

Chamberlain Square Condos  
Income Statement  
Compared with Budget  
For the Nine Months Ending September 30, 2023

	Current Month Actual	Current Month Budget	Current Month Variance	Year to Date Actual	Year to Date Budget	Year to Date Variance
<b>Income</b>						
Condo Fees	\$ 4,970.00	\$ 4,970.00	0.00	\$ 44,730.00	\$ 44,730.00	0.00
Interest Income	0.24	0.35	(0.11)	2.73	3.15	(0.42)
Misc. Income	590.83	0.00	590.83	1,091.17	0.00	1,091.17
Transfers from Reserve	0.00	0.00	0.00	4,500.00	0.00	4,500.00
Reserve Transfers	499.88	(500.00)	999.88	(1,001.08)	(4,500.00)	3,498.92
<b>Total income</b>	<b>6,060.95</b>	<b>4,470.35</b>	<b>1,590.60</b>	<b>49,322.82</b>	<b>40,233.15</b>	<b>9,089.67</b>
<b>Operating Expenses</b>						
Maintenance & Repairs	50.00	300.00	(250.00)	2,523.58	2,700.00	(176.42)
Professional Cleaning	212.00	212.00	0.00	1,908.00	1,908.00	0.00
Miscellaneous Expenses	0.00	0.00	0.00	50.00	0.00	50.00
Contract Landscaping	406.34	406.34	0.00	3,657.06	3,657.06	0.00
Non-Contract Landscaping	0.00	25.00	(25.00)	0.00	225.00	(225.00)
Snow Removal	0.00	125.00	(125.00)	0.00	1,125.00	(1,125.00)
Roof and Gutter Repair	0.00	50.00	(50.00)	0.00	450.00	(450.00)
Pest Control	0.00	75.00	(75.00)	765.00	675.00	90.00
Gas & Electric	549.39	325.00	224.39	3,272.69	2,925.00	347.69
Water & Sewer	0.00	1,250.00	(1,250.00)	12,173.15	11,250.00	923.15
Trash Removal	205.76	125.00	80.76	1,849.06	1,125.00	724.06
<b>Total Operating Expenses</b>	<b>1,423.49</b>	<b>2,893.34</b>	<b>(1,469.85)</b>	<b>26,198.54</b>	<b>26,040.06</b>	<b>158.48</b>
<b>Gross Operating Profit</b>	<b>4,637.46</b>	<b>1,577.01</b>	<b>3,060.45</b>	<b>23,124.28</b>	<b>14,193.09</b>	<b>8,931.19</b>
<b>Administrative Expenses</b>						
Accounting Fees	0.00	48.00	(48.00)	580.00	432.00	148.00
Insurance Expenses	1,284.33	1,050.00	234.33	8,780.56	9,450.00	(669.44)
Postage Expenses	0.00	6.00	(6.00)	75.60	54.00	21.60
Taxes & Licenses	0.00	1.25	(1.25)	15.00	11.25	3.75
Management Fees	364.00	364.00	0.00	3,276.00	3,276.00	0.00
Interest Expenses	59.26	150.00	(90.74)	920.40	1,350.00	(429.60)
Legal Fees	0.00	0.00	0.00	80.00	0.00	80.00
Miscellaneous Expenses	(12.00)	5.00	(17.00)	39.00	45.00	(6.00)
<b>Total Admin. Expenses</b>	<b>1,695.59</b>	<b>1,624.25</b>	<b>71.34</b>	<b>13,766.56</b>	<b>14,618.25</b>	<b>(851.69)</b>
<b>Net Income</b>	<b>\$ 2,941.87</b>	<b>(\$ 47.24)</b>	<b>2,989.11</b>	<b>\$ 9,357.72</b>	<b>(\$ 425.16)</b>	<b>9,782.88</b>

<b>Chamberlain Square</b>		
<b>BUDGET 2023 (Dues 170 &amp; 185)</b>		
<b>INCOME</b>	<b>Month</b>	<b>Year</b>
Homeowners Dues	\$ 4,970.00	\$ 59,640.00
Interest Income	\$ 0.35	\$ 4.20
Late Fees	\$ -	\$ -
Miscellaneous Income	\$ -	\$ -
Transfer from Reserve	\$ -	\$ -
Less Reserve for Cap. Exp.	\$ 500.00	\$ 6,000.00
<b>OPERATING INCOME</b>	<b>\$ 4,470.35</b>	<b>\$ 53,644.20</b>
<b>OPERATING EXPENSES</b>		
Maintenance Fees	\$ 300.00	\$ 3,600.00
Professional Cleaning	\$ 212.00	\$ 2,544.00
Miscellaneous Expenses	\$ -	\$ -
Contract Lawn Care	\$ 275.00	\$ 3,300.00
Non-Contract Lawn Care	\$ 75.00	\$ 900.00
Snow Removal	\$ 125.00	\$ 1,500.00
Roof and Gutters	\$ 50.00	\$ 600.00
Pest Control	\$ 75.00	\$ 900.00
Gas & Electric	\$ 325.00	\$ 3,900.00
Water & Sewer	\$ 1,250.00	\$ 15,000.00
Trash Removal	\$ 125.00	\$ 1,500.00
<b>TOTAL OPERATING EXP.</b>	<b>\$ 2,812.00</b>	<b>\$ 33,744.00</b>
<b>ADMINISTRATIVE EXPENSES</b>		
Accounting Fees	\$ 48.00	\$ 576.00
Insurance Expenses	\$ 1,050.00	\$ 12,600.00
Postage Expenses	\$ 6.00	\$ 72.00
Taxes & Licenses	\$ 1.25	\$ 15.00
Management Fees	\$ 364.00	\$ 4,368.00
Interest Expense	\$ 150.00	\$ 1,800.00
Income Taxes	\$ -	\$ -
Misc. Admin. Exp.	\$ 5.00	\$ 60.00
<b>TOTAL ADMIN. EXP.</b>	<b>\$ 1,624.25</b>	<b>\$ 19,491.00</b>
<b>TOTAL EXPENSES</b>	<b>\$ 4,436.25</b>	<b>\$ 53,235.00</b>
<b>NET PROFIT OR LOSS</b>	<b>\$ 34.10</b>	<b>\$ 409.20</b>

**MASTER DEED  
FOR  
CHAMBERLAIN SQUARE CONDOMINIUMS**

Chamberlain Lane Development, LLC, a Kentucky limited liability company, P.O. Box 153, Prospect, Kentucky 40059, hereafter referred to as the Developer, on the 20<sup>th</sup> day of October, 2006, submits the herein described property to the condominium form of ownership and use in the manner provided by the Kentucky Horizontal Property Law as set out in KRS 381.805 through 381.910, as amended. The property is located in Jefferson County, Kentucky and is more particularly described as follows:

Property Description Attached as Exhibit A

In order to create a Condominium Project consisting of the property described above and the improvements thereon (the "Project"), to be known as Chamberlain Square Condominiums, the Developer hereby submits this property and all the Developer's interest therein to a horizontal property regime to be developed in phases and in furtherance thereof, the Developer makes the following declarations regarding divisions, limitations, restrictions, covenants and conditions, hereby declaring that this property shall be held, conveyed, mortgaged, encumbered, leased, rented, used, occupied, and improved subject to this Declaration. The provisions of this Master Deed constitute covenants running with the land and are binding on and for the benefit of present and future owners and lessees of any part of the Project.

A. Definitions. Certain terms as used in the Master Deed shall be defined as follows:

1. "Council of Co-owners" or "Council" means all of the unit owners acting as a group in accordance with the Master Deed, any amendments thereto, the By-Laws and any other

governing documents.

2. "General Common Elements" means and includes, as provided in KRS 381.810(7):

- (a) The land in fee simple described hereinabove;
- (b) The foundations, main walls, roofs and entrances and exits or communication ways;
- (c) The grounds, landscaping, roadways, parking areas and walkways;
- (d) The compartments or installations of central services such as power, gas, electric, sewerage, cable television, telephone, light, cold and hot water, reservoirs, water tanks and pumps, traffic control and the like;
- (e) All other devices or installations existing for common use; and
- (f) All other elements of the buildings and grounds rationally of common use or necessary to its existence, upkeep and safety.

3. "Limited Common Elements" means and includes, pursuant to KRS 381.810(8), as expanded upon herein, those Common Elements which are reserved for the use of a certain unit or number of units to the exclusion of other units including but not exclusively limited to:

- (a) Entrances and exits to the unit;
- (b) Utility service facilities serving a unit or several units;
- (c) Windows and window frames for each unit; and
- (d) Patios.

4. "Unit" or "Condominium Unit" means the enclosed space consisting of one or more rooms occupying a single floor in a building having direct access to the Common Elements,

as shown on the plans of the Project recorded herewith or to be recorded under Section B of this Declaration. Notwithstanding that some of the following might be located in the General Common Elements or Limited Common Elements, the plumbing, heating and air conditioning equipment, electrical facilities, hot water heater, telephone, cable television, window panes, dishwasher and other equipment located within or connected to said Unit for the purpose of serving same are a part of the Unit. Provided, however, any interior load bearing wall of a Unit shall be considered a General Common Element.

5. "Common Expenses" means and includes all charges, costs and expenses incurred by the Council for and in connection with the administration of the Project, including, without limitation thereof, operation of the Project, maintenance, repair, replacement and restoration (to the extent not covered by insurance) of the General and Limited Common Elements, any additions and alterations thereto; all labor, services, common utilities, materials, supplies and equipment therefor; all liability for loss or damage arising out of or in connection with the General and Limited Common Elements and their use; all premiums for hazard, liability and other insurance with respect to the Project; all liabilities incurred in acquiring a unit pursuant to judicial sale; and all administrative, accounting, legal and managerial expenses shall constitute Common Expenses of the Project for which the Unit owners shall be severally liable for their respective proportionate shares in accordance with their percentage of common interest. In addition, Common Expenses shall include those amounts designated by the Board of Administration, to be necessary to create a Capital Replacement Fund pursuant to Section J(4) hereof.

B. Description of Units. The Project consists of twenty-eight (28) units in seven (7) building(s) previously constructed.

Each unit owner by acceptance of a deed to a unit acknowledges, consents, and agrees to this Master Deed, to each amendment that may in the future be executed by Developer and recorded, and to the following:

(i) The portion of the additional common elements and any additional limited common elements described in each such amendment shall be governed in all respects by the provisions of this Master Deed.

(ii) The percentage of ownership in the common elements appurtenant to each unit shall be determined in accordance with each Unit's percentage of common interest, representing the floor area of the unit in relation to the floor area of all units in the Project.

(iii) A right of revocation is hereby reserved by the grantor in each such deed, mortgage, or other instrument of a unit to so amend the Master Deed from time to time.

(iv) The percentage of ownership in the common elements appurtenant to each unit shall include and be deemed to include any additional common elements made a part of the condominium project by a recorded amendment, and each deed, mortgage, or other instrument affecting a unit shall be deemed to include such additional common elements and the ownership of any such unit and lien of any such mortgage shall automatically include and attach to such additional common elements as such amendments are recorded.

(v) Each unit owner shall have a perpetual easement, appurtenant to his unit, for the use of any additional common elements annexed thereto by and described in any recorded amendment for the purposes therein set forth, except as to any portion the use of which is limited by exclusive easements granted to the owners of specific units as may be provided in any such amendment.

(vi) The recording of each such amendment shall not alter the amount of the lien for expenses assessed to a unit prior to the date of such amendment.

(vii) Each unit owner by acceptance of the deed conveying his unit agrees for himself and all those claiming under him, including mortgagees, that the Master Deed and each Amendment is and shall be deemed to be in accordance with the Kentucky Horizontal Property Law and, for purposes of the Master Deed and Kentucky Horizontal Property Law.

No future Board of Administration acting for and on behalf of the Council shall amend the Master Deed or adopt or amend any Bylaws which would hinder, obstruct, or jeopardize Developer's interest in the present or future development of the condominium project.

The Units are shown on plans recorded in the Office of the Clerk aforesaid in Apartment Ownership Book \_\_\_\_, Pages \_\_\_\_ through \_\_\_\_.

C. Common Interest. The undivided percentage of common interest for each Unit, including voting, is shown in Exhibit B, attached hereto and made a part hereof by reference, and same may be amended from time to time by instruments recorded in the Office of the County Clerk.

D. Easements. The Units and Common Elements shall have and be subject to the following easements:

1. An easement for any maintenance, repair and replacement of any and all pipes, wires, conduits, or other utility lines running through or under any Unit, which facilities are utilized for or serve more than that Unit, said facilities being a part of the General Common Elements.

2. An easement for ingress and egress for the maintenance, repair and replacement of any load bearing wall located within a Unit.

3. If any part of the General Common Elements encroaches upon any Unit or Limited Common Element, a valid easement for such encroachment, the maintenance, repair and replacement thereof, so long as it continues, shall and does exist. If in the event any building of this Project shall be partially or totally destroyed and then rebuilt, minor encroachments of any parts of the General Common Elements due to reconstruction shall be permitted, and valid easements for such encroachments and of maintenance, repair and replacement thereof shall exist.

4. An easement for ingress and egress and maintenance in favor of any public utility providing utility service to the Condominium Project for the purpose of maintenance, repair, and replacement of the facilities and equipment necessary to provide said services, said utility to exercise this right in a reasonable manner.

5. An easement in favor of the Council of Co-owners, exercisable by the Board of Administration and its agents, to enter any Unit and any Limited Common Element from time to time during reasonable hours, as may be necessary for the operation of the Condominium Project or, in the event of emergency, at any time for necessary action to prevent damage to any part of the Project. This easement shall include the right of entry to enforce the rules and regulations of the Board.

6. Easements of record affecting the Project property as shown on the recorded plans.

7. In addition, Developer may, until it relinquishes control and thereafter the Board representing the Council of Co-Owners may, authorize its President or Vice-President to execute documents to grant easements for utility or roadway purposes for the benefit of the Condominium Project or any parts thereof.



E. Partition. The General Common Elements and Limited Common Elements, shall remain undivided and shall not be the object of any action for partition or division of any part thereof except as provided by the Horizontal Property Law of Kentucky.

F. Restrictions. The Units and the Common Elements shall be subject to the following restrictions, which restrictions shall be permanent:

1. The Unit shall be used only for residential purposes, as the case may be, and shall be subject to such limitations and conditions as may be contained herein, or in the By-Laws of the Council of Co-Owners, or any Project rules which may be adopted from time to time by the Board of Administration of the Council as to the use and appearance of the Units, the Limited Common Elements and General Common Elements.

2. Violation of this Declaration, the By-Laws or any rules of the Project property adopted by the Board of Administration, may be remedied by the Board, or its agent by legal action for damages, injunctive relief, restraining order, or specific performance.

3. In addition, an aggrieved Unit owner may maintain a legal action for similar relief.

4. Notwithstanding the residential restrictions above, the Developer shall be permitted to use unsold Units as models or sales offices.

5. No unit may be leased or rented and no unit may be occupied by a tenant, or other person who pays rent to the owner unless a copy of the lease and the names of the individuals who will be occupying the unit are first furnished to the Board of Administration.

6. Window treatments (blinds, draperies, etc.) that are visible from the exterior of the Unit shall be white or off-white unless approved in advance and in writing by the

Board or its designated agent.

G. Council of Co-Owners. The administration of the Project shall be vested in its Council of Co-Owners, consisting of all the Unit owners of the Project in accordance with the By-Laws of the Council. The owner of any Unit, upon acquiring title, shall automatically become a member of the Council and shall remain a member until such time as his ownership of such Unit, ceases for any reason, at which time his membership in the Council shall automatically cease.

The above paragraph notwithstanding, the administration of the Project, including the adoption and amendment of By-Laws, the amendment of this Master Deed, adoption of Project rules, assessment of Common Expenses, and all other matters relating to the governing of the Project, shall be vested in the Developer until the earlier of the following: (a) 60 days after all Units have been sold; (b) until seven (7) years after the date of this Master Deed; or (c) until the Developer within its sole discretion elects to surrender this power to the Unit owners. Until that time, the Developer shall constitute the Council of Co-Owners and the Board of Administration, and shall possess the irrevocable proxy of the Unit owners (which proxy each Unit owner gives the developer upon acceptance of a Deed to a Unit), all Unit owners agreeing to such administration by the Developer in accepting unit conveyances.

H. Administration of the Project. Administration of the Condominium Project, including the use, maintenance, repair, replacement and restoration of the Common Elements, and any additions and alterations to them, shall be in accordance with the provisions of the Kentucky Horizontal Property Law, this Master Deed, the By-Laws of the Council, and all Project Rules and Regulations adopted by the Board of Administration.

I. Board of Administration.

1. Administration of the Condominium Project shall be conducted for the Council by a Board of Administration (the Developer during the period outlined in Section G) who shall be chosen by the Council in accordance with the By-Laws.

2. Developer shall at least thirty (30) days prior to relinquishing control call the first annual meeting of the Council of Co-Owners for the purpose of conducting such business as may be appropriate and the election of three (3) Directors to take office at such meeting, being two (2) for a term of one (1) year and one (1) for a term of not more than two (2) years, the length of terms of the first Directors elected shall be determined by lot at the Board's first meeting. All nominations shall be received by the Secretary at least ten (10) days before said election, provided, however, that the Board may elect to permit at the annual meeting nominations from the floor. Thereafter, annual meetings of the Council of Co-Owners shall be held each year at a time and date chosen by the Board of Administration, and shall include election of the Directors for two (2) year terms to fill the seats of those whose terms expire at such meeting. The date for annual meetings may be changed by the By-Laws. The Board of Administration (herein referred to as "Board") shall be composed of not more than three (3) members, all of whom shall be Unit owners except in the event a Unit owner is a legal entity other than an individual, any officer, director, shareholder, partner, beneficiary or trustee of such other entity shall be eligible to serve as a Director or Member of the Board. The Officers of the Council shall be a President, Vice President, Secretary and Treasurer provided the offices of Vice President and Secretary may be combined into one office to be held by one person. All Officers shall be elected by a majority vote of the Board of Directors from among its members and shall hold office until the following annual meeting unless sooner relieved of

their duties in accordance with the By-Laws.

3. Developer's rights as a Unit Owner shall not affect its rights to exercise the votes allocated to Units owned by it or the eligibility of its officers or representatives to serve as Directors or Officers of the Project after Developer's transfer of control of the Regime to the Council of Co-Owners. Except for the Developer, only Unit owners whose assessments and other obligations to the Council then have been paid in full shall be qualified to vote.

4. Developer until transfer of control to the Board and thereafter the Board shall, among other things, and at the cost of the Council be responsible for:

- a) The use, repair and maintenance of the Regime;
- b) The cleanliness and sanitary condition of the Regime including grass cutting and snow removal;
- c) Maintaining the Regime as a first-class condominium project and the adoption of any Rules and Regulations deemed necessary to provide for the beneficial, proper and harmonious use and conduct of the Regime; and
- d) Enforcing the terms of this Master Deed, the By-Laws, and Project Rules and Regulations.

J. Maintenance.

1. Developer, prior to relinquishment of its administration, and thereafter the Board of Administration shall levy and collect appropriate special assessments and monthly maintenance fees for the operation of the Condominium Project in accordance with KRS 381.870 for which a lien is created on each Unit pursuant to KRS 381.883 and Section M of this Master Deed. The power is hereby further granted such levying authority to impose monthly late charges of not more than fifteen percent (15%) against any Unit which is more than ten (10) days delinquent in the payment of any monthly maintenance charges plus interest thereon at a rate of one and one-half

percent (1 1/2%) per month until paid.

2. The monthly maintenance fees set out herein for common expenses shall be based on each Unit's proportionate share of the common expenses for the proper operation of the Regime. Non-use of any of the common elements shall not exempt any Unit from bearing its proportionate share of the common expenses or from its liability for full payment of its share of the monthly maintenance fees or special assessments levied by the Board or the Council of Co-Owners. It is expressly provided however that Units owned by the Developer shall not be subject to payment of monthly maintenance fees and/or special assessments until the earlier of, (1) the date the Unit is occupied as a single family residence (2) the date Developer transfers title to a person who intends to occupy the Unit as a single family residence, or (3) the date a final certificate of occupancy, or similar final certification, is issued by or could be, if requested, obtained from the governmental agency that issues same.

3. The Board shall, subject to the approval of a majority of the Council of Co-Owners in attendance at the meeting at which a quorum is present, each year estimate the common expenses of the Regime for the next year. Thereupon it shall determine the portion of such common expenses attributable to each Unit and proceed to levy and collect same from each Owner one-twelfth of such amount monthly. Should no such determination be formally made for any year the monthly assessments for each Unit for the previous year shall be levied and remain in effect until changed by the Board with the approval of a majority of the Council of Co-Owners. As used herein "year" shall mean fiscal year, the first day of which shall commence the first day of the first month after transfer by Developer of its administration of the Project to the Council of Co-Owners.

4. A portion of each monthly maintenance fee as determined by the Board (or Developer) shall be designated as a reserve and capital replacement fund, but need not be maintained in a separate bank account. Disbursements from said Fund shall be made only for substantially repairing, replacing or erecting major capital improvements of or upon the General or Limited Common Elements. Routine maintenance shall be paid from that portion of the monthly maintenance fund allocated to the monthly operation of the Project.

K. Professional Management. Developer may prior to its relinquishment of the administration of the Regime and thereafter the Council of Co-Owners acting by and through the Board may employ a professional manager to handle the operation of the Regime under the direction of and subject to the approval of the Board (or Developer) provided the management agreement be terminable for cause upon 30 days notice and run for a reasonable period of time of from one to three years and provided further that any management contract negotiated by Developer prior to its relinquishment of control shall not exceed one year. Any management contracts negotiated by the Board may be renewable by consent of the Board and management.

L. Waiver Of Use Of Common Elements. No Unit owner may exempt himself for liability for his contribution towards the Common Expenses by waiver of the use or enjoyment of any of the Common Elements or by abandonment of his Unit.

M. Unpaid Common Expenses Constitute Lien. All sums assessed for Common Expenses shall constitute a lien on the Units, prior to all other liens except (1) liens for taxes and assessment lawfully imposed by governmental authorities against such Units, and (2) the lien of a first mortgage. Such lien may be enforced by suit by the Council or the Board of Administration, its

Administrator or Agent, acting on behalf of the Council, in like manner as a mortgage of real property, provided that fifteen (15) days' written prior notice of intention to sue to enforce the lien shall be mailed, postage prepaid, to all persons having an ownership interest in such Unit as shown on the Council's record of ownership. The Council shall have the power to bid on such Unit at judicial sale and to acquire, hold, lease, mortgage and convey such Unit. Suit to recover a money judgment for unpaid Common Expenses shall be maintainable without judicial lien enforcement and without waiving the lien securing same.

N. Acquisitions at Judicial Sale. Where the mortgagee of a first mortgage of record or other purchaser of any Unit obtains title to such Unit as a result of the judicial enforcement of the mortgage, such party and his successors shall not be liable for unpaid assessments on the share of Common Expenses which become due and payable prior to such acquisition of title, except for any amount available from the proceeds of sale. Such unpaid shares of Common Expenses shall be deemed to be Common Expenses collectible from all Unit owners, including such new owner.

O. Insurance.

1. The Board of Administration shall obtain and maintain in full force and effect at all times property damage insurance on the Condominium Project in an amount equal to the full replacement value thereof which value shall be determined annually by the Council. Replacement value as used herein shall be determined without deduction or allowance for depreciation, but such insurance may contain a deductible amount determined by the Board.

Such coverage shall afford the following minimum protection:

Loss and damage by fire or other hazards covered by the standard extended coverage endorsement, as well as vandalism and malicious mischief and such other property damage

insurance as the Board consider appropriate.

2. In addition to the insurance set out above, the Board shall also obtain and maintain in full force at all times the following insurance:

- (a) Public liability insurance in such form and in such amounts as may be considered appropriate by the Board.
- (b) Workers Compensation insurance to the extent necessary to comply with applicable laws.
- (c) Such other insurance as is or shall hereafter be considered appropriate by the Board.

3. All policies purchased by the Board shall provide that same may not be canceled or substantially modified without at least 30 days prior written notice to the Board, all mortgagees of the Co-Owners and any and all other insureds named thereon. All policies shall contain a mutual waiver of subrogation between the Council of Co-Owners and all individual Unit owners.

4. All premiums for insurance coverage as set out herein shall be a common expense to be paid by the monthly assessments levied by the Council of Co-Owners against each of the Co-Owners in accordance with their respective percentages of interest as set forth herein and in any amendments hereto, provided, should the amount of any insurance premium be affected by the use of any particular Unit, the Co-Owners of such unit, shall be required to pay any increase resulting from such use. Developer shall pay its pro rata portion of insurance covering unsold Units.

5. The Board shall have the exclusive authority to adjust any losses under the said insurance policies, provided, in no event shall the insurance coverage obtained and maintained by the Council of Co-Owners be brought into contribution with any insurance purchased by individual Co-Owners or their mortgagees. At his own expense, each Co-Owner may obtain



additional insurance upon his Unit provided no such insurance shall decrease the amount the Council of Co-Owners may realize under any of its insurance policies. All insurance proceeds resulting from damage or destruction payable to Unit Owners and mortgagees shall be deemed assigned to the Board representing the Council of Co-Owners. Said Board shall immediately deposit all proceeds in a separate account in an insured bank or thrift institution selected by the Board. The Board shall, with qualified supervision, oversee all repairs and all reconstruction. Disbursements shall be made from said trust account as reconstruction and repairs are made only with the approval of a majority of the members of the Board using standard construction disbursement procedures. In the event insurance proceeds are insufficient to cover the costs of reconstruction or repairs relating to the General Common Elements and Limited Common Elements, such portion of the costs not so covered shall be paid by the Co-Owners as a common expense. The Board acting on behalf of the Council in accordance with KRS 381.890(2) is hereby authorized to borrow funds therefor and to amortize the payment of same over a period of time not exceeding the reasonable life of the reconstruction or repairs.

P. Voting and Voting Percentages. The term "majority" or "majority of Unit Owners" used herein or in the By-Laws shall mean the owners of the Units to which are appurtenant more than fifty percent of the percentage of common interest of those owners who are present at a meeting at which there is a quorum. Any specified percentage of Unit owners means the owners of Units to which are appurtenant such percentage of the common interest. Where a Unit is jointly owned or owned as tenants in common by one or more persons, the vote for that Unit may be cast by one of said owners without the necessity of obtaining a proxy. Where the joint owners or common owners of one Unit cannot agree on a vote, the vote applicable to that Unit shall be divided pursuant

to ownership interest. Owners shall be entitled to vote at Council meetings in person or by written proxy.

Q. Amendment of Declaration. Except as otherwise provided herein, or in said Horizontal Property Law, this Master Deed may be amended by the Developer prior to it relinquishing control and thereafter by signatures of seventy-five percent of the Unit owners. Amendments shall be effective only upon recording of the signed instrument setting forth the amendment.

R. Incorporation of Council of Co-Owners. The Council of Co-Owners may (but is not so required) incorporate itself as a non-stock, non-profit corporation, in the administration of the Project with the membership and voting rights on such corporation being the same as membership and voting rights hereinabove established for the Council.

S. Bylaws. The Bylaws are attached hereto.

T. FHLMC, FNMA, HUD, FHA, VA Compliant. It is the intention of the Developer that the terms and conditions of this Master Deed shall comply with all rules, regulations and guidelines of FHLMC, FNMA, HUD, FHA and VA and that any term or condition herein which is in conflict with any rule, regulation or policy of FHLMC, FNMA, HUD, FHA or VA shall be deemed amended and interpreted so as to remove any inconsistency or conflict with the aforementioned rules, regulations and policies.

U. Mortgage Approval. National City Bank, as mortgage lien holder, joins in this instrument for the limited purpose of indicating its consent hereto.

WITNESS the signature of the Developer by its duly authorized officer the day and year first above written.

NATIONAL CITY BANK  
(MORTGAGEE)

CHAMBERLAIN LANE DEVELOPMENT, LLC  
(Developer)

By: [Signature]

By: [Signature]  
George M. Williamson, Member

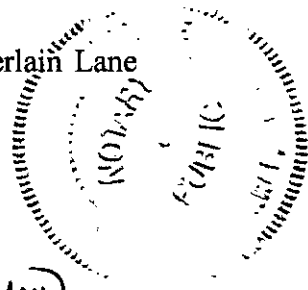
COMMONWEALTH OF KENTUCKY )  
  ) ss.  
COUNTY OF JEFFERSON                    )

Acknowledged before me by George M. Williamson, as Member of Chamberlain Lane Development, LLC, this 20th day of October, 2006.

My commission expires: \_\_\_\_\_

**STEPHEN G CORZINE**  
Notary Public, State of Largs, KY  
My Commission Expires August 22, 2010

[Signature]  
Notary Public



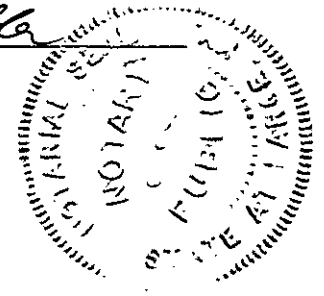
COMMONWEALTH OF KENTUCKY )  
  ) ss.  
COUNTY OF JEFFERSON                    )

Acknowledged before me by Stephen G. Corzine, as SVP of National City Bank, this 20th day of October, 2006.

My commission expires: 7-12-2008

[Signature]  
Notary Public

Notary Public, State of Largs, KY  
My Commission expires July 12, 2008



This instrument prepared by:

[Signature]

Harold W. Thomas  
THOMAS, DODSON & WOLFORD, PLLC  
9200 Shelbyville Road, Suite 611  
Louisville, Kentucky 40222  
(502) 426-1700

**PROPERTY DESCRIPTION****(EXHIBIT A)**

BEGINNING at a point, said point being an iron pipe in the easterly right-of-way line of Chamberlain Lane (as relocated), a distance of 160 feet South 50 degrees 35 minutes 32 seconds West of the intersection of the easterly right-of-way line of Chamberlain Lane (as relocated) and the easterly right-of-way line of Sevenoaks Drive; thence from the point of beginning; North 64 degrees 23 minutes 43 seconds East a distance of 356.88 feet to a point; thence South 15 degrees 29 minutes 39 seconds East a distance of 231.87 feet to a point, thence South 39 degrees 35 minutes 02 seconds West a distance of 190.16 feet to a point in the easterly right-of-way line of Chamberlain Lane (as relocated) thence along the aforementioned line of Chamberlain Lane (as relocated) a distance of 339.88 feet to the point of beginning. Being also designated as Tract 1 on the Minor Subdivision Plat attached to a deed dated December 16, 1985 and recorded on December 16, 1985 in Deed Book 5547, Page 567, in the Office of the County Court Clerk of Jefferson County, Kentucky.

Being the same property conveyed to Chamberlain Square Developer, LLC by deed, dated July 20, 2006, recorded in Deed Book 8871, Page 774, in the Office of the Clerk aforesaid.

**Recorded In Condo Book**  
 No. 117 Page 50857  
 Part No. 2335

Document No.: DN2006176016  
 Lodged By: thomas dodson  
 Recorded On: 11/01/2006 03:04:58  
 Total Fees: 58.00  
 Transfer Tax: .00  
 County Clerk: BOBBIE HOLSCLOW-JEFF CO KY  
 Deputy Clerk: DONREI

**END OF DOCUMENT**

**FIRST**  
**AMENDMENT TO MASTER DEED**  
**FOR**  
**CHAMBERLAIN SQUARE CONDOMINIUMS**

THIS DECLARATION is made and entered into this 3<sup>rd</sup> day of November, 2006, by Chamberlain Square Developer, LLC a/k/a Chamberlain Lane Development, LLC, a Kentucky limited liability company, hereinafter referred to as "Developer".

WITNESSETH;

WHEREAS, the Developer acquired certain property in Oldham County, as referenced in deed, dated July 20, 2006, of record in Deed Book 8871, Page 774, in the office of the County Clerk of Jefferson County, Kentucky; and

WHEREAS, the Developer submitted a part of the above-referenced property to the condominium form of ownership and use by Master Deed dated October 20, 2006, of record in Deed Book 8929, Page 882, in the office of the Clerk aforesaid; and

WHEREAS, the Developer now desires to amend the aforementioned Master Deed to incorporate and attach the attached Exhibit B, which was inadvertently not attached to the original Master Deed.

NOW, THEREFORE, pursuant to the power retained in the aforementioned Master Deed, the Developer does hereby amend the aforementioned Master Deed to incorporate and attach thereto the attached "Exhibit B".

The percentage of ownership of each unit in Chamberlain Square Condominiums is hereby amended as shown on the attached Exhibit B, which is incorporated herein and incorporated in the original Master Deed by this reference.

IN TESTIMONY WHEREOF, witness the signature of the Developer, the day and year first above written.

CHAMBERLAIN SQUARE DEVELOPER, LLC

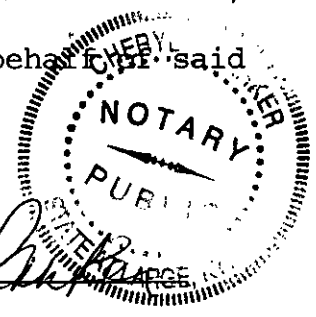
By: [Signature]  
George M. Williamson, Member

COMMONWEALTH OF KENTUCKY )  
 ) ss.  
COUNTY OF JEFFERSON )

The foregoing instrument was acknowledged before me this 3rd day of Nov., 2006, by George M. Williamson, as a member of Chamberlain Square Developer, LLC, on behalf of said limited liability company.

