

IN THE COURT OF COMMON PLEAS OF ALLEGHENY COUNTY, PENNSYLVANIA

MILLER SPORTS ENTERTAINMENT, d/b/a
SIDELINES BAR AND GRILL individually
and on behalf of all others similarly situated,

Plaintiff,

vs.

ERIE INSURANCE EXCHANGE,

Defendant.

CIVIL DIVISION – CLASS ACTION

Case No.: _____

**CLASS ACTION COMPLAINT
AND DEMAND FOR JURY**

Filed on behalf of Plaintiff

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MILLER SPORTS ENTERTAINMENT d/b/a
SIDELINES BAR AND GRILL, individually
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vs.

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NOTICE TO DEFEND

You have been sued in court. If you wish to defend against the claims set forth in the following pages, you must take action within twenty (20) days after this complaint and notice are served, by entering a written appearance personally or by attorney and filing in writing with the court your defenses or objections to the claims set forth against you. You are warned that if you fail to do so the case may proceed without you and a judgment may be entered against you by the court without further notice for any money claimed in the complaint or for any other claim or relief requested by the plaintiff. You may lose money or property or other rights important to you.

YOU SHOULD TAKE THIS PAPER TO YOUR LAWYER AT ONCE. IF YOU DO NOT HAVE A LAWYER, GO TO OR TELEPHONE THE OFFICE SET FORTH BELOW. THIS OFFICE CAN PROVIDE YOU WITH INFORMATION ABOUT HIRING A LAWYER. IF YOU CANNOT AFFORD TO HIRE A LAWYER, THIS OFFICE MAY BE ABLE TO PROVIDE YOU WITH INFORMATION ABOUT AGENCIES THAT MAY OFFER LEGAL SERVICES TO ELIGIBLE PERSONS AT A REDUCED FEE OR NO FEE.

Lawyer Referral Service
The Allegheny County Bar Association
11th Floor Koppers Bldg.
436 Seventh Avenue,
Pittsburgh, PA 15219
TELEPHONE: 412-261-5555

IN THE COURT OF COMMON PLEAS OF ALLEGHENY COUNTY, PENNSYLVANIA

MILLER SPORTS ENTERTAINMENT LTD.
d/b/a SIDELINES BAR AND GRILL,
individually and on behalf of all others
similarly situated,

Plaintiff,

vs.

ERIE INSURANCE EXCHANGE,

Defendant.

Case No.: _____

**CLASS ACTION COMPLAINT
AND DEMAND FOR JURY**

CLASS ACTION COMPLAINT

Plaintiff, MILLER SPORTS ENTERTAINMENT (“Plaintiff”) files this Class Action Complaint, individually and on behalf of all others similarly situated, against Defendant, ERIE INSURANCE EXCHANGE, alleging as follows:

NATURE OF THE CASE

1. This is a civil class action for declaratory relief and breach of contract arising from Plaintiff’s contracts of insurance with the Defendant.

2. At the direction of local, state, and/or federal authorities, Plaintiff was forced to temporarily suspend its dine-in and bar service at its restaurant beginning on March 16, 2020, causing an interruption to and loss of Plaintiff’s business income. The business was permitted to reopen at 50% capacity beginning on June 5, 2020, only to be ordered to close again on July 10, 2020. Starting on July 24, 2020, operations were permitted to resume, but only at 25% capacity, which continues to date.

3. Plaintiff and the Class purchased and paid for “all-risk” Commercial Property Coverage insurance policies from Defendant, which provide broad property insurance coverage for all non-excluded, lost business income, including the losses asserted here.

4. Plaintiff submitted timely notice of its claim to Defendant, but Defendant has refused to provide the purchased coverage to its insured, and has denied Plaintiff’s claims for benefits under the policy.

5. Defendant has similarly refused to, or will refuse to, honor its obligations under the “all-risk” policy(ies) purchased by Plaintiff and the other members of the putative Class of insureds.

PARTIES

6. Plaintiff MILLER SPORTS ENTERTAINMENT LTD. d/b/a SIDELINES BAR AND GRILL is a Pennsylvania corporation with its principal place of business in Allegheny County, Pennsylvania. Plaintiff is a resident and citizen of Pennsylvania.

7. Defendant ERIE INSURANCE EXCHANGE is a corporation with its principal place of business in Erie, Pennsylvania and is a citizen of Pennsylvania.

JURISDICTION

8. This Court has subject matter jurisdiction over this action pursuant to 42 Pa. Cons. Stat. § 931.

9. The Court has personal jurisdiction over Defendant pursuant to 42 Pa. Cons. Stat. § 5301, because Defendant is incorporated and headquartered in Pennsylvania, and conducts a significant portion of its general business within Pennsylvania.

10. Venue is proper in this Court under Pennsylvania Rules of Civil Procedure 1006 and 2176(b) because the insured property is located in Allegheny County, and Defendant regularly

conducts business in Allegheny County.

FACTUAL BACKGROUND

Plaintiff Purchased “All-Risk” Policies of Property Insurance That Broadly Provide Coverage for Loss of Business Income, Among Other Things

11. Plaintiff purchased a contract of insurance from Defendant, whereby Plaintiff agreed to make payments (in the form of premiums) to Defendant in exchange for Defendant’s promise to indemnify Plaintiff for losses at the Covered Property, including, but not limited to, business income losses.

12. Plaintiff’s contract of insurance with Defendant bears the Policy Number Q971510865 (the “Policy”), which is effective for the period of February 24, 2020 to February 24, 2021 (“Policy Term”). The Policy is attached hereto as **Exhibit A**.

13. Plaintiff paid all premiums owed to Defendant under the Policies, and Defendant accepted all such premiums from Plaintiff.

14. The Policy is a form policy issued by Defendant.

15. The Policy is an “all-risk” policy, which provides the broadest property insurance coverage available.

16. The Policy provides coverage for “direct physical ‘loss’ of or damage to Covered Property . . . caused by or resulting from a peril insured against.” “Covered Property” is defined in the Policy as Plaintiff’s business location located at 621 Evergreen Avenue, Millvale, Pennsylvania 15209.

17. The Policy defines “loss” as “direct and accidental loss of or damage to covered property.”

18. The Policy does not define the phrase “direct physical loss of or damage to”

19. However, the use of the disjunctive “or” in the phrase “direct physical loss of or damage to” means that coverage is triggered if either a physical loss of property or damage to property occurs. The concepts are separate and distinct and cannot be conflated.

20. Physical loss of, or damage to, property may be reasonably interpreted to occur when a peril insured against threatens or renders property unusable or unsuitable for its intended purpose or unsafe for normal human occupancy and/or continued use.

21. The Policy provides Plaintiff with, *inter alia*, various income protection and extra expense coverages during the Policy Term.

22. Under the Policy, Defendant agrees to pay: **“loss of ‘income’ and/or ‘rental income’ you sustain due to partial or total ‘interruption of business’ resulting directly from ‘loss’ or damage to property on the premises described in the ‘Declarations’ from a peril insured against.”** The premises described in the Declarations is the Covered Property.

23. Additional coverage is provided under the Policy for business income losses resulting from an “action of civil authority” which prohibits access to the Covered Property, related to a “peril insured against” at property other than the Covered Property: **“When a peril insured against causes damage to property other than property at the premises described in the ‘Declarations’, we will pay for the actual loss of ‘income’ and/or ‘rental income’ you sustain . . . caused by action of civil authority that prohibits access to the premises described”**

24. Members of the Class also purchased a policy of insurance from Defendant providing for the same income protection coverage, and using the same form policy provisions.

In Response to COVID-19, Pennsylvania and Other State Governments Issue Sweeping Orders Shutting Down “Non-Essential” Businesses

25. Severe acute respiratory syndrome coronavirus 2 (“COVID-19”) has spread, and continues to spread, rapidly across the United States and has been declared a pandemic by the

World Health Organization. See <https://www.health.harvard.edu/diseases-and-conditions/coronavirus-resource-center> (last accessed July 31, 2020).

26. The global COVID-19 pandemic is exacerbated by the fact that the deadly virus physically infects and stays on surfaces of objects or materials for many days.

27. According to a study published in *The New England Journal of Medicine*, COVID-19 is widely accepted as a cause of real physical loss and damage. It remains stable and transmittable in aerosols for up to three hours, up to four hours on copper, up to 24 hours on cardboard and up to two to three days on plastic and stainless steel. See <https://www.nih.gov/news-events/news-releases/new-coronavirus-stable-hours-surfaces> (last accessed July 31, 2020).

28. Another study, published in the *Journal of Hospital Infection*, found: “Human coronaviruses can remain infectious on inanimate surfaces at room temperature for up to 9 days. At a temperature of 30°C or more the duration of persistence is shorter.” See <https://www.inverse.com/science/coronavirus-4-studies-explain-how-covid-19-sticks-to-surfaces> (last accessed July 31, 2020).

29. On March 6, 2020, the Governor of Pennsylvania declared a “Disaster Emergency” throughout the Commonwealth of Pennsylvania.¹ Thereafter, on March 19, 2020, the Governor of Pennsylvania issued an Executive Order closing all non-essential businesses, including Plaintiff’s business. Specifically, the Executive Order, which became effective immediately upon its issuance, mandated that:

No person or entity shall operate a place of business in the Commonwealth that is not a life sustaining business regardless of whether the business is open to members of the public.²

¹ <https://www.governor.pa.gov/wp-content/uploads/2020/03/20200306-COVID19-Digital-Proclamation.pdf>

² Governor Wolf, “Order of the Governor of the Commonwealth of Pennsylvania Regarding the Closure of All Businesses that are not Life Sustaining,” (Mar. 19, 2020)

30. On March 23, 2020, the Governor of Pennsylvania issued a Stay at Home Order for all residents of the Commonwealth of Pennsylvania, mandating that residents stay home “except as needed to access, support, or provide life-sustaining business, emergency, or government services.”³

31. Also on March 23, 2020, the Pennsylvania Department of Health issued a Stay at Home Order, directing all individuals residing in the Commonwealth to remain at home.⁴

32. On May 3, 2020, the Governor of Pennsylvania announced the state’s plan to reopen certain counties within the Commonwealth, transitioning such counties to “yellow” by May 15, which allowed low-risk businesses such as Plaintiff’s to open.⁵ Allegheny County, where Plaintiff’s business is located, was transitioned to “yellow” on May 15.

33. On July 8, 2020, the Allegheny County Health Department (the county where Plaintiff’s business is located) issued an order indicated that COVID-19 is a “nuisance that must be abated” and that there was an increase of cases that was attributable to crowded conditions at bars, restaurants, and large gathers where alcohol is served.⁶ The Order prohibited all “indoor dining or alcohol consumption at bars, restaurants, or any other business establishments in

<https://www.governor.pa.gov/wp-content/uploads/2020/03/20200319-TWW-COVID-19-business-closure-order.pdf> (“Executive Order”).

³ Governor Wolf, “Order of the Governor of the Commonwealth of Pennsylvania For Individuals to Stay Home,” (Mar. 23, 2020), <https://www.governor.pa.gov/wp-content/uploads/2020/03/03.23.20-TWW-COVID-19-Stay-at-Home-Order.pdf>.

⁴ <https://www.governor.pa.gov/wp-content/uploads/2020/03/03.23.20-SOH-Stay-at-Home-Order.pdf>

⁵ <https://www.publicsource.org/allegheny-yellow-phase-news/>

⁶ Order of the Director of the Allegheny County Health Department to Help Prevent the Spread of COVID-19, (July 8, 2020), https://www.alleghenycounty.us/uploadedFiles/Allegheny_Home/Health_Department/Resources/COVID-19/Docs/ACHD%20COVID-19%20Control%20Measure%20Order%207-8-2020.pdf

Allegheny County,” limiting the manner of outdoor service, and requiring any outdoor seating to cease by 11:00 p.m.

34. Due to an increase in COVID-19 cases, on July 15, 2020, Governor Wolf issued an Order Directing Targeted Mitigation Measures, reinstating certain restrictions on most businesses.⁷ This Order further mandated that all businesses are required to conduct their operations remotely, “[u]nless not possible.”⁸ There is no expiration date on this Order.

35. The closure of all “non-life-sustaining businesses” evidences an awareness on the part of both state and local governments that COVID-19 causes loss of or damage to property. This is particularly true in places where business is conducted, as the contact and interaction necessarily incident to such businesses causes a heightened risk of the property becoming contaminated.

36. For example, a New York City Executive Order entered on March 16, 2020 specifically acknowledged that: “[COVID-19] physically is causing property loss and damage.” See <https://www1.nyc.gov/assets/home/downloads/pdf/executive-orders/2020/eeo-100.pdf> (last accessed July 31, 2020).

37. Similarly, in a March 16, 2020 proclamation, the City of New Orleans acknowledged COVID-19’s “propensity to attach to surfaces for prolonged periods of time, thereby spreading from surface to person and causing property loss and damage in certain circumstances.” See <https://nola.gov/mayor/executive-orders/emergency-declarations/03162020-mayoral-proclamation-to-promulgate-emergency-orders-during-the-state-of-emergency-due-to-co/> (last accessed May 6, 2020).

⁷ <https://www.governor.pa.gov/wp-content/uploads/2020/07/20200715-TWW-targeted-mitigation-order.pdf>

⁸ *Id.*

38. In upholding the Governor of Pennsylvania’s Proclamation of a state-wide disaster and the Executive Orders mandating the closure of businesses within Pennsylvania, the Pennsylvania Supreme Court noted the significant risk of the spread of the COVID-19 virus, even in locations where the disease has not been detected:

Covid-19 does not spread because the virus is “at” a particular location. Instead it spreads because of person-to-person contact, as it has an incubation period of up to fourteen days and that one in four carriers of the virus are asymptomatic. Respondents’ Brief at 4 (citing Coronavirus Disease 2019, “Symptoms,” CDC, <https://www.cdc.gov/coronavirus/2019-ncov/symptoms-testing/symptoms.html> (last accessed 4/9/2020)). The virus can live on surfaces for up to four days and can remain in the air within confined areas and structures. *Id.* (citing National Institutes of Health, “Study suggests new coronavirus may remain on surfaces for days,” (Mar. 27, 2020) <https://www.nih.gov/news-events/nih-research-matters/study-suggests-new-coronavirus-may-remain-surfaces-days> (last accessed 4/9/2020) and Joshua Rabinowitz and Caroline Bartman, “These Coronavirus Exposures Might be the Most Dangerous,” *The New York Times* (Apr. 1, 2020) <https://www.nytimes.com/2020/04/01/opinion/coronavirus-viral-dose.html>).

Friends of DeVito v. Wolf, 227 A.3d 872, 891 (Pa. 2020).

39. Because the COVID-19 virus can survive on surfaces for up to fourteen days, the Pennsylvania Supreme Court ultimately concluded that “any location . . . where two or more people can congregate is within the disaster area.”

40. Further, the World Health Organization (“WHO”) has indicated that airborne transmission, “particularly in specific indoor locations, such as crowded and inadequately ventilated spaces” poses a significant risk.⁹

41. The CDC has warned that exposure to an individual with COVID-19 for fifteen minutes or more, or close contact within six feet of distance, is enough to justify a personal quarantine.¹⁰

⁹ <https://apnews.com/648feb226473f9841920abd6ffb004c7>

¹⁰ <https://www.cdc.gov/coronavirus/2019-ncov/php/public-health-recommendations.html>

42. Experts believe that “a second wave” of COVID-19 cases will occur in the fall and winter of 2020, coinciding with the flu season. As Dr. Robert Glatter, emergency physician at Lenox Hill Hospital in New York City stated: “[the second wave] will likely be worse than the initial wave we experienced this spring.”¹¹

Plaintiff Submitted A Claim Under Their “All-Risk” Policies, and Defendant Wrongly Fails and Refuses To Honor Its Obligations Respecting Same

43. As a result of the orders governing Plaintiff’s business, Plaintiff’s business closed on March 16, 2020. The business was re-opened on June 5, 2020, but only at 50% capacity, pursuant to ongoing government-ordered restrictions.

44. The business was again ordered to close on July 10, 2020. The business was re-opened on July 24, 2020, but only at 25% capacity, pursuant to ongoing government-ordered restrictions.

45. Plaintiff has incurred, and will continue to incur, among other things, substantial losses of business income and additional expenses covered under the Policy.

46. On April 17, 2020, Plaintiff provided written notice to Defendant of its claim for the interruption to its business.

47. By letter dated April 21, 2020, Defendant has refused to provide coverage for Plaintiff’s claims. The denial letter is attached hereto as **Exhibit B**.

Plaintiff’s Losses Arise From Direct Physical Loss Or Damage

48. Plaintiff’s Covered Property suffered “direct physical loss or damage” due to the Governor of Pennsylvania’s Order, and other local government orders mandating that Plaintiff

¹¹ <https://www.healthline.com/health-news/what-a-covid-19-wave-in-the-fall-could-look-like#Educated-guesses-about-the-future>

discontinue its primary use of the Covered Property. The Pennsylvania Governor's Orders, in and of themselves, constitute a peril insured against within the meaning of the Policies.

49. Alternatively, and to the extent the Orders do not constitute a peril insured against within the meaning of the Policy, the COVID-19 pandemic and the ubiquitous nature of the COVID-19 virus caused a direct physical loss of or damage to Plaintiff's Covered Property. Specifically, the Covered Property has been rendered unusable for its intended purposes because the highly contagious nature of the COVID-19, particularly when people gather inside a building or other closed space for extended periods of time, precludes any meaningful use of the Covered Property.

50. Further, and as an additional basis for coverage under the Policy, the governmental shutdown orders or, alternatively, the ubiquitous nature of the COVID-19 virus, as explained above, caused direct physical loss of or damage to property other than Plaintiff's Covered Property, and such loss or damage resulted in an "action by civil authority" prohibiting access to Plaintiff's Covered Property, within the meaning of the Policy.

CLASS ACTION ALLEGATIONS

51. Plaintiff brings this action individually and as a class action on behalf of the following class (collectively, the "Class"), under Pa. R. Civ. P. 1701, *et. seq.*:

All policy holders who are citizens of the Commonwealth of Pennsylvania who purchased commercial property coverage, including income protection (and extra expense) coverage from Defendant and who have been denied coverage under their policy for lost business income after being ordered by a governmental entity, in response to the COVID-19 pandemic, to shut down or otherwise curtail or limit in any way their business operations.

52. Excluded from the Class are Defendant and its officers, directors, legal representatives, successors, subsidiaries, and assigns. Also excluded from the Class are any

judicial officer presiding over this matter, members of their immediate family, and members of their judicial staff.

53. The members of the Class are so numerous that joinder would be impracticable. Class members are readily identifiable from information and records in Defendant's possession, custody, or control.

54. There is a well-defined community of interest in the common questions of law and fact affecting the Class members. These common legal and factual questions include, but are not limited to:

- a. whether Defendant owed coverage to Plaintiff and the Class;
- b. whether any exclusions to coverage apply;
- c. whether Plaintiff and members of the Class are entitled to damages and, if so, the measure of such damages; and
- d. whether Plaintiff and members of the Class are entitled to equitable, declaratory and/or other relief, and if so, the nature of such relief.

55. Plaintiff's claims are typical of the claims of the absent class members and have a common origin and basis. Plaintiff and absent Class members are all injured by Defendant's refusal to afford the purchased coverage. Plaintiff's claims arise from the same practices and course of conduct giving rise to the claims of the absent Class members and are based on the same legal theories, namely the refusal to provide insurance coverage for the loss. If prosecuted individually, the claims of each Class member would necessarily rely upon the same material facts and legal theories and seek the same relief. Plaintiff's claims arise from the same practices and course of conduct that give rise to the other Class members' claims and are based on the same legal theories.

56. Plaintiff will fully and adequately assert and protect the interests of the absent Class members and have retained Class counsel who are experienced and qualified in prosecuting class action cases similar to this one. Neither Plaintiff nor Plaintiff's attorneys have any interests contrary to or conflicting with the interests of absent Class members.

57. The questions of law and fact common to all Class members predominate over any questions affecting only individual class members.

58. A class action is superior to all other available methods for the fair and efficient adjudication of this lawsuit because individual litigation of the absent Class members' claims is economically infeasible and procedurally impracticable. Class members share the same factual and legal issues and litigating the claims together will prevent varying, inconsistent, or contradictory judgments, and will prevent delay and expense to all parties and the court system through litigating multiple trials on the same legal and factual issues. Class treatment will also permit Class members to litigate their claims where it would otherwise be too expensive or inefficient to do so. Plaintiff knows of no difficulties in managing this action that would preclude its maintenance as a class action.

59. Additionally, the prosecution of separate actions by individual Class members would create a risk of inconsistent or varying adjudications with respect to individual Class members that would establish incompatible standards of conduct for Defendant. Such individual actions would create a risk of adjudications that would be dispositive of the interests of other Class members and impair their interests. Defendant, through its uniform conduct, acted or refused to act on grounds generally applicable to the Class as a whole, making declaratory relief appropriate to the Class as a whole.

COUNT I

DECLARATORY RELIEF

60. Plaintiff incorporates by reference each and every allegation set forth above.

61. The Pennsylvania Declaratory Judgment Act, 75 Pa. Cons. Stat. 7531, *et. seq.*, provides that in “Courts of record, within their respective jurisdictions, shall have power to declare rights, status, and other legal relations whether or not further relief is or could be claimed. No action or proceeding shall be open to objection on the ground that a declaratory judgment or decree is prayed for. The declaration may be either affirmative or negative in form and effect, and such declarations shall have the force and effect of a final judgment or decree.” 42 Pa. Cons. Stat. § 7532.!

62. An actual controversy has arisen between Plaintiff and Defendant as to the rights, duties, responsibilities and obligations of the parties in that Plaintiff contends and Defendant disputes and denies that the Policy provide coverage to Plaintiff for any current and future lost business income, subject to the limit of liability, for the temporary suspension of Plaintiff’s operations.

