

Report Claims Immediately by Calling*

1-800-238-6225

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

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

CONDOMINIUM PAC

A Custom Insurance Policy Prepared for:

THE VILLAGES AT CRANE MEADOW
C/O THE DARTMOUTH GROUP
3 PRESTON COURT, SUITE 3
BEDFORD MA 01730-2352

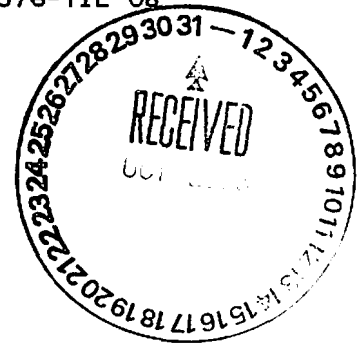
Presented by: FARRELL BACKLUND INS



RENEWAL CERTIFICATE

COMMON POLICY DECLARATIONS
CONDOMINIUM PAC
BUSINESS: CONDO 5-12

POLICY NO.: I-680-7307C576-TIL-08
ISSUE DATE: 10-14-08



INSURING COMPANY:
 TRAVELERS PROPERTY CASUALTY COMPANY OF AMERICA

1. NAMED INSURED AND MAILING ADDRESS:

THE VILLAGES AT CRANE MEADOW
 C/O THE DARTMOUTH GROUP
 3 PRESTON COURT, SUITE 3
 BEDFORD MA 01730-2352

2. POLICY PERIOD: From 11-04-08 to 11-04-09 12:01 A.M. Standard Time at your mailing address.

3. LOCATIONS:

PREM. NO.	BLDG. NO.	OCCUPANCY	ADDRESS (same as Mailing Address unless specified otherwise)
-----------	-----------	-----------	--

SEE IL TO 20 02 05

4. COVERAGE PARTS AND SUPPLEMENTS FORMING PART OF THIS POLICY AND INSURING COMPANIES:

COVERAGE PARTS AND SUPPLEMENTS	INSURING COMPANY
Businessowners Coverage Part	TIL
Directors & Officers Coverage Supplement	TIL

5. The COMPLETE POLICY consists of this declarations and all other declarations, and the forms and endorsements for which symbol numbers are attached on a separate listing.

6. SUPPLEMENTAL POLICIES: Each of the following is a separate policy containing its complete provisions.

POLICY	POLICY NUMBER	INSURING COMPANY
--------	---------------	------------------

DIRECT BILL

7. PREMIUM SUMMARY:

Provisional Premium	\$	19,742.00
Due at Inception	\$	
Due at Each	\$	

NAME AND ADDRESS OF AGENT OR BROKER

COUNTERSIGNED BY:

FARRELL BACKLUND INS HK571
 PO BOX 509
 TAUNTON MA 02780

 Authorized Representative
 DATE: _____

BUSINESSOWNERS COVERAGE PART DECLARATIONS

CONDOMINIUM PAC

POLICY NO.: I-680-7307C576-TIL-08

ISSUE DATE: 10-14-08

INSURING COMPANY:

TRAVELERS PROPERTY CASUALTY COMPANY OF AMERICA

POLICY PERIOD:

From 11-04-08 to 11-04-09 12:01 A.M. Standard Time at your mailing address.

FORM OF BUSINESS: ASSOCIATION

COVERAGES AND LIMITS OF INSURANCE: Insurance applies only to an item for which a "limit" or the word "included" is shown.

COMMERCIAL GENERAL LIABILITY COVERAGE

OCCURRENCE FORM	LIMITS OF INSURANCE
General Aggregate (except Products-Completed Operations Limit)	\$ 2,000,000
Products-Completed Operations Aggregate Limit	\$ 2,000,000
Personal and Advertising Injury Limit	\$ 1,000,000
Each Occurrence Limit	\$ 1,000,000
Damage to Premises Rented to You	\$ 300,000
Medical Payments Limit (any one person)	\$ 5,000

BUSINESSOWNERS PROPERTY COVERAGE

DEDUCTIBLE AMOUNT: Businessowners Property Coverage: \$ 5,000 per occurrence.
 Building Glass: \$ 5,000 per occurrence.

BUSINESS INCOME/EXTRA EXPENSE LIMIT: Actual loss for 12 consecutive months

Period of Restoration-Time Period: Immediately

ADDITIONAL COVERAGE:

Fine Arts: \$ 25,000

Other additional coverages apply and may be changed by an endorsement. Please read the policy.

SPECIAL PROVISIONS:

**COMMERCIAL GENERAL LIABILITY COVERAGE
IS SUBJECT TO A GENERAL AGGREGATE LIMIT**



BUSINESSOWNERS PROPERTY COVERAGE

PREMISES LOCATION NO.:	BUILDING NO.:	COVERAGE	LIMIT OF INSURANCE	VALUATION	COINSURANCE	INFLATION GUARD
01	01	BUILDING *Replacement Cost	\$ 3,002,750	RC*	N/A	4.0%
01	02	BUILDING *Replacement Cost	\$ 923,500	RC*	N/A	4.0%
01	03	BUILDING *Replacement Cost	\$ 2,164,600	RC*	N/A	4.0%
01	04	BUILDING *Replacement Cost	\$ 1,415,050	RC*	N/A	4.0%
01	05	BUILDING *Replacement Cost	\$ 1,916,800	RC*	N/A	4.0%
01	06	BUILDING *Replacement Cost	\$ 2,164,600	RC*	N/A	4.0%
01	07	BUILDING *Replacement Cost	\$ 2,656,160	RC*	N/A	4.0%
01	08	BUILDING *Replacement Cost	\$ 1,916,800	RC*	N/A	4.0%

Other coverage extensions apply and may be changed by an endorsement. Please read the policy.

BUSINESSOWNERS PROPERTY COVERAGE

PREMISES LOCATION NO.:	BUILDING NO.:	COVERAGE	LIMIT OF INSURANCE	VALUATION	COINSURANCE	INFLATION GUARD
01	09	BUILDING *Replacement Cost	\$ 1,415,050	RC*	N/A	4.0%
01	10	BUILDING *Replacement Cost	\$ 2,664,860	RC*	N/A	4.0%
01	11	BUILDING *Replacement Cost	\$ 2,656,160	RC*	N/A	4.0%
01	12	BUILDING *Replacement Cost	\$ 243,675	RC*	N/A	4.0%
		BUSINESS PERSONAL PROPERTY *Replacement Cost	\$ 10,500	RC*	N/A	0.0%
		COVERAGES EXTENSIONS:				
		Accounts Receivable	\$ 25,000			
		Valuable Papers	\$ 25,000			
01	13	BUILDING *Replacement Cost	\$ 1,415,050	RC*	N/A	4.0%
01	14	BUILDING *Replacement Cost	\$ 1,415,050	RC*	N/A	4.0%

Other coverage extensions apply and may be changed by an endorsement. Please read the policy.

POLICY NUMBER: I-680-7307C576-TIL-08

EFFECTIVE DATE: 11-04-08

ISSUE DATE: 10-14-08

LISTING OF FORMS, ENDORSEMENTS AND SCHEDULE NUMBERS

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

* IL T0 25 08 01 RENEWAL CERTIFICATE
* MP T0 01 02 05 BUSINESSOWNERS COVERAGE PART DECS
* IL T8 01 01 01 FORMS, ENDORSEMENTS AND SCHEDULE NUMBERS
* IL T3 15 09 07 COMMON POLICY CONDITIONS
* IL T0 20 02 05 ADDITIONAL LOCATIONS

BUSINESSOWNERS

* MP T1 36 01 89 BLANKET LIMITS BLDG/BUS PERS PROP
MP T1 02 02 05 BUSINESSOWNERS PROPERTY COV-SPEC FORM
MP T1 03 02 05 AMENDATORY PROVISIONS-CONDOMINIUM
* MP T3 06 02 07 SEWER OR DRAIN BACKUP EXTENSION
* MP T3 07 03 97 PROTECTIVE SAFEGUARDS-SPRINK&RESTAURANT
* MP T3 25 01 08 TERRORISM RISK INS ACT OF 2002 NOTICE
MP T3 50 11 06 EQUIP BREAKDOWN SERV INTERRUPTION LIM
* MP T3 56 02 08 AMENDATORY PROVISIONS-GREEN BLD
* MP T5 13 10 06 FUNGUS, WET ROT, DRY ROT EXCL & LIMIT-MA
* MP T1 71 02 05 BUILDING OWNERS ENDORSEMENT
* MP T1 82 02 05 CAUSES OF LOSS - EARTHQUAKE
MP T9 70 03 06 POWER PAC ENDORSEMENT
* CP 01 03 02 98 MA CHANGES-CONDOMINIUMS
* CP T3 11 10 00 MASSACHUSETTS CHANGES
CP T9 16 09 99 MASSACHUSETTS CHANGES "POLLUTANTS"

COMMERCIAL GENERAL LIABILITY

CG T0 34 11 03 TABLE OF CONTENTS
CG T0 59 10 91 TABLE OF CONTENTS DIR & OFFICERS
CG 00 01 10 01 COMMERCIAL GENERAL LIABILITY COV FORM
CG D2 37 11 03 EXCLUSION-REAL ESTATE DEV ACTIVITIES
CG D2 55 11 03 AMENDMENT OF COVERAGE - POLLUTION
CG D3 09 11 03 AMEND ENDT-PRODUCTS-COMPLETED OPR HAZARD
* CG 21 70 01 08 CAP ON LOSSES-CERTIFIED ACTS-TERRORISM
CG D0 28 10 91 DIR & OFFICERS LIAB END COMMUNITY ASSOC
CG D0 37 04 05 OTHER INSURANCE-ADDITIONAL INSUREDS
CG D1 86 11 03 XTEND ENDORSEMENT
CG D2 03 12 97 AMEND-NON CUMULATION OF EACH OCC
CG D2 34 01 05 WEB XTEND - LIABILITY
* MP T1 25 11 03 HIRED AUTO AND NON-OWNED AUTO LIAB
CG D2 43 01 02 FUNGI OR BACTERIA EXCLUSION
CG D2 56 11 03 AMENDMENT OF COVERAGE
CG D2 88 11 03 EMPLOYMENT-RELATED PRACTICES EXCLUSION
CG D3 26 01 04 EXCLUSION-UNSOLICITED COMMUNICATIONS
CG D3 56 01 05 MOBILE EQUIP/EXCL VEHICLES SUB TO MV LAW

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

POLICY NUMBER: I-680-7307C576-TIL-08

EFFECTIVE DATE: 11-04-08

ISSUE DATE: 10-14-08

COMMERCIAL GENERAL LIABILITY (CONTINUED)

* CG 21 51 09 89 AMEND LIQUOR LIAB EXCL EXCEPT SCHED ACT
CG D1 42 01 99 EXCLUSION-DISCRIMINATION
CG D2 42 01 02 EXCLUSION WAR
CG T4 78 02 90 EXCLUSION-ASBESTOS
CG 22 83 11 94 MA CHANGES-LEAD POISONING END
* CG 22 84 11 94 MA CHANGES-SUPP COV FOR LEAD POISON END
CG T3 33 11 03 LIMIT WHEN TWO OR MORE POLICIES APPLY

INTERLINE ENDORSEMENTS

* IL T3 82 08 06 EXCL OF LOSS DUE TO VIRUS OR BACTERIA
* IL T3 79 01 08 CAPS ON LOSSES FROM CERT ACTS OF TERROR
IL 00 21 07 02 NUCLEAR ENERGY LIAB EXCL END-BROAD FORM

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

COMMON POLICY CONDITIONS

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

A. CANCELLATION

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

B. CHANGES

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

C. EXAMINATION OF YOUR BOOKS AND RECORDS

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

D. INSPECTIONS AND SURVEYS

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

E. PREMIUMS

1. The first Named Insured shown in the Declarations:
 - a. Is responsible for the payment of all premiums; and
 - b. Will be the payee for any return premiums we pay.

2. We compute all premiums for this policy in accordance with our rules, rates, rating plans, premiums and minimum premiums. The premium shown in the Declarations was computed based on rates and rules in effect at the time the policy was issued. On each renewal, continuation or anniversary of the effective date of this policy, we will compute the premium in accordance with our rates and rules then in effect.

F. TRANSFER OF YOUR RIGHTS AND DUTIES UNDER THIS POLICY

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

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

G. BUSINESSOWNERS COVERAGE PART – REFERENCES TO FORMS AND ENDORSEMENTS

In some instances, the Common Policy Declarations may list endorsements included in the Businessowners Coverage Part that reference:

1. The Commercial Property Coverage Part;
2. The Commercial General Liability or Liquor Liability Coverage Part; or

3. Standard Property forms including, but not limited to, the following:

- a. Building and Personal Property Coverage Form;
- b. Business Income Coverage Form;
- c. Commercial Property Conditions;
- d. Condominium Association Coverage Form;
- e. Condominium Commercial Unit-Owners Coverage Form;
- f. Causes of Loss Basic Form;
- g. Causes of Loss Special Form; and
- h. Causes of Loss Earthquake Form.

Endorsements referencing the Commercial Property Coverage Part or the Standard Property Forms referenced above apply to the Businessowners Property Coverage Special Form in the same manner as they apply to the forms they reference.

Endorsements referencing the Commercial General Liability Coverage Part apply to the Commercial General Liability Coverage Form (included in the Businessowners Coverage Part) in the same manner as they apply to the form they reference.

H. INSURANCE UNDER TWO OR MORE COVERAGE PARTS

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

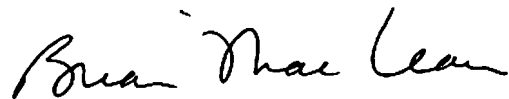
This policy consists of the Common Policy Declarations and the Coverage Parts and endorsements listed in that declarations form.

In return for payment of the premium, we agree with the Named Insured to provide the insurance afforded by a Coverage Part forming part of this policy. That insurance will be provided by the company indicated as insuring company in the Common Policy Declarations by the abbreviation of its name opposite that Coverage Part.

The companies listed below (each a stock company) have executed this policy, but it is valid only if countersigned on the Common Policy Declarations by our authorized representative.

- The Travelers Indemnity Company (IND)
- The Phoenix Insurance Company (PHX)
- The Charter Oak Fire Insurance Company (COF)
- Travelers Property Casualty Company of America (TIL)
- The Travelers Indemnity Company of Connecticut (TCT)
- The Travelers Indemnity Company of America (TIA)
- Travelers Casualty Insurance Company of America (ACJ)


Secretary


President

**ADDITIONAL LOCATIONS
CONDOMINIUM PAC**

**POLICY NO.: I-680-7307C576-TIL-08
ISSUE DATE: 10-14-08**

**THIS SCHEDULE OF LOCATIONS AND BUILDINGS APPLIES
TO THE COMMON DECLARATIONS FOR THE PERIOD**

11-04-08 to 11-04-09

PREMISES LOCATION NUMBER	BUILDING NUMBER	OCCUPANCY	ADDRESS
01	01	CONDO 5-12	51-61 ODD & 52-60 EVN HEATHERWOOD DR MARLBOROUGH MA 01752
01	02	CONDO 1-4	10-14-18 HEATHERWOOD DR MARLBOROUGH MA 01752
01	03	CONDO 5-12	1-11 ODD HEATHERWOOD DR MARLBOROUGH MA 01752
01	04	CONDO 5-12	2-10 EVEN WHISPERING BROOK RD MARLBOROUGH MA 01752
01	05	CONDO 5-12	12-24 EVEN WHISPERING BROOK RD MARLBOROUGH MA 01752
01	06	CONDO 5-12	25-39 ODD WHISPERING BROOK MARLBOROUGH MA 01752
01	07	CONDO 5-12	1-19 ODD WHISPERING BROOK MARLBOROUGH MA 01752
01	08	CONDO 5-12	23,27,31,35,37,41,45 DEERFIELD RUN MARLBOROUGH MA 01752
01	09	CONDO 5-12	60,64,68,72,76 DEERFIELD RUN MARLBOROUGH MA 01752
01	10	CONDO 5-12	65-81 ODD DEERFIELD RUN MARLBOROUGH MA 01752
01	11	CONDO 5-12	15-33 CANTERBURY WAY MARLBOROUGH MA 01752
01	12	CONDO 1-4	7 CANTERBURY WAY MARLBOROUGH MA 01752
01	13	CONDO 5-12	40-48 EVEN WHISPERING BROOK RD MARLBOROUGH MA 01752





ADDITIONAL LOCATIONS
CONDOMINIUM PAC

POLICY NO.: I-680-7307C576-TIL-08
ISSUE DATE: 10-14-08

**THIS SCHEDULE OF LOCATIONS AND BUILDINGS APPLIES
TO THE COMMON DECLARATIONS FOR THE PERIOD**

11-04-08 to 11-04-09

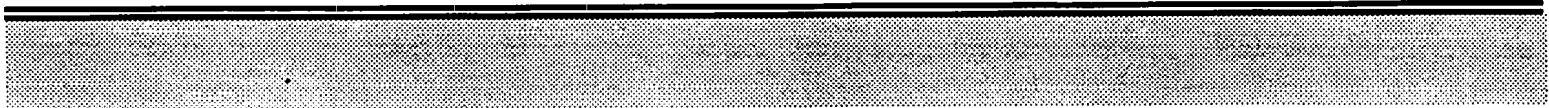
PREMISES LOCATION NUMBER	BUILDING NUMBER	OCCUPANCY	ADDRESS
01	14	CONDO 5-12	41-49 ODD WHISPERING BROOK RD MARLBOROUGH MA 01752



BUSINESSOWNERS



BUSINESSOWNERS



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PROTECTIVE SAFEGUARDS ENDORSEMENT FOR SPRINKLERED LOCATIONS AND RESTAURANTS

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE PART

SCHEDULE*

Prem. No.	Bldg. No.	Protective Safeguards Symbols Applicable	Prem. No.	Bldg. No.	Protective Safeguards Symbols Applicable
01	01	P1			
01	02	P1			
01	03	P1			
01	04	P1			
01	05	P1			
01	06	P1			
01	07	P1			
01	08	P1			
01	09	P1			
01	10	P1			
01	11	P1			
01	12	P1			
01	13	P1			
01	14	P1			

1. The following is added to the:

BUSINESSOWNERS PROPERTY COVERAGE
SPECIAL FORM

BUSINESSOWNERS PROPERTY COVERAGE
STANDARD FORM

PROTECTIVE SAFEGUARDS

a. As a condition of this insurance, you are required to maintain the protective devices or services listed in the Schedule above.

b. The protective safeguards to which this endorsement applies are identified by the following symbols:

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

Automatic Sprinkler System means:

(1) Any automatic fire protective or extinguishing system, including connected:

(a) Sprinklers and discharge nozzles;

*Information required to complete this Schedule, if not shown on this endorsement, will be shown in the Declarations

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

TERRORISM RISK INSURANCE ACT OF 2002 DISCLOSURE

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE PART

On December 26, 2007, the President of the United States signed into law amendments to the Terrorism Risk Insurance Act of 2002 (the "Act"), which, among other things, extend the Act and expand its scope. The Act establishes a program under which the Federal Government may partially reimburse "Insured Losses" (as defined in the Act) caused by "acts of terrorism". An "act of terrorism" is defined in Section 102(l) of the Act to mean any act that is certified by the Secretary of the Treasury – in concurrence with the Secretary of State and the Attorney General of the United States – to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States Mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

The federal government's share of compensation for Insured Losses is 85% of the amount of Insured

Losses in excess of each Insurer's statutorily established deductible, subject to the "Program Trigger", (as defined in the Act). In no event, however, will the federal government or any Insurer be required to pay any portion of the amount of aggregate Insured Losses occurring in any one year that exceeds \$100,000,000,000, provided that such Insurer has met its deductible. If aggregate Insured Losses exceed \$100,000,000,000 in any one year, your coverage may therefore be reduced.

The charge for Insured Losses under this Coverage Part is included in the Coverage Part premium. The charge that has been included for this Coverage Part is indicated below, and does not include any charge for the portion of losses covered by the Federal Government under the Act:

- 4% of your total Businessowners Coverage Part premium if your primary location is in a Designated City (as listed below).
- 2% of your total Businessowners Coverage Part premium if your primary location is not in a Designated City (as listed below).

