such other position or capacity.
   b. With respect to the "association", any actual or alleged error, misstatement, misleading statement, neglect or breach of duty, omission or act by the "association".

I. For the purposes of the coverage provided by this endorsement, the definition of "suit" in Paragraph **F. Liability And Medical Expenses Definitions** is replaced by the following:

"Suit" means a civil proceeding in which damages because of a "wrongful act" to which this insurance applies are alleged. "Suit" includes:

a. An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or
b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.

0000 00450064 000003 0000

Includes copyrighted material of Insurance Services Office, Inc., with its permission.

BUSINESSOWNERS
BP 85 05 07 98

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION - PUNITIVE DAMAGES

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

The following is added to Paragraph **B. Exclusions** in **Section II - Liability**:

This insurance does not apply to:

Punitive Damages

Punitive or exemplary damages.

0000 00460064 000003 0000

Includes copyrighted material of ISO
Copyright, Insurance Services Office, Inc., 2001

BUSINESSOWNERS
BP 85 12 01 06

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ASBESTOS EXCLUSION

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

The following is added to Paragraph **B. Exclusions** in **Section II - Liability**:

Asbestos Exclusion

This insurance does not apply to:

a. Any "bodily injury" arising out of, resulting from, caused by, or contributed to in whole or in part by ingestion, inhalation or absorption of asbestos, exposure to asbestos, or the use of asbestos.

b. Any "property damage" arising out of, resulting from, caused by, or contributed to in whole or in part by asbestos, exposure to asbestos or the use of asbestos. "Property damage" also includes any claim for reduction in the value of real estate or personal property due to its contamination with asbestos in any form at any time.

c. Any "personal and advertising injury" arising out of, resulting from, caused by, or contributed to in whole or in part by ingestion, inhalation or absorption of asbestos, exposure to asbestos, or the use of asbestos.

d. Any loss, cost, or expense arising out of or in any way related to any request, demand, order, or statutory or regulatory requirement that any insured or others identify, sample, test for, detect, monitor, clean up, remove, contain, treat, detoxify, neutralize, abate, dispose of, mitigate, destroy, or in any way respond to or assess the presence of, or the effects of, asbestos.

e. Any loss, cost, or expense arising out of any claim or "suit" by or on behalf of any governmental authority or any other responsible party or entity for damages resulting from identifying, sampling, testing for, detecting, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, abating, disposing of, mitigating, destroying, or in any way responding to asbestos or assessing the presence of, or effects of, asbestos.

f. Failure to detect the presence of or proportion of asbestos in a product, material, structure, or process.

g. The performance of or failure to perform services of any kind in the identification, sampling, testing, detection, monitoring, cleaning up, removal, containment, treatment, detoxification, neutralization, abatement, disposal, mitigation, or destruction of a product, material, or process containing asbestos, whether by you or by anyone acting on your behalf.

h. Any supervision, instructions, recommendations, warnings or advice given or which should have been given in connection with any of the paragraphs above.

i. Any obligation to share damages or repay someone in connection with any of the paragraphs above.

0000 00470064 000003 0000

Includes copyrighted material of Insurance Services Office, Inc., with its permission.

Loss or damage covered by this insurance will be settled only on an actual cash value basis if you notify us of loss or damage, for whatever reason, more than 1 year after the date that loss or damage occurred.

c. Subparagraph **(2)** of Paragraph **a. Description of Terms** under **8. Vacancy** is replaced by the following:

(2) Buildings or structures actively under construction or substantial renovation of a continuing nature are not considered vacant. Normal maintenance, or work considered primarily cosmetic is not substantial renovation.

3. If Employee Dishonesty coverage is selected:

Subparagraph **j.(4)** of Paragraph **3. Employee Dishonesty** under **G. Optional Coverages** is replaced by the following:

(4) Any natural person who is a former:

(a) Employee;

(b) Director;

(c) Partner;

(d) Member;

(e) Manager;

(f) Representative; or

(g) Trustee;

retained as a consultant while performing services for you; or

and

Subparagraph **j.(2)** under the statement "But an employee does not mean:," of Paragraph **3. Employee Dishonesty** under **G. Optional Coverages** is replaced by the following:

(2) Any "manager", director or trustee except while solely performing acts coming within the usual duties of an employee.