63. Plaintiff continues to suffer injury and are at risk of future loss as a result of Defendant’s failure to abide by its coverage obligation under the Policy. The July 15, 2020 Executive Order by Governor Wolf in Pennsylvania demonstrates the risk of future loss to Plaintiff. Plaintiff’s business remains limited to serving customers at a 50% capacity, pursuant to ongoing government-ordered restrictions, as the number of COVID-19 cases continues to rise. Furthermore, the mere occurrence of the COVID-19 virus in the United States in 2020 demonstrates the future risk that Plaintiff could suffer property loss as a result of another widespread virus and related government shutdown orders.

64. The Policy provides coverage for “direct physical loss of or damage to” the Covered Property.

65. Plaintiff’s loss of use, loss of access, and loss of functionality of the Covered Property when government orders made it unlawful for Plaintiff to fully access, use, and operate its businesses at the Covered Property, constitute a direct physical loss of the Covered Property under the Policy. Alternatively, the ubiquitous nature of the COVID-19 virus caused direct physical loss or damage to the Covered Property by preventing Plaintiff from using the Covered Property for its intended purpose.

66. Additionally, the government shutdown orders or, alternatively, the ubiquitous nature of the COVID-19 virus, caused direct physical loss or damage to property other than the Covered Property, thereby invoking coverage under the Policy’s “Civil Authority” provision for “actual loss of ‘income’ and/or ‘rental income’ . . . caused by action of civil authority that prohibits access to the premises described.”

67. The Policy constitutes valid and binding agreements obligating the Defendant to indemnify Plaintiff for covered losses. Plaintiff has substantially performed or otherwise satisfied all conditions precedent to bringing this action and obtaining coverage pursuant to the Policy and applicable law, or alternatively, Plaintiff has been excused from performance by Defendant’s acts, representations, conduct, or omissions.

68. Defendant has failed to indemnify Plaintiff for its covered losses.

69. No exclusion to coverage applies.

70. Plaintiff has suffered and continue to suffer covered losses under the Policy.

71. Plaintiff, individually and on behalf of the Class, seeks a Declaratory Judgment that there is coverage for their business interruption losses under the Policy.

COUNT II

BREACH OF CONTRACT

72. Plaintiff incorporates by reference each and every allegation set forth above.

73. Plaintiff and Defendant entered into a contract of insurance; here, the Policy.

74. The Class members entered into substantially identical policies with Defendant.

75. Under the Policy, Defendant agreed to indemnify Plaintiff and the Class for their business losses as a result of covered losses.

76. Plaintiff and the Class members suffered covered losses under the Policy.

77. Plaintiff and the Class members timely submitted notices of claims and satisfied all conditions precedent to receiving the coverage they purchased from Defendant.

78. Defendant breached its contracts with Plaintiff and the Class members by failing and refusing to provide the contracted-for coverage.

79. Defendant's breach of the contracts has caused Plaintiff and the Class to suffer damages in the amount of their unreimbursed business losses or their limits of liability, whichever is lower.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff herein prays as follows, on behalf of itself and all others similarly situated:

1) For a declaration that there is coverage under the Policy for the interruption to Plaintiff's business and the associated business income lost therefrom;

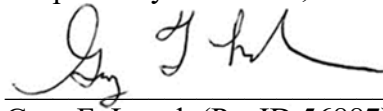
2) For damages, costs and attorney's fees; and

3) For such other relief as the Court may deem proper.

TRIAL BY JURY IS DEMANDED AS TO ALL COUNTS SO TRIABLE.

Date: August 21, 2020

Respectfully submitted,



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mlouik@reedsmith.com

Exhibit A

Ultrapack Plus Policy Declarations Renewal Certificate

Mailing Name and Address for Insured:

Other Interest:

MILLER SPORTS ENTERTAINMENT
 LTD DBA SIDELINES BAR AND
 621 EVERGREEN AVE
 MILLVALE PA 15209-2261

As Listed Below



244410525
 AA6606

Named Insured's Full Name:

Miller Sports Entertainment Ltd dba Sidelines Bar and Grill

Agent:

AA6816 DAVID S TYSON INSURANCE AGENCY

Policy Period:

02/24/2020 to 02/24/2021

Policy Number:

Q971510865

Agent Address and Phone

DAVID S TYSON INSURANCE AGENCY
 4071 HART CT
 Suite 302
 MURRYSVILLE PA 15668-1909
 412-349-0998

Policy begins at 12:01 A.M. standard time on the effective date and ends at 12:01 A.M. standard time on the expiration date. Standard time is determined at the stated address of the named insured.

The insurance applies to those premises described below. This is subject to all applicable terms of the policy and attached forms and endorsements.

Premium Summary

Total Annual Policy Premium: \$13,531.00
 (This is not a bill. Your invoice will follow in a separate mailing.)

Property Protection - As Per Attached Supplemental Declarations
Deductible (Property Protection Only) \$1,000

| Policy-Level Coverages | |
|---|--|
| Liability Protection | Limits of Insurance |
| Commercial General Liability Limits of Insurance | |
| Each Occurrence Limit | \$1,000,000 |
| Damage to Premises Rented to You | \$1,000,000 Any One Premises |
| Medical Expense limit | \$5,000 Any One Person |
| Personal & Advertising Injury Limit | \$1,000,000 Any One Person or Organization |
| General Aggregate Limit | \$2,000,000 |
| Products/Completed Operations Aggregate Limit | \$2,000,000 |



Optional Coverages

Deductible

Amount of Insurance

Policy-Level Optional Coverages:

Property and Inland Marine - Optional Coverages:

Food Contamination - Business Income and Expense
Terrorism

\$20,000
Included

General Liability - Optional Coverages:

Additional Insured-Managers or Lessors of Premises (CG2011)

Employment Practices Liability Insurance-Claims Made

| | |
|----------|---|
| \$25,000 | Aggregate Limit (Includes Defense Costs) |
| \$1,000 | Deductible Per Loss Amount (Includes Defense Costs) |
| | Retroactive Date |

Number of Employees: Full-Time 3 Part-Time 5

If no date is shown for the Retroactive Date, we will consider the EPL Retroactive Date to be the date of organization of the Named Insured. The EPL Retroactive Date will remain the same through all subsequent renewals. No change will be made to the EPL Retroactive Date unless at the sole request of the Insured.

Other Optional Coverages:

Enhancement Endorsement-Restaurants

Supplemental Declarations

Location 1 / Building 1

Address:

621 EVERGREEN AVE
 MILLVALE PA 15209-2261

County: Allegheny

Occupancy/Operations:

Family Style - American Cuisine - Restaurant

Interest of Named Insured In Such Premises: Tenant/Entire

| Coverage | Deductible | Amount of Insurance |
|----------|------------|---------------------|
|----------|------------|---------------------|

Property Protection

| | | |
|--|---------------------|---------------------------------|
| 1. Buildings - Functional Replacement Cost | Property Deductible | \$598,000 |
| 2. Business Personal Property and Personal Property of Others Replacement Cost Theft Exclusion Applies: No | Property Deductible | \$79,000 |
| 3. Income Protection & Extra Expense | | Actual Loss Sustained 12 Months |
| Protective Safeguard Condition: Central Station Fire Alarm System | | |
| Protective Safeguard Condition: Central Station Burglar Alarm System | | |
| Protective Safeguard Condition: Automatic Extinguishing System | | |
| Automatic Adjustment of Building Coverage - 2% | | |
| Automatic Adjustment of Business Personal Property and Personal Property of Others Coverage - 2% | | |

Property and Inland Marine - Optional Coverages:

| | | |
|---|----------|---|
| Income Protection - Off-Premises Utility Properties Failure - Increased Coverage | 12 Hours | \$20,000 |
| Liquor Liability Endorsement Liquor Receipts - \$425,000 | | \$1,000,000 Each Common Cause/ \$2,000,000 Aggregate |
| Sewer and Drain Backup Utility Properties - Direct Damage | \$1,000 | \$20,000 \$20,000 |

Policy-Level Additional Interests

Additional Insured - Managers or Lessors of Premises

Miller Sports Properties Inc.
 621 EVERGREEN AVE
 MILLVALE PA 15209-2261

Schedule of Static Forms

| Form Number | Edition Date | Description |
|-------------|--------------|--|
| UPP | 01/10 | ULTRAPACK PLUS POLICY |
| PK0001 | 01/20 * | ULTRAPACK PLUS COMMERCIAL PROPERTY COVERAGE PART |
| PKAR | 01/10 | FUNCTIONAL REPLACEMENT COST - BUILDINGS |
| PKAX | 01/10 | PRODUCTION OR PROCESS MACHINERY - DEDUCTIBLE |



Schedule of Static Forms - (continued)

| Form Number | Edition Date | Description |
|-------------|--------------|--|
| PKAY | 12/14 | SEWER AND DRAIN BACK-UP COVERAGE |
| PKBB | 07/16 | UTILITY PROPERTIES - DIRECT DAMAGE |
| PKFG | 12/14 | FOOD CONTAMINATION - BUSINESS INCOME AND EXPENSE COVERAGE |
| PKJK | 09/18 | RESTAURANTS ENHANCEMENT ENDORSEMENT |
| CL0209 | 11/10 | IMPORTANT NOTICE - LEAD LIABILITY EXCLUSION |
| CL0212 | 11/10 * | IMPORTANT NOTICE - POLICY SERVICE FEES |
| CL0217 | 11/10 * | IMPORTANT NOTICE - NO FLOOD COVERAGE |
| PKGP | 01/10 | AMENDMENT OF MOBILE EQUIPMENT DEFINITION |
| PKGT | 01/10 | AMENDMENT OF OCCURENCE DEFINITION FOR SUBCONTRACTED WORK |
| PKRG | 01/10 | PENNSYLVANIA AMENDATORY ENDORSEMENT - LOSS PAYMENT CONDITION |
| PKRH | 01/10 | PENNSYLVANIA AMENDATORY ENDORSEMENT - CONDITIONS |
| PK0003 | 07/16 | ULTRAPACK PLUS EXTRA LIABILITY COVERAGES |
| CG0001 | 04/13 | COMMERCIAL GENERAL LIABILITY COVERAGE FORM |
| CG0033 | 04/13 | LIQUOR LIABILITY COVERAGE FORM |
| CG0099 | 11/85 | CHANGES IN GENERAL LIABILITY FORMS FOR COMMERCIAL PACKAGE POLICIES |
| CG2011 | 04/13 | ADDITIONAL INSURED - MANAGERS OR LESSORS OF PREMISES |
| CG2147 | 12/07 | EMPLOYMENT-RELATED PRACTICES EXCLUSION |
| CG2167 | 12/04 | FUNGI OR BACTERIA EXCLUSION |
| UFB213 | 11/12 * | SUBSCRIBER'S AGREEMENT |
| CG2170 | 01/15 | CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM |
| CG2196 | 03/05 | SILICA OR SILICA-RELATED DUST EXCLUSION |
| PKFC | 07/16 | INCOME PROTECTION - OFF-PREMISES UTILITY PROPERTIES FAILURE - INCREASED COVERAGE |
| PKGL | 12/14 | PUNITIVE DAMAGES COVERAGE |
| CL0396 | 01/17 | IMPORTANT NOTICE - DATA BREACH RESPONSE EXPENSES COVERAGE |
| CG2106 | 05/14 | EXCL-ACCESS OR DISCLOSURE OF CONFIDENT OR PERS INFO AND DATA-RELATED LIAB - WITH LIMIT BOD INJ EXCEP |
| PKQAPA | 12/15 | PENNSYLVANIA CHANGES TO EMPLOYMENT PRACTICES LIABILITY INSURANCE COVERAGE ENDORSEMENT |
| UF0168 | 02/11 | EPLI POLICYHOLDER LETTER |
| UF0169 | 02/11 | LEGAL ADVICE LINE |
| PKQA | 12/15 | EMPLOYMENT PRACTICES LIABILITY INSURANCE COVERAGE ENDORSEMENT |
| CG2109 | 06/15 | EXCLUSION - UNMANNED AIRCRAFT |
| IL0017 | 11/98 | COMMON POLICY CONDITIONS |
| IL0021 | 09/08 | NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT (BROAD FORM) |
| IL0910 | 07/02 | PENNSYLVANIA NOTICE |
| IL0952 | 01/15 | CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM |
| IL985F | 01/15 * | DISCLOSURE PURSUANT TO TERRORISM RISK INSURANCE ACT |
| IL0246 | 09/07 | PENNSYLVANIA CHANGES - CANCELLATION AND NONRENEWAL |
| PKMJ | 01/10 | EXCLUSION - LEAD LIABILITY |
| PKMD | 01/10 | EXCLUSION - ASBESTOS |
| PKMQ | 12/14 | EXCLUSION - PROFESSIONAL LIABILITY |
| PKRO | 01/10 | AMENDMENT OF POLICY - TWO OR MORE COVERAGE PARTS |

IMPORTANT NOTICE - POLICY SERVICE FEES

Dear Policyholder:

SERVICE FEES - The following service fees will be applicable to all payment plans.

- **Returned Payment Fee** - A **\$25.00** charge will be applied to your account if your check or other payment is returned unpaid by your financial institution.
- **Late Fee** - A **\$10.00** charge will be applied to your account when a cancellation notice is issued on your policy because of non-payment of premium.
- **Reinstatement Fee** - A **\$25.00** charge will be applied to your account when your policy is reinstated with a lapse in coverage following cancellation of your policy because of non-payment of premium.

If you have any questions concerning this Important Notice, please contact your ERIE Agent.

IMPORTANT NOTICE - NO FLOOD COVERAGE

Your basic policy covers losses from many perils. However, it **DOES NOT** provide coverage for flood loss.

Insurance covering flood loss is generally available through the National Flood Insurance Program.

In an effort to serve you, information about flood insurance and the National Flood Insurance Program can be provided by your ERIE Agent.



THIS ENDORSEMENT IS ATTACHED TO AND MADE PART OF YOUR POLICY IN RESPONSE TO THE DISCLOSURE REQUIREMENTS OF THE TERRORISM RISK INSURANCE ACT. THIS ENDORSEMENT DOES NOT GRANT ANY COVERAGE OR CHANGE THE TERMS AND CONDITIONS OF ANY COVERAGE UNDER THE POLICY.

DISCLOSURE PURSUANT TO TERRORISM RISK INSURANCE ACT

SCHEDULE

Terrorism Premium (Certified Acts) \$ 2

This premium is the total Certified Acts premium attributable to the following Coverage Part(s), Coverage Form(s) and/or Policy(s):

Business Catastrophe Liability
 Ultrapack Plus

Additional Information, if any, concerning the terrorism premium:

SCHEDULE – PART II (Refer to Paragraph B. in this endorsement)

Federal share of Terrorism Losses 85% Year: 2015
 Federal share of Terrorism Losses 86% Year: 2016
 Federal share of Terrorism Losses 87% Year: 2017
 Federal share of Terrorism Losses 88% Year: 2018
 Federal share of Terrorism Losses 89% Year: 2019
 Federal share of Terrorism Losses 90% Year: 2020

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

A. Disclosure of Premium

In accordance with the federal Terrorism Risk Insurance Act, we are required to provide you with a notice disclosing the portion of your premium, if any, attributable to coverage for terrorist acts certified under the Terrorism Risk Insurance Act. The portion of your premium attributable to such coverage is shown in the Schedule of this endorsement or in the policy Declarations.

B. Disclosure of Federal Participation In Payment Of Terrorism Losses

The United States Government, Department of the Treasury, will pay a share of terrorism losses insured under the federal program. The federal share equals a percentage (as shown in Part II of the Schedule of this endorsement) of that portion of the amount of such insured losses that exceeds the applicable insurer retention. However, if aggregate insured losses at-

tributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year, the Treasury shall not make any payment for any portion of the amount of such losses that exceeds \$100 billion.

C. Cap On Insurer Participation In Payment Of Terrorism Losses

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

THIS IS AN ENDORSEMENT TO YOUR POLICY. PLEASE READ IT CAREFULLY.

SUBSCRIBER'S AGREEMENT

The following is the language of the Subscriber's Agreement that applies to policies issued by ERIE INSURANCE EXCHANGE. Definitions included in this Agreement apply only to the Subscriber's Agreement.

The Subscriber ("you" or "your") agrees with the other Subscribers at ERIE INSURANCE EXCHANGE ("ERIE"), a Reciprocal/Inter-Insurance Exchange, and with their Attorney-in-Fact, the Erie Indemnity Company ("we" or "us"), a Pennsylvania corporation with its Home Office in Erie, Pennsylvania, to the following:

1. You agree to pay your policy premiums and to exchange with other ERIE Subscribers policies providing insurance for any insured loss as stated in those policies.
2. You appoint us as Attorney-in-Fact with the power to: a) exchange policies with other ERIE Subscribers; b) take any action necessary for the exchange of such policies; c) issue, change, nonrenew or cancel policies; d) obtain reinsurance; e) collect premiums; f) invest and reinvest funds; g) receive notices and proofs of loss; h) appear for, compromise, prosecute, defend, adjust and settle losses and claims under your policies; i) accept service of process on behalf of ERIE as insurer; and j) manage and conduct the business and affairs of ERIE, its affiliates and subsidiaries. This power of attorney is limited to the purposes described in this Agreement.
3. You agree that as compensation for us: a) becoming and acting as Attorney-in-Fact; b) managing the business and affairs of ERIE; and c) paying general administrative expenses, including sales commissions, salaries and employee benefits, taxes, rent, depreciation, supplies and data processing, we may retain up to 25% of all premiums written or assumed by ERIE. The rest of the premiums will be used for losses, loss adjustment expenses, investment expenses, damages, legal expenses, court costs, taxes, assessments, licenses, fees, and any other governmental fines and charges, establishment of reserves and surplus, and reinsurance, and may be used for dividends and other purposes we decide are to the advantage of Subscribers.
4. You agree that this Agreement, including the power of attorney, shall have application to all insurance policies for which you apply at ERIE, including changes in any of your coverages.
5. You agree to sign and deliver to us all papers required to carry out this Agreement.
6. This Agreement, including the power of attorney, shall not be affected by your subsequent disability or incapacity.
7. This Agreement is and shall be binding upon you, us, and all executors, administrators, successors and assigns.

(Subscriber's Agreement language updated 1996.)



ULTRAPACK PLUS COMMERCIAL PROPERTY COVERAGE PART

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

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

Other words and phrases that appear in quotation marks have special meaning. Refer to **Section XI – Definitions** and **Section VIII – Extensions of Coverage**.

SECTION I - COVERAGES

INSURING AGREEMENT

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 peril insured against.

BUILDING(S) - COVERAGE 1

A. Covered Property

Building(s) means buildings described in the "Declarations" and anything permanently attached. It also includes:

1. Building equipment and fixtures servicing the premises;
2. Personal property you have for the service and maintenance of the buildings and premises including, but not limited to the following:
 - a. Fire extinguishing equipment;
 - b. Outdoor furniture;
 - c. Floor coverings;
 - d. Appliances used for refrigerating, ventilating, cooking, dishwashing, or laundering; and
 - e. Flag poles and outdoor lights;
3. Vegetated roofs, including lawns, trees, shrubs, and plants which are part of a vegetated roof;
4. Glass which you own. The glass must be part of the building or in the building described in the "Declarations", including glass in wall cases.

Our payment for "loss" to glass will also include:

- a. Replacement of building glass with safety glazing materials when made necessary by an ordinance or building code;
 - b. Replacement of lettering, ornamentation, or burglar alarm foil;
 - c. Repair or replacement of frames;
 - d. Installation of temporary coverings; and
 - e. Removal of obstructions;
5. Exterior signs, lights, and clocks which you own. Exterior signs, lights, and clocks must be permanently

attached to buildings on the premises described in the "Declarations" or if unattached to the building, must be permanently mounted on the premises described in the "Declarations".

B. Property Not Covered

Building(s) does not apply to:

1. Fences, walks, and unattached outbuildings not described in the "Declarations", except as provided in Extensions of Coverage - **A.2.**;
2. Outdoor swimming pools and equipment pertaining thereto not described in the "Declarations", except as provided in Extensions of Coverage - **A.2.**;
3. Bulkheads, pilings, piers, wharves, or docks not described in the "Declarations";
4. Bridges, roadways, patios, or other paved surfaces;
5. Retaining walls that are not part of a building, or not described in the "Declarations";
6. The cost of excavations, grading, backfilling, or filling;
7. Trees, shrubs, lawns, and plants (other than trees, shrubs, lawns, and plants which are part of a vegetated roof), except as provided in Extensions of Coverage - **A.6.**;
8. Underground pipes, flues, or drains;
9. Land (including land on which covered property is located) or water; and
10. Property specifically insured in whole or in part by this or any other insurance.

C. Amount of Insurance

The most we will pay for "loss" or damage to any building described in the "Declarations" in any one occurrence is the applicable amount of insurance shown in the "Declarations" for that building subject to the applicable Automatic Adjustment of Coverage Amounts.

D. Automatic Adjustment of Coverage Amounts

This policy provides you with a guard against the effect of inflation on construction costs for Building(s) - Coverage 1.

We will keep track of costs and at the next policy period we will adjust the amount of your building coverage, if necessary. Your premium will be adjusted at each policy period to reflect any change in the amount of insurance.

During the policy period, if there is an increase in construction costs and a "loss" occurs, we will reflect the increase in the amount of insurance for Building(s) - Coverage 1 before making payment. The amount of increase in the amount of insurance will be:

1. The amount of insurance that applied to your covered building(s) on the most recent of: the policy inception date, the policy anniversary date, or any other policy change amending the amount of insurance, times;
2. The percentage of annual increase shown in the "Declarations", expressed as a decimal (example: 8% is .08), times;
3. The number of days since the beginning of the current policy period or the effective date of the most recent policy change amending the amount of insurance to your covered building(s), divided by 365.