My commission expires: Feb 20, 2010

[Signature]  
Notary Public



This instrument prepared by:  
[Signature]  
Harold W. Thomas  
THOMAS, DODSON & WOLFORD, PLLC  
9200 Shelbyville Road, Suite 611  
Louisville, Kentucky 40222  
(502) 426-1700

**Exhibit "B"**  
**Percentage Interest of Each Unit in Common Elements**

<u>Building No.</u>		<u>Area in Sq. Ft.</u>	<u>Percentage Interest</u>	
1	Unit A	3801	781.12	3.1819%
	Unit B		974.20	3.9684%
	Unit C		780.73	3.1803%
	Unit D		972.60	3.9619%
2	Unit A	3803	780.53	3.1795%
	Unit B		973.92	3.9673%
	Unit C		778.94	3.1730%
	Unit D		974.63	3.9702%
3	Unit A	3805	780.36	3.1788%
	Unit B		972.59	3.9619%
	Unit C		781.46	3.1833%
	Unit D		973.34	3.9649%
4	Unit A	3807	780.71	3.1802%
	Unit B		972.85	3.9629%
	Unit C		780.18	3.1781%
	Unit D		972.85	3.9629%
5	Unit A	3809	780.63	3.1799%
	Unit B		972.19	3.9602%
	Unit C		780.67	3.1801%
	Unit D		973.37	3.9650%
6	Unit A	3811	780.89	3.1810%
	Unit B		972.06	3.9597%
	Unit C		780.67	3.1801%
	Unit D		972.20	3.9603%
7	Unit A	3813	780.03	3.1775%
	Unit B		972.35	3.9609%
	Unit C		779.97	3.1772%
	Unit D		972.82	3.9628%

**Total : 28 Units                      24548.86 Sq. Ft.                      100.0000%**

Document No.: DN2006181027  
 Lodged By: thomas dodson  
 Recorded On: 11/09/2006 10:36  
 Total Fees: 13.00  
 Transfer Tax: .00  
 County Clerk: BOBBIE HOLSCLOW-JEFF C  
 Deputy Clerk: CARHAR

**END OF DOCUMENT**

2

**SECOND**  
**AMENDMENT TO MASTER DEED**  
**FOR**  
**CHAMBERLAIN SQUARE CONDOMINIUMS**

THIS DECLARATION is made and entered into this \_\_\_\_ day of April, 2007, by Chamberlain Square Developer, LLC a/k/a Chamberlain Lane Development, LLC, a Kentucky limited liability company, hereinafter referred to as "Developer".

WITNESSETH;

WHEREAS, the Developer acquired certain property in Jefferson County, as referenced in deed, dated July 20, 2006, of record in Deed Book 8871, Page 774, in the office of the County Clerk of Jefferson County, Kentucky; and

WHEREAS, the Developer submitted a part of the above-referenced property to the condominium form of ownership and use by Master Deed dated October 20, 2006, of record in Deed Book 8929, Page 882, and First Amendment to Master Deed dated November 3, 2006 of record in Deed Book 8934, page 922 in the office of the Clerk aforesaid, and with condominium plat recorded in Apartment Ownership Book 117, Pages 50 and 51, in the office of the Clerk aforesaid; and

WHEREAS, the Developer now desires to file this amendment to the Master Deed in order to amend the aforementioned condominium plat and incorporate an amended plat,

NOW, THEREFORE, pursuant to the power retained in the



aforementioned Master Deed, the Developer does hereby amend the  
aforementioned original condominium plat to incorporate the amended  
plat recorded in Apartment Ownership Book 119, Pages 52 through  
53, in the office of the Clerk aforesaid.

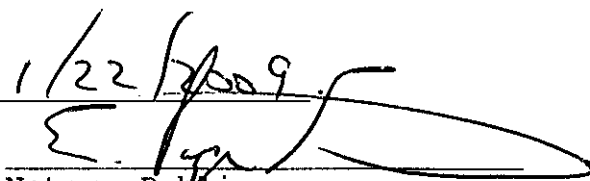
IN TESTIMONY WHEREOF, witness the signature of the  
Developer, the day and year first above written.

CHAMBERLAIN SQUARE DEVELOPER, LLC


By:   
George M. Williamson, Member

COMMONWEALTH OF KENTUCKY )  
  ) ss.  
COUNTY OF JEFFERSON                                 )

The foregoing instrument was acknowledged before me this  
27 day of April, 2007 by George M. Williamson, as a member of  
Chamberlain Square Developer, LLC, on behalf of said limited  
liability company.

My commission expires: 1/22/2009  
  
Notary Public

This instrument prepared by:

  
Harold W. Thomas  
THOMAS, DODSON & WOLFORD, PLLC  
9200 Shelbyville Road, Suite 611  
Louisville, Kentucky 40222  
(502) 426-1700

Document No.: DN2007070098  
Lodged By: SALTERS  
Recorded On: 05/01/2007 02:42:17  
Total Fees: 13.00  
Transfer Tax: .00  
County Clerk: BOBBIE HOLSCAW-JEFF CO KY  
Deputy Clerk: TERNIG

**Recorded in Condo Book**  
No. 119 Page 52-53  
Part No. 2410

END OF DOCUMENT

**BY-LAWS OF THE COUNCIL OF CO-OWNERS**  
**OF**  
**CHAMBERLAIN SQUARE CONDOMINIUMS**

The following By-Laws are hereby adopted by Chamberlain Lane Development, LLC (Developer) and shall apply to the above-named condominium regime (herein called the "Regime"), located in Jefferson County, Kentucky, as described in and created by Master Deed for Chamberlain Square Condominiums (herein called the "Master Deed") recorded in the Office of the County Clerk of Jefferson County, Kentucky as same may be amended from time to time and to all present and future owners, tenants and occupants of any units of the Regime and all other persons who shall at any time use the Regime.

ARTICLE I

Membership.

Section 1. Qualifications. All owners of units of the Regime shall constitute the Council of Co-Owners, herein called "Council". The administration of the Regime shall be vested in the Council and shall also be known as "Chamberlain Square Condominiums Council of Co-Owners" (which may hereafter be referred to as "Council"). The owner of any unit upon acquiring title thereto shall automatically become a member of the Council and shall remain a member thereof until such time as his ownership of such unit ceases for any reason, at which time his membership in the Council shall automatically cease. As used throughout these By-Laws the term "unit" shall be deemed to refer to units designed for single family residential purposes and the term "Unit Owner" shall be deemed to refer to the owners of units designed for residential use.

Section 2. Place of Meetings. Meetings of the Council shall be held in Jefferson County at a place convenient to the unit owners as designated by the Board of Administration.

Section 3. Annual Meetings. Annual meetings of the Council shall be held each year at a time chosen by the Board of Administration.

Section 4. Special Meetings. Special meetings of the Council may be held at any time upon the call of the President or a petition signed by at least twenty-five percent (25%) of the unit owners and presented to the Secretary following surrender of Developer's control.

Section 5. Notice of Meetings. The Secretary, or a professional management company, shall give written or printed notice of each annual and special meeting to every unit owner according to the Council's record of ownership at least five days before the date set for such meeting, stating whether it is an annual or special meeting, the authority for the call thereof, the place, day and hour of such meeting and the purpose therefor, in any of the following ways: (a) by delivering it to him personally, or (b) by leaving it at his unit in the Regime or at his usual residence or place of business, or (c) by fax transmission, e-mail or mailing it, postage prepaid, addressed to him at his address as it appears on the Council's record of ownership. If notice is given pursuant to the provisions of this section, the failure of any unit owner to receive actual notice of any meeting shall in no way invalidate such meeting or any actions taken. The presence of any unit owner in person or by proxy at any meeting shall be deemed a waiver of any required notice to such owner unless he shall at the opening thereof object to the holding of such meeting because of the failure to give notice in accordance with the provisions hereof.

Section 6. Quorum. The presence at any meeting in person or by proxy of twenty-five

percent (25%) of the percentage interests of the unit owners shall constitute a quorum, and except for removal of officers or directors and amendments to the Master Deed or these By-Laws, the acts of a majority of the unit owners present, in person or by proxy, at any meeting at which a quorum is present shall be the acts of the Council. In the event that a quorum is not present, any action which may have been taken at the meeting had a quorum been present, may be taken if within thirty (30) days following such meeting, or an adjourned meeting held pursuant to Section 9 at which a quorum is not present, a majority of the council of co-owners consents to the action by executing a writing signifying their approval.

Section 7. Voting. Each unit shall be entitled to a vote equal to its percentage interest as set forth in the Master Deed. Except for the Developer, only Unit Owners whose assessments and other obligations to the Association then have been paid in full for all fees and assessments due prior to the month of the meeting shall be qualified to vote. Votes may be cast in person or by written proxy communicated by signature, fax or e-mail by the respective qualified Unit Owners as shown in the record of ownership of the Council. An executor, administrator, guardian or trustee may vote in person or by proxy at any meeting of the Council the vote for any unit owned or controlled by him in such capacity, whether or not the same shall have been transferred to his name in the Council's record in ownership, provided that he shall first present evidence satisfactory to the Secretary that he owns or controls such unit in such capacity. If there is more than one Owner of a unit, only one of the Owners will be permitted to vote on matters before the Council. However, the vote or the signature, as the case may be, of one Owner per unit will be sufficient to cast the vote for all of the Owners of that unit without the necessity of obtaining a proxy or other authorization. If the owners of a unit disagree as to the unit's vote and such disagreement is make known to the Board of

Directors, then such owners shall each be permitted to cast a fractional vote corresponding to their respective ownership interest in the unit. In the event that a unit is owned in joint tenancy or tenancy by the entirety and in the event that the joint tenants disagree as to the manner of their vote and such disagreement is made known to the Board of Directors, the joint owners shall each be permitted to cast a one-half fractional vote.

Section 8. Proxies and Pledges. The authority given by any unit owner to another person to represent him at meetings of the Council shall be in writing, signed by such owner and filed with the Secretary at the commencement of any meeting in which the vote of the proxy shall be exercised and shall expire upon adjournment thereof. A new proxy needs to be submitted prior to each meeting in which it will be exercised. Such authority shall be revoked by the death or mental incapacity of such owner. Voting rights transferred or pledged by mortgage, deed of trust or agreement of sale or lease of any unit or interest therein, a true copy of which is filed with the Board through the Secretary shall be exercised only by the person designated in such instrument until the written notice of release or other termination thereof is filed with the Board in like manner.

Section 9. Adjournment. Any meeting of the Council may be adjourned from time-to-time to such place and time as may be determined by majority vote of the unit owners present, whether or not a quorum is present, without notice other than the announcement at such meeting. At any such adjourned meeting a quorum must be present for any business to be transacted by the Council.

## ARTICLE II

### Board of Administration

Section 1. Number and Qualifications. The affairs of the Council and the Regime shall be governed by a Board of Administration (herein referred to as the "Board") composed of three (3)

members. All members of the Board shall be Unit Owners except in the event a Unit Owner is a legal entity other than an individual, any officer, director, shareholder, partner, beneficiary or trustee of such other entity shall be eligible to serve as a Director or Member of the Board. If there is more than one Owner of a unit only one of the Owners will be permitted to serve on the Board of Directors at any given time. The Board members shall serve without compensation unless otherwise authorized by the Council of Co-Owners.

Section 2. Powers. The Board shall have all powers necessary for the administration of the affairs of the Council and may do all such acts and things therefor as are not by law, the Master Deed, these By-Laws or Rules and Regulations of the Regime directed to be exercised or done only by the Unit Owners. The Officers and Directors of the Board shall each have one vote in matters coming before the Board and they shall also be in the respective Officers and Directors of the Council of Co-Owners, if same is at any later date incorporated as a non-profit Kentucky Corporation.

Section 3. Election and Term. Election of Board members shall be by secret ballot at annual meetings and any special meetings called for the purpose. The Owner of each unit entitled to vote at such election shall have the right to cast, in person or by proxy, one vote for each unit owned by him for Board members to be elected at such election. All nominations shall be submitted to the Secretary at least ten (10) days before said election, provided, however, that the Board may elect to permit at the annual meeting nominations from the floor. Members of the Board of Directors shall hold office for a period of two years and until their respective successors have been elected, with the exception of two (2) of the Directors elected at the first annual meeting, who shall hold office for a term of one year in accordance with the provisions of the Master Deed. Board Members shall be

subject to removal as herein provided.

Section 4. Vacancies. Vacancies in the Board of Administration caused for any reason shall be filled by vote of a majority of the remaining directors, even though they may constitute less than a quorum, and each person so elected shall serve out the term of the director whom he replaced. Death, incapacity or resignation of any director, or his continuous absence from the State of Kentucky for more than six (6) months shall cause his office to become vacant.

Section 5. Removal of Board Members. At any regular or at a special meeting of the Council duly called, any one or more of the directors may be removed with or without cause by vote of two-thirds of the Unit Owners and a successor may then and there be elected to fill the vacancy thus created. Any director whose removal has been proposed by the Unit Owners shall be given an opportunity to be heard at such meeting.

Section 6. Annual Meeting. An organizational meeting of the Board of Administration may be held at the place of and as soon as practical following each annual meeting of the Council, and no notice shall be necessary to any Board members in order validly to constitute such meeting, provided that a majority of the whole Board shall be present. At such meeting, the Board shall elect the Officers of the Council for the ensuing year.

Section 7. Regular Meetings. Regular meetings of the Board of Administration may be held at such time and place as shall be determined from time to time by a majority of the Board members, but at least one such meeting shall be held each year. Notice of regular meetings of the Board shall be given to each Board member personally or by mail, telephone, fax or e-mail at least two (2) days prior to the date of such meeting.

Section 8. Special Meetings. Special meetings of the Board of Administration may be called by the President on at least seven (7) days' notice to each Board member, given personally or by telephone or telegraph, which notice shall state the time, place and purpose of such meeting. Special meetings of the Board shall be called by the President or Secretary in like manner and with like notice on the written request of at least two Board members.

Section 9. Waiver of Notice. Before or at any meeting of the Board of Administration, any Board member may in writing waive notice of such meeting, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Board member at any meeting of the Board shall be waiver of notice to him of such meeting. If all the Board members are present at any meeting of the board, no notice thereof shall be required, and any business may be transacted at such meeting.

Section 10. Quorum of Board. At all meetings of the Board of Administration, a majority of the total members of the Board shall constitute a quorum for the transaction of business, and the acts of a majority present at any meeting at which a quorum is present shall be the Acts of the Board. If less than a quorum shall be present at any meeting of the Board, a majority of those present may adjourn the meeting from time to time. At any such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

Section 11. Fidelity Bonds. The board of Administration may require that any officer, employee or agent of the Council handling or responsible for its funds, shall furnish adequate fidelity bonds. The premiums on such bonds for officers and employees shall be paid by the Council.



## ARTICLE III

### Officers.

Section 1. Designation. The Officers of the Association shall be a President, Vice President, Secretary and Treasurer provided the offices of Treasurer and Secretary may be combined into one office to be held by one person.

Section 2. Election and Term. All officers of the Association shall be elected by a majority vote of the Board of Directors from among its members and shall hold office until the following annual meeting unless sooner relieved of their duties in accordance with the provisions contained within these By-Laws.

Section 3. Removal. Any officer may be removed either with or without cause by a two-thirds majority vote of the Board of Administration and his successor elected at any regular meeting or special meeting of the Board.

Section 4. President and Vice President. The President shall be chief executive officer of the Council of Co-Owners and shall preside at all meetings of the Council and the Board of Administration. Subject to the control of the Board, he shall exercise general supervision and direction over the management and conduct of the business and affairs of the Council. He shall also have such other powers and duties as may be provided by these By-Laws or assigned to him from time to time by the Board. The Vice President shall so serve in the absence of the President, and shall also perform such other duties as may be assigned by the Board or the President.

Section 5. Secretary. The Secretary shall attend and keep the minutes of all meetings of the Council and of the Board of Administration, give all notices thereof as provided by these By-Laws, maintain and record ownership of all units, have charge of such books, documents and records of the

council as the Board may direct, and shall also perform such other duties as may be assigned by the Board or the President.

Section 6. Treasurer. The Treasurer shall oversee and/or maintain the financial records and books of account of the council, prepare regular reports thereof, be responsible for the proper deposit and custody, in the name of the Council, of all its funds and securities, and shall also perform such other duties as may be assigned by the Board or the President.

Section 7. Auditor. The Board shall appoint annually an accountant or accounting firm, who shall not be an Officer of the Council nor own any interest in any unit, to review the books and financial records of the Council and, upon request by the Board Of Administration, perform an audit or compilation of such books and records.

#### ARTICLE IV

##### Administration.

Section 1. Management. The Board of Administration shall at all times manage and operate the Regime and have such powers and duties as may be necessary or proper therefor, including without limitation, the following:

- (a) The supervision of the immediate management and operation of the Regime;
- (b) The use, maintenance and repair of the Regime;
- (c) Inspection, maintenance, repair, replacement and restoration of the Common Elements and any additions and alterations thereto;
- (d) The cleanliness and sanitary condition of the Regime including grass cutting and snow removal of the primary roadway;

(e) Purchase, maintenance and replacement of any equipment and provide for all water and utility services required for the Common Elements;

(f) Provisions at each unit of all water, sewer, electricity and such other utility services and utilities as the Board shall deem necessary either at the expense of such unit or as a common expense as determined by the Board;

(g) Employment, supervision and dismissal of such personnel as may be necessary for the maintenance and operation of the Regime;

(h) Preparation at least sixty (60) days before each fiscal year of a proposed budget and schedule of assessments for such year;

(i) Levy and collect appropriate assessments and monthly maintenance fees for the operation of the Project and payment of all common expenses authorized by the Board: All funds shall be deposited with a federally insured institution;

(j) Maintenance of a separate account for a reserve and capital replacement fund to be used for substantially repairing, replacing or erecting major capital improvements of or upon the Common Elements, all withdrawals therefrom requiring two signatures;

(k) Purchase and maintain in effect all policies of hazard and liability insurance for the Regime required by the Master Deed, which insurance shall cover the unfinished interior walls of each unit, and such other insurance and bonds as may be required or authorized by the Master Deed or the Council or the Board;

(l) Contract with any persons, corporations or other entities to provide services to the Regime, provided no such contracts (other than insurance contracts and management agreements) shall be made which may not be terminate upon ninety (90) days written notice or upon thirty (30)

days written notice for cause;

(m) Notification to all persons having any vested ownership interest in any unit, according to the Council's record of ownership, of delinquency exceeding 30 days in payment of any assessment against such unit;

(n) Assignment and supervision of motor vehicle parking including the authority to make reasonable rules, fines and charges in regard thereto;

(o) Supervision of the use of the Common Elements;

(p) Maintenance of the Regime as a first-class condominium project and the adoption of any Rules and Regulations deemed necessary to provide for the beneficial, proper and harmonious use and conduct of the Regime;

(q) Enforcement of the terms of these By-Laws, the Master Deed and Rules and Regulations;

(r) The Board shall, subject to the approval of a majority of the Council of Co-Owners, each year estimate the common expenses of the Regime for the next year. Thereupon it shall determine the portion of such common expenses attributable to each Unit and proceed to levy and collect from each unit Owner one-twelfth of such amount monthly. Should no such determination be formally made for any year the monthly assessments for each Unit for the previous year shall be levied and remain in effect until changed by the Board with the approval of a majority of the Council of Co-Owners. As used herein "year" shall mean fiscal year adopted by the Council after transfer of control by the Developer.

Section 2. Managing Agent. The Board of Administration may employ a professional Managing Agent or Administrator to handle the operation of the Regime subject at all times to

direction by the Board, with all the administrative functions set forth specifically in preceding Section 1, and such other powers and duties, and at such compensation as the Board may establish. The management agreement must be terminable for cause upon 30 days notice and run for a reasonable period of time of not more than one year provided further that any management contract negotiated by Developer prior to its relinquishment of control shall not exceed one year. Any management contracts negotiated by the Board may be renewable by consent of the Board and management.

Section 3. Representation. The President, subject to the direction of the Board of Administration, shall represent the Council or any two or more Unit Owners similarly situated as a class in any legal proceeding affecting the Council, the Common Elements or more than one unit, and may participate in such proceedings without limiting the rights of any Unit Owners to participate individually.

Section 4. Execution of Instruments. All checks, drafts, notes, acceptances, conveyances, contracts and other instruments shall be signed on behalf of the Council by the President (in the President's absence, by the Vice President), the Treasurer or the Managing Agent, except that those accounts or certificates in which the reserve and capital replacement funds are deposited shall require two signatures for withdrawal.

## ARTICLE V

### Obligations of Unit Owners.

Section 1. Assessments. Except for the Developer [whose obligation to pay maintenance fees are governed by Section J(2) of the Master Deed] all unit owners shall pay to the Board of Administration, or if a Managing Agent is appointed, to the Managing Agent, in advance, on the first

day of each and every month the monthly assessments against their respective units for common expenses of the Project in accordance with the Master Deed. The assessment is delinquent if not received on or before the fifth day of the month that it is due. In the event any Unit Owner is delinquent in the payment of any monthly assessment for a period in excess of ten (10) days, a late charge equal to fifteen percent of the delinquent assessment shall become due and payable and interest shall thereafter accrue at the rate of one and one-half (1-1/2%) per month unit paid. In addition, the Board may, from time to time, post in a conspicuous place upon the Common Elements the names of such delinquent Unit Owners and the delinquent amounts.

Section 2. Maintenance of Units. It shall be the duty of every Unit Owner to repair and replace at the owner's expense, all portions within his unit including, but not limited to, water, sewer, telephone and electric lines, cable television, painting, carpeting, papering, drywall, appliances and fixtures, including plumbing fixtures, and heating and air-conditioning equipment, smoke alarms and security systems, except as otherwise provided by law or the Master Deed. All pipes and ducts for heating and air-conditioning, screens and windows, window frames and window panes, and any and all other equipment or improvements serving only one particular unit shall be maintained, repaired or replaced at the expense of that Unit Owner although located in a General or Limited Common Area. The Unit Owner shall be liable for any loss or damage whatsoever caused by his failure to perform any such work diligently, and, in case of such failure after reasonable notice to perform, shall reimburse to the Council promptly on demand all expenses incurred by it in performing any such work authorized by the Board of Administration or the Managing Agent. In addition, each Unit Owner shall keep clean all windows and patios. Every Unit Owner and occupant shall reimburse the Council promptly on demand for all expenses incurred by the Council in repairing or replacing any

loss or damage to the Common Elements, where caused by such owner or occupant or by their guests or members of their households, or incurred for cleaning or repairing appurtenant limited Common Elements. They shall give prompt notice to the Board of Administration or Managing Agent of any loss or damage or other defect in the Regime when discovered.

Section 3. Use of Regime.

(a) Each unit of the Regime designed for residential purposes shall be used only for one-family residential purposes, provided however that Unit Owners shall not be prohibited from carrying on a home occupation as a secondary use within the same dwelling, in connection with which there is no person employed other than a member of the family residing on the premises, there is no advertising or any other display which will indicate from the exterior that the building is being used for any purpose other than that of a dwelling, there are no retail sales on the premises, no more than 10% of the total floor area of the Unit is used.

(b) All Common Elements of the Regime shall be used only for their respective purposes as designed.

(c) No Unit Owner or occupant shall place, store or maintain in the Common Elements, any furniture, packages or objects of any kind or otherwise obstruct transit through such Common Elements or permit said elements to be unsightly or disorderly.

(d) Every Unit Owner and occupant shall at all times keep his unit and any Limited Common Element appurtenant thereto (including all windows) in a strictly clean and sanitary condition and observe and perform all laws, ordinances, rules and regulations now or hereafter made by any governmental authority, the Council or the Board of Administration applicable to the Regime.

(e) No Unit Owner or occupant shall make or suffer any waste or unlawful, improper or offensive use of his unit or the Regime nor alter or remove any furniture, furnishings or equipment of the Common Elements.

(f) No nuisances shall be allowed on the Regime nor shall any use or practice be allowed which is a source of annoyance to its residents or which interferes with the peaceful possession or proper use of the Regime by its residents. No immoral, improper, offensive or unlawful use shall be made of the Regime.

(g) All draperies shall be lined in an "off-white" color, or plain white and all window treatments (blinds, draperies, etc.) of any other color that are visible from the exterior of the unit must be approved in advance and in writing by the Board or its designated agent.

(h) There shall be no changes, alterations or additions to the building made on the outside of any Owner's Unit and no portion of the Common Elements shall be altered or removed without the Board's consent.

(i) Each Unit Owner shall maintain his or her patio, if any, in a neat and clean condition and, after use of the outdoor fireplace and barbecue grill, will be responsible to leave the same in a clean and orderly condition.

(j) No signs, posters or bills may be placed or maintained in the Regime unless approved by a majority of Unit Owners, except that an owner may place and maintain one "FOR SALE" sign in the window of their unit for a reasonable time, not to exceed two (2) feet by one (1) foot in size. No other "directional arrows" or "FOR SALE" signs shall be permitted unless approved in advance by the Board in writing.



(k) All occupants shall exercise extreme care about making noises and in the use of musical instruments, radios, televisions and amplifiers that may disturb other occupants.

(l) No garments, rugs, or other objects shall be hung from windows of the Regime or in other areas within view of other occupants.

(m) No rugs other objects shall be dusted or shaken from windows of the Regime or in other areas within view of other occupants.

(n) No pets, other than one dog of less than thirty (30) pounds, caged birds, fish, or one cat may be kept in any Unit and no pets may be kept on the General Common Elements. Pets at all times when outside the Owner's Unit shall be on a leash controlled by a responsible person, who shall carry a scooper and maintain the cleanliness and orderliness of the grounds as a result of any such pet's activities immediately upon the conclusion of those activities. No pet shall be permitted to remain in the Regime if it becomes an annoyance or nuisance to other Unit Owners.

(o) No Unit Owner or occupant shall without the written approval of the Board of Administration install any wiring for electrical or telephone installations, television antennas, satellite dishes or air-conditioning units, or other equipment or appurtenances whatsoever on the exterior of the Regime or protruding through the walls, windows or roof thereof.

(p) Nothing shall be allowed, done or kept in any units or Common Elements of the Regime which would overload or impair the floors, walls or roofs thereof, or cause any increase in the ordinary premium rates or the cancellation or invalidation of any insurance thereof maintained by or for the council.

(q) No trucks, other than pickup trucks and no bus, trailer, boat or inoperable automobile, shall be regularly or habitually parked in the Regime.

(r) The Developer of the Regime, or its agent, shall have the right to maintain and show its units, including the maintenance and showing of model units. A Unit Owner, or his agents, shall have the right to show his unit at reasonable times of the day for the purpose of sale or lease.

(s) All owners, occupants and their guests shall be subject to this Master Deed, the By-Laws and Rules and Regulations of the Regime.

(t) No exterior clothes lines shall be permitted and no clothes shall be hung so that they are visible from the exterior of the building.

Section 4. Regime Rules. The Board of Administration may adopt, amend or repeal any rules and regulations governing details of the operation and use of the Regime not inconsistent with any provision of law, the Master Deed or these By-Laws.

Section 5. Expenses of Enforcement. Every Unit Owner shall pay to the Council promptly on demand all costs and expenses including reasonable attorney's fees incurred by or on behalf of the Council in collecting any delinquent assessments against such unit, foreclosing its lien therefor or enforcing any provisions of the Master Deed, these By-Laws and Project Rules against such owner or any occupant of such unit.

Section 6. Record Ownership. Every Unit Owner shall promptly cause to be duly recorded the deed, assignment or other conveyance to him of such unit, or other evidence of his title thereto, and shall file a copy of same with the Board of Administration, and the Secretary shall maintain all such information in the record of ownership of the Council.

Section 7. Mortgages. Upon written request by the Board, a Unit Owner who mortgages his unit, or any interest therein, shall notify the Board of Administration of the name and address of his mortgagee, and also of the release of such mortgage, and the Secretary shall maintain all such

information in the record of ownership of the Council. The Board of Administration or Managing Agent at the request of any mortgagee or prospective purchaser of any unit, or interest therein, shall report to such person the amount of any assessments against such unit then due and unpaid.

Section 8. Insurance. Each Unit Owner shall maintain hazard insurance in sufficient amounts to restore the interior of the unit to its original condition in the event of damage from fire or other hazard.

## ARTICLE VI

### Miscellaneous

Section 1. Amendment. These By-Laws may be amended in any respect not inconsistent with provisions of law or the Master Deed at any meeting of the Council provided thirty (30) days written notice of the proposed amendment(s) and of the meeting has been sent to each Unit Owner, by the affirmative vote of a majority of the total percentage interest of all Council members, (in person or by proxy).

Section 2. Indemnification. Every Board Member, Officer and/or their executors or administrators shall be entitled to indemnification by the Council of Co-Owners for all expenses reasonably incurred by or imposed upon them in connection with any action, proceeding or suit in which they may be made a party by reason of being or having been a Board Member, with the exception of any matter in which he shall be finally adjudged to be fraudulent or acting in bad faith in the conduct of his office. In any event, indemnification may be provided if authorized by a majority vote of the Council constituting a quorum and not including any Director made a party to the particular action, or by a majority vote of the Council constituting a quorum. In any instance in which liability is imposed on a Director for conduct taken pursuant to a vote of the Board, such

Director shall be entitled to contribution from the other Directors voting affirmatively for such conduct. The foregoing right of indemnification and contribution shall not be exclusive of any other rights to which such person may be entitled.

Section 3. Interpretation. The invalidity of any provision of these By-Laws, the Master Deed or Rules and Regulations shall not impair or affect in any manner the validity, enforceability or effect of the rest of these By-Laws, the Master Deed or Rules and Regulations. Any reference herein to the masculine shall be deemed to automatically include the feminine.

Section 4. Incorporation. In the event the Board of Administration of the Council of Co-Owners chooses to incorporate the Association as permitted in the Master Deed, these By-Laws shall become the By-Laws of said corporation.

Section 5. Enforcement. Violation of the provisions of the Master Deed, these By-Laws or any Regime rules may be remedied in any court of law or equity having jurisdiction thereof by the Council of Co-Owners, its Board of Administration, or managing agent or administrator, or any Unit Owner or Owners entitled to relief with the remedies available to such person or persons including damages, recovery of attorney fees and litigation expenses, restraining order, injunction, accounting, lien enforcement and specific performance, or any combination thereof.

## ARTICLE VII

The rules contained in Robert's Rules of Order Revised shall govern the Council in all cases to which they are applicable, and in which they are not inconsistent with these By-Laws, Rules and Regulations or the Master Deed.



**ARTICLES OF INCORPORATION  
OF**

Trey Grayson  
Secretary of State  
Received and Filed  
12/01/2006 9:45:43 AM  
Fee Receipt: \$8.00

**CHAMBERLAIN SQUARE CONDOMINIUMS COUNCIL OF CO-OWNERS, INC.**

A CORPORATION NOT FOR PROFIT

The undersigned, acting as incorporator of a corporation organized under and pursuant to Kentucky Revised Statutes Chapter 273, adopt the following Articles of Incorporation for such corporation.

ARTICLE 1

The name and principal office of the corporation are:

CHAMBERLAIN SQUARE CONDOMINIUMS COUNCIL OF CO-OWNERS, INC., located at 3801-3813 Chamberlain Lane, Louisville, Kentucky 40241.

ARTICLE 2

Purpose

The Corporation is the incorporation of the council of co-owners of Chamberlain Square Condominiums and is organized as a non-profit, non-stock membership corporation for the operation of Chamberlain Square Condominiums Council of Co-owners (Council of Co-owners) as established and referred to in the Master Deed and By-laws for Chamberlain Square Condominiums (Condominium Regime) recorded in the office of the County Clerk of Jefferson County, Kentucky.

ARTICLE 3

Powers

The powers of the Corporation shall include and be governed by the following provisions:

3.1 The Corporation shall have all of the common-law and statutory powers of a corporation not for profit not in conflict with the terms of these Articles.

3.2 The Corporation shall have all of the powers and duties set forth in Kentucky's Non-Profit Corporation Act, as amended, all of the powers and duties reasonably necessary to operate the Council of Co-owners and Condominium Regime pursuant to the Master Deed and By-laws, as same have been or may be amended from time to time, including, but not limited to (unless such obligations, purposes, duties or rights are assumed by any governmental agency or instrumentality having jurisdiction thereof), the following:

a. To fix, levy, collect and enforce payment by any lawful means, all charges or assessments and assessment liens by the Council of Co-owners; to pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of this corporation, including all licenses, taxes or governmental charges levied or imposed against the property of this corporation.

b. To use the proceeds of assessments in the exercise of its other powers and duties.

c. The regular and special construction, maintenance, repair, inspection and protection of the general and limited common elements, together with any structures or appurtenances necessary thereto, as shown on the various plats of the Condominium Regime and as may be required or contemplated by the Master Deed and By-laws.

d. To make and amend reasonable regulations respecting the use of the property in the Condominium Regime only insofar as such powers of enforcement are conferred and not in conflict with the Master Deed and By-laws.

e. To enforce by legal means the provisions of the Master Deed for the Condominium Regime, these Articles, and the By-laws of the Corporation.

f. The Council of Co-owners may enter into a contract with any person, firm, or entity for the operation, maintenance or repair of the Council of Co-owners property, however, any such contracts shall not be in conflict with the powers and duties of the Council of Co-owners or the rights of unit owners as provided in the Master Deed and By-laws and these enabling documents.

g. To purchase such insurance as the Board of Directors may deem necessary for this Corporation.

#### ARTICLE 4

##### Members

The members of the Corporation shall consist of the members of the Council of Co-owners.

ARTICLE 5Directors

5.1 The affairs of the Corporation will be managed by the number of directors (sometimes referred to in the Master Deed and By-Laws as the Board of Administration) determined by the Master Deed and By-Laws,

5.2 Directors of the Corporation shall be elected at the annual meeting of the members in the manner determined by the By-laws. Directors may be removed and vacancies on the Board of Directors shall be filled in the manner provided by the Master Deed and By-laws.