Designated Cities are:			
Albuquerque, NM	El Paso, TX	Miami, FL	San Diego, CA
Atlanta, GA	Fort Worth, TX	Milwaukee, WI	San Antonio, TX
Austin, TX	Fresno, CA	Minneapolis, MN	San Francisco, CA
Baltimore, MD	Honolulu, HI	Nashville-Davidson, TN	San Jose, CA
Boston, MA	Houston, TX	New Orleans, LA	Seattle, WA
Charlotte, NC	Indianapolis, IN	New York, NY	St. Louis, MO
Chicago, IL	Jacksonville, FL	Oakland, CA	Tucson, AZ
Cleveland, OH	Kansas City, MO	Oklahoma City, OK	Tulsa, OK
Colorado Springs, CO	Las Vegas, NV	Omaha, NE	Virginia Beach, VA
Columbus, OH	Long Beach, CA	Philadelphia, PA	Washington, DC
Dallas, TX	Los Angeles, CA	Phoenix, AZ	Wichita, KS
Denver, CO	Memphis, TN	Portland, OR	
Detroit, MI	Mesa, AZ	Sacramento, CA	

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AMENDATORY PROVISIONS – GREEN BUILDING AND BUSINESS PERSONAL PROPERTY COVERAGE ENHANCEMENTS

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS PROPERTY COVERAGE SPECIAL FORM

A. DEFINITIONS

As used in this endorsement:

1. **"Green"** means products, materials, methods and processes that conserve natural resources, reduce energy or water consumption, avoid toxic or other polluting emissions or otherwise minimize the environmental impact.
2. **"Green Authority"** means a recognized authority on green building or green products, materials or processes.

B. The BUSINESSOWNERS PROPERTY COVERAGE SPECIAL FORM is changed as follows:

1. The following Additional Coverages are added:

a. Green Building Alternatives – Increased Cost

- (1) If direct physical loss or damage by a Covered Cause of Loss occurs to a building that is covered property, we will pay for:

(a) The reasonable additional cost you incur to repair or replace the lost or damaged portions of the building using products or materials that:

- (i) Are "green" alternatives to the products or materials of the lost or damaged property, in accordance with the documented standards of a "Green Authority"; and
- (ii) Are otherwise of comparable quality and function to the damaged property;

and

(b) The reasonable additional cost you incur to employ "green" methods or processes of construction, disposal or recycling in the course of the repair and replacement of the lost or damaged building, in accordance with the documented standards of a "Green Authority".

- (2) The insurance provided under this Additional Coverage applies only if replacement cost valuation applies to the lost or damaged building and then only if the building is actually repaired or replaced as soon as reasonably possible after the loss or damage.
- (3) The insurance provided under this Additional Coverage does not apply to any building that has been "vacant" for more than 60 consecutive days before the loss or damage occurs.
- (4) The most we will pay for the additional cost incurred with respect to each building in any one occurrence under this Additional Coverage is determined by:
 - (a) Multiplying 5%; times
 - (b) The amount we would otherwise pay for the direct physical loss of or damage to the building, prior to application of any applicable deductible.
- (5) However, the most we will pay for the additional cost incurred in any one occurrence, regardless of the number of buildings involved, is \$25,000.

b. Green Building Reengineering and Recertification Expense

(1) If, as a result of direct physical loss or damage by a Covered Cause of Loss to a building that is Covered Property, the pre-loss level of "green" building certification by a "Green Authority" on the building is lost, we will pay for the following reasonable additional expenses you incur to re-attain the pre-loss level of "green" building certification from that "Green Authority":

(a) The reasonable additional expense you incur to hire a qualified engineer or other professional required by the "Green Authority" to be involved in:

(i) Designing, overseeing or documenting the repair or replacement of the lost or damaged building; or

(ii) Testing and recalibrating the systems and mechanicals of the lost or damaged building to verify that the systems and mechanicals are performing in accordance with the design of such systems and mechanicals or the specifications of the manufacturer;

and

(b) The reasonable registration and recertification fees charged by the "Green Authority".

(2) This Additional Coverage applies to the additional expenses described above that you incur to achieve the pre-loss level of "green" building certification in accordance with the standards of the "Green Authority" that exist at the time of repair or replacement, even if the standards have changed since the original certification was achieved.

(3) The insurance provided under this Additional Coverage does not apply to any building that has been "vacant" for more than 60 consecutive days before the loss or damage occurs.

(4) The most we will pay in any one occurrence under this Additional Coverage for:

(a) All expenses incurred with respect to each building is 5% of the sum of:

(i) The amount we pay for the direct physical loss of or damage to the building, including any amount paid under the Green Building Alternatives – Increased Cost Additional Coverage; and

(ii) The deductible amount applied to the loss payment for direct physical loss or damage to the building;

(b) All expenses incurred, regardless of the number of buildings involved, is \$25,000.

2. The following Coverage Extensions are added:

a. Green Building and Business Personal Property Alternatives – Increased Period of Restoration

(1) If:

(a) Direct physical loss or damage by a Covered Cause of Loss occurs to a building at the described premises or Business Personal Property at the described premises to which the Green Business Personal Property Alternatives – Increased Cost Coverage Extension applies; and

(b) The Declarations show that you have coverage for Business Income and Extra Expense;

you may extend that insurance to include the amount of actual loss of Business Income you sustain and reasonable and necessary Extra Expense you incur during the increase in the "period of restoration" that is reasonably necessary to:

(i) Repair or replace the lost or damaged portions of the building or Business Personal Property (as described in Green Business Personal

Property Alternatives – Increased Cost Coverage Extension) using products or materials that:

a) Are "green" alternatives to the products or materials of the lost or damaged property, in accordance with the documented standards of a "Green Authority"; and

b) Are otherwise of comparable quality and function to the damaged property;

and

(ii) Employ "green" methods or processes of construction, disposal or recycling in the course of the repair and replacement of the lost or damaged building or Business Personal Property (as described in Green Business Personal Property Alternatives – Increased Cost Coverage Extension), in accordance with the documented standards of a "Green Authority";

subject to a maximum of 30 additional days from the date the "period of restoration" would otherwise have ended.

(2) This Coverage Extension is included in, and does not increase, the amount of coverage available based on the applicable Business Income and Extra Expense provision shown in the Declarations.

b. Green Business Personal Property Alternatives – Increased Cost

(1) If:

(a) The Declarations show that you have coverage for Business Personal Property; and

(b) Direct physical loss or damage by a Covered Cause of Loss occurs to covered Business Personal Property at the described premises; and

(c) Such loss or damage requires replacement of such property, or with respect to improvements and betterments, requires repair or replacement;

you may extend that insurance to apply to the reasonable additional cost you incur to replace the lost or damaged Business Personal Property, or with respect to improvements and betterments, to repair or replace the lost or damaged portions of such improvements and betterments, using products or materials that:

(i) Are "green" alternatives to the products or materials of the lost or damaged property, in accordance with the documented standards of a "Green Authority"; and

(ii) Are otherwise of comparable quality and function to the damaged property.

(2) With respect to improvements and betterments you may also extend that insurance to apply to the reasonable additional cost you incur to employ "green" methods or processes of construction, disposal or recycling in the course of the repair and replacement of the lost or damaged building, in accordance with the documented standards of a "Green Authority".

(3) The insurance provided under this Coverage Extension applies only if replacement cost valuation applies to the lost or damaged property and then only if the property is actually repaired or replaced as soon as reasonably possible after the loss or damage.

(4) This Coverage Extension does not apply to "stock" or property of others that is in your care, custody or control.

(5) The insurance provided under this Coverage Extension does not apply to Business Personal Property at any building that has been "vacant" for more than 60 consecutive days before the loss or damage occurs.



- (6) The most we will pay in any one occurrence under this Coverage Extension for the increased cost incurred with respect to the damaged property to which this Coverage Extension applies is determined by:
- (a) Multiplying 5%; times
 - (b) The amount we would otherwise pay for the direct physical loss of or damage to the business personal property, prior to application of any applicable deductible.
- (7) However, the most we will pay for the additional cost incurred in any one occurrence, regardless of the number of described premises involved, is \$25,000.
3. The following provision is added to the Loss Payment Loss Condition in Section E.4. :
- Except as specifically provided under the:
- a. Green Building Alternatives – Increased Cost Additional Coverage; and
 - b. Green Building Reengineering and Recertification Expense Additional Coverage; and
 - c. Green Business Personal Property Alternatives – Increased Cost Coverage Extension;
- the cost to repair, rebuild or replace does not include any increased cost incurred to re-
- attain a pre-loss level of "green" building certification from a "Green Authority".
4. This endorsement does not apply to property covered under the Newly Acquired or Constructed Property Additional Coverage.
5. With respect to the Additional Coverages and Coverage Extensions of this endorsement we will not pay for any Business Income or Extra Expense loss caused by or resulting from obtaining "green" building certification from a "Green Authority". However, this does not apply to any increase in the "period of restoration" required to re-attain a pre-loss level of "green" building certification from a "Green Authority" as otherwise covered under the Green Building and Business Personal Property Alternatives – Increased Period of Restoration Coverage Extension.
6. Under the **DEFINITIONS** in **Section G.** the following is added to the definition of "period of restoration":
- "Period of restoration" does not include any increased period required to re-attain a pre-loss level of "green" building certification from a "Green Authority". But this does not apply to an increase in the "period of restoration" otherwise covered under the Green Building and Business Personal Property Alternatives – Increased Period of Restoration Coverage Extension.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FUNGUS, WET ROT, DRY ROT EXCLUSION AND LIMITATIONS – MASSACHUSETTS

This endorsement modifies insurance provided under the following:
BUSINESSOWNERS PROPERTY COVERAGE PART

A. SCHEDULE

Limited "Fungus", Wet Rot or Dry Rot Coverage:

Direct Damage Limit of Insurance

\$15,000 OR \$25,000 \$50,000 \$100,000 \$250,000

B. The EXCLUSIONS contained in Section B. of the BUSINESSOWNERS PROPERTY COVERAGE FORM are amended as follows:

1. The following exclusion is added to B.1.:

"Fungus", Wet Rot or Dry Rot

a. We will not pay for loss or damage, or any increase in the amount of loss or damage, caused directly or indirectly by or resulting from the presence, growth, proliferation, spread or any activity of "fungus", wet rot or dry rot.

But if "fungus", wet rot or dry rot results in a Covered Cause of loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

This exclusion does not apply:

- (1) When "fungus", wet rot or dry rot results from fire or lightning; or
- (2) To the extent that coverage is provided in the Additional Coverage – Limited "Fungus", Wet Rot or Dry Rot in Section C.1. below of this endorsement with respect to loss or damage by a cause of loss other than fire or lightning.

2. The exclusions contained in B.2. are amended as follows:

- a. Under exclusion B.2.d.(2), reference to fungus, wet rot or dry rot, mold is deleted.
- b. Exclusion B.2.f. is deleted and replaced by the following:

We will not pay for loss or damage caused by or resulting from continuous or repeated seepage or leakage of water, or

the presence or condensation of humidity, moisture or vapor that occurs over a period of 14 days or more.

C. The Additional Coverages contained in Section A.6. of the BUSINESSOWNERS PROPERTY COVERAGE FORM are amended as follows:

1. The following Additional Coverage is added:

Additional Coverage – Limited "Fungus", Wet Rot or Dry Rot

a. The coverage described in b. and c. below only applies when the "fungus", wet rot or dry rot is the result of one or more of the following causes 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.

- (1) A Covered Cause of Loss other than fire or lightning; or
- (2) Flood, if the Causes of Loss – Broad Form Flood Endorsement applies to the affected premises.

b. Limited "Fungus", Wet Rot or Dry Rot – Direct Damage

- (1) We will pay for loss or damage by "fungus", 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 fungus", wet rot or dry rot, including the cost of removal of the "fungus" wet 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 "fungus", 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 "fungus", wet rot or dry rot are present.
- (2) The coverage described in b.(1) above is limited to \$15,000, or the limit of insurance shown in the Schedule of this endorsement for Limited "Fungus", Wet Rot or Dry Rot Coverage – Direct Damage. Regardless of the number of claims, this limit is the most we will pay for the total of all loss or damage under this coverage arising out of all occurrences of Covered Causes of Loss (other than fire or lightning) and Flood which take place in a 12 month period (starting with the beginning of the present annual policy period). With respect to a particular occurrence of loss which results in "fungus", wet rot or dry rot, we will not pay more than a total of this annual limit even if the "fungus", wet rot or dry rot continues to be present or active, or recurs, in a later policy period.
- (3) The coverage provided under this Limited "Fungus", Wet Rot or Dry Rot Coverage – Direct Damage does not increase the applicable Limit of Insurance on any Covered Property. If a particular occurrence results in loss or damage by "fungus", 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.
- (4) If there is covered loss or damage to Covered Property that is not caused by "fungus", wet rot or dry rot, loss payment will not be limited by the terms of this Limited "Fungus", Wet Rot or Dry Rot Coverage – Direct

Damage, except to the extent that "fungus", 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 "Fungus", Wet Rot or Dry Rot Coverage – Direct Damage.

c. Limited "Fungus", Wet Rot or Dry Rot Coverage – Business Income and Extra Expense

The following Limited "Fungus", Wet Rot or Dry Rot Coverage provisions for Business Income and Extra Expense apply only if Business Income and/or Extra Expense coverage applies to the described premises and only if the "suspension" of "operations" satisfies all of the terms of the applicable Business Income and/or Extra Expense coverage:

- (1) If the loss which results in the "fungus", wet rot or dry rot does not in itself necessitate a "suspension" of "operations", but such "suspension" of "operations" is necessary due to loss or damage to property at the described premises caused by "fungus", wet rot or dry rot, then our payment for Business Income and/or Extra Expense is limited to the amount of loss and/or expense sustained in a period of not more than 30 days. The days need not be consecutive.
- (2) If a covered "suspension" of "operations" is caused by loss or damage at the described premises by other than "fungus", wet rot or dry rot, but remediation of "fungus", wet rot or dry rot prolongs the "period of restoration", we will pay for loss and/or expense sustained during the delay, regardless of when such a delay occurs during the "period of restoration", but such coverage is limited to 30 days. The days need not be consecutive.

The coverage provided under this Limited "Fungus", Wet Rot or Dry Rot Coverage – Business Income and Extra Expense is included in, and not in addition to any limit or description of coverage for Business Income shown on the Businessowners Coverage Part Declarations or under the Extra Expense Additional Coverage.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BUILDING OWNERS ENDORSEMENT

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS PROPERTY COVERAGE SPECIAL FORM

SCHEDULE

Prem. Loc. No.	Bldg. No.	Prem. Loc. No.	Bldg. No.	Prem. Loc. No.	Bldg. No.	Prem. Loc. No.	Bldg. No.	Prem. Loc. No.	Bldg. No.
01	01	01	02	01	03	01	04	01	05
01	06	01	07	01	08	01	09	01	10

A. The BUSINESSOWNERS PROPERTY COVERAGE SPECIAL FORM is changed as follows:

1. The limit applicable to the **Additional Coverage – Debris Removal**, as referenced in Paragraph A.6.c.(4), is increased from \$25,000 to \$50,000.

2. Paragraph A.6.k.(6) is replaced by the following:

(6) The most we will pay for loss under this Additional Coverage for the total of all coverages described in Paragraph (1) above in any one occurrence is \$100,000 at each described premises. But, we will not pay more than \$250,000 in any one occurrence regardless of the number of described premises involved.

3. The following **Additional Coverages** are added:

a. **Lessor's Leasehold Interest**

(1) We will pay for the cost of Covered Leasehold Interest you sustain due to the cancellation of lease contracts by your tenants. The cancellation must result from direct physical loss of or damage to your Covered Property at the premises described in the Schedule above caused by or resulting from a Covered Cause of Loss during the term of the policy.

(2) **Covered Leasehold Interest:**

(a) Means the difference between the:

- (i) Rent you were collecting at the described premises prior to the loss; and

(ii) "Rental Value" of the described premises after loss or damage has been repaired or rebuilt; and

(b) Does not mean refunds or rebates of:

- (i) Prepaid rent;
- (ii) Security or other deposits made by your tenants; or
- (iii) Insurance, taxes or other payments made on your behalf by tenants.

(3) The most we will pay under this Additional Coverage is the smallest of:

(a) Your Covered Leasehold Interest for the 12 months immediately following the "Period of Restoration" plus the 60 days of Extended Business Income but ending with the normal expiration date of each cancelled lease; or

(b) \$25,000 for all Covered Leasehold Interest of all your tenants canceling their leases arising out of an occurrence at a described premises.

b. **Tenant Move Back Expenses**

(1) We will reimburse you for expenses you pay for Covered Move Back Costs of your tenants who temporarily vacate a portion of the building at the premises described in the Schedule above. The vacancy must have occurred while the portion of the building rented by your tenant could

not be occupied due to direct physical loss of or damage to your Covered Property caused by or resulting from a Covered Cause of Loss during the term of the policy. The move back must take place within 60 days after the portion of the building rented by your tenant has been repaired or rebuilt and is ready for occupancy.

- (2) Covered Move Back Costs means only documented, reasonable and necessary costs of:
 - (a) Packing, insuring and transporting business personal property;
 - (b) Re-establishing electric utility and communication services, less refunds from discontinued services;
 - (c) Assembling and setting up fixtures and equipment; or
 - (d) Unpacking and reshelving stock and supplies.
- (3) If your tenants have valid and collectible insurance for Covered Move Back Costs, we will pay only for the amount of Covered Move Back Costs in excess of the amount payable from such other insurance.
- (4) The most we will pay under this Additional Coverage is \$25,000 for the

sum of all such expenses arising out of an occurrence at a described premises.

c. Utility Services – Direct Damage

- (1) We will pay for loss of or damage to Covered Property caused by the interruption of services to the described premises. The interruption must result from direct physical loss or damage by a Covered Cause of Loss to the following property not on the described premises:
 - (a) "Water Supply Services";
 - (b) "Communication Supply Services"; or
 - (c) "Power Supply Services".
 - (2) The most we will pay for loss or damage under this Additional Coverage in any one occurrence is \$10,000 at each described premises.
 - (3) Payments under this Additional Coverage are subject to and not in addition to the applicable Limit of Insurance.
4. The limit applicable to the Coverage Extension – Ordinance or Law – Increased "Period of Restoration" is increased by \$50,000.



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BUILDING OWNERS ENDORSEMENT

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS PROPERTY COVERAGE SPECIAL FORM

SCHEDULE

Prem. Loc. No.	Bldg. No.	Prem. Loc. No.	Bldg. No.	Prem. Loc. No.	Bldg. No.	Prem. Loc. No.	Bldg. No.	Prem. Loc. No.	Bldg. No.
01	11	01	12	01	13	01	14		

A. The BUSINESSOWNERS PROPERTY COVERAGE SPECIAL FORM is changed as follows:

1. The limit applicable to the **Additional Coverage – Debris Removal**, as referenced in Paragraph A.6.c.(4), is increased from \$25,000 to \$50,000.

2. Paragraph A.6.k.(6) is replaced by the following:

(6) The most we will pay for loss under this Additional Coverage for the total of all coverages described in Paragraph (1) above in any one occurrence is \$100,000 at each described premises. But, we will not pay more than \$250,000 in any one occurrence regardless of the number of described premises involved.

3. The following **Additional Coverages** are added:

a. **Lessor's Leasehold Interest**

(1) We will pay for the cost of Covered Leasehold Interest you sustain due to the cancellation of lease contracts by your tenants. The cancellation must result from direct physical loss of or damage to your Covered Property at the premises described in the Schedule above caused by or resulting from a Covered Cause of Loss during the term of the policy.

(2) Covered Leasehold Interest:

(a) Means the difference between the:

- (i) Rent you were collecting at the described premises prior to the loss; and

(ii) "Rental Value" of the described premises after loss or damage has been repaired or rebuilt; and

(b) Does not mean refunds or rebates of:

(i) Prepaid rent;

(ii) Security or other deposits made by your tenants; or

(iii) Insurance, taxes or other payments made on your behalf by tenants.

(3) The most we will pay under this Additional Coverage is the smallest of:

(a) Your Covered Leasehold Interest for the 12 months immediately following the "Period of Restoration" plus the 60 days of Extended Business Income but ending with the normal expiration date of each cancelled lease; or

(b) \$25,000 for all Covered Leasehold Interest of all your tenants canceling their leases arising out of an occurrence at a described premises.

b. **Tenant Move Back Expenses**

(1) We will reimburse you for expenses you pay for Covered Move Back Costs of your tenants who temporarily vacate a portion of the building at the premises described in the Schedule above. The vacancy must have occurred while the portion of the building rented by your tenant could

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CAUSES OF LOSS – EARTHQUAKE

This endorsement modifies insurance provided under the following:
BUSINESSOWNERS PROPERTY COVERAGE SPECIAL FORM

A. SCHEDULE

Policy Occurrence Limit \$			5,000,000			Annual Aggregate Limit \$			5,000,000		
Prem. Loc. No.	Bldg. No.	Deductible %	Prem. Loc. No.	Bldg. No.	Deductible %	Prem. Loc. No.	Bldg. No.	Deductible %			
01	01	5%	01	02	5%	01	03	5%			
01	04	5%	01	05	5%	01	06	5%			
01	07	5%	01	08	5%	01	09	5%			
01	10	5%	01	11	5%	01	12	2%			
01	13	5%	01	14	5%						

B. COVERED CAUSES OF LOSS

The following modifies:

BUSINESSOWNERS PROPERTY COVERAGE SPECIAL FORM

Covered Causes of Loss and "specified cause of loss" are revised to include the following as Covered Causes of Loss only for Covered Property at the Premises Location/Building number(s) shown in the Schedule above:

1. Earthquake, meaning a shaking or trembling of the earth's crust, caused by underground volcanic or tectonic forces or by breaking or shifting of rock beneath the surface of the ground from natural causes.
2. Volcanic eruption, meaning the eruption, explosion or effusion of a volcano.