There will be no charge for this additional coverage.

If the amount of insurance shown in the "Declarations" for Building(s) - Coverage 1 is inadequate, these adjustments may not be sufficient to provide full recovery should a "loss" occur.

BUSINESS PERSONAL PROPERTY AND PERSONAL PROPERTY OF OTHERS - COVERAGE 2

A. Covered Property

Business Personal Property and Personal Property of Others means:

1. Personal property pertaining to your business, professional or institutional activities, including leased-property for which you are contractually responsible;
2. Personal property of others that is in your care, custody, or control;
3. Labor, materials, or services furnished or arranged by you on personal property of others;
4. Your use interest as a tenant in improvements and betterments. Improvements and betterments are fixtures, alterations, installations, or additions:
 - a. Made a part of the building or structure you occupy but do not own; and
 - b. You acquired or made at your expense but cannot legally remove;
5. Exterior signs, lights, and clocks which you own or which are in your care, custody, or control and for which you are contractually responsible. Exterior signs, lights, and clocks must be permanently attached to the building on the premises described in the "Declarations" or if unattached to the building, must be permanently mounted on the premises described in the "Declarations";
6. Glass which is in your care, custody, or control and for which you are contractually responsible. The glass must be part of the building described in the "Declarations", including glass in wall cases.

Our payment for "loss" to glass will also include:

- a. Replacement of building glass with safety glazing materials when made necessary by an ordinance or building code;

- b. Replacement of lettering, ornamentation, or burglar alarm foil;
- c. Repair or replacement of frames;
- d. Installation of temporary coverings; and
- e. Removal of obstructions;

while in or on the described buildings, or in the open, or in a vehicle on the premises described in the "Declarations" or within 1,500 feet thereof.

Our payment for "loss" of or damage to personal property of others will only be made to the owner of the property.

B. Property Not Covered

Business Personal Property and Personal Property of Others does not apply to:

1. "Automobiles" held for sale;
2. Vehicles or self-propelled machines (including "aircraft" or watercraft) that:
 - a. Can be licensed for use on public roads, except vehicles that are solely used to service the premises described in the "Declarations"; or
 - b. Are operated principally away from the premises described in the "Declarations".

This paragraph does not apply to:

- a. Vehicles or self-propelled machines or "automobiles" you manufacture, process, or warehouse;
- b. Vehicles or self-propelled machines, other than "automobiles", you hold for sale;
- c. Rowboats or canoes out of water at the premises described in the "Declarations"; or
- d. Trailers, but only to the extent provided for in the Extensions of Coverage - **B.21.**;
3. "Money" and "securities", except as provided in Extensions of Coverage - **B.4., B.6., B.9., and B.19.**;
4. Your property sold on installment or deferred payment plans after delivery to customers;
5. Household and personal articles of the insured, the insured's partners, members or managers of a limited liability company, the insured's officers, or the insured's employees, except as provided in Extensions of Coverage - **B.23.**;
6. Trees, shrubs, lawns, and plants, except as provided in Extensions of Coverage - **A.6.**;
7. Crops and growing crops while outside of buildings;
8. Contraband or property in the course of illegal transportation or trade;
9. "Electronic data" including the cost to research, replace, or restore the information on "electronic data" or magnetic media, except as provided in **Section IV - Additional Coverages - C.2.**;



We will cover "electronic data" which is integrated in and operates or controls the building's elevator, lighting, heating, ventilation, air conditioning, or security systems.

10. The cost to research, replace, or restore the information on valuable papers and records, except as provided in Extensions of Coverage - **B.29**. Valuable papers and records include proprietary information; written, printed, or inscribed documents and records; including books, maps, films, abstracts, drawings, deeds, mortgages, card index systems, and manuscripts;
11. Fine arts, except as provided in Extensions of Coverage - **B.13**. Fine arts include paintings; etchings; pictures; tapestries; rare or art glass; art glass windows; valuable rugs; statuary; sculptures; antique furniture; antique jewelry; porcelains; and similar property of rarity, historic value, or artistic merit;
12. Animals, unless owned by others and boarded by you or if owned by you as stock while inside the building described in the "Declarations";
13. "Mobile equipment":
 - a. While being used or stored away from the premises described in the "Declarations"; or
 - b. While at or being transported to or from job sites away from the premises described in the "Declarations"; and
14. Property specifically insured in whole or in part by this or any other insurance.

C. Amount of Insurance

The most we will pay for "loss" or damage to business personal property and personal property of others on the premises described in the "Declarations" in any one occurrence is the applicable amount of insurance shown in the "Declarations" for Business Personal Property and Personal Property of Others on that premises.

D. Automatic Adjustment of Coverage Amounts

This policy provides you with a guard against the effect of inflation on costs for Business Personal Property and Personal Property of Others - Coverage 2.

We will keep track of costs and at the next policy period we will adjust the amount of your business personal property and personal property of others coverage, if necessary. Your premium will be adjusted at each policy period to reflect any change in the amount of insurance.

There will be no charge for this additional coverage.

If the amount of insurance shown in the "Declarations" for Business Personal Property and Personal Property of Others - Coverage 2 is inadequate, these adjustments may not be sufficient to provide full recovery should a "loss" occur.

INCOME PROTECTION - COVERAGE 3

A. Income Protection Coverage

Income Protection means loss of "income" and/or "rental income" you sustain due to partial or total "interruption of business" resulting directly from "loss" or damage to property on the premises described in the "Declarations" from a peril insured against. "Loss" or damage also includes covered property in the open, or in a vehicle, on the premises described in the "Declarations" or within 1,500 feet thereof.

If you are a tenant, your premises are the portion of the building described in the "Declarations" which:

1. You rent, lease, or occupy;
2. All routes within the building that service or are used to gain access to the described premises; and
3. The area within 1,500 feet of the premises described in the "Declarations" (with respect to "loss" or damage to covered property in the open or in a vehicle).

You are required to resume normal business operations as promptly as possible and shall use all available means to eliminate any unnecessary delay.

B. Extra Expense Coverage

"Extra expense" coverage is provided at the premises described in the "Declarations".

"Extra expense" means necessary expenses you incur due to partial or total "interruption of business" resulting directly from "loss" or damage to property on the premises described in the "Declarations" from a peril insured against. "Loss" or damage also includes property in the open, or in a vehicle, on the premises described in the "Declarations" or within 1,500 feet thereof.

We will pay necessary actual and necessary "extra expenses" (other than the expense to repair or replace property) sustained by you to:

1. Avoid or minimize the "interruption of business" and to continue your business operations:
 - a. At the premises described in the "Declarations"; or
 - b. At replacement premises or at temporary locations, including:
 - 1) Relocation expenses; and
 - 2) Costs to equip and operate the replacement or temporary locations.
2. Minimize the "interruption of business" if you cannot continue your business operations to the extent it reduces the amount of loss that would have been payable under loss of "income" and/or "rental income".

We will not pay any "loss" or damage to your Building(s) or Business Personal Property and Personal Property of Others. We also will not pay the cost of research or any other expense to replace or restore your valuable papers and records or "electronic data". We will pay the cost to

repair or replace your covered property and the amount to research, replace, or restore the lost information on damaged valuable papers and records or "electronic data" to the extent it reduces the amount of loss that would have been payable under loss of "income" and/or "rental income".

C. Additional Coverages

1. Civil Authority

When a peril insured against causes damage to property other than property at the premises described in the "Declarations", we will pay for the actual loss of "income" and/or "rental income" you sustain and necessary "extra expense" caused by action of civil authority that prohibits access to the premises described in the "Declarations" provided that both of the following apply:

- a. Access to the area immediately surrounding the damaged property is prohibited by civil authority as a result of the damage, and the premises described in the "Declarations" are within that area but are not more than one mile from the damaged property; and
- b. The action of civil authority is taken in response to dangerous physical conditions resulting from the damage or continuation of the peril insured against that caused the damage, or the action is taken to enable a civil authority to have unimpeded access to the damaged property.

Civil Authority coverage for "income" and/or "rental income" will begin 72 hours after the time of the first action of civil authority that prohibits access to the premises described in the "Declarations" and will apply for a period of up to four consecutive weeks from the date on which such coverage began.

Civil Authority coverage for "extra expense" will begin immediately after the time of the first action of civil authority that prohibits access to the premises described in the "Declarations" and will end:

- a. Four consecutive weeks after the date of that action; or
- b. When your Civil Authority coverage for "income" and/or "rental income" ends; whichever is later.

2. Full Resumption of Operations

We will also pay your actual loss of "income" and/or "rental income" for an additional 60 days if your "income" and/or "rental income" after operations are resumed is less than your "income" and/or "rental income" before the loss. The additional amount we will pay will start after the later of the following times:

- a. The date on which the liability for **Income Protection - Coverage 3** would terminate if this clause had not been included; or

- b. The date on which repair, replacement, or rebuilding of such part of the damaged or destroyed property described in the "Declarations" is actually completed.

D. Amount of Insurance

We will pay the actual loss of "income" and/or "rental income" sustained by you.

The "income" and/or "rental income" loss sustained by you shall not exceed:

1. The actual reduction of "income" and/or "rental income" during the "interruption of business"; and
2. The reduction in rents received less charges and expenses which do not necessarily continue during the "interruption of business" or during the period when the tenant cannot inhabit the premises.

We will pay up to \$100 a day, for seven days, after your business is suspended to cover loss of "income" and/or "rental income" sustained by you while you are determining your actual income protection loss. The amount paid will be subtracted from your actual loss of "income" and/or "rental income".

We will pay the actual income protection loss for only such length of time as would be required to resume normal business operations. We will limit the time period to the shorter of the following periods:

1. The time period required to rebuild, repair, or replace such part of the Building or Business Personal Property that has been damaged or destroyed as a direct result of an insured peril; or
2. Twelve (12) consecutive months from the date of loss.

Payment of loss of "income" and/or "rental income" is not limited by the end of the policy period.

SECTION II - PERILS INSURED AGAINST

BUILDING(S) - COVERAGE 1

BUSINESS PERSONAL PROPERTY AND PERSONAL PROPERTY OF OTHERS - COVERAGE 2

INCOME PROTECTION - COVERAGE 3

Covered Cause of Loss

This policy insures against direct physical "loss", except "loss" as excluded or limited in this policy.

SECTION III - EXCLUSIONS

A. Coverages 1, 2, and 3

We do not cover under Building(s) - Coverage 1; Business Personal Property and Personal Property of Others - Coverage 2; and Income Protection - Coverage 3 "loss" or damage caused directly or indirectly by any of the following. Such "loss" or damage is excluded regardless of any cause or event that contributes concurrently or in any sequence to the "loss":



1. Deterioration or depreciation.
2. Intentional loss, meaning any "loss" arising from an act committed by or at the direction of the insured with the intent to cause a "loss".
3. "Loss" or damage caused by or resulting from any of the following:
 - a. By weather conditions, but only if weather conditions contribute in any way with a peril excluded in Part A. of **Section III - Exclusions** to produce the "loss";
 - b. By acts or decisions, including the failure to act or decide, of anyone;
 - c. By faulty, inadequate, or defective:
 - 1) Planning, zoning, development, surveying;
 - 2) Design, specifications, workmanship, repair, construction, renovating, remodeling, grading, or compaction;
 - 3) Materials used in repair, construction, renovation, remodeling; or
 - 4) Maintenance;

of property whether on or off the insured premises by anyone, but if "loss" by a peril insured against results, we will pay for the ensuing "loss".

4. Neglect of an insured to use all reasonable means to save and preserve property from further damage at and after the time of "loss".
5. Earth Movement
 - a. Earthquake, including tremors and aftershocks, and any earth sinking, rising, or shifting related to such event;
 - b. Landslide, including any earth sinking, rising, or shifting related to such event;
 - c. Mine subsidence, meaning subsidence of a man-made mine, whether or not mining activity has ceased; or
 - d. 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.

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

But if Earth Movement, as described in **5.a.** through **5.d.** above, results in fire, explosion, sprinkler leakage, volcanic action, or building glass breakage, we will pay for the "loss" or damage caused by such perils.

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.

This does not include the cost to remove ash, dust, or particulate matter that does not cause direct "loss" to the covered property.

This exclusion does not apply to property being transported.

6. Water
 - a. Flood, surface water, waves (including tidal water and tsunami), tides, tidal wave, overflow of any body of water, or spray from any of these, all whether or not driven by wind (including storm surge);
 - b. Mudslide or mudflow;
 - c. By water or sewage which backs up through sewers or drains or which enters into and overflows or is otherwise discharged from a sewer, drain, sump pump, sump pump well, or any other system designed to remove subsurface water which is drained from the foundation area;
 - d. Water under the ground surface pressing on, or flowing or seeping through:
 - 1) Foundations, walls, floors, or paved surfaces;
 - 2) Sidewalks or driveways;
 - 3) Basements, whether paved or not; or
 - 4) Doors, windows, or other openings.
 - e. Water from a broken water main. However, this exclusion does not apply to water flowing or seeping from a broken water main where the break occurs on the premises described in the "Declarations".
 - f. Waterborne material carried or otherwise moved by any of the water referred to in Paragraphs **6.a.**, **6.c.**, **6.d.**, or **6.e.** or material carried or otherwise moved by mudslide or mudflow.

This exclusion applies regardless of whether any of the above, in Paragraphs **6.a.** through **6.f.**, is caused by an act of nature or is otherwise caused. An example of a situation to which this exclusion applies is the situation where a dam levee, seawall, or other boundary or containment system fails in whole or in part, for any reason, to contain the water.

But if Water, as described in **6.a.** through **6.f.** results in fire, explosion, sprinkler leakage, volcanic action,

or building glass breakage, we will pay for the "loss" or damage caused by such perils.

If electrical "covered equipment" requires drying out because of Paragraphs **6.a.** through **6.c.**, we will pay for the direct expenses of such drying out subject to the applicable Amount of Insurance and deductible for Building(s) – Coverage 1 and Business Personal Property and Personal Property of Others – Coverage 2.

This exclusion does not apply to property being transported.

7. War

- a. War including undeclared or civil war;
- b. 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
- c. Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

With respect to any action that comes within the terms of this exclusion and involves nuclear reaction or radiation, or radioactive contamination, this War exclusion supersedes Paragraph **A.9.** of **Section III – Exclusions**, the nuclear hazard exclusion.

8. Seizure or destruction of covered property by order of governmental authority, except as provided in Extensions of Coverage - **B.3.** and **Income Protection – Coverage 3, C. Additional Coverages.**

We will also cover "loss" caused by acts of destruction ordered by governmental authority to prevent the spread of a fire.

9. Nuclear reaction or radiation or radioactive contamination unless fire ensues, and then only for ensuing "loss".
10. By the enforcement of or compliance with any law or ordinance regulating the construction, use, or repair of any property, or requiring the tearing down of any property, including the cost of removing its debris, except as provided in Extensions of Coverage - **B.3.**, **B.7.**, and **B.8.**
11. The failure of power, communication, water, or other utility service supplied to the insured premises, however caused, if the failure:
 - a. Originates away from the insured premises described in the "Declarations"; or
 - b. Originates at the premises described in the "Declarations", but only if such failure involves equipment used to supply the utility service to the premises described in the "Declarations" from a source away from the premises described in the "Declarations";

except as provided in **Section IV. Additional Coverages, D. Equipment Breakdown, 2.h.** and **2.i.** and Extensions of Coverage - **A.5.** and **A.7.**, unless a covered "loss" ensues, and then only for ensuing "loss".

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

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

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

Exclusions A.5. through **A.11.** apply whether or not the loss event results in widespread damage or affects a substantial area.

B. Coverages 1, 2, and 3

We do not cover under Building(s) - Coverage 1, Business Personal Property and Personal Property of Others - Coverage 2, and Income Protection - Coverage 3 "loss" or damage caused:

1. By:
 - a. Wear and tear, rust, or corrosion;
 - b. Change in flavor, color, texture, or finish;
 - c. Damp or dry air;
 - d. Inherent vice;
 - e. Smog;
 - f. Latent or hidden defect;
 - g. Marring or scratching;
 - h. Smoke, vapor, or gases from agricultural or industrial operations;
 - i. Settling, cracking, shrinking, bulging or expansion of pavements, foundations, walls, floors, roofs, or ceilings;
 - j. Termites, vermin, insects, rodents, birds (except glass breakage), skunks, raccoons, spiders, or reptiles; or
 - k. Mechanical breakdown, including rupture or bursting caused by centrifugal force (except as provided in Section IV – Additional Coverages, D. Equipment Breakdown Coverage).unless a covered "loss" including "accident" or "electronic circuitry impairment" ensues, and then only for ensuing "loss".
2. By discharge, dispersal, seepage, migration, release, or escape of "pollutants" unless the discharge, dispersal, seepage, migration, release, or escape is itself caused by a peril insured against. But if "loss" or damage by a peril insured against results from the discharge, dispersal, seepage, migration, release, or



escape of "pollutants", we will pay for the resulting damage caused by the peril insured against.

3. By mysterious disappearance, unexplained loss, or inventory shortage. We will accept inventory records as a means of proving the amount of a covered "loss".
4. By the presence, growth, proliferation, spread or any activity of "fungus", wet or dry rot, or bacteria.

But, if "fungus", wet or dry rot, or bacteria results in a covered loss from a peril insured against, we will pay for the "loss" or damage caused by that peril insured against.

This exclusion does not apply:

- a. When "fungus", wet or dry rot, or bacteria results from fire or lightning; or
 - b. To the extent that coverage is provided in **Section IV - Additional Coverages - B. Limited Coverage For "Fungus", Wet Rot, Dry Rot, And Bacteria**, with respect to "loss" or damage caused by a peril insured against other than fire or lightning.
5. By 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.
 6. By freezing due to temperature reduction to plumbing, heating, air conditioning or other equipment or appliances (except fire protective systems) or by water, other liquids, powder or molten material that leaks or flows from such items while the described building is vacant for more than 60 consecutive days, unless you have exercised reasonable care to:
 - a. Maintain heat in the building; or
 - b. Shut off the water supply and drain the system or appliance of water.

We will pay the cost to tear out and replace any part of the building described in the "Declarations" to repair damage to the system or appliance from which the water, other liquids, powder or molten material escapes.

We will not pay for the cost to repair or replace any defect in the system or appliance that caused the "loss" or damage.

7. By collapse, including any of the following conditions of property or any part of the property:
 - a. An abrupt falling down or caving in;
 - b. Loss of structural integrity, including separation of parts of the property or property in danger of falling down or caving in; or
 - c. Any cracking, bulging, sagging, bending, leaning, settling, shrinkage, or expansion as such condition relates to **a.** or **b.** above.

But if collapse results in a peril insured against at the premises described in the "Declarations", we will pay

for the "loss" or damage caused by the peril insured against.

Exclusion B.7. does not apply:

- a. To the extent that coverage is provided in **Section IV - Additional Coverages, A. Collapse**; or
- b. To collapse caused by one or more of the following:

- 1) Fire; lightning; windstorm; hail; explosion; smoke; aircraft; vehicles; riot; civil commotion; vandalism or malicious mischief; breakage of building glass; falling objects; weight of snow, ice, or sleet; sinkhole collapse; or volcanic action.

Sinkhole collapse means "loss" caused by sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite.

This peril does not include:

- a) The cost of filling sinkholes, except to the extent that coverage is provided in **Section IV - Additional Coverages, A. Collapse**; or
 - b) "Loss" or damage to property caused by or resulting from the sinking or collapse of land into man-made underground cavities.
- 2) Water damage resulting from the accidental discharge or leakage of water or steam as the direct result of the breaking apart or cracking of any part of plumbing, heating, air conditioning, or other equipment or appliances, but does not include damage from a sump pump, sump pump well, or any other system designed to remove subsurface water which is drained from the foundation areas;
 - 3) Breakage of building glass;
 - 4) Weight of rain that collects on a roof; or
 - 5) Weight of people or personal property.
8. By explosion of, including resulting damage to, steam boilers, steam pipes, steam turbines, or steam engines if owned by, leased by, or operated under your control (except as provided in **Section IV. Additional Coverages, D. Equipment Breakdown Coverage**). We also do not cover damage to these caused by any condition or occurrence within the boilers, pipes, turbines, or engines (except as provided in **Section IV. Additional Coverages, D. Equipment Breakdown Coverage**). We will pay for "loss" from the explosion of gases or fuel within the combustion chamber, flues, or passages of any fired vessel. We will also pay for "loss" by ensuing fire or explosion not included in this paragraph.

9. To hot water boilers or other water heating equipment caused by a condition or occurrence within the boilers or equipment other than an explosion (except as provided in **Section IV. Additional Coverages, D. Equipment Breakdown Coverage**).
10. By artificially generated electrical current including electric arcing (except as provided in **Section IV. Additional Coverages, D. Equipment Breakdown Coverage**), unless fire or explosion ensues, and then only for ensuing "loss".
11. To the interior of the building or the contents by rain, snow, sand, or dust, whether driven by wind or not, unless the exterior of the building first sustains damage to its roof or walls by a peril insured against. We will pay for "loss" caused by or resulting from the thawing of snow, sleet, or ice on the building.
12. To outdoor radio or television antennas (including satellite dishes) and its lead-in wiring, masts, or towers by windstorm or hail.
13. By dishonest or criminal acts (including theft) committed by you, or any of your members of a limited liability company, or any of your employees (including temporary or leased employees), directors, officers, trustees, or authorized representatives:
 - a. Acting alone or in collusion with other persons; or
 - b. While performing services for you or otherwise.