5.3 The names and addresses of the members of the initial Board of Directors who shall hold office until their successors are elected and have qualified, or until removed, are as follows:

- |    |  |    |   |
|----|--|----|---|
| 1) | George M. Williamson<br>P.O. Box 153<br>Prospect, KY 40059 | 2) | Jackie Wilson<br>P.O. Box 153<br>Prospect, KY 40059 |
| 3) | Guy Montgomery<br>P.O. Box 153<br>Prospect, KY 40059       |    |   |

ARTICLE 6Officers

The affairs of the Corporation shall be administered by the officers designated in the By-laws. The officers shall be elected by the Board of Directors at its first meeting following the annual meeting of the members of the Corporation and shall serve at the pleasure of the Board of Directors. The names and addresses of the officers who shall serve until their successors are designated by the Board of Directors, are as follows:

- |           |  |
|-----------|--|
| President | - George M. Williamson<br>P.O. Box 153<br>Prospect, KY 40059 |
| Secretary | - Guy Montgomery<br>P.O. Box 153<br>Prospect, KY 40059       |



Treasurer

- George Williamson  
P.O. Box 153  
Prospect, KY 40059

ARTICLE 7

Indemnification

Every director and every officer of the Corporation shall be indemnified by the Corporation against all expenses and liabilities, including counsel fees reasonably incurred by or imposed upon him/her in connection with any proceeding or any settlement of any proceeding to which he/she may be a party or in which he/she may become involved by reason of his/her being or having been a director or officer at the time such expenses are incurred, except when the director or officer is adjudged guilty of willful misfeasance or malfeasance in the performance of his/her duties; provided that in the event of a settlement the indemnification shall apply only when the Board of Directors approves such settlement. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such director or officer may be entitled.

ARTICLE 8

By-laws

The By-laws of the Corporation shall be the By-laws of the Council of Co-owners.

ARTICLE 9

Amendments

Amendments to the Articles of Incorporation shall be proposed and adopted in the following manner:

9.1 Notice of the subject matter of a proposed amendment shall be included in the notice of any meeting at which a proposed amendment is considered.

9.2 Such approvals must be by a majority of the entire membership of the Board of Directors and by a majority of the votes of the membership entitled to vote at the meeting.

ARTICLE 10

Term

The term of the Corporation shall be perpetual, other than as provided in Article 11.

ARTICLE 11

Dissolution

This Corporation may be dissolved in the same manner that these Articles may be amended.

ARTICLE 12

Director Conflicts of Interest

No contract or other transaction between this Corporation and one or more of its directors, or between this Corporation and any other corporation, firm, Corporation or other entity in which one or more of its directors are directors or officers, are financially interested, shall be either void or voidable because of such relationship or interest or because such director or a committee thereof which authorizes, approves or ratifies such contract or transaction or because his or their votes are counted for such purposes, if:

(a) The fact of such relationship or interest is disclosed or known to the Board of Directors, or a duly empowered committee thereof, which authorizes, approves or ratifies the contract or transaction by a vote or consent sufficient for such purpose without counting the vote or votes of such interested director or directors; or

(b) The fact of such relationship or interest is disclosed or known to the members entitled to vote and they authorize, approve or ratify such contract or transaction by vote or written consent; or

(c) The contract or transaction is fair and reasonable as to the Corporation at the time it is authorized by the Board, committee or members.

Common or interested directors may be counted in determining the presence of a quorum at a meeting of the Board of Directors or a committee thereof which authorizes, approves or ratifies such contract or transaction.

ARTICLE 13

Subscribers

The name and address of the incorporator of the incorporators of these Articles of Incorporation are as follows:

NAME

ADDRESS

George M. Williamson

P.O. Box 153  
Prospect, KY 40059

ARTICLE 14

Registered Office and Registered Agent


The registered office within the State of Kentucky is as follows:

3801-3813 Chamberlain Lane  
Louisville, KY  
(mailing address)  
P.O. Box 153  
Prospect, KY 40059

The registered agent for service of process within the State of Kentucky is as follows:

George M. Williamson  
3801-3813 Chamberlain Lane  
Louisville, KY  
(mailing address)  
P.O. Box 153  
Prospect, KY 40059

IN WITNESS WHEREOF, the incorporators have affixed their signatures this 4<sup>th</sup>  
day of October, 2006.

  
George M. Williamson

COMMONWEALTH OF KENTUCKY )  
) ss.  
COUNTY OF JEFFERSON )

I, the undersigned, a Notary Public for the Commonwealth of Kentucky at Large, do hereby certify that on this day the foregoing Articles of Incorporation of Chamberlain Square Condominiums Council of Co-owners, Inc. were produced before me and were signed, acknowledged and delivered by George M. Williamson, the Incorporator hereof, to be his free act and deed.

IN TESTIMONY WHEREOF, I have hereto set my name and affixed my seal of office, this 4th day of October, 2006.

My commission expires: 8-7-10

[Signature]  
Notary Public  
State of Kentucky at Large

CONSENT

I, George M. Williamson, agree to serve as agent for process for Chamberlain Square  
Condominiums Council of Co-owners, Inc.

X [Signature]  
George M. Williamson

COMMONWEALTH OF KENTUCKY )  
 ) ss.  
COUNTY OF JEFFERSON )

Acknowledged before me by George M. Williamson this 4th day of October, 2006.

My commission expires: 8-7-10

[Signature]  
Notary Public

This instrument prepared by:  
[Signature]  
Harold W. Thomas  
THOMAS, DODSON & WOLFORD, PLLC  
9200 Shelbyville Road, Suite 611  
Louisville, Kentucky 40222  
(502) 426-1700

Document No.: DN2006194510  
Lodged By: THOMAS & DODSON  
Recorded On: 12/06/2006 08:19:38  
Total Fees: 23.00  
Transfer Tax: .00  
County Clerk: BOBBIE HOLSCAW-JEFF CO KY  
Deputy Clerk: AMASHO

**END OF DOCUMENT**



# CERTIFICATE OF PROPERTY INSURANCE

DATE (MM/DD/YYYY)

07/21/2023

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

<b>PRODUCER</b> McDaniel Insurance Agency, LLC 617 Main Street  Shelbyville KY 40065		<b>CONTACT NAME:</b> Tonya Cosper <b>PHONE (A/C. No. Ext):</b> (502) 909-0920 <b>FAX (A/C. No):</b> (502) 909-0923 <b>E-MAIL ADDRESS:</b> Tonya@McDanielins.com <b>PRODUCER CUSTOMER ID:</b>	
<b>INSURED</b> Chamberlain Square Garden Council Of Co-owners Inc P.O. BOX 99115  Louisville KY 40269		<b>INSURER(S) AFFORDING COVERAGE</b> <b>INSURER A:</b> Acuity <b>INSURER B:</b> <b>INSURER C:</b> <b>INSURER D:</b> <b>INSURER E:</b> <b>INSURER F:</b>	
		<b>NAIC #</b> 14184	

**COVERAGES****CERTIFICATE NUMBER:****REVISION NUMBER:**

LOCATION OF PREMISES / DESCRIPTION OF PROPERTY (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YYYY)	POLICY EXPIRATION DATE (MM/DD/YYYY)	COVERED PROPERTY	LIMITS	
A	<input checked="" type="checkbox"/> <b>PROPERTY</b>	ZA6324	07/21/2023	07/21/2024	<input checked="" type="checkbox"/> BUILDING	\$ 3,756,060	
	CAUSES OF LOSS				DEDUCTIBLES	<input type="checkbox"/> PERSONAL PROPERTY	\$
	BASIC				BUILDING 5,000	<input type="checkbox"/> BUSINESS INCOME	\$
	BROAD				CONTENTS	<input type="checkbox"/> EXTRA EXPENSE	\$
	<input checked="" type="checkbox"/> SPECIAL					<input type="checkbox"/> RENTAL VALUE	\$
	EARTHQUAKE					<input type="checkbox"/> BLANKET BUILDING	\$
	<input checked="" type="checkbox"/> WIND					<input type="checkbox"/> BLANKET PERS PROP	\$
<input checked="" type="checkbox"/> Flood		<input type="checkbox"/> BLANKET BLDG & PP	\$				
<input checked="" type="checkbox"/> Replacement	Cost				\$		
	<b>INLAND MARINE</b>	TYPE OF POLICY				\$	
	CAUSES OF LOSS					\$	
	NAMED PERILS	POLICY NUMBER				\$	
A	<input checked="" type="checkbox"/> <b>CRIME</b>	ZA6324	07/21/2023	07/21/2024	<input checked="" type="checkbox"/> Employee Dishonesty	\$ 25,000	
	TYPE OF POLICY				<input checked="" type="checkbox"/> Directors & Officers	\$ 1,000,000	
						\$	
	<b>BOILER &amp; MACHINERY / EQUIPMENT BREAKDOWN</b>					\$	
A	General Liability	ZA6324	07/21/2023	07/21/2024	<input checked="" type="checkbox"/> Each Occurrence	\$ 1,000,000	
					<input checked="" type="checkbox"/> General Aggregate	\$ 2,000,000	

SPECIAL CONDITIONS / OTHER COVERAGES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

Building Coverage \$3,756,060 28 Units Replacement Cost

**CERTIFICATE HOLDER****CANCELLATION**

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

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Acuity, A Mutual Insurance Company

July 20, 2023

CHAMBERLAIN SQUARE GARDEN  
COUNCIL OF CO-OWNERS INC  
PO BOX 99115  
LOUISVILLE KY 40269

Policy Number: ZA6324

Dear Policyholder:

This renewal policy continues your business coverage under the Acuity Commercial Package Policy Program. By choosing Acuity, you have selected a commercial insurer committed to quality. Our commitment to you includes state-of-the-industry coverages plus policy, claims and loss control services that meet the highest standards. We value our continuing association as a provider of vital insurance protection for your business operations.

### **Your Independent Agent**

This policy is sold and serviced by an independent insurance agent. Because independent agents can provide insurance coverage through more than one company, you can be confident that you have made a wise selection. Your agent stands ready to serve your needs and answer your questions with regard to this policy.

### **Terrorism Information**

Please refer to the Policyholder Disclosure Notice of Terrorism Insurance Coverage and any applicable Terrorism Premium Information page(s) following this letter for information regarding the Terrorism Risk Insurance Act.

Your policy has been issued with coverage for losses resulting from terrorist acts as defined in the Act. Endorsements have been attached to your policy for the lines of business that qualify for coverage under the Act and a premium charge has been applied. Refer to your Declarations for the exact premium charge associated with each endorsement. You have the right to reject this coverage by signing the attached rejection form. If you do, a premium charge may apply. Coverage cannot be rejected under workers' compensation insurance if included in this policy.

The Terrorism Risk Insurance Program is scheduled to terminate on December 31, 2027. Please refer to the Potential Change in Terrorism Coverage During the Term of Your Policy notice for details regarding changes in your coverage for acts of terrorism if the Program is not extended by the federal government.

**For More Information**

Please contact your agent if you have any questions or desire any changes in your policy. Your agent can also help determine if your coverage adequately meets your insurance needs.

Thank you for insuring with Acuity.

Acuity

Represented by

MCDANIEL INSURANCE AGENCY  
617 MAIN ST  
SHELBYVILLE KY 40066  
502.909.0920

REJECTION OF COVERAGE FOR TERRORIST ACTS AS DEFINED IN THE  
TERRORISM RISK INSURANCE ACT

You may reject coverage for terrorist acts as defined in the Terrorism Risk Insurance Act, where permitted. You may do this by signing this rejection form and submitting it using one of the following methods:

**Mail: Acuity  
PO Box 58  
Sheboygan, WI 53082-0058**

**Email: [clservice@acuity.com](mailto:clservice@acuity.com)**

**Fax: 920.458.1618**

If you choose to reject this coverage, you will not be able to add the coverage back to your policy until your next renewal.

I have read the Policyholder Disclosure Notice of Terrorism Insurance Coverage and the Terrorism Premium Information page(s) and hereby reject coverage for terrorist acts as defined in the Terrorism Risk Insurance Act. I understand that coverage for terrorist acts as defined in the Act will be excluded under my policy.

---

First Named Insured's Signature

---

Date

A rejection form received within 30 days of the date shown on the bottom right corner will be valid as of the Policy Effective Date shown above. A rejection form received after 30 days of the date shown will be valid on the date we receive the form. This rejection will apply until the expiration date of the policy term that begins on the Policy Effective Date shown above.



## **Policyholder Disclosure Notice of Terrorism Insurance Coverage**

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

YOU SHOULD KNOW THAT WHERE COVERAGE IS PROVIDED BY THIS POLICY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM, SUCH LOSSES MAY BE PARTIALLY REIMBURSED BY THE UNITED STATES GOVERNMENT UNDER A FORMULA ESTABLISHED BY FEDERAL LAW. HOWEVER, YOUR POLICY MAY CONTAIN OTHER EXCLUSIONS WHICH MIGHT AFFECT YOUR COVERAGE, SUCH AS AN EXCLUSION FOR NUCLEAR EVENTS. UNDER THE FORMULA, THE UNITED STATES GOVERNMENT GENERALLY REIMBURSES 80% OF COVERED TERRORISM LOSSES EXCEEDING THE STATUTORILY ESTABLISHED DEDUCTIBLE PAID BY THE INSURANCE COMPANY PROVIDING THE COVERAGE. THE PREMIUM CHARGED FOR THIS COVERAGE DOES NOT INCLUDE ANY CHARGES FOR THE PORTION OF LOSS THAT MAY BE COVERED BY THE FEDERAL GOVERNMENT UNDER THE ACT.

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

The attached policy includes coverage for terrorism as described in the Act. The premium charge for this coverage is based on the premiums for each coverage part included in your policy that qualifies for coverage under the Act and the location of any property covered under the policy. The attached Terrorism Premium Information sheet provides complete information for developing this premium.

**Potential Change in Terrorism Coverage During the Term of Your Policy**  
**(Applicable to Coverage Other Than Workers' Compensation**  
**and Employers' Liability Insurance)**

The Terrorism Risk Insurance Act established the Terrorism Risk Insurance Program. The Program is scheduled to terminate at the end of December 31, 2027, unless extended by the federal government. If the federal Program terminates before or during the term of your policy, the treatment of terrorism under your policy will change. An endorsement, Conditional Exclusion of Terrorism (Relating to Disposition of Federal Terrorism Risk Insurance Act), has been attached to your policy. The provisions of this endorsement will become applicable to your policy if the Program terminates as scheduled. Under this endorsement coverage for injury or damage arising out of a terrorism incident is excluded if:

The total of all insured damage to all types of property and business interruption losses from the incident, exceeds \$25 million.

For certain coverage, fifty or more persons sustain death or serious physical injury.

The terrorism event involves nuclear materials or results in nuclear reaction or radiation or radioactive contamination.

The terrorism event involves the release of radioactive material, and it appears that one purpose of the terrorism was to release such material.

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

The terrorism event involves the release of pathogenic or poisonous biological or chemical materials and it appears that one purpose of the terrorism was to release such materials.

We will refund the premium charged for terrorism coverage if you have or will be accepting coverage for terrorism as defined in the Act and the Program is terminated. If your policy is effective prior to December 31, 2027, you will be refunded the premium charged from January 1, 2028, until the end of your policy term. If your policy is effective on or after January 1, 2028, you will be refunded the entire premium charged.

If the Program is extended without change, the coverage under your policy and any premium charge will not change.

**Potential Change in Terrorism Coverage During the Term of Your Policy**  
**(Applicable to Workers' Compensation and Employers' Liability Insurance)**

The Terrorism Risk Insurance Act established the Terrorism Risk Insurance Program. The Program is scheduled to terminate at the end of December 31, 2027, unless extended by the federal government. If the federal Program terminates before or during the term of your policy, the treatment of terrorism under your policy will not change. The premium charge for coverage your policy provides for terrorism or war losses may continue or change if the federal Program terminates.



**Terrorism Premium Information  
Kentucky**

The premium for terrorism coverage, as defined in Section 102(1) of the Act, is based on the premiums for each coverage part included in your policy that qualifies for coverage under the Terrorism Risk Insurance Act. Refer to the attached Policyholder Disclosure Notice of Terrorism Insurance Coverage for a description of applicable provisions in the Act.

If your Acuity policy contains the following coverage part:	The premium charge for terrorism insurance if you <b>accept</b> coverage under the Act is:
Bis-Pak® - Property Portion of Your Premium	3% of the property premium for all locations
Bis-Pak® - Liability Portion of Your Premium	1% of the liability premium applying to your policy
Commercial Property and Commercial Inland Marine Coverage Parts	3% of the premium applying to each of the coverage parts
Commercial General Liability and Commercial Excess Liability Coverage Parts	1% of the premium applying to each of the coverage parts
Workers' Compensation *	The premium charge is \$.01 for each \$100 of payroll for all classes.

\* Workers' Compensation coverage automatically applies to loss caused by terrorism. You are **not** permitted to reject this coverage.



## CUSTOMER PRIVACY POLICY

At Acuity Insurance, we gather information about our policyholders only in the interest of providing them with quality services at fair prices. We are committed to the careful handling of personal nonpublic information. We collect and use information for business purposes with respect to our insurance products and related business activities involving our customers. These business activities include evaluating a request for our insurance products and related services such as claims processing or processing other transactions requested by you.

Federal law has established privacy standards and requires us to provide this summary of our privacy policy once a year. Further, state laws typically require us to provide you notice of our information practices. The following information will provide you with a better understanding of the type of information we collect, how we use it and to whom we may disclose it.

### HOW DO WE COLLECT INFORMATION

Your application is our major source of information. However, we may occasionally collect personal or privileged information about you and other persons proposed for coverage from third parties such as other insurance companies, physicians, hospitals and other medical personnel, insurance-support organizations or consumer reporting agencies. For example, we may collect information such as loss information reports, motor vehicle reports and credit reports. We may ask such an insurance support organization to view your property. They would report to us the value and condition of your property and send a photograph of it. Occasionally, we may order a consumer credit report showing your history of meeting financial obligations. Information from a report prepared by an insurance-support organization may be retained by them and disclosed to other persons to the extent permitted by law. We will not collect information about persons other than individuals proposed for coverage.

### DISCLOSURE OF INFORMATION

The privacy of the information that you provide us with or that we collect about you is important to us. **It is our policy not to disclose any nonpublic personal information about our customers or former customers to anyone, except as permitted by law.** For example, we may disclose information to others such as your name, address, social security number, email address, phone number, policy coverages or other identifying policy or claims information to:

Third parties that perform marketing services on our behalf or with whom we have joint marketing agreements such as your independent insurance agent;

Third parties who help us evaluate requests for insurance or benefits or to prevent fraud such as consumer reporting agencies;

Third parties that require us to submit information to them, such as regulatory, law enforcement, or other government agencies.

We also reserve the right to make other necessary disclosures about current or former customers without prior authorization, so long as these disclosures are not typically conducted in our usual course of business, and only as permitted by law.

Now what does this really mean? It means our information about you is used only in connection with our business relationship with you. We will not, and never have, shared your nonpublic personal information with any third parties for the purpose of marketing their products or services. If this were to ever change, we would have to notify you first and give you the opportunity to prevent that type of

disclosure. That is, we would have to provide you with the option to "opt-out" first.

When we use other parties to help us conduct our business of insurance, such as investigating and paying claims, obtaining motor vehicle reports, confirming values and condition of homes, etc., we expect and often contract with these organizations to maintain the confidentiality of the information provided to them and to abide by all applicable privacy laws that pertain to them. An "opt-out" option is not required in order for us to conduct these usual and necessary insurance business activities.

In addition, our employees are required to protect the confidentiality of your information and access information only when there is an appropriate need to do so. We also maintain the necessary electronic and procedural safeguards to protect your information. Personal information is secured by use of change control procedures, passwords, and physical access controls. We employ a variety of other mechanisms to ensure that your information is not lost, misused, or altered inappropriately. These controls include regular database backups.

## **ACCESS TO AND AMENDMENT OF RECORDED INFORMATION**

You have the right to access any personal information that we have recorded and is reasonably available for retrieval by us. You may submit a written request to us in order to do so. We reserve the right to charge a reasonable fee to cover the costs incurred in providing any summary of recorded personal information, when permitted to do so by law. We will prepare this information within thirty business days from the time your written request is received.

After review, you may ask us in writing to correct, amend, or delete any information about you in our files. Within thirty business days from the time your written request is received, we will either honor or deny your request. If we refuse to make any corrections, amendments, or deletions, you have the right to give us a concise statement of what you believe is the correct information, including the reason why you disagree with the disputed information. We will put your statement in our file so that anyone reviewing your file will see it and furnish it to the appropriate parties as required by law.

## **OUR PROMISE TO YOU**

Your confidence in our company and the manner in which we conduct our business is greatly appreciated. Our promise to you is that we will treat your personal information with utmost confidentiality, use it only to help serve you better and in a manner prescribed by law. If you have questions at any time regarding our privacy policy, you may contact us at the following address:

Acuity, A Mutual Insurance Company  
2800 South Taylor Drive  
P.O. Box 58  
Sheboygan, WI 53082-0058



SPECIALIZING IN  
INSURANCE FOR  
CONDOMINIUMS

COMMON POLICY  
DECLARATIONS

Acuity, A Mutual Insurance Company

First Named Insured and Address:

CHAMBERLAIN SQUARE GARDEN  
COUNCIL OF CO-OWNERS INC  
PO BOX 99115  
LOUISVILLE KY 40269

Agency Name and Number:

8015-AA (502)909-0920  
MCDANIEL INSURANCE AGENCY  
617 MAIN ST  
PO BOX 1058  
SHELBYVILLE KY 40066

Policy Number: ZA6324

Policy Period: Effective Date: 07-21-23  
Expiration Date: 07-21-24  
12:01 A.M. standard time at  
your mailing address shown  
in the declarations

**This is not a bill. If premium is due, a billing notice will be sent separately.**

**COVERAGE**

Your coverage consists of the following lines of insurance for which a premium is indicated.  
This premium may be subject to adjustment.

<b>Bis-Pak</b> .....	15,035.00
<b>Directors' and Officers' Liability</b> .....	377.00
<b>Total Advance Premium</b> .....	<b>\$ 15,412.00</b>

Secretary

President

## **MUTUAL POLICY CONDITIONS**

Every person, co-partnership or corporation insured by the company shall be a member of it and shall have one vote. The annual meeting of the members shall be held on the first Tuesday in March at 1:30 P.M. of each year, at the corporate headquarters of the company in Sheboygan, Wisconsin. Notice printed in each policy shall be sufficient as to the time and place of said meeting.

The Named Insured, upon termination of this policy, shall participate in the distribution of dividends, if any are declared, and fixed as determined by the directors in accordance with law.

This policy is nonassessable and the liability of the Named Insured to the company is limited to the payment of the premium herein provided.

### **Corporate Headquarters Address**

**Acuity  
2800 South Taylor Drive  
PO Box 58  
Sheboygan, Wisconsin 53082-0058  
800.242.7666**

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**Renewal Declarations**

First Named Insured and Address:

CHAMBERLAIN SQUARE GARDEN  
COUNCIL OF CO-OWNERS INC  
PO BOX 99115  
LOUISVILLE KY 40269

Agency Name and Number:

MCDANIEL INSURANCE AGENCY  
8015-AA

Policy Number: ZA6324

Policy Period: Effective Date: 07-21-23

Expiration Date: 07-21-24

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

12:01 A.M. standard time at your mailing address shown in the declarations

**COVERAGE FORMS AND ENDORSEMENTS APPLICABLE TO THIS COVERAGE PART**

Form Number	Form Title	Premium
CB-0002(5-22)	Deluxe Bis-Pak Property Coverage Form	
CB-0006(8-15)	Bis-Pak Business Liability and Medical Expenses Coverage Form	
CB-0009(9-04)	Bis-Pak Common Policy Conditions	
CB-0412(7-02)	Limitation of Coverage to Designated Premises or Project	
CB-0417(1-10)	Employment-Related Practices Exclusion	
CB-0564(1-15)	Conditional Exclusion of Terrorism (Relating to Disposition of Federal Act)	
CB-0577(4-10)	Fungi or Bacteria Exclusion (Liability)	
CB-1416(1-10)	Snow Plow Products-Completed Operations Hazard Coverage	
CB-1488(7-13)	Primary and Noncontributory - Other Insurance Condition	
CB-1504(5-14)	Exclusion-Access of Confidential or Personal Info/Data with Limited BI	
CB-1560(2-21)	Cyber Incident Exclusion	
CB-1701(1-06)	Condominium Association Coverage	
CB-7034(7-13)	Additional Insured - Designated Person(s) or Organization(s)	\$50.00
CB-7222(11-99)	Additional Insured - Condominium Unit Owners	
CB-7296(1-15)	Cap on Losses from Certified Acts of Terrorism - Property	\$336.00
CB-7298(1-15)	Exclusion of Punitive Damages Related to a Certified Act of Terrorism	
CB-7299(1-15)	Cap on Losses from Certified Acts of Terrorism - Liability	\$14.00
CB-7406(6-15)	Exclusion - Unmanned Aircraft	
CB-7410(8-15)	Civil Authority Changes	
CB-7439(3-21)	Acuity Property Enhancements - Gold	\$462.00
CB-7455(8-20)	Acuity Liability Enhancements - Silver	
IL-7012(1-18)	Asbestos Exclusion	



Form Number	Form Title	Premium
IL-7013(3-14)	Kentucky Local Government Premium Tax Endorsement	\$679.00
IL-7014(3-14)	Kentucky Collection Fee Endorsement	\$97.00
IL-7025(3-14)	Kentucky Changes - Cancellation and Nonrenewal	
IL-7044(3-14)	Kentucky Premium Surcharge Endorsement	\$244.00
IL-7082(12-20)	Disclosure Pursuant to Terrorism Risk Insurance Act	
IL-7092(2-11)	Amendment to Definition of Occurrence	
<b>Advance Endorsement Premium</b>		<b>\$1,882.00</b>

**PREMIUM SUMMARY**

Advance Premium	\$13,153.00
Advance Endorsement Premium	\$1,882.00
<b>Total Advance Premium</b>	<b>\$15,035.00</b>

The Total Advance Premium shown above is based on the exposures you anticipated at the time this coverage part began. We will audit this coverage part in accordance with the Bis-Pak® Liability and Medical Expenses General Condition entitled Premium Audit - Business Liability at the close of the audit period.

A Kentucky Local Government Tax has been applied to the premium. See Kentucky Local Premium Tax Breakdown section.

The surcharge required by Kentucky Statute KRS 136.392 is included in the premium charged.

**PROPERTY COVERAGES PROVIDED**

Form: Deluxe

Coverage Item	Premises Number	Building Number	Valuation Basis	Limit of Insurance	Automatic Increase Percentage
Building Condominium Deductible: \$5,000 Optional Coverages Deductible: \$500	001	001	Replacement Cost	\$536,580	8%
Building Condominium Deductible: \$5,000 Optional Coverages Deductible: \$500	002	001	Replacement Cost	\$536,580	8%
Building Condominium Deductible: \$5,000 Optional Coverages Deductible: \$500	003	001	Replacement Cost	\$536,580	8%
Building Condominium Deductible: \$5,000 Optional Coverages Deductible: \$500	004	001	Replacement Cost	\$536,580	8%
Building Condominium Deductible: \$5,000 Optional Coverages Deductible: \$500	005	001	Replacement Cost	\$536,580	8%
Building Condominium Deductible: \$5,000 Optional Coverages Deductible: \$500	006	001	Replacement Cost	\$536,580	8%

Coverage Item	Premises Number	Building Number	Valuation Basis	Limit of Insurance	Automatic Increase Percentage
Building Condominium Deductible: \$5,000 Optional Coverages Deductible: \$500	007	001	Replacement Cost	\$536,580	8%

**DESCRIPTION OF PREMISES**

Premises Number	Building Number	Construction, Occupancy and Location
001	001	FRAME CONDOMINIUM - RESIDENTIAL 4 UNITS 3801 CHAMBERLAIN LN LOUISVILLE KY 40241
002	001	FRAME CONDOMINIUM - RESIDENTIAL 4 UNITS 3803 CHAMBERLAIN LN LOUISVILLE KY 40241
003	001	FRAME CONDOMINIUM - RESIDENTIAL 4 UNITS 3805 CHAMBERLAIN LN LOUISVILLE KY 40241
004	001	FRAME CONDOMINIUM - RESIDENTIAL 4 UNITS 3807 CHAMBERLAIN LN LOUISVILLE KY 40241
005	001	FRAME CONDOMINIUM - RESIDENTIAL 4 UNITS 3809 CHAMBERLAIN LN LOUISVILLE KY 40241
006	001	FRAME CONDOMINIUM - RESIDENTIAL 4 UNITS 3811 CHAMBERLAIN LN LOUISVILLE KY 40241
007	001	FRAME CONDOMINIUM - RESIDENTIAL 4 UNITS 3813 CHAMBERLAIN LN LOUISVILLE KY 40241

**MORTGAGEHOLDER NAME AND ADDRESS**

NONE

**LIABILITY COVERAGES PROVIDED**

<b>Coverage Item</b>	<b>Limit of Insurance</b>
Liability and Medical Expenses (Each Occurrence)	\$1,000,000
Medical Expenses (Any One Person)	\$5,000
Damage to Premises Rented to You	\$100,000
Products-Completed Operations Aggregate Limit	\$2,000,000
General Aggregate Limit (Other Than Products-Completed Operations)	\$2,000,000

**SCHEDULE OF LIABILITY CLASSIFICATION**

<b>Premises Number</b>	<b>Building Number</b>	<b>Classification Description</b>	<b>Class Code</b>	<b>Premium Basis<sup>1</sup></b>	<b>Premises Rate</b>	<b>Products Rate</b>
001	001	Condominium - Residential	62003	4 UN	46.966	Included
002	001	Condominium - Residential	62003	4 UN	46.966	Included
003	001	Condominium - Residential	62003	4 UN	46.966	Included
004	001	Condominium - Residential	62003	4 UN	46.966	Included
005	001	Condominium - Residential	62003	4 UN	46.966	Included
006	001	Condominium - Residential	62003	4 UN	46.966	Included
007	001	Condominium - Residential	62003	4 UN	46.966	Included

<sup>1</sup> UN = Unit - Rate Applies Per Unit

**OPTIONAL COVERAGES PROVIDED**

<b>Coverage Item</b>	<b>Limit of Insurance</b>
Employee Dishonesty	\$25,000
Acuity Liability Enhancements - Silver	See CB-7455
Acuity Property Enhancements - Gold	See CB-7439

<b>Coverage Item</b>	<b>Premises Number</b>	<b>Building Number</b>	<b>Limit of Insurance</b>
Business Income and Extra Expense	001	001	Actual Loss Sustained
Business Income and Extra Expense	002	001	Actual Loss Sustained
Business Income and Extra Expense	003	001	Actual Loss Sustained
Business Income and Extra Expense	004	001	Actual Loss Sustained
Business Income and Extra Expense	005	001	Actual Loss Sustained

Coverage Item	Premises Number	Building Number	Limit of Insurance
Business Income and Extra Expense	006	001	Actual Loss Sustained
Business Income and Extra Expense	007	001	Actual Loss Sustained

#### KENTUCKY LOCAL PREMIUM TAX BREAKDOWN

Unit No.	Taxing Authority	Premium Tax (Including collection fee)
0001	LOUISVILLE	\$146.00
0002	LOUISVILLE	\$105.00
0003	LOUISVILLE	\$105.00
0004	LOUISVILLE	\$105.00
0005	LOUISVILLE	\$105.00
0006	LOUISVILLE	\$105.00
0007	LOUISVILLE	\$105.00
<b>Total KY Local Premium Tax and Collection Fee</b>		<b>\$776.00</b>

#### BIS-PAK PLAN

Apartments

#### AUDIT PERIOD

Annual

#### ADDITIONAL NAMED INSURED

WHO IS AN INSURED includes the following Additional Named Insureds:

NONE

#### FIRST NAMED INSURED IS:

ORGANIZATION OTHER THAN PARTNERSHIP, JOINT VENTURE OR LIMITED LIABILITY COMPANY

# DELUXE BIS-PAK® PROPERTY COVERAGE FORM

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## DELUXE BIS-PAK® PROPERTY COVERAGE FORM

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

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations.

The words "we," "us" and "our" refer to the Company providing this insurance.

Other words and phrases that appear in italics have special meaning. Refer to the Property Definitions Section.

### PROPERTY COVERAGES

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 any Covered Cause of Loss.

#### 1. Covered Property

Covered Property includes Buildings as described under item a below, Business Personal Property as described under item b below, or both, depending on whether a Limit of Insurance is shown in the Declarations for that type of property. Regardless of whether coverage is shown in the Declarations for Buildings, Business Personal Property, or both, there is no coverage for property described under item 2, Property Not Covered.

**a. Buildings**, meaning the buildings and structures at the premises described in the Declarations, including:

- (1) Completed additions;
- (2) Garages, storage buildings, appurtenant structures usual to your occupancy;
- (3) Fixtures, including outdoor fixtures;
- (4) Permanently installed:
  - (a) Machinery; and
  - (b) Equipment;
- (5) Your personal property in apartments, rooms or common areas furnished by you as landlord;
- (6) Personal property owned by you that is used to maintain or service the buildings, structures or the premises, including:
  - (a) Fire extinguishing equipment;
  - (b) Outdoor furniture;
  - (c) Floor coverings; and
  - (d) Appliances used for refrigerating, ventilating, cooking, dishwashing or laundering.
- (7) If not covered by other insurance:
  - (a) Additions under construction, alterations and repairs to the buildings or structures; and
  - (b) Materials, equipment, supplies and temporary structures, on or within 100 feet of the described premises, used for making additions, alterations

or repairs to the buildings or structures.

**b. Business Personal Property** located in or on the buildings at the described premises or in the open (or in a vehicle) within 100 feet of the described premises, including:

- (1) Property you own that is used in your business;
- (2) Property of others that is in your care, custody or control, except as otherwise provided in Loss Payment and Valuation Property Loss Condition 5g(3)(b);
- (3) Tenant's 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;
- (4) Leased personal property which you have a contractual responsibility to insure, unless otherwise provided for under paragraph 1b(2); and
- (5) Exterior building glass, if you are a tenant and no Limit of Insurance is shown in the Declarations for Building property. The glass must be owned by you or in your care, custody or control.