All earthquake shocks or volcanic eruptions that occur within any 168-hour period will constitute a single Earthquake or Volcanic Eruption. The expiration of this policy will not reduce the 168-hour period. We will not pay for loss or damage caused by or resulting from earthquakes or volcanic eruptions which began before the effective date of this policy.

C. ADDITIONAL EXCLUSIONS AND LIMITATIONS

1. The following EXCLUSIONS are added as respects coverage provided by this endorsement:

We will not pay under this endorsement for loss or damage caused directly or indirectly by the following, regardless of any other cause or event that contributes concurrently or in any sequence to the loss:

- a. Fire;
 - b. Explosion; or
 - c. Flood, waves, tides, tidal waves, mudslide or mudflow, release of water impounded by a dam or water or sewage that backs up or overflows from a sewer, drain or sump, even if caused by an Earthquake or Volcanic Eruption.
2. We will not pay for the cost of restoring or remediating land or for loss resulting from the time required to restore or remediate land.
 3. The following LIMITATION is added as respects coverage provided by this endorsement:

We will not pay for loss or damage to exterior masonry veneer (except stucco) on wood frame walls caused by or resulting from Earthquake or Volcanic Eruption. The value of such veneer will not be included in the value of Covered Property or the amount of loss when applying the Deductible applicable to this endorsement.

This limitation does not apply if less than 10% of the total outside wall area is faced with masonry veneer (excluding stucco).

D. PROVISIONS THAT DO NOT APPLY TO THIS ENDORSEMENT

- 1. The following provisions of the forms and endorsements that may be part of this policy do not apply to this endorsement:
 - a. The Additional Condition – Coinsurance;
 - b. Deductible; or
 - c. Limits of Insurance.
- 2. The Earth Movement Exclusion does not apply to the insurance specifically provided for under this endorsement.

All other Exclusions and Limitations in this Coverage Form continue to apply.

E. DEDUCTIBLES

The following deductible provisions apply to the Premises Location/Building number(s) shown in the Schedule above and only to any otherwise covered Building and Business Personal Property:

- 1. The percentage (%) shown in the Schedule above applies as follows:
 - a. In determining the amount, if any, that we will pay for loss or damage, we will deduct an amount equal to 2%, 5%, or 10% as shown in the Schedule of the value(s) of the property that has sustained loss or damage at each of the buildings shown in the Schedule. The values to be used are those shown in the most recent Statement of Values on file with us. If there is no Statement of Values on file with us or the covered property is a building in the course of construction or Newly Acquired or Constructed Property, we will use the value(s) of the property at the time of loss that has sustained loss or damage.

This deductible is calculated separately for, and applies separately to:

- (1) Each building, if two or more buildings sustain loss or damage;
- (2) The building and to personal property in that building, if both sustain loss or damage;
- (3) Personal property at each building, if personal property at two or more buildings sustain loss or damage;

- (4) Personal property in the open; and
- (5) Any other property insured under this Coverage Part.

- b. We will not pay for loss or damage until the amount of loss or damage exceeds the applicable deductible. We will then pay the amount of loss or damage in excess of that Deductible up to the Occurrence Limit.

F. LIMITS OF INSURANCE

The most we will pay for loss caused by any earthquake or volcanic eruption is:

- 1. The Policy Occurrence Limit shown in the Schedule above that applies to any one occurrence, even if the loss involves more than one coverage. Amounts payable under any Additional Coverage or Coverage Extensions do not increase the Policy Occurrence Limit. This limit is part of, and does not increase, the Limits of Insurance that apply under this Coverage Form.
- 2. The Annual Aggregate Limit shown in the Schedule above, regardless of the number of occurrences or premises, for all loss occurring in any one policy year commencing with the inception or anniversary date of this endorsement, whichever is less.
- 3. If a Cause of Loss (such as fire) is covered by means of an exception to the Earth Movement Exclusion, we will also pay for the loss or damage caused by that other Covered Cause of Loss. But the most we will pay, for the total of all loss or damage caused by Earthquake, Volcanic Eruption and other Covered Cause of Loss, is the Limit of Insurance applicable to such other Covered Cause of Loss. We will not pay the sum of the two limits.

G. ADDITIONAL COVERAGES

The most we will pay for loss or damage under Newly Acquired or Constructed Property or Business Income and Extra Expense Newly Acquired Premises Additional Coverages under this endorsement is a total of \$100,000 in any one occurrence and in any one policy year.



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MASSACHUSETTS CHANGES – CONDOMINIUMS

This endorsement modifies insurance provided under the following:

CONDOMINIUM ASSOCIATION COVERAGE FORM
CONDOMINIUM ASSOCIATION CHANGES – STANDARD PROPERTY POLICY

SCHEDULE

Insurance Trustee

DIANE STEVENS

Condominium

THE VILLAGES AT CRANE MEADOW CONDOMINIUM

- A. When this endorsement is attached to CONDOMINIUM ASSOCIATION CHANGES – STANDARD PROPERTY POLICY CP 17 99 the term Coverage Part in this endorsement is replaced by the term Policy.
- B. The following is added to the LOSS PAYMENT Loss Condition:
 - 1. The mortgageholder appoints an insurance trustee for the owners or co-owners of the condominium as shown in the Schedule or in the Declarations. This insurance trustee will:
 - a. Serve as "Agent with Power of Attorney as principal" as respects the CANCELLATION Common Policy Condition; and
 - b. Act on all matters dealing with loss damage to buildings or structures covered under this Coverage Part.
 - 2. This appointment includes the right to:
 - a. Receive loss payment due to the mortgageholder; and
 - b. Execute a full release on the mortgageholder's behalf.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MASSACHUSETTS CHANGES

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART

A. If loss or damage is caused by fire or lightning, the LIMITATION which applies to vacancy is modified as follows:

If the building where loss or damage occurs, whether intended for occupancy by owner or tenant, has been vacant or unoccupied for more than:

- 1. 60 consecutive days for residential premises of 3 units or less; or
- 2. 30 consecutive days for all other premises;

immediately before that loss or damage, we will not pay for the loss or damage.

A building is vacant when it does not contain enough business personal property to conduct customary operations.

B. The MORTGAGEHOLDERS Additional Condition is replaced by the following:

We will pay for covered loss of or damage to real estate to each mortgageholder shown in the Declarations or in an attached Schedule, in the order of precedence, as interests may appear.

C. Paragraph 3.e. of the REPLACEMENT COST Optional Coverage is replaced by the following:

e. We will not pay on a replacement cost basis for any loss or damage:

- (1) Until the lost or damaged property is actually repaired or replaced:
 - (a) On the described premises; or
 - (b) At some other location in the Commonwealth of Massachusetts; and
- (2) Unless the repairs or replacement are made within a reasonable time, but no more than 2 years after the loss or damage.

This restriction does not apply to losses less than \$5,000 in any one occurrence, other than losses to tenants' improvements and betterments.

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

(3) If the conditions in e.(1) and e.(2) above are not met, the value of tenants' improvements and betterments will be determined as a proportion of your original cost, as set forth in the Actual Cash Value Valuation Condition of the applicable Coverage Form; and

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

D. The following provisions are added:

1. In spite of any provision of any general or special law:

a. We will not pay for loss or damage to real property caused by any Covered Cause of Loss if the amount of loss is \$5,000 or more unless you first submit to us a certificate of municipal liens from the collector of taxes of the city or town where the property is located.

b. We will pay to the city or town any amount outstanding on the certificate of municipal liens arising from the provisions of Massachusetts General Law Chapters 40, 59, 60, 80, 83, and 164, Sections 58B through 58F.

The payment will not exceed the amount of loss payable under this Coverage Part.

We will send you and the mortgageholder proof of our payment to the city or town.

c. The claim of the city or town will have priority over the claim of any mortgageholder, assignee, you or any other interested party, except where otherwise provided by the laws of the United States.

d. We will not be liable to any city, town, mortgageholder, assignee, you or any other interested party for:

- (1) Amounts paid to a city or town; or



- (2) Amounts not paid to a city or town; based upon a certificate showing that no municipal liens exist.
- e. Paragraphs 1.a., 1.b., 1.c., and 1.d above will not apply to any owner-occupied one-to four-family dwelling if the owner of the dwelling lived there when the claim for loss or damage arose.
- 2. We will not pay any claim for:
 - a. Loss, damage or destruction of \$1,000 or more to a building or structure; or
 - b. Loss, damage or destruction, of any amount, that causes a building or structure to become:
 - (1) Dangerous to life or limb; or
 - (2) Unused, uninhabited or abandoned and open to the weather;
 as provided under Massachusetts General Law, Section 6 of Chapter 143;
 without giving at least 10 days' written notice before such payment to:
 - c. The Building Commissioner or the appointed Inspector of Buildings; and
 - d. The Board of Health or the Board of Selectmen of the city or town where the property is located.
- 3. If at any time before our payment, the city or town notifies us by certified mail of its intent to begin proceedings designed to perfect a lien under Massachusetts General Law:
 - a. Chapter 143, Section 3A or 9; or
 - b. Chapter 111, Section 127B;
 we will not pay while the proceedings are pending. The proceedings must be started within 30 days after we receive the notice.

Any lien perfected under the Massachusetts General Laws referred to in 3.a. and 3.b. above will extend to the city or town and may

be enforced by it against the proceeds on this policy.

- 4. We will not be liable to any city, town, mortgageholder, assignee, you or any other interested party for:
 - a. Amounts paid to a city or town; or
 - b. Amounts not paid to a city or town; under provisions 2.a. and 2.b. above.
- F. The following condition is added and supersedes any provisions to the contrary:

NONRENEWAL

This provision applies to coverage on real property which is used predominantly for residential purposes and consists of not more than four dwelling units, and to coverage on personal property of a person residing in such real property:

- 1. Ordinarily we will renew this policy automatically and send you the renewal notice. Our notice will explain what you should do if you do not want to continue this policy.
- 2. We may elect not to renew this policy. We may do so by delivering to you or mailing to you at your last mailing address shown in the Declarations, written notice of nonrenewal, accompanied by the specific reasons for nonrenewal, at least 45 days before the expiration date of this policy. However, if your policy was executed on behalf of us, in whole or in part, by or on behalf of your insurance agent or our insurance broker, we will send such written notice only to the agent or broker. Every insurance agent or broker receiving this notice is required to, within 15 days of its receipt, send a copy to you unless the agent or broker has replaced the insurance.
- G. The following is added:

STANDARD FIRE POLICY PROVISIONS

Your policy contains LEGAL ACTION AGAINST US, APPRAISAL, and CANCELLATION provisions. Massachusetts law requires that Suit, Appraisal and Cancellation provisions of the Massachusetts Standard Fire Policy supersede any similar provisions contained in your policy. Therefore, all LEGAL ACTION AGAINST US, APPRAISAL and CANCELLATION provisions contained in your policy are void. The Suit, Appraisal and Cancellation provisions of the Massachusetts Standard Fire Policy shall apply instead.

In consideration of the Provisions and Stipulations herein or Added Hereto, and of the Premium Specified in the Declarations, this company, for the term of years specified in the Declarations from inception date (At 12:01 A.M. Standard Time) to expiration date (At 12:01 A.M. Standard Time) at location of property involved, to an amount not exceeding the amount(s) specified in the Declarations, does insure the Insured named in the Declarations

Added Provisions. The extent of the application of insurance under this policy and of the contribution to be made by this Company in case of loss, and any other provision or agreement not inconsistent with the provisions of this policy, may be provided for in writing added hereto but no provision may be waived except such as by the terms of this policy is subject to change.

Waiver Provisions. No permission affecting this insurance shall exist, or waiver of any provision be valid unless granted herein or expressed in writing added hereto. No provision, stipulation or forfeiture shall be held to be waived by any requirement or proceeding on the part of this company relating to appraisal or to any examination provided for herein.

Cancellation Of Policy. This policy shall be cancelled at any time at the request of the insured, in which case this Company shall, upon demand and surrender of this policy, refund the excess of paid premium above the customary short rates for the expired time. This policy may be cancelled at any time by this company by giving to the insured a five days' written notice of cancellation, and to the mortgagee to whom this policy is payable twenty days' written notice of cancellation except where the stated reason for cancellation is nonpayment of premium where, in such instance, this policy may be cancelled at any time by this company by giving to the insured a ten days' written notice of cancellation, and the mortgagee a twenty days' written notice of cancellation, with or without tender of the excess paid premium above the pro rata premium for the expired time, which excess, if not tendered, shall be refunded on demand. Notice of cancellation shall state that said excess premium (if not tendered) will be refunded on demand and shall state or be accompanied by a statement of the specific reason or reasons for such cancellation. After this policy has been in effect for sixty days, or after sixty days from any anniversary date, no notice of cancellation shall be effective unless it is based on the occurrence, after the effective date of the policy, of one or more of the following: (1) nonpayment of premium; (2) conviction of a crime arising out of acts increasing the hazard insured against; (3) discovery of fraud or material misrepresentation by the insured in obtaining the policy; (4) discovery of willful or reckless acts or omissions by the insured increasing the hazard insured against; (5) physical changes in the property insured which result in the property becoming uninsurable; or (6) a determination by the commissioner that continuation of the policy would violate or place the insurer in violation of the law. Where the stated reason is nonpayment of premium, the insured may continue the coverage and avoid the effect of the cancellation by payment at any time prior to the effective date of cancellation.

Mortgagee Interests And Obligations. Notwithstanding any other provisions of this policy, if this policy shall be made payable to a mortgagee of the covered real estate, no act or default of any person other than such mortgagee or his agent or those claiming under him, whether the same occurs before or during the term of this policy, shall render this policy void as to such mortgagee nor affect such mortgagee's right to recover in case of loss on such real estate; provided, that the mortgagee

shall on demand pay according to the established scale of rate for any increase of risk not paid for by the insured; and whenever this company shall be liable to a mortgagee for any sum for loss

under this policy for which no liability exists as to the mortgagor, or owner, and this company shall elect by itself, or with others, to pay the mortgagee the full amount secured by such mortgage, then the mortgagee shall assign and transfer to the company interested, upon such payment, the said mortgage together with the note and debt thereby secured.

Pro Rata Liability. This Company shall not be liable for a greater proportion of any loss than the amount hereby insured shall bear to the whole insurance covering the property against the peril involved.

Requirements In Case Loss Occurs. The insured shall give immediate written notice to this company of any loss, protect the property from further damage, forthwith separate the damaged and undamaged personal property, put it in the best possible order, furnish a complete inventory of the destroyed and damaged property, showing in detail the quantity, description, actual cash value and amount of loss claimed; and the insured shall forthwith render to this company a signed, sworn statement in proof of loss which sets forth to the best knowledge and belief of the insured the following: the time and cause of the loss, the interest of the insured and of all others in the property, the actual cash value of each item thereof and the amount of loss thereto, all encumbrances thereon, all other contracts of insurance, whether valid or not, covering any of said property, any changes in the title, use, occupancy, location, possession or exposures of said property, since the issuing of this policy, by whom and for what purpose any building herein described and the several parts thereof were occupied at the time of loss and whether or not it then stood on leased ground, and shall furnish a copy of all the descriptions and schedules in all policies and detailed estimates for repair of the damage. The insured, as often as may be reasonably required, shall exhibit to any person designated by this company all that remains of any property herein described, and submit to examinations under oath by any person named by this company, and subscribe the same: and as often as may be reasonably required, shall produce for examination all books of account, bills, invoices and other vouchers, or certified copies thereof if originals be lost, at such reasonable time and place as may be designated by this company or its representative, and shall permit extracts and copies thereof to be made.

When Loss Payable. In case of any loss or damage, the company within thirty days after the insured shall have submitted a statement, as provided in the preceding clause, shall either pay the amount for which it shall be liable, which amount if not agreed upon shall be ascertained by award of referees as hereinafter provided, or replace the property with other of the same kind and goodness, or it may, within fifteen days after such statement is submitted, notify the insured of its intention to rebuild or repair the premises, or any portion thereof separately covered by this policy, and shall thereupon enter upon said



premises and proceed to rebuild or repair the same with reasonable expedition. It is moreover understood that there can be no abandonment of the property described to the company, and that the company shall not in any case be liable for more than the sum insured, with interest thereon from the time when the loss shall become payable, as provided above. The company shall be liable for the payment of interest to the insured at a rate of one percent over the prime interest rate on the agreed figure commencing thirty days after the date an executed proof of loss for such figure is received by the company, said interest to continue so long as the claim remains unpaid.

Appraisal In case of loss under this policy and a failure of the parties to agree as to the amount of loss, it is mutually agreed that the amount of such loss shall be referred to three disinterested men, the company and the insured each choosing one out of three persons to be named by the other, and the third being selected by the two so chosen, and the award in writing by a majority of the referees shall be conclusive and final upon the parties as to the amount of loss or damage, and such reference, unless waived by the parties, shall be a condition precedent to any right of action in law or equity to recover for such loss: but no person shall be chosen or act as a referee, against the objection of either party, who has acted in a like capacity within four months.

Suit No suit or action against this company for the recovery of any claim by virtue of this policy shall be sustained in any court of law or equity in this commonwealth unless commenced within two years from the time the loss occurred; provided, however, that if, within said two years, in accordance with the provisions of the preceding paragraph, the amount of the loss shall have been referred to arbitration after failure of the parties to agree thereon, the limitation of time for bringing such suit or action shall in no event be less than ninety days after a valid award has been made upon such reference or after such reference or award has been expressly waived by the parties. If suit or action upon this policy is enjoined or abated, suit or action may be commenced at any time within one year after the dissolution of such injunction, or the abatement of such suit or action, to the same extent as would be possible if there was no limitation of time provided herein for the bringing of such suit or action.

Subrogation This company may require from the insured an assignment of all right of recovery against any party for loss to the extent that payment therefor is made by this company.

GENERAL LIABILITY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

HIRED AUTO AND NONOWNED AUTO LIABILITY

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

SCHEDULE

Insurance is provided only with respect to those coverages for which a specific premium charge is shown:

COVERAGE	ADDITIONAL PREMIUM
Hired Auto Liability	\$ INCLUDED
Nonowned Auto Liability	\$ INCLUDED

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

PROVISIONS

A. COVERAGE

If a premium charge is shown in the SCHEDULE above, the insurance provided under **Section I – Coverage A – Bodily Injury And Property Damage Liability** applies to "bodily injury" and "property damage" arising out of the maintenance or use of a "hired auto" or "nonowned auto". Maintenance or use of a "nonowned auto" includes test driving in connection with an "auto business".

B. EXCLUSIONS

With respect to the insurance provided by this endorsement:

1. The exclusions, under **Section I – Coverage A – Bodily Injury And Property Damage Liability**, other than exclusions a., b., d., e., f. and i. and the Nuclear Energy Liability Exclusion (Broad Form) are deleted and replaced by the following:

- a. "Bodily injury" to:
 - (1) Any fellow "employee" of the insured arising out of and in the course of:
 - (a) Employment by the insured; or
 - (b) Performing duties related to the conduct of the insured's business.
- b. "Property damage" to:
 - (1) Property owned or being transported by, or rented or loaned to the insured; or
 - (2) Property in the care, custody or control of the insured.

C. WHO IS AN INSURED

Section II – Who Is An Insured is replaced by the following:

Each of the following is an insured under this insurance to the extent set forth below:

1. You;
2. Anyone else including any partner or "executive officer" of yours while using with your permission a "hired auto" or a "nonowned auto" except:
 - a. The owner or lessee (of whom you are a sublessee) of a "hired auto" or the owner or lessee of a "nonowned auto" or any agent or "employee" of any such owner or lessee;
 - b. Your "employee" if the covered "auto" is owned by that "employee" or a member of his or her household;
 - c. Your "employee" if the covered "auto" is leased, hired or rented by him or her or a member of his or her household under a lease or rental agreement for a period of 180 days or more;
 - d. Any partner or "executive officer" with respect to any "auto" owned by such partner or officer or a member of his or her household;
 - e. Any partner or "executive officer" with respect to any "auto" leased or rented to such partner or officer or a member of his or her household under a lease or rental agreement for a period of 180 days or more;

- f. Any person while employed in or otherwise engaged in duties in connection with an "auto business", other than an "auto business" you operate;
 - g. Anyone other than your "employees", partners, a lessee or borrower or any of their "employees", while moving property to or from a "hired auto" or a "nonowned auto"; or
3. Any other person or organization, but only with respect to their liability because of acts or omissions of an insured under 1. or 2. above.