B. Section II - Liability is amended as follows:

1. Exception **(2)** of Subparagraph **g. Aircraft, Auto Or Watercraft** of Paragraph **1. Applicable To Business Liability Coverage** under **B. Exclusions** is replaced by the following:

(2) A watercraft you do not own that is:

(a) Less than 50 feet long; and

(b) Not being used to carry persons or property for a charge;

0000 00480064 000003 0000

Includes copyrighted material of Insurance Services Office, Inc., with its permission.

a. If this Policy has been in effect for 60 days or more, or is a renewal of a policy we issued, we may cancel this Policy by mailing through first-class mail to the first Named Insured written notice of cancellation:

(1) Including the actual reason, at least 10 days before the effective date of cancellation, if we cancel for nonpayment of premium; or

(2) At least 45 days before the effective date of cancellation if we cancel for any other reason.

We may only cancel this Policy based on one or more of the following reasons:

(1) Nonpayment of premium;

(2) A false statement knowingly made by the insured on the application for insurance; or

(3) A substantial change in the exposure or risk other than that indicated in the application and underwritten as of the effective date of the Policy unless the first Named Insured has notified us of the change and we accept such change.

3. Paragraph **C. Concealment, Misrepresentation Or Fraud** is replaced by the following:

C. Concealment, Misrepresentation Or Fraud

We will not pay for any loss or damage in any case of:

1. Concealment or misrepresentation of a material fact; or

2. Fraud;

committed by you or any other insured at any time and relating to coverage under this Policy.

4. The following paragraph is added and supersedes any other provision to the contrary:

Nonrenewal

If we decide not to renew this Policy, we will mail through first-class mail to the first Named Insured shown in the Declarations written notice of the nonrenewal at least 45 days before the expiration date, or its anniversary date if it is a policy written for a term of more than one year or with no fixed expiration date.

If notice is mailed, proof of mailing will be sufficient proof of notice.

5. The following paragraph is added:

Increase In Premium Or Decrease In Coverage

We will not increase the premium unilaterally or decrease the coverage benefits on renewal of this Policy unless we mail through first-class mail written notice of our intention, including the actual reason, to the first Named Insured's last mailing address known to us, at least 45 days before the effective date.

Any decrease in coverage during the policy term must be based on one or more of the following reasons:

a. Nonpayment of premium;

b. A false statement knowingly made by the insured on the application for insurance; or

c. A substantial change in the exposure or risk other than that indicated in the application and underwritten as of the effective date of the Policy unless the first Named Insured has notified us of the change and we accept such change.

If notice is mailed, proof of mailing will be sufficient proof of notice.

0000 00490064 000003 0000

Includes copyrighted material of Insurance Services Office, Inc., with its permission.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BUILDINGS AND SCHEDULED STRUCTURES MATCHING UNDAMAGED VINYL, METAL OR WOOD SIDING COVERAGE

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

The following is added to **Section I - Property, 5. Additional Coverages:**

s. Buildings And Scheduled Structures Matching Undamaged Vinyl, Metal Or Wood Siding Coverage

We will reimburse you up to the amount shown in the Declarations for the cost you incur to replace any undamaged siding (including soffit and fascia) with material and finishes in current use and of similar quality to match those materials that were used to replace siding damaged by a covered cause of loss to your Buildings and Scheduled Structures covered by this policy.

This coverage applies only if the damaged siding and undamaged siding is on the same Building or Scheduled Structure and similar siding is no longer available to repair or replace the damaged portion of the siding on your Buildings and Scheduled Structures.

This coverage:

(1) Does not apply to mismatches caused by weathering, fading, oxidizing, or wear and tear; and

(2) Only applies to vinyl, metal or wood siding.