#### 2. Property Not Covered

Covered Property does not include:

- a.** Aircraft, automobiles, motortrucks and other vehicles subject to motor vehicle registration;
- b.** *Money or securities*, except as provided in the:
  - (1) Money and Securities Coverage Extension; or
  - (2) Employee Dishonesty Optional Coverage.
- c.** Contraband or property in the course of illegal transportation or trade;
- d.** Land (including land on which the property is located), water, growing crops or lawns;
- e.** Outdoor fences, radio or television antennas

(including satellite dishes) and their lead-in wiring, masts or towers, signs (other than signs attached to buildings), trees, shrubs or plants (other than *stock* of trees, shrubs or plants), all except as provided in the:

- (1) Outdoor Property Coverage Extension;  
or
- (2) Outdoor Signs Optional Coverage;

- f. Watercraft (including motors, equipment and accessories) while afloat;
- g. Accounts, bills, food stamps, other evidences of debt, accounts receivable or *valuable papers and records*; except as otherwise provided in this policy;
- h. *Computer(s)* which are permanently installed or designed to be permanently installed in any aircraft, watercraft, motortruck or other vehicle subject to motor vehicle registration. This paragraph does not apply to *computer(s)* while held as *stock*;
- i. *Electronic Data*, except as provided under Additional Coverages - Electronic Data. This paragraph i does not apply to your *stock* of prepackaged software.
- j. Animals, unless owned by others and boarded by you, or if owned by you, only as *stock* while inside of buildings.

### 3. Covered Causes of Loss

Risks of Direct Physical Loss unless the loss is:

- a. Excluded in Property Exclusions; or
- b. Limited in paragraph 4, Limitations;  
that follow.

### 4. Limitations

- a. We will not pay for loss of or damage to:
  - (1) Steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment. But we will pay for loss of or damage to such equipment caused by or resulting from an explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.
  - (2) Hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment, other than an explosion.
  - (3) Property that is missing, where the only evidence of the loss or damage is a shortage disclosed on taking inventory, or other instances where there is no physical evidence to show what happened to the property. This limitation does not apply to the Extension of Coverage for Money and Securities.

- (4) Property that has been transferred to a person or to a place outside the described premises on the basis of unauthorized instructions.
- (5) The interior of any building or structure or the property inside any building or structure caused by or resulting from rain, snow, sleet, ice, sand or dust, whether driven by wind or not, unless:
  - (a) The building or structure first sustains damage by a Covered Cause of Loss to its roof or walls through which rain, snow, sleet, ice, sand or dust enters;  
or
  - (b) The loss or damage is caused by or results from thawing of snow, sleet or ice on the building or structure.

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

- (1) Animals, and then only if they are killed or their destruction is made necessary.
- (2) Fragile articles such as glassware, statuary, marble, chinaware and porcelain, if broken. This restriction does not apply to:
  - (a) Glass that is part of the exterior or interior of a building or structure;
  - (b) Containers of property held for sale;  
or
  - (c) Photographic or scientific instrument lenses.

- c. For loss or damage by theft, the following types of property are covered only up to the limits shown:

- (1) \$2,500 for furs, fur garments and garments trimmed with fur.
- (2) \$2,500 for jewelry, watches, watch movements, jewels, pearls, precious and semi-precious stones, bullion, gold, silver, platinum and other precious alloys or metals. This limit does not apply to jewelry and watches worth \$100 or less per item.
- (3) \$2,500 for patterns, dies, molds and forms.

### 5. Additional Coverages

#### a. Debris Removal

- (1) Subject to paragraphs (3) and (4), we will pay your expense to remove debris of Covered Property caused by or resulting from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date of direct physical loss or

damage.

(2) Debris removal does not apply to costs to:

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

(3) Subject to the exceptions in paragraph (4) below, the following provisions apply:

- (a) The most that we will pay for the total of direct physical loss or damage plus debris removal expense is the Limit of Insurance applicable to the Covered Property that has sustained loss or damage.
- (b) Subject to paragraph (a) above, the amount we will pay for debris removal expense is limited to 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage.

(4) We will pay up to an additional \$10,000 for debris removal expense, for each location, in any one occurrence of physical loss or damage to Covered Property, if one or both of the following circumstances apply:

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

Therefore, if paragraphs (4)(a) and/or (4)(b) apply, our total payment for direct physical loss or damage and debris removal expense may reach but will never exceed the Limit of Insurance on the Covered Property that has sustained loss or damage, plus \$10,000.

(5) Examples

**Example #1**

Limit of Insurance	\$90,000
Amount of Deductible	\$500
Amount of Loss	\$50,000
Amount of Loss Payable	\$49,500
	(\$50,000 - \$500)
Debris Removal Expense	\$10,000

**Debris Removal Expense**

Payable	\$10,000
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(\$10,000 is 20% of \$50,000)

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

**Example #2**

Limit of Insurance	\$90,000
Amount of Deductible	\$500
Amount of Loss	\$80,000
Amount of Loss Payable	\$79,500
	(\$80,000 - \$500)
Debris Removal Expense	\$30,000
Debris Removal Expense Payable	
Basic Amount	\$10,500
Additional Amount	\$10,000

The basic amount payable for debris removal expense under the terms of paragraph (3) is calculated as follows:

$\$80,000 (\$79,500 + \$500) \times .25 = \$20,000$ ; capped at \$10,500. The cap applies because the sum of the loss payable (\$79,500) and the basic amount payable for debris removal expense (\$10,500) cannot exceed the Limit of Insurance (\$90,000).

The additional amount payable for debris removal expense is provided in accordance with the terms of paragraph (4), because the debris removal expense (\$30,000) exceeds 25% of the loss payable plus the deductible (\$30,000 is 37.5% of \$80,000), and because the sum of the loss payable and debris removal expense (\$79,500 + \$30,000 = \$109,500) would exceed the Limit of Insurance (\$90,000). The additional amount of covered debris removal expense is \$10,000, the maximum payable under paragraph (4). Thus the total payable for debris removal expense in this example is \$20,500; \$9,500 of the debris removal expense is not covered.

**b. Pollutant Clean Up and Removal**

We will pay your expense to extract *pollutants* from land or water at the described premises if the discharge, dispersal seepage, migration, release or escape of the *pollutants* is caused by or results from a Covered Cause of Loss that



occurs during the policy period. The expenses will be paid only if they are reported to us within 180 days of the date on which the Covered Cause of Loss occurs.

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

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

#### c. Preservation of Property

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

- (1) While it is being moved or while temporarily stored at another location; and
- (2) Only if the loss or damage occurs within 30 days after the property is first moved.

We will not pay for any loss or damage under this Additional Coverage if the Covered Property was moved from the described premises to preserve it from loss or damage by a cause of loss that is not a Covered Cause of Loss.

#### d. Fire Department Service Charge

When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay up to \$2,500, unless a different limit is shown in the Declarations, for your liability for fire department service charges:

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

#### e. Collapse

The coverage provided under this Additional Coverage - Collapse applies only to an abrupt collapse as described and limited in paragraphs e(1) through e(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 policy or that contains Covered Property insured under this policy, if such collapse is caused by one or more of the following:

- (a) Building decay that is hidden from view, unless the presence of such decay is known to an insured prior to collapse;
- (b) Insect or vermin damage that is hidden from view, unless the presence of such damage is known to an insured prior to collapse;
- (c) Use of defective material or methods in construction, remodeling or renovation if the abrupt collapse occurs during the course of the construction, remodeling or renovation.
- (d) Use of defective material or methods in construction, remodeling or renovation if the abrupt collapse occurs after the construction, remodeling or renovation is complete, but only if the collapse is caused in part by:
  - (i) A cause of loss listed in paragraph (2)(a) or (2)(b);
  - (ii) One or more of the *specified causes of loss*;
  - (iii) Breakage of building glass;
  - (iv) Weight of people or personal property; or
  - (v) Weight of rain that collects on a roof.
- (3) This Additional Coverage - Collapse does **not** apply to:
  - (a) A building or any part of a building that is in danger of falling down or caving in;
  - (b) A part of a building that is standing, even if it has separated from another part of the building; or
  - (c) A building that is standing or any part of a building that is standing, even if it shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.
- (4) With respect to the following property:
  - (a) Awnings;
  - (b) Gutters and downspouts;
  - (c) Yard fixtures;
  - (d) Outdoor swimming pools;
  - (e) Piers, wharves and docks;
  - (f) Beach or diving platforms or appurtenances;

- (g) Retaining walls; and
- (h) Walks, roadways and other paved surfaces;

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

- (5) If personal property abruptly falls down or caves in and such collapse is not the result of abrupt collapse of a building, we will pay for loss or damage to Covered Property caused by such collapse of personal property only if:
  - (a) The collapse of personal property was caused by a cause of loss listed in paragraphs (2)(a) through (2)(d) of this Additional Coverage;
  - (b) The personal property which collapses is inside a building; and
  - (c) The property which collapses is not of a kind listed in paragraph (4), regardless of whether that kind of property is considered to be personal property or real property.

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

- (6) This Additional Coverage - Collapse does not apply to personal property that has not abruptly fallen down or caved in, even if the personal property shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.
- (7) This Additional Coverage - Collapse will not increase the Limits of Insurance provided in this policy.
- (8) The term Covered Cause of Loss includes the Additional Coverage - Collapse as described and limited in paragraphs e(1) through e(7).

**f. Water, Other Liquids, Powder or Molten Material Damage**

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

We will not pay the cost to repair any defect that caused the loss or damage, but we will

pay the cost to repair or replace damaged parts or fire extinguishing equipment if the damage:

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

**g. Business Income and Extra Expense**

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

With respect to the requirements set forth in the preceding paragraph, if you occupy only part of the site at which the described premises are located, your premises means:

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

- (2) Business income means the:

- (a) Net income (Net Profit or Loss before income taxes) that would have been earned or incurred if no physical loss or damage had occurred, but not including any Net Income that would likely have been earned as a result of an increase in the volume of business due to favorable business conditions caused by the impact of the Covered Cause of Loss on customers or on other businesses; and

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

- (3) We will pay necessary Extra Expense you incur during the *period of restoration* that you would not have incurred if there had been no direct physical loss or damage to property at the described premises. The loss or damage must be caused by or result from a Covered Cause of Loss. With respect to loss of or

damage to personal property in the open or personal property in a vehicle, the described premises include the area within 100 feet of the site at which the described premises are located.

With respect to the requirements set forth in the preceding paragraph, if you occupy only part of the site at which the described premises are located, your premises means:

- (a) The portion of the building which you rent, lease or occupy; and
  - (b) Any area within the building or on the site at which the described premises are located, if that area services, or is used to gain access to, the described premises.
- (4) Extra Expense means expense incurred:
- (a) To avoid or minimize the suspension of business and to continue *operations*:
    - (i) At the described premises; or
    - (ii) At replacement premises or at temporary locations, including relocation expenses, and costs to equip and operate the replacement or temporary locations.
  - (b) To minimize the suspension of business if you cannot continue *operations*.
  - (c) To:
    - (i) Repair or replace any property; or
    - (ii) Research, replace or restore the lost information on damaged *valuable papers and records*;to the extent it reduces the amount of loss that otherwise would have been payable under this Additional Coverage.
- (5) We will only pay for Loss of Business Income or Extra Expense that you sustain during the *period of restoration* and that occurs within 12 consecutive months after the date of direct physical loss or damage. Items (1) through (5) of this Additional Coverage are not subject to the Limits of Insurance.
- (6) Extended Business Income. If the necessary suspension of your *operations* produces a Business Income loss payable under this policy, we will pay for the actual loss of Business Income you incur during the period that:
- (a) Begins on the date property, except finished stock, is actually repaired, rebuilt or replaced and *operations* are

resumed; and

- (b) Ends on the earlier of:
  - (i) The date you could restore your *operations*, with reasonable speed, to the level which would generate the Business Income amount that would have existed if no direct physical loss or damage had occurred; or
  - (ii) 30 consecutive days after the date determined in (a) above.

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

Loss of Business Income must be caused by direct physical loss or damage at the described premises caused by or resulting from any Covered Cause of Loss.

- (7) With respect to the coverage provided in this Additional Coverage, suspension means:
- (a) The partial slowdown or complete cessation of your business activities; or
  - (b) That a part or all of the described premises is rendered untenable, if coverage for Business Income applies.
- (8) This Additional Coverage is not subject to the Limits of Insurance.

#### **h. Civil Authority**

When a Covered Cause of Loss causes damage to property other than property at the described premises, we will pay for the actual loss of Business Income you sustain and necessary Extra Expense caused by action of civil authority that prohibits access to the described premises, provided that both of the following apply:

- (1) Access to the area immediately surrounding the damaged property is prohibited by civil authority as a result of the damage, and the described premises are within that area but are not more than one mile from the damaged property; and
- (2) The action of civil authority is taken in response to dangerous physical conditions resulting from the damage or continuation of the Covered Cause of Loss 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 Business Income will begin 72 hours after the time of the first action of civil authority that prohibits access to the described premises and will apply for a period of up to four consecutive weeks from the date on which such coverage began.

Civil Authority coverage for necessary Extra Expense will begin immediately after the time of the first action of civil authority that prohibits access to the described premises and will end:

- (1) Four consecutive weeks after the date of that action; or
- (2) When your Civil Authority coverage for Business Income ends;

whichever is later.

The definitions of Business Income and Extra Expense contained in the Business Income and Extra Expense Additional Coverages also apply to this Civil Authority Additional Coverage. The Civil Authority Additional Coverage is not subject to the Limits of Insurance.

#### **i. Money Orders and Counterfeit Money**

We will pay for loss resulting directly from your having accepted in good faith, in exchange for merchandise, *money* or services:

- (1) Money orders issued by any post office, express company or bank that are not paid upon presentation; or
- (2) *Counterfeit money* that is acquired during the regular course of business.

The most we will pay for any loss under this Additional Coverage is \$1,000.

#### **j. Forgery and Alteration**

- (1) We will pay for loss resulting directly from forgery or alteration of, any check, draft, promissory note, bill of exchange or similar written promise of payment in *money*, that you or your agent has issued, or that was issued by someone who impersonates you or your agent.
- (2) If you are sued for refusing to pay the check, draft, promissory note, bill of exchange or similar written promise of payment in *money*, on the basis that it has been forged or altered, and you have our written consent to defend against the suit, we will pay for any reasonable legal expenses that you incur in that defense.
- (3) For the purpose of this coverage, check includes a substitute check as defined in the Check Clearing for the 21st Century Act, and will be treated the same as the original it replaced.

- (4) The most we will pay for any loss, including legal expenses, under this Additional Coverage is \$2,500, unless a higher Limit of Insurance is shown in the Declarations.

#### **k. Increased Cost of Construction**

- (1) This Additional Coverage applies only to buildings insured on a replacement cost basis.
- (2) In the event of damage by a Covered Cause of Loss to a building that is Covered Property, we will pay the increased costs incurred to comply with enforcement of an ordinance or law in the course of repair, rebuilding or replacement of damaged parts of that property, subject to the limitations stated in k(3) through k(9) of this Additional Coverage.
- (3) The ordinance or law referred to in k(2) of this Additional Coverage is an ordinance or law that regulates the construction or repair of buildings or establishes zoning or land use requirements at the described premises, and is in force at the time of loss.
- (4) Under this Additional Coverage, we will not pay any costs due to an ordinance or law that:
  - (a) You are required to comply with before the loss, even when the building was undamaged; and
  - (b) You failed to comply with.
- (5) Under this Additional Coverage, we will not pay for:
  - (a) The enforcement of any ordinance or law which requires demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by *pollutants* or due to the presence, growth, proliferation, spread or any activity of *fungi*, wet rot or dry rot; or
  - (b) Any costs associated with the enforcement of an ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to or assess the effects of *pollutants*, *fungi*, wet rot or dry rot.
- (6) The most we will pay under this Additional Coverage, for each described building insured under this Coverage Form is \$10,000. If a damaged building(s) is covered under a blanket Limit of Insurance which applies to more than one building or item of property,

then the most we will pay under this Additional Coverage, for each damaged building, is \$10,000.

The amount payable under this Additional Coverage is additional insurance.

- (7) With respect to this Additional Coverage:
- (a) We will not pay for the Increased Cost of Construction:
    - (i) Until the property is actually repaired or replaced, at the same or another premises; and
    - (ii) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.
  - (b) If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay for the Increased Cost of Construction is the increased cost of construction at the same premises.
  - (c) If the ordinance or law requires relocation to another premises, the most we will pay for the Increased Cost of Construction is the increased cost of construction at the new premises.
- (8) This Additional Coverage is not subject to the terms of the Ordinance or Law Exclusion, to the extent that such Exclusion would conflict with the provisions of this Additional Coverage.
- (9) The costs addressed in the Loss Payment and Valuation Property Loss Condition in this Coverage Form do not include the increased cost attributable to enforcement of an ordinance or law. The amount payable under this Additional Coverage, as stated in k(6) of this Additional Coverage, is not subject to such limitation.

#### **I. Business Income From Dependent Properties**

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

However, this Additional Coverage does not apply when the only loss to dependent property is loss or damage to *electronic data*, including destruction or corruption of *electronic data*. If the

dependent property sustains loss or damage to *electronic data* and other property, coverage under this Additional Coverage will not continue once the other property is repaired, rebuilt or replaced.

The most we will pay under this Additional Coverage is \$5,000 unless a higher Limit of Insurance is indicated in the Declarations.

- (2) We will reduce the amount of your Business Income loss, other than Extra Expense, to the extent you can resume *operations*, in whole or in part, by using any other available:
- (a) Source of materials; or
  - (b) Outlet for your products.
- (3) If you do not resume *operations*, or do not resume operations as quickly as possible, we will pay based on the length of time it would have taken to resume *operations* as quickly as possible.
- (4) Dependent property means property owned by others whom you depend on to:
- (a) Deliver materials or services to you, or to others for your account. But services does not mean water, communication or power supply services;
  - (b) Accept your products or services;
  - (c) Manufacture your products for delivery to your customers under contract for sale; or
  - (d) Attract customers to your business.
- The dependent property must be located in the coverage territory of this policy.
- (5) The coverage period for Business Income under this Additional Coverage:
- (a) Begins 72 hours after the time of direct physical loss or damage caused by or resulting from any Covered Cause of Loss at the premises of the dependent property; and
  - (b) Ends on the date when the property at the premises of the dependent property should be repaired, rebuilt or replaced with reasonable speed and similar quality.
- (6) The Business Income coverage period, as stated in paragraph (5), does not include any increased period required due to the enforcement of any ordinance or law that:
- (a) Regulates the construction, use or repair, or requires the tearing down of

any property; or

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

The expiration date of this policy will not reduce the Business Income coverage period.

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

**m. Glass Expenses**

- (1) We will pay for expenses incurred to put up temporary plates or board up openings if repair or replacement of damaged glass is delayed.
- (2) We will pay for expenses incurred to remove or replace obstructions when repairing or replacing glass that is part of a building. This does not include removing or replacing window displays.

**n. Fire Extinguisher Systems Recharge Expense**

- (1) We will pay:
  - (a) The cost of recharging or replacing, whichever is less, your fire extinguishers and fire extinguishing systems (including hydrostatic testing if needed) if they are discharged on or within 100 feet of the described premises; and
  - (b) For loss or damage to Covered Property if such loss or damage is the result of an accidental discharge of chemicals from a fire extinguisher or a fire extinguishing system.
- (2) No coverage will apply if the fire extinguishing system is discharged during installation or testing.
- (3) The most we will pay under this Additional Coverage is \$5,000 in any one occurrence.

**o. Water Backup of Sewers or Drains - Computers**

- (1) We will pay for loss or damage to *computer(s)* and *electronic media and records* caused by or resulting from water that backs up, or overflows from a sewer, drain or sump.
- (2) Property Exclusions item g(3) does not apply to this Additional Coverage.

**p. Electronic Data**

- (1) Subject to the provisions of this Additional Coverage, we will pay for the

cost to replace or restore *electronic data* which has been destroyed or corrupted by a Covered Cause of Loss. To the extent that *electronic data* is not replaced or restored, the loss will be valued at the cost of replacement of the media on which the *electronic data* was stored, with blank media of substantially identical type.

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

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

**q. Interruption of Computer Operations**

- (1) Subject to all provisions of this Additional Coverage, you may extend the insurance that applies to Business Income and Extra Expense to apply to a suspension of *operations* caused by an interruption in computer operations due to destruction or corruption of *electronic data* due to a Covered Cause of Loss.
- (2) With respect to the coverage provided under this Additional Coverage, the Covered Causes of Loss are subject to the following:
  - (a) Coverage under this Additional

Coverage - Interruption of Computer Operations is limited to the *specified causes of loss* and Collapse.

- (b) If the Deluxe Bis-Pak® Property Coverage Form is endorsed to add a Covered Cause of Loss, the additional Covered Cause of Loss does not apply to the coverage provided under this Additional Coverage.
  - (c) The Covered Causes of Loss include a virus, harmful code or similar instruction introduced into or enacted on a computer system (including *electronic data*) or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation. But there is no coverage for an interruption related to manipulation of a computer system (including *electronic data*) by any employee, including a temporary or leased employee, or by an entity retained by you, or for you, to inspect, design, install, modify, maintain, repair or replace that system.
- (3) The most we will pay under this Additional Coverage - Interruption of Computer Operations for all loss sustained and expense incurred in any one policy year, regardless of the number of interruptions or the number of premises, locations or computer systems involved, is \$10,000, unless a higher Limit of Insurance is shown in the Declarations. If loss payment relating to the first interruption does not exhaust this amount, then the balance is available for loss or expense sustained or incurred as a result of subsequent interruptions in that policy year. A balance remaining at the end of a policy year does not increase the amount of insurance in the next policy year. With respect to any interruption which begins in one policy year and continues or results in additional loss or expense in a subsequent policy year(s), all loss and expense is deemed to be sustained or incurred in the policy year in which the interruption began.
- (4) This Additional Coverage - Interruption of Computer Operations does not apply to loss sustained or expense incurred after the end of the *period of restoration* even if the amount of insurance stated in (3) above has not been exhausted.
- (5) Coverage for Business Income does not apply when a suspension of *operations* is caused by destruction or corruption of *electronic data*, or any loss or damage to *electronic data*, except as provided under paragraphs (1) through (4) of this Additional Coverage.
- (6) Coverage for Extra Expense does not apply when action is taken to avoid or minimize a suspension of *operations* caused by destruction or corruption of *electronic data*, or any loss or damage to *electronic data*, except as provided under paragraphs (1) through (4) of this Additional Coverage.
- r. Limited Coverage for *Fungi*, Wet Rot Or Dry Rot**
- (1) The coverage described in paragraphs r(2) and r(6) only applies when the *fungi*, wet rot or dry rot are the result of one or more of the following causes that occur 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.
- (a) A *specified cause of loss* other than fire or lightning; or
  - (b) Flood, if the Flood Damage Endorsement applies to the affected premises.
- (2) We will pay for loss or damage by *fungi*, wet rot or dry rot. As used in this Limited Coverage, the term loss or damage means:
- (a) Direct physical loss or damage to Covered Property caused by *fungi*, wet rot or dry rot, including the cost or removal of the *fungi*, wet rot or dry rot;
  - (b) The cost to tear out and replace any part of the building or other property as needed to gain access to the *fungi*, wet rot or dry rot; and
  - (c) The cost of testing performed after removal, repair, replacement or restoration of the damaged property is completed, provided there is a reason to believe that *fungi*, wet rot or dry rot are present.
- (3) The coverage described under this Limited Coverage is limited to \$15,000. Regardless of the number of claims, this limit is the most we will pay for the total of all loss of damage arising out of all occurrences of *specified causes of loss* (other than fire or lightning) and flood which take place in a 12-month period (starting with the beginning of the present annual policy period). With respect to a particular occurrence of loss which

results in *fungi*, wet rot or dry rot, we will not pay more than the total of \$15,000 even if the *fungi*, wet rot or dry rot continue to be present or active, or recur, in a later policy period.

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

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

- (5) The terms of this Limited Coverage do not increase or reduce the coverage provided under the Water Damage, Other Liquids, Powder or Molten Material Damage or Collapse Additional Coverages.
- (6) The following applies only if Business

Income and/or Extra Expense Coverage applies to the described premises and only if the suspension of *operations* satisfies all the terms and conditions of the applicable Business Income and/or Extra Expense Additional Coverage.

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

## PROPERTY EXTENSIONS OF COVERAGE

In addition to the Limits of Insurance, you may extend the insurance provided by this policy as provided below.

Except as otherwise provided, the following Extensions apply to property located in or on the building described in the Declarations or in the open (or in a vehicle) within 100 feet of the described premises.

### 1. Newly Acquired or Constructed Property

#### a. Buildings

You may extend the insurance that applies to Buildings to apply to:

- (1) Your new buildings or new additions, while being built on the described premises; and
- (2) Buildings you acquire at locations, other than the described premises, intended for:
- (a) Similar use as the building described in the Declarations; or
- (b) Use as a warehouse.

The most we will pay for loss or damage under this Extension is \$500,000 for each

building.

#### b. Business Personal Property

If this policy covers Business Personal Property, you may extend that insurance to apply to:

- (1) Business Personal Property, including such property that you newly acquire, at any location you acquire;
- (2) Business Personal Property, including such property that you newly acquire, located at your newly constructed or acquired buildings at the location described in the Declarations; or
- (3) Business Personal Property that you newly acquire, located at the described premises.

This Extension does not apply to personal property that you temporarily acquire in the course of installing or performing work on such property or your wholesale activities.

The most we will pay for loss or damage under this Extension is \$100,000 at each building.

#### c. Period Of Coverage



With respect to insurance on or at each newly acquired or constructed property, coverage will end when any of the following first occurs:

- (1) This policy expires;
- (2) 30 days expire after you acquire the property or begin construction of that part of the building that would qualify as covered property; or
- (3) You report values to us.

We will charge you additional premium for values reported from the date you acquire the property or begin construction of that part of the building that would qualify as covered property.

## 2. Personal Effects and Property of Others

- a. You may extend the insurance that applies to Business Personal Property to apply to:
  - (1) Your personal effects meaning personal property owned by you, your officers, your partners or *members*, your *managers* or your employees. This Extension does not apply to loss or damage by theft or to tools or equipment used in your business.
  - (2) Personal property in your care, custody or control belonging to other than you, your officers, your partners or *members*, your *managers* or your employees.
- b. The most we will pay for loss or damage under this Extension is \$5,000 at each described premises. Our payment for loss of or damage to personal property of others will only be for the account of the owner of the property.

## 3. Property Off-Premises

- a. You may extend the insurance provided by this policy to apply to your Covered Property, other than *money* and *securities*, *valuable papers and records* or accounts receivable, while it is in the course of transit or temporarily at a premises you do not own, lease or operate. The most we will pay for loss or damage under this Extension is \$10,000. This Extension does not apply to Covered Property in or on a vehicle.
- b. However, under this Extension, we will pay for loss or damage to *computer(s)* up to the Business Personal Property Limit shown in the Declarations.

## 4. Property in Transit

You may extend the insurance that applies to Business Personal Property to apply to your personal property in transit more than 100 feet from the described premises. Property must be in or on a motor vehicle you own, lease or operate while between points in the coverage

territory.

The most we will pay for loss or damage under this Extension is \$10,000. However, under this Extension, we will pay for loss or damage to *computer(s)* up to the Business Personal Property Limit shown in the Declarations.

## 5. Outdoor Property

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

- (1) Fire;
- (2) Lightning;
- (3) Explosion;
- (4) Riot or Civil Commotion; or
- (5) Aircraft.

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

## 6. Valuable Papers and Records

- a. You may extend the insurance that applies to Business Personal Property to apply to direct physical loss or damage to *valuable papers and records* that you own, or that are in your care, custody or control, caused by or resulting from a Covered Cause of Loss. This Coverage Extension includes the cost to research, replace or restore lost information on *valuable papers and records* for which duplicates do not exist.
- b. This Coverage Extension does not apply to:
  - (1) Property held as samples or for delivery after sale; and
  - (2) Property in storage away from the premises shown in the Declarations.
- c. The most we will pay under this Coverage Extension for loss or damage to *valuable papers and records* in any one occurrence at the described premises is \$10,000 unless a higher Limit of Insurance for *Valuable Papers and Records* is shown in the Declarations.

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

- d. 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.

e. Property Exclusions does not apply to this Coverage Extension except for:

- (1) 1c, Governmental Action;
- (2) 1d, Nuclear Hazard;
- (3) 1f, War and Military Action;
- (4) 2f, Dishonesty;
- (5) 2g, False Pretense;
- (6) Paragraph 2m(2), Errors or Omissions; and
- (7) 3.

## 7. Accounts Receivable

a. You may extend the insurance that applies to Business Personal Property to apply to accounts receivable. We will pay:

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

that result from direct physical loss or damage by any Covered Cause of Loss to your records of accounts receivable.

b. The most we will pay under this Coverage Extension for loss or damage in any one occurrence at the described premises is \$10,000, unless a higher Limit of Insurance for Accounts Receivable is shown in the Declarations.

For accounts receivable not at the described premises, the most we will pay is \$5,000.

c. Property Exclusions does not apply to this Coverage Extension except for:

- (1) 1c, Governmental Action;
- (2) 1d, Nuclear Hazard;
- (3) 1f, War and Military Action;
- (4) 2f, Dishonesty;

- (5) 2g, False Pretense;
- (6) 3; and
- (7) The Accounts Receivable Exclusion.

## 8. Money and Securities

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

- (1) Theft, meaning any act of stealing;
- (2) Disappearance; or
- (3) Destruction.

b. In addition to the Limitations and Exclusions applicable to property coverage, we will not pay for loss:

- (1) Resulting from accounting or arithmetical errors or omissions;
- (2) Due to the giving or surrendering of property in any exchange or purchase; or
- (3) Of property contained in any *money*-operated device unless the amount of *money* deposited in it is recorded by a continuous recording instrument in the device.

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

- (1) The limit shown in the Declarations for Inside the Premises for *money* and *securities* while:
  - (a) In or on the described premises; or
  - (b) Within a bank or savings institution; and
- (2) The limit shown in the Declarations for Outside the Premises for *money* and *securities* while anywhere else.

d. All loss:

- (1) Caused by one or more persons; or
- (2) Involving a single act or series of related acts;

is considered one occurrence.

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

## PROPERTY EXCLUSIONS

1. We will not pay for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss. These exclusions apply whether or not the loss event results in widespread damage or affects a substantial area.

### a. Ordinance or Law

The enforcement of any ordinance or law:

- (1) Regulating the construction, use or repair of any property; or
- (2) Requiring the tearing down of any property, including the cost of removing its debris.

This exclusion, Ordinance or Law, applies whether the loss results from:

- (1) An ordinance or law that is enforced even if the property has not been damaged; or
- (2) The increased costs incurred to comply with an ordinance or law in the course of construction, repair, renovation, remodeling or demolition of property or removal of its debris, following a physical loss to that property.

### b. Earth Movement

- (1) Earthquake, including tremors and aftershocks and any earth sinking, rising or shifting related to such event;
- (2) Landslide, including any earth sinking, rising or shifting related to such event;
- (3) Mine subsidence, meaning subsidence of a man-made mine, whether or not mining activity has ceased;
- (4) Earth sinking (other than sinkhole collapse), rising or shifting including soil conditions which cause settling, cracking or other disarrangement of foundations or other parts of realty. Soil conditions include contraction, expansion, freezing, thawing, erosion, improperly compacted soil and the action of water under the ground surface.

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

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

Volcanic action means direct loss or

damage resulting from the eruption of a volcano when the loss or damage is caused by:

- (a) Airborne volcanic blast or airborne shock waves;
- (b) Ash, dust, or particulate matter; or
- (c) Lava flow.

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

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

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

### c. Governmental Action

Seizure or destruction of property by order of governmental authority.

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

### d. Nuclear Hazard

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

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

### e. Utility Services

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

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

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

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

But if the failure or surge of power, or the

failure of communication, water or other utility service, results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

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

This exclusion does not apply to loss or damage to *computer(s)* and *electronic data*.

**f. War and Military Action**

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

**g. Water**

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

This exclusion applies regardless of whether any of the above, in paragraphs (1) through (5), is caused by an act of nature or is otherwise caused. 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 any of the above, in paragraphs (1) through (5), results in fire, explosion or sprinkler leakage, we will pay for the loss or damage caused by that fire, explosion or sprinkler leakage.

**h. Fungi, Wet Rot or Dry Rot**

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

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

This exclusion does not apply:

- (1) When *fungi*, wet rot or dry rot result from fire or lightning; or
- (2) To the extent that coverage is provided in the Limited Coverage for *Fungi, Wet Rot or Dry Rot Additional Coverage*, with respect to loss or damage by a cause of loss other than fire or lightning.

**i. Virus Or Bacteria**

- (1) Any virus, bacterium or other microorganism that induces or is capable of inducing physical distress, illness or disease.
- (2) However, the exclusion in paragraph (1) does not apply to loss or damage caused by or resulting from *fungi*, wet rot or dry rot. Such loss or damage is addressed in Exclusion j;
- (3) With respect to any loss or damage subject to the exclusion in paragraph (1), such exclusion supersedes any exclusion relating to *pollutants*.

**j. Certain Computer-Related Losses**

- (1) The failure, malfunction or inadequacy of:
  - (a) Any of the following, whether belonging to any insured or to others:
    - (i) *Computer* hardware, including microprocessors or other electronic data processing equipment as may be described elsewhere in this policy;
    - (ii) *Computer* application software or other *electronic data* as may be described elsewhere in this policy;
    - (iii) *Computer* operating systems and related software;
    - (iv) *Computer* networks;
    - (v) Microprocessors (*computer* chips) not part of any *computer* system; or
    - (vi) Any other computerized or electronic equipment or components; or
  - (b) Any other products, and any services, data or functions that directly or indirectly use or rely upon, in any manner, any of the items listed in paragraph (a) above;

due to the inability to correctly recognize, distinguish, interpret or accept one or more dates or times. An example is the inability of computer software to recognize the year 2000.