D. AMENDED DEFINITIONS

The Definition of "insured contract" of Section V – Definitions is amended by the addition of the following exceptions to paragraph f.:

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

- (4) That pertains to the loan, lease or rental of an "auto" to you or any of your "employees", if the "auto" is loaned, leased or rented with a driver; or
- (5) That holds a person or organization engaged in the business of transporting property by "auto" for hire harmless for your use of a covered "auto" over a route or territory that person or organization is authorized to serve by public authority.

E. ADDITIONAL DEFINITIONS

Section V – Definitions is amended by the addition of the following definitions:

- 1. "Auto Business" means the business or occupation of selling, repairing, servicing, storing or parking "autos".
- 2. "Hired auto" means any "auto" you lease, hire, rent or borrow. This does not include:
 - a. Any "auto" you lease, hire or rent under a lease or rental agreement for a period of 180 days or more, or
 - b. Any "auto" you lease, hire, rent or borrow from any of your "employees", partners, stockholders, or members of their households.
- 3. "Nonowned auto" means any "autos" you do not own, lease, hire, rent or borrow that are being used in the course and scope of your business at the time of an "occurrence". This includes "autos" owned by your "employees" or partners or members of their households but only while being used in the course and scope of your business at the time of an "occurrence".

If you are a sole proprietor, "nonowned auto" means any "autos" you do not own, lease, hire, rent or borrow that are being used in the course and scope of your business or personal affairs at the time of an "occurrence".



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AMENDMENT OF LIQUOR LIABILITY EXCLUSION-- EXCEPTION FOR SCHEDULED ACTIVITIES

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Description of Activity(ies): ALL ACTIVITIES WHICH DO NOT GENERATE
REVENUE TO ANY INSURED.

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

Exclusion c. of COVERAGE A (Section I) is replaced by the following:

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

- (1) Causing or contributing to the intoxication of any person;
- (2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
- (3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies only if you:

- (1) Manufacture, sell or distribute alcoholic beverages;
- (2) Serve or furnish alcoholic beverages for a charge whether or not such activity:
 - (a) Requires a license;
 - (b) Is for the purpose of financial gain or livelihood; or
- (3) Serve or furnish alcoholic beverages without a charge, if a license is required for such activity.

However, this exclusion does not apply to "bodily injury" or "property damage" arising out of the selling, serving or furnishing of alcoholic beverages at the specific activity(ies) described above.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MASSACHUSETTS CHANGES – SUPPLEMENTAL COVERAGE FOR LEAD POISONING ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

Schedule

Limit of Liability
Each Occurrence \$ 300,000

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

A. With respect to the premises listed in the Declarations of this policy, for each "unit" on such premises for which you do not have either a "Letter of Interim Control" or a "Letter of Compliance," we will provide coverage under **COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY (Section I – Coverages)** for liability arising out of an "occurrence" of lead poisoning, as described below.

This insurance applies to "bodily injury" which occurs during the policy period and arises out of lead poisoning from lead in a covered "unit" for which one of the following applies:

1. A "Letter of Interim Control" or a "Letter of Compliance" is not in effect at the time the "bodily injury" occurs; or
2. The "bodily injury" occurs more than 14 days after you, or your managing agent, are notified by an authorized lead inspector that a "unit" on your premises is not in conformance with an already existing emergency lead management plan and the "Letter of Interim Control." Such coverage applies only when no extension to that 14 day period is in effect.

This insurance does not apply to "bodily injury" which is the result of your gross or willful negligence.

Subject to the General Aggregate Limit shown in the Declarations of this policy, the most we will pay for all "bodily injury" arising out of any one "occurrence" of lead poisoning is the Each Occurrence limit shown in the Schedule above.

B. For the purposes of this endorsement, the **DEFINITIONS** Section is amended by the addition of the following:

1. "Letter of Compliance" means a Letter of Lead Abatement Compliance or its equivalent issued by a licensed governmental or private lead inspector in accordance with applicable laws and Department of Public Health regulations on lead poisoning prevention and control.

A "Letter of Interim Control" is not a "Letter of Compliance."

2. "Letter of Interim Control" means a letter, other than a "Letter of Compliance," which has been issued by a licensed lead inspector:

a. In accordance with the applicable laws and the Department of Public Health regulations on lead prevention and control; and

b. In connection with an emergency lead management plan which has been established to address an urgent lead paint hazard until a "Letter of Compliance" is obtained.

3. "Unit" means:

a. A room or set of rooms, let to an individual or household for use as living and sleeping quarters, which:

(1) Is located in any building, premises, dwelling, or in the residential portion of such building or premises which includes both commercial and residential accommodations; and

(2) Was constructed prior to 1978; and

b. The common areas used in connection with such room or set of rooms.

**INTERLINE
ENDORSEMENTS**





**INTERLINE
ENDORSEMENTS**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM

This endorsement modifies insurance provided under the following:

BOILER AND MACHINERY COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
DELUXE PROPERTY COVERAGE PART
EQUIPMENT BREAKDOWN COVERAGE PART

A. Cap On Certified Terrorism Losses

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism pursuant to the federal Terrorism Risk Insurance Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:

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

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a Program Year (January 1 through December 31) and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

B. Application Of Exclusions

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

001173

VCM Master Insurance Renewal 52 of 52.

**FARRELL
BACKLUND**
INSURANCE AGENCY, LLC
Above & Beyond



October 24, 2008

The Villages at Crane Meadow
c/o The Dartmouth Group
3 Preston Ct #3
Bedford, MA 01730-2352

Dear Mr. Michaels,

In the rush of everyday business we seldom take the time to express appreciation for good customers like you who mean so much to us.

Enclosed is your renewal policy from Travelers Insurance Co. Thank you very much for continuing to place your confidence in our office and giving us the opportunity to serve your important insurance needs. We want you to know that supplying this coverage is just the beginning of our service, and we hope that you will call on us for all your insurance needs.

Please read your policy, it contains certain conditions, limitation and exclusions. If you have any questions, please call our office. If you have had any change in your operations, please notify us, changes may need to be made to your policy.

In the event of a loss please call our office immediately. Your claim will be given our prompt personal service.

Please visit us on the web at www.fbinsure.com or e-mail us at info@fbinsure.com.

Sincerely,

Janice Simmons, CPIW, CISR
Account Manager

sf

TAUNTON OFFICE:

128 Dean Street (Route 44), P.O. Box 509, Taunton, MA 02780, Tel: 508-824-8666, 800-714-6604, Fax: 508-880-0142

REHOBOTH OFFICE:

500 Winthrop Street (Route 44), P.O. Box 118, Rehoboth, MA 02769, Tel: 508-336-8900, 800-287-1467, Fax: 508-336-0019

www.fbinsure.com

DIGHTON OFFICE:

1209 Somerset Avenue (Route 138), North Dighton, MA 02764, Tel: 508-669-5014



CHANGE ENDORSEMENT

INSURING COMPANY:

TRAVELERS PROPERTY CASUALTY COMPANY OF AMERICA

Named Insured: THE VILLAGES AT CRANE MEADOW

Policy Number: I-680-7307C576-TIL-08

Policy Effective Date: 11-04-08

Policy Expiration Date: 11-04-09

Issue Date: 11-21-08

RETURN Premium \$ 727.00

Effective from 11-04-08 at the time of day the policy becomes effective.

THIS INSURANCE IS AMENDED AS FOLLOWS:

ON THE BUSINESSOWNERS COVERAGE PART DECLARATIONS, THE LIMIT(S) OF INSURANCE IS/ARE CHANGED AS FOLLOWS:

PREM NO.	BLDG NO.	COVERAGE	FROM	TO
001	001	BUILDING	\$ 3,002,750	\$ 3,022,604
001	002	BUILDING	\$ 923,500	\$ 787,508
001	003	BUILDING	\$ 2,164,600	\$ 1,610,240
001	004	BUILDING	\$ 1,415,050	\$ 1,331,556
001	005	BUILDING	\$ 1,916,800	\$ 1,881,524
001	006	BUILDING	\$ 2,164,600	\$ 2,195,728
001	007	BUILDING	\$ 2,656,160	\$ 2,721,424
001	008	BUILDING	\$ 1,916,800	\$ 1,862,580
001	009	BUILDING	\$ 1,415,050	\$ 1,356,420
001	010	BUILDING	\$ 2,664,860	\$ 2,441,556
001	011	BUILDING	\$ 2,656,160	\$ 2,714,320
001	012	BUILDING	\$ 243,675	\$ 319,680
001	013	BUILDING	\$ 1,415,050	\$ 1,338,956
001	014	BUILDING	\$ 1,415,050	\$ 1,345,052

UNDER THE BUSINESSOWNERS COVERAGE PART, EARTHQUAKE COVERAGE IS ADDED OR CHANGED AS PER MP T1 82

THE FOLLOWING FORMS AND/OR ENDORSEMENTS IS/ARE INCLUDED WITH THIS CHANGE. THESE FORMS ARE ADDED TO THE POLICY OR REPLACE FORMS ALREADY EXISTING ON THE POLICY:

MP T1 82 02 05

NAME AND ADDRESS OF AGENT OR BROKER

Countersigned by

FARRELL BACKLUND INS HK571
PO BOX 509
TAUNTON MA 02780

Authorized Representative

DATE: _____



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

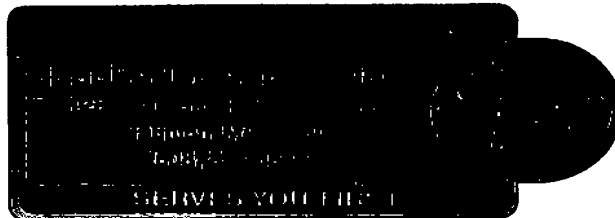
*Speak directly with a claim professional
24 hours a day, 365 days a year*

*Unless Your Policy Requires Written Notice or Reporting

**COMMERCIAL EXCESS LIABILITY
(UMBRELLA)
INSURANCE POLICY**

A Custom Insurance Policy Prepared for:

THE VILLAGES AT CRANE MEADOW
C/O THE DARTMOUTH GROUP
3 PRESTON COURT, SUITE 3
BEDFORD MA 01730-2352



This policy consists of this policy cover, the Policy Declarations and the Policy Forms, and endorsements listed in that declaration form.


In return for payment of the premium, we agree with the Named Insured to provide the insurance afforded by this policy. That insurance will be provided by the company indicated as insuring company in the Declarations by the abbreviation of its name.

The companies listed below (each a stock company) have executed this policy, but it is valid only if countersigned on the Declarations by our authorized representative.

The Travelers Indemnity Company (IND)
Travelers Property Casualty Company of America (TIL)
The Travelers Indemnity Company of Connecticut (TCT)



Secretary



President

TRAVELERS

One Tower Square, Hartford, Connecticut 06183

POLICY DECLARATIONS COMMERCIAL EXCESS LIABILITY (UMBRELLA) INSURANCE POLICY

POLICY NO.: ISF-CUP-5054Y384-IND-08
ISSUE DATE: 10-14-08

INSURING COMPANY:
THE TRAVELERS INDEMNITY COMPANY

1. NAMED INSURED AND MAILING ADDRESS:

THE VILLAGES AT CRANE MEADOW
C/O THE DARTMOUTH GROUP
3 PRESTON COURT, SUITE 3
BEDFORD MA 01730-2352

THIS POLICY DOES NOT
COVER LIABILITY
ARISING OUT OF
ASBESTOS MATERIAL
SEE ENDORSEMENT
UM 01 96 07 96

2. THE NAMED INSURED IS A:

CORPORATION SOLE PROPRIETOR PARTNERSHIP OR JOINT VENTURE OTHER ASSOCIATION

3. POLICY PERIOD: From 11-04-08 to 11-04-09 12:01 A.M. Standard Time at your mailing address.

4. PREMIUM: * \$ 2,784 Flat Charge Adjustable (See premium schedule)
* DIRECT BILL

5. LIMITS OF INSURANCE:

COVERAGES	LIMITS OF LIABILITY
AGGREGATE LIMITS OF LIABILITY	5,000,000
	5,000,000
COVERAGE A - Bodily Injury and Property Damage Liability	5,000,000
COVERAGE B - Personal and Advertising Injury Liability	5,000,000
RETAINED LIMIT	5,000
	any one occurrence or offense

Products/Completed Operations Aggregate General Aggregate
any one occurrence subject to the Products/Completed Operations and the General Aggregate Limits
any one person or organization subject to the General Aggregate Limit of Liability

6. SCHEDULE OF UNDERLYING INSURANCE:

POLICY	LIMITS (000 omitted)	COVERAGE	COMPANY
SEE ENDORSEMENT CG DO 23 04 96			

7. On the effective date shown in Item 3, the Commercial Excess Liability (Umbrella) Insurance Policy numbered above includes this Declarations Page and the Policy Jacket (Form UM 00 76 which contains the Nuclear Energy Liability Exclusion) and any endorsements listed hereafter:
SEE END. IL T8 01 01 01

NAME AND ADDRESS OF AGENT OR BROKER:

FARRELL BACKLUND INS HK571
PO BOX 509
TAUNTON MA 02780

FARRELL BACKLUND
INSURANCE AGENCY, INC.
COUNTERSIGNED BY:
[Signature]
PRESIDENT

Authorized Representative

DATE: 10/29/08

CG T0 14 04 96
OFFICE: SPRINGFIELD MA

POLICY NUMBER: ISF-CUP-5054Y384-IND-08

EFFECTIVE DATE: 11-04-08

ISSUE DATE: 10-14-08

LISTING OF FORMS, ENDORSEMENTS AND SCHEDULE NUMBERS

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

CG T0 14 04 96 COML EXCESS LIABILITY (UMBRELLA) DEC
IL T8 01 01 01 FORMS, ENDORSEMENTS AND SCHEDULE NUMBERS

UMBRELLA / EXCESS

CG D0 23 04 96 UNDERLYING POLICIES AND LIMITS END
UM 00 01 11 03 COML EXCESS LIAB (UMBRELLA) INSURANCE
UM 03 59 11 03 EXCLUSION-REAL ESTATE DEVELOPMENT
UM 03 45 02 00 AUTO LIABILITY - FOLLOWING FORM
UM 03 81 01 08 CAP ON LOSSES-CERT ACTS OF TERRORISM
UM 03 92 11 03 EMPLOYERS LIABILITY-FOLLOWING FORM
UM 03 98 11 03 AMEND OF COV-ADV INJURY AND PROPERTY DMG
UM 00 94 08 86 AMENDMENT OF COVERAGE-NAMED INSURED
UM 03 55 08 00 EXCESS, PERSONAL, ADV, WEB SITE INJ LIAB
UM 00 76 01 86 NUCLEAR ENERGY LIAB EXCL ENDT(BROAD FORM
UM 01 91 01 02 WAR EXCLUSION
UM 01 96 07 96 EXCLUSION-ASBESTOS
UM 02 13 11 03 EXCL-LIQUOR LEGAL LIAB EXCP FOR SCHD ACT
UM 02 71 10 96 EXCLUSION-EMPLOYEE BENEFIT LIABILITY
UM 03 04 02 97 EXCLUSION-LEAD
UM 03 64 01 02 FUNGI OR BACTERIA EXCLUSION
UM 04 15 01 04 EXCLUSION-UNSOLICITED COMMUNICATIONS

INTERLINE ENDORSEMENTS

IL T3 68 01 08 FEDERAL TERRORISM RISK INSURANCE ACT

POLICY NUMBER: ISF-CUP-5054Y384-IND-08

ISSUE DATE: 10-14-08

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.
SCHEDULE OF UNDERLYING INSURANCE**

This endorsement modifies insurance provided under the following:

COMMERCIAL EXCESS LIABILITY (UMBRELLA) INSURANCE

Item 6 of the Declarations to include:

POLICY	LIMITS (000 OMITTED)	COVERAGE	COMPANY
680-7307C576-08	1,000 EACH OCCURRENCE 2,000 PROD/COMP OPS AGG 2,000 GENERAL AGGREGATE	GENERAL LIABILITY	TIL

(If you have any employee exposure in the State of New York, the Employers Liability Limits are applicable only to bodily injury to your "non-subject employees" as defined under Rule VIII - Limits of Liability, A.2., of the WC/EL Manual of the State of New York)



COMMERCIAL EXCESS LIABILITY (UMBRELLA) INSURANCE

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

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

The word "insured" means any person or organization qualifying as such under **SECTION II – WHO IS AN INSURED**.

Other words and phrases that appear in quotation marks have special meaning. Refer to **SECTION V – DEFINITIONS**.

SECTION I – COVERAGES

COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY; and COVERAGE B. PERSONAL INJURY AND ADVERTISING INJURY LIABILITY.

1. INSURING AGREEMENT.

- a. We will pay on behalf of the insured the "ultimate net loss" in excess of the "applicable underlying limit" which the insured becomes legally obligated to pay as damages because of "bodily injury", "property damage", "personal injury" or "advertising injury" to which this insurance applies.

This insurance applies to "bodily injury" or "property damage" only if:

- (i) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place anywhere in the world;
- (ii) The "bodily injury" or "property damage" occurs during the policy period;
- (iii) Prior to the policy period, no insured listed under Paragraph 1. of **SECTION II – WHO IS AN INSURED** and no employee authorized by you to give or receive notice of an "occurrence" or claim, knew that the "bodily injury" or "property damage" had occurred, in whole or in part. If such a listed insured or authorized employee knew, prior to the policy period, that the "bodily injury" or "property damage" occurred, then any continuation, change or resumption of such "bodily injury" or "property damage" during or after the policy period will be deemed to have been known prior to the policy period.

This insurance applies to "personal injury" or "advertising injury" caused by an "offense" committed during the policy period, anywhere in the world.

- b. Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".
- c. "Property damage" that is loss of use of tangible property that is not physically injured shall be deemed to occur at the time of the "occurrence" that caused it.
- d. The amount we will pay for damages is limited as described in **SECTION III – LIMITS OF INSURANCE**.

The following provisions apply only with respect to Parts 1.a.(i), (ii) and (iii) above:

1. "Bodily injury" or "property damage" which occurs during the policy period and was not, prior to the policy period, known to have occurred by any insured listed under Paragraph 1. of **Section II – Who Is An Insured** or any employee authorized by you to give or receive notice of an "occurrence" or claim, includes any continuation, change or resumption of that "bodily injury" or "property damage" after the end of the policy period.
2. "Bodily injury" or "property damage" will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraph 1. of **SECTION II – WHO IS AN INSURED** or any employee authorized by you to give or receive notice of an "occurrence" or claim:
 - (a) Reports all, or any part, of the "bodily injury" or "property damage" to us or any other insurer;

- (b) Receives a written or verbal demand or claim for damages because of "bodily injury" or "property damage"; or
- (c) Becomes aware by any other means that "bodily injury" or "property damage" has occurred or has begun to occur.

2. DEFENSE OF CLAIMS OR SUITS.

- a. We will have no duty to defend any claim or "suit" that any other insurer has a duty to defend. If we elect to join in the defense of such claims or "suits", we will pay all expenses we incur.
- b. We will have the right and duty to defend any "suit" for damages which are payable under Coverages A or B (including damages wholly or partly within the "retained limit") but which are not payable by a policy of "underlying insurance", or any other available insurance, because:
 - (1) Such damages are not covered; or
 - (2) The "underlying insurance" has been exhausted by the payment of claims.
- c. We may investigate and settle any claim or "suit" in b. above at our discretion.
- d. Our right and duty in b. above end when we have used up the "applicable limit of insurance" in the payment of judgments or settlements.
- e. We will pay, with respect to any claim or "suit" we defend in b. above:
 - (1) All expenses we incur.
 - (2) The cost of appeal bonds and bonds to release attachments, but only for bond amounts within the "applicable limit of insurance". We do not have to furnish these bonds.
 - (3) 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.
 - (4) All costs taxed against the insured in the "suit".
 - (5) All interest on the full amount of any judgment that accrues after entry of the judgment and before we have:
 - (a) paid, or offered to pay; or

(b) deposited in court:

the part of the judgment that is within the "applicable limit of insurance".

- (6) Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the "applicable limit of insurance", we will not pay any prejudgment interest based on that period of time after the offer.

These payments will not reduce the limits of insurance.