We will cover acts of destruction by your employees (including temporary or leased employees) but only for ensuing "loss", but there is no coverage for "loss" or damage:

 - a. By theft by your employees (including temporary or leased employees) or any person to whom you entrust property for any purpose, whether acting alone or in collusion with any other party; or
 - b. Caused by or resulting from manipulation, including the introduction or enaction of any virus, harmful code or similar instruction, of a computer system (including "electronic data") by your employees.
14. From any defect, programming error, programming limitation, computer virus, malicious code, loss of "electronic data", loss of access, loss of use, loss of functionality, or other condition within or involving "electronic data" or "media" of any kind, except as provided in **Section IV - Additional Coverages - C.1., C.2., and C.3.**
15. To unattached exterior signs that will be permanently mounted caused by breakage during installation, repairing or dismantling, or by breakage during transportation, unless caused by fire, lightning, collision, derailment or overturn of vehicle.

C. Coverage 1

We do not cover under **Building(s) - Coverage 1** "loss" or damage caused:

1. To fences, pavements, outdoor swimming pools and related equipment, retaining walls, bulkheads, piers, wharves or docks, when covered under the policy, by freezing or thawing, impact of watercraft, or by the pressure or weight of ice or water whether driven by wind or not.
2. To building materials and supplies not attached as part of the building, unless held for sale by you, caused by or resulting from theft. We will cover "loss" to building materials and supplies located in the building on the premises described in the "Declarations" caused by a peril insured against including theft. We will pay up to 10% of the **Building(s) - Coverage 1** limit but not to exceed \$100,000 for any one "loss".
3. To vegetated roofs for "loss" caused by or resulting from:
 - a. Dampness or dryness of atmosphere or of soil supporting the vegetation;
 - b. Changes in or extremes of temperature;
 - c. Disease;
 - d. Frost or hail; or
 - e. Rain, snow, ice, or sleet.

D. Coverage 2

We do not cover under **Business Personal Property and Personal Property of Others - Coverage 2** "loss" or damage caused:

1. From your, or anyone acting on your express or implied authority, being induced by any dishonest act to voluntarily part with title or possession of any property.
2. By breakage of glassware, statuary, marble, bric-a-brac, porcelains, and other articles of a fragile or brittle nature. We will cover such "loss" caused by fire; lightning; aircraft; explosion; sonic boom; riot; civil commotion; smoke; vehicles; windstorm; hail; vandalism or malicious mischief; falling objects (the exterior of the building must first sustain damage to roof or walls by falling objects); sinkhole collapse; volcanic action; weight of ice, snow, or sleet; sprinkler leakage; or water damage.
3. By rain, snow, or sleet to property in the open.
4. By any legal proceeding.
5. By actual work upon property being altered, repaired, installed, serviced, or faulty materials or workmanship, unless fire ensues, and then only for "loss" through ensuing fire.
6. By delay, loss of use, or loss of market.



- 7. To property that has been transferred to a person or to a place outside the premises described in the "Declarations" on the basis of unauthorized instructions.
- 8. By theft of furs and fur garments. We will pay for "loss" of furs and fur garments by "burglary" up to \$10,000 for any one "loss".
- 9. By theft of gold and other precious metals and alloys. We will pay for theft of any one article of jewelry up to \$500, but our payment will not exceed \$10,000 for any one "loss". Jewelry means jewelry, necklaces, bracelets, rings, earrings, gems, precious and semi-precious stones, articles containing one or more gems, and articles made of gold or other precious metals.

E. Coverage 3

We do not cover under **Income Protection - Coverage 3:**

- 1. Increase of loss resulting from ordinance or law regulating construction or repair of buildings.
- 2. Consequential damages resulting from the breach of contractual obligations.
- 3. Increase of loss caused by or from delay in rebuilding, repairing, or replacing the property or resuming operations, due to interference at the location of the rebuilding, repair, or replacement by strikers or other persons.
- 4. Loss due to delay or loss of market.
- 5. Increase of loss caused by or resulting from the suspension, lapse, or cancellation of any license, lease, or contract. We will pay for loss of "income" and/or "rental income" during the "interruption of business" and during the period of Full Resumption of Operations if the suspension, lapse, or cancellation is caused by the suspension of your business.
- 6. "Extra expense" caused by the suspension, lapse, or cancellation of any license, lease, or contract beyond the "interruption of business".
- 7. Increase of loss resulting from ordinance or law regulating the prevention, control, repair, clean-up, or restoration of environmental damage.
- 8. Income protection specifically insured in whole or in part by this or any other insurance.

SECTION IV - ADDITIONAL COVERAGES

A. Collapse

The coverage provided under this **Additional Coverage - Collapse** applies only to an abrupt collapse as described and limited in **A.1.** through **A.7.:**

- 1. For the purpose of this **Additional Coverage - Collapse**, abrupt collapse means an abrupt falling down or caving in of a building or any part of a building with the result that the building or part of the building cannot be occupied for its intended purpose.

- 2. We will pay for direct physical "loss" or damage to covered property, caused by abrupt collapse of a building or any part of a building that is insured under this Coverage Part or that contains Covered Property insured under this Coverage Part, if such collapse is caused by one or more of the following:

- a. Building decay that is hidden from view, unless the presence of such decay is known to an insured prior to collapse;
- b. Insect or vermin damage that is hidden from view, unless the presence of such damage is known to an insured prior to collapse;
- c. Use of defective material or methods in construction, remodeling, or renovation if the abrupt collapse occurs during the course of construction, remodeling, or renovation; or
- d. Use of defective material or methods in construction, remodeling, or renovation if the abrupt collapse occurs after the course of the construction, remodeling, or renovation is complete, but only if the collapse is caused in part by:

- 1) A cause of loss listed in **2.a.** and **2.b.** above;
- 2) Fire; lightning; windstorm; hail; explosion; smoke; aircraft; vehicles; riot; civil commotion; vandalism or malicious mischief; breakage of building glass; falling objects; weight of snow, ice, or sleet; sinkhole collapse; or volcanic action.

Sinkhole collapse means "loss" caused by sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite.

This peril does not include:

- a) The cost of filling sinkholes, except as provided in Paragraph **3.** below; or
- b) "Loss" or damage to property caused by or resulting from the sinking or collapse of land into man-made underground cavities.

- 3) Water damage resulting from the accidental discharge or leakage of water or steam as the direct result of the breaking apart or cracking of any part of plumbing, heating, air conditioning, or other equipment or appliances, but does not include damage from a sump pump, sump pump well, or any other system designed to remove subsurface water which is drained from the foundation areas;
- 4) Breakage of building glass;
- 5) Weight of people or personal property; or
- 6) Weight of rain that collects on a roof.

- 3. We will pay up to \$20,000 for expenses involved in replacing, stabilizing, refilling, or rebuilding the land

necessary to support the building described in the "Declarations" damaged by sinkhole collapse. This payment of \$20,000 is an additional amount of insurance and will increase the total amount of insurance available.

4. This **Additional Coverage - Collapse** does not apply to:
 - a. A building or any part of a building that is in danger of falling down or caving in;
 - b. A part of a building that is standing, even if it has separated from another part of the building; or
 - c. A building that is standing or any part of a building that is standing, even if it shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage, or expansion.
5. With respect to the following property:
 - a. Outdoor radio or television antennas (including satellite dishes) and its lead-in wiring, masts, or towers;
 - b. Awnings, gutters, and downspouts;
 - c. Yard fixtures;
 - d. Outdoor swimming pools;
 - e. Fences;
 - f. Piers, wharves, and docks;
 - g. Beach or diving platforms or appurtenances;
 - h. Retaining walls; and
 - i. Walks, roadways, and other paved surfaces;if an abrupt collapse is caused by a cause of "loss" listed in **2.a.** through **2.d.**, we will pay for "loss" or damage to that property listed in **5.a.** through **5.i.** only if:
 - a. Such "loss" or damage is a direct result of the abrupt collapse of a building insured under this Coverage Part; and
 - b. The property is Covered Property under this Coverage Part.
6. If business personal property and personal property of others falls down or caves in and such collapse is **not** the result of an abrupt collapse of a building, we will pay for "loss" or damage to insured property caused by such collapse of business personal property and personal property of others only if:
 - a. The collapse of business personal property and personal property of others was caused by a cause of loss listed in **2.a.** through **2.d.**;
 - b. The business personal property and personal property of others which collapses is inside a building; and
 - c. The property which collapses is not of a kind listed in **5.a.** through **5.i.**, regardless of whether

that kind of property is considered to be business personal property or real property.

The coverage stated in this Paragraph **6.** does not apply to business personal property and personal property of others if marring and/or scratching is the only damage to that business personal property and personal property of others caused by the collapse.

7. This **Additional Coverage - Collapse** does not apply to business personal property and personal property of others that has not abruptly fallen down or caved in, even if the business personal property and personal property of others shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage, or expansion.
 8. This **Additional Coverage - Collapse** will not increase the Amounts of Insurance provided in this Coverage Part, other than what is provided above in **Section IV - Additional Coverage - Collapse**, paragraph **A. 3.**
 9. The term peril insured against includes the **Additional Coverage - Collapse** as described and limited in **A.1.** through **A.7.**
- B. Limited Coverage for "Fungus", Wet Rot, Dry Rot, And Bacteria**
1. The coverage described in Paragraphs **2.** through **6.** below only applies when the "fungus", wet or dry rot, or bacteria is the result of a peril insured against, other than fire and lightning, that occurs during the policy period and only if all reasonable means were used to save and preserve the property from further damage at the time of and after that occurrence.
 2. We will pay for "loss" or damage by "fungus", wet or dry rot, or bacteria. As used in this Limited Coverage, the term "loss" or damage means:
 - a. Direct physical "loss" or damage to Covered Property caused by "fungus", wet or dry rot, or bacteria, including the cost of removal of the "fungus", wet or dry rot, or bacteria;
 - 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 or dry rot, or bacteria; and
 - c. The cost of testing performed before, during, or after removal, repair, replacement, or restoration of the damaged property is completed, provided there is a reason to believe that "fungus", wet or dry rot, or bacteria are present.
 3. The coverage described in Paragraph **2.** above of this Limited Coverage is limited to \$25,000. Regardless of the number of claims, this limit is the most we will pay for the total of all "loss" or damage arising out of all occurrences caused by a peril insured against, other than fire and lightning, which takes place in a 12-month period (starting with the beginning of the pre-



sent annual policy period). With respect to a particular occurrence of "loss" which results in "fungus", wet or dry rot, or bacteria, we will not pay more than a total of \$25,000 even if the "fungus", wet or dry rot, or bacteria continues to be present, active, or recurs, in a later policy period.

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

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

5. The terms of this Limited Coverage do not increase or reduce the coverage provided under **Exclusions B.4. Coverages 1, 2, and 3 in Section III - Exclusions** or under **Section IV - Additional Coverages - A. Collapse**.
6. The following Paragraphs **6. a.** or **6. b.** applies only if the "interruption of business" satisfies all terms and conditions of **Income Protection - Coverage 3**.
 - a. If the covered loss which resulted in "fungus", wet or dry rot, or bacteria does not itself necessitate an "interruption of business", but such "interruption of business" is necessary due to "loss" or damage to covered property caused by "fungus", wet or dry rot, or bacteria, then we will pay the actual loss of "income" and/or "rental income" sustained by you in a period of not more than 30 days. The days need not be consecutive.
 - b. If the "interruption of business" was caused by loss or damage other than "fungus", wet or dry rot, or bacteria but remediation of "fungus", wet or dry rot, or bacteria prolongs the "interruption of business", we will pay the actual loss of "income" and/or "rental income" sustained by you during the delay (regardless of when such a delay occurs during the "interruption of business") in a period of not more than 30 days. The days need not be consecutive.

7. The coverage described under Paragraph **6.a.** and **6.b.** of this Limited Coverage is limited to \$25,000. Regardless of the number of claims, this limit is the most we will pay for the total of all loss of "income" and/or "rental income" arising out of your "interruption of business" in a 12-month period (starting with the beginning of the present annual policy period). With respects to a particular occurrence of loss which

results in "fungus", wet or dry rot, or bacteria, we will not pay more than a total of \$25,000 for loss of "income" and/or "rental income" even if the "fungus", wet or dry rot, or bacteria continues to be present or active, or recurs in a later policy period resulting in an "interruption of business".

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

C. **Electronic Data Processing Equipment and Electronic Data Coverage**

Payments under this Electronic Data Processing Equipment, Electronic Data Coverage, and Income Protection are an Additional Amount of Insurance and will increase the total amount of insurance available for the coverage involved.

1. **Electronic Data Processing Equipment - Computer Virus**

We will cover "loss" or damage to "electronic data processing equipment" caused by magnetic injury or computer virus. We will pay up to \$15,000 for any one "loss" to "electronic data processing equipment".

We do not cover:

- a. "Electronic data processing equipment" which the insured rents or leases to others while it is away from the premises described in the "Declarations".
- b. "Loss" caused by processing operations or "loss" that occurred while the insured property is being worked on unless fire or explosion ensues, and then only for "loss", damage, or expense caused by the ensuing fire or explosion.

"Electronic data processing equipment" means computers, terminals, teleprinters, readers, telephone systems, computerized cash registers, word processing equipment, and equipment and parts related to the processing unit.

"Electronic data processing equipment" does not include computer operated or controlled production or processing machinery or equipment or a separate computer or computerized control panels used to operate the production or processing machinery or equipment.

We will pay for "loss" to "electronic data processing equipment" which is in excess of the deductible amount shown in the "Declarations".

2. **Electronic Data - Expenses for Reproduction or Replacement**

We will cover the expenses incurred to reproduce or replace your "electronic data" when destruction or corruption is caused by a peril insured against including loss by theft. This includes your "electronic data" that is destroyed or corrupted by magnetic injury, virus, harmful code, or similar instruction introduced

into or enacted on a computer system (including "electronic data") or a network to which it is connected, designed to damage or destroy any part of the system or disrupts its normal operation.

Coverage is limited to "electronic data" which is owned by you or licensed or leased to you, originates and resides in your computers.

This Additional Amount of Insurance does not apply to "electronic data" which is integrated in and operates or controls the building's elevator, lighting, heating, ventilation, air conditioning, or security systems.

"Loss" or damage to "electronic data" will be valued at the cost of reproduction or replacement including the cost of data entry, re-programming, and computer consultation services. But we will not pay the cost to duplicate research that led to the development of your "electronic data".

To the extent that "electronic data" is not reproduced or replaced, the "loss" will be valued at the cost of replacement of the "media" on which "electronic data" was stored, with blank "media" of substantially identical type.

The most we will pay for the expenses incurred in the reproduction or replacement of your "electronic data" is \$25,000.

"Media" means materials on which "electronic data" are recorded, such as magnetic tapes, disc packs, paper tapes, and cards.

We will pay for the expenses incurred in the reproduction or replacement of your "electronic data" which is in excess of the deductible amount shown in the "Declarations".

3. **Income Protection – Computer Operations**

- a. **Income Protection – Coverage 3** is extended to cover your loss of "income" you sustain due to partial or total "interruption of business" resulting directly from an interruption in your computer operations due to your "electronic data" being destroyed or corrupted caused by a peril insured against including loss by theft. This includes your loss of "income" resulting from your "electronic data" that is destroyed or corrupted by magnetic injury, virus, harmful code, or similar instruction introduced into or enacted on a computer system (including "electronic data") or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation.
- b. The most we will pay for your loss of "income" due to "interruption of business" resulting from an interruption to your computer operations in any one policy year, regardless of the number of interruptions or the number of premises, loca-

tions, or computer systems involved is \$25,000. If the loss payment relating to the first interruption does not exhaust this amount of insurance, then the balance is available for loss or expense sustained or incurred as a result of subsequent interruptions during that policy year. With respect to any interruption which begins in one policy year and continues or results in additional loss or expense in a subsequent policy year(s), all loss and expense is deemed to be sustained or incurred in the policy year in which the interruption began.

- c. This Income Protection coverage does not apply to loss sustained or expense incurred after the end of the period of restoration even if the \$25,000 amount of insurance has not been exhausted.
- d. Coverage for Income Protection does not apply when "interruption of business" is due to damage or corruption of "electronic data", or any "loss" to "electronic data", except as provided under Paragraphs **a.** through **c.** of this **Income Protection - Computer Operations**.

No deductible applies to **Income Protection – Computer Operations**.

4. **Exclusions – Electronic Data – Expenses for Reproduction or Replacement and Income Protection – Computer Operations**

We do not cover under Electronic Data – Expenses for Reproduction or Replacement and Income Protection – Computer Operations :

- a. "Media" and "electronic data" which cannot be replaced with the same kind or quality.
- b. Program support documentation such as flow charts, record formats, or narrative descriptions unless they are converted to "electronic data" form and then only in that form.
- c. "Loss" caused by errors or omissions or deficiency in design, specifications, materials, or workmanship, unless fire or explosion ensues, and then only for "loss", damage, or expense caused by the ensuing fire or explosion.
- d. "Loss" caused by errors or omissions in programming or processing operations or "loss" that occurred while the insured property is being worked on unless fire or explosion ensues, and then only for "loss", damage, or expense caused by the ensuing fire or explosion.
- e. "Loss" or damage caused by or resulting from manipulation, including the introduction or enactment of any virus, harmful code, or similar instruction of a computer system (including "electronic data") by any employee, including a temporary or leased employee, or by an entity retained by you, or for you, to inspect, design, in-



stall, modify, maintain, repair, or replace that system.

D. Equipment Breakdown Coverage

The term Covered Cause of Loss in **Section II – Perils Insured Against** includes the **Additional Coverage – Equipment Breakdown Coverage** as described and limited below. Without an "accident" or "electronic circuitry impairment", there is no Equipment Breakdown Coverage. This **Additional Coverage – Equipment Breakdown Coverage** is subject to the policy deductible shown in the "Declarations".

1. We will pay for direct physical damage to Covered Property that is the direct result of an "accident" or "electronic circuitry impairment". We will consider "electronic circuitry impairment" to be physical damage to "covered equipment".
2. The following coverages also apply to the direct result of an "accident" or "electronic circuitry impairment". However, with respect to **Off-Premises Utility Properties Failure** below and **Section VIII - Extensions of Coverage – B. 5. Contingent Business Interruption** coverages provided in this Coverage Part, coverage will only apply to the direct result of an "accident" and will not apply to the direct result of an "electronic circuitry impairment". These coverages do not provide additional amounts of insurance.

a. Ammonia Contamination

If Covered Property is contaminated by ammonia as a result of an "accident" or "electronic circuitry impairment", we will pay up to \$25,000 including salvage expense for any one "loss".

b. Electronic Data Restoration

- 1) We will pay for your reasonable and necessary cost to research, replace, and restore lost "electronic data".
- 2) We will pay up to \$50,000 for loss or expense under this coverage, including actual loss of "income" and/or "rental income" you sustain due to partial or total "interruption of business" and necessary "extra expense" you incur.

c. Expediting Expenses

With respect to your damaged Covered Property we will pay up to \$25,000 for the reasonable extra cost to:

- 1) Make temporary repairs; and
- 2) Expedite permanent repairs or permanent replacement

d. Hazardous Substances

- 1) We will pay your additional cost to repair or replace Covered Property because of contamination by a "hazardous substance".

This includes the additional expenses to clean up or dispose of such property.

- 2) This does not include contamination of Covered Property by refrigerant, including but not limited to ammonia, which is addressed in Paragraph 2.a. above. As used in this coverage, additional costs mean those beyond what would have been payable under this coverage had no "hazardous substance" been involved.
 - 3) We will pay up to \$25,000 for "loss", damage or expense under this coverage, including actual loss of "income" and "rental income" you sustain due to partial or total "interruption of business" and necessary "extra expense" you incur.
- e. Off Premises Equipment Breakdown
- 1) We will pay for physical damage to transportable "covered equipment" that, at the time of the "accident" or "electronic circuitry impairment", is at a location you do not own, lease or operate. As respects to this Off Premises Equipment Breakdown coverage only, the "accident" or "electronic circuitry impairment" may occur in the United States, its territories and possessions, Puerto Rico, and Canada.
 - 2) We will also pay for your reasonable and necessary cost to research, replace, and restore lost "electronic data" contained within "covered equipment" as described under Paragraph 1) above. This amount may not exceed the limit applicable to Electronic Data Restoration.
We will pay up to \$25,000 for "loss" or damage under this coverage as described in Paragraphs 1) and 2) above.
- f. Off-Premises Utility Properties Failure
- 1) Any insurance provided for Income Protection, Extra Expense for Electronic Data Restoration as described in Paragraph 2.b. above or Refrigerated Property as described in Paragraph 2.h. below is extended to apply to your loss, damage, or expense caused by a failure or disruption of service to the premises described in the "Declarations". The failure or disruption of service must be caused by an "accident" to equipment, including overhead transmission lines, that is owned by a utility, landlord, a landlord's utility or other supplier who provides you with any of the following services: electrical power, waste disposal, air conditioning, refrigeration, heating, natural gas, compressed air, water, steam, Internet access, telecom-

munications services, "cloud computing services", wide area networks, or data transmission. The equipment must meet the definition of "covered equipment" except that it is not Covered Property.

- 2) "Cloud computing services" must be provided by a professional provider with whom you have a contract.
 - 3) With respect to the Electronic Data Restoration portion of this Off-Premises Utility Properties Failure coverage, coverage will also apply to "electronic data" stored in the equipment of a provider of "cloud computing services".
 - 4) Any insurance provided for Income Protection or Electronic Data Restoration will not apply under this Off-Premises Utility Properties Failure coverage unless the failure or disruption of service exceeds 24 hours immediately following the "accident". If the interruption exceeds 24 hours, coverage will begin at the time of the disruption, and the applicable deductible will apply.
 - 5) The most we will pay in any "one equipment breakdown" for loss, damage, or expense under this coverage is the applicable limit for Electronic Data Restoration as described in Paragraph 2.b. above or Refrigerated Property as described in Paragraph 2.h. below. The most we will pay in any "one equipment breakdown" for loss of "income" you sustain and "extra expense" you incur under Income Protection – Coverage 3 is \$25,000.
- g. Public Relations
- 1) This coverage only applies if you have sustained an actual loss of "income" covered under this Additional Coverage - Equipment Breakdown Coverage.
 - 2) We will pay for your reasonable costs for professional services to create and disseminate communications, when the need for such communications arises directly from the interruption of your business. This communication must be directed to one or more of the following:
 - a) The "media";
 - b) The public; or
 - c) Your customers, clients or members.
 - 3) Such costs must be incurred during the period of restoration or up to 30 days after the period of restoration has ended.
 - 4) We will pay up to \$5,000 for loss or expense under this coverage.

h. Refrigerated Property

Business Personal Property and Personal Property of Others – Coverage 2 covers "loss" to the contents of refrigeration equipment on the insured premises.

i. Temperature Change

Business Personal Property and Personal Property of Others – Coverage 2 covers "loss" resulting from temperature or humidity change.