We will not pay to match the siding on your Buildings or Scheduled Structures to match the siding of any other Buildings or Scheduled Structures.

The following is added to **Section I - Property, E. Property Loss Conditions, 5. Loss Payment, d.:**

(9) We will not:

(a) Pay to refinish, repair, or replace any undamaged property that does not match new materials used to refinish, repair, or replace damaged property, except for the Additional Coverage provided by this endorsement .

(b) Pay for any diminished value to any property due to mismatch between undamaged material and new material used to repair or replace damaged or stolen material.

(c) Pay for any diminished value of any property resulting from the repair or replacement of such property.

0000 00500064 000003 0000

Includes copyrighted material of Insurance Services Office, Inc., with its permission.

BUSINESSOWNERS
BPF 84 72 08 18

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EMPLOYEE DISHONESTY - BOARD OF DIRECTORS MEMBER(S)

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

A. Paragraph **G.3. Employee Dishonesty** of **Section I - Property** is amended to include "Board of directors member(s)" as employee(s).

B. With respect to the Employee Dishonesty coverage in Paragraph **G.3.** "Board of directors member(s)" means a natural person elected or appointed to serve on the board of directors of the association.

0000 00510064 000003 0000

Includes copyrighted material of Insurance Services Office, Inc., with its permission.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ROOF SURFACING LOSS PAYMENT SCHEDULE

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

A. The following is added to Paragraph **E.5.d.** of the **Loss Payment Property Loss Conditions** of **Section I - Property:**

(9) In the event of loss or damage to roof surfacing of Covered Property caused by a Covered Cause of Loss we will settle actual cash value roof surfacing losses using the following loss payment schedule.

However, loss payment for roof surfacing described in this endorsement does not apply when we determine that your Building, Scheduled Structure or Unscheduled Structure is a total loss.

B. For the purpose of this endorsement, roof surfacing refers to the shingles, tiles, cladding, metal or synthetic sheeting or similar materials covering the roof and includes all materials used in securing the roof surface and all materials applied to or under the roof surface for moisture protection, as well as roof flashing.

0000 00520064 000003 0000

Includes copyrighted material of Insurance Services Office, Inc., with its permission.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CONDOMINIUM ASSOCIATION COVERAGE

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

A. Paragraph **A.1. Covered Property** in **Section I - Property** is replaced by the following:

1. Covered Property

Covered Property includes Buildings as described under Paragraph **a.** below, Scheduled Structures as described under Paragraph **b.** below, Unscheduled Structures as described under Paragraph **c.** below, and Business Personal Property as described under Paragraph **d.** below, or any combination thereof, depending on whether a Limit Of Insurance is shown in the Declarations for that type of property.

Regardless of whether coverage is shown in the Declarations for Buildings, Structures, Unscheduled Structures, and Business Personal Property, or any combination thereof, there is no coverage for property described under Paragraph **2. Property Not Covered**.

a. Buildings, meaning the buildings at the premises described in the Declarations and defined in the Condominium Association Agreement.

This does not include:

(1) Scheduled Structures; or

(2) Unscheduled Structures.

b. Scheduled Structures, meaning the listed structures at the premises described in the Declarations.

This does not include:

(1) Buildings; or

(2) Unscheduled Structures.

Buildings as described in Paragraph **a.** above or Scheduled Structures as described in Paragraph **b.** above that are damaged by a Covered Cause of Loss include:

(1) Completed additions;

(2) Fixtures, outside of individual units, including outdoor fixtures;

(3) Permanently installed:

(a) Machinery; and

(b) Equipment;

(4) Personal property owned by you that is used to maintain or service the Buildings, Scheduled Structures or the premises, including:

(a) Fire extinguishing equipment;

(b) Outdoor furniture;

(c) Floor coverings;

(d) Appliances used for refrigerating, ventilating, cooking, dishwashing or laundering that are not contained within individual units; and

(e) Maintenance equipment.

But the most we will pay for the loss of maintenance equipment caused by or resulting from any Covered Cause of Loss is $25,000 for any one occurrence.