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

If excluded loss or damage as described in paragraph 1a of this endorsement results in a *specified cause of loss*, we will pay only for the loss or damage caused by such *specified cause of loss*.

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

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

**a. Electrical Apparatus**

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

- (1) Electrical or electronic wire, device, appliance, system or network; or
- (2) Device, appliance, system or network utilizing cellular or satellite technology.

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

- (1) Electrical current, including arcing;
- (2) Electrical charge produced or conducted by a magnetic or electromagnetic field;
- (3) Pulse of electromagnetic energy; or
- (4) Electromagnetic waves or microwaves.

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

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

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

**b. Consequential Losses**

Delay, loss of use or loss of market.

**c. Smoke, Vapor, Gas**

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

**d. Steam Apparatus**

Explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control.

But, if explosion of steam boilers, steam pipes, steam engines or steam turbines results in fire or combustion explosion, we will pay for the loss or damage caused by that fire or combustion explosion. We will also pay for loss or damage caused by or resulting from the explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.

**e. Frozen Plumbing**

Water, other liquids, powder or molten material that leaks or flows from plumbing, heating, air conditioning or other equipment (except fire protective systems) caused by or resulting from freezing, unless:

- (1) You do your best to maintain heat in the building or structure; or
- (2) You drain the equipment and shut off the supply if the heat is not maintained.

**f. Dishonesty**

Dishonest or criminal acts by you, anyone else with an interest in the property, or any of your or their partners, *members*, officers, *managers*, employees, directors, trustees, authorized representatives or anyone to whom you entrust the property for any purpose:

- (1) Acting alone or in collusion with others; or
- (2) Whether or not occurring during the hours of employment.

This exclusion does not apply to acts of destruction by your employees; but theft by employees is not covered.

With respect to accounts receivable and *valuable papers and records*, this exclusion does not apply to carriers for hire.

This exclusion does not apply to coverage that is provided under the Employee Dishonesty Optional Coverage.

**g. False Pretense**

Voluntary parting with any property by you or anyone else to whom you have entrusted the property if induced to do so by any fraudulent scheme, trick, device or false pretense.

**h. Exposed Property**

Rain, snow, ice or sleet to personal property in the open.

**i. Collapse**

(1) 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 paragraph i(1)(a) or i(1)(b).

But if collapse results in a Covered Cause of Loss at the described premises, we will pay for the loss or damage caused by that Covered Cause of Loss.

(2) This Exclusion i, does not apply:

- (a) To the extent that coverage is provided under the Additional Coverage - Collapse; or
- (b) To collapse caused by one or more of the following:
  - (i) The *specified causes of loss*;
  - (ii) Breakage of building glass;
  - (iii) Weight of rain that collects on a roof; or
  - (iv) Weight of people or personal property.

**j. Pollution**

We will not pay for loss or damage caused by or resulting from the discharge, dispersal, seepage, migration, release or escape of *pollutants* unless the discharge, dispersal, seepage, migration, release or escape is itself caused by any of the *specified causes of loss*. But, if the discharge, dispersal, seepage, migration, release or escape of *pollutants* results in a *specified cause of loss*, we will pay for the loss or damage caused by that *specified cause of loss*.

**k. Neglect**

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

**l. Other Types of Loss**

- (1) Wear and tear;
- (2) Rust or other corrosion, decay, deterioration, hidden or latent defect or any quality in property that causes it to damage or destroy itself;
- (3) Smog;
- (4) Settling, cracking, shrinking or expansion;
- (5) Nesting or infestation, or discharge or release of waste products or secretions,

by insects, birds, rodents or other animals;

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

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

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

- (a) Dampness or dryness of atmosphere;
- (b) Changes in or extremes of temperature; or
- (c) Marring or scratching.

But, if an excluded cause of loss that is listed in 2l(1) through (7) results in a *specified cause of loss*, or building glass breakage, we will pay for the loss or damage caused by that *specified cause of loss* or building glass breakage.

**m. Errors or Omissions**

Errors or omissions in:

- (1) Programming, processing or storing data, as described under *electronic data* or in any *computer operations*; or
- (2) Processing or copying *valuable papers and records*.

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

**n. Installation, Testing, Repair**

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

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

**o. Electrical Disturbance**

Electrical or magnetic injury, disturbance or erasure of *electronic data*, except as provided for under the Additional Coverages section.

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

**p. Continuous or Repeated Seepage or Leakage of Water**

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

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

Covered Cause of Loss.

**a. Weather Conditions**

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

**b. Acts or Decisions**

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

**c. Negligent Work**

Faulty, inadequate or defective:

- (1) Planning, zoning, development, surveying, siting;
- (2) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
- (3) Materials used in repair, construction, renovation or remodeling; or
- (4) Maintenance;

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

**4. Additional Exclusion**

The following applies only to the property specified in this Additional Exclusion.

**Loss Or Damage To Products**

We will not pay for loss or damage to any merchandise, goods or other product caused by or resulting from error or omission by any person or entity (including those having possession under an arrangement where work or a portion of the work is outsourced) in any stage of the development, production or use of the product, including planning, testing, processing, packaging, installation, maintenance or repair. This exclusion applies to any effect that compromises the form, substance or quality of the product. But if such error or omission results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

**5. Business Income and Extra Expense Exclusions**

**a.** We will not pay for:

- (1) Any Extra Expense or increase of

Business Income loss, caused by or resulting from:

(a) 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; or

(b) Suspension, lapse or cancellation of any license, lease or contract. But if the suspension, lapse or cancellation is directly caused by the suspension of *operations*, we will cover such loss that affects your Business Income during the *period of restoration* and any extension of the *period of restoration* in accordance with the terms of the Extended Business Income Additional Coverage.

(2) Any other consequential loss.

**b.** With respect to this exclusion, suspension means:

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

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

**6. Accounts Receivable Exclusion**

The following additional exclusion applies to the Accounts Receivable Coverage Extension:

We will not pay for:

**a.** Loss or damage caused by or resulting from alteration, falsification, concealment or destruction of records of accounts receivable done to conceal the wrongful giving, taking or withholding of *money, securities* or other property.

This exclusion applies only to the extent of the wrongful giving, taking or withholding.

**b.** Loss or damage caused by or resulting from bookkeeping, accounting or billing errors or omissions.

**c.** Any loss or damage that requires any audit of records or any inventory computation to prove its factual existence.

**PROPERTY LIMITS OF INSURANCE**

- 1. The most we will pay for loss or damage in any one occurrence is the applicable Limit of Insurance shown in the Declarations.
- 2. The most we will pay for loss of or damage to outdoor signs attached to buildings is \$1,000 per sign in any one occurrence.
- 3. The amounts of insurance applicable to the

Coverage Extensions and the following Additional Coverages apply in accordance with the terms of such coverages and are in addition to the Limits of Insurance:

- a.** Fire Department Service Charge;
- b.** Pollutant Clean-up And Removal;
- c.** Increased Cost Of Construction;

- d. Business Income From Dependent Properties;
- e. Electronic Data; and
- f. Interruption Of Computer Operations.

**4. Building Limit - Automatic Increase**

- a. In accordance with paragraph 4b, the Limit of Insurance for Buildings will automatically increase by the percentage of annual increase shown in the Declarations.
- b. The amount of increase is calculated as follows:
  - (1) Multiply the Building limit that applied on the most recent of the policy inception date, the policy anniversary date, or any other policy change amending the Building limit by the percentage of annual increase shown in the Declarations, expressed as a decimal (example: 8% is .08); and
  - (2) Multiply the number calculated in accordance with b(1) by the number of days since the beginning of the current policy year, or the effective date of the most recent policy change amending the Building limit, divided by 365.

Example:

If:

The applicable Building limit is       \$100,000  
 The annual percentage increase is       8%  
 The number of days since the  
 beginning of the policy year  
 (or last policy change) is               180  
 The amount of increase is  
 $\$100,000 \times .08 \times 180 \div 365 = \$3,945$

**5. Business Personal Property Limit - Seasonal Increase**

- a. Subject to paragraph 5b, the Limit of Insurance for Business Personal Property is automatically increased by:
  - (1) The Business Personal Property - Seasonal Increase percentage shown in the Declarations; or
  - (2) 25% if no Business Personal Property - Seasonal Increase percentage is shown in the Declarations;

to provide for seasonal variances.

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

- (1) The 12 months immediately preceding the date the loss or damage occurs; or
- (2) The period of time you have been in business as of the date the loss or damage occurs.

**6. Business Personal Property Limit - Automatic Increase**

- a. In accordance with paragraph 6b, the Limit of Insurance for Business Personal Property will automatically increase by the percentage of annual increase shown in the Declarations.
- b. The amount of increase is calculated as follows:

- (1) Multiply the Business Personal Property limit that applied on the most recent of the policy inception date, the policy anniversary date, or any other policy change amending the Business Personal Property limit by the percentage of annual increase shown in the Declarations, expressed as a decimal (example: 6% is .06); and
- (2) Multiply the number calculated in accordance with b(1) by the number of days since the beginning of the current policy year, or the effective date of the most recent policy change amending the Business Personal Property limit, divided by 365.

Example:

If:

The applicable Business Personal  
 Property limit is                               \$100,000  
 The annual percentage increase is       6%  
 The number of days since the  
 beginning of the policy year  
 (or last policy change) is               180  
 The amount of increase is  
 $\$100,000 \times .06 \times 180 \div 365 =$                \$2,959

**PROPERTY OPTIONAL COVERAGES**

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

**1. Outdoor Signs**

- a. We will pay for direct physical loss of or damage to all outdoor signs at the described premises:
  - (1) Owned by you; or
  - (2) Owned by others but in your care, custody or control.



b. Paragraph 3, Covered Causes of Loss, under the Property Coverages Section, and the Property Exclusions Section do not apply to this Optional Coverage, except for the following Property Exclusions:

- (1) Paragraph 1c, Governmental Action;
- (2) Paragraph 1d, Nuclear Hazard; and
- (3) Paragraph 1f, War and Military Action.

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

- (1) Wear and tear;
- (2) Hidden or latent defect;
- (3) Rust;
- (4) Corrosion; or
- (5) Mechanical breakdown.

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

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

## 2. Employee Dishonesty

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

- (1) Cause you to sustain loss or damage; and also
- (2) Obtain financial benefit (other than salaries, commissions, fees, bonuses, promotions, awards, profit sharing, pensions or other employee benefits earned in the normal course of employment) for:

- (a) Any employee; or
- (b) Any other person or organization.

b. We will not pay for loss or damage:

- (1) Resulting from any dishonest or criminal act that you or any of your partners or *members* commit whether acting alone or in collusion with other persons.
- (2) Resulting from any dishonest act committed by any of your employees (except as provided in paragraph a), *managers* or directors:
  - (a) Whether acting alone or in collusion with other persons; or
  - (b) While performing services for you or otherwise.
- (3) The only proof of which as to its existence or amount is:

- (a) An inventory computation; or
- (b) A profit and loss computation.

c. The most we will pay for loss or damage in any one occurrence is the Limit of Insurance for Employee Dishonesty shown in the Declarations.

d. All loss or damage:

- (1) Caused by one or more persons; or
- (2) Involving a single act or series of acts; is considered one occurrence.

e. If any loss is covered:

- (1) Partly by this insurance; and
- (2) Partly by any prior cancelled or terminated insurance that we or any affiliate had issued to you or any predecessor in interest;

the most we will pay is the larger of the amount recoverable under this insurance or the prior insurance.

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

f. This Optional Coverage is cancelled as to any employee immediately upon discovery by:

- (1) You; or
- (2) Any of your partners, *members*, *managers*, officers or directors not in collusion with the employee;

of any dishonest act committed by that employee before or after being hired by you.

g. We will pay only for covered loss or damage sustained during the policy period and discovered no later than one year from the end of the policy period.

h. If you (or any predecessor in interest) sustained loss or damage during the policy period of any prior insurance that you could have recovered under that insurance except that the time within which to discover loss or damage had expired, we will pay for it under this Optional Coverage, provided:

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

i. The insurance under paragraph h above is

part of, not in addition to, the Limit of Insurance applying to this Optional Coverage and is limited to the lesser of the amount recoverable under:

- (1) This Optional Coverage as of its effective date; or
  - (2) The prior insurance had it remained in effect.
- j. With respect to the Employee Dishonesty Optional Coverage in paragraph 2, employee means:
- (1) Any natural person:
    - (a) While in your service or for 30 days after termination of service;
    - (b) Whom you compensate directly by salary, wages or commissions; and
    - (c) Whom you have the right to direct and control while performing services for you.
  - (2) Any natural person who is furnished temporarily to you;
    - (a) To substitute for a permanent employee as defined in paragraph (1) above, who is on leave; or
    - (b) To meet seasonal or short-term work load conditions.

- (3) Any natural person who is leased to you under a written agreement between you and a labor leasing firm, to perform duties related to the conduct of your business, but does not mean a temporary employee as defined in paragraph (2) above;
- (4) Any natural person who is a former employee, director, partner, member, manager, representative or trustee retained as a consultant while performing services for you; or
- (5) Any natural person who is a guest student or intern pursuing studies or duties, excluding, however, any such person while having care and custody of property outside any building you occupy in conducting your business.

But employee does not mean:

- (1) Any agent, broker, factor, commission merchant, consignee, independent contractor or representative of the same general character; or
- (2) Any *manager*, director or trustee except while performing acts coming within the usual duties of an employee.

## PROPERTY DEDUCTIBLES

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

In the event that loss or damage occurs to Covered Property at one or more building locations as a result of one occurrence, the largest applicable deductible shown in the Declarations will apply.

2. Regardless of the amount of the Deductible, the most we will deduct from any loss or damage under all of the following Optional Coverages in any one occurrence is the Optional Coverage Deductible shown in the Declarations:
  - a. Money and Securities;
  - b. Employee Dishonesty;

- c. Outdoor Signs; and
- d. Forgery or Alteration.

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

3. No deductible applies to the following Additional Coverages, Extensions of Coverage or Optional Coverages:
  - a. Fire Department Service Charge;
  - b. Business Income and Extra Expense;
  - c. Civil Authority;
  - d. Fire Extinguisher Systems Recharge Expense.

## PROPERTY GENERAL CONDITIONS

### 1. Control of Property

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

The breach of any condition of this Coverage Form at any one or more locations will not affect

coverage at any location where, at the time of loss or damage, the breach of condition does not exist.

### 2. Mortgageholders

- a. The term "mortgageholder" includes trustee.
- b. We will pay for covered loss of or damage to

buildings or structures to each mortgageholder shown in the Declarations in their order of precedence, as interests may appear.

- c. The mortgageholder has the right to receive loss payment even if the mortgageholder has started foreclosure or similar action on the building or structure.
- d. If we deny your claim because of your acts or because you have failed to comply with the terms of this policy, the mortgageholder will still have the right to receive loss payment if the mortgageholder:
  - (1) Pays any premium due under this policy at our request if you have failed to do so;
  - (2) Submits a signed, sworn proof of loss within 60 days after receiving notice from us of your failure to do so; and
  - (3) Has notified us of any change in ownership, occupancy or substantial change in risk known to the mortgageholder.

All of the terms of this policy will then apply directly to the mortgageholder.

- e. If we pay the mortgageholder for any loss or damage and deny payment to you because of your acts or because you have failed to comply with the terms of this policy:
  - (1) The mortgageholder's rights under the mortgage will be transferred to us to the extent of the amount we pay; and
  - (2) The mortgageholder's right to recover the full amount of the mortgageholder's claim will not be impaired.

At our option, we may pay to the mortgageholder the whole principal on the

mortgage plus any accrued interest. In this event, your mortgage and note will be transferred to us and you will pay your remaining mortgage debt to us.

- f. If we cancel this policy, we will give written notice to the mortgageholder at least:
  - (1) Ten days before the effective date of cancellation if we cancel for your non-payment of premium; or
  - (2) Thirty days before the effective date of cancellation if we cancel for any other reason.
- g. If we elect not to renew this policy, we will give written notice to the mortgageholder at least 10 days before the expiration date of this policy.

### 3. No Benefit to Bailee

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

### 4. Policy Period, Coverage Territory

Under this form:

- a. We cover loss or damage commencing:
  - (1) During the policy period shown in the Declarations; and
  - (2) Within the coverage territory or, with respect to property in transit, while it is between points in the coverage territory.
- b. The coverage territory is:
  - (1) The United States of America (including its territories and possessions);
  - (2) Puerto Rico; and
  - (3) Canada.

## PROPERTY LOSS CONDITIONS

### 1. Abandonment

There can be no abandonment of any property to us.

### 2. Appraisal

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

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

umpire equally.

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

### 3. Duties in the Event of Loss or Damage

- a. You must see that the following are done in the event of loss or damage to Covered Property:
  - (1) Notify the police if a law may have been broken.
  - (2) Give us prompt notice of the loss or damage. Include a description of the property involved.
  - (3) As soon as possible, give us a description of how, when and where the loss or damage occurred.
  - (4) Take all reasonable steps to protect the Covered Property from further damage

and keep a record of your expenses reasonably incurred to protect the Covered Property. We will consider these expenses in the settlement of a claim, but this will not increase the applicable Limit of Insurance. However, we will not consider any expenses incurred in order to protect the Covered Property from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.

(5) At our request, give us complete inventories of the damaged and undamaged property. Include quantities, costs, values and amount of loss claimed.

(6) As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.

Also, permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.

(7) Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.

(8) Cooperate with us in the investigation or settlement of the claim.

(9) Resume all or part of your *operations* as quickly as possible.

b. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.

#### 4. Legal Action Against Us

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

a. There has been full compliance with all of the terms of this insurance; and

b. The action is brought within two years after the date on which the direct physical loss or damage occurred.

#### 5. Loss Payment and Valuation

In the event of loss or damage covered by this Coverage Form:

a. At our option, we will either:

(1) Pay the value of lost or damaged property;

(2) Pay the cost of repairing or replacing the lost or damaged property;

(3) Take all or any part of the property at an agreed or appraised value; or

(4) Repair, rebuild or replace the property with other property of like kind and quality.

b. We will give notice of our intentions within 30 days after we receive the sworn proof of loss.

c. We will not pay you more than your financial interest in the Covered Property.

d. Our payment for loss of or damage to personal property of others will only be for the account of the owners of the property. We may adjust losses with the owners of lost or damaged property if other than you. If we pay the owners, such payments will satisfy your claims against us for the owners' property. We will not pay the owners more than their financial interest in the Covered Property.

e. We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.

f. We will pay for covered loss or damage within 30 days after we receive the sworn proof of loss, provided you have complied with all of the terms of this policy and we have reached agreement with you on the amount of loss or an appraisal award has been made.

g. Except as provided in (2) through (7) below, we will determine the value of Covered Property as follows:

(1) At replacement cost without deduction for depreciation, if Replacement Cost is indicated in the Declarations as the basis for valuation of the Covered Property.

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

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

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

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

However, if the cost to repair or replace the damaged building property is \$2,500 or less, we will settle the loss according to the provisions of paragraph g(1) above whether or not the actual repair or replacement is complete.

- (c) We will not pay more for loss or damage on a replacement cost basis than the least of:
  - (i) The cost to replace, on the same premises, the lost or damaged property with other property that is of comparable material and quality and is used for the same purpose.
  - (ii) The amount you actually spend that is necessary to repair or replace the lost or damaged property.
  - (iii) The limit shown in the Declarations for the Covered Property.

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

- (2) At actual cash value, if Actual Cash Value is indicated in the Declarations as the basis for valuation of the Covered Property. We will never pay more than the applicable limit shown in the Declarations.
- (3) The following property at actual cash value:
  - (a) Used or second-hand merchandise held in storage or for sale;
  - (b) Property of others. However, if an item(s) of personal property of others is subject to a written contract which governs your liability for loss or damage to that item(s), then valuation of that item(s) will be based on the amount for which you are liable under such contract, but not exceed the lesser of the replacement cost of the property or the applicable Limit of Insurance;
  - (c) Household contents, except personal property in apartments or rooms furnished by you as landlord;
  - (d) Manuscripts; and
  - (e) Works of art, antiques or rare articles, including etchings, pictures, statuary, marble, bronzes, porcelain and bric-a-brac.
- (4) Glass at the cost of replacement with

safety glazing material if required by law.

- (5) *Money* at its face value.
- (6) Securities at their value at the close of business on the day the loss is discovered.
- (7) Applicable only to Accounts Receivable:
  - (a) If you cannot accurately establish the amount of accounts receivable outstanding as of the time of loss or damage:
    - (i) We will determine the total of the average monthly amounts of accounts receivable for the 12 months immediately preceding the month in which the loss or damage occurs; and
    - (ii) We will adjust that total for any normal fluctuations in the amount of accounts receivable for the month in which the loss or damage occurred or for any demonstrated variance from the average for that month.
  - (b) The following will be deducted from the total amount of accounts receivable, however that amount is established:
    - (i) The amount of the accounts for which there is no loss or damage;
    - (ii) The amount of the accounts that you are able to reestablish or collect;
    - (iii) An amount to allow for probable bad debts that you are normally unable to collect; and
    - (iv) All unearned interest and service charges.
- h. A party wall is a wall that separates and is common to adjoining buildings that are owned by different parties. In settling covered losses involving a party wall, we will pay a proportion of the loss to the party wall based on your interest in the wall in proportion to the interest of the owner of the adjoining building. However, if you elect to repair or replace your building and the owner of the adjoining building elects not to repair or replace that building, we will pay you the full value of the loss to the party wall, subject to all applicable policy provisions including Limits of Insurance and all other provisions of this Loss Payment and Valuation Condition. Our payment under the provisions of this paragraph does not alter any right of subrogation we may have against any entity, including the owner or insurer of the adjoining building, and does not alter the terms of the Transfer Of Rights Of Recovery

Against Others To Us Common Policy Condition.

## 6. Recovered Property

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

## 7. Resumption of Operations

We will reduce the amount of your:

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

## 8. Vacancy

### a. Description of Terms

(1) As used in this Vacancy Condition, the term building and the term vacant have the meanings set forth in (a) and (b) below:

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

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

- (i) Rented to a lessee or sub-lessee and used by the lessee or sub-lessee to conduct its customary operations; and/or
- (ii) Used by the building owner to conduct customary operations.

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

### b. Vacancy Provisions

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

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

- (a) Vandalism;
- (b) Sprinkler leakage, unless you have protected the system against freezing;
- (c) Building glass breakage;
- (d) Water damage;
- (e) Theft; or
- (f) Attempted theft.

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

## PROPERTY DEFINITIONS

1. "Computer" means:

- a. Programmable electronic equipment that is used to store, retrieve and process data; and
- b. Associated peripheral equipment that provides communication, including input and output functions such as printing and auxiliary functions such as data transmission.

*Computer* does not include those used to operate production type machinery or equipment.

2. "Counterfeit money" means an imitation of money that is intended to deceive and to be taken as the original.

3. "Electronic data" means information, facts or computer programs stored as or on, created or used on, or transmitted to or from computer

software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs, referred to in the foregoing description of *electronic data*, means a set of related electronic instructions which direct the operations and functions of a *computer* or device connected to it, which enable the *computer* or device to receive, process, store, retrieve or send data.

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

5. "Manager" means a person serving in a directorial capacity for a limited liability

company.

6. "Member" means an owner of a limited liability company represented by its membership interest, who also may serve as a *manager*.
7. "Money" means:
  - a. Currency, coins and bank notes in current use and having a face value; and
  - b. Travelers checks, register checks and money orders held for sale to the public.
8. "Operations" mean your business activities occurring at the described premises.
9. "Period of restoration" means the period of time that:
  - a. Begins:
    - (1) 24 hours after time of direct physical loss or damage for Business Income coverage; or
    - (2) Immediately after the time of direct physical loss or damage for Extra Expense coverage;Caused by or resulting from any Covered Cause of Loss at the described premises; and
  - b. Ends on the earlier of:
    - (1) The date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality; or
    - (2) The date when business is resumed at a new permanent location.

*Period of restoration* does not include any increased period required due to the enforcement of any ordinance or law that:

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

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

10. "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.
11. "Securities" means negotiable and nonnegotiable instruments or contracts representing either *money* or other property and includes:

- a. Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and
- b. Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you;

but does not include *money*.

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

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

- a. Sinkhole collapse means the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite. This cause of loss does not include:
  - (1) The cost of filling sinkholes; or
  - (2) Sinking or collapse of land into man-made underground cavities.
- b. Falling objects does not include loss of or damage to:
  - (1) Personal Property in the open; or
  - (2) The interior of a building or structure or property inside a building or structure, unless the roof or an outside wall of the building or structure is first damaged by a falling object.
- c. Water damage means accidental discharge or leakage of water or steam as the direct result of the breaking apart or cracking of any part of a system or appliance (other than a sump system including its related equipment and parts) containing water or steam.

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

14. "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*.

**BIS-PAK® BUSINESS LIABILITY AND MEDICAL EXPENSES COVERAGE FORM**

**Index of Policy Provisions**

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## BIS-PAK® BUSINESS LIABILITY AND MEDICAL EXPENSES COVERAGE FORM

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

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations, and any other person or organization qualifying as a Named Insured under this policy. The words "we," "us" and "our" refer to the Company providing this insurance.

The word "insured" means any person or organization qualifying as such under the Who Is An Insured Section of this policy.

Other words and phrases that appear in italics have special meaning. Refer to the Liability and Medical Expenses Definitions Section.

### LIABILITY AND MEDICAL EXPENSES COVERAGES

#### 1. Business Liability

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of *bodily injury*, *property damage* or *personal and advertising injury* to which this insurance applies. We will have the right and duty to defend the insured against any *suit* seeking those damages. However, we will have no duty to defend the insured against any *suit* seeking damages for *bodily injury*, *property damage* or *personal and advertising injury* to which this insurance does not apply. We may at our discretion investigate any *occurrence* or any offense and settle any claim or *suit* that may result. But:

- (1) The amount we will pay for damages is limited as described in the Liability and Medical Expenses Limits of Insurance Section; and
- (2) Our right and duty to defend ends when we have used up the applicable Limit of Insurance in the payment of judgments, settlements or medical expenses.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Coverage Extension - Supplementary Payments.

- b. This insurance applies:

- (1) To *bodily injury* or *property damage* only if:
  - (a) The *bodily injury* or *property damage* is caused by an *occurrence* that takes place in the *coverage territory*; and
  - (b) The *bodily injury* or *property damage* occurs during the policy period.
  - (c) Prior to the policy period, no insured listed under item 1 of Who Is An Insured and no *employee* authorized by you to give or receive notice of an *occurrence* or claim, knew that the *bodily injury* or *prop-*

*erty damage* had occurred, in whole or in part. If such a listed insured or authorized *employee* knew, prior to the policy period, that the *bodily injury* or *property damage* occurred, then any continuation, change or resumption of such *bodily injury* or *property damage* during or after the policy period will be deemed to have been known before the policy period.

- (2) To *personal and advertising injury* caused by an offense arising out of your business, but only if the offense was committed in the *coverage territory* during the policy period.

- c. *Bodily injury* or *property damage* which occurs during the policy period and was not, prior to the policy period, known to have occurred by any insured listed under item 1 of Who Is An Insured or any *employee* authorized by you to give or receive notice of an *occurrence* or claim, includes any continuation, change or resumption of *bodily injury* or *property damage* after the end of the policy period.

- d. *Bodily injury* or *property damage* will be deemed to have been known to have occurred at the earliest time when any insured listed under item 1 of Who Is An Insured or any *employee* authorized by you to give or receive notice of an *occurrence* or claim:

- (1) Reports all, or any part, of the *bodily injury* or *property damage* to us or any other insurer;
- (2) Receives a written or verbal demand or claim for damages because of the *bodily injury* or *property damage*; or
- (3) Becomes aware by any other means that *bodily injury* or *property damage* has occurred or has begun to occur.

- e. Damages because of *bodily injury* include damages claimed by any person or organization for care, loss of services or death resulting at any time from the *bodily injury*.

**f. Coverage Extension - Supplementary Payments**

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

- (a) All expenses we incur.
- (b) Up to \$250 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which Business Liability Coverage for *bodily injury* applies. We do not have to furnish these bonds.
- (c) The cost of bonds to release attachments, but only for bond amounts within our Limit of Insurance. We do not have to furnish these bonds.
- (d) All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or *suit*, including actual loss of earnings up to \$250 a day because of time off from work.
- (e) All court costs taxed against the insured in the *suit*. However, these payments do not include attorneys' fees or attorneys' expenses taxed against the insured.
- (f) Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable Limit of Insurance, we will not pay any prejudgment interest based on that period of time after the offer.
- (g) All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within our Limit of Insurance.

These payments will not reduce the limit of liability.

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

- (a) The *suit* against the indemnitee seeks damages for which the insured has assumed the liability of the indemnitee in a contract or agreement that is an *insured contract*;
- (b) This insurance applies to such liability assumed by the insured;

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

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

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

(f) The indemnitee:

- (i) Agrees in writing to:
  - i. Cooperate with us in the investigation, settlement or defense of the *suit*;
  - ii. Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the *suit*;
  - iii. Notify any other insurer whose coverage is available to the indemnitee; and
  - iv. Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee; and
- (ii) Provides us with written authorization to:
  - i. Obtain records and other information related to the *suit*; and
  - ii. Conduct and control the defense of the indemnitee in such *suit*.

(3) So long as the above conditions are met, attorneys' fees incurred by us in the defense of that indemnitee, necessary litigation expenses incurred by us and necessary litigation expenses incurred by the indemnitee at our request will be paid as Supplementary Payments. Notwithstanding the provisions of paragraph 1b(2) of Exclusions, such payments will not be deemed to be damages for *bodily injury* and *property damage* and will not reduce the limits of insurance.

Our obligation to defend an insured's indemnitee and to pay for attorneys' fees and necessary litigation expenses as Supplementary Payments ends when:

- (a) We have used up the applicable Limit of Insurance in the payment of judgments or settlements; or
- (b) The conditions set forth above, or the terms of the agreement described in paragraph (2)(f) above, are no longer met.

## 2. Medical Expenses

- a. We will pay medical expenses as described below for *bodily injury* caused by an accident:
  - (1) On premises you own or rent;
  - (2) On ways next to premises you own or rent; or
  - (3) Because of your operations;provided that:

- (1) The accident takes place in the *coverage territory* and during the policy period;
- (2) The expenses are incurred and reported to us within one year of the date of the accident; and
- (3) The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.

- b. We will make these payments regardless of fault. These payments will not exceed the Limit of Insurance. We will pay reasonable expenses for:

- (1) First aid at the time of an accident;
- (2) Necessary medical, surgical, x-ray and dental services, including prosthetic devices; and
- (3) Necessary ambulance, hospital, professional nursing and funeral services.

## EXCLUSIONS

### 1. Applicable to Business Liability Coverage

#### This Insurance does not apply to:

- a. Expected or Intended Injury

*Bodily injury* or *property damage* expected or intended from the standpoint of the insured. This exclusion does not apply to *bodily injury* resulting from the use of reasonable force to protect persons or property.

- b. Contractual Liability

*Bodily injury* or *property damage* for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages:

- (1) That the insured would have in the absence of the contract or agreement; or
- (2) Assumed in a contract or agreement that is an *insured contract*, provided the *bodily injury* or *property damage* occurs subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed in an *insured contract*, reasonable attorney fees and necessary litigation expenses incurred by or for a party other than an insured are deemed to be damages because of *bodily injury* or *property damage*, provided:
  - (a) Liability to such party for, or for the cost of, that party's defense has also been assumed in the same *insured contract*; and

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

- c. Liquor Liability

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

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

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

- d. Workers' Compensation and Similar Laws

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

- e. Employers' Liability

*Bodily injury* to:

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

- (a) Employment by the insured; or
- (b) Performing duties related to the conduct of the insured's business; or
- (2) The spouse, child, parent, brother or sister of that employee as a consequence of paragraph (1) above.

This exclusion applies:

- (1) Whether the insured may be liable as an employer or in any other capacity; and
- (2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

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

**f. Pollution**

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

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

- (i) *Bodily injury* if sustained within a building and caused by smoke, fumes, vapor or soot produced by or originating from equipment that is used to heat, cool or dehumidify the building, or equipment that is used to heat water for personal use, by the building's occupants or their guests;
- (ii) *Bodily injury or property damage* for which you may be held liable, if you are a contractor and the owner or lessee of such premises, site or location has been added to your policy as an additional insured with respect to your ongoing operations performed for that additional insured at that premises, site or location and such premises, site or location is not and never was owned or occupied by, or rented or loaned to, any insured, other than that additional insured; or
- (iii) *Bodily injury or property damage* arising out of heat, smoke or fumes from a *hostile fire*;

- (b) At or from any premises, site or location which is or was at any

time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;

- (c) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for any insured or any person or organization for whom you may be legally responsible; or

- (d) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the *pollutants* are brought on or to the premises, site or location in connection with such operations by such insured, contractor or subcontractor. However, this subparagraph does not apply to:

- (i) *Bodily injury or property damage* arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of *mobile equipment* or its parts if such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them. This exception does not apply if the fuels, lubricants or other operating fluids are intentionally discharged, dispersed or released, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent to be discharged, dispersed or released as part of the operations being performed by such insured, contractor or subcontractor.

- (ii) *Bodily injury or property damage* sustained within a building and caused by the release of gases, fumes or vapors from materials brought into that building in connection with operations being performed by you or on your behalf by a contractor or subcontractor; or

- (iii) *Bodily injury or property damage* arising out of heat, smoke or fumes from a *hostile fire*.

- (e) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, *pollutants*.
- (2) Any loss, cost or expense arising out of any:
  - (a) Request, demand or order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of *pollutants*; or
  - (b) Claim or *suit* by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of *pollutants*.

However, this paragraph does not apply to liability for damages because of *property damage* that the insured would have in the absence of such request, demand, order or statutory or regulatory requirement or such claim or *suit* by or on behalf of a governmental authority.

**g. Aircraft, Auto or Watercraft**

*Bodily injury or property damage* arising out of the ownership, maintenance, use or entrustment to others of any aircraft, *auto* or watercraft owned or operated by or rented or loaned to any insured. Use includes operation and *loading or unloading*.