In any jurisdiction outside the United States of America (including its territories and possessions), Puerto Rico or Canada where we may be prevented by law or some other factor beyond our control from carrying out the agreements under 1. **INSURING AGREEMENT** or 2. **DEFENSE OF CLAIMS OR SUITS** above:

- a. You must arrange to investigate, defend or settle any claim or "suit".
- b. You will not make any settlement without our consent.
- c. We will pay expenses incurred with our consent.

3. EXCLUSIONS.

This insurance does not apply to:

- a. **Expected or Intended Injury**
"Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" resulting from the use of reasonable force to protect persons or property.
- b. **"Advertising Injury" "Offenses"**
 - (1) **Breach of Contract**
"Advertising injury" arising out of a breach of contract, except an implied contract to use another's advertising idea in the course of advertising your goods, products or services.
 - (2) **Quality Or Performance Of Goods – Failure To Conform To Statements**
"Advertising injury" arising out of the failure of goods, products or services to conform with any statement of quality or performance made in the course of advertising your goods, products or services.

(3) Wrong Description Of Prices

"Advertising injury" arising out of the wrong description of the price of goods, products or services stated in the course of advertising your products, goods or services.

c. Employment-Related Practices

"Bodily injury" or "personal injury" to:

1. A person arising out of any:
 - (a) Refusal to employ that person;
 - (b) Termination of that person's employment; or
 - (c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation or discrimination directed at that person; or
2. The spouse, child, parent, brother or sister of that person as a consequence of "bodily injury" or "personal injury" to that person at whom any of the employment-related practices described in paragraphs (a), (b) or (c) above is directed.

This exclusion applies whether the insured may be held 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.

d. Contractual Liability

"Bodily injury", "property damage", "personal injury" or "advertising injury" for which the insured assumed liability under a contract or agreement. This exclusion does not apply to "bodily injury", "property damage", "personal injury" or "advertising injury" to which any policy of "underlying insurance" listed in the SCHEDULE OF UNDERLYING INSURANCE of the DECLARATIONS of this insurance, or any renewal or replacement thereof, applies or would apply but for the exhaustion of its limits of liability. Coverage provided will follow the same provisions, terms, definitions, exclusions, limitations and conditions of the policy(ies) of "underlying insurance" listed in the SCHEDULE OF UNDERLYING INSURANCE of the DECLARATIONS of this insurance.

e. Workers Compensation And Similar Laws

Any obligation of the insured under a workers compensation, disability benefits or unem-

ployment compensation law or any similar law.

f. Pollution

"Bodily injury", "property damage", "personal injury" or "advertising injury" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants", or any loss, cost, expense or damages resulting therefrom, but this exclusion does not apply to "bodily injury", "property damage", "personal injury" or "advertising injury" to which any policy of "underlying insurance" listed in the SCHEDULE OF UNDERLYING INSURANCE of the DECLARATIONS of this insurance, or any renewal or replacement thereof, applies or would apply but for the exhaustion of its limits of liability. Coverage provided will follow the same provisions, terms, definitions, exclusions, limitations and conditions of the policy(ies) of "underlying insurance" listed in the SCHEDULE OF UNDERLYING INSURANCE of the DECLARATIONS of this insurance.

g. Watercraft Or Aircraft

"Bodily injury" or "property damage" arising out of the ownership, maintenance, operation, use, including loading or unloading, or entrustment to others of any watercraft or any aircraft.

This exclusion does not apply to:

- (1) A watercraft while ashore on premises you own or rent;
- (2) Liability assumed under any contract or agreement for the ownership, maintenance or use of a watercraft;
- (3) A watercraft over 50 feet in length which is chartered with crew by or on behalf of any insured;
- (4) A watercraft less than 50 feet long which you own; or
- (5) A watercraft less than 50 feet long which you do not own and is not being used to carry persons or property for a charge.

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance,

use or entrustment to others of any watercraft or any aircraft that is owned or operated by or rented or loaned to any insured.

h. "Personal Injury" Or "Advertising Injury" "Offenses"

(1) Knowing Violation Of Rights Of Another

"Personal injury" or "advertising injury" caused by or at the direction of the insured with the knowledge that the act would violate the rights of another and would inflict "personal injury" or "advertising injury".

(2) Material Published With Knowledge Of Falsity

"Personal injury" or "advertising injury" arising out of oral, written or electronic publication of material, if done by or at the direction of the insured with knowledge of its falsity.

(3) Material Published Prior To Policy Period

"Personal injury" or "advertising injury" arising out of oral, written or electronic publication of material whose first publication took place before the beginning of the policy period. All "personal injury" or "advertising injury" arising out of publication of the same or similar material subsequent to the beginning of the policy period is also excluded.

(4) Criminal Acts

"Personal injury" or "advertising injury" arising out of a criminal act committed by or at the direction of the insured.

(5) Contractual Liability

"Personal injury" or "advertising injury" for which the insured has assumed liability in a contract or agreement. This exclusion does not apply to "personal injury" or "advertising injury" to which any policy of "underlying insurance" listed in the SCHEDULE OF UNDERLYING INSURANCE of the DECLARATIONS of this insurance, or any renewal or replacement thereof, applies or would apply but for the exhaustion of its limits of liability. Coverage provided will follow the same provisions, terms, definitions, exclusions, limitations and conditions of the policy(ies) of

"underlying insurance" listed in the SCHEDULE OF UNDERLYING INSURANCE of the DECLARATIONS of this insurance.

(6) Insureds In Media And Internet Type Businesses

"Personal injury" or "advertising injury" committed by an insured whose business is:

- (1) Advertising, broadcasting, publishing or telecasting;**
- (2) Designing or determining content of websites for others; or**
- (3) An Internet search, access, content or service provider.**

However, this exclusion does not apply to Paragraphs a., b. and c. of the "personal injury" definition in SECTION V - DEFINITIONS.

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

(7) Electronic Chatrooms Or Bulletin Boards

"Personal injury" or "advertising injury" arising out of an electronic chatroom or bulletin board the insured hosts, owns, or over which the insured exercises control.

(8) Unauthorized Use Of Another's Name Or Product

"Personal injury" or "advertising injury" arising out of the unauthorized use of another's name or product in your e-mail address, domain name or metatag, or any other similar tactics to mislead another's potential customers.

i. Damage To Property

"Property damage" to:

- (1) Property you own, rent or occupy, including any costs or expenses incurred by you, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;**

- (2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;
- (3) Property loaned to you;
- (4) Personal property in the care, custody or control of the insured;
- (5) That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the "property damage" arises out of those operations; or
- (6) That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

Paragraphs (1), (3) and (4) of this exclusion do not apply to "property damage" (other than damage by fire) to premises, including the contents of such premises, rented to you for a period of 7 or fewer consecutive days.

Paragraph (2) of this exclusion does not apply if the premises are "your work" and were never occupied, rented or held for rental by you.

Paragraphs (3), (4), (5) and (6) of this exclusion do not apply to liability assumed under a sidetrack agreement.

Paragraph (6) of this exclusion does not apply to "property damage" included in the "products-completed operations hazard".

j. Damage To Your Product

"Property damage" to "your product" arising out of it or any part of it.

k. Damage To Your Work

"Property damage" to "your work" arising out of it or any part of it and included in the "products-completed operations hazard".

This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor.

l. Damage To Impaired Property Or Property Not Physically Injured

"Property damage" to "impaired property" or property that has not been physically injured, arising out of:

- (1) A defect, deficiency, inadequacy or dangerous condition in "your product" or "your work"; or
- (2) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to "your product" or "your work" after it has been put to its intended use.

m. Recall Of Products, Work Or Impaired Property

Damages claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

- (1) "Your product";
- (2) "Your work"; or
- (3) "Impaired property";

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

n. Uninsured Motorists, Underinsured Motorists, "Auto" No-Fault, Medical Expenses Benefits and Income Loss Benefits

Any liability imposed on the insured, or the insured's insurer, under any of the following laws:

- (1) Uninsured Motorists;
- (2) Underinsured Motorists;
- (3) "Auto" No-Fault Laws or other first party personal injury laws; or
- (4) Medical Expense Benefits and Income Loss Benefits Laws of any applicable state or jurisdiction.

o. Liquor Legal Liability

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

- (1) Causing or contributing to the intoxication of any person;
- (2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or



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

This exclusion applies only if you are in the business of manufacturing, distributing, selling, serving or furnishing alcoholic beverages.

This exclusion does not apply to "bodily injury" or "property damage" to which any policy of "underlying insurance" listed in the SCHEDULE OF UNDERLYING INSURANCE of the DECLARATIONS of this insurance, or any renewal or replacement thereof, applies or would apply but for the exhaustion of its limits of liability. Coverage provided will follow the same provisions, terms, definitions, exclusions, limitations and conditions of the policy(ies) of "underlying insurance" listed in the SCHEDULE OF UNDERLYING INSURANCE of the DECLARATIONS of this insurance.

SECTION II – WHO IS AN INSURED.

1. If you are designated in the Declarations as:

- a. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
- b. A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.
- c. A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.
- d. An organization other than a partnership, joint venture or limited liability company, you are an insured.
- e. A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.

2. Each of the following is also an insured:

- a. As respects the "auto hazard":
 - (1) Anyone using an "auto" you own, hire or borrow including any person or organization legally responsible for such use provided it is with your permission; and
 - (2) Any of your executive officers, directors, partners, employees or stockholders, operating an "auto" you do not own, hire or

borrow while it is being used in your business.

None of the following is an insured under (1) or (2) above:

- (a) Any person employed by or engaged in the duties of an auto sales agency, repair shop, service station, storage garage or public parking place that you do not operate;
 - (b) The owner or lessee of any "auto" hired by or for you or loaned to you, and any agent or employee of such owner or lessee.
- b. Except as respects the "auto hazard":
 - (1) Your executive officers, employees, directors or stockholders while acting within the scope of their duties; and
 - (2) Any person or organization while acting as real estate manager for you.
 - c. Any organization you newly acquire or form, other than a partnership or joint venture, and over which you maintain ownership or majority interest, will be deemed to be a Named Insured. However, coverage does not apply to:
 - (1) "Bodily injury" or "property damage" that occurred before you acquired or formed the organization; and
 - (2) "Personal injury" or "advertising injury" arising out of an "offense" committed before you acquired or formed the organization.
 - d. 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.
 - e. 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 insurance.
 - f. Any other person or organization insured under any policy of the "underlying insurance" listed in the SCHEDULE OF UNDERLYING INSURANCE of the DECLARATIONS of this insurance for whom you have agreed in a written contract executed prior to loss to provide insurance. This insurance is subject to all

the limitations upon coverage under such policy of "underlying insurance", and, the limits of insurance afforded to such person or organization will be:

- (i) The difference between the "underlying insurance" limits and the minimum limits of insurance which you agreed to provide; or
- (ii) The limits of insurance of this policy whichever is less.

If the minimum limits of insurance you agreed to provide such person or organization in a written contract are wholly within the "underlying insurance", this policy shall not apply.

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

No person is an insured as respects "bodily injury" to a fellow employee unless insurance for such liability is afforded by the "underlying insurance".

SECTION III – LIMITS OF INSURANCE.

1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
 - a. Insureds;
 - b. Claims made or "suits" brought; or
 - c. Persons or organizations making claims or bringing "suits".
2. The Products-Completed Operations Aggregate Limit is the most we will pay under Coverage A for damages because of injury and damage included in the "products-completed operations hazard".
3. The General Aggregate Limit is the most we will pay for damages under Coverage A and Coverage B, except:
 - a. Damages because of injury and damage included in the "products-completed operations hazard"; and
 - b. Damages because of injury and damage included in the "auto hazard".
4. Subject to 3. above, the Personal and Advertising Injury Limit is the most we will pay under Coverage B for the sum of all damages because of all "personal injury" and all "advertising injury" sustained by any one person or organization.

Non cumulation of Personal and Advertising Injury Limit – If "personal injury" and/or "advertising injury" is sustained by any one person or organization during the policy period and during the policy period of one or more prior and/or future policies that include a **COMMERCIAL EXCESS LIABILITY (UMBRELLA) INSURANCE** policy for the insured issued by us or any affiliated insurance company, the amount we will pay is limited. This policy's Personal and Advertising Injury Limit will be reduced by the amount of each payment made by us and any affiliated insurance company under the other policies because of such "personal injury" and/or "advertising injury".

5. Subject to 2. or 3. above, whichever applies, the Each Occurrence Limit is the most we will pay for the sum of damages under Coverage A because of all "bodily injury" and "property damage" arising out of any one "occurrence".

Non cumulation of Each Occurrence Limit – If one "occurrence" causes "bodily injury" and/or "property damage" during the policy period and during the policy period of one or more prior and/or future policies that include a **COMMERCIAL EXCESS LIABILITY (UMBRELLA) INSURANCE** policy for the insured issued by us or any affiliated insurance company, the amount we will pay is limited. This policy's Each Occurrence Limit will be reduced by the amount of each payment made by us and any affiliated insurance company under the other policies because of such "occurrence".

To determine the limit of our liability, all "bodily injury" and "property damage" arising out of continuous or repeated exposure to the same general conditions shall be considered one "occurrence".

The limits of this insurance apply separately to each consecutive annual period and to any remaining period of less than 12 months. The policy period begins with the effective date shown in the Declarations. If the policy period is extended after issuance for an additional period of less than 12 months, the additional period will be deemed part of the last preceding period.

SECTION IV – CONDITIONS.

1. APPEALS.

- a. If the insured or the insured's "underlying insurer" elects not to appeal a judgment which exceeds the "applicable underlying limit", we may do so.
- b. If we do, we will pay all costs of the appeal. We will also pay all costs on appeals related

to the defense of the insured as provided in **SECTION 1, 2. DEFENSE OF CLAIMS OR SUITS**. These sums are in addition to the "applicable limit of insurance". In no event shall our liability for "ultimate net loss" exceed the "applicable limit of insurance".

2. BANKRUPTCY.

- a. Bankruptcy or insolvency of the insured or the insured's estate will not relieve us of our obligations under this insurance.
- b. Bankruptcy or insolvency of the "underlying insurer" will not relieve us of our obligations under this insurance.

However, this insurance will not replace the "underlying insurance" in event of bankruptcy or insolvency of the "underlying insurer". This insurance will apply as if the "underlying insurance" were in full effect.

3. CANCELLATION.

- a. You may cancel this insurance by mailing or delivering to us advance written notice of cancellation.
- b. We may cancel this insurance by mailing or delivering to you written notice of cancellation at least:
 - (1) 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
 - (2) 30 days before the effective date of cancellation if we cancel for any other reason.
- c. We will mail or deliver our notice to your last mailing address known to us.
- d. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
- e. If this insurance is cancelled, we will send you any premium refund due. If we cancel, the refund will be pro rata. If you cancel, the refund will be pro rata less 10% of the pro rata unearned premium. The cancellation will be effective even if we have not made or offered a refund.
- f. If notice is mailed, proof of mailing will be sufficient proof of notice.

4. CHANGES.

This contract contains all the agreements between you and us concerning the insurance afforded. No change can be made in the terms of

this insurance except with our consent. The terms of this insurance can be amended or waived only by endorsement issued by us and made a part of this insurance.

5. DUTIES IN THE EVENT OF OCCURRENCE OR OFFENSE, CLAIM OR SUIT.

- a. You must see to it that we are notified promptly of an "occurrence" or an "offense" which may result in a claim under this insurance. Notice should include:
 - (1) How, when and where the "occurrence" or "offense" took place; and
 - (2) The names and addresses of any injured persons and witnesses.
- b. If a claim is made or "suit" is brought against any insured which may result in a claim against this insurance, you must see to it that we receive prompt written notice of the claim or "suit".
- c. The insured must:
 - (1) Cooperate with the "underlying insurers";
 - (2) Comply with the terms of the "underlying insurance"; and
 - (3) Pursue all rights of contribution or indemnity against any person or organization who may be liable to the insured because of "bodily injury", "property damage", "personal injury" or "advertising injury" with respect to which insurance is provided under this or any policy of "underlying insurance".
- d. When we believe that a claim may exceed the "underlying insurance", we may join with the insured and the "underlying insurer" in the investigation, settlement and defense of all claims and "suits" in connection with such "occurrence" or "offense". In such event, the insured must cooperate with us.

6. EXAMINATION OF YOUR BOOKS AND RECORDS.

We may examine and audit your books and records as they relate to this insurance:

- a. At any time during the policy period;
- b. Up to three years afterward; or
- c. Within one year after final settlement of all claims under this insurance.

7. INSPECTIONS AND SURVEYS.

We have the right but are not obligated to:

- a. Make inspections and surveys at any time;
- b. Give you reports on the conditions we find; and
- c. Recommend changes.

Any inspections, surveys, reports or recommendations 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. We do not warrant that conditions are safe or healthful; or comply with laws, regulations, codes or standards.

8. LEGAL ACTION AGAINST US.

No person or organization has a right under this insurance:

- a. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or
- b. To sue us on this insurance unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured. We will not be liable for damages that are not payable under the terms of this insurance; or are in excess of the "applicable limit of insurance".

An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

9. MAINTENANCE OF UNDERLYING INSURANCE.

The insurance afforded by each policy in the schedule of "underlying insurance" in the Declarations will be maintained for the full term of this insurance. This provision does not apply to the reduction of the aggregate limit or limits due to payment of judgments or settlements for "bodily injury", "personal injury", "property damage" or "advertising injury". As these policies expire, you will renew them at limits at least equal to the expiring limits of insurance.

If you fail to comply with the above, this insurance is not invalidated. However, in the event of a loss, we will pay only to the extent that we would have paid had you so complied.

You must give us a written notice of any change in the "underlying insurance" as respects:

- a. Coverage;

- b. Limits of insurance;
- c. Termination of any coverage; or
- d. Exhaustion of aggregate limits.

10. OTHER INSURANCE.

This insurance is excess over any other valid and collectible insurance whether such other insurance is stated to be primary, contributing, excess, contingent or otherwise. This provision does not apply to a policy bought specifically to apply in excess of this insurance.

11. OUR RIGHT TO RECOVER FROM OTHERS.

If we make a payment under this insurance, the insured will assist us and the "underlying insurer" in recovering what we paid by using the insured's rights of recovery. Reimbursement will be made in the following order:

- a. First, to any interest (including the insured) who has paid any amount in excess of the limits of this insurance;
- b. Next to us; and
- c. Then to any interest (including the insured and the "underlying insurer") as are entitled to claim the remainder, if any.

A different order may apply if agreed upon by all interests. Expenses incurred in the process of recovery will be divided among all interests according to the ratio of their respective recoveries.

12. PREMIUM.

- a. You are responsible for the payment of all premiums and will be the payee for any return premiums.
- b. If the premium is a flat charge, it is not subject to adjustment except as provided in d. below.
- c. If the premium is other than a flat charge, it is an advance premium only. The earned premium will be computed at the end of each year in which this insurance is in force at the rate shown in the Declarations, subject to the Minimum Annual Premium.
- d. Additional premium may become payable when coverage is provided for additional insureds and named insureds under the provisions of SECTION II – 2.c. and f.

13. PREMIUM AUDIT.

- a. You must keep records of the information we need for premium computation, and send us copies at such times as we may request.



- b. At the close of each audit period we will compute the earned premium for that period and send notice to the first Named Insured.
- c. The due date for audit and retrospective premiums is the date as shown as the due date on the bill.
- d. If the sum of the advance and audit premiums paid for the policy period is greater than the earned premium, we will return the excess to you subject to the minimum premiums.

14. REPRESENTATION.

By accepting this insurance, you agree:

- a. The statements in the Declarations and any subsequent notice relating to "underlying insurance" are accurate and complete;
- b. Those statements are based upon representations you made to us; and
- c. We have issued this insurance in reliance upon your representations.

15. SEPARATION OF INSURED.

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned to you in this insurance, this insurance applies:

- a. As if each Named Insured were the only Named Insured; and
- b. Separately to each insured against whom claim is made or "suit" is brought.

16. TRANSFER OF YOUR RIGHTS AND DUTIES UNDER THIS INSURANCE.

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

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

17. WHEN LOSS IS PAYABLE.

If we are liable under this insurance, we will pay for "ultimate net loss" after:

- a. (1) The insured's liability is established by court decision; or
- (2) There is a written agreement between the claimant, the insured, any "underlying insurer" and us; and

- b. The amount of the "applicable underlying limit" is paid by or on behalf of the insured.

We will pay all claims within thirty days provided all terms of this insurance are met.

The insured will reimburse us for any payment we make for damages which are within the "retained limit".

18. TITLES OF PARAGRAPHS.

The titles of paragraphs of this policy and any endorsements attached to this policy are inserted solely for convenience of reference and are not to be deemed in any way to limit or affect the provisions to which they relate.