3. Equipment Breakdown Coverage Exclusions

The following exclusions are in addition to the exclusions in **Section III – Exclusions**.

- a. We will not pay for "loss", damage or expense caused directly or indirectly by any of the following whether or not caused by or resulting from an "accident" or "electronic circuitry impairment":
 - 1) Fire including smoke from a fire;
 - 2) Explosion of gas or unconsumed fuel within the furnace of any boiler or fired vessel or within the passages from that furnace to the atmosphere;
 - 3) Any other explosion, except as specifically covered under this Additional Coverage – Equipment Breakdown Coverage;
 - 4) Vandalism;
- b. Coverage under this Additional Coverage - Equipment Breakdown Coverage does not apply to an "accident" or "electronic circuitry impairment" caused by or resulting from:
 - 1) Lightning;
 - 2) Windstorm or hail. However, this exclusion does not apply when:
 - a. "Covered equipment located within a building or structure suffers an "accident" or "electronic circuitry impairment" that results from wind-blown rain, snow, sand, or dust; and
 - b. The building or structure did not first sustain wind or hail damage to its roof or walls through which the rain, snow, sand or dust entered.
 - 3) Smoke; aircraft or vehicles; riot or civil commotion; sprinkler leakage; elevator collision;
 - 4) Breakage of glass; falling objects; weight of snow, ice, or sleet; freezing (caused by cold weather); collapse; or molten material;
 - 5) A hydrostatic, pneumatic or gas pressure test of any boiler or pressure vessel, or an elec-



- trical insulation breakdown test of any type of electrical equipment; or
- 6) An electrical breakdown test of any type of electrical equipment; or
 - 7) Water or other means used to extinguish a fire.
- c. With respect to Income Protection Coverage – Coverage 3 including Extra Expense Coverage and Off Premises Utility Properties Failure, we will also not pay for:
- 1) Loss caused by your failure to use due diligence and dispatch and all reasonable means to resume business; or
 - 2) Any increase in loss resulting from an agreement between you and your customer or supplier.
- d. We will not pay for any "loss" or damage to animals.
- e. Exclusions **b. 1)**, **b. 2)**, **b. 3)**, and **b. 4)** above shall not apply if:
- 1) The excluded cause of loss occurs away from any covered premises and causes an electrical surge or other electrical disturbance;
 - 2) Such surge or disturbance is transmitted through utility service transmission lines to the covered location and results in an "accident" or "electronic circuitry impairment"; and
 - 3) The loss, damage, or expense caused by such surge or disturbance is not covered elsewhere under the policy.
- f. Any cause of loss set forth in exclusion **b. 6)** above that is not a Covered Cause of Loss in this policy shall be excluded only as respects Section **VIII – Extension of Coverage – Income Protection – Off-Premises Utility Properties Failure.**
4. Equipment Breakdown Coverage Conditions
- a. The following conditions are in addition to the conditions in **Section X – Commercial Property Conditions** and Common Policy Conditions:
 - 8) **JURISDICTIONAL INSPECTION**
 If any property that is "covered equipment" under this Additional Coverage – Equipment Breakdown Coverage requires inspection to comply with state or municipal boiler and pressure vessel regulations, we agree to perform such inspection on your behalf. We do not warrant that conditions are safe or healthful.
 - 9) **SUSPENSION**

Whenever "covered equipment" is found to be in, or exposed to, a dangerous condition, any of our representatives may immediately suspend the insurance against "loss" from an "accident" or "electronic circuitry impairment" to that "covered equipment". This can be done by delivering or mailing a written notice of suspension to:

- a) Your last known address; or
- b) The address where the covered property is located.

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

- b. As respects this Additional Coverage - Equipment Breakdown Coverage only, Section X - Commercial Property Conditions – 20. Valuation is deleted and replaced with the following:

Valuation

We will determine the value of Covered Property as follows:

- 1) Except as specified otherwise, our payment for damaged Covered Property will be the smallest of:
 - a) The cost to repair the damaged property;
 - b) The cost to replace the damaged property on the same site; or
 - c) The amount you actually spend that is necessary to repair or replace the damaged property.
- 2) The amount of our payment will be based on the most cost-effective means to replace the function, capacity and remaining useful life of the damaged property. This may include the use of generic, used, or reconditioned parts, equipment, or property.
- 3) Except as described in Paragraph 4) below, you must pay the extra cost of replacing damaged property with property of a better kind or quality or of a different size or capacity.
- 4) Environmental, Safety and Efficiency Improvements

If "covered equipment" requires replacement due to an "accident" or "electronic circuitry impairment", we will pay your additional cost to replace with equipment that is better for the environment, safer for people or

more energy or water efficient than the equipment being replaced. However, we will not pay to increase the size or capacity of the equipment and we will not pay more than 150% of what the cost would have been to replace with like kind and quality. This provision does not apply to the replacement of component parts or to any property to which Actual Cash Value applies and does not increase any of the applicable limits.

- 5) The following property will be valued on an Actual Cash Value basis:
 1. Any property that does not currently serve a useful or necessary function for you; and
 2. Any Covered Property that you do not repair or replace within 24 months after the date of the "accident" or "electronic circuitry impairment".
- 6) If any one of the following conditions is met, property held for sale by you will be valued at the sales price as if no loss or damage had occurred, less any discounts and expenses that otherwise would have applied:
 1. The property was manufactured by you;
 2. The sales price of the property is less than the replacement cost of the property; or
 3. You are unable to replace the property before its anticipated sale.
- 7) Except as specifically provided for under Electronic Data Restoration coverage, "electronic data" and "media" will be valued on the following basis:
 1. For mass-produced and commercially available software, at the replacement cost.
 2. For all other "electronic data" and "media", at the cost of blank "media" for reproducing the records. We will not pay for "electronic data" representing financial records based on the face value of such records.

The most we will pay for loss, damage, or expense under this **Additional Coverage – Equipment Breakdown Coverage** arising from any "one equipment breakdown" is the applicable Limit of Insurance shown in the Declarations for Buildings – Coverage 1, Business Personal Property and Personal Property of Others – Coverage 2, and Additional Income Protection – Coverage 3. Coverage provided under this Additional Coverage – Equipment Breakdown Coverage does not provide an additional amount of insurance.

SECTION V - DEDUCTIBLES

1. Building(s) - Coverage 1, Business Personal Property and Personal Property of Others - Coverage 2 and Extensions of Coverage - We will pay the amount of "loss" to property in any one occurrence which is in excess of the deductible amount shown in the "Declarations," unless otherwise stated in the Extensions of Coverage.
2. Glass covered under Building(s) - Coverage 1 or Business Personal Property and Personal Property of Others - Coverage 2 - \$200 deductible applies.
3. Signs covered under Building(s) - Coverage 1 or Business Personal Property and Personal Property of Others - Coverage 2 - \$200 deductible applies.
4. Theft - We will pay the amount of "loss" to property caused by theft in any one occurrence which is in excess of either \$200 or the deductible amount applying to Building(s) - Coverage 1 and Business Personal Property and Personal Property of Others - Coverage 2 shown in the "Declarations," whichever is the greater amount.
5. When the occurrence involves "loss" to more than one building (or building and business personal property) and separate limits of insurance apply or blanket limits of insurance apply, the losses will not be combined in determining the application of the deductible. The deductible will be applied only once per occurrence.
6. Income Protection - Coverage 3 - No deductible applies.

SECTION VI - SPECIAL LOSS PAYMENTS - COVERAGE 1

Improvements and Betterments Made By Others is subject to special treatment when damaged by a peril insured against:

1. If you pay for repair or replacement, we will pay you the expenses involved not exceeding the replacement cost of damaged property.
2. If repaired or replaced at the expense of others, there is no loss payable to you.
3. If the damaged property is not repaired or replaced by you or at the expense of others, there is no loss payable to you.

SECTION VII - SPECIAL LOSS PAYMENTS - COVERAGE 2

The following property is subject to special treatment when damaged by a peril insured against:

1. Accounting Books, Records, Tapes, and Recording Media. We will pay you the cost of blank items (books, film, or other written documents). Extensions of Coverage - **B.29**. - Valuable Papers and Records provides for reproduction of these items.



2. **Improvements and Betterments:**
 - a. If you pay for repair or replacement, we will pay you the expenses involved not exceeding the replacement cost of damaged property.
 - b. If not repaired or replaced, we will pay you a proportion of your original cost. We will determine the proportionate value as follows:
 - 1) Multiply the original cost by the number of days from the "loss" or damage to the expiration of the lease; and
 - 2) Divide the amount determined in 1) 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. If repaired or replaced at the expense of others, there is no loss payable to you.
3. **Sold Property.** If you have sold property but not delivered it, we will pay you the net selling price.

SECTION VIII - EXTENSIONS OF COVERAGE

A. Extensions of Coverage

We will pay the following "losses" at your option. Payments under these Extensions are not an additional amount of insurance and will not increase the total amount of insurance available for the coverage involved.

1. **Fences, Walks, Unattached Outbuildings, Tennis Courts, and Inground Swimming Pools - Coverage 1.** We will cover "loss" to fences, walks, unattached outbuildings, tennis courts, and inground swimming pools caused by a peril insured against on the premises described in the "Declarations." We will pay up to 10% of the Building(s) - Coverage 1 limit but not to exceed \$25,000 for any one "loss". If you are a tenant and no limit is shown for Building(s) - Coverage 1, we will pay up to 10% of the Business Personal Property and Personal Property of Others - Coverage 2 limit (minimum of \$1,000) but not to exceed \$25,000 for any one "loss".

Unattached outbuildings include garages, storage areas, and tool sheds but do not include those buildings used for dwelling purposes or in connection with manufacturing, servicing, or farming operations.

If specific insurance is carried on any item covered by this extension, then this extension does not apply to that item.

This extension of coverage applies to each building described in the "Declarations".

2. **Merchandise in Shipment.** Business Personal Property and Personal Property of Others - Coverage 2 includes protection for "loss" by a peril insured against

to merchandise which you have sold but for which you have not received payment, while in the custody of a common carrier. This extension of coverage only applies when the "loss" is not recoverable from the purchaser, transporter, or any other insurance.

3. **Moving Clause.** When you move, coverage for "loss" to business personal property and personal property of others will apply for 60 days while in transit and at each location. The amount of insurance applying at each location will be the proportion that the value in each such location bears to the total value of Business Personal Property and Personal Property of Others - Coverage 2 covered at the original location. After the completion of your move, the coverage will apply at the new location only.
4. **Refrigerated Property.** Business Personal Property and Personal Property of Others - Coverage 2 covers "loss" to the contents of refrigeration equipment on the premises described in the "Declarations" from power failure. "Loss" caused by or resulting from an "accident" or "electronic circuitry impairment" is not covered.

This extension of coverage applies to each building described in the "Declarations".

5. **Temperature Change.** Business Personal Property and Personal Property of Others - Coverage 2 covers "loss" resulting from temperature or humidity change. There must first be damage from a peril insured against to the premises described in the "Declarations". "Loss" resulting from riot and civil commotion is not covered. "Loss" caused by or resulting from an "accident" or "electronic circuitry impairment" is also not covered.

This extension of coverage applies to each building described in the "Declarations".

6. **Trees, Shrubs, Lawns, and Plants - Coverages 1 & 2.** We will cover "loss" to trees, shrubs, lawns, and plants (except vegetated roofs) on the premises described in the "Declarations" caused by fire; lightning; explosion; riot or civil commotion; vehicles; aircraft; smoke; falling objects; sonic boom; sinkhole collapse; volcanic action; or collapse caused by any of the perils specified in this paragraph.

If trees, shrubs, and plants are inside buildings, on the premises described in the "Declarations", we will also cover "loss" caused by windstorm; hail; weight of snow, ice, or sleet; vandalism or malicious mischief; or temperature change. There must first be damage from a peril insured against to the premises described in the "Declarations".

We will not be liable for more than \$1,000 for any one tree, shrub, or plant, including expenses for removing debris, or \$10,000 for any one "loss", unless trees, shrubs, or plants are held for sale inside build-

ings, or trees, shrubs, or plants are used for decorative purpose inside the building, in which case the Business Personal Property and Personal Property of Others - Coverage 2 limit applies. We will not be liable for more than \$2,500 for any one "loss" to lawns.

This extension includes expenses for the removal of debris of trees, shrubs, and plants from the premises described in the "Declarations" caused by a peril insured against which are the property of others. If you are a tenant, we will not cover removing debris of trees, shrubs, and plants owned by the landlord at the premises described in the "Declarations."

There is no coverage under this policy for trees, shrubs, lawns, and plants grown outside of buildings held for sale.

This extension of coverage applies to each building described in the "Declarations".

B. Extensions of Coverage

Payments under these Extensions of Coverage are an ADDITIONAL AMOUNT of insurance and will increase the total amount of insurance available for the coverage involved.

1. **Accounts Receivable.** This policy covers damage to records of accounts receivable up to \$25,000 for any one "loss" caused by a peril insured against at the premises described in the "Declarations", while being conveyed outside the premises or while temporarily within other premises for any purpose except storage. It covers:

- a. All sums due the insured from customers, provided the insured is unable to collect such sums as the direct result of "loss" to records of accounts receivable;
- b. Interest charges on any loan to offset impaired collections pending repayments of such sums made uncollectible by such "loss";
- c. Collection expense in excess of normal collection cost which is made necessary because of such "loss"; and
- d. Other expenses, when reasonably incurred by the insured in re-establishing records of accounts receivable following such "loss".

Coverage will also apply while the records of accounts receivable are being moved to and while at a place of safety because of imminent danger of "loss", and while being returned from such place.

This extension of coverage applies to each building described in the "Declarations".

The deductible does not apply to this extension.

2. **Arson and Theft Reward.** We will pay up to \$10,000 as a reward to any individual or group for information which results in the arrest and conviction of any person committing an act of arson resulting in

damage to covered property or in the arrest and conviction of any person who commits theft of covered property.

The deductible does not apply to this extension.

3. Building Ordinance or Law Coverage.

A. Application of Coverage

The building ordinance or law coverage applies to **B. Coverage for the Value of the Undamaged Part of the Building** and **C. Coverage for the Increased Cost of Construction** for any building covered by this policy at the premises described in the "Declarations" or for tenant's improvements and betterments as described under business personal property and personal property of others only if Paragraphs **A. 1.** and **A.2.** below are satisfied and an amount of insurance is shown on the "Declarations" for Buildings or for tenant's improvements and betterments an amount of insurance is shown in the "Declarations" for Business Personal Property and Personal Property of Others:

1. The ordinance or law:
 - a. Regulates the demolition, construction or repair of buildings, or establishes zoning or land use requirements at the premises described in the "Declarations"; and
 - b. Is in force at the time of "loss"; or the ordinance or law is promulgated or revised after the loss but prior to commencement of reconstruction or repair and provided that such ordinance or law requires compliance as a condition precedent to obtaining a building permit or certificate of occupancy.

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

2. The building sustains:
 - a. Direct physical damage caused by a peril insured against under this policy and such damage results in enforcement of or compliance with the ordinance or law; or
 - b. Both direct physical damage that is covered under this policy and direct physical damage that is not caused by a peril insured against under this policy, and the building damage in its entirety results in enforcement of or compliance with the ordinance or law.



but if the building sustains direct physical damage that is not caused by a peril insured against under this policy and such damage is the subject of the ordinance or law, then there is no coverage even if the building has also sustained direct physical damage caused by a peril insured against.

This extension of coverage applies to each building described in the "Declarations".

B. Coverage for the Value of the Undamaged Part of the Building

1. Coverage Agreement

If the building sustains direct damage caused by a peril insured against, we will pay for the value of the undamaged part of the building caused by enforcement of or compliance with any ordinance or law regulating the construction or repair of building(s) that:

- a. Requires the demolition of the undamaged parts of the building;
- b. Regulates the construction or repair of the building, or establishes zoning or land use requirements at the premises described in the "Declarations"; and
- c. Is in force at the time of "loss" or damage.

Coverage for the Value of the Undamaged Part of the Building is not an additional amount of insurance. Payment is included within the amount of insurance for the covered building described in the "Declarations".

2. Loss Payment - Value of the Undamaged Part of the Building

We will pay for the value of the undamaged portion of the building as a result of any ordinance or law regulating the construction, use, or repair of building(s) as follows:

- a. We will pay the smallest of the following if the covered building is not repaired or rebuilt:
 - 1) The actual cash value of the undamaged part of the building;
 - 2) The amount of insurance shown in the "Declarations" for the building described in the "Declarations";
 - 3) If this policy is endorsed to cover Earthquake and/or Flood as a Covered Cause of Loss, the Amount of Insurance applicable to the building in the event of damage by such Covered Cause of Loss may be lower than the Amount of Insurance that otherwise would apply; or

- 4) The difference between the amount of insurance on the insured building at the time of "loss" or damage and the amount paid for "loss" to the damaged or destroyed portion of the insured building.

b. We will pay the smallest of the following if the covered building is being repaired or replaced on the same premises or another premises:

- 1) The actual cash value for the undamaged part of the building, if the insured building is covered on an actual cash value basis;
- 2) The replacement cost for the undamaged part of the building if the insured building is covered on a replacement cost basis;
- 3) The amount of insurance shown in the "Declarations" for the building described in the "Declarations";
- 4) If this policy is endorsed to cover Earthquake and/or Flood as a Covered Cause of Loss, the Amount of Insurance applicable to the building in the event of damage by such Covered Cause of Loss may be lower than the Amount of Insurance that otherwise would apply; or
- 5) The difference between the amount of insurance on the insured building at the time of "loss" or damage and the amount paid for "loss" to the damaged or destroyed portion of the insured building.

C. Coverage for Increased Cost of Construction

1. Coverage Agreement

If the building or tenant's improvements and betterments sustain direct physical damage caused by a peril insured against, we will pay up to \$25,000 for the increased cost to:

- a. Repair, replace, or construct the damaged portions of the building or tenant's improvements and betterments; or
- b. Reconstruct or remodel undamaged portions of the building or tenant's improvements and betterments whether or not demolition is required.

caused by enforcement of or compliance with any ordinance or law regulating the construction, use, or repair of buildings. If the building is repaired or replaced, it must be intended for the same use as the current building, unless otherwise required by an ordinance or law. We will

not pay for the increased cost of construction if the building is not repaired, replaced, or remodeled.

When a building described in the "Declarations" is damaged or destroyed and increased cost of construction applies to that building in accordance with **C.1.a.** above, coverage for the increased cost of construction also applies to repairs or reconstruction of the following, subject to the same conditions stated in **C.1.a.**:

- a. The cost of excavations, grading, back-filling, and filling;
- b. Foundation of the building;
- c. Pilings; and
- d. Underground pipes, flues, and drains.

2. Loss Payment - Increased Cost of Construction

The most we will pay is \$25,000 for the increased cost of construction that results from any building ordinance or law. Payment for the increased cost of construction is an additional amount of insurance.

D. Building Ordinance or Law - No Coverage

We will not pay for "loss" due to any ordinance or law that:

1. You were required to comply with before the "loss", even if the building was undamaged; and
2. You failed to comply with the ordinance or law.

We will not pay any costs associated with the enforcement of or compliance with an ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to or assess the effects of "pollutants", "fungus", wet or dry rot, or bacteria.

Also, we will not pay any costs associated with the enforcement of or compliance with an ordinance or law which requires the demolition, repair, replacement, reconstruction, remodeling, or remediation of property due to contamination by "pollutants" or due to the presence, growth, proliferation, spread, or any activity of "fungus", wet or dry rot, or bacteria.

We will not pay under this endorsement for any loss in value or any cost incurred due to an ordinance or law that you were required to comply with before the time of the current loss, even in the absence of building damage, if you failed to comply.

4. Check, Credit, Debit or Charge Card Forgery or Alteration. We will pay up to \$5,000 for any one "loss" resulting directly from:

- a. Forgery or alteration of credit, debit, or charge cards issued to you or to any employee for business purposes; and
- b. Forgery or alteration of any checks, drafts, promissory notes, or similar written promises, orders, or directions to pay a sum certain in money that are:
 - 1) Made or drawn by or drawn upon you;
 - 2) Made or drawn by one acting as your Agent; or that are purported to have been so made or drawn.

We will not pay for "loss" caused by dishonest or criminal acts committed by you, any of your members of a limited liability company, or any of your employees, directors, trustees, or authorized representatives:

- a. Acting alone or in collusion with other persons; or
- b. While performing services for you or otherwise.

We will not pay for any "loss" arising from forgery or alteration of a credit, debit, or charge card if you have not complied fully with the provisions, conditions, or other terms under which the card was issued.

All "losses" committed by any person, whether acting alone or in collusion with others, are considered one occurrence which is subject to the \$5,000 limit.

If you are sued for refusing to pay any covered instrument on the basis that it has been forged or altered and you have our written consent to defend against the suit, we will also pay for any reasonable legal expense that you incur and pay in that defense. The amount we will pay is in addition to the amount of insurance applicable to this extension. The deductible does not apply to legal expenses.