(5) If not covered by other insurance:

(a) Additions under construction, alterations and repairs to the Buildings or Scheduled Structures;

(b) Materials, equipment, supplies, and temporary structures, on or within 100 feet of the described premises, used for making additions, alterations or repairs to the Buildings or Scheduled Structures; and

(6) Any of the following types of property contained within a unit, regardless of ownership, if your Condominium Association Agreement requires you to insure it:

(a) Fixtures, improvements and alterations that are a part of the Buildings or Scheduled Structures; and

(b) Appliances, such as those used for refrigerating, ventilating, cooking, dishwashing, laundering, security or housekeeping.

But Buildings or Scheduled Structures do not include personal property owned by, used by or in the care, custody or control of a unit-owner except for personal property listed in Paragraph **A.1.(6)** above.

c. Unscheduled Structures, meaning any structures at the premises not otherwise described in the Declarations that are:

(1) Permanently affixed to the land; and

(2) Have a replacement cost value of less than $25,000.

This does not include:

(1) Buildings;

0000 00530064 000003 0000

Includes copyrighted material of Insurance Services Office, Inc., with its permission.

lead-in wiring, masts or towers in this policy.

D. The following is added to Paragraph **C. Limits Of Insurance:**

6. Increased Building Limit Coverage

We will settle covered losses to Buildings described in the Declarations at replacement cost up to a maximum of 125% of the limit applying to the damaged Buildings at the time of loss subject to the following provisions:

a. You have notified us within 90 days of the start of any additions to or remodeling of an insured Building which increases its replacement cost value by 20% or more as determined by us at the time of loss. If you fail to notify us within 90 days, our payment will not exceed the limit applying to the Building as outlined in Paragraph **5. Loss Payment** of Paragraph **E. Property Loss Conditions** in **Section - I Property**; and

b. You have paid any additional premium due for the increase in value.

The **Increased Building Limit Coverage** applies only to Buildings that are repaired or replaced at the same premises after a covered loss.

This coverage does not apply to:

a. Buildings under construction;

b. Scheduled Structures; or

c. Unscheduled Structures.

E. The following is added to the **Loss Payment Condition** in **Section I - Property:**

If you name an insurance trustee, we will adjust losses with you, but we will pay the insurance trustee. If we pay the trustee, the payments will satisfy your claims against us.

F. The following is added to the **Property Loss Conditions** in **Section I - Property:**

9. Unit-Owner's Insurance

A unit-owner may have other insurance covering the same property as this insurance. This insurance is intended to be primary and not to contribute with such other insurance.

G. The following is added to Paragraph **C. Who Is An Insured** in **Section II - Liability:**

3. Each individual unit-owner of the insured condominium, but only for liability arising out of the ownership, maintenance or repair of that portion of the premises which is not reserved for that unit-owner's exclusive use or occupancy.

H. The following is added to Paragraph **K. Transfer Of Rights Of Recovery Against Others To Us** in **Section III - Common Policy Conditions:**

3. Waiver Of Rights Of Recovery

We waive our rights to recover payment from any unit-owner of the condominium that is shown in the Declarations.

0000 00540064 000003 0000

Includes copyrighted material of Insurance Services Office, Inc., with its permission.

INTERLINE
IL 75 26 12 05

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

COLORADO ENDORSEMENT CHANGES

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM
BUSINESSOWNERS POLICY
COMMERCIAL CRIME COVERAGE PART
COMMERCIAL GENERAL LIABILITY COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL LIABILITY UMBRELLA POLICY
COMMERCIAL PROPERTY COVERAGE PART
CONDOMINIUM DIRECTORS AND OFFICERS LIABILITY POLICY
EMPLOYEE BENEFIT LIABILITY COVERAGE PART
GARAGE COVERAGE FORM
LIQUOR LIABILITY COVERAGE PART
NON-PROFIT DIRECTORS AND OFFICERS LIABILITY POLICY
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

Any endorsement made a part of this policy, whether at the time of issue or during the policy period, amends the terms of the policy. Where the policy terms differ from similar terms in any endorsement, the endorsement will prevail.