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

This exclusion does not apply to:

- (1) Watercraft while ashore on premises you own or rent;
- (2) A watercraft you do not own that is:
  - (a) Less than 51 feet long; and
  - (b) Not being used to carry persons or property for a charge.
- (3) Parking an *auto* on, or on the ways

next to premises you own or rent, provided the *auto* is not owned by or rented or loaned to you or the insured;

- (4) Liability assumed under any *insured contract* for the ownership, maintenance or use of aircraft or watercraft; or
- (5) *Bodily injury or property damage* arising out of:
  - (a) The operation of machinery or equipment that is attached to, or part of, a land vehicle that would qualify under the definition of *mobile equipment* if it were not subject to a compulsory or financial responsibility law or other motor vehicle insurance or motor vehicle registration law where it is licensed or principally garaged; or
  - (b) The operation of any of the following machinery or equipment:
    - (i) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
    - (ii) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

**h. Mobile Equipment**

*Bodily injury or property damage* arising out of:

- (1) The transportation of *mobile equipment* by an *auto* owned or operated by or rented or loaned to any insured; or
- (2) The use of *mobile equipment* in, or while in practice for, or while being prepared for, any prearranged racing, speed or stunting activity.

**i. War**

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

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

**j. Professional Services**

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

- (1) Legal, accounting, advertising, counseling, consulting services or funeral home services;
- (2) Preparing, approving, or failing to prepare or approve maps, drawings, opinions, reports, surveys, change orders, designs or specifications;
- (3) Supervisory, inspection or engineering services;
- (4) Medical, surgical, dental, x-ray or nursing services, treatment, advice or instruction;
- (5) Any health or therapeutic service, treatment, advice or instruction including but not limited to physiotherapy, massage, chiropody, or the operation or use of tanning booths or equipment;
- (6) Any service, treatment, advice or instruction for the purpose of appearance or skin enhancement, hair removal or replacement or personal grooming;
- (7) Optometry or optical or hearing aid services including the prescribing, preparation, fitting, demonstration or distribution of ophthalmic lenses and similar products or hearing aid devices;
- (8) Body piercing services, barber and beauty shops;
- (9) Services in the practice of pharmacy, but this exclusion does not apply to an insured whose operations include those of a retail druggist or drugstore.
- (10) Services in connection with the selling, licensing, franchising or furnishing of your computer software including electronic data processing programs, designs, specifications, manuals and instructions.
- (11) Data processing services rendered by, or that should have been rendered by:
  - (a) The insured; or
  - (b) Any person or organization:
    - (i) For whose acts, errors or omissions the insured is legally responsible; or
    - (ii) From whom the insured assumed liability by reason of a contract or agreement.
- (12) The rendering of, or failure to render, electronic data processing, computer consulting or computer programming services, advice or instruction by:
  - (a) The insured; or

(b) Any person or organization:

- (i) For whose acts, errors or omissions the insured is legally responsible; or
- (ii) From whom the insured assumed liability by reason of a contract or agreement.

This exclusion applies even if the claims allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by an insured, if the *occurrence* which caused the *bodily injury or property damage*, or the offense which caused the *personal and advertising injury*, involved the rendering or failure to render of any professional service.

**k. Damage to Property**

*Property damage* to:

- (1) Property you own, rent or occupy, including any costs or expenses incurred by you, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;
- (2) Premises you sell, give away or abandon, if the *property damage* arises out of any part of those premises;
- (3) Property loaned to you;
- (4) Personal property in the care, custody or control of any insured;
- (5) That particular part of real property on which you or any contractor or subcontractor working directly or indirectly on your behalf is performing operations, if the *property damage* arises out of those operations; or
- (6) That particular part of any property that must be restored, repaired or replaced because *your work* was incorrectly performed on it.

Paragraphs (1), (3) and (4) of this exclusion do not apply to *property damage* (other than damage by fire) to premises, including the contents of such premises, rented to you for a period of seven or fewer consecutive days. A separate Limit of Insurance applies to Damage To Premises Rented To You as described in paragraph 3 under the Liability And Medical Expenses Limits Of Insurance Section.

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

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

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

**l. Damage to Your Product**

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

**m. Damage to Your Work**

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

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

**n. Damage to Impaired Property or Property Not Physically Injured**

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

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

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

**o. Recall of Products, Work or Impaired Property**

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

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

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

**p. Personal and Advertising Injury**

*Personal and advertising injury*:

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

- (2) Arising out of oral or written publication of material, if done by or at the direction of the insured with knowledge of its falsity;
- (3) Arising out of oral or written publication of material whose first publication took place before the beginning of the policy period;
- (4) For which the insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement.
- (5) Arising out of a breach of contract, except an implied contract to use another's advertising idea in your *advertisement*;
- (6) Arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your *advertisement*;
- (7) Arising out of the wrong description of the price of goods, products or services stated in your *advertisement*;
- (8) Committed by an insured whose business is:
  - (a) Advertising, broadcasting, publishing or telecasting;
  - (b) Designing or determining content of websites for others; or
  - (c) An Internet search, access, content or service provider.

However, this exclusion does not apply to paragraphs a, b and c of Definition 14 *Personal and advertising injury* under Liability And Medical Expenses Definitions.

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

- (9) Arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of *pollutants* at any time.
- (10) With respect to any loss, cost or expense arising out of any:
  - (a) Request, demand or order that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize or in any way responding to, or assessing the effects of *pollutants*.
  - (b) Claim or suit by or on behalf of a

governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing or in any way responding to, or assessing the effects of *pollutants*.

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

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

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

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

**q. Suntanning Operations**

*Bodily injury, personal and advertising injury or property damage* arising out of the ownership, operation or use of any suntanning booth or suntanning device.

**r. Lead**

*Bodily injury, property damage, personal and advertising injury* arising out of the actual, alleged or threatened ingestion, inhalation, absorption, exposure or presence of lead in any form or from any source.

Coverage also does not apply to any loss, cost, expense, fine or penalty arising out of any:

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

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

**s. Electronic Data**

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

As used in this exclusion, 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 discs, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs, referred to in the foregoing description of electronic data, means a set of related electronic instructions which direct the operations and functions of a computer or device connected to it, which enable the computer or device to receive, process, store, retrieve or send data.

**t. Criminal Acts**

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

**u. Recording And Distribution Of Material Or Information In Violation Of Law**

*Bodily injury, property damage, or personal and advertising injury* arising directly or indirectly out of any action or omission that violates or is alleged to violate:

(1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law; or

(2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law; or

(3) The Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair and Accurate Credit Transaction Act (FACTA); or

(4) Any federal, state or local statute, ordinance or regulation, other than the TCPA, CAN-SPAM Act of 2003 or FCRA and their amendments and additions, that addresses, prohibits, or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information.

Exclusions c, d, e, f, g, h, i, k, l, m, n, o and r do not apply to damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner. A separate Damage To Premises Rented To You Limit of Insurance applies to this coverage as described in the Limits of Insurance Section of this Coverage Form.

**2. Applicable to Medical Expenses Coverage**

We will not pay expenses for *bodily injury*:

**a.** To any insured, except *volunteer workers*.



- b. To a person hired to do work for or on behalf of any insured or a tenant of any insured.
- c. To a person injured on that part of premises you own or rent that the person normally occupies.
- d. To a person, whether or not an *employee* of any insured, if benefits for the *bodily injury* are payable or must be provided under a workers' compensation or disability benefits law or a similar law.
- e. To a person injured while practicing, instructing or participating in any physical exercises or games, sports or taking part in athletic contests.
- f. Included within the *products-completed operations hazard*.
- g. Excluded under Business Liability Coverage.

**3. Applicable to Both Business Liability Coverage and Medical Expenses Coverage - Nuclear Energy Liability Exclusion**

This insurance does not apply:

- a. Under Business Liability Coverage, to *bodily injury* or *property damage*:
  - (1) With respect to which an insured under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters or Nuclear Insurance Association of Canada, or would be an insured under any such policy but for its termination upon exhaustion of its Limit of Liability; or
  - (2) Resulting from the *hazardous properties* of *nuclear material* and with respect to which:
    - (a) Any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof; or
    - (b) The insured is, or had this policy not been issued would be, entitled to indemnity from the United States of America or any agency thereof, under any agreement entered into by the United States of America or any agency thereof, with any person or organization.
- b. Under Medical Expenses Coverage, to expenses incurred with respect to *bodily injury* resulting from the *hazardous properties* of *nuclear material* and arising out of the operation of a *nuclear facility* by any person or organization.
- c. Under Business Liability Coverage, to *bodily*

*injury* or *property damage* resulting from the *hazardous properties* of *nuclear material*, if:

- (1) The *nuclear material*:
  - (a) Is at any *nuclear facility* owned by or operated by or on behalf of an insured; or
  - (b) Has been discharged or dispersed therefrom;
- (2) The *nuclear material* is contained in *spent fuel* or *waste* at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of an insured; or
- (3) The *bodily injury* or *property damage* arises out of the furnishing by an insured of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any *nuclear facility*, but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion (3) applies only to *property damage* to such *nuclear facility* and any property thereat.

**d. As used in this exclusion:**

"*Byproduct material*" has the meaning given it in the Atomic Energy Act of 1954 or in any law amendatory thereof;

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

"*Nuclear facility*" means:

- (1) Any *nuclear reactor*;
- (2) Any equipment or device designed or used for:
  - (a) Separating the isotopes of uranium or plutonium;
  - (b) Processing or utilizing *spent fuel*; or
  - (c) Handling, processing or packaging *waste*;
- (3) Any equipment or device used for the processing, fabricating or alloying of *special nuclear material* if at any time the total amount of such material in the custody of the insured at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof or more than 250 grams of uranium 235;
- (4) Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of *waste*;

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

such operations;

"*Nuclear material*" means *source material*, *special nuclear material* or *byproduct material*;

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

"*Property damage*" includes all forms of radioactive contamination of property;

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

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

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

"*Waste*" means any waste material:

- (1) Containing *byproduct material* other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its *source material* content; and
- (2) Resulting from the operation by any person or organization of any *nuclear facility* included under paragraphs (1) and (2) of the definition of *nuclear facility*.

## WHO IS AN INSURED

1. If you are designated in the Declarations as:
  - a. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
  - b. A partnership or joint venture, you are an insured. Your members, your partners and their spouses are also insureds, but only with respect to the conduct of your business.
  - c. A limited liability company, you are insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.
  - d. An organization other than a partnership, joint venture or limited liability company, you are an insured. Your *executive officers* and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.
  - e. A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.
2. Each of the following is also an insured:
  - a. Your *volunteer workers* only while performing duties related to the conduct of your business, or your *employees* other than either your *executive officers* (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your

business. However, none of these *employees* or *volunteer workers* are insureds for:

- (1) *Bodily injury* or *personal and advertising injury*:
  - (a) To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), or to a *co-employee* while in the course of his or her employment or performing duties related to the conduct of your business, or to your other *volunteer workers* while performing duties related to the conduct of your business;
  - (b) To the spouse, child, parent, brother or sister of that *co-employee* as a consequence of paragraph (1)(a) above;
  - (c) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in paragraphs (1)(a) or (b); or
  - (d) Arising out of his or her providing or failing to provide professional health care services. However, if you have *employees* who are pharmacists in your retail druggist or drugstore operation, they are insured with respect to their providing or failing to provide professional health care services; or
- (2) *Property damage* to property:
  - (a) Owned, occupied or used by; or
  - (b) Rented to, in the care, custody or control of, or over which physical

control is being exercised for any purpose by;

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

- b. Any person (other than your *employee* or *volunteer worker*) or any organization while acting as your real estate manager.
- c. Any person or organization having proper temporary custody of your property if you die, but only:
  - (1) With respect to liability arising out of the maintenance or use of that property; and
  - (2) Until your legal representative has been appointed.
- d. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this policy.

3. Any organization you newly acquire or form, other than a partnership, limited liability company or joint venture and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:

- a. Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the policy period, whichever is earlier;
- b. Coverage does not apply to *bodily injury* or *property damage* that occurred before you acquired or formed the organization; and
- c. Coverage does not apply to *personal and advertising injury* arising out of an offense committed before you acquired or formed the organization.

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

## LIABILITY AND MEDICAL EXPENSES LIMITS OF INSURANCE

- 1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
  - a. Insureds;
  - b. Claims made or *suits* brought; or
  - c. Persons or organizations making claims or bringing *suits*.
- 2. The most we will pay for the sum of all damages because of all:
  - a. *Bodily injury, property damage* and medical expenses arising out of any one *occurrence*; and
  - b. *Personal and advertising injury* sustained by any one person or organization;is the Liability and Medical Expenses Limit shown in the Declarations. But the most we will pay for all medical expenses because of *bodily injury* sustained by any one person is the Medical Expenses Limit shown in the Declarations.
- 3. The most we will pay under Business Liability Coverage for damages because of *property damage* to a premises while rented to you or in the case of a fire while rented to you or temporarily occupied by you with permission of the owner is the applicable Damage To Premises Rented To You Limit shown for that premises in the Declarations. For a premises temporarily occupied by you, the applicable limit will be the Damage To Premises Rented To You Limit shown in the Declarations.
- 4. **Aggregate Limits**

- a. The Products-Completed Operations Aggregate Limit shown in the Declarations is the most we will pay for injury or damage under the *products-completed operations hazard* arising from all *occurrences* during the policy period.
- b. The General Aggregate Limit shown in the Declarations is the most we will pay for the sum of all damages because of all:
  - (1) *Bodily injury, property damage* and medical expenses arising from all *occurrences* during the policy year. This limit applies separately to:
    - (a) Each location owned by or rented to you. A location is a premises involving the same or connecting lots, or a premises whose connection is interrupted only by a street, roadway, waterway or right-of-way of a railroad; and
    - (b) Each of your projects away from a location owned by or rented to you; or
  - (2) *Personal and advertising injury* arising out of all offenses committed during the policy period.

The Limits of Insurance of this policy apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be

deemed part of the last preceding period for pur-

poses of determining the Limits of Insurance.

## LIABILITY AND MEDICAL EXPENSES GENERAL CONDITIONS

We have no duty to provide coverage under this Coverage Part unless you and any other involved insured have fully complied with the Conditions contained in this Coverage Part.

### 1. Bankruptcy

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

### 2. Duties in the Event of Occurrence, Offense, Claim or Suit

a. You must see to it that we are notified as soon as practicable of an *occurrence* or an offense which may result in a claim. To the extent possible, notice should include:

- (1) How, when and where the *occurrence* or offense took place;
- (2) The names and addresses of any injured persons and witnesses; and
- (3) The nature and location of any injury or damage arising out of the *occurrence* or offense.

b. If a claim is made or *suit* is brought against any insured, you must;

- (1) Immediately record the specifics of the claim or *suit* and the date received; and
- (2) Notify us as soon as practicable.

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

c. You and any other involved insured must:

- (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or *suit*;
- (2) Authorize us to obtain records and other information;
- (3) Cooperate with us in the investigation or settlement of the claim or defense against the *suit*; and
- (4) Assist us, upon our request, in the enforcement of any right against any person or organization that may be liable to the insured because of injury or damage to which this insurance may also apply.

d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation or incur any expense, other than for first aid, without our consent.

### 3. Legal Action Against Us

No person or organization has a right under this policy:

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

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured; but we will not be liable for damages that are not payable under the terms of this policy or that are in excess of the applicable Limit of Insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

### 4. Separation of Insureds

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

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

### 5. Premium Audit - Business Liability

a. We will compute all premiums for this Coverage Part in accordance with our rules and rates.

b. Premium shown in this Coverage Part as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period. If a premium payment is due, we will send notice to the First Named Insured. The due date for audit premiums is the date shown as the due date on the bill. If the sum of the advance and audit premiums paid for the policy term is greater than the earned premium, we will return the excess to the First Named Insured.

c. The First Named Insured must keep records of the information we need for premium computation and send us copies at such times as we may request.

## LIABILITY AND MEDICAL EXPENSES DEFINITIONS

1. **"Advertisement"** means a notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters. For the purposes of this definition:
  - a. Notices that are published include material placed on the Internet or on similar electronic means of communication; and
  - b. Regarding websites, only that part of a website that is about your goods, products or services for the purposes of attracting customers or supporters is considered an advertisement.
2. **"Auto"** means:
  - a. A land motor vehicle, trailer or semitrailer designed for travel on public roads, including any attached machinery or equipment; or
  - b. Any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance or motor vehicle registration law where it is licensed or principally garaged.

However, *auto* does not include *mobile equipment*.
3. **"Bodily injury"** means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.
4. **"Coverage territory"** means:
  - a. The United States of America (including its territories and possessions), Puerto Rico and Canada;
  - b. International waters or airspace, but only if the injury or damage occurs in the course of travel or transportation between any places included in paragraph a above; or
  - c. All parts of the world if:

The injury or damage arises out of:

    - (1) Goods or products made or sold by you in the territory described in a above; or
    - (2) The activities of a person whose home is in the territory described in a above, but is away for a short time on your business; and
    - (3) **"Personal and advertising injury"** offenses that take place through the Internet or similar electronic means of communication;

provided the insured's responsibility to pay damages is determined in a *suit* on the merits in the territory described in a above or in a settlement we agree to.
5. **"Employee"** includes a *leased worker*. *Employee* does not include a *temporary worker*.
6. **"Executive officer"** means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.
7. **"Hostile fire"** means one which becomes uncontrollable or breaks out from where it was intended to be.
8. **"Impaired property"** means tangible property, other than *your product* or *your work*, that cannot be used or is less useful because:
  - a. It incorporates *your product* or *your work* that is known or thought to be defective, deficient, inadequate or dangerous; or
  - b. You have failed to fulfill the terms of a contract or agreement;

if such property can be restored to use by:

  - a. The repair, replacement, adjustment or removal of *your product* or *your work*; or
  - b. Your fulfilling the terms of the contract or agreement.
9. **"Insured contract"** means:
  - a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an *insured contract*.
  - b. A sidetrack agreement;
  - c. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
  - d. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
  - e. An elevator maintenance agreement; or
  - f. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for *bodily injury* or *property damage* to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

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

  - (1) That indemnifies a railroad for *bodily injury* or *property damage* arising out of

construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, roadbeds, tunnel, underpass or crossing;

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

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

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

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

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

11. "*Loading or unloading*" means the handling of property:

a. After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or *auto*;

b. While it is in or on an aircraft, watercraft or *auto*; or

c. While it is being moved from an aircraft, watercraft or *auto* to the place where it is finally delivered.

But *loading or unloading* does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or *auto*.

12. "*Mobile equipment*" means any of the following types of land vehicles, including any attached machinery or equipment:

a. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;

b. Vehicles maintained for use solely on or next to premises you own or rent;

c. Vehicles that travel on crawler treads;

d. Vehicles, whether self-propelled or not, on which are permanently mounted:

(1) Power cranes, shovels, loaders, diggers or drills; or

(2) Road construction or resurfacing equipment such as graders, scrapers or rollers.

e. Vehicles not described in a, b, c or d above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:

(1) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or

(2) Cherry pickers and similar devices used to raise or lower workers.

f. Vehicles not described in a, b, c or d 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 will be considered *autos*:

(1) Equipment designed primarily for:

(a) Snow removal;

(b) Road maintenance, but not construction or resurfacing; or

(c) Street cleaning.

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

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

However, *mobile equipment* does not include land vehicles that are subject to a compulsory or financial responsibility law or other motor vehicle insurance or motor vehicle registration law where they are licensed or principally garaged. Land vehicles subject to a compulsory or financial responsibility law or other motor vehicle insurance law or motor vehicle registration law are considered *autos*.

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

14. "*Personal and advertising injury*" means injury, including consequential *bodily injury*, arising out of one or more of the following offenses:

a. False arrest, detention or imprisonment;

b. Malicious prosecution;

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

d. Oral or written publication, in any manner, of material that slanders or libels a person or

organization or disparages a person's or organization's goods, products or services;

- e. Oral or written publication, in any manner, of material that violates a person's right of privacy;
  - f. The use of another's advertising idea in your *advertisement*; or
  - g. Infringing upon another's copyright, trade dress or slogan in your *advertisement*.
15. "*Pollutants*" 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.

16. "*Products-completed operations hazard*":

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

- (1) Products that are still in your physical possession; or
- (2) Work that has not yet been completed or abandoned. However, *your work* will be deemed completed at the earliest of the following times:
  - (a) When all of the work called for in your contract has been completed.
  - (b) When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site.
  - (c) When that part of the work done at the job site has been put to its intended use by any other person or organization other than another contractor or subcontractor working on the same project.

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

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

- b. Does not include *bodily injury* or *property damage* arising out of:
  - (1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the *loading* or *unloading* of that vehicle by any insured; or
  - (2) The existence of tools, uninstalled equipment or abandoned or unused materials.

17. "*Property damage*" means:

- a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
- b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the *occurrence* that caused it.

For the purposes of this insurance, electronic data is not tangible property.

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

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

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

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

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

21. "*Your product*" means:

- a. Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
  - (1) You;
  - (2) Others trading under your name; or
  - (3) A person or organization whose business or assets you have acquired; and
- b. Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

*Your product* includes:

- a. Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of *your product*; and
- b. The providing of or failure to provide warnings or instructions.

*Your product* does not include vending machines or other property rented to or located for the use of others but not sold.

**22.** "*Your work*" means:

- a. Work or operations performed by you or on

your behalf; and

- b. Materials, parts or equipment furnished in connection with such work or operations.

*Your work* includes:

- a. Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of *your work*; and
- b. The providing of or failure to provide warnings or instructions.



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# BIS-PAK® COMMON POLICY CONDITIONS

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COVERAGES			

## BIS-PAK® COMMON POLICY CONDITIONS

All coverages of this Coverage Part are subject to the following conditions.

### A. CANCELLATION

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

### B. CHANGES

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

### C. CONCEALMENT, MISREPRESENTATION OR FRAUD

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

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

### D. EXAMINATION OF YOUR BOOKS AND RECORDS

We may examine and audit your books and

records as they relate to this policy at any time during the policy period and up to three years afterward.

### E. INSPECTIONS AND SURVEYS

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

### F. INSURANCE UNDER TWO OR MORE COVERAGES

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

### G. LIBERALIZATION

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

### H. OTHER INSURANCE

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

on the same basis.

2. If there is other insurance covering the same loss or damage, other than that described in 1 above, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not. But we will not pay more than the applicable Limit of Insurance.
3. Business Liability Coverage is excess over:
  - a. Any of the other insurance, whether primary, excess, contingent or on any other basis:
    - (1) That is Fire, Extended Coverage, Builders' Risk, Installation Risk or similar coverage for *your work*;
    - (2) That is Fire insurance for premises rented to you or temporarily occupied by you with permission of the owner; or
    - (3) If the loss arises out of the maintenance or use of aircraft, *autos* or watercraft to the extent not subject to Exclusion g.
  - b. Any other primary insurance available to you covering liability for damages arising out of the premises or operations for which you have been added as an additional insured by attachment of an endorsement.
4. When Business Liability Coverage is excess, we will have no duty to defend the insured against any *suit* if any other insurer has a duty to defend the insured against that *suit*. If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

When Business Liability Coverage is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

- a. The total amount that all such other insurance would pay for the loss in the absence of this insurance; and
- b. The total of all deductible and self-insured amounts under all that other insurance.

We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Coverage Part.

## I. PREMIUMS

1. The First Named Insured shown in the Declarations:

- a. Is responsible for the payment of all premiums; and
  - b. Will be the payee for any return premiums we pay.
2. The premium shown in the Declarations was computed based on rates in effect at the time the policy was issued. On each renewal, continuation or anniversary of the effective date of this policy, we will compute the premium in accordance with our rates and rules then in effect.
  3. With our consent, you may continue this policy in force by paying a continuation premium for each successive one-year period. The premium must be:
    - a. Paid to us prior to the anniversary date; and
    - b. Determined in accordance with paragraph 2 above.Our forms then in effect will apply. If you do not pay the continuation premium, this policy will expire on the first anniversary date that we have not received the premium.
  4. Undeclared exposures or change in your business operation, acquisition or use of locations may occur during the policy period that are not shown in the Declarations. If so, we may require an additional premium.

## J. TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

### 1. Applicable to Property coverage:

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

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

You may also accept the usual bills of lading or shipping receipts limiting the liability of carriers.

This will not restrict your insurance.

**2. Applicable to Liability coverage:**

If the insured has rights to recover all or part of any payment we have made under this Coverage Part, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring *suit* or transfer those rights to us and help us enforce them. This condition does not apply to Medical Expenses Coverage.

**K. TRANSFER OF YOUR RIGHTS AND DUTIES UNDER THIS POLICY**

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

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper tem-

porary custody of your property will have your rights and duties but only with respect to that property.

**L. REPRESENTATIONS**

By accepting this policy, you agree:

1. The statements in the Declarations are accurate and complete;
2. Those statements are based upon representations you made to us; and
3. We have issued this policy in reliance upon your representations.

**M. WHEN WE DO NOT RENEW**

If we elect not to renew this policy, we will mail or deliver to the First Named Insured shown in the Declarations written notice of the non-renewal not less than 30 days before the expiration date.

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

**LIMITATION OF COVERAGE TO DESIGNATED PREMISES OR PROJECT**

**CB-0412(7-02)**

This endorsement modifies insurance provided under the following:

BIS-PAK® BUSINESS LIABILITY AND MEDICAL EXPENSES COVERAGE FORM

The following is added:

This insurance applies only to *bodily injury, property*

*damage, personal and advertising injury* and medical expenses arising out of:

1. The ownership, maintenance or use of the premises shown in the Schedule and operations necessary or incidental to those premises; or
2. The project shown in the Schedule.

**SCHEDULE**

## EMPLOYMENT-RELATED PRACTICES EXCLUSION

CB-0417(1-10)

This endorsement modifies insurance provided under the following:

BIS-PAK® BUSINESS LIABILITY AND MEDICAL EXPENSES COVERAGE FORM

The following exclusion is added:

1. This insurance does not apply to *bodily injury* or *personal and advertising injury* to:
  - a. A person arising out of any:
    - (1) Refusal to employ that person;
    - (2) Termination of that person's employment; or
    - (3) Employment-related practices, policies, acts or omissions such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination or malicious prosecution directed at that person; or
  - b. The spouse, child, parent, brother or sister of that person as a consequence of *bodily injury* or *personal and advertising injury* to that person at whom any of the employment-related practices described in paragraphs (1), (2) or (3) above is directed.
2. The Employment-Related Practices Exclusion applies:
  - a. Whether the injury-causing event described in paragraph (1), (2) or (3) above occurs before employment, during employment or after employment of that person;
  - b. Whether the insured may be liable as an employer or in any other capacity; and
  - c. To any obligation to share damages with or repay someone else who must pay damages because of the injury.

**CONDITIONAL EXCLUSION OF TERRORISM (RELATING TO DISPOSITION OF FEDERAL TERRORISM RISK INSURANCE ACT)**

CB-0564(1-15)

This endorsement modifies insurance provided under the following:

**BIS-PAK® COVERAGE PART**

**A.** The Bis-Pak® Property Coverage Form and the Bis-Pak® Business Liability and Medical Expenses Coverage Form are amended as follows:

**1. Applicability Of The Provisions Of This Endorsement**

**a.** The provisions of this endorsement will become applicable commencing on the date when any one or more of the following first occurs. But if your policy (meaning the policy period in which this endorsement applies) begins after such date, then the provisions of this endorsement become applicable on the date your policy begins.

(1) The federal Terrorism Risk Insurance Program ("Program"), established by the Terrorism Risk Insurance Act, has terminated with respect to the type of insurance provided under this Coverage Form; or

(2) A renewal, extension or replacement of the Program has become effective without a requirement to make terrorism coverage available to you and with revisions that:

(a) Increase our statutory percentage deductible under the Program for terrorism losses. (That deductible determines the amount of all certified terrorism losses we must pay in a calendar year, before the federal government shares in subsequent payment of certified terrorism losses.); or

(b) Decrease the federal government's statutory percentage share in potential terrorism losses above such deductible; or

(c) Redefine terrorism or make insurance coverage for terrorism subject to provisions or requirements that differ from those that apply to other types of events

**or occurrences under this policy.**

**b.** If the provisions of this endorsement become applicable, such provisions:

(1) **Supersede any terrorism endorsement already endorsed to this policy that addresses *certified acts of terrorism* and/or *other acts of terrorism*, but only with respect to loss or injury or damage from an incident(s) of terrorism (however defined) that occurs on or after the date when the provisions of this endorsement become applicable; and**

(2) **Remain applicable unless we notify you of changes in these provisions, in response to federal law.**

**c.** If the provisions of this endorsement do NOT become applicable, any terrorism endorsement already endorsed to this policy, that addresses *certified acts of terrorism* and/or *other acts of terrorism*, will continue in effect unless we notify you of changes to that endorsement in response to federal law.

**2.** The following definition is added and applies under this endorsement wherever the term terrorism is shown in italics.

*"Terrorism"* means activities against persons, organizations or property of any nature:

**a.** That involve the following or preparation for the following:

- (1) Use or threat of force or violence; or
- (2) Commission or threat of a dangerous act; or
- (3) Commission or threat of an act that interferes with or disrupts an electronic, communication, information, or mechanical system; and

**b.** When one or both of the following applies:

- (1) The effect is to intimidate or coerce a government or the civilian population or any segment thereof, or to disrupt any segment of the economy; or
- (2) It appears that the intent is to intimidate or coerce a government,



or to further political, ideological, religious, social or economic objectives or to express (or express opposition to) a philosophy or ideology.

**B. The Property Coverage Form is amended as follows:**

**1. The following exclusion is added:**

**EXCLUSION OF TERRORISM**

We will not pay for loss or damage caused directly or indirectly by *terrorism*, including action in hindering or defending against an actual or expected incident of *terrorism*. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss. But this exclusion applies only when one or more of the following are attributed to an incident of *terrorism*:

- a. The *terrorism* is carried out by means of the dispersal or application of radioactive material, or through the use of a nuclear weapon or device that involves or produces a nuclear reaction, nuclear radiation or radioactive contamination; or
- b. Radioactive material is released, and it appears that one purpose of the *terrorism* was to release such material; or
- c. The *terrorism* is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or
- d. Pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the *terrorism* was to release such materials; or
- e. The total of insured damage to all types of property in the United States, its territories and possessions, Puerto Rico and Canada exceeds \$25,000,000. In determining whether the \$25,000,000 threshold is exceeded, we will include all insured damage sustained by property of all persons and entities affected by the *terrorism* and business interruption losses sustained by owners or occupants of the damaged property. For the purpose of this provision, insured damage means damage that is covered by any insurance plus damage that would be covered by any insurance but for the application of any terrorism exclusions. Multiple incidents of

*terrorism* which occur within a 72-hour period and appear to be carried out in concert or to have a related purpose or common leadership will be deemed to be one incident, for the purpose of determining whether the threshold is exceeded.

With respect to this Item 1e, the immediately preceding paragraph describes the threshold used to measure the magnitude of an incident of *terrorism* and the circumstances in which the threshold will apply, for the purpose of determining whether this Exclusion will apply to that incident. When the Exclusion applies to an incident of *terrorism*, there is no coverage under this Coverage Form.

**2. Exception Covering Certain Fire Losses**

The following exception to the Exclusion Of Terrorism applies only if indicated and as indicated in the Schedule of this endorsement.

If *terrorism* results in fire, we will pay for the loss or damage caused by that fire, subject to all applicable policy provisions including the Limit of Insurance on the affected property. Such coverage for fire applies only to direct loss or damage by fire to Covered Property. Therefore, for example, the coverage does not apply to insurance provided under Business Income and/or Extra Expense coverages or endorsements that apply to those coverages.

**3. Application Of Other Exclusions**

When the Exclusion Of Terrorism applies in accordance with the terms of Paragraph 1a or 1b, such exclusion applies without regard to the Nuclear Hazard Exclusion in this Coverage Form.

**C. The Business Liability and Medical Expenses Coverage Form is amended as follows:**

**1. The following definition is added and applies under this endorsement wherever the phrase any injury or damage, is shown in italics:**

*Any injury or damage*" means any injury or damage covered under this Coverage Form or any applicable endorsement, and includes but is not limited to *bodily injury, property damage, personal injury, advertising injury or personal and advertising injury*, as may be defined under this Coverage Form or any applicable endorsement.

**2. The following exclusion is added:**

**EXCLUSION OF TERRORISM**

We will not pay for *any injury or damage* caused directly or indirectly by *terrorism*, including action in hindering or defending against an actual or expected incident of *terrorism*. *Any injury or damage* is excluded regardless of any other cause or event that contributes concurrently or in any sequence to such injury or damage. **But this exclusion applies only when one or more of the following are attributed to an incident of *terrorism*:**

- a. The *terrorism* is carried out by means of the dispersal or application of radioactive material, or through the use of a nuclear weapon or device that involves or produces a nuclear reaction, nuclear radiation or radioactive contamination; or
- b. Radioactive material is released, and it appears that one purpose of the *terrorism* was to release such material; or
- c. The *terrorism* is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or
- d. Pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the *terrorism* was to release such materials; or
- e. The total of insured damage to all types of property exceeds \$25,000,000. In determining whether the \$25,000,000 threshold is exceeded, we will include all insured damage sustained by property of all persons and entities affected by the *terrorism* and business interruption losses sustained by owners or occupants of the damaged property. For the purpose of this provision, insured damage means damage that is covered

by any insurance plus damage that would be covered by any insurance but for the application of any terrorism exclusions; or

- f. Fifty or more persons sustain death or serious physical injury. For the purposes of this provision, serious physical injury means:
  - (1) Physical injury that involves a substantial risk of death; or
  - (2) Protracted and obvious physical disfigurement; or
  - (3) Protracted loss of or impairment of the function of a bodily member or organ.

Multiple incidents of *terrorism* which occur within a 72-hour period and appear to be carried out in concert or to have a related purpose or common leadership will be deemed to be one incident, for the purpose of determining whether the thresholds in Paragraph 2e or 2f are exceeded.