You must include with your proof of loss any instrument involved in that loss, or, if that is not possible, an affidavit setting forth the amount and cause of loss.

Electrical and Mechanical Signatures. We will treat signatures that are produced or reproduced electronically, mechanically, or by other means same as handwritten signatures.

"Covered instruments" includes checks, drafts, promissory notes, or similar written promises.

"Forgery" means the signing of the name of another person or organization with intent to deceive; it does not mean a signature which consists in whole or in part of one's own named signed with or without authority, in any capacity or for any purpose.



"Occurrence" means for this coverage only, all loss caused by any person or in which that person is involved, whether the loss involves one or more instruments.

This extension applies anywhere in the world.

A \$200 deductible applies to this extension.

5. **Contingent Business Interruption.** We will pay up to \$25,000 for your contingent income meaning loss of "income" or "rental income" you sustain due to partial or total "interruption of business" resulting directly from "loss" or damage to Building(s) or Business Personal Property of "dependent properties" from a peril insured against.

However, coverage for contingent income does not apply when the only loss to "dependent properties" is "loss" or damage to "electronic data", including destruction or corruption of "electronic data". If the "dependent property" sustains "loss" or damage to "electronic data" and other property, this coverage will not continue once the other property is repaired, rebuilt, or replaced.

We will reduce the amount of your "income" or "rental income" loss, other than "extra expense", to the extent you can resume normal operations by using an available:

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

"Dependent property" means premises operated by others whom you depend on in any way for continuation of your normal business operations. The "dependent properties" are:

- a. Contributing Locations which mean those premises you depend on as a source of materials or services that you need for your operations. Services does not include water, communication, power supply, or waste water removal properties;
- b. Recipient Locations which mean those premises you depend on as a customer for your products or services;
- c. Manufacturing Locations which mean those premises you depend on to manufacture products for your customers under contract or sale; or
- d. Leader Locations which mean those premises you depend on to attract customers to your business.

"Dependent properties" do not include roads, bridges, tunnels, waterways, airfields, pipelines, or any other similar areas or structures.

"Interruption of business" for contingent business interruption means the period of time that your business is suspended and it:

- a. Begins with the date of direct "loss" or damage to the "dependent property" caused by a peril insured against; and
- b. Ends on the date when the "dependent property" should be repaired, rebuilt, or replaced with reasonable speed and similar quality.

"Interruption of business" for contingent business interruption does not include any increased period required due to the enforcement of any ordinance or law that:

- a. Regulates the construction, use, or repair, or requires the tearing down, of any property; or
- b. Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to or assess the effects of "pollutants".

The deductible does not apply to this extension.

6. **Counterfeit Money.** We will pay up to \$1,000 per workday for loss from the acceptance in good faith of counterfeit money. "Workday" means a day on which your operations are usually performed.

The deductible for this extension is \$50.

7. **Debris Removal.** We will pay the cost of removal of debris to covered property on the premises described in the "Declarations" caused by a peril insured against. This does not apply to any increase of "loss" resulting from ordinances or laws regulating construction or repair of buildings. We will pay up to 5% of the total limits for Coverages 1 and 2 plus \$25,000 for debris removal expense.

This extension does not cover the cost to:

- a. Remove debris of your property that is not insured under this policy, or property in your possession that is not covered property under Building(s) – Coverage 1 or Business Personal Property and Personal Property of Others – Coverage 2;
- b. Remove debris of property owned by or leased to the landlord of the building where your described premises are located, unless you have a contractual responsibility to insure such property and it is insured under this policy;
- c. Remove any property that is property not covered under Building(s) – Coverage 1 or Business Personal Property and Personal Property of Others – Coverage 2;
- d. Remove property of others of a type that would not be covered property under Building(s) – Coverage 1 or Business Personal Property and Personal Property of Others – Coverage 2; or
- e. Extract "pollutants" from land or water, or to remove, restore, or replace polluted land or water.

This extension of coverage applies to each building described in the "Declarations".

8. **Demolition Cost.** This policy covers the cost, not to exceed \$25,000, of demolishing and removing any undamaged portion of the building after a covered "loss". The demolition must be required by enforcement of any ordinance or law regulating the construction, use of, or repair of buildings.

This extension of coverage applies to each building described in the "Declarations".

The deductible does not apply to this extension.

9. **Employee Dishonesty.** We will pay for loss of "money", "securities", and Business Personal Property and Personal Property of Others - Coverage 2 up to \$10,000 per occurrence resulting from dishonest acts committed by any of your "employees", whether identified or not, acting alone or in collusion with other persons (except you or your partner(s)) with the intent to:

- a. Cause you to sustain loss; and
- b. 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:
 - 1) Any "employee"; or
 - 2) Any other person or organization.

This extension is subject to the following:

- a. For any loss, our payment shall not exceed the replacement cost of business personal property and personal property of others at the time of loss, except the cost of "securities" may be determined by the market value at the time of settlement;
- b. All loss caused by, or involving, one or more "employees", whether the result of a single act or a series of acts, is considered one occurrence;
- c. We will pay for loss you sustain through acts committed or events occurring during the policy period and if loss is discovered during the policy period or is discovered within one year from the end of the policy period;
- d. Our payment is not increased regardless of the number of people we protect;
- e. Regardless of the number of years our policy is in force, the amount of insurance shall not be cumulative from year to year;
- f. If you sustained a loss during the policy period shown in the "Declarations" resulting directly from an "occurrence" taking place:
 - 1) Partly during the policy period shown in the "Declarations"; and
 - 2) Partly during the policy period(s) of any prior renewals;

we will first settle the amount of loss that you sustained during this policy period. We will then settle the remaining amount of loss that you sustained during the policy period(s) of the prior renewals.

- g. If you sustained a loss during the period of any prior insurance that you could have recovered under your prior insurance, except that the time to discover the loss had expired, we will pay the loss under this Extension of Coverage, provided:

- 1) This policy became effective at the time of cancellation or termination of your prior insurance; and
- 2) The loss would have been covered by this insurance had it been in effect when the act or events causing the loss were committed or occurred.

We will pay up to \$10,000 or the amount of insurance under your prior insurance, whichever is less.

The loss under this part g. is not an additional amount of insurance and will not increase the total amount of insurance for Employee Dishonesty.

We do not cover:

- a. Loss caused by any dishonest or criminal act committed by you, or any of your members of a limited liability company, or any of your partners, whether acting alone or in collusion with other persons;
- b. Loss or that part of any loss, the proof of which as to its existence or amount is dependent upon:
 - 1) An inventory computation; or
 - 2) A profit and loss computation.
- c. Loss that is an indirect result of any act or occurrence covered by this policy including, but not limited to, loss caused by:
 - 1) Your inability to realize income that you would have realized had there been no loss of, or loss from damage to covered property;
 - 2) Payment of damages of any type for which you are legally liable. We will pay compensatory damages arising directly from a loss covered by this policy;
 - 3) Payment of costs, fees, or other expenses you incur in establishing either the existence or the amount of loss under this policy; or
 - 4) Payment of expenses related to any legal action.
- d. Any "employee" immediately upon discovery by:
 - 1) You; or



- 2) Any of your partners, officers, directors, or members of a limited liability company not in collusion with the "employee";
- of any dishonest act committed by that "employee" before or after being hired by you.
- e. Loss caused by any "employee" for whom similar prior insurance has been cancelled and not reinstated since the last such cancellation;
 - f. Loss resulting directly or indirectly from trading whether in your name or in a genuine or fictitious account; or
 - g. Loss resulting from fraudulent or dishonest signing, issuing, cancelling, or failing to cancel a warehouse receipt or any papers connected with it.

"Employee" means for this coverage only:

- a. Any natural person:
 - 1) While in your service (and for 30 days after termination of service);
 - 2) Whom you compensate directly by salary, wages, or commissions; and
 - 3) Whom you have the right to direct and control while performing services for you.
- b. Any natural person employed by an employment contractor while that person is subject to your direction and control and performing services for you excluding, however, any such person while having care, custody, and control of property outside the premises described in the "Declarations".
- c. Any natural person who is leased to you under a written agreement between you and a labor leasing firm to perform duties related to the conduct of your business.
- d. Any natural person who is a former "employee", director, partner, member of a limited liability company, representative, or trustee retained as a consultant while performing services for you.
- e. Any natural person who is a guest student or intern pursuing studies or duties, excluding however, any such person while having care, custody, or control of covered property outside the premises described in the "Declarations".
- f. Any natural person who is a property manager of properties owned by you.
- g. Any natural person who is acquired as an "employee" through consolidation or merger.

"Employee" does not mean any:

- a. Agent, broker, factor, commission merchant, consignee, independent contractor, or representative of the same general character; or
- b. Manager of a limited liability company, director, or trustee except while performing acts coming

within the scope of the usual duties of an "employee".

"Occurrence" means for this coverage only:

- a. An individual act;
- b. The combined total of all separate acts whether or not related; or
- c. A series of acts whether or not related;

committed by an "employee" acting alone or in collusion with other persons, during the policy period shown in the "Declarations", except as provided under Paragraphs **f.** and **g.** of This extension subject to the following under **Employee Dishonesty – Section VIII Extensions of Coverage.**

The deductible for this extension is \$200.

- 10. **Expenses for Loss Adjustment.** We will pay up to \$5,000 for expenses involved in the preparation of loss data, inventories, and appraisals. This does not include expenses incurred in using a public adjuster.

This extension of coverage applies to each building described in the "Declarations".

The deductible does not apply to this extension.

- 11. **Expenses for Security.** We will pay up to \$2,500 for expenses incurred for security after a covered "loss" to protect the covered property from further damage.

This extension of coverage applies to each building described in the "Declarations".

The deductible does not apply to this extension.

- 12. **Exterior Signs, Lights, and Clocks.** We will pay up to \$5,000 for "loss" caused by a peril insured against to lights, clocks, and permanently mounted unattached exterior signs which you own or which are in your care, custody, or control and for which you are contractually responsible. We will cover all lights, clocks, and permanently mounted unattached signs on the premises described in the "Declarations".

We will not pay for "loss" caused by:

- a. Wear and tear, gradual deterioration, faulty manufacture or installation, inherent vice, extremes of temperature, dampness of atmosphere, or mechanical breakdown;
- b. Damaged to electrical apparatus which is part of covered property caused by electricity other than lightning, except for ensuing fire damage; or
- c. Breakage during installation, repairing or dismantling, or breakage during transportation, unless caused by fire, lightning, collision, derailment, or overturn of vehicle.

- 13. **Fine Arts.** We will pay up to \$25,000 for a "loss" caused by a peril insured against, to your fine arts on the premises described in the "Declarations". Fine arts mean property that is rare or has historical value,

such as paintings, etchings, drawings, rare books, tapestries, or stained glass.

We will not cover fine arts that are on display at fairgrounds or at a national or international exposition.

We do not cover "loss" caused by a process to repair, retouch, restore, adjust, service, or maintain your fine arts. If a fire or explosion results, we do cover the "loss" caused by the fire or explosion.

This extension of coverage applies to each building described in the "Declarations".

14. **Fire Department Service Charges.** We will pay reasonable charges made by a fire department for services rendered as a result of an insured "loss".

This extension of coverage applies to each building described in the "Declarations".

The deductible does not apply to this extension.

15. **Fire Extinguisher Recharge.** We will pay expenses incurred to recharge portable fire extinguishers after they are used to fight a fire.

This extension of coverage applies to each building described in the "Declarations".

The deductible does not apply to this extension.

16. **Income Protection - Off-Premises Utility Properties Failure.** We will pay up to \$25,000 for your loss of "income", "rental income", and "extra expense" you sustain due to partial or total "interruption of business" resulting from the interruption of service to the premises described in the "Declarations".

The "interruption of business" must result directly from "loss" to the following property, not on the premises described in the "Declarations" from a peril insured against:

- A. Communication Supply Property, meaning property supplying communication services, including telephone, radio, microwave, or television services, to the premises described in the "Declarations", such as:

- 1) Communication transmission lines (including fiber optic transmission lines);
- 2) Coaxial cables; and
- 3) Microwave radio relay except satellites.

- B. Power Supply Property, meaning the following types of property supplying electricity, steam, or gas to the premises described in the "Declarations":

- 1) Utility generating plants;
- 2) Switching stations;
- 3) Substations;
- 4) Transformers; and
- 5) Transmission lines.

- C. Water Supply Property, meaning the following types of property supplying water to the premises described in the "Declarations":

- 1) Pumping stations; and
- 2) Water mains.

- D. Wastewater Removal Property, meaning a utility system for removing wastewater and sewage from the premises described in the "Declarations", other than a system designed primarily for draining storm water. The wastewater removal property includes sewer mains, pumping stations, and similar equipment for moving the effluent to a holding treatment or disposal facility, and includes such facilities.

Coverage under this policy does not apply to interruption in service caused by or resulting from a discharge of water or sewage due to heavy rainfall or flooding.

We will only pay for loss of "income", "rental income", and "extra expense" sustained by you after the first 24 hours following "loss" to off-premises communication supply property, power supply property, water supply property, or waste water removal property.

Transmission lines include all lines which serve to transmit communication service or power, including links which may be identified as distribution lines.

This extension of coverage applies to each building described in the "Declarations".

The deductible does not apply to this extension.

17. **Key Replacement.** If keys to your building(s) are stolen during a theft loss, we will pay, at your request, up to \$5,000 to replace the keys and locks to the doors of your premises.

This extension of coverage applies to each building described in the "Declarations".

18. **Leasehold Interest.** We will pay for leasehold interest you sustain due to the cancellation of your lease resulting directly from "loss" or damage to building(s) or business personal property at the premises described in the "Declarations" from a peril insured against.

We will not pay any "loss" you sustain caused by your cancelling the lease.

This extension of coverage applies to each building described in the "Declarations".

Leasehold interest means the following:

- a. Tenant's Lease Interest, meaning the difference between the:
- 1) Rent you pay at the premises described in the "Declarations"; and



- 2) Rental value of the premises described in the "Declarations".
- B. Bonus payments, meaning the unamortized portion of the cash bonus that will not be refunded to you. A cash bonus is money you paid to acquire your lease. It does not include:
 - 1) Rent, whether or not prepaid; or
 - 2) Security.
- C. Improvements and Betterments, meaning the unamortized portion of payments made by you for improvements and betterments. It does not include the value of improvements and betterments recoverable under any other insurance, but only to the extent such other insurance is valid. Improvements and betterments are fixtures, alterations, installations, or additions:
 - 1) Made a part of the building or structure you occupy but do not own; and
 - 2) You acquire or made at your expense but cannot legally remove.
- D. Prepaid Rent, meaning the unamortized portion of any amount of advance rent you paid that will not be refunded to you. This does not include the customary rent due at:
 - 1) The beginning of each month; or
 - 2) Any other rental period.

Amount of Insurance

We will pay your "net leasehold interest" at the time of loss up to \$15,000 for loss you sustain because of the cancellation of any one lease. This applies to:

- a. Tenant's Lease Interest
 - 1) But, if your lease is cancelled and your landlord lets you continue to use your premises under a new lease or other arrangement, the most we will pay for loss because of the cancellation of any one lease is the lesser of:
 - a) The difference between the rent you now pay and the rent you will pay under the new lease or other arrangement; or
 - b) Your "net leasehold interest" at the time of loss.
 - 2) Your "net leasehold interest" decreases automatically each month. The amount of "net leasehold interest" at any time is your "gross leasehold interest" times the leasehold interest factor for the remaining months of your lease. A proportionate share applies for any one period of time less than a month.
- b. Bonus Payments, Improvements and Betterments, and Prepaid Rent
 - 1) If your lease is cancelled and your landlord lets you continue to use your premises under

a new lease or other arrangement, the most we will pay for loss because of the cancellation of any one lease is the lesser of:

- a) The loss sustained by you; or
 - b) Your "net leasehold interest" at the time of loss.
- 2) Your "net leasehold interest" decreases automatically each month. The amount of each decrease is your "monthly leasehold interest". A proportionate share applies for any period of time less than a month.

Definitions

"Gross leasehold interest" means the difference between the:

- a. Monthly rental value of the premises you lease; and
- b. Actual monthly rent you pay including taxes, insurance, janitorial, or other services that you pay as part of the rent.

This amount is not changed:

- a. Whether you occupy all or part of the premises; or
- b. If you sublet the premises.

"Monthly leasehold interest" means the monthly portion of covered Bonus Payments, Improvements and Betterments, and Prepaid Rent. To find your "monthly leasehold interest", divide your original costs of Bonus Payments, Improvements and Betterments, and Prepaid Rent by the number of months left in your lease at the time of the expenditure.

"Net Leasehold Interest":

- a. Applicable to Tenant's Lease Interest

"Net leasehold interest" means the present value of your "gross leasehold interest" for each remaining month of the term of the lease at the rate of interest.

The "net leasehold interest" is the amount that, equivalent to your receiving the "Gross Leasehold Interest" for each separate month of the unexpired term of the lease.
- b. Applicable to Bonus Payments, Improvements and Betterments, or Prepaid Rent.

"Net leasehold interest" means your "monthly leasehold interest" times the number of months left in your lease.

19. **Money and Securities.** We will pay up to \$10,000 for any one "loss" caused by a peril insured against to "money" or "securities" while in or on the premises described in the "Declarations" or within a bank or savings institution.

We will pay for "money" and "securities" while being conveyed by the insured or by an authorized employ-

ee up to \$10,000 for any one "loss" caused by a peril insured against.

We will pay up to \$10,000 for "loss" if the "loss" occurs inside the home of the insured or an authorized employee.

We will pay for "money" and "securities" destruction up to \$10,000 for any one "loss" caused by a peril insured against. "Money" and "securities" destruction means "loss" by destruction of "money" and "securities" within the premises described in the "Declarations".

This does not include "loss" caused by unexplained or mysterious disappearance or abstraction.

This extension of coverage applies to each building described in the "Declarations".

20. Newly Acquired or Constructed Property.

A. If this policy covers Building(s), you may extend that insurance to apply up to 50% of the limit for Coverage 1 or \$500,000, whichever is less, on:

- 1) Newly acquired buildings at other than the location(s) described in the "Declarations"; or
- 2) New additions, new buildings, and new structures when constructed on the insured premises, including materials, equipment, and supplies on or within 1,500 feet of the insured premises;

provided there is no other insurance applicable.

B. If this policy covers your Business Personal Property and Personal Property of Others, you may extend that insurance to apply up to 25% of the limit for Coverage 2 or \$250,000, whichever is less, on newly acquired Business Personal Property and Personal Property of Others in a newly acquired or leased building other than the location(s) described in the "Declarations";

provided there is no other insurance applicable.

C. You may apply up to one month's actual business income loss or \$250,000, whichever is less on:

- 1) Newly acquired Building(s) or Business Personal Property and Personal Property of Others in a newly leased building at other than the location(s) described in the "Declarations"; or
- 2) New additions, new buildings, and new structures when constructed on the described premises, including materials, equipment, and supplies on or within 1,500 feet of the described premises, if "loss" to the new additions, new buildings, and new structures delays the start of your business. The "interruption of business" will start on the day

your business would have started if the "loss" had not occurred;

provided there is no other insurance applicable.

This extension shall apply for 90 days after the acquisition or start of construction, provided the policy remains in force or is renewed.

You shall report values involved and pay any additional premium.

This extension does not apply to property while in transit.

21. Non-Owned Detached Trailers. Business Personal Property and Personal Property of Others - Coverage 2 is extended to cover non-owned detached trailers that you do not own, provided that:

- A. The trailer is used in your business;
- B. The trailer is in your care, custody, or control at the insured premises described in the "Declarations"; and
- C. You have a contractual responsibility to pay for "loss" or damage to the trailer.

We will not pay for any "loss" or damage that occurs:

- a. While the trailer is attached to any motor vehicle or motorized conveyance, whether or not the motor vehicle or motorized conveyance is in motion; or
- b. During hitching or unhitching operations or when a trailer becomes accidentally unhitched from a motor vehicle or motorized conveyance.

We will pay up to \$5,000 for any one "loss" caused by a peril insured against to non-owned detached trailers.

This insurance is excess over the amount due (whether you can collect on it or not) from any other insurance covering such property.

This extension of coverage applies to each building described in the "Declarations".

22. Peak Season Coverage - Business Personal Property and Personal Property of Others - Coverage 2.

We will pay up to 25% of the limit for Business Personal Property and Personal Property of Others - Coverage 2 to cover "loss" to business personal property during a peak season. We will only provide this increase if you have insured business personal property to 100% of full replacement cost of your average monthly values during the 12 months immediately preceding the date when the "loss" or damage occurs.

23. Personal Articles. Business Personal Property and Personal Property of Others - Coverage 2 is extended to cover household and personal articles of the insured, the insured's partners, members or managers of a limited liability company, the insured's officers, or the insured's employees for loss caused by a peril in-



sured against. We will pay up to \$10,000 for any one "loss" at the premises described in the "Declarations".

This extension of coverage applies to each building described in the "Declarations".

24. **Pollutants Clean Up and Removal.** We will cover the cost to extract "pollutants" from land or water on the premises described in the "Declarations" if the release, discharge, or dispersal of "pollutants" is caused by a peril insured against during the policy period. We will pay up to \$25,000 for all "losses" throughout the year. The "loss" must be reported to us within 180 days after the "loss" or the end of the policy period, whichever is the later date.

25. **Property in Danger.** This policy covers up to 45 days for any "loss" to covered property removed from the premises described in the "Declarations" or at a temporary location because of danger of damage by a peril insured against or to repair damage to the covered property.

This extension of coverage applies to each building described in the "Declarations".