19. CURRENCY

Loss payments and expense reimbursements will be in the same currency as the currency of the Limits of Insurance stated in the Declarations. At our sole option, we may agree to pay loss or reimburse expense under this policy in another currency. Any necessary currency conversion shall be calculated based on the rate of exchange published in the next Wall Street Journal subsequent to the date of judgment, settlement or agreement.

SECTION V – DEFINITIONS.

- 1. "Advertising injury" means injury arising out of one or more of the following "offenses":

- a. Oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services provided that claim is made or "suit" is brought by a person or organization that claims to have been slandered or libeled, or whose goods, products or services have allegedly been disparaged;
- b. Oral or written publication of material that appropriates a person's likeness, unreasonably places a person in a false light or gives unreasonable publicity to a person's private life; or
- c. Infringement of copyright, title or slogan, provided that claim is made or "suit" is brought by a person or organization claiming ownership of such copyright, title or slogan.

Such "offenses" must be committed in the course of advertising your goods or products.

- 2. "Applicable limit of insurance" means the maximum amount we will pay as damages in accor-

dance with **SECTION III – LIMITS OF INSURANCE**.

3. "Applicable underlying limit" means:

a. If the policies of "underlying insurance" apply to the "occurrence" or "offense", the greater of:

(1) The amount of insurance stated in the policies of "underlying insurance" in the Declarations or any other available insurance less the amount by which any aggregate limit so stated has been reduced solely due to payment of claims; or

(2) The "retained limit" shown in the Declarations; or

b. If the policies of "underlying insurance" do not apply to the "occurrence" or "offense", the amount stated in the Declarations as the "retained limit".

The limits of insurance in any policy of "underlying insurance" will apply even if:

(i) The "underlying insurer" claims the insured failed to comply with any condition of the policy; or

(ii) The "underlying insurer" becomes bankrupt or insolvent.

4. "Auto" means a land motor vehicle, trailer or semi-trailer.

5. "Auto hazard" means all "bodily injury" and "property damage" for which liability insurance is afforded under the terms, other than limits of insurance, of the auto policy of "underlying insurance".

6. "Bodily injury" means bodily injury, shock, fright, mental injury, disability, mental anguish, humiliation, sickness or disease sustained by a person, including death resulting from any of these at any time.

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

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

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

if such property can be restored to use by the repair, replacement, adjustment or removal of "your product" or "your work"; or your fulfilling the terms of the contract or agreement.

8. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.

9. "Offense" means any of the offenses listed in the definition of "personal injury" or "advertising injury".

10. "Personal injury" means injury, other than "bodily injury", arising out of one or more of the following offenses:

a. False arrest, detention or imprisonment;

b. Malicious prosecution;

c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies by or on behalf of its owner, landlord or lessor, provided that the wrongful eviction, wrongful entry or invasion of the right of private occupancy is performed by or on behalf of the owner, landlord or lessor of that room, dwelling or premises;

d. Oral, written or electronic publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services, provided that claim is made or "suit" is brought by a person or organization that claims to have been slandered or libeled, or whose goods, products or services have allegedly been disparaged; or

e. Oral, written or electronic publication of material that appropriates a person's likeness, unreasonably places a person in a false light or gives unreasonable publicity to a person's private life.

Such "offenses" must arise out of the conduct of your business, excluding advertising, publishing, broadcasting or telecasting done by or for you.

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

12. a. "Products-completed operations hazard" 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.

b. "Your work" will be deemed completed at the earliest of the following times:

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

(2) 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.

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

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

c. "Products-completed operations hazard" 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.

13. "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.

"Property damage" does not include "electronic media and records".

As used in this definition, "electronic media and records" means:

(1) Electronic data processing, recording or storage media such as films, tapes, discs, drums or cells;

(2) Data stored on such media; or

(3) Programming records for electronic data processing or electronically controlled equipment.

14. "Retained limit" is the sum stated in the Declarations as such. If the policies of "underlying insurance" do not apply to the "occurrence" or "offense", the insured shall retain this amount as self insurance with respect to:

a. "Bodily injury" or "property damage" caused by each "occurrence"; or

b. "Personal injury" or "advertising injury" sustained by any one person or organization and caused by an "offense".

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

a. An arbitration proceeding alleging such damages 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.

16. "Ultimate net loss" means the sum actually paid or payable due to a claim for which the insured is liable either by a settlement to which we agreed or a final judgment. Such sum will include proper adjustments for recoveries and salvage.

17. "Underlying insurance" means the policies listed in the Schedule of Underlying Insurance and includes:

a. Any renewal or replacement of such policies; and

b. Any other insurance available to the insured.

18. "Underlying insurer" means any insurer which provides a policy listed in the Schedule of Underlying Insurance or any other insurance available to the insured.

19. "Your product":

a. Means:

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

(a) You;

(b) Others trading under your name; or

(c) A person or organization whose business or assets you have acquired; and

(2) Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

b. Includes:

(1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and

(2) The providing of or failure to provide warnings or instructions.

c. Does not include vending machines or other property rented to or located for the use of others but not sold.

20. "Your work":

a. Means:

(1) Work or operations performed by you or on your behalf; and

(2) Materials, parts or equipment furnished in connection with such work or operations.

b. Includes:

(1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work"; and

(2) The providing of or failure to provide warnings or instructions.



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – REAL ESTATE DEVELOPMENT ACTIVITIES – COMPLETED OPERATIONS

This endorsement modifies insurance provided under the following:

COMMERCIAL EXCESS (UMBRELLA) LIABILITY INSURANCE

PROVISIONS

A. This insurance does not apply to "bodily injury" or "property damage" that is included in the "products-completed operations hazard" and that arises out of any "real estate development activities" by or on behalf of any insured.

B. The following definition is added to **SECTION V – DEFINITIONS:**

"Real estate development activities" means the design, site preparation, construction, marketing or sales of residential, commercial or industrial buildings.

C. The Provisions of this endorsement do not apply to the repair, maintenance, renovation, alteration or addition to an existing building owned by the Named Insured.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM

This endorsement modifies insurance provided under the following:

COMMERCIAL EXCESS LIABILITY (UMBRELLA) INSURANCE

If aggregate insured losses attributable to terrorist acts certified under the federal Terrorism Risk Insurance Act exceed \$100 billion in a Program Year (January 1 through December 31) 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.

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism pursu-

ant to the federal Terrorism Risk Insurance Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EMPLOYERS LIABILITY – FOLLOWING FORM

This endorsement modifies insurance provided under the following:

COMMERCIAL EXCESS LIABILITY (UMBRELLA) INSURANCE

PROVISIONS:

A. The following exclusion is added to Paragraph 3. **EXCLUSIONS of SECTION I – COVERAGES, COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY; and COVERAGE B. PERSONAL INJURY AND ADVERTISING INJURY LIABILITY:**

3. Exclusions

This insurance does not apply to:

Employers 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:

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

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

B. The PROVISION A. exclusion above does not apply if you have a policy of "underlying insurance" listed in the SCHEDULE OF UNDERLYING INSURANCE of the DECLARATIONS of this insurance, or any renewal or replacement thereof, which provides coverage for such damages or would provide coverage for such damages but for the exhaustion of its limits of liability. Coverage provided will follow the same provisions, terms, definitions, exclusions, limitations and conditions of the policy(ies) of "underlying insurance" listed in the SCHEDULE OF UNDERLYING INSURANCE of the DECLARATIONS of this insurance.

C. Only as respects the provisions of this endorsement, SECTION V – DEFINITIONS is amended as follows:

- 1. Parts 3.a.(1), 3.a.(2) and 3.b. of the definition of "Applicable underlying limit" are deleted; and
- 2. Part 17.b. of the definition of "Underlying insurance" is deleted.



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AMENDMENT OF COVERAGE – ADVERTISING INJURY AND PROPERTY DAMAGE

This endorsement modifies insurance provided under the following:

COMMERCIAL EXCESS LIABILITY (UMBRELLA) INSURANCE

PROVISIONS:

- A. Part b.(1) of Paragraph 3. **EXCLUSIONS of SECTION I – COVERAGES, COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY; and COVERAGE B. PERSONAL INJURY AND ADVERTISING INJURY LIABILITY** is deleted and replaced by the following:

(This insurance does not apply to:)

- b. "Advertising Injury" "Offenses"

(1) "Advertising injury" arising out of a breach of contract.

- B. The definition of "property damage" in **SECTION V – DEFINITIONS** is deleted and replaced by the following:

13. "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.

"Property damage" does not include loss of or damage to "electronic media and records".

As used in this definition, "electronic media and records" means:

- (1) Electronic data processing, recording or storage media such as films, tapes, discs, drums or cells;
- (2) Data stored on such media; or
- (3) Programming records for electronic data processing or electronically controlled equipment.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AMENDMENT OF COVERAGE — NAMED INSURED

This endorsement modifies insurance provided under the following:

COMMERCIAL EXCESS LIABILITY (UMBRELLA) INSURANCE

The second paragraph of this insurance is replaced by:

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



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCESS PERSONAL, ADVERTISING AND WEB SITE INJURY LIABILITY

This endorsement modifies insurance provided under the following:

COMMERCIAL EXCESS LIABILITY (UMBRELLA) INSURANCE

Only as respects the insurance provided by this endorsement, none of the insuring agreements, terms, definitions or exclusions of the policy to which this endorsement is attached apply, except for **SECTION IV – CONDITIONS**.

SECTION I – INSURING AGREEMENT

1. We will pay on behalf of the insured those sums, in excess of the amount payable under the terms of any Personal, Advertising and Web Site Injury Liability Insurance included in the "underlying insurance", that the insured becomes legally obligated to pay as damages because of:
 - a. "Personal injury" and "advertising injury"; and,
 - b. "Web site injury" caused by an offense committed in the course of the visual or audio presentation of material on "your web site" or in the numerical expression of computer code used to enable "your web site";

provided that the Personal, Advertising and Web Site Injury Liability Insurance applies or would apply except for the exhaustion of its "underlying personal, advertising or web site injury liability limit".
2. The amount we will pay is limited as described in **SECTION III – LIMITS OF INSURANCE** in this endorsement.
3. This insurance is subject to the same insuring agreements, terms, definitions, exclusions and conditions as any Personal, Advertising and Web Site Injury Liability Insurance included in the "underlying insurance", except for the provisions of this endorsement.

SECTION II – WHO IS AN INSURED

Any person or organization qualifying as an insured subject to the terms and provisions of any Personal, Advertising and Web Site Injury Liability Insurance included in the "underlying insurance" is an insured under the insurance provided by this endorsement.

SECTION III – LIMITS OF INSURANCE

1. As respects the insurance provided by this endorsement, the Limit of Insurance shown in the Declarations of the policy to which this endorsement is attached and the rules below fix the most we will pay regardless of the number of:
 - a. Insureds;
 - b. Claims made or "suits" brought; or
 - c. Persons or organizations making claims or bringing "suits".
2. The General Aggregate Limit shown in the Declarations of the policy to which this endorsement is attached is the most we will pay for all sums payable under this endorsement.

The sum of all payments made under this endorsement and all payments made under the policy to which it is attached shall not exceed the General Aggregate Limit shown on the Declarations of the policy to which this endorsement is attached.
3. Subject to 2. above, the Personal, Advertising and Web Site Injury Limit is the most we will pay under **COVERAGE B** for the sum of all damages because of all "personal injury", all "advertising injury" and all "web site injury" sustained by any one person or organization.

SECTION IV – MAINTENANCE OF UNDERLYING PERSONAL, ADVERTISING AND WEB SITE IN- JURY LIABILITY INSURANCE

The insurance afforded by the Personal, Advertising and Web Site Injury Liability insurance included in the "underlying insurance" in the Declarations of the policy to which this endorsement is attached will be maintained for the full term of this endorsement. This provision does not apply to the reduction of the "underlying personal, advertising and web site injury liability limit" due to payment of claims or "suits" arising out of damages. As coverage for Personal, Advertising and Web Site Injury Liability insurance included in the "underlying insurance" expires, you

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT (BROAD FORM)

This endorsement modifies insurance provided under the following:

COMMERCIAL EXCESS LIABILITY (UMBRELLA) INSURANCE

1. The insurance does not apply:

a. Under any Liability Coverage, to "bodily injury" or "property damage":

- (1)** With respect to which an "insured" under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or
- (2)** Resulting from the "hazardous properties" of "nuclear material" and with respect to which (a) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or (b) the "insured" is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.

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

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

- (1)** The "nuclear material" (a) is at any "nuclear facility" owned by, or operated by or on behalf of, an "insured" or (b) has been discharged or dispersed therefrom;
- (2)** The "nuclear material" is contained in "spent fuel" or "waste" at any time pos-

essed, handled, used, processed, stored, transported or disposed of by or on behalf of an "insured"; or

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

2. As used in this endorsement:

"Hazardous properties" include radioactive, toxic or explosive properties;

"Nuclear material" means "source material", "Special nuclear material" or "by-product material";

"Source material", "special nuclear material", and "by-product material" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof;

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

"Waste" means any waste material (a) containing "by-product material" other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its "source material" content, and (b) resulting from the operation by any person or organization of any "nuclear facility" included under the first two paragraphs of the definition of "nuclear facility."

"Nuclear facility" means:

- a.** Any "nuclear reactor";
- b.** Any equipment or device designed or used for (1) separating the isotopes of uranium or pluto-

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WAR EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL EXCESS LIABILITY (UMBRELLA) INSURANCE

The following exclusion is added to Paragraph 3., **EXCLUSIONS** of **SECTION I – COVERAGES, COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY; and COVERAGE B. PERSONAL INJURY AND ADVERTISING INJURY LIABILITY:**

3. Exclusions

This insurance does not apply to:

War

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

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

regardless of any other cause or event that contributes concurrently or in any sequence to the injury or damage.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION — ASBESTOS

This endorsement modifies insurance provided under the following:

COMMERCIAL EXCESS LIABILITY (UMBRELLA) INSURANCE

This insurance does not apply to "bodily injury," "property damage," "personal injury" or "advertising injury" arising out of the actual or alleged presence or actual, alleged or threatened dispersal of asbestos, asbestos fibers or products containing asbestos, provided that the injury or damage is caused or contributed to by the hazardous properties of asbestos. This includes:

- a. Any supervision, instructions, recommendations, warnings or advice given or which should have been given in connection with the above; and
- b. Any obligation to share damages with or repay someone else who must pay damages because of such injury or damage.



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – LIQUOR LEGAL LIABILITY – EXCEPTION FOR SCHEDULED ACTIVITIES

This endorsement modifies insurance provided under the following:
COMMERCIAL EXCESS LIABILITY (UMBRELLA) INSURANCE

SCHEDULE

Description of Activity(ies)

NO SCHEDULED ACTIVITIES

Exclusion 3.o. Liquor Legal Liability of SECTION I – COVERAGES, COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY; and COVERAGE B. PERSONAL INJURY AND ADVERTISING INJURY LIABILITY is deleted and replaced by the following:

(This insurance does not apply to:)

o. Liquor Legal Liability

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

1. Causing or contributing to the intoxication of any person;
2. The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
3. Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies only if you:

1. Manufacture, sell or distribute alcoholic beverages;
2. Serve or furnish alcoholic beverages for a charge whether or not such activity:
 - (a) Requires a license;
 - (b) Is for the purpose of financial gain or livelihood, or
3. Serve or furnish alcoholic beverages without a charge, if a license is required for such activity.

However, this exclusion does not apply to "bodily injury" or "property damage" arising out of the serving or furnishing of alcoholic beverages at the specific activity(ies) described above.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION—LEAD

This insurance modifies insurance provided under the following:

COMMERCIAL EXCESS LIABILITY (UMBRELLA) INSURANCE

PROVISIONS

This insurance does not apply to any injury, damage, loss, cost, payment or expense, including, but not limited to, defense and investigation, of any kind arising out of, resulting from, caused by or contributed to by the actual or alleged presence or actual, alleged or threatened dispersal, release, ingestion, inhalation or absorption of lead, lead components or lead which is or was contained or incorporated into any material or substance. This exclusion applies, but is not limited to:

1. Any supervision, instructions, recommendations, warnings or advice given in connection with the above;
2. Any obligation to share damages, losses, costs, payments or expenses with or repay someone else who must make payment because of such injury or damage, loss, cost, payment or expense; or
3. Any request, order or requirement to abate, mitigate, remediate, contain, remove or dispose of lead, lead components or materials or substances containing lead.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FUNGI OR BACTERIA EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL EXCESS LIABILITY (UMBRELLA) INSURANCE

A. The following exclusion is added to Paragraph 3., EXCLUSIONS of SECTION I – COVERAGES, COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY; and COVERAGE B. PERSONAL INJURY AND ADVERTISING INJURY LIABILITY:

3. Exclusions

This insurance does not apply to:

Fungi or Bacteria

a. "Bodily injury", "property damage", "personal injury" or "advertising injury" which would not have occurred, in whole or in part, but for the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, any "fungi" or bacteria on or within a building or structure, including its contents, regardless of whether any other cause, event, material or product contributed concurrently

or in any sequence to such injury or damage; or

b. Any loss, cost or expenses arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to, or assessing the effects of, "fungi" or bacteria, by any insured or by any other person or entity.

This exclusion does not apply to any "fungi" or bacteria that are, are on, or are contained in, a good or product intended for consumption.

B. The following definition is added to the DEFINITIONS Section:

"Fungi" means any type or form of fungus, including mold or mildew and any mycotoxins, spores, scents or byproducts produced or released by fungi.



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – UNSOLICITED COMMUNICATIONS

This endorsement modifies insurance provided under the following:

COMMERCIAL EXCESS LIABILITY (UMBRELLA) INSURANCE

This insurance does not apply to any injury or damage arising out of unsolicited communications by or on behalf of any insured. Unsolicited communications means any form of communication, including but not limited to facsimile, electronic mail, posted mail or telephone, in which the recipient has not specifically requested the communication. Unsolicited communications also include but are not limited to communications which are made or allegedly made in violation of the Telephone Consumer Protection Act and any amendments, and/or local or state statutes that bar, prohibit or penalize such communications.

**INTERLINE
ENDORSEMENTS**



**INTERLINE
ENDORSEMENTS**



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FEDERAL TERRORISM RISK INSURANCE ACT DISCLOSURE

This endorsement applies to the insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
SPECIAL PROTECTIVE AND HIGHWAY LIABILITY POLICY – NEW YORK DEPARTMENT OF
TRANSPORTATION
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
RAILROAD PROTECTIVE LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
LIMITED ABOVE GROUND POLLUTION LIABILITY COVERAGE PART
ENVIRONMENTAL HAZARD POLICY
EMPLOYEE BENEFITS LIABILITY COVERAGE PART
ELECTRONIC MANUFACTURERS AND COMPUTER SERVICES ERRORS AND OMISSIONS
LIABILITY COVERAGE FORM
SELF-INSURED EXCESS COMMERCIAL GENERAL LIABILITY COVERAGE FORM
SELF-INSURED EXCESS LIQUOR LIABILITY COVERAGE FORM
SELF-INSURED EXCESS EMPLOYEE BENEFITS LIABILITY COVERAGE FORM
SELF-INSURED EXCESS PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE FORM
COMMERCIAL EXCESS LIABILITY (UMBRELLA) INSURANCE
EXCESS (FOLLOWING FORM) LIABILITY INSURANCE

PROVISIONS

On December 26, 2007, the President of the United States signed into law amendments to the Terrorism Risk Insurance Act of 2002 (the "Act"), which, among other things, extend the Act and expand its scope. The Act establishes a program under which the Federal Government may partially reimburse "Insured Losses" (as defined in the Act) caused by "acts of terrorism". An "act of terrorism" is defined in Section 102(l) of the Act to mean any act that is certified by the Secretary of the Treasury – in concurrence with the Secretary of State and the Attorney General of the United States – to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States Mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the

conduct of the United States Government by coercion.

The Federal Government's share of compensation for Insured Losses is 85% of the amount of Insured Losses in excess of each Insurer's statutorily established deductible, subject to the "Program Trigger", (as defined in the Act). In no event, however, will the federal government or any Insurer be required to pay any portion of the amount of aggregate Insured Losses occurring in any one year that exceeds \$100,000,000,000, provided that such Insurer has met its deductible. If aggregate Insured Losses exceed \$100,000,000,000 in any one year, your coverage may therefore be reduced.

The charge for Insured Losses for each Coverage Part is included in the Coverage Part premium. The charge that has been included for each Coverage Part is indicated below, and does not include any charge for the portion of losses covered by the Federal Government under the Act.