With respect to this Exclusion, Paragraphs 2e and 2f describe the threshold used to measure the magnitude of an incident of *terrorism* and the circumstances in which the threshold will apply, for the purpose of determining whether this Exclusion will apply to that incident. When the Exclusion applies to an incident of *terrorism*, there is no coverage under this Coverage Form.

- D. The following provision is added to the Bis-Pak® Property Coverage Form and the Bis-Pak® Business Liability and Medical Expenses Coverage Form:

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

### SCHEDULE

#### The Exception Covering Certain Fire Losses (Paragraph B2) applies to property located in the following states:

Georgia  
Illinois  
Iowa  
Maine  
Missouri  
Oregon  
Wisconsin

## FUNGI OR BACTERIA EXCLUSION (LIABILITY)

CB-0577(4-10)

This endorsement modifies insurance provided under the following:

BIS-PAK® BUSINESS LIABILITY AND MEDICAL EXPENSES COVERAGE FORM

- A. The following exclusion is added to Paragraph 1 under Exclusions:

### **Fungi or Bacteria**

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

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

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

- B. The following definition is added to Liability and Medical Expenses Definitions:

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

**SNOW PLOW PRODUCTS - COMPLETED OPERATIONS HAZARD  
COVERAGE**

**CB-1416(1-10)**

This endorsement modifies insurance provided under the following:

BIS-PAK® BUSINESS LIABILITY AND MEDICAL EXPENSES COVERAGE FORM

The following exception is added to Exclusion 1g Aircraft, Auto or Watercraft:

This exclusion does not apply to *bodily injury* or *property damage* that:

- (a) Is included in the *products-completed operations hazard*; and
- (b) Arises out of the use of any *auto* for snow or ice removal operations.

**PRIMARY AND NONCONTRIBUTORY - OTHER INSURANCE CONDITION**

**CB-1488(7-13)**

This endorsement modifies insurance provided under the following:

BIS-PAK® COMMON POLICY CONDITIONS

The following is added to paragraph H Other Insurance of the Bis-Pak® Common Policy Conditions and supersedes any provision to the contrary:

**Primary And Noncontributory Insurance**

This insurance is primary to and will not seek con-

tribution from any other insurance available to an additional insured under your policy provided that:

1. The additional insured is a Named Insured under such other insurance; and
2. You have agreed in writing in a contract or agreement that this insurance would be primary and would not seek contribution from any other insurance available to the additional insured.

**EXCLUSION - ACCESS OR DISCLOSURE OF CONFIDENTIAL OR PERSONAL INFORMATION AND DATA-RELATED LIABILITY - WITH LIMITED BODILY INJURY EXCEPTION**

**CB-1504(5-14)**

This endorsement modifies insurance provided under the following:

BIS-PAK® BUSINESS LIABILITY AND MEDICAL EXPENSES COVERAGE FORM

**A.** Exclusion 1s is replaced by the following:

This insurance does not apply to:

**s.** Access Or Disclosure Of Confidential Or Personal Information And Data-related Liability

- (1) Damages, other than damages because of *personal and advertising injury*, arising out of any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information; or
- (2) Damages arising out of the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

This exclusion applies even if damages are claimed for notification costs, credit monitoring expenses, forensic expenses, public relations expenses or any other loss, cost or expense incurred by you or others arising out of that which is described in paragraph (1) or (2) above.

However, unless paragraph (1) above applies, this exclusion does not apply to damages because of *bodily injury*.

As used in this exclusion, electronic data

means information, facts or computer programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs, referred to in the foregoing description of electronic data, means a set of related electronic instructions which direct the operations and functions of a computer or device connected to it, which enable the computer or device to receive, process, store, retrieve or send data.

**B.** The following is added to Exclusions 1p:

This insurance does not apply to:

**p.** Personal And Advertising Injury

*Personal and advertising injury:*

Arising out of any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information.

This exclusion applies even if damages are claimed for notification costs, credit monitoring expenses, forensic expenses, public relations expenses or any other loss, cost or expense incurred by you or others arising out of any access to or disclosure of any person's or organization's confidential or personal information.

This endorsement modifies insurance provided under the following:

DELUXE BIS-PAK® PROPERTY COVERAGE FORM

**A. The following exclusion is added to **PROPERTY EXCLUSIONS**:**

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

**Cyber Incident**

1. Unauthorized access to or use of any computer system (including *electronic data*).
2. Malicious code, virus or any other harmful code that is directed at, enacted upon or introduced into any computer system (including *electronic data*) and is designed to access, alter, corrupt, damage, delete, destroy, disrupt, encrypt, exploit, use or prevent or restrict access to or the use of any part of any computer system (including *electronic data*) or otherwise disrupt its normal functioning or operation.
3. Denial of service attack which disrupts, prevents or restricts access to or use of any computer system, or otherwise disrupts its normal functioning or operation.

**B. Exceptions And Limitations**

**1. Fire Or Explosion**

If a cyber incident as described in

Paragraphs A1 through A3 of this exclusion results in fire or explosion, we will pay for the loss or damage caused by that fire or explosion.

**2. Additional Coverage**

The exclusion in Paragraph A does not apply to the extent that coverage is provided in the:

- a. Additional Coverage - Electronic Data; or
- b. Additional Coverage - Interruption Of Computer Operations.

**3. Computer Fraud And Funds Transfer Fraud Endorsement**

The exclusion in Paragraph A does not apply to the Computer Fraud And Funds Transfer Fraud endorsement when attached to your policy.

**4. Electronic Commerce Endorsement**

The exclusion in Paragraph A does not apply to the Electronic Commerce (E-Commerce) endorsement when attached to your policy.

**5. Information Security Protection Endorsement**

The exclusion in Paragraph A does not apply to the Information Security Protection Endorsement when attached to your policy.

**C. Vandalism**

The following is added to Vandalism:

Vandalism does not include a cyber incident as described in Paragraph A.

This endorsement modifies insurance provided under the following:

**BIS-PAK® COVERAGE PART**

1. Paragraph 1a, Building, in the Property Coverages section of the Bis-Pak® Property Coverage Form is replaced by the following:

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

- (1) Completed additions;
- (2) Fixtures, outside of individual units, including outdoor fixtures;
- (3) Permanently installed:
  - (a) Machinery; and
  - (b) Equipment.
- (4) Personal property owned by you that is used to maintain or service the building or structures or its premises, including:
  - (a) Fire extinguishing equipment;
  - (b) Outdoor furniture;
  - (c) Floor coverings; and
  - (d) Appliances used for refrigerating, ventilating, cooking, dishwashing or laundering that are not contained within individual units.
- (5) If not covered by other insurance:
  - (a) Additions under construction, alterations and repairs to the building or structure; and
  - (b) Materials, equipment, supplies and temporary structures, on or within 100 feet of the described premises, used for making additions, alterations or repairs to the building or structure.
- (6) Any of the following types of property contained within a unit, regardless of ownership, if your Condominium Association Agreement requires you to insure it:
  - (a) Fixtures, improvements and alterations that are a part of the building or structure; and
  - (b) Appliances, such as those used for refrigerating, ventilating, cooking, dishwashing, laundering, security or housekeeping.

But Building does not include personal property owned by, used by or in the care, custody or control of a unit-owner except for personal property listed in paragraph 1a (6) above.

2. Paragraph 1b, Business Personal Property, in

the Property Coverages section of the Bis-Pak® Property Coverage Form is replaced by the following:

**b. Business Personal Property** located in or on the building described in the Declarations or in the open (or in a vehicle) within 100 feet of the described premises, consisting of the following:

- (1) Personal property owned by you or owned indivisibly by all unit-owners;
- (2) Your interest in the labor, materials or services furnished or arranged by you on personal property of others; and
- (3) Leased personal property which you have a contractual responsibility to insure, unless otherwise provided for under personal property of others.

Business Personal Property does not include personal property owned only by a unit-owner, unless it is in your care, custody or control as covered below.

This also includes property of others that is in your care, custody or control, except as otherwise provided in Loss Payment and Valuation Property Loss Condition 5g(3)(b).

3. The following is added to the Loss Payment and Valuation Condition in the Bis-Pak® Property Coverage Form:

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

4. The following is added to the Property Loss Conditions:

**Unit-Owner's Insurance**

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

5. The following is added to Who Is an Insured of the Bis-Pak® Business Liability and Medical Expenses Coverage Form:

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

6. The following is added to the Transfer of Rights of Recovery Against Others to Us Common Policy Condition:

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



**ADDITIONAL INSURED - DESIGNATED PERSON(S) OR ORGANIZATION(S)**

**CB-7034(7-13)**

This endorsement modifies insurance provided under the following:

BIS-PAK® BUSINESS LIABILITY AND MEDICAL EXPENSES COVERAGE FORM

**1. The following is added to Who Is An Insured:**

Any person(s) or organization(s) shown in the Schedule is also an additional insured, but only with respect to liability for *bodily injury, property damage or personal and advertising injury* caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf in the performance of your ongoing operations or in connection with your premises owned by or rented to you.

However:

- a.** The insurance afforded to such additional insured only applies to the extent permitted by law; and
- b.** If coverage provided to the additional insured is required by a contract or agreement, the

insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

**2. With respect to the insurance afforded to these additional insureds, the following is added to the Liability And Medical Expenses Limits Of Insurance section:**

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

- a.** Required by the contract or agreement; or
  - b.** Available under the applicable Limits of Insurance shown in the Declarations;
- whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

**SCHEDULE**

**Name of Additional Insured  
Person(s) or Organization(s)  
(Name and Address)**

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RUSSELL QUICK CO  
PO BOX 99115  
LOUISVILLE KY 40269

**ADDITIONAL INSURED - CONDOMINIUM UNIT-OWNERS**

**CB-7222(11-99)**

This endorsement modifies insurance provided under the following:

BIS-PAK® BUSINESS LIABILITY AND MEDICAL EXPENSES COVERAGE FORM

Who Is an Insured is amended to include as an

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

This endorsement modifies insurance provided under the following:

BIS-PAK® COVERAGE PART

The following provisions are added and apply to Property and Liability Coverages if applicable:

**A. Cap On Certified Terrorism Losses**

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

1. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
2. The act is a violent act or an act that is dangerous to human life, property or infrastruc-

ture and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

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

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

**EXCLUSION OF PUNITIVE DAMAGES RELATED TO A CERTIFIED ACT OF TERRORISM**

CB-7298(1-15)

This endorsement modifies insurance provided under the following:

BIS-PAK® BUSINESS LIABILITY AND MEDICAL EXPENSES COVERAGE FORM

**A.** The following exclusion is added:

This insurance does not apply to:

**TERRORISM PUNITIVE DAMAGES**

Damages arising, directly or indirectly, out of a *certified act of terrorism* that are awarded as punitive damages.

**B.** The following definition is added:

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

*terrorism* include the following:

1. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
  2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.
- C.** The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for injury or damage that is otherwise excluded under this Policy.

This endorsement modifies insurance provided under the following:

**BIS-PAK® COVERAGE PART**

The following provisions are added and apply to Property and Liability Coverages if applicable:

**Cap On Certified Terrorism Losses**

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

1. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and

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

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

## EXCLUSION - UNMANNED AIRCRAFT

CB-7406(6-15)

This endorsement modifies insurance provided under the following:

BIS-PAK® LIABILITY AND MEDICAL EXPENSES COVERAGE FORM

### A. Exclusion 1g is replaced by the following:

This insurance does not apply to:

#### g. Aircraft, Auto Or Watercraft

##### (1) Unmanned Aircraft

*Bodily injury, property damage, or personal and advertising injury* arising out of the ownership, maintenance, use or entrustment to others of any aircraft that is an *unmanned aircraft*. Use includes operation and *loading or unloading*.

This paragraph g(1) applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the *occurrence* which caused the *bodily injury, property damage, or personal and advertising injury* involved the ownership, maintenance, use or entrustment to others of any aircraft that is an *unmanned aircraft*.

This paragraph g(1) does not apply to:

- a. The use of another's advertising idea in your *advertisement*; or
- b. Infringing upon another's copyright trade dress or slogan in your *advertisement*.

##### (2) Aircraft (Other Than Unmanned Aircraft), Auto Or Watercraft

*Bodily injury or property damage* arising out of the ownership, maintenance, use or entrustment to others of any aircraft (other than *unmanned aircraft*), *auto* or watercraft owned or operated by or rented or loaned to any insured. Use includes operation and *loading or unloading*.

This paragraph g(2) applies even if the claims allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the *occurrence* which caused the *bodily injury or property damage* involved the ownership,

maintenance, use or entrustment to others of any aircraft (other than *unmanned aircraft*), *auto* or watercraft that is owned or operated by or rented or loaned to any insured.

This paragraph g(2) does not apply to:

- (a) A watercraft while ashore on premises you own or rent;
- (b) A watercraft you do not own that is:
  - (i) Less than 51 feet long; and
  - (ii) Not being used to carry persons or property for a charge;
- (c) Parking an *auto* on, or on the ways next to, premises you own or rent, provided the *auto* is not owned by or rented or loaned to you or the insured;
- (d) Liability assumed under any *insured contract* for the ownership, maintenance or use of aircraft or watercraft; or
- (e) *Bodily injury or property damage* arising out of:
  - (i) The operation of machinery or equipment that is attached to, or part of, a land vehicle that would qualify under the definition of *mobile equipment* if it were not subject to a compulsory or financial responsibility law or other motor vehicle insurance or motor vehicle registration law where it is licensed or principally garaged; or
  - (ii) The operation of any of the machinery or equipment listed in paragraph f(2) or f(3) of the definition of *mobile equipment*.

### B. The following definition is added to the Liability and Medical Expenses Definitions section:

"Unmanned aircraft" means an aircraft that is not:

1. Designed;
2. Manufactured; or
3. Modified after manufacture;

to be controlled directly by a person from within or on the aircraft.

## **CIVIL AUTHORITY CHANGE**

**CB-7410(8-15)**

This endorsement modifies insurance provided under the following:

DELUXE BIS-PAK® PROPERTY COVERAGE FORM

Paragraph 5h(1) Civil Authority under Property Coverages is replaced by the following:

### **h. Civil Authority**

- (1) Access to the area immediately surrounding the damaged property is prohibited by civil authority as a result of the damage, and the described premises are within the area.

This endorsement modifies insurance provided under the following:  
 DELUXE BIS-PAK® PROPERTY COVERAGE FORM

**SCHEDULE**

<b>Coverage</b>	<b>Limit of Insurance</b>	<b>Page</b>
Accounts Receivable (On Premises)	\$100,000	14
Business Income from Dependent Properties	\$25,000	4
Computer Fraud and Funds Transfer Fraud	\$10,000	14
Consequential Loss (Including Pair and Set)	\$25,000	16
Contractual Financial Penalties	\$5,000	16
Cost to Prepare Inventory	\$10,000	5
Credit Card Slips	\$5,000	16
Debris Removal	\$100,000	3
Deferred Payments	\$5,000	17
Electronic Data	\$10,000	5
Employee Dishonesty	\$25,000	23
Expediting Expense	\$10,000	17
Fine Arts Coverage	\$25,000	5
Fire Department Service Charge (not available in Arizona)	\$25,000	3
Fire Extinguisher Systems Recharge Expense	Actual Loss Sustained	4
Fire Extinguisher Systems Discharge Damage	\$25,000	4
Forgery and Alteration	\$25,000	4
Interruption of Computer Operations	\$10,000	5
Leased Building Property	\$10,000	18
Leasehold Interest	\$10,000	18
Lock Replacement	\$10,000	7
Money and Securities Inside the Premises Outside the Premises	\$25,000 \$5,000	14
Money Orders and Counterfeit Money	\$25,000	4
Newly Acquired or Constructed Property - Buildings	\$1,000,000	12
Newly Acquired or Constructed Property - Business Personal Property	\$500,000	13
Newly Acquired or Constructed Property - Business Income and Extra Expense	\$250,000	18
Non-owned Detached Trailers	\$10,000	19
Off-premises Electronic Data Storage	\$25,000	19
Off-premises Utility Failure - Direct Damage	\$50,000	7
Off-premises Utility Failure - Time Element	\$25,000	7
Ordinance or Law - Blanket Coverages A, B, and C	\$100,000	8
Ordinance or Law - Blanket Coverages A, B, and C Green Coverage	\$30,000	9
Ordinance or Law - Increased Period of Restoration	\$25,000	12
Outdoor Property	\$25,000	14
Outdoor Signs	\$50,000	23
Personal Effects	\$25,000	13
Pollutant Clean-up and Removal	\$25,000	3
Power Failure and Changes in Temperature or Humidity	\$50,000	19



Property in Transit	\$25,000	13
Property of Others	\$150,000	13
Property Off-Premises	\$25,000	13
Rewards	\$25,000	12
Sales Representative's Samples	\$25,000	19
Security After Loss	\$10,000	12
Tenant Improvements and Betterments - Ordinance or Law	\$25,000	20
Tenant Leasehold Improvements	\$25,000	22
Tenant Move-back Expenses	\$5,000	22
Theft Loss Damage to Non-owned Property	\$5,000	22
Tools and Equipment	\$15,000	12
Valuable Papers and Records (On Premises)	\$100,000	14
<b>Additional Included Coverages</b>		
Additional Covered Property Foundations, Underground Pipes, Flues and Drains, Driveways, Patios and Paved Surfaces	<b>Included</b>	3
Attached Outdoor Signs	<b>Included</b>	3
Business Income - No Waiting Period	<b>Included</b>	23
Business Income - Increased Period of Restoration Up to 24 Months	<b>Included</b>	4
Business Personal Property Location Extended to 1,000 Feet of Premises	<b>Included</b>	3
Extended Business Income - 90 Days	<b>Included</b>	4
Newly Acquired or Constructed Property - 90 Days of Coverage	<b>Included</b>	13
Preservation of Property - 90 Days of Coverage	<b>Included</b>	3
Temporary Coverage for Relocated Property	<b>Included</b>	19

### A. Attached Outdoor Signs

1. The following replaces paragraph (3) of paragraph 1a under Property Coverages:
  - (3) Fixtures, including outdoor fixtures, and outdoor signs attached to your building;
2. Paragraph 2 of Property Limits of Insurance is deleted.

### B. Additional Covered Property

The following is added to 1a, Buildings, under the Property Coverages section:

1. Foundations of buildings, structures, machinery or boilers if their foundations are below:
  - a. The lowest basement floor; or
  - b. The surface of the ground, if there is no basement;
2. Underground pipes, flues and drains; and
3. Driveways, patios, walks and other paved surfaces.

### C. Business Personal Property Location

1. The first paragraph of 1b of Property Coverages is replaced by the following:

**Business Personal Property** located in or on the buildings at the described premises or in the open (or in a vehicle) within 1,000 feet of the described premises, including:
2. The first paragraph of item (3) in g Business Income and Extra Expense under 5 Additional Coverages is replaced by the following:

We will pay necessary Extra Expense you incur during the *period of restoration* that you would not have incurred if there had been no direct physical loss or damage to property at the described premises. The loss or damage must be caused by or result from a Covered Cause of Loss. With respect to loss of or damage to personal property in the open or personal property in a vehicle, the described premises include the area within 1,000 feet of the site at which the described premises are located.

- D. The following Additional Coverages are modified:

#### 1. Debris Removal

Paragraph (4) of Debris Removal of 5 Additional Coverages is replaced by the following:

- (4) We will pay up to the Debris Removal Limit of Insurance shown in the Schedule as an additional amount for debris removal expense, for each location, in any one occurrence of physical loss or damage to Covered Property, if one or

both of the following circumstances apply:

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

Therefore, if paragraphs (4)(a) and/or (4)(b) apply, our total payment for direct physical loss or damage and debris removal expense may reach, but will never exceed, the Limit of Insurance on the Covered Property that has sustained loss or damage, plus the Debris Removal Limit of Insurance shown in the Schedule.

#### 2. Pollutant Clean Up and Removal

The last paragraph of b Pollutant Clean Up and Removal of 5 Additional Coverages is replaced by the following:

The most we will pay under this Additional Coverage for each location is the Pollutant Cleanup and Removal Limit of Insurance shown in the Schedule for the sum of all such expenses arising out of Covered Causes of Loss occurring during each separate 12 month period of this policy.

#### 3. Preservation of Property - 90 Days of Coverage

Paragraph c(2) of c Preservation of Property of 5 Additional Coverages is replaced by the following:

- (2) Only if the loss or damage occurs within 90 days after the property is first moved.

#### 4. Fire Department Service Charge

Paragraph d Fire Department Service Charge of 5 Additional Coverages is replaced by the following:

##### d. Fire Department Service Charge

When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay up to the Fire Department Service Charge Limit of Insurance shown in the Schedule for your liability for fire department service charges:

- (1) Assumed by contract or agreement prior to loss; or

(2) Required by local ordinance.

This Additional Coverage supersedes any other provision providing coverage for Fire Department Service Charge in this policy.

This Additional Coverage does not apply in Arizona.

**5. Business Income - Increased Period of Restoration Up to 24 Months**

Paragraph (5) of g Business Income and Extra Expense of 5 Additional Coverages is replaced by the following:

(5) We will only pay for Loss of Business Income or Extra Expense that you sustain during the *period of restoration* and that occurs within 24 consecutive months after the date of direct physical loss or damage. Items (1) through (5) of this Additional Coverage are not subject to the Limits of Insurance.

**6. Extended Business Income - 90 Days**

Paragraph (6)(b)(ii) of g Business Income and Extra Expense of 5 Additional Coverages is replaced by the following:

(ii) The total number of days for Extended Business Income shown in the Schedule of this endorsement plus the number of days shown in the Schedule on CB-7135 if that endorsement is attached to your policy.

**7. Money Orders and Counterfeit Money**

The following replaces the last paragraph of i Money Orders and Counterfeit Money of 5 Additional Coverages:

The most we will pay for any loss under this Additional Coverage is the Money Orders and Counterfeit Money Limit of Insurance shown in the Schedule.

**8. Forgery and Alteration**

Paragraph (4) of j Forgery and Alteration of 5 Additional Coverages is replaced by the following:

(4) The most we will pay for any loss, including legal expenses, under this Additional Coverage is the sum of:

(a) The Forgery and Alteration Limit of Insurance shown in the Schedule; and

(b) The Forgery and Alteration Limit of Insurance, if any, shown in the Declarations.

**9. Business Income from Dependent Properties**

The last paragraph of item (1) of l Business Income From Dependent Properties of 5

Additional Coverages is replaced by:

The most we will pay under this Additional Coverage is the sum of:

(a) The Business Income from Dependent Properties Limit of Insurance shown in the Schedule; and

(b) The greater of:

(1) The Business Income from Dependent Properties Limit of Insurance, if any, shown in the Declarations; or

(2) The Limit of Insurance referred to in CB-7370, if applicable.

**10. Fire Extinguisher Systems Recharge Expense**

a. Paragraph (1)(a) of n Fire Extinguisher Systems Recharge Expense of 5 Additional Coverages is replaced by the following:

(a) The actual cost of recharging or replacing, whichever is less, your fire extinguishers and fire extinguishing systems (including hydrostatic testing if needed) if they are discharged on or within 1,000 feet of the described premises; and

b. Paragraph (3) of n Fire Extinguisher Systems Recharge Expense of 5 Additional Coverages is deleted.

**11. Fire Extinguisher Systems Discharge Damage**

a. Paragraph (1)(b) of n Fire Extinguisher Systems Recharge Expense of 5 Additional Coverages is replaced by the following:

(b) For the loss or damage to Covered Property if such loss or damage is the result of an accidental discharge of chemicals from a fire extinguisher or a fire extinguish system up to the Fire Extinguisher Systems Discharge Damage Limit of Insurance shown in the Schedule.

b. Paragraph (3) of n Fire Extinguisher Systems Recharge Expense of 5 Additional Coverages is deleted.

**12. Water Backup of Sewers or Drains - Computers**

The following is added to o Water Backup of Sewers or Drains - Computers of 5 Additional Coverages:

(3) The following definition is added to Property Definitions:

"*Electronic media and records*" means videos, audio records and pictures stored on computer hardware that you own and

that is at the described location. Computer hardware, as used above, means any internal or external memory card or device. *Electronic media and records* does not include *electronic data*.

### 13. Electronic Data

Paragraph (3) of p Electronic Data of 5 Additional Coverages is replaced by the following:

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

### 14. Interruption of Computer Operations

Paragraph q(3) of 5 Additional Coverages is replaced by the following:

- (3) The most we will pay under this Additional Coverage - Interruption of Computer Operations for all loss sustained and expense incurred in any one policy year, regardless of the number of interruptions or the number of premises, locations or computer systems involved, is the sum of:
- (a) The Interruption of Computer Operations Limit of Insurance shown in the Schedule; and
  - (b) The Interruption of Computer Operations Limit of Insurance, if any, shown in the Declarations.

If loss payment relating to the first interruption does not exhaust this amount, then the balance is available for loss or expense sustained or incurred as

a result of subsequent interruptions in that policy year. A balance remaining at the end of a policy year does not increase the amount of insurance in the next policy year. With respect to any interruption which begins in one policy year and continues or results in additional loss or expense in a subsequent policy year(s), all loss and expense is deemed to be sustained or incurred in the policy year in which the interruption began.

E. The following Additional Coverages are added:

#### 1. Cost to Prepare Inventory

We will pay reasonable expenses, for the taking of inventory and appraisals, incurred by you at our request to assist us in the determination of the amount of a covered loss.

We do not pay for:

- a. Any expense incurred under the Property Loss Conditions, Appraisals; or
- b. Any public adjusters' fees.

The most that we will pay under this Additional Coverage is the Cost to Prepare Inventory Limit of Insurance shown in the Schedule.

#### 2. Fine Arts Coverage

- a. We will pay for direct physical loss of or damage to fine arts which are not covered by insurance purchased specifically for the item caused by or resulting from any Covered Cause of Loss.

We do not pay for fine arts that are on display at fairgrounds or at a national or international exposition.

We do not pay for loss or damage to fine arts caused by or that results from:

- (1) A process to repair, retouch, restore, adjust, service or maintain the covered fine arts. If a fire or explosion results, we do not cover the loss caused by the fire or explosion.
- (2) The gradual accumulation of dust, dirt or pollutants.
- (3) Breakage of art glass windows, statuary, marble works of art, glassware, bric-a-brac, porcelains or similar fragile items unless it is caused by a *specified causes of loss*.

The most we will pay under this Additional Coverage is the Fine Arts Coverage Limit of Insurance shown in the Schedule.

Fine arts includes paintings, etchings, pictures, tapestries, art glass windows, valuable rugs, statuary, antique furniture, rare books, antique silver, manuscripts, porcelains, rare glass, bric-a-brac, marble and bronze works of art and similar property of rarity, historical value or artistic merit.

- b. Item 3, Covered Causes of Loss, under Property Coverages is replaced by the following:

**Covered Causes of Loss**

Risks of Direct Physical Loss unless the loss is excluded in paragraph E2c of this endorsement.

- c. The Property Exclusions Section is replaced by the following:

**Property Exclusions**

- (1) We do not pay for loss if one or more of the following exclusions apply to the loss, regardless of other causes or events that contribute to or aggravate the loss, whether such causes or events act to produce the loss before, at the same time as or after the excluded causes or events. We do not pay for loss:

- (a) Civil Authority

Caused by order of any civil authority, including seizure, confiscation, destruction or quarantine of property.

We do pay for loss resulting from acts of destruction by the civil authority to prevent the spread of fire, unless the fire is caused by a cause of loss excluded under this coverage.

- (b) Nuclear Hazard

Caused by or resulting from a nuclear reaction, nuclear radiation or radioactive contamination, however caused. Loss caused by nuclear hazard is not considered loss caused by fire, explosion or smoke. We do pay for direct loss by fire resulting from the nuclear hazard.

- (c) War

Caused by war. This means declared war, undeclared war, civil war, insurrection, rebellion or revolution; a warlike act by a military force or by military personnel; the destruction, seizure or use of the property for a military purpose; or the

discharge of a nuclear weapon even if it is accidental.

- (2) We do not pay for loss or damage if one or more of the following exclusions apply to the loss.

- (a) Dishonesty

We do not pay for loss caused by or resulting from criminal, fraudulent, dishonest or illegal acts alone or in collusion with another by you; others who have an interest in the property; others to whom you entrust the property; your partners, officers, directors, trustees or joint adventurers; or the employees of agents of any of the above, whether or not they are at work.

This exclusion does not apply to acts of destruction by your employees, but we do not pay for theft by employees.

This exclusion does not apply to covered property in the custody of a carrier for hire.

- (b) Deterioration, Fault or Weakness

We do not pay for deterioration; decay; or any quality, fault or weakness in the covered property that causes it to damage or destroy itself. This exclusion does not apply to loss caused by *mechanical breakdown*.

- (c) Lease Terms

We do not pay for loss caused by a covered cause of loss for which you are not responsible under the terms of any lease or rental agreement.

- (d) Loss of Use

We do not pay for loss caused by or resulting from loss of use, business interruption, delay or loss of market.

This exclusion does not apply to Extra Expense coverage as provided under Additional Coverages.

- (e) Temperature, Humidity, Corrosion or Rust

We do not pay for loss caused by corrosion, rust, humidity, dampness, dryness or changes in or extremes of temperature.

- (f) Mysterious disappearance

- (g) Wear and tear

### 3. Lock Replacement

We will cover your costs to repair or replace door locks or tumblers at your described premises, because of theft or loss of your door keys. The most we will pay under this Additional Coverage in any one occurrence is the Lock Replacement Limit of Insurance shown in the Schedule.

No deductible applies to this Additional Coverage.

### 4. Off-Premises Utility Failure

#### a. Time Element

(1) We will pay for loss of Business Income or Extra Expense at the described premises caused by the interruption of utility services to the described premises. The interruption must result from direct physical loss or damage by a Covered Cause of Loss to the following property not on the described premises.

(a) Water Supply Services

Pumping stations and water mains supplying water to the described premises.

(b) Communication Supply Services

Property supplying communication services, including telephone, radio, microwave or television services to the described premises, such as:

- (i) Communication transmission lines, including optic fiber transmission lines;
- (ii) Coaxial cables; and
- (iii) Microwave radio relays except satellites.

(c) Power Supply Services

- (i) Utility generating plants;
- (ii) Switching stations;
- (iii) Substations;
- (iv) Transformers; and
- (v) Transmission lines; supplying electricity, steam or gas to the described premises.

(2) Coverage under this endorsement does not apply to Business Income loss or Extra Expense related to interruption in utility service which causes loss of damage to *electronic data*, including destruction or corruption of *electronic data*.

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

Off-Premises Utility Failure - Time Element Limit of Insurance shown in the Schedule.

#### b. Direct Damage

(1) We will pay for loss of or damage to Covered Property caused by the interruption of service to the described premises. The interruption must result from direct physical loss or damage by a Covered Cause of Loss to the property described in paragraph (3), below.

(2) Exception

Coverage under this endorsement for loss or damage to Covered Property does not apply to loss or damage to *electronic data*, including destruction or corruption of *electronic data*.

(3) Utility Services

(a) "Water supply services," meaning the following types of property supplying water to the described premises:

- (i) Pumping stations; and
- (ii) Water mains.

(b) "Communication supply services," meaning property supplying communication services, including telephone, radio, microwave or television services to the described premises, such as:

- (i) Communication transmission lines, including optic fiber transmission lines;
- (ii) Coaxial cables; and
- (iii) Microwave radio relays except satellites.

(c) "Power supply services," meaning the following types of property supplying electricity, steam or gas to the described premises:

- (i) Utility generating plants;
- (ii) Switching stations;
- (iii) Substations;
- (iv) Transformers; and
- (v) Transmission lines.

(4) The most we will pay under this Additional Coverage for all utility service direct damage loss for any one premises is the Off-Premises Utility Failure - Direct Damage Limit of Insurance shown in the Schedule.

#### c. Exclusion e Utility Services in Property

Exclusions does not apply to this Additional Coverage.

## 5. Ordinance or Law - Blanket Coverages A, B, and C

### a. Application of Coverage

The Ordinance or Law Coverage applies only if both a(1) and a(2) are satisfied.

#### (1) The ordinance or law:

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

(b) Is in force at the time of loss.

But coverage 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 direct physical damage:

(a) That is covered under this policy and such damage results in enforcement of the ordinance or law; or

(b) That is covered under this policy and direct physical damage that is not covered under this policy, and the building damage in its entirety results in enforcement of the ordinance or law.

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

(3) (a) In the situation described in a(2)(b) above, we will not pay the full amount of loss otherwise payable under the terms of Coverage A, Coverage B or Coverage C of this endorsement. Instead, we will pay a proportion of such loss; meaning the proportion that the covered direct physical damage bears to the total direct physical damage.

(b) However, if the covered direct physical damage alone would have resulted in enforcement of the ordinance or law, then we will pay the full amount of loss

otherwise payable under terms of Coverage A, Coverage B or Coverage C of this endorsement.

### b. We will not pay under Coverage A, Coverage B or Coverage C for:

(1) Enforcement of any 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 of any activity of *fungi*, wet or dry rot or bacteria; or

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

### c. Coverage

(1) Coverage A - Coverage for Loss to the Undamaged Portion of the Building

With respect to the building that has sustained covered direct physical damage, we will pay under Coverage A for the loss in value of the undamaged portion of the building as a consequence of enforcement of an ordinance or law that requires demolition of undamaged parts of the same building.

(2) Coverage B - Demolition Cost Coverage

With respect to the building that has sustained covered direct physical damage, we will pay the cost to demolish and clear the site of undamaged parts of the same building, as a consequence of enforcement of an ordinance or law that requires demolition of such undamaged property.

(3) Coverage C - Increased Cost of Construction Coverage

(a) With respect to the building that has sustained covered direct physical damage, we will pay for the increased cost to:

(i) Repair or reconstruct damaged portions of that building; and/or

(ii) Reconstruct or remodel undamaged portions of that

building, whether or not demolition is required;

when the increased cost is a consequence of enforcement of the minimum requirements of the ordinance or law.