26. **Temporarily Off-Premises - Business Personal Property and Personal Property of Others - Coverage 2.** This extension includes coverage for business personal property and personal property of others up to \$25,000, and coverage for salesman's samples up to \$5,000 for "loss" caused by a peril insured against except while in transit and other than "accident" or "electronic circuitry impairment" to "covered equipment" as provided in **Section IV - Additional Coverages - D. Equipment Breakdown Coverage.** This extension applies only to business personal property and personal property of others at a location you do not own, lease, or operate and for not more than 60 days.

We will cover business personal property and personal property of others and salesman's samples at exhibitions or trade shows for not more than 60 days.

This extension shall not apply to property rented to others and property sold on installment or deferred payment plans after delivery to customers.

27. **Transportation - Airborne Property.** We will pay up to \$25,000 for "loss" to Business Personal Property and Personal Property of Others - Coverage 2 in or on an "aircraft" owned, leased, or operated by or for you or in or on an "aircraft" of a common or contract carrier. The "loss" must be caused by fire; lightning; flood; earthquake; landslide; windstorm; theft; robbery; or crashing of the "aircraft".

This extension applies anywhere in the world.

28. **Transportation.** We will pay up to \$25,000 for "loss" to Business Personal Property and Personal Property of Others - Coverage 2 in or on a vehicle owned, leased, or operated by or for you; in or on a

vehicle of a common or contract carrier; or on a dock, pier, bulkhead, platform, or station while in the custody of a common or contract carrier. The "loss" must be caused by fire; lightning; flood; earthquake; landslide; windstorm; collapse of bridge, dock, or culvert; theft; "robbery"; or collision (excluding roadbed collision), upset, or overturn of transporting vehicle.

This extension includes \$1,000 of coverage for tools and equipment.

This extension applies away from premises only while in the United States of America, its territories or possession, Puerto Rico, or Canada.

29. **Valuable Papers and Records.** Business Personal Property and Personal Property of Others - Coverage 2 is extended to cover the "extra expense" incurred in the reproduction of your valuable papers and records and your interest in the valuable papers of others when destroyed by a peril insured against at the premises described in the "Declarations", while being conveyed outside the premises, or temporarily within other premises for any purpose except storage.

Coverage will also apply while your valuable papers and records and your interest in the valuable papers of others are being moved to and while at a place of safety because of imminent danger of "loss" and while being returned from such place.

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

Valuable papers and records means inscribed, printed, or written:

- a. Documents;
- b. Manuscripts; and
- c. Records;

including: abstracts, books, deeds, drawings, films, maps, or mortgages. But valuable papers and records does not mean "money" or "securities".

This extension is limited to \$25,000 for any one "loss".

This extension of coverage applies to each building described in the "Declarations".

The deductible does not apply to this extension.

30. **Heating and Air Conditioning Equipment.** Business Personal Property and Personal Property of Others - Coverage 2 is extended to cover heating or air conditioning equipment which is in your care, custody, or control and for which you are contractually responsible. The heating and air conditioning equipment must be permanently attached to the building on the premises described in the "Declarations".

We will pay up to \$20,000 for any one "loss" caused by a peril insured against to heating and air conditioning equipment.

This extension of coverage applies to each building described in the "Declarations".

31. **Laptop Computers Off-Premises.** We will pay up to \$10,000 for laptops, notebooks, and other handheld computers for "loss" caused by a peril insured against, other than an "accident" or "electronic circuitry impairment" to "covered property" as provided in Section IV – Additional Coverages – D. Equipment Breakdown Coverage while in transit, temporarily at your home, or at a premise you do not own, lease, or occupy. We will only cover laptops, notebooks, and handheld computers while in the United States of America, its territories or possessions, Puerto Rico, or Canada.
32. **Data Breach Response Expenses.** We will pay up to \$10,000 for Data Breach Response Expenses if you have a "personal data breach" that is:
 - a. First discovered by you during the policy period;
 - b. Reported to us within 30 days from the date it is first discovered by you; and
 - c. The "personal data breach" takes place in the "coverage territory".

This \$10,000 limit of insurance is the most we will pay for the sum of all costs covered by Data Breach Response Expenses under Paragraph A. **Data Breach Response Expenses - What is Covered**, because of all "personal data breaches" occurring during the policy period.

We will pay up to \$5,000 for the sum of all costs covered under Paragraph A.1) Legal Services and Forensic Information Technology Services because of all "personal data breaches" occurring during the policy period. This sublimit is part of, and not in addition to, the \$10,000 limit of insurance for Data Breach Response Expenses.

These limits apply regardless of the number of "personal data breaches" occurring during the policy period.

A "personal data breach" may first be discovered by you in one policy period, but it may result in cause covered costs in one or more subsequent policy periods. If so, the most we will pay for covered costs arising from such "personal data breach" is \$10,000.

Coverage for Services to Affected Individuals provided under Paragraph A.3), is limited to costs to provide such services for a period of up to one year from the date of the notification to the "affected individuals". Notwithstanding, coverage for Identity Restoration Case Management Services initiated

within such one year period may continue for a period of up to one year from the date such Identity Restoration Case Management Services are initiated.

The deductible does not apply to this extension.

A. Data Breach Response Expenses -What is Covered

- 1) Legal and Forensic Information Technology Services – We will pay your necessary and reasonable costs for the following outside professional services:
 - a) Legal Services - Professional legal counsel review of the "personal data breach" and how you should best respond to it.
 - b) Forensic Information Technology Services - Professional information technologies review, if needed, to determine the nature and extent of the "personal data breach", and the number and identities of the "affected individuals".
- 2) Notification to Affected Individuals - We will pay your necessary and reasonable costs to provide notification of the "personal data breach" to "affected individuals".
- 3) Services to Affected Individuals - We will pay your necessary and reasonable costs to provide the following services to "affected individuals":
 - a) Informational Materials – A packet of loss prevention and customer support information is available.
 - b) Help Line – A toll-free telephone line for "affected individuals" with questions about the "personal data breach" or wanting to request additional services as listed in Paragraphs c) and d) below.
 - c) Monitoring Services – An electronic service automatically monitoring for activities affecting an individual's credit files, public records, and/or criminal records. Monitoring Services are subject to the type of data released and to the "affected individuals" enrolled for this service with the designated service provider.
 - d) Identity Restoration Case Management – This covers the services of an identity restoration professional. This professional will help the "affected individual" to recover control over their personal identity. This includes, with the permission and cooperation of the "affected individual", contacting authorities, credit bureaus, creditors, and businesses for the process of correcting credit, other records, and accounts, within the constraints of what is possible and reasonable, to restore control over their personal identity



B. Exclusions

We do not cover any costs for a "personal data breach" arising from the following:

- 1) Your intentional or willful complicity in a "personal data breach".
- 2) Any criminal; fraudulent; dishonest act, error, or omission; or any intentional or knowing violation of the law by you.
- 3) Any "personal data breach" occurring prior to the time when Data Breach Response Expenses coverage was added to the Ultrapack Plus Commercial Property Coverage Part regardless of when the first "personal data breach" was discovered by you.
- 4) Any third party liability or defense costs.
- 5) Costs to research any deficiency, except as specifically provided under Paragraph A. 1)b) Forensic Information Technology Services. This includes, but is not limited to, any deficiency in your systems, procedures, or physical security that may have contributed to a "personal data breach".
- 6) Costs to correct any deficiency in your systems, procedures, or physical security that may have contributed to a "personal data breach".
- 7) Any fines or penalties including, but not limited to, fees or surcharges from affected financial institutions.
- 8) Any costs arising out of criminal investigations or proceedings.
- 9) Any threat, extortion, or blackmail including, but not limited to, ransom payments and private security assistance.
- 10) Any propagation or forwarding of malware, including viruses, worms, Trojans, spyware, and keyloggers in connection with hardware or software created, produced, or modified by you for sale, lease, or license to third parties.
- 11) Your reckless disregard for the security of "personally identifying information" in your care, custody, or control.
- 12) Your purposeful off-shoring of the processing, storage, or other use of data containing "personally identifying information" to a jurisdiction outside of the "coverage territory".

C. Additional Conditions

- 1) Bankruptcy or Insolvency - Bankruptcy or insolvency of you or your estate will not relieve us of our obligations under this Data Breach Response Expenses coverage.
- 2) Due Diligence - You agree to use due diligence to prevent and mitigate costs covered under this

Data Breach Response Expenses coverage. This includes, but is not limited to, complying with reasonable and industry-accepted protocols for the following:

- a) Providing and maintaining appropriate physical security for your premises, computer systems, and hard copy files, electronic media, handheld devices, and storage devices;
 - b) Providing and maintaining appropriate computer, network, and Internet security;
 - c) Maintaining and updating at appropriate intervals back-ups of computer data;
 - d) Protecting transactions, such as using encryption when processing credit card, debit card, and check payments;
 - e) Appropriate disposal of files containing "personally identifying information", including shredding hard copy files and destroying physical media used to store "electronic data"; and
 - f) Providing appropriate security awareness training on your physical, electronic, and procedural security measures.
- 3) Legal Advice - The services provided under this Data Breach Response Expenses coverage are not legal recommendations for action. Our determination of what is, or is not covered under this coverage does not represent legal advice or counsel from us about what action you should, or should not do.
 - 4) Pre-Notification Consultation - You agree to consult with us prior to issuing any notification to "affected individuals". We assume no responsibility under this Data Breach Response Expenses coverage for any services promised to "affected individuals" without our prior agreement. If possible, this pre-notification consultation will also include the designated service provider(s) as agreed to under the Service Providers Condition. You must provide the following at our pre-notification consultation with you:
 - a) Information about the "personal data breach" that may appropriately be communicated with "affected individuals"; and
 - b) The scope of services that you desire for the "affected individuals". For example, coverage may be structured to provide fewer services in order to make those services available to more "affected individuals" without exceeding the available Data Breach Response Expenses coverage limit.

5) Service Providers

- a) We will only pay under this Data Breach Response Expenses coverage for services that are provided by service providers approved by us. Approval of an alternate vendor must be obtained prior to the consultation process. We will only pay reasonable and customary charges associated with services covered under this Data Breach Response Expenses coverage provided by an alternate vendor.
 - b) Prior to the pre-notification consultation described in the Pre-Notification Consultation Condition, you must come to an agreement with us regarding the service provider(s) to be used for the Notification to Affected Individuals and Services to Affected Individuals as described in Paragraph A. **Data Breach Response Expenses - What is Covered**, Paragraphs 2) and 3). We will suggest a service provider. If you prefer to use an alternate service provider, our coverage is subject to the following limitations:
 - i. Such alternate service provider(s) must be approved by us prior to the consultation process;
 - ii. Our payment for services provided by any alternate service provider will not exceed the amount that we would have paid using the service provider we had suggested; and
 - iii. Such alternate service provider must provide services that are reasonably equivalent or superior in both kind and quality to the services that would have been provided by the service provider we had suggested.
 - c) We will only pay for Legal Services under this Data Breach Response Expenses coverage from licensed legal counsel.
- 6) Services - The following conditions apply regarding any services provided to you or any "affected individual" by us, our designees, or any service firm paid for in whole or in part under this Data Breach Response Expenses coverage:
- a) The effectiveness of such services depends on your cooperation and assistance;
 - b) All services may not be available or applicable to all "affected individuals". For example, "affected individuals" who are minors or foreign nationals may not have credit records that can be provided or monitored. Service in Canada will be different

from service in the United States and Puerto Rico in accordance with local conditions;

- c) We cannot guarantee, after our vendor has provided the applicable services, that the problems associated with the covered "personal data breach" will be eliminated; and
 - d) You will have a direct relationship with the professional service firms paid for in whole or in part under this coverage. Those firms work for you.
- 7) Time Limits
- a) You must report a "personal data breach" to us within 30 days of your discovery of the "personal data breach".
 - b) You have up to one year from the date of reporting a "personal data breach" to initiate the services provided for you.
 - c) An "affected individual" has up to one year from the date the notification is received of a "personal data breach" to initiate the credit report monitoring services provided.

Once initiated the credit monitoring services will continue to be provided to that person for two years.
 - d) Credit Report Monitoring and Identity Restoration Case Management Services will be provided by our Designated Service Provider for a period of 12 consecutive months from the inception of the Credit Report Monitoring and Identity Restoration Case Management Services.
- 8) Additional Duties After a Personal Data Breach - In case of a covered "personal data breach", you must perform the following duties:
- a) Give us prompt notice of the "personal data breach". As stated in the Time Limits condition, you must report the "personal data breach" to us within 60 days of "your" discovery.
 - b) Take all reasonable steps to protect "personally identifying information" remaining in your care, custody, or control.
 - c) Preserve all evidence of the "personal data breach".
 - d) Permit us to inspect the property and records proving the "personal data breach".
 - e) Send us, within 60 days after the "personal data breach", your signed and sworn proof of loss statement which includes:
 - i. Time and cause of the "personal data breach";
 - ii. Other policies which may cover the "personal data breach";



- iii. The method of the "personal data breach";
- iv. The approximate number of "affected individuals" as a result of the "personal data breach";
- v. A detailed description of the type and nature of the information that was compromised;
- vi. Whether or not the information was encrypted and if so, the level of encryption;
- vii. Whether or not law enforcement has been notified;
- viii. If available, the states in which the "affected individuals" are domiciled; and
- ix. If available who received the "personally identifying information" as a result of the "personal data breach".

D. Additional Data Breach Definitions

- "Affected Individual" means any person who is your current, former, or prospective customer, client, member, director, or employee and whose "personally identifying information" is lost, stolen, accidentally released, or accidentally published by a "personal data breach" covered under this Extension of Coverage. This definition is subject to the following provisions:
 1. "Affected individual" does not include any business or organization. Only an individual person may be an "affected individual".
 2. An "affected individual" must have a direct relationship with your interests as an insured under this policy. The following are examples of individuals who would not meet this requirement:
 - a. If you aggregate or sell information about individuals as part of your business, the individuals about whom you keep such information do not qualify as "affected individuals". However, specific individuals may qualify as "affected individuals" for another reason, such as being an employee of yours.
 - b. If you store, process, transmit, or transport records, the individual whose "personally identifying information" you are storing, processing, transmitting, or transporting for another entity do not qualify as "affected individuals". However, specific individuals may qualify as "affected individuals" for another reason, such as being an employee of yours.
 - c. You may have operations, interests, or properties that are not insured under this policy. Individuals who have a relationship with you through such other operations, interests, or properties do not qualify as "affected individuals". However, specific individuals may qualify as "affected indi-

viduals" for another reason, such as being an employee of yours.

3. An "affected individual" may reside anywhere in the world but must be a citizen or legal alien of the United States (its territories and possessions), Puerto Rico, or Canada with a valid Social Security Number (SSN) or Social Insurance Number (SIN).
 - "Malicious code" means any loss of data that results from a worm, virus, Trojan, BOT, or other piece of computer code, software, spyware, or malware that is used to collect, destroy, alter, retrieve, or affect computer software and/or data on a computer system, network, storage device, Smartphone, or other peripheral device; and on the date the "personal data breach" occurred is named and recognized by the CERT Coordination Center or any other industry acceptable third party antivirus, antimalware, or other solution that monitors malicious code activity.
 - "Personal data breach" means the loss, theft, accidental release, or accidental publication of "personally identifying information" regarding one or more "affected individual(s)", if such loss, theft, accidental release, or accidental publication has or could reasonably result in the fraudulent use of such information. This definition is subject to the following provisions:
 1. At the time of the loss, theft, accidental release, or accidental publication, the "personally identifying information" must be in your direct care, custody, or control.
 2. "Personal data breach" includes disposal or abandonment of "personally identifying information" without appropriate safeguards such as shredding or destruction, subject to the following provisions:
 - a. Your failure to use appropriate safeguards must be accidental and not reckless or deliberate; and
 - b. Such disposal or abandonment must take place during the time period for which this Data Breach Response Expenses coverage is effective.
 3. "Personal data breach" includes situations where there is a reasonable cause to suspect that such "personally identifying information" has been lost, stolen, accidentally released, or accidentally published, even if there is no firm proof.

All "personal data breach" that are discovered at the same time or arise from the same cause will be considered one "personal data breach".

- "Personally identifying information" means information that could be used to commit fraud or other illegal activity

involving the credit or identity of an "affected individual". This includes but is not limited to, social security numbers, drivers' license numbers, credit card numbers, bank account information, or any other account numbers correlated with names and addresses.

SECTION IX - WHEN AND WHERE THIS POLICY APPLIES

1. When

This policy applies to losses that occur during the policy period. Unless otherwise specified in the "Declarations", "Renewal Certificate", "Amended Declarations", "Revised Declarations", or endorsement, the policy period begins and ends at 12:01 AM Standard Time at the stated address of the Named Insured. An "Amended Declarations" or endorsement tells you that the policy has been changed. A "Renewal Certificate" tells you that the policy is being renewed for another policy period.

2. Where

The United States, its territories and possessions, Puerto Rico, and Canada.

SECTION X - COMMERCIAL PROPERTY CONDITIONS

1. ABANDONMENT OF PROPERTY

We will not accept abandoned property.

2. APPRAISAL

If you and we fail to agree on the amount of "loss", either party may make written demand for an appraisal. Each party will select an appraiser and notify the other of the appraiser's identity within 20 days after the demand is received. The appraisers will select a competent and impartial umpire. If the appraisers are unable to agree upon an umpire within 15 days after both appraisers have been identified, you or we can ask a judge of a court of record in the state where your principal office is located to select an umpire.

The appraisers shall then set the amount of "loss". If the appraisers submit a written report of an agreement to us, the amount agreed upon shall be the amount of "loss". If they cannot agree, they will submit their differences to the umpire. A written award by two will determine the amount of "loss".

Each party will pay the appraiser it chooses and equally bear expenses of the appraisal. However, if the written demand for appraisal is made by us, we will pay for the reasonable cost of your appraiser and your share of the cost of the umpire.

We will not be held to have waived any rights by any act relating to appraisal.

3. DIVISIBLE CONTRACT

The breach of a policy condition in one building or location will have no effect on the coverage on another where no breach exists.

4. LIMITATION – ELECTRONIC MEDIA AND RECORDS

We will not pay for any loss of "income" or "rental income" caused by direct physical damage to electronic media and records after the longer of:

- a. Sixty (60) consecutive days after the date of the physical "loss" or damage; or
- b. The period beginning with the date of direct physical "loss" or damage to repair, rebuild, or replace, with reasonable speed and similar quality, other property at the insured premises due to "loss" caused by the same occurrence.

Electronic media and records mean:

- a. Electronic data processing, recording, or storage media such as films, tapes, discs, drums, or cells;
- b. Data stored on such media; or
- c. Programming records used for electronic data processing or electronically controlled equipment.

This condition does not apply to "extra expense".

5. LOSS PAYMENT

We will adjust all "losses" with you. We will pay you unless some other person is named in the policy or is legally entitled to receive payment. We will not pay you more than your financial interest in the covered property.

"Loss" will be payable 30 days after we receive your proof of "loss" if you have complied with all the terms of this coverage part and one of the following has been done:

- a. We have reached an agreement with you;
- b. There is an entry of final judgment; or
- c. There is a filing of an appraisal award on your behalf.

We have the option to:

- a. Pay the value of that part of the damaged property;
- b. Pay the cost to repair or replace that part of the damaged property, but this does not include the increased cost of construction due to enforcement of or compliance with any ordinance or law regulating the construction or repair of the damaged building;
- c. Take all or part of the damaged property at an agreed or appraised value; or
- d. Repair or replace that part of the damaged property with material of like kind and quality, but this does not include the increased cost of construction due to any ordinance or law regulating the construction or repair of the damaged building.

We will not pay more than the amount of insurance shown in the "Declarations" applicable to the damaged or destroyed property.

Pennsylvania only:

We must give the insured notice of our intent to repair or replace within 15 working days after we receive your sworn proof of loss.



6. **MORTGAGEE**

"Loss" shall be payable to mortgagees named in the "Declarations", to the extent of their interest and in the order of precedence.

Our Duties

We will:

- a. Protect the mortgagee's interest in an insured building. This protection will not be invalidated by any act or neglect of the insured, any breach of warranty, increase in hazard, change of ownership, or foreclosure if the mortgagee has no knowledge of these conditions; or
- b. Give the mortgagee 30 days notice before cancellation or refusal to renew this policy.

Mortgagee's Duties

The mortgagee will:

- a. Furnish proof of "loss" within 60 days if you fail to do so;
- b. Pay upon demand any premium due if you fail to do so;
- c. Notify us of any change in ownership or occupancy or any increase in hazard of which the mortgagee has knowledge;
- d. Give us his or her right of recovery against any party liable for "loss". This shall not impair the right of the mortgagee to recover the full amount of the mortgage debt; and
- e. After a "loss", permit us to satisfy the mortgage requirements and receive full transfer of the mortgage and all "securities" held as collateral to the mortgage debt.

Policy conditions relating to **APPRAISAL, LOSS PAYMENT, and SUITS AGAINST US** apply to the mortgagee.

This mortgagee interest provision shall apply to any trustee or loss payee named in the "Declarations".

7. **NO BENEFIT TO BAILEE**

No bailee shall benefit, directly or indirectly, from this insurance.

8. **OTHER INSURANCE**

You may have other insurance subject to the same plan, terms, conditions, and provisions as insurance under this Coverage Part. If you do, we will pay our share of the covered loss or damage. Our share is the proportion that the applicable Limit of Insurance under this Coverage Part bears to the Limits of Insurance of all insurance covered on the same basis.

If there is other insurance covering the same loss or damage, other than that described in the paragraph above, we will pay only for the amount of covered loss or damage in excess of the amount due from the other insurance,

whether you can collect on it or not. But we will not pay more than the applicable Limit of Insurance.

9. **PROPERTY OF OTHERS**

If we are called upon to pay a "loss" for property of others, we reserve the right to adjust the "loss" with the owner. If we pay the owner, such payments will satisfy your claims against us for the owner's property.

In case of disagreement with the property owner, we will conduct the defense on your behalf at our expense.