- **1% of each applicable Commercial Liability Coverage premium.**

POLICYHOLDER NOTICES

**IMPORTANT NOTICE – INDEPENDENT AGENT AND BROKER
COMPENSATION**

NO COVERAGE IS PROVIDED BY THIS NOTICE. THIS NOTICE DOES NOT AMEND ANY PROVISION OF YOUR POLICY. YOU SHOULD REVIEW YOUR ENTIRE POLICY CAREFULLY FOR COMPLETE INFORMATION ON THE COVERAGES PROVIDED AND TO DETERMINE YOUR RIGHTS AND DUTIES UNDER YOUR POLICY. PLEASE CONTACT YOUR AGENT OR BROKER IF YOU HAVE ANY QUESTIONS ABOUT THIS NOTICE OR ITS CONTENTS. IF THERE IS ANY CONFLICT BETWEEN YOUR POLICY AND THIS NOTICE, THE PROVISIONS OF YOUR POLICY PREVAIL.

For information about how Travelers compensates independent agents and brokers, please visit www.travelers.com, call our toll-free telephone number 1-866-904-8348, or request a written copy from Marketing at One Tower Square, 2GSA, Hartford, CT 06183.

TABLE OF CONTENTS

BUSINESSOWNERS COVERAGE PART DELUXE PLAN

The following indicates the contents of the principal forms which may be attached to your policy. It contains no reference to the Declarations or Endorsements which also may be attached.

BUSINESSOWNERS PROPERTY COVERAGE SPECIAL FORM MP T1 02

	Beginning on Page
COVERAGE	1
Covered Property	1
Property Not Covered	2
Business Income and Extra Expense	2
Covered Causes of Loss	3
Limitations	3
Additional Coverages	4
Coverage Extensions	11
EXCLUSIONS	22
LIMITS OF INSURANCE	26
Inflation Guard	26
Business Personal Property Limit — Seasonal Increase	27
DEDUCTIBLES	27
PROPERTY LOSS CONDITIONS	27
Abandonment	27
Appraisal	27
Duties in the Event of Loss or Damage	27
Loss Payment — Building and Personal Property	28
Loss Payment — Business Income and Extra Expense	31
Recovered Property	32
Noncumulative Limit	32
COMMERCIAL PROPERTY CONDITIONS	32
Concealment, Misrepresentation or Fraud	32
Control of Property	32
Insurance Under Two or More Coverages	33
Legal Action Against Us	33
Liberalization	33
No Benefit to Bailee	33
Other Insurance	33
Policy Period, Coverage Territory	33
Transfer of Rights of Recovery Against Others to Us	33
Coinsurance	33
Mortgageholders	34
PROPERTY DEFINITIONS	35



BUSINESSOWNERS PROPERTY COVERAGE SPECIAL FORM

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

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

Other words and phrases that appear in quotation marks have special meaning. Refer to Paragraph G - PROPERTY DEFINITIONS.

A. COVERAGE

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

1. Covered Property

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

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

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

(f) Lawn maintenance and snow removal equipment; and

(g) Alarm systems; and

(8) If not covered by other insurance:

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

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

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

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

2. Property Not Covered

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



BUSINESSOWNERS

- a. Aircraft;
- b. Automobiles held for sale;
- c. Vehicles or self-propelled machines that are:
 - (1) Licensed for use on public roads; or
 - (2) Operated principally away from the described premises:This paragraph does not apply to:
 - (1) Vehicles or self-propelled machines or autos you manufacture, process or warehouse;
 - (2) Vehicles or self-propelled machines other than autos, you hold for sale; or
 - (3) Trailers or semi-trailers, except as provided in the Non-Owned Detached Trailers Coverage Extension.
- d. Dams or dikes;
- e. Contraband, or property in the course of illegal transportation or trade;
- f. The cost of excavating, grading, backfilling or filling (except those costs made necessary due to repair of buildings insured under this Coverage Form from a Covered Cause of Loss), reclaiming or restoring land or water;
- g. Water or land whether in its natural state or otherwise (including land on which the property is located), land improvements, growing crops or standing timber.
- h. Outdoor trees, shrubs, plants and lawns, other than "stock" except as provided in the Outdoor Trees, Shrubs, Plants and Lawns Coverage Extension.
- i. The following property while outside of the buildings:
 - (1) Bridges, walks, roadways, patios or other paved surfaces; or
 - (2) Outdoor radio or television antennas, (including satellite dishes) and including their lead-in wiring, masts or towers:except as provided in the Outdoor Property Coverage Extension;
- j. Watercraft (including motors, equipment and accessories) while afloat;
- k. Accounts and bills, except as provided in the Accounts Receivable Coverage Extension;

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

3. Business Income and Extra Expense

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

a. Business Income

(1) Business Income means:

(a) Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred, including:

- (i) "Rental Value"; and
- (ii) "Maintenance Fees", if you are a condominium association; and

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

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

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

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

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

b. Extra Expense

- (1) Extra Expense means reasonable and necessary expenses you incur during the "period of restoration" that you would not have incurred if there had been no direct physical loss of or damage to property caused by or resulting from a Covered Cause of Loss.

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

- (a) Avoid or minimize the "suspension" of business and to continue "operations" at the described premises or at replacement premises or temporary locations, including relocation expenses and costs to equip and operate the replacement premises or temporary locations; or

- (b) Minimize the "suspension" of business if you cannot continue "operations".

- (3) We will also pay Extra Expense (including Expediting Expenses) to repair or replace the property, but only

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

c. Extended Business Income

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

- (1) Begins on the date property is actually repaired, rebuilt or replaced and "operations" are resumed; and

- (2) Ends on the earlier of:

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

- (b) Sixty consecutive days after the date determined in Paragraph (1) above.

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

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

- (1) Actual loss for 12 consecutive months, then we will pay for loss of Business Income and Extra Expense that occurs within 12 consecutive months following the date of direct physical loss or damage; or

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

4. Covered Causes of Loss

RISKS OF DIRECT PHYSICAL LOSS unless the loss is:

BUSINESSOWNERS

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

5. Limitations

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

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

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

(b) The loss or damage is caused by or results from thawing of snow, sleet or ice on the building or structure

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

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

- b. We will not pay for loss of or damage to the following types of property unless caused by any of the "specified causes of loss" or building glass breakage:

(1) Live animals, birds or fish, and then only if they are killed or their destruction is made necessary.

(2) Fragile articles such as glassware, statuary, marbles, chinaware and porcelains, if broken. This limitation does not apply to:

(a) Glass that is part of the exterior or interior of a building or structure;

(b) Containers of property held for sale; or

(c) Photographic or scientific instrument lenses.

- c. For loss or damage by "theft", the most we will pay in any one occurrence for the following types of property is:

(1) \$2,500 for all furs, fur garments and garments trimmed with fur.

(2) \$5,000 for all jewelry, watches, watch movements, jewels, pearls, precious and semi-precious stones, bullion, gold, silver, platinum and other precious alloys or metals. This limit does not apply to jewelry and watches worth \$500 or less per item.

(3) \$2,500 for all patterns, dies, molds and forms.

- d. We will not pay for any loss or damage caused by any of the following, even if they are Covered Causes of Loss, if the building where loss or damage occurs has been "vacant" for more than 60 consecutive days before that loss or damage occurs:

(1) Vandalism;

(2) Sprinkler Leakage, unless you have protected the system against freezing;

(3) Building glass breakage;

(4) Discharge or leakage of water;

(5) "Theft" or

(6) Attempted "theft".

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

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

6. Additional Coverages

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

a. Arson and Theft Reward

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

b. Claim Data Expense

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

c. Debris Removal

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

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

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

d. Employee Dishonesty

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



providing "employee dishonesty" coverage.

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

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

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

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

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

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

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

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

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

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

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

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

e. Expediting Expenses

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

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

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

f. Fine Arts

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

- (a) You; or

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

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

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

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

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

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

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

g. Fire Department Service Charge

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

liability for fire department service charges:

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

h. Fire Protective Equipment Discharge

- (1) If fire protective equipment discharges accidentally or to control a Covered Cause of Loss we will pay your cost to:
 - (a) Refill or recharge the system with the extinguishing agents that were discharged; and
 - (b) Replace or repair faulty valves or controls which caused the discharge.
- (2) The most we will pay under this Additional Coverage in any one occurrence is \$10,000, regardless of the number of premises involved.

i. Forgery or Alteration

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

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

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

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



BUSINESSOWNERS

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

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

j. Newly Acquired or Constructed Property

(1) Buildings

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

(i) Your:

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

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

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

(2) Business Personal Property

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

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

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

(ii) Business Personal Property that you newly acquire at a described premises.

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

(3) Period Of Coverage

(a) With respect to insurance under this Additional Coverage, coverage will end when any of the following first occurs:

- (i) This policy expires;
- (ii) 180 days expire after you acquire the property or begin to construct the property;
- (iii) You report values to us, or
- (iv) The property is more specifically insured.

(b) We will charge you additional premium for values reported to us from the date construction begins or you acquire the property.

k. Ordinance or Law

(1) In the event of damage by a Covered Cause of Loss to a building that is Covered Property, we will pay for:

- (a) Loss in value of the undamaged portion of the building as a consequence of enforcement of the minimum requirements of any ordinance or law that requires the demolition of undamaged parts of the same building;
- (b) Demolition cost, meaning the cost to demolish and clear the site of undamaged parts of the same building as a consequence of enforcement of the minimum requirements of any ordinance or law that required demolition of such undamaged property; and
- (c) The increased cost of construction, meaning the increased cost to repair, rebuild or construct the

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

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

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

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

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

- (a) Loss due to any ordinance or law that:
 - (i) You were required to comply with before the loss, even if the building was undamaged; and
 - (ii) You failed to comply with, or
- (b) Costs associated with the enforcement of any ordinance or law that requires any Insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".

(4) Paragraph B.1.a. does not apply to this Additional Coverage.

(5) Subject to the limit described in Paragraph (6) below:

- (a) The insurance provided under this Additional Coverage for loss in value to the undamaged portion of the building is limited as follows:



BUSINESSOWNERS

- (i) If Replacement Cost Coverage applies and the building is repaired or replaced on the same or another premises, we will not pay more than the lesser of:
 - a) The amount you actually spend to repair, rebuild or reconstruct the undamaged portion of the building; or
 - b) The amount it would cost to restore the undamaged portion of the building on the same premises and to the same height, floor area, style and comparable quality of the original undamaged portion of the building; or
- (ii) If Replacement Cost Coverage applies and the building is not repaired or replaced, or if Replacement Cost Coverage does not apply, we will not pay more than the actual cash value of the undamaged portion of the building at the time of loss.
- (b) We will not pay more for demolition costs than the amount you actually spend to demolish and clear the site of the described premises.
- (c) The insurance provided under this Additional Coverage for increased cost of construction is limited as follows:
 - (i) If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay is the increased cost of construction at the same premises; or
 - (ii) If the ordinance or law requires relocation to another premises, the most we will pay is the increased cost of construction at the new premises.

- (6) The most we will pay for loss under this Additional Coverage for the total of all coverages described in Paragraph (1) above in any one occurrence is \$25,000 at each described premises.

l. Outdoor Trees, Shrubs, Plants and Lawns

- (1) We will pay for direct physical loss of or damage to outdoor trees, shrubs, plants (other than "stock" of trees, shrubs or plants) and lawns located at the described premises caused by or resulting from a Covered Cause of Loss.
- (2) The most we will pay for loss or damage under this Additional Coverage in any one occurrence is \$3,000 at each described premises.
- (3) Debris removal, because of covered loss or damage to outdoor trees, shrubs, plants and lawns, is included within the limits described in Paragraph (2) above.

m. Pollutant Cleanup and Removal

- (1) We will pay your necessary and reasonable expense to extract "pollutants" from land or water at the described premises, if the discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused by or results from a "specified cause of loss" which occurs:
 - (a) At the described premises;
 - (b) To Covered Property; and
 - (c) During the policy period.
- (2) The expenses will be paid only if they are reported to us in writing within 180 days of the date on which the "specified cause of loss" occurs.
- (3) This Additional Coverage does not apply to costs to test for, monitor or assess the existence, concentration or effects of "pollutants". But we will pay for testing which is performed in the course of extracting the "pollutants" from the land or water.
- (4) The most we will pay under this Additional Coverage is \$25,000 for the sum of all covered expenses arising

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

n. Preservation of Property

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

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

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

(b) The costs incurred to:

- (i) Remove such property from the described premises; and
- (ii) Return such property to the described premises.

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

- (a) When the policy is amended to provide insurance at the new location;
- (b) The property is returned to the original described premises;
- (c) 90 days expire after the property is first moved; or
- (d) This policy expires.

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

o. Temporary Relocation of Property

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

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

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

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

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

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

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

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

- (a) Results in discharge of any substance from an automatic fire protection system; or
- (b) Is directly caused by freezing.

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

7. Coverage Extensions

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

a. Accounts Receivable

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



BUSINESSOWNERS

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

(2) We will pay for:

- (a)** All amounts due from your customers that you are unable to collect;
- (b)** Interest charges on any loan required to offset amounts you are unable to collect pending our payment of these amounts;
- (c)** Collection expenses in excess of your normal collection expenses that are made necessary by the loss or damage; and
- (d)** Other reasonable expenses that you incur to re-establish your records of accounts receivable

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

- (a)** We will not pay for loss caused by or resulting from bookkeeping, accounting or billing errors or omissions;
- (b)** We will not pay for loss that requires an audit of records or any inventory computation to prove its factual existence;
- (c)** We will not pay for loss caused by or resulting from alteration, falsification, concealment or destruction of records of accounts receivable done to conceal the wrongful giving taking or withholding of money, securities or other property. But this exclusion applies only to the extent of the wrongful giving taking or withholding.
- (d)** Paragraph B.1.b. Earth Movement;
- (e)** Paragraph B.1.c. Governmental Action;
- (f)** Paragraph B.1.d. Nuclear Hazard;

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

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

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

(j) Paragraph B.2.g.

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

(4) The most we will pay under this Coverage Extension for loss of or damage to records of accounts receivable in any one occurrence while in transit or at a premises other than the described premises is \$25,000.

(5) The most we will pay under this Coverage Extension for loss of or damage to records of accounts receivable in any one occurrence at each described premises is \$25,000 or the amount shown in the Declarations for Accounts Receivable, whichever is greater.

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

b. Appurtenant Buildings and Structures

(1) When a Limit of Insurance is shown in the Declarations for Building at the described premises, you may extend that insurance to apply to direct physical loss of or damage to incidental appurtenant buildings or structures, within 1,000 feet of that described premises, caused by or resulting from a Covered Cause of Loss.

(2) When a Limit of Insurance is shown in the Declarations for Business Personal Property at the described premises, you may extend that insurance to apply to direct physical loss of or damage to Business Personal Property within incidental appurtenant buildings or structures within 1,000 feet of that described premises, caused by or resulting from a Covered Cause of Loss.

(3) Incidental appurtenant buildings or structures include:

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

which have not been specifically described in the Declarations.

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

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

c. Building Glass

(1) If:

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

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

(2) If:

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

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

by chemicals accidentally or maliciously applied to glass.

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

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

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

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

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

d. Business Income and Extra Expense From Dependent Property

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



BUSINESSOWNERS

by or resulting from a Covered Cause of Loss.

(2) **Dependent Property** means property operated by others whom you depend on to:

- (a) Deliver materials or services (other than "water supply services", "communication supply services" or "power supply services") to you, or to others for your account (Contributing Locations);
- (b) Accept your products or services (Recipient Locations);
- (c) Manufacture products for delivery to your customers under contract of sale (Manufacturing Locations); or
- (d) Attract customers to your business (Leader Locations).

(3) With respect to this Coverage Extension, the "period of restoration":

- (a) Begins 24 hours after the time of direct physical loss or damage caused by or resulting from any Covered Cause of Loss at the premises of the Dependent Property;
- (b) Ends on the date when the property at the premises of the Dependent Property should be repaired, rebuilt or replaced with reasonable speed and similar quality; and
- (c) Does not include any increased period required due to the enforcement of any ordinance or law that:
 - (i) Regulates the construction, use or repair, or requires the tearing down of any property; or
 - (ii) Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".

(4) This Coverage Extension:

- (a) Applies to Dependent Property premises located within the Coverage Territory; and
- (b) Does not apply when you have more specific insurance under any other policy

(5) We will reduce the amount of your Business Income loss, other than Extra Expense, to the extent you can resume "operations" in whole or in part, by using any other available:

- (a) Source of materials; or
- (b) Outlet for your products.

(6) The most we will pay for Business Income and Extra Expense under this Coverage Extension in any one occurrence is \$10,000, regardless of the number of described premises or number of Dependent Properties involved

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

e. **Business Income and Extra Expense – Newly Acquired Premises**

(1) When the Declarations show that you have coverage for Business Income and Extra Expense, you may extend that insurance to apply to the actual loss of Business Income you sustain and reasonable and necessary Extra Expense you incur due to the "suspension" of your "operations" during the "period of restoration" The "suspension" must be caused by direct physical loss or damage caused by or resulting from a Covered Cause of Loss at any premises you newly acquire by purchase or lease (other than at fairs, trade shows or exhibitions).

(2) The most we will pay under this Coverage Extension for the sum of Business Income and Extra Expense you incur in any one occurrence is \$250,000 at each newly acquired premises.

(3) Insurance under this Coverage Extension, for each newly acquired

premises will end when any of the following first occurs:

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

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

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

f. Business Personal Property Off Premises

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

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

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

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

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

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

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

g. Civil Authority

- (1) When the Declarations show that you have coverage for Business Income and Extra Expense, you may extend that insurance to apply to the actual loss of Business Income you sustain and reasonable and necessary Extra Expense you incur caused by action of civil authority that prohibits access to the described premises. The civil authority action must be due to direct physical loss of or damage to property at locations, other than described premises, that are within 100 miles of the described premises, caused by or resulting from a Covered Cause of Loss.

- (2) The coverage for Business Income will begin 24 hours after the time of that action and will apply for a period of three consecutive weeks after coverage begins.

- (3) The coverage for Extra Expense will begin immediately after the time of that action and will end when your Business Income coverage ends for this Coverage Extension.

h. Electronic Data Processing

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

- (2) Worldwide coverage is provided under this Coverage Extension. The coverage territory as described in



BUSINESSOWNERS

Paragraph F.3.b. does not apply to this Coverage Extension.

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

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

(iv) Unexplained or indeterminable failure, malfunction or slowdown of a computer system including "Electronic Data Processing Data and Media" or the inability to access or properly manipulate "Electronic Data Processing Data and Media"; or

(v) "Electronic Vandalism" except as provided in Paragraph (9) below.

- (6) The most we will pay under this Coverage Extension for loss of or damage to "Electronic Data Processing Equipment" and to "Electronic Data Processing Data and Media", while in transit or at a premises other than the described premises, in any one occurrence, is \$25,000.
- (7) The most we will pay under this Coverage Extension for loss of or damage to duplicates of your "Electronic Data Processing Data and Media" while stored at a separate premises from where your original "Electronic Data Processing Data and Media" are kept, in any one occurrence, is \$25,000.
- (8) The most we will pay under this Coverage Extension for loss or damage to "Electronic Data Processing Equipment", including such property you newly acquire in any one occurrence is \$25,000 at each newly acquired premises. With respect to insurance

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

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

i. Equipment Breakdown

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

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

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

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

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

(a) Expediting Expenses

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

(b) "Pollutants"

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

BUSINESSOWNERS

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

(c) Service Interruption

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

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

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

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

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

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

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

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

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

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

(c) Paragraph 2.e.

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

Suspension

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

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

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

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

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

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

J. Interruption of Computer Operations

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

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

k. Money Orders and Counterfeit Paper Currency

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

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

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

l. Non-Owned Detached Trailers

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

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

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

- (3) The most we will pay for loss or damage under this Coverage Extension in any one occurrence is \$5,000 regardless of the number of described premises, trailers or semi-trailers involved.
- (4) This insurance is excess over the amount due (whether you can collect on it or not) from any other insurance covering such property.

m. Ordinance or Law – Increased Period of Restoration

(1) When:

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

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

- (a) Regulates the construction, repair or replacement of any property;
- (b) Requires the tearing down or replacement of any parts of property not damaged by a Covered Cause of Loss; and
- (c) Is in force at the time of loss.

- (2) This Coverage Extension applies only to the period that would be required, with reasonable speed, to reconstruct, repair or replace the property to comply with the minimum requirements of the ordinance or law.

- (3) This Coverage Extension does not apply to:

BUSINESSOWNERS

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

n. Outdoor Property

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

e. Personal Effects

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

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

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

caused by or resulting from a Covered Cause of Loss.

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

p. Signs

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

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

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

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

q. Spoilage – Consequential Loss

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

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

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

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

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

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

r. Theft Damage to Rented Property

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

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

service of such non-owned building.

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

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

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

s. Valuable Papers and Records

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

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

caused by or resulting from a Covered Cause of Loss.