All other terms remain unchanged.

0000 00550064 000003 0000

POLICY NUMBER:

BUSINESSOWNERS
BP 05 47 07 13

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

COMPUTER FRAUD AND FUNDS TRANSFER FRAUD

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

SCHEDULE

Coverage	Limit Of Insurance
Computer Fraud And Funds Transfer Fraud Coverage	$
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

Section I – Property is amended as follows:

A. With respect to the coverage provided by this endorsement, Paragraph **A.4. Limitations** is amended as follows:

Subparagraph **a.(4)** does not apply.

B. The following is added to Paragraph **A.5. Additional Coverages:**

Computer Fraud And Funds Transfer Fraud

(1) The Computer Fraud And Funds Transfer Fraud Coverage limit shown in the Schedule of this endorsement is the most we will pay for loss of and damage to "money", "securities" and "other property" following and directly related to the use of any computer to fraudulently cause a transfer of that property from inside the described premises, bank or savings institution:

(a) To a person (other than a messenger) outside those premises; or

(b) To a place outside those premises.

(2) The Computer Fraud And Funds Transfer Fraud Coverage limit shown in the Schedule of this endorsement is the most we will pay for loss of "money" and "securities" resulting directly from a "fraudulent instruction" directing a financial institution to transfer, pay or deliver "money" and "securities" from your "transfer account".

C. With respect to the coverage provided by this endorsement, Paragraph **B. Exclusions** is amended as follows:

1. Paragraph **2.g. False Pretense** does not apply.

2. The following exclusion is added:

We will not pay for loss or damages caused by or resulting from the use or purported use of credit, debit, charge, access, convenience, identification, stored-value or other cards or the information contained on such cards.

D. The following exclusion is added to Paragraph **b.** under **G.2. Money And Securities** Optional Coverages:

(4) Or damage to "money" and "securities" following and directly related to the use of any computer to fraudulently cause a transfer of that property from inside the described premises, bank or savings institution:

(a) To a person (other than a messenger) outside those premises; or

(b) To a place outside those premises.

E. The following are added to Paragraph **H. Property Definitions:**

15. "Employee"

a. "Employee" means:

(1) Any natural person:

(a) While in your service or for 30 days after termination of service;

0000 00560064 000003 0000

© Insurance Services Office, Inc., 2012

BUSINESSOWNERS
BP 05 41 01 15

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:

BUSINESSOWNERS COVERAGE FORM

The following provisions are added to the Businessowners Liability Coverage Form **BP 00 06** and **Section II – Liability** of the Businessowners Coverage Form **BP 00 03:**

A. The following exclusion is added:

This insurance does not apply to:

TERRORISM

"Any injury or damage" arising directly or indirectly, out of a "certified act of terrorism", or out of an "other act of terrorism" that is committed outside of the United States (including its territories and possessions and Puerto Rico), but within the "coverage territory". However, with respect to an "other act of terrorism", this exclusion applies only when one or more of the following are attributed to such act:

1. The total of insured damage to all types of property exceeds $25,000,000 (valued in U.S. dollars). In determining whether the $25,000,000 threshold is exceeded, we will include all insured damage sustained by property of all persons and entities affected by the terrorism and business interruption losses sustained by owners or occupants of the damaged property. For the purpose of this provision, insured damage means damage that is covered by any insurance plus damage that would be covered by any insurance but for the application of any terrorism exclusions; or

2. Fifty or more persons sustain death or serious physical injury. For the purposes of this provision, serious physical injury means:

a. Physical injury that involves a substantial risk of death; or

b. Protracted and obvious physical disfigurement; or

c. Protracted loss of or impairment of the function of a bodily member or organ; or

3. The terrorism involves the use, release or escape of nuclear materials, or directly or indirectly results in nuclear reaction or radiation or radioactive contamination; or

4. The terrorism is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or

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

With respect to this exclusion, Paragraphs **1.** and **2.** describe the thresholds used to measure the magnitude of an incident of an "other act of terrorism" and the circumstances in which the threshold will apply for the purpose of determining whether this exclusion will apply to that incident.