10. **PROTECTIVE SAFEGUARDS**

You must maintain, as far as is within your control, any protective safeguards shown in the "Declarations". Failure to do so will suspend the coverage of this policy at the affected location. Coverage will not be suspended if you notify us immediately when the system is not in operation because of repairs or maintenance and you comply with our requests and directions at that time.

11. **RECORDS**

You must keep proper records so that we can accurately determine the amount of "loss".

12. **RECOVERIES**

If either you or we recover any property after settlement, that party must notify the other. Expenses of recovery will be deducted from the value of the property. The balance of the proceeds will be divided according to your and our interests.

At your option, the recovered property will be returned to you. You must then return to us the amount we paid to you for the property. We will pay the expenses of the recovery and the expenses to repair the recovered property, up to the Limit of Insurance.

13. **REPLACEMENT COST COVERAGE**

After a covered "loss" to your Building(s) - Coverage 1 or Business Personal Property or Personal Property of Others - Coverage 2, our payment will be on a replacement cost basis, instead of an actual cash value basis, thereby eliminating deduction for depreciation. Payment will not exceed the Limit of Insurance shown in the "Declarations".

We will not pay replacement cost until the damaged or destroyed property is actually repaired or replaced. Repairs or replacement must be made as soon as practicable.

We will pay the smaller of the following:

- a. The amount of insurance applicable to the damaged or destroyed property;
- b. The cost of replacement on the same premises with material of like kind and quality and intended for the same use; or
- c. The amount actually spent in repairing or replacing the property.

In order to obtain replacement cost on Business Personal Property or Personal Property of Others - Cov-

erage 2, the amount of insurance shown in the "Declarations" for Business Personal Property or Personal Property of Others – Coverage 2 must be 100% or more of your average monthly values for the last 12 months preceding the date of "loss". In the event you have been in business for less than 12 months, the average monthly value will be based on the shorter period of time.

We will not pay for "loss" on a replacement cost basis:

- a. Due to any ordinance or law regulating the construction or repair of buildings;
- b. To stock (raw, in process, or finished) or merchandise including materials and supplies in connection therewith;
- c. To household furniture or apartment and dwelling contents;
- d. To manuscripts;
- e. To paintings, etchings, pictures, tapestries, statuary, marbles, bronzes, antique furniture, rare books, antique silver, porcelains, rare glassware, bric-a-brac, or other articles of art, rarity, or antiquity; or
- f. To obsolete property.

You may choose to accept payment on an actual cash value basis. If you do choose an actual cash value basis, you can still select a replacement cost basis if the building(s) or business personal property or personal property of others is repaired or replaced within six months of "loss".

As respects "covered equipment" that sustains a "loss" resulting from an "accident" or "electronic circuitry impairment":

- a. The amount of our payment will be based on the most cost-effective means to replace the function, capacity, and remaining useful life of the damaged property. This may include the use of generic, used, or reconditioned parts, equipment, or property.
- b. Except as described in **Section X Commercial Property Conditions – 4. Environmental, Safety and Efficiency Improvements**, you must pay the extra cost of replacing damaged property with property of a better kind or quality or of a different size or capacity.
- c. The most we will pay in any "one equipment breakdown" for "loss", damage, or expense is the applicable limit of protection as set forth in the "Declarations".

14. RESUMPTION OF YOUR BUSINESS

We will reduce the amount of your:

- a. Income protection loss, other than "extra expense", to the extent that you can resume your

business, in whole or in part, by using damaged or undamaged property (including business personal property) at the premises described in the "Declarations" or elsewhere.

- b. "Extra expense" loss to the extent you can return your business to normal and discontinue such "extra expense".

15. SUITS AGAINST US

We may not be sued unless there is full compliance with all the terms of this policy. Suit must be brought within 2 years (Maryland and North Carolina - 3 years) after the "loss" occurs.

16. VACANCY AND UNOCCUPANCY

Property may be unoccupied without limit of time. If the building at which the "loss" occurs is vacant for more than 60 consecutive days before the "loss", then we will:

- a. Not pay for any "loss" caused by:
 - 1) Vandalism or malicious mischief, water damage, glass breakage, or theft; or
 - 2) Sprinkler leakage unless you have exercised reasonable care to protect the system against freezing.
- b. Pay for other covered "losses", but we will reduce the amount of payment by 15%.

For a tenant operated business, the building means the unit or suite rented or leased to the tenant. Such building is vacant when it does not contain enough business personal property to conduct customary operations.

For the owner of the building, the 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; and/or
- b. Used by the building owner to conduct customary operations.

Buildings under construction or renovation are not considered vacant or unoccupied.

17. VALUATION

We will determine the value of covered property in the event of "loss" to stock you have sold but not delivered. It will be valued at the selling price less any discounts and expenses you otherwise would have had.

18. YOUR DUTIES AFTER A LOSS

In case of a covered "loss", you must perform the following duties:

- a. Give us or our Agent immediate notice. If a crime "loss", also notify the police (except Virginia);



- b. Protect the property from further damage. If necessary for property protection, make reasonable repairs and keep a record of all repair costs;
- c. Furnish a complete inventory of damaged property stating its original cost. At our request, furnish a complete inventory of undamaged property stating its original cost. If a "loss" is both less than \$10,000 and less than 5% of the amount of insurance, no special inventory and appraisal of the undamaged property shall be required;
- d. Produce for examination, with permission to copy, all books of accounts, bills, invoices, receipts, and other vouchers as we may reasonably require;
- e. Show us or our representative the damaged property, as often as may be reasonably required;
- f. Cooperate with us in our investigation of a "loss" and any suits;
- g. Separately submit to examinations under oath and sign a transcript of the same;
- h. Send us, within 90 days after the "loss", your signed and sworn proof of loss statement which includes:
 - 1) Time and cause of "loss";
 - 2) Your interest in the property and the interest of all others involved;
 - 3) Any encumbrances on the property;
 - 4) Other policies which may cover the "loss";
 - 5) Any changes in title, use, occupancy, or possession of the property which occurred during the policy term;
 - 6) When required by us any plans, specifications, and estimates for the repair of the damaged building; and
 - 7) The inventory of damaged property as prepared in c. above;
- i. In addition to the other conditions under **Income Protection - Coverage 3**, make necessary replacements or repairs and use all available means to eliminate any unnecessary delay in order to resume operations as soon as possible;
- j. Agree to help us enforce any right of recovery against any party liable for "loss" under this policy. This will not apply if you have waived recovery rights in writing prior to a "loss".

SECTION XI - DEFINITIONS

- "Accident" means a fortuitous event that causes direct physical damage to "covered equipment". The event must be one of the following:
 - 1. Mechanical breakdown, including rupture or bursting caused by centrifugal force;

- 2. Artificially generated electrical current, including electrical arcing, that disturbs electrical devices, appliances, or wires;
- 3. Explosion of steam boilers, steam piping, steam engines, or steam turbines owned or leased by you or operated under your control;
- 4. "Loss" or damage to steam boilers, steam pipes, steam engines, or steam turbines caused by or resulting from any condition or event inside such equipment;
- 5. "Loss" or damage to hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment.

None of the following is an "accident"

- 1. Defect, programming error, programming limitation, computer virus, malicious code, loss of "data", loss of electronic data, access, loss of use, loss of functionality or other condition within or involving "data" or "media" of any kind; or
- 2. Misalignment, miscalibration, tripping off-line, or any condition which can be corrected by resetting, tightening, adjusting or cleaning, or by the performance of maintenance.

However, if an "accident" results, we will pay for the resulting "loss", damage or expense caused by that "accident"

- "Aircraft" means any machine or device capable of atmospheric flight except model airplanes.
- "Automobile" means a land motor vehicle, trailer, or semi-trailer designed for travel on public roads (including any attached machinery or equipment), but does not include "mobile equipment".
- "Burglary" means the taking of business personal property and personal property of others from inside the premises described in the "Declarations" by a person unlawfully entering or exiting the premises as evidenced by visible marks of forcible entry or exit. It includes "loss" to the building and its equipment resulting from "burglary" or attempted "burglary".
- "Buried vessels or piping" means any piping or vessel buried or encased in the earth, concrete, or other material, whether above or below grade, or in an enclosure which does not allow access for inspection and repair.
- "Cloud computing services" means professional, on-demand, self-service data storage or data processing services provided through the Internet or over telecommunications lines. This includes services known as IaaS (infrastructure as a service), PaaS (platform as a service), SaaS (software as a service) and NaaS (network as a service). This includes business models known as public clouds, community clouds, and hybrid clouds. "Cloud computing services" include private clouds if such services are owned and operated by a third party.
- "Covered equipment" means covered property:

1. That generates, transmits, or utilizes energy;; or
2. Which, during normal usage, operates under vacuum or pressure, other than weight of its contents.

"Covered equipment" may utilize conventional design and technology or new or newly commercialized design and technology.

None of the following is "covered equipment":

1. Insulating or refractory material;
2. "Buried vessel or piping", sewer piping, or piping forming a part of a fire protection system;
3. Water piping that is not part of a closed loop used to conduct heat or cooling from a boiler or a refrigeration or air conditioning system;
4. Structure, foundation, cabinet, or compartment
5. Dragline, excavation, or construction equipment;
6. "Vehicle" or any equipment mounted on a "vehicle" as respects **Section IV – Additional Coverages – D. Equipment Breakdown Coverage** means any machine or apparatus that is used for transportation or moves under its own power. "Vehicle" includes, but is not limited to: car, truck, bus, trailer, train, "aircraft", watercraft, forklift, bulldozer, tractor, or harvester.

However, any property that is stationary, permanently installed at a covered location, and that receives electrical power from an external power source will not be considered a "vehicle";

7. Satellite, spacecraft, or any equipment mounted on a satellite or spacecraft; or
 8. Equipment manufactured by you for sale.
- "Declarations", "Amended Declarations", "Revised Declarations", and "Renewal Certificate" means the form which shows your coverages, limits of protection, premium charges, and other information. This form is part of your policy.
 - "Electronic circuitry" means microelectronic components, including but not limited to circuit boards, integrated circuits, computer chips, and disk drives.
 - "Electronic circuitry impairment" means a fortuitous event involving "electronic circuitry" within "covered equipment" that causes the "covered equipment" to suddenly lose its ability to function as it had been functioning immediately before such event. This definition is subject to the conditions specified in **1., 2., and 3.** Below.
 1. We shall determine that the reasonable and appropriate remedy to restore such "covered equipment's" ability to function is the replacement of one or more "electronic circuitry" components of the "covered equipment".
 2. The "covered equipment" must be owned or leased by you, or operated under your control.
 3. None of the following is an "electronic circuitry impairment":
 - a. Any condition that can be reasonably remedied by:
 - 1) Normal maintenance, including but not limited to replacing expendable parts, recharging batteries, or cleaning;
 - 2) Rebooting , reloading, or updating software or firmware; or
 - 3) Providing necessary power or supply.
 - b. Any condition caused by or related to:
 - 1) Incompatibility of the "covered equipment" with any software or equipment installed, introduced, or networked within the prior 30 days; or
 - 2) Insufficient size, capability, or capacity of the "covered equipment".
 - c. Exposure to adverse environmental conditions, including but not limited to change in temperature or humidity, unless such conditions result in an observable loss of functionality. Loss of warranty shall not be considered an observable loss of functionality.
 - "Electronic data" means information, facts, or computer programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or floppy disks, CD-ROMs, DVDs, tapes, drives, cells, data processing devices, or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs, referred to in the foregoing description of "electronic data", means a set of related electronic instructions which direct the operations and functions of a computer or device connected to it, which enable the computer or device to receive, process, store, retrieve, or send data. This paragraph does not apply to your stock of prepackaged software.
 - "Extra expense" means the necessary expenses incurred by you during the "interruption of business" that would not have been incurred if there had been no direct "loss" to covered property caused by a peril insured against.
 - "Fungus" means any type or form of "fungus", including mold or mildew and any mycotoxins, spores, scents, or by-products produced or released by "fungi".
 - "Hazardous substance" means any substance that is hazardous to health or has been declared to be hazardous to health by a governmental agency.
 - "Income" means the sum of net income (net profit or loss before income taxes) that would have been earned or incurred and necessary continuing operating expenses incurred by the business such as payroll expenses, taxes, interests, and rents.
 - "Interruption of business" means the period of time that your business is partially or totally suspended and it:
 1. Begins with the date of direct "loss" to covered property caused by a peril insured against; and



2. Ends on the date when the covered property should be repaired, rebuilt, or replaced with reasonable speed and similar quality.
- "Loss" means direct and accidental loss of or damage to covered property.
 - "Media" means material on which "data" is recorded such as solid state drives, hard disks, optical disks, flash drives, magnetic tapes, or floppy disks.
 - "Mobile equipment" means any of the following types of land vehicles (including any attached machinery or equipment):
 1. Bulldozers, farm machinery, forklifts, and other vehicles designed for use principally off public roads;
 2. Vehicles maintained for use solely on or next to premises you own or rent;
 3. Vehicles that travel on crawler treads;
 4. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
 - a. Power cranes, shovels, loaders, diggers, or drills; or
 - b. Road construction or resurfacing equipment such as graders, scrapers, or rollers;
 5. Vehicles not described in **1., 2., 3.,** or **4.** above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
 - a. Air compressors, pumps, and generators, including spraying, welding, building cleaning, geophysical exploration, lighting, and well servicing equipment; or
 - b. Cherry pickers and similar devices used to raise or lower workers;
 6. Vehicles not described in **1., 2., 3.,** or **4.** above maintained primarily for purposes other than the transportation of persons or cargo. However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but are considered "automobiles":
 - a. Equipment designed primarily for:
 - 1) Snow removal;
 - 2) Road maintenance, but not construction or resurfacing; or
 - 3) Street cleaning;
 - b. Cherry pickers and similar devices mounted on an "automobile" or truck chassis and used to raise or lower workers; and
 - c. Air compressors, pumps, and generators, including spraying, welding, building cleaning, geophysical exploration, lighting, and well servicing equipment.
- "Money" means:
 1. Currency, coins, and bank notes in current use and having a face value; and
 2. Travelers checks, register checks, credit card slips, and money orders held for sale."Money" does not include crypto-currencies such as Bitcoin.
 - "One equipment breakdown" means if an initial "accident" or "electronic circuitry impairment" causes other "accidents" or "electronic circuitry impairments", all will be considered "one equipment breakdown". All "accidents" or "electronic circuitry impairments" that are the result of the same "accident" or "electronic circuitry impairment" will be considered "one equipment breakdown".
 - "Pollutants" mean any solid, liquid, gaseous, or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals, and waste. Waste includes materials to be recycled, reconditioned, or reclaimed.
 - "Rental income" means:
 1. The rents from the tenant occupancy of the premises described in the "Declarations";
 2. Continuing operating expenses incurred by the business such as:
 - a. Payroll; and
 - b. All expenses for which the tenant is legally responsible and for which you would otherwise be responsible;
 3. Rental value of the property described in the "Declarations" and occupied by you; or
 4. Incidental income received from coin-operated laundries, hall rentals, or other facilities on the premises described in the "Declarations".
 - "Robbery" means the taking of business personal property and personal property of others from the care, custody, and control of a person by one who has:
 1. Caused or threatened to cause that person bodily harm; or
 2. Committed an obviously unlawful act witnessed by that person.
 - "Securities" means negotiable and non-negotiable instruments or contracts representing either "money" or other property and includes:
 1. Tokens, tickets including lottery tickets, food stamps, revenue, and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and
 2. Evidences of debt issued in connection with credit or charge cards not issued by you."Securities" does not include "money".

Exhibit B



**Erie
Insurance®**

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April 21, 2020

Miller Sports Entertainment
621 Evergreen Avenue
Millville, PA 15209-2261

Re: ERIE Claim #A00002557236
ERIE Policy: #Q97-1510865
Date of Loss: 4/17/2020

Dear Mr. Miller:

This letter is in reference to the above-captioned claim which was reported to Erie Insurance Exchange (ERIE) on April 17, 2020 seeking coverage under the Ultrapack Policy #Q97-1510865 issued to Miller Sports Entertainment.

During our conversation on April 17, 2020, you explained that your dining room area of business shut down due to governor Wolf's orders. We regret to inform you that there is no coverage for your loss of income because there is no direct physical loss to your building or business personal property.

Please reference the Insuring Agreement for Building(s) – Coverage I, Business Personal Property – Coverage II and Income Protection – Coverage III which reads in relevant part:

SECTION I - COVERAGES

INSURING AGREEMENT

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 peril insured against.

SECTION II – PERILS INSURED AGAINST states:

SECTION II - PERILS INSURED AGAINST

BUILDING(S) - COVERAGE 1

BUSINESS PERSONAL PROPERTY AND PERSONAL PROPERTY OF OTHERS - COVERAGE 2

INCOME PROTECTION - COVERAGE 3

Covered Cause of Loss

This policy insures against direct physical "loss", except "loss" as excluded or limited in this policy.

Business Interruption Coverage

Refer to SECTION I of the policy for what constitutes Covered Property under INCOME PROTECTION – COVERAGE 3. **Income Protection** means loss of “income” and/or “rental income” you sustain due to partial or total “interruption of business” resulting directly from “loss” or damage to property on the premises described in the “Declarations” from a peril insured against. **Extra Expense Coverage** under paragraph B of Coverage 3 also requires a partial or total “interruption of business” resulting directly from “loss” or damage to property on the premises described in the “Declarations” from a peril insured against.

As defined in Section XI of the policy, “Loss” means direct and accidental loss of or damage to covered property. “Interruption of business” means the period of time that your business is partially or totally suspended and it:
1. Begins with the date of direct “loss” to covered property caused by a peril insured against; and 2. Ends on the date when the covered property should be repaired, rebuilt, or replaced with reasonable speed and similar quality.

Income Protection does not apply because there was no partial or total “interruption of business” due to direct physical “loss” or damage to Covered Property on the premises from a peril insured against.

Additional Coverages - Civil Authority

Additional Coverages - Civil Authority under paragraph C of the Income Protection Coverage Section of the policy (SECTION I, Coverage 3) reads:

C. Additional Coverages

1. Civil Authority

When a peril insured against causes damage to property other than property at the premises described in the “Declarations”, we will pay for the actual loss of “income” and/or “rental income” you sustain and necessary “extra expense” caused by action of civil authority that prohibits access to the premises described in the “Declarations” provided that both of the following apply:

- a. Access to the area immediately surrounding the damaged property is prohibited by civil authority as a result of the damage; and the premises described in the “Declarations” are within that area but are not more than one mile from the damaged property; and
- b. The action of civil authority is taken in response to dangerous physical conditions resulting from the damage or continuation of the peril insured against that caused the damage, or the action is taken to enable a civil authority to have unimpeded access to the damaged property.

Civil Authority coverage for “income” and/or “rental income” will begin 72 hours after the time of the first action of civil authority that prohibits access to the premises described in the “Declarations” and will apply for a period of up to four consecutive weeks from the date on which such coverage began.

Civil Authority coverage does not apply because a Civil Authority did not order that the business be closed due to damage to property within one mile of the premises described in the "Declarations," caused by a peril insured against.

Extension of Coverage – Contingent Business Interruption

The Extension of Coverage for loss of "income" or "rental income" for Contingent Business Interruption under SECTION VIII (B)(5) also requires a partial or total "interruption of business" resulting directly from "loss" or damage to Building(s) or Business Personal Property of "dependent properties" from a peril insured against.

"Dependent property" means premises operated by others whom you depend on in any way for continuation of your normal business operations. The "dependent properties" are:

- a. Contributing Locations which mean those premises you depend on as a source of materials or services that you need for your operations. Services do not include water, communication, power supply, or waste water removal services;
- b. Recipient Locations which mean those premises you depend on as a customer for your products or services;
- c. Manufacturing Locations which mean those premises you depend on to manufacture products for your customers under contract or sale; or
- d. Leader Locations which mean those premises you depend on to attract customers to your business..

"Interruption of business" for contingent business interruption means the period of time that your business is suspended and it:

- a. Begins with the date of direct "loss" or damage to the "dependent property" caused by a peril insured against; and
- b. Ends on the date when the "dependent property" should be repaired, rebuilt, or replaced with reasonable speed and similar quality.

Contingent Business Interruption does not apply because there was no partial or total "interruption of business" directly from "loss" or damage to Buildings or Business Personal Property of "dependent properties" from a peril insured against.

In addition to the discussion above, the following exclusions apply to this loss:

SECTION III - EXCLUSIONS

E. Coverage 3

We do not cover under **Income Protection - Coverage 3:**

1. Increase of loss resulting from ordinance or law regulating construction or repair of buildings.
2. Consequential damages resulting from the breach of contractual obligations.
4. Loss due to delay or loss of market.
6. "Extra expense" caused by the suspension, lapse, or cancellation of any license, lease, or contract beyond the "interruption of business".
7. Increase of loss resulting from ordinance or law regulating the prevention, control, repair, clean-up, or restoration of environmental damage.
8. Income protection specifically insured in whole or in part by this or any other insurance.

Additionally, the following policy provision applies:

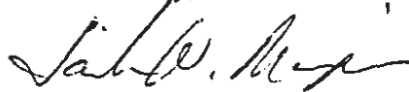
15. SUITS AGAINST US

We may not be sued unless there is full compliance with all the terms of this policy. Suit must be brought within 2 years (Maryland and North Carolina - 3 years) after the "loss" occurs.

Nothing in this letter is intended to waive, alter or restrict any of the terms, conditions or defenses of the policy of insurance in question, all of which are expressly reserved and affirmed.

We regret that we could not assist you in this matter. If you have any questions or concerns regarding this letter, please feel free to contact me at the number listed below.

Sincerely,



Jack W. Maga
Property Adjuster
Pittsburgh Claims Office
(412) 787-6903

JM/kmc

cc: David S. Tyson Insurance Agency
cc: File