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

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

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

BUSINESSOWNERS

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

(f) Paragraph B.1.g. Water;

(g) Paragraph B.1.h. Neglect; and

(h) Paragraph B.2.g.

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

(4) The most we will pay under this Coverage Extension for loss of or damage to "valuable papers and records" in any one occurrence while in transit or at a premises other than the described premises is \$25,000.

(5) The most we will pay under this Coverage Extension for loss of or damage to "valuable papers and records" in any one occurrence at each described premises is \$25,000 or the amount shown in the Declarations for Valuable Papers and Records, whichever is greater.

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

B. EXCLUSIONS

1. We will not pay for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss. These exclusions apply whether or not the loss event results in widespread damage or affects a substantial area.

a. Ordinance or Law

(1) The enforcement of any ordinance or law:

(a) Regulating the construction, use or repair of any property; or

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

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

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

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

b. Earth Movement

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

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

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

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

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

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

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

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

(a) Airborne volcanic blast or airborne shock waves;

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

(c) Lava flow.

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

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

c. Governmental Action

Seizure or destruction of property by order of governmental authority.

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

d. Nuclear Hazard

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

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

e. Utility Services

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

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

f. War and Military Action

(1) War, including undeclared or civil war;

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

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

governmental authority in hindering or defending against any of these.

g. Water

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

(2) Mudslide or mudflow;

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

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

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

(b) Basements, whether paved or not; or

(c) Doors, windows or other openings;

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

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

h. Neglect

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

i. Collapse of Buildings

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

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

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

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



BUSINESSOWNERS

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

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

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

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

- (4) With respect to buildings in a state of imminent collapse, we will not pay for loss or damage unless the state of imminent collapse first manifests itself during the policy period and is caused only by one or more of the following which occurs during the policy period:

- (a) A "specified cause of loss" or breakage of glass;
- (b) Weight of people or personal property;
- (c) Weight of rain that collects on a roof; or
- (d) Use of defective material or methods in construction, remodeling or renovation if the state of imminent collapse occurs during the course of construction, remodeling or renovation.

- 2. We will not pay for loss or damage caused by or resulting from any of the following:
 - a. Artificially generated electrical current, including electric arcing that disturbs electrical devices, appliances or wires unless caused by a "specified cause of loss".

But if artificially generated electrical current results in fire, we will pay for the loss or damage caused by that fire.
 - b. Delay, loss of use or loss of market.
 - c. Smoke, vapor or gas from agricultural smudging or industrial operations.
 - d. (1) Wear and tear;
 - (2) Rust, corrosion, fungus, decay, deterioration, wet or dry rot, mold, hidden or latent defect or any quality in property that causes it to damage or destroy itself.
 - (3) Smog;
 - (4) Settling, cracking, shrinking or expansion;
 - (5) Nesting or infestation, or discharge or release of waste products or secretions, by insects, birds, rodents or other animals;

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

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

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

tems) caused by or resulting from freezing, unless:

- (1) You do your best to maintain heat in the building or structure; or
- (2) You drain the equipment and shut off the water supply if the heat is not maintained.

- h. Dishonest or criminal acts by you, or any of your partners, "members", officers, "managers", "employees" (including leased employees), directors, trustees, authorized representatives or anyone to whom you entrust the property for any purpose:

- (1) Acting alone or in collusion with others; or
- (2) Whether or not occurring during the hours of employment.

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

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

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

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

BUSINESSOWNERS

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

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

4. Business Income and Extra Expense Exclusions

We will not pay for:

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

C. LIMITS OF INSURANCE

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

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

Example:

If:

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

3. Business Personal Property Limit – Seasonal Increase

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

D. DEDUCTIBLES

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

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

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

E. PROPERTY LOSS CONDITIONS

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

1. Abandonment

There can be no abandonment of any property to us.

2. Appraisal

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

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

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

3. Duties in the Event of Loss or Damage

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

BUSINESSOWNERS

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

- (2) Give us prompt notice of the loss or damage. Include a description of the property involved.
- (3) As soon as possible, give us a description of how, when and where the loss or damage occurred.
- (4) Take all reasonable steps to protect the Covered Property from further damage, and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.
- (5) At our request, give us complete inventories of the damaged and undamaged property. Include quantities, costs, values and amount of loss claimed.
- (6) As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.
Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.
- (7) For loss or damage from other than "employee dishonesty" or "forgery" or alteration send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.
- (8) For loss or damage resulting from "employee dishonesty" or "forgery" or alteration, give us a detailed, sworn proof of loss within 120 days after you discover a loss or situation that

may result in loss of or damage to Covered Property.

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

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

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

4. Loss Payment – Building and Personal Property

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

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

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

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

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

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

b. The cost to repair, rebuild or replace does not include the increased cost attributable to enforcement of any ordinance or law regulating the construction, use or repair of any property, except as provided in the Ordinance or Law Additional Coverage.

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

d. We will not pay you more than your financial interest in the Covered Property.

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

(1) At replacement cost (without deduction for depreciation), except as provided in Paragraphs (2) through (4) below.

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

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

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

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

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

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

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

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

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

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

a) Of comparable material and quality; and

b) Used for the same purpose; or

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

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

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

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

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

(4) The following property at actual cash value:

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

(b) Household furnishings; and

(c) Personal effects.

(5) "Fine Arts" as follows:

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

BUSINESSOWNERS

- item if there is a total loss to that item. If there is a partial loss to an item, we will pay the cost of reasonably restoring or repairing that item.
- (b) For "fine arts" without a schedule on file as described in Paragraph (a) above, the value of "fine arts" will be the least of the following amounts:
- (i) Market value of the lost or damaged item at the time and place of loss
 - (ii) The cost of reasonably restoring the lost or damaged item; or
 - (iii) The cost of replacing that lost or damaged item with property substantially the same.
- (6) Glass at the cost of replacement with safety glazing material if required by law.
- (7) Tenants' Improvements and Betterments at:
- (a) Replacement cost if you make repairs promptly.
 - (b) A proportion of your original cost if you do not make repairs promptly. We will determine the proportionate value as follows:
 - (i) Multiply the original cost by the number of days from the loss or damage to the expiration of the lease; and
 - (ii) Divide the amount determined in Paragraph (i) above by the number of days from the installation of improvements to the expiration of the lease.
- If your lease contains a renewal option, the expiration of the renewal option period will replace the expiration of the lease in this procedure.
- (c) Nothing, if others pay for repairs or replacement.
- (8) "Valuable Papers and Records" at the cost of restoration or replacement. To the extent that the contents of the "valuable papers and records" are not restored or replaced, the "valuable papers and records" will be valued at the cost of replacement with blank material of substantially identical type.
- (9) "Stock" you have sold but not delivered at the selling price less discounts and expenses you otherwise would have had
- (10) Property in transit (other than "stock" you have sold) at the amount of invoice, including your prepaid or advanced freight charges and other charges which may have accrued or become legally due from you since the shipment. If you have no invoice, actual cash value will apply.
- (11) "Money" at its face value.
- (12) "Securities" at their value at the close of business on the day the loss is discovered.
- (13) Accounts Receivable as follows:
- (a) If you cannot accurately establish the amount of Accounts Receivable outstanding as of the time of loss, we will:
 - (i) Determine the total of the average monthly amounts of Accounts Receivable for the 12 months immediately preceding the month in which the loss occurs; and
 - (ii) Adjust that total for any normal fluctuations in the amount for Accounts Receivable for the month in which the loss occurred or for any demonstrated variance from the average for that month.
 - (b) If you can accurately establish the amount of Accounts Receivable outstanding, that amount will be used in the determination of loss.
 - (c) The following will be deducted from the total amount of Accounts Receivable, however that amount is established:
 - (i) The amount of the accounts for which there was no loss;

- (ii) The amount of the accounts that you are able to re-establish or collect;
 - (iii) An amount to allow for probable bad debts that you are normally unable to collect; and
 - (iv) All unearned interest and service charges.
- (14) "Electronic Data Processing Equipment" at replacement cost as of the time and place of loss, without deduction for physical deterioration, depreciation, obsolescence or depletion. However, in the event replacement of "Electronic Data Processing Equipment" with identical property is impossible, the replacement cost will be the cost of items that are similar to the damaged or destroyed equipment and intended to perform the same function, but which may include technological advances.
- "Electronic Data Processing Equipment" that is obsolete or no longer used by you will be valued at actual cash value.
- (15) "Electronic Data Processing Data and Media" for which duplicates do not exist will be valued as follows:
- (a) The cost of blank media; and
 - (b) Your cost to research, replace or restore the lost electronic data on lost, damaged or destroyed "Electronic Data Processing Data and Media" but only if the lost electronic data is actually replaced or restored.
- (16) Duplicate "Electronic Data Processing Data and Media" at the cost of:
- (a) Blank media; and
 - (b) Labor to copy the electronic data, but only if the electronic data is actually copied.
- (17) The value of United States Government Internal Revenue taxes and custom duties and refundable state and local taxes paid or fully determined on the following property held for sale will not be considered in determining the value of Covered Property:
- (a) Distilled spirits;
 - (b) Wines;
 - (c) Rectified products; or
 - (d) Beer.
- (18) Lottery tickets at their initial cost to you except for winning tickets at their redeemed value.
- f. Our payment for loss of or damage to personal property of others will only be for the account of the owners of the property. We may adjust losses with the owners of lost or damaged property, if other than you. If we pay the owners, such payments will satisfy your claims against us for the owners' property. We will not pay the owners more than their financial interest in the Covered Property.
 - g. We have the right but not the duty to defend you against suits arising from claims of owners of property. We will do so at our expense.
 - h. We will pay for covered loss or damage within 30 days after we receive the sworn proof of loss provided you have complied with all of the terms of this policy; and
 - (1) We have reached agreement with you on the amount of loss; or
 - (2) An appraisal award has been made.
 - i. At our option, we may make a partial payment toward any claim, subject to the policy provisions and our normal adjustment process. To be considered for partial claim payment, you must submit a partial sworn proof of loss with supporting documentation. Any applicable policy deductibles must be satisfied before any partial payments are made.
5. **Loss Payment – Business Income and Extra Expense**
- a. The amount of Business Income loss will be determined based on:
 - (1) The Net Income of the business before the direct physical loss or damage occurred;
 - (2) The likely Net Income of the business if no physical loss or damage occurred, but not including any likely increase in Net Income attributable to

BUSINESSOWNERS

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

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

the described premises or elsewhere; or

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

6. Recovered Property

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

7. Noncumulative Limit

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

F. COMMERCIAL PROPERTY CONDITIONS

1. Concealment, Misrepresentation or Fraud

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

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

2. Control of Property

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

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

3. Insurance Under Two or More Coverages

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

4. Legal Action Against Us

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

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

5. Liberalization

If we adopt any revision that would broaden the coverage under this Coverage Form with out additional premium within 45 days prior to or during the policy period, the broadened coverage will immediately apply to this Coverage Form.

6. No Benefit to Bailee

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

7. Other Insurance

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

8. Policy Period, Coverage Territory

Under this Coverage Form:

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

- (2) Within the coverage territory; and

b. The coverage territory is:

- (1) The United States of America (including its territories and possessions);
- (2) Puerto Rico; and
- (3) Canada.

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

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

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

This will not restrict your insurance.

10. Coinsurance

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

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

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

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

Business owners coverage 35 of 42.

BUSINESSOWNERS

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

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

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

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

Example No. 1 (Under insurance):

When:

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

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

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

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

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

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

Example No. 2 (Adequate Insurance):

When:

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

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

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

- b. Coinsurance does not apply to:

(1) "Money" and "securities";

(2) Additional Coverages;

(3) Coverage Extensions; or

(4) Loss or damage in any one occurrence totaling less than \$2,500.

11. Mortgageholders

a. The term, mortgageholder, includes trustee.

b. We will pay for covered loss of or damage to buildings or structures to each mortgageholder shown in the Declarations in their order of precedence, as interests may appear.

c. The mortgageholder has the right to receive loss payment even if the mortgageholder has started foreclosure or similar action on the building or structure.

d. If we deny your claim because of your acts or because you have failed to comply with the terms of this Coverage Form, the mortgageholder will still have the right to receive loss payment if the mortgageholder:

(1) Pays any premium due under this Coverage Form at our request if you have failed to do so;

(2) Submits a signed, sworn proof of loss within 60 days after receiving notice from us of your failure to do so; and

(3) Has notified us of any change in ownership or occupancy or substantial change in risk known to the mortgageholder.

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

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

(1) The mortgageholder's rights under the mortgage will be transferred to us to the extent of the amount we pay; and

(2) The mortgageholder's rights to recover the full amount of the mortgageholder's claim will not be impaired.

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

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

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

G. PROPERTY DEFINITIONS

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

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

3. "Communication Supply Services"

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

4. "Covered Equipment"

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

BUSINESSOWNERS

- equipment mounted on or used solely with any vehicle, aircraft, self-propelled equipment or floating vessel;
- (8) Elevator or escalator, but not excluding any electrical machine or apparatus mounted on or used with this equipment; or
 - (9) Equipment or any part of such equipment manufactured by you for sale.
5. **"Diagnostic Equipment"** means any:
- a. Equipment; or
 - b. Apparatus,
used solely for research, diagnostic, medical, surgical, therapeutic, dental or pathological purposes.
6. **"Electronic Data Processing Data and Media"**
- a. Means any of the following used in your computer operations:
 - (1) Data stored as or on, created or used on, or transmitted to or from computer software (including systems and applications) on electronic data processing, recording or storage media such as hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment;
 - (2) The electronic media on which the data is stored; and
 - (3) Programming records and instructions used for "Electronic Data Processing Equipment"; and
 - b. Does not mean "Valuable Papers and Records".
7. **"Electronic Data Processing Equipment"**
- a. Means any of the following equipment used in your operations:
 - (1) Electronic data processing equipment, facsimile machines, word processors, multi-functional telephone equipment and laptop and portable computers; and
 - (2) Any component parts and peripherals of such equipment, including related surge protection devices; and
 - b. Does not mean equipment used to operate production type of:
 - (1) Machinery; or
 - (2) Equipment.
8. **"Electronic Vandalism"** means any acts by persons, other than "employees", involving any of the following:
- a. Willful or malicious destruction of computer programs, content, instructions or other electronic or digital data stored within computer systems; or
 - b. Unauthorized computer code or programming that:
 - (1) Deletes, distorts, corrupts or manipulates computer programs, contents, instructions or other electronic or digital data, or otherwise results in damage to computers or computer systems or networks to which is introduced;
 - (2) Replicates itself, impairing the performance of computers or computer systems or networks; or
 - (3) Gains remote control access to data and programming within computers or computers systems or networks to which it is introduced, for uses other than those intended for authorized users of the computers or computer systems or networks.
9. **"Employee(s)"**
- a. Means:
 - (1) Any natural person:
 - (a) While in your service (and for 30 days after termination of service);
 - (b) Whom you compensate directly by salary, wages or commissions; and
 - (c) Whom you have the right to direct and control while performing services for you;
 - (2) Any natural person employed by an employment contractor while that person is subject to your direction and control and performing services for you excluding, however, any such person while having care and custody of property outside the premises; or

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

BUSINESSOWNERS

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

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

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

21. "Power Generating Equipment"

- a. Means the following types of equipment or apparatus:
 - (1) Pressure;
 - (2) Mechanical; or
 - (3) Electrical;used in or associated with the generation of electric power; and
- b. Does not mean such equipment that is used solely to generate emergency power that is less than or equal to 1000KW.

22. "Power Supply Services"

- a. Means the following types of property supplying electricity, steam or gas to the described premises:
 - (1) Utility generating plants;
 - (2) Switching stations
 - (3) Substations;
 - (4) Transformers; and
 - (5) Transmission lines; and
- b. Does not mean overhead transmission lines.

23. "Production Equipment"

- a. Means any:
 - (1) Product on machinery; or
 - (2) Process machinery;that processes, shapes, forms or grinds:
 - (1) Raw materials;
 - (2) Materials in process; or
 - (3) Finished products; and

- b. Includes "covered equipment" that is used solely with or forms an integral part of the:

- (1) Production;
- (2) Process; or
- (3) Apparatus.

24. "Rental Value" means Business Income that consists of:

- a. Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred as rental income from tenant occupancy of the premises described in the Declarations as furnished and equipped by you, including the fair rental value of any portion of the described premises which is occupied by you; and
- b. Continuing normal operating expenses incurred in connection with that premises, including:
 - (1) Payroll; and
 - (2) The amount of charges which are the legal obligation of the tenant(s) but would otherwise be your obligations.

25. "Securities" means all negotiable and non-negotiable instruments or contracts representing either "money" or other property and includes revenue or other stamps in current use, tokens, tickets and credit card slips for sales made by you and held by you for reimbursement from companies issuing credit cards, but does not include "money". Lottery tickets held for sale are not securities.

26. "Specified Causes of Loss" means the following:

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

- a. Sinkhole collapse means the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite. This cause of loss does not include:
 - (1) The cost of filling sinkholes; or
 - (2) Sinking or collapse of land into underground man-made cavities.

- b. Falling objects does not include loss of or damage to:
 - (1) Personal Property in the open; or
 - (2) The "interior of a building or structure", or property inside a building or structure, unless the roof or an outside wall of the building or structure is first damaged by a falling object.
 - c. Water damage means accidental discharge or leakage of water or steam as the direct result of the breaking apart or cracking of any part of a system or appliance (other than a sump system including its related equipment and parts) that is located on the described premises and contains water or steam.
27. "Stock" means merchandise held in storage or for sale, raw materials and in-process or finished goods including supplies used in their packing or shipping.
28. "Suspension" means:
- a. The partial or complete cessation of your business activities; or
 - b. That a part or all of the described premises is rendered untenable.
29. "Theft" means any act of stealing.
30. "Vacant" means the following:
- (1) When this policy is issued to a tenant, and with respect to that tenant's interest in Covered Property, building means the unit or suite rented or leased to the ten-

ant. Such building is vacant when it does not contain enough business personal property to conduct customary operations.

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

- (a) Rented to a lessee or sub-lessee and used by the lessee or sub-lessee to conduct its customary operations; or
- (b) Used by the building owner to conduct customary operations.

31. "Valuable Papers and Records"

a. Means inscribed, printed or written:

- (1) Documents;
- (2) Manuscripts; or
- (3) Records

including abstracts, books, deeds, drawings, films, maps or mortgages; and

- b. Does not mean "money" or "securities" or "Electronic Data Processing Data and Media".

32. "Water Supply Services" means the following types of property supplying water to the described premises:

- a. Pumping stations; and
- b. Water mains.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AMENDATORY PROVISIONS CONDOMINIUM ASSOCIATION COVERAGE

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE PART

A. The **BUSINESSOWNERS PROPERTY COVERAGE SPECIAL FORM** is changed as follows:

1. Paragraph A.1.a. is replaced by the following:

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

- (1) Completed additions;
- (2) Fences;
- (3) Fixtures, outside of individual units, including outdoor fixtures;
- (4) Retaining walls, whether or not attached;
- (5) Permanently attached:

- (a) Machinery; and
- (b) Equipment;

(6) Personal property owned by you that is used to maintain or service the building or structure or its premises, including:

- (a) Fire extinguishing equipment;
- (b) Outdoor furniture;
- (c) Lobby and hallway furnishings;
- (d) Floor, wall and ceiling coverings;
- (e) Appliances used for refrigerating, ventilating, cooking, dishwashing or laundering, that are not contained within individual units;

(f) Lawn maintenance or snow removal equipment;

(g) Personal property used for maintaining and servicing of pools and other recreational facilities on the premises; and

(h) Alarm systems;

(7) Outdoor swimming pools, associated structures and appurtenant structures and equipment, including pumps;

(8) If not covered by other insurance.

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

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

(9) 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 part of the building or structure and

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

But Building does 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 (9) above.

2. Paragraph A.1.b. is replaced by the following:

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

(1) Property owned by you or owned indivisibly by all unit-owners;

(2) Your interest in the labor, materials or services furnished or arranged by you on personal property of others;

(3) Property of others that is in your care, custody or control; and

(4) "Money" and "securities".

Business owners coverage 42 of 42.

BUSINESSOWNERS

Business Personal Property does not include personal property owned only by a unit-owner, unless it is in your care, custody or control as covered in Paragraph (3) above.

3. The following is added to Paragraph E.:

a. 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.

b. Insurance Trustee

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.

4. The following is added to Paragraph F 9.:

a. 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, except for losses that are payable under the Employee Dishonesty or Forgery or Alteration Additional Coverages.

B. The COMMERCIAL GENERAL LIABILITY COVERAGE FORM is changed as follows:

1. The following is added to SECTION II - WHO IS AN INSURED:

- a. 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.**