B. The following definitions are added:

1. For the purposes of this endorsement, "any injury or damage" means any injury or damage covered under any Coverage Form to which this endorsement is applicable, and includes but is not limited to "bodily injury", "property damage" or "personal and advertising injury" as may be defined in any applicable Coverage Form.

0000 00570064 000003 0000

© Insurance Services Office, Inc., 2015

BUSINESSOWNERS
BP 04 17 01 10

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EMPLOYMENT-RELATED PRACTICES EXCLUSION

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

The following exclusion is added to Paragraph **B.1. Exclusions – Applicable To Business Liability Coverage** in **Section II – Liability:**

This insurance does not apply to "bodily injury" or "personal and advertising injury" to:

(1) A person arising out of any:

(a) Refusal to employ that person;

(b) Termination of that person's employment; or

(c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination or malicious prosecution directed at that person; or

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

This exclusion applies:

(1) Whether the injury-causing event described in Paragraph **(a)**, **(b)** or **(c)** above occurs before employment, during employment or after employment of that person;

(2) Whether the insured may be liable as an employer or in any other capacity; and

(3) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

0000 00580064 000003 0000

© Insurance Services Office, Inc., 2009

BUSINESSOWNERS
BP 05 98 07 13

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AMENDMENT OF INSURED CONTRACT DEFINITION

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

Paragraph **9.** under **F. Liability And Medical Expenses Definitions** is 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, provided the "bodily injury" or "property damage" is caused, in whole or in part, by you or by those acting on your behalf. However, such part of a contract or agreement shall only be considered an "insured contract" to the extent your assumption of the tort liability is permitted by law. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

Paragraph **f.** does not include that part of any contract or agreement:

(1) That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, roadbeds, tunnel, underpass or crossing;

(2) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:

(a) Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or

(b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or

(3) Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in **(2)** above and supervisory, inspection, architectural or engineering activities.

0000 00590064 000003 0000

© Insurance Services Office, Inc., 2012

BUSINESSOWNERS
BP 04 93 01 06

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

TOTAL POLLUTION EXCLUSION WITH A BUILDING HEATING EQUIPMENT EXCEPTION AND A HOSTILE FIRE EXCEPTION

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

Exclusion **B.1.f. Pollution** in **Section II – Liability** is replaced by the following:

This insurance does not apply to:

f. Pollution

(1) "Bodily injury" or "property damage" which would not have occurred in whole or part but for the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time.

This exclusion does not apply to:

(a) "Bodily injury" if sustained within a building which is or was at any time owned or occupied by, or rented or loaned to, any insured and caused by smoke, fumes, vapor or soot produced by or originating from equipment that is used to heat, cool or dehumidify the building, or equipment that is used to heat water for personal use, by the building's occupants or their guests.

(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, storage, disposal, processing or treatment of waste; or

(ii) At any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations to test for, monitor, clean up, remove, contain, treat, detoxify, neutralize or in any way respond to, or assess the effects of, "pollutants".

(2) Any loss, cost or expense arising out of any:

(a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants"; or

(b) Claim or "suit" by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

0000 00600064 000003 0000

© ISO Properties, Inc., 2004

BUSINESSOWNERS
BP 04 39 07 02

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ABUSE OR MOLESTATION EXCLUSION

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

The following applies to Section **II** – Liability and supersedes any provision to the contrary:

This insurance does not apply to "bodily injury", "property damage" or "personal and advertising injury" arising out of:

(a) The actual or threatened abuse or molestation by anyone of any person while in the care, custody or control of any insured, or

(b) The negligent:

(i) Employment;

(ii) Investigation;

(iii) Supervision;

(iv) Reporting to the proper authorities, or failure to so report; or

(v) Retention;

of a person for whom any insured is or ever was legally responsible and whose conduct would be excluded by **(a)** above.

0000 00610064 000003 0000

© ISO Properties, Inc., 2001

POLICY PERIOD - RENEWAL OF COVERAGE

Insurance begins and ends at 12:01 A.M., Standard Time, at **your** mailing address and for the policy period shown in the Declarations. The first Named Insured shown in the Declarations may continue this policy for successive policy periods by paying the required premium on or before the effective date of each renewal policy period. If the premium is not paid when due, this policy expires at the end of the last policy period for which the premium was paid.

The premium for each policy period will be based on **our** current rates and rules.

If this policy replaces coverage in other policies terminating at 12:00 Noon (standard time) on the inception date of this policy, this policy shall be effective at 12:00 Noon (standard time) instead of at 12:01 A.M., Standard Time.

0000 00620064 000003 0000

Includes copyrighted material of Insurance Services Office, Inc.,
with its permission.

FACTS **WHAT DOES AMERICAN FAMILY INSURANCE DO WITH YOUR PERSONAL INFORMATION?**

AMERICAN FAMILY INSURANCE®

Why?	Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.

What?	The types of personal information we collect and share depend on the product or service you have with us. This information can include: • Social Security number and income • Account balances and payment history • Credit history and credit based insurance scores • Drivers license records and claims history When you are no longer our customer, we continue to share your information as described in this notice.

How?	All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons American Family Insurance chooses to share; and whether you can limit this sharing.

Reasons we can share your personal information	**Does American Family Insurance share?**	**Can you limit this sharing?**
For our everyday business purposes— such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	Yes	No
For our marketing purposes— to offer our products and services to you	Yes	No
For joint marketing with other financial companies	Yes	No
For our affiliates' everyday business purposes— information about your transactions and experiences	Yes	No
For our affiliates' everyday business purposes— information about your creditworthiness	Yes	Yes
For our affiliates to market to you	Yes	Yes
For nonaffiliates to market to you	Yes	Yes

To limit our sharing	Call 1-888-312-2263 – when prompted you will be asked to provide your first name, middle initial (if applicable), last name, address, city, state and at least one of your policy numbers. Please also indicate if you are requesting to limit sharing for others on your policies. Please indicate their full names. **Please note:** If you are a new customer, or receiving this notice from us for the first time, we can begin sharing your information 30 days from the date we sent this notice. When you are no longer our customer, we continue to share your information as described in this notice. However, you can contact us at any time to limit our sharing.

Questions?	Please go to our website at www.amfam.com/privacy-security

Who we are	
Who is providing this notice?	This privacy notice is provided by American Family Mutual Insurance Company, S.I. and the affiliates as listed under the "Other important information" section of this notice (referred to collectively as "American Family Insurance").

0000 00630064 000003 0000

Other important information – continued

For our customers in AK, AZ, CA, CT, GA, IL, ME, MA, MN, MT, NV, NJ, NC, OH, OR, SC and VA only.
You have the right to review information in your file. You may do so by writing to us at the address at the end of this section and providing us with your complete name, address, date of birth, and all policy numbers under which you are insured. Within 30 days of receipt of your request, we will contact you and inform you of the nature of recorded information that can be reasonably located and retrieved about you in our files. If you believe there is information in our file that is incorrect, you have the right to notify us and request that it be corrected, amended or deleted from your file. Use this address for requesting information in your file or for questions about the information in your file: **American Family Insurance, Attn: Consumer Affairs Department, 6000 American Pkwy., Madison, Wisconsin 53783-0001.**

American Family Insurance Legal Entities:

In addition to American Family Mutual Insurance Company, S.I., this privacy notice is provided by the following companies, which are all affiliates of American Family Mutual Insurance Company, S.I.: American Standard Insurance Company of Wisconsin, American Family Life Insurance Company, American Family Brokerage, Inc., American Family Insurance Company, American Standard Insurance Company of Ohio, and Midvale Indemnity Company. All companies are collectively referred to as "American Family Insurance" in this notice.

5000 00640064 000003 0000