(b) However:

(i) This coverage applies only if the restored or remodeled property is intended for similar occupancy as the current property, unless such occupancy is not permitted by zoning or land use ordinance or law.

(ii) We will not pay for the increased cost of construction if the building is not repaired, reconstructed or remodeled.

**d. Coverage Amounts and Loss Payments**

**(1) Ordinance or Law Coverage Amount**

The most we will pay under this Additional Coverage, for the total of all covered loss for Coverage A, Coverage B, and Coverage C combined is the Ordinance or Law Limit of Insurance shown in the Schedule. This blanket coverage amount applies separately to each building described in the Declarations. This coverage amount does not include loss due to *green ordinance or law* requirements.

(2) Subject to the coverage amount in (1) above, the following loss payment provisions apply:

(a) When there is a loss in value of an undamaged portion of a building to which Coverage A applies, the loss payment for that building, including damaged and undamaged portions, will be determined as follows:

(i) If the property is repaired or replaced, on the same or another premises we will not pay more than the amount you actually spend to repair, rebuild or reconstruct the building but not for more than the amount it would cost to restore the building on the same premises and of the same heights, floor area, style and comparable quality of the original property insured; or

(ii) If the property is not repaired or replaced, we will not pay

more than the actual cash value of the building at the time of loss.

(b) Under Coverage B, we will not pay more than the amount you actually spend to demolish and clear the site of the described premises.

(c) With respect to Coverage C:

(i) We will not pay under Coverage C:

I. Until the property is actually repaired or replaced, at the same or another premises; and

II. Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.

(ii) If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay under Coverage C is the increased cost of construction at the same premises.

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

**e.** Under this 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.

**f.** No deductible applies to this Additional Coverage.

**g.** Item g of Property Loss Condition 5, Loss Payment and Valuation, does not apply to this Additional Coverage.

**h.** Exclusion 1a Ordinance or Law is deleted to the extent loss or damage resulting from enforcement of an ordinance or law is provided under this Additional Coverage.

**6. Ordinance or Law Blanket Coverages A,**



## **B, and C Green Coverage**

### **a. Application of Coverage**

The Ordinance or Law Green - Blanket applies only if both a(1) and a(2) are satisfied.

#### (1) The *green ordinance or law*:

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

(b) Is in force at the time of loss.

But coverage applies only in response to the minimum requirements of the *green 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 direct physical damage:

(a) That is covered under this policy and such damage results in enforcement of the *green ordinance or law*; or

(b) That is covered under this policy and direct physical damage that is not covered under this policy, and the building damage in its entirety results in enforcement of the *green ordinance or law*.

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

### **b. We will not pay under Coverage A, Coverage B or Coverage C for:**

(1) Enforcement of any *green 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 of any activity of *fungi*, wet or dry rot or bacteria; or

(2) The costs associated with the enforcement of any *green ordinance or law* which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize or in any way respond to or assess the effects of *pollutants*,

*fungi*, wet or dry rot or bacteria.

### **c. Coverage**

#### (1) Coverage A - Coverage for Loss to the Undamaged Portion of the Building

With respect to the building that has sustained covered direct physical damage, we will pay under Coverage A for the loss in value of the undamaged portion of the building as a consequence of enforcement of a *green ordinance or law* that requires demolition of undamaged parts of the same building.

#### (2) Coverage B - Demolition Cost Coverage

With respect to the building that has sustained covered direct physical damage, we will pay the cost to demolish and clear the site of undamaged parts of the same building, as a consequence of enforcement of a *green ordinance or law* that requires demolition of such undamaged property.

#### (3) Coverage C - Increased Cost of Construction Coverage

(a) With respect to the building that has sustained covered direct physical damage, we will pay for the increased cost to:

i) Repair or reconstruct damaged portions of that building; and/or

ii) Reconstruct or remodel undamaged portions of that building, whether or not demolition is required;

when the increased cost is a consequence of enforcement of the minimum requirements of the *green ordinance or law*.

#### (b) However:

i) This coverage applies only if the restored or remodeled property is intended for similar occupancy as the current property, unless such occupancy is not permitted by zoning or land use ordinance or law.

ii) We will not pay for the increased cost of construction if the building is not repaired, reconstructed or remodeled.

### **d. Coverage Amounts and Loss Payments**

- (1) The most we will pay under this Additional Coverage for Ordinance or Law Green Coverage due to *green ordinance or law* requirements for the total of all covered loss for Coverage A, Coverage B, and Coverage C combined is the Ordinance or Law Green-Blanket Limit of Insurance shown in the Schedule. This blanket coverage amount applies separately to each building described in the Declarations.
- (2) Subject to the coverage amount in (1) above, the following loss payment provisions apply:
- (a) When there is a loss in value of an undamaged portion of a building to which Coverage A applies, the loss payment for that building, including damaged and undamaged portions, will be determined as follows:
- (i) If the property is repaired or replaced, on the same or another premises we will not pay more than the amount you actually spend to repair, rebuild or reconstruct the building but not for more than the amount it would cost to restore the building on the same premises and of the same heights, floor area, style and comparable quality of the original property insured; or
- (ii) If the property is not repaired or replaced, we will not pay more than the actual cash value of the building at the time of loss.
- (b) Under Coverage B, we will not pay more than the amount you actually spend to demolish and clear the site of the described premises.
- (c) With respect to Coverage C:
- (i) We will not pay under Coverage C:
- I. Until the property is actually repaired or replaced, at the same or another premises; and
- II. Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.
- (ii) If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay under Coverage C is the increased cost of construction at the same premises.
- (iii) If the ordinance or law requires relocation to another premises, the most we will pay for under Coverage C is the increased cost of construction at the new premises.
- e. Under this 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.
- f. No deductible applies to this Additional Coverage.
- g. Item g of Property Loss Condition 5, Loss Payment and Valuation, does not apply to this Additional Coverage.
- h. Exclusion 1a Ordinance or Law is deleted to the extent loss or damage resulting from an enforcement of an ordinance or law is provided by this Additional Coverage.
- i. The following definition is added to Property Definitions:
- "Green ordinance or law"* means enhanced energy efficiency or use of environmentally-preferable sustainable materials, products or methods in design, construction, manufacture, demolition or operation, as recognized by an organization or governmental agency which produces and maintains guidelines related to *green ordinance or law* products and practices, including but not limited to:
- (a) The Leadership in Energy and Environmental Design (LEED) program of the U.S. Green Building Council;
- (b) ENERGY STAR, a joint program of the U.S. Environmental Protection Agency and the U.S. Department of Energy; and
- (c) Green Globes™, program of the Green Building Initiative.

**7. Ordinance or Law - Increased Period of Restoration**

a. If a Covered Cause of Loss occurs to property at the described premises, coverage is extended to include the amount of loss you sustain during the increased period of suspension of *operations* caused by or resulting from the enforcement of any ordinance or law that:

- (1) Regulates the construction or repair of any property;
- (2) Requires the tearing down of parts of any property not damaged by a Covered Cause of Loss; and
- (3) Is in force at the time of loss.

However, coverage is not extended under this Additional Coverage to include loss caused by or resulting from the enforcement of any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of *pollutants*.

b. Under this Additional Coverage, we will pay no more than the Ordinance or Law Increased Period of Restoration Limit of Insurance shown in the Schedule. This limit is the most that we will pay under your policy for all losses and expenses you sustain during an increased period of or suspension of *operations* caused by or resulting from the enforcement of any ordinance or law.

c. The following supersedes any conflicting provision:

For purposes of this Additional Coverage, the *period of restoration* includes any increased period required to repair or reconstruct the property to comply with the minimum standards of any ordinance or law, in force at the time of loss, that regulates the construction or repair, or requires the tearing down of any property.

**8. Rewards**

We will pay to any individual or organization for information leading to a criminal conviction in connection with loss or damage to covered property caused by or resulting from a Covered Cause of Loss.

The most that we will pay under this Additional Coverage is the Rewards Limit of Insurance shown in the Schedule regardless of the number of persons or organizations involved in providing information.

No deductible applies to this Additional Coverage.

**9. Security After Loss**

We will pay for the cost of a security service approved by us that is used to protect Covered Property at the described premises, after a covered loss, if we determine it is necessary. The most that we will pay under this Additional Coverage is the Security After Loss Limit of Insurance shown in the Schedule.

**10. Tools and Equipment**

We will pay for direct physical loss of or damage to covered Tools and Equipment caused by or resulting from a Covered Cause of Loss. For the purposes of this Additional Coverage, covered Tools and Equipment are:

- a. Owned by you;
- b. Rented or leased to you or on your behalf if in your care, custody or control and used in your business;
- c. Borrowed by you or on your behalf while in your care, custody or control and used in your business; and
- d. Owned by your employees, but only while being used in connection with your business or in your care, custody or control.

We will determine the value of covered Tools and Equipment at the cost of replacement as of the time of loss or damage.

The most we will pay under this Additional Coverage is the Tools and Equipment Limit of Insurance shown in the Schedule.

The limitation for Business Personal Property located within 1,000 feet of the described premises in paragraph C1 of this endorsement does not apply to this Additional Coverage.

F. The second paragraph of the Property Extensions of Coverage Section is replaced by the following:

Except as otherwise provided, the following Extensions apply to property located in or on the building described in the Declarations or in the open (or in a vehicle) within 1,000 feet of the described premises.

G. The following Property Extensions of Coverage are modified:

**1. Newly Acquired or Constructed Property - Buildings**

The last paragraph of Item a, Buildings, of 1 Newly Acquired or Constructed Property of Property Extensions of Coverage is replaced

by the following:

The most we will pay under this Extension of Coverage for loss or damage for each building is the Newly Acquired or Constructed Property - Buildings Limit of Insurance shown in the Schedule.

**2. Newly Acquired or Constructed Property - Business Personal Property**

The last paragraph of b, Business Personal Property, of 1 Newly Acquired or Constructed Property of Property Extension of Coverage is replaced by the following:

The most we will pay under this Extension of Coverage for loss or damage at each building is the Newly Acquired or Constructed Property - Business Personal Property Limit of Insurance shown in the Schedule.

**3. Newly Acquired or Constructed Property - 90 Days of Coverage**

The following replaces paragraph c(2), Period of Coverage, of 1 Newly Acquired or Constructed Property of Property Extensions of Coverage:

(2) 90 days expire after you acquire the property or begin construction of that part of the building that would qualify as covered property; or

**4. Personal Effects**

Paragraph b of 2 Personal Effects and Property of Others of Property Extensions of Coverage is replaced by the following:

b. For purposes of the coverage provided in a(1) of Personal Effects and Property of Others Extension of Coverage, the most we will pay under paragraph a(1) for loss or damage to your personal effects at each described premises, is the Personal Effects Limit of Insurance shown in the Schedule.

**5. Property of Others**

The following changes are made to 2 Personal Effects and Property of Others of Property Extensions of Coverage:

a. the following is added to paragraph a(2):  
This Extension does not apply to loss or damage by theft or to tools or equipment used in your business.

b. Paragraph b is replaced by the following:  
b. For purposes of the coverage provided in a(2) of Personal Effects and Property of Others Extension of Coverage, the most we will pay under paragraph a(2) for loss or damage to property of others at each described premises is the Personal

Property of Others Limit of Insurance shown in the Schedule. Our payment for loss of or damage to personal property of others will only be for the account of the owner of the property.

**6. Property Off-Premises**

Item 3 Property Off-Premises of Property Extensions of Coverage is replaced by the following:

**3. Property Off-Premises**

a. You may extend the insurance provided by this policy to apply to your Covered Property, other than *money and securities, valuable papers and records*, accounts receivable, sales representative's samples (as described in paragraph H13 of this endorsement), or *computers*, while it is in the course of transit or temporarily at a premises you do not own, lease or operate. The most we will pay under this Extension of Coverage for loss or damage under this extension is the Property Off-Premises Limit of Insurance shown in the Schedule. This extension does not apply to Covered Property in or on a vehicle.

b. However, under this extension, we will pay for loss or damage to *computer(s)* up to the Business Personal Property Limit shown in the Declarations.

c. This extension does not apply to any tools or equipment used in your business. Tools or equipment, as used above, does not include *computers*.

d. This Extension does not apply to Business Personal Property for which any payments have been made under the Deferred Payments Additional Coverage.

**7. Property in Transit**

Item 4 Property in Transit of Property Extensions of Coverage is replaced by the following:

**4. Property in Transit**

a. You may extend the insurance that applies to Business Personal Property, other than *computers*, to apply to your personal property in transit more than 1,000 feet from the described premises. Property must be in or on a motor vehicle you own, lease or operate while between points in the coverage territory.

- b. The most we will pay under this Extension of Coverage for loss or damage under this extension is the Property in Transit Limit of Insurance shown in the Schedule. However, under this extension, we will pay for loss or damage to *computer(s)* up to the Business Personal Property Limit shown in the Declarations.
- c. This Extension does not apply to Business Personal Property for which any payments have been made under the Deferred Payments Additional Coverage.

### 8. Outdoor Property

The last paragraph in 5 Outdoor Property, Property Extensions of Coverage, is replaced by the following:

The most we will pay under this Extension of Coverage for loss or damage is the Outdoor Property Limit of Insurance shown in the Schedule, but not more than \$1,000 for any one tree, shrub or plant.

### 9. Valuable Papers and Records (On Premises)

The first paragraph of Item c of 6 Valuable Papers and Records of Property Extensions of Coverage is replaced by the following:

The most we will pay under this Extension of Coverage for loss or damage to *valuable papers and records* in any one occurrence at the described premises is the sum of:

- (1) The Valuable Papers and Records Limit of Insurance shown in the Schedule; and
- (2) The Valuable Papers and Records Limit of Insurance, if any, shown in the Declarations.

### 10. Accounts Receivable (On Premises)

The first paragraph of Item b of 7 Accounts Receivable of Property Extensions of Coverage is replaced by the following:

The most we will pay under this Extension of Coverage for loss or damage in any one occurrence at the described premises is the sum of:

- (1) The Accounts Receivable Limit of Insurance shown in the Schedule; and
- (2) The Accounts Receivable Limit of Insurance, if any, shown in the Declarations.

### 11. Money and Securities

Paragraph c of 8 Money and Securities of Property Extensions of Coverage is replaced by the following:

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

- (1) The sum of:
  - (a) The Money and Securities Inside the Premises Limit of Insurance shown in the Schedule; and
  - (b) The Money and Securities Inside the Premises Limit of Insurance, if any, shown in the Declarations; for *money* and *securities* in or on the described premises, or within a bank or savings institution; and
- (2) The sum of:
  - (a) The Money and Securities Outside the Premises Limit of Insurance shown in the Schedule; and
  - (b) The Money and Securities Outside the Premises Limit of Insurance, if any, shown in the Declarations; for *money* and *securities* anywhere else.

H. The following Property Extensions of Coverage are added:

#### 1. Computer Fraud and Funds Transfer Fraud

a. We will pay under this Extension of Coverage no more than the Computer Fraud and Funds Transfer Fraud Limit of Insurance shown in the Schedule for the total of:

- (1) Loss of and damage to *money, securities* and *other property* following and directly related to the use of any computer to fraudulently cause a transfer of that property from inside the described premises, bank or savings institution:
  - (a) To a person (other than a messenger) outside those premises; or
  - (b) To a place outside those premises; and
- (2) Loss of *money* and *securities* resulting directly from a *fraudulent instruction* directing a financial institution to transfer, pay or deliver *money* and *securities* from your *transfer account*.

b. With respect to the coverage provided by this Extension, item 4 Limitations under Property Coverages is amended as follows:

Paragraph a(4) does not apply.

c. With respect to the coverage provided by this Extension, Property Exclusions is amended as follows:

(1) Paragraph 2g False Pretense does not apply.

(2) The following exclusion is added:

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

d. For purposes of this coverage, the following terms mean:

(1) "Employee"

(a) "Employee" means:

(i) Any natural person:

- I. While in your service or for 30 days after termination of service;
- II. Whom you compensate directly by salary, wages or commissions; and
- III. Whom you have the right to direct and control while performing services for you;

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

- I. To substitute for a permanent *employee* as defined in paragraph (1), who is on leave; or
- II. To meet seasonal or short term workload conditions;

while that person is subject to your direction and control and performing services for you, excluding, however, any such person while having care and custody of property outside the premises;

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

(iv) Any natural person who is:

- I. A trustee, officer, employee, administrator or manager, except an administrator or manager who is an independent contractor, of any

"employee benefit plan(s)" insured under this policy; and

II. Your director or trustee while that person is handling "funds" or *other property* of any "employee benefit plan(s)" insured under this policy;

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

(vi) Any natural person who is a guest student or intern pursuing studies or duties, excluding, however, any such person while having care and custody of property outside the premises.

(b) Employee does not mean:

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

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

(2) "Fraudulent instruction" means:

(a) An electronic, telegraphic, cable, teletype, telefacsimile or telephone instruction which purports to have been transmitted by you, but which was in fact fraudulently transmitted by someone else without your knowledge or consent;

(b) A written instruction (other than those described in paragraph 5j) issued by you, which was forged or altered by someone other than you without your knowledge or consent or which purports to have been issued by you, but was in fact fraudulently issued without your knowledge or consent; or

(c) An electronic, telegraphic, cable, teletype, telefacsimile, telephone or written instruction (other than those described in paragraph 5j) initially received by you which

purports to have been transmitted by an employee but which was in fact fraudulently transmitted by someone else without your or the employee's knowledge or consent.

(3) "Other property" means any tangible property other than *money* and *securities* that has intrinsic value but does not include any property excluded under this policy.

(4) "Transfer account" means an account maintained by you at a financial institution from which you can initiate the transfer, payment or delivery of *money* and *securities*:

(a) By means of electronic, telegraphic, cable, teletype, telefacsimile or telephone instructions communicated directly through an electronic funds transfer system; or

(b) By means of written instructions (other than those described in paragraph 5j) establishing the conditions under which such transfers are to be initiated by such financial institution through an electronic funds transfer system.

## 2. Consequential Loss (Including Pair and Set)

a. In the event of direct physical loss or direct physical damage to your part or parts of your product by a Covered Cause of Loss, you may extend the insurance that applies to Your Business Personal Property to apply to Consequential Loss.

b. Consequential Loss means:

(1) The value of part or parts that are undamaged but that are unmarketable as a complete product as a result of physical damage or loss to a part or parts of your product as a result of such Covered Cause of Loss; and

(2) If pairs or sets of your part or parts of your product are damaged by a Covered Cause of Loss, the lesser of (a) or (b), below:

(a) The lesser of the cost:

(i) To repair; or

(ii) To replace

any part to restore the pair or set to its value before the loss or damage; or

(b) The difference between the value of the pair or set before and after the loss or damage.

c. Exclusion 2b under Property Exclusions does not apply to coverage under this Extension of Coverage.

d. The most we will pay under this Extension of Coverage for loss or damage for any one occurrence is the Consequential Loss Limit of Insurance shown in the Schedule.

## 3. Contractual Financial Penalties

a. We will pay financial penalties as liquidated damages that you are legally required to pay as a result of your failure to deliver your products or services within the time frame required under the terms of a written contract between you and your customer that applies to those products or services.

b. We will pay those financial penalties only if:

(1) The failure is solely the result of a direct physical loss or damage at the described location by a Covered Cause of Loss to Covered Property; and

(2) The financial penalties are described in the written contract referred to in paragraph a.

c. The most we will pay under this Extension of Coverage for all financial penalties is the Contractual Penalties Limit of Insurance shown in the Schedule.

## 4. Credit Card Slips

a. When a Limit of Insurance is shown in the Declarations for Business Personal Property at a described location, you may extend that insurance to apply to amounts you are unable to collect due to loss of or damage to credit card slips when:

(1) The loss or damage occurred at that described premises; and

(2) The loss or damage was the result of a Covered Cause of Loss.

b. It is your responsibility to establish the amount of the loss under this Extension. If that is not possible, the amount of loss will be determined as follows:

(1) If you have been in business for twelve months or more at the location of the loss, one-thirtieth (1/30) of the average monthly amount of credit card slips will be considered as the average daily

credit card slips for that location. The twelve months immediately preceding the discovery of the loss will be used to determine the average monthly amount.

- (2) If you have been in business for less than twelve months at the location of the loss, the average daily credit card slips shall be one-thirtieth (1/30) of the average monthly amount of credit card slips for the number of months you have been in business at that location.

The average daily credit card slips will be multiplied by the number of days for which slips are lost to determine the amount of the loss, subject to the maximum limit indicated below.

- c. The most we will pay under this Extension of Coverage as a result of loss or damage to credit card slips is the Credit Card Slips Limit of Insurance shown in the Schedule.
- d. No deductible applies to this Extension.

## 5. Deferred Payments

- a. When a Limit of Insurance is shown in the Declarations for Business Personal Property at a described premises, you may extend that insurance to apply to a reduction in the value of your interest in that Business Personal Property where that property:

- (1) Is sold by you under an installment plan, conditional sale, trust agreement or other deferred payment plan;
- (2) Suffered direct physical loss or damage as a result of a Covered Cause of Loss, and that loss or damage:
  - (a) Occurred after delivery of that Business Personal Property to a buyer; and
  - (b) Occurred within the Coverage Territory at any location, or in transit;

and the buyer refuses to initiate or continue payments owed to you for such property.

- b. The value of your loss under this Coverage Extension will be determined as follows:
  - (1) When a total loss to that Business Personal Property occurs, deferred payments are valued on the amount shown on your books as due from the buyer excluding any interest or fees.

- (2) When a partial loss to that property occurs and the buyer refuses to initiate or continue payment, deferred payments are valued as follows:

- (a) The unpaid balance shown on your books as due from the buyer for such property, excluding any interest or fees; minus
- (b) The actual cash value of the damaged property.

- (3) If you have repossessed that property and the value of the repossessed property is less than the amount shown on your books as due from the buyer, we will pay the difference.

- c. We will make no payment under this Extension if:

- (1) Where there is a partial loss, and the realized or appraised value of the damaged property is greater than or equal to the amount shown on your books as due from the buyer;
- (2) The buyer continues to pay you for that Business Personal Property; or
- (3) You have repossessed that Business Personal Property, and the value of the repossessed property is more than the amount shown on your books as due from the buyer.

- d. The following is added to paragraph 2 Property Not Covered in the Deluxe Bis-Pak® Property Coverage Form:

Business Personal Property sold by you under an installment plan, conditional sale, trust agreement or other deferred payment plan except as provided in the Deferred Payments Extension of coverage.

- e. The most we will pay under this Extension of Coverage in any one occurrence is the Deferred Payments Limit of Insurance shown in the Schedule.

## 6. Expediting Expense

- a. In the event of direct physical loss of or damage to Covered Property at the described premises caused by or resulting from a Covered Cause of Loss, we will pay the reasonable and necessary *expediting expenses* you incur to:

- (1) Make temporary repairs to, and expedite permanent repairs or permanent replacement of, the property suffering the direct physical loss or damage; and



(2) Provide training on replacement machines or equipment.

**b. Definition**

"*Expediting Expenses*" means overtime wages and the extra cost of express or other rapid means of transportation. *Expediting expenses* do not include expenses you incur for the rental of property or temporary or permanent replacement of damaged property.

**c.** With respect to this Extension of Coverage, breakdown to equipment will not be considered a Covered Cause of Loss, even if otherwise covered elsewhere in this Policy.

**d.** The most we will pay under this Extension of Coverage for all *expediting expenses* is the Expediting Expense Limit of Insurance shown in the Schedule regardless of the number of premises involved.

**7. Leased Building Property**

**a.** When a Limit of Insurance is shown in the Declarations for Business Personal Property at a described premises, you may extend that insurance to apply to direct physical loss or damage to Building you occupy as a tenant at that described premises, and to Business Personal Property you do not own at that described premises if:

(1) You are contractually obligated to repair or replace that Business Personal Property or that part of the building you occupy as a tenant; and

(2) The direct physical loss or damage at that described premises is caused by a Covered Cause of Loss other than "theft" or attempted "theft".

**b.** This Coverage Extension does not apply to any otherwise covered:

(1) Building glass; or

(2) Tenants improvements and betterments as described in paragraph b(3) under Property Coverages in the Deluxe Bis-Pak® Property Coverage Form.

**c.** The most we will pay under this Extension of Coverage in any one occurrence at each described premises, is the Leased Building Property Limit of Insurance shown in the Schedule.

**8. Leasehold Interest**

**a.** We will pay for the loss of prepaid rent you sustain if your lease is cancelled in accordance with a valid lease provision.

**b.** Such cancellation must be the result of direct physical loss or damage caused by or resulting from a Covered Cause of Loss to property where you were:

(1) A tenant; and

(2) Occupying and conducting business at the time of the loss.

**c.** The most we will pay under this Extension of Coverage for loss in any one occurrence is the lesser of:

(1) The unused pro-rata portion of prepaid rent based on the period of time remaining in your lease, which you have paid for renting the property on which your lease was cancelled; or

(2) The Leasehold Interest Limit of Insurance shown in the Schedule.

**d.** We will not pay for any loss if the:

(1) Lease is cancelled, suspended or allowed to lapse by you; or

(2) Lease is cancelled at the normal expiration date.

**9. Newly Acquired or Constructed Property - Business Income and Extra Expense**

**a.** We will pay for loss you sustain due to the necessary *suspension* of your *operations* during the *period of restoration* for direct physical damage caused by a Covered Cause of Loss to a *newly acquired* premises.

**b.** The most that we will pay under this Extension of Coverage at each *newly acquired* premises as the result of any one occurrence is the lesser of:

(1) The Newly Acquired or Constructed Property - Business Income and Extra Expense Limit of Insurance shown in the Schedule; or

(2) The sum of the Business Income you lost and Extra Expense you incurred.

**c.** Insurance under this Extension of Coverage for each *newly acquired* premises will end when any of the following first occurs:

(1) This policy expires;

(2) 180 days expire after you acquire or begin to construct the property;

(3) You report the location to us; or

(4) Coverage for Business Income at the *newly acquired* premises is more specifically insured.

**d.** For purposes of this Extension of Coverage:

(1) The phrase "at the described

premises" as used in the definitions of *operations* and *suspension*, is deleted and replaced by the phrase at a *newly acquired* premises.

- (2) The following definitions apply:
- (a) "*Newly acquired*" means obtaining lawful ownership or possession of the premises, whether by purchase, lease, or otherwise.
  - (b) "*Suspension*" means the slowdown or cessation of your business activities.
- (3) In the definition of *period of restoration*, the loss must be at the *newly acquired* premises.

#### 10. Non-owned Detached Trailers

- a. You may extend the insurance that applies to Your Business Personal Property to apply to loss or damage to trailers that you do not own, provided that:
- (1) The trailer is used in your business;
  - (2) The trailer is in your care, custody or control at the described premises; and
  - (3) You have a contractual responsibility to pay for loss or damage to the trailer.
- b. We will not pay for any loss or damage that occurs:
- (1) While the trailer is attached to any motor vehicle or motorized conveyance, whether or not the motor vehicle or motorized conveyance is in motion;
  - (2) During hitching or unhitching operations, or when a trailer becomes accidentally unhitched from a motor vehicle or motorized conveyance.
- c. The most we will pay under this Extension of Coverage is the Non-owned Detached Trailers Limit of Insurance shown in the Schedule.

#### 11. Off-premises Electronic Data Storage

You may extend the insurance that applies to Business Personal Property to apply to direct physical loss or damage to duplicate and back-up *electronic data* which are stored at a premises where you do not conduct *operations* with the *electronic data* and which is not covered under any other coverage form. The most we pay under this Extension of Coverage for loss to *electronic data* at any one storage location is the Off-Premises

Electronic Data Storage Limit of Insurance shown in the Schedule.

#### 12. Power Failure and Changes in Temperature or Humidity

- a. You may extend the insurance that applies to your Business Personal Property to pay for loss or damage to that property that results from an interruption of power or a change in temperature or humidity caused by physical damage to equipment used for refrigerating, air conditioning, cooling, dehumidifying, heating, generating or converting power (including connections, supply or transmission lines and pipes), at the described premises. This extension applies only if loss or damage is caused by a Covered Cause of Loss.
- b. The most we will pay under this Extension of Coverage is the Power Failure and Changes in Temperature or Humidity Limit of Insurance shown in the Schedule.
- c. This coverage does not apply to fine arts as defined in paragraph E2a.

#### 13. Sales Representative's Samples

- a. You may extend the insurance that applies to your Business Personal Property to pay for direct physical loss of or damage to samples of your *stock* in trade (including containers) and similar property of others.
- b. We cover samples of your *stock* in trade while the property is:
- (1) In the custody of your sales representatives and agents;
  - (2) In your custody while acting as a sales representative; or
  - (3) In transit between your premises described in the declarations and your sales representatives.
- c. The loss or damage must result from a Covered Cause of Loss.
- d. The most we will pay under this Extension of Coverage is the Sales Representative's Samples Limit of Insurance shown in the Schedule.

#### 14. Temporary Coverage for Relocated Property

The following is added to Property Extensions of Coverage:

- a. We will pay for loss of or damage to Covered Property from a Covered Cause of Loss while it is away from the described premises, if it is being stored temporarily at a location you do not own,

lease or operate while the described premises is being renovated or remodeled.

b. Coverage provided by this Extension of Coverage will end when either of the following first occurs:

- (1) This policy expires; or
- (2) After 90 consecutive days after the property is first moved.

#### 15. Tenant Improvements and Betterments - Ordinance or Law

##### a. Application of Coverage

The coverage provided applies only if both (1) and (2) are satisfied.

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

But coverage 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)
  - (a) The building sustains direct physical damage that is covered under this policy and such damage results in enforcement of the ordinance or law; or
  - (b) The building sustains both direct physical damage that is covered under this policy and direct physical damage that is not covered under this policy, and the building damage in its entirety results in enforcement of the ordinance or law.

But if the building sustains direct physical damage that is not covered 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 covered direct physical damage.

b. We will not pay under Coverage A, Coverage B or Coverage C for:

- (1) Enforcement of any 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, or proliferation, spread of any

activity of *fungi*, wet or dry rot or bacteria; or

- (2) The costs associated with the enforcement of any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize or in any way respond to or assess the effects of *pollutants*, *fungi*, wet or dry rot or bacteria.

c. Under this 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.

##### d. Coverage

- (1) Coverage A - Coverage for Loss to the Undamaged Portion of Tenant's Improvements and Betterments

We will pay under Coverage A for the loss in value of the undamaged portion of the improvements and betterments when:

- (a) The improvements and betterments are damaged and the ordinance or law requires demolition of the undamaged parts of such property; or
- (b) The undamaged improvements and betterments, or undamaged parts of the improvements and betterments, are demolished or damaged in the course of demolition or repair of the building or part of the building where such property is located, as a consequence of the ordinance or law. But we will not pay under Coverage A for undamaged improvements and betterments that could be removed from the building, without incurring damage to such improvements and betterments, prior to demolition or repair of the building.

- (2) Coverage B - Demolition Cost Coverage

We will pay the cost to demolish and clear the site of undamaged parts of the improvements and betterments, provided that such cost is distinguishable from the cost of demolishing the building and you are responsible for the cost of demolition of the improvements and betterments, and further provided

that:

- (a) The improvements and betterments are damaged and the ordinance or law requires demolition of the undamaged parts of such property; or
  - (b) The undamaged improvements and betterments, or undamaged parts of the improvements and betterments, are demolished or damaged in the course of demolition or repair of the building or part of the building where such property is located, as a consequence of the ordinance or law. But we will not pay under Coverage B for demolition of undamaged improvements and betterments that could be removed from the building, without incurring damage to such improvements and betterments, prior to demolition or repair of the building.
- (3) Coverage C - Increased Cost of Construction Coverage
- (a) We will pay the increased cost to:
    - (i) Repair or reconstruct damaged portions of the improvements and betterments; and/or
    - (ii) Reconstruct or remodel undamaged portions of the improvements and betterments, whether or not demolition is required;
- when the increased cost is a consequence of a requirement to comply with the minimum standards of the ordinance or law.
- (b) However:
    - (i) This coverage applies only if the restored or remodeled property is intended for similar use as the current property, unless such use is not permitted by the ordinance or law.
    - (ii) We will not pay for the increased cost of construction if the improvements and betterments are not repaired, reconstructed or remodeled.

**e. Loss Payment**

The most we will pay under this

Extension of Coverage, for the total of all covered loss for Coverage A, Coverage B and Coverage C combined is the Ordinance or Law - Tenants Improvements and Betterments Limit of Insurance shown in the Schedule. One limit applies to all covered loss to all improvements and betterments at each described premises. Subject to the Limit of Insurance, the following loss payment provisions apply:

- (1) We will not pay under Ordinance or Law Coverage for Tenant's Interest in Improvements and Betterments if others pay for loss or damage to improvements and betterments.
- (2) When there is a loss in value of an undamaged portion of improvements and betterments to which Coverage A applies, the loss payment for that property, including damaged and undamaged portions, will be determined as follows:
  - (a) If the Replacement Cost Coverage Option applies and the improvements and betterments are being repaired or replaced, on the same or another premises, we will not pay more than the amount you would actually spend to repair, rebuild or reconstruct such property, but not for more than the amount it would cost to restore the property on the same premises and to the same dimensions, style and comparable quality of the original property insured.
  - (b) If the Replacement Cost Coverage Option applies and the property is not repaired or replaced, or if the Replacement Cost Coverage Option does not apply, we will not pay more than the actual cash value of the Improvements and Betterments at the time of loss.
- (3) Under Coverage B, we will not pay more than the amount you actually spend for demolishing the improvements and betterments and clearing the demolished property from the described premises.
- (4) Under Coverage C:
  - (a) We will not pay under Coverage C:
    - (i) Until the improvements and betterments are actually repaired or replaced, at the

same or another premises;  
and

- (ii) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.
- (b) If the improvements and betterments are repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay under Coverage C, is the increased cost of construction at the same premises.
- (c) If the ordinance or law requires relocation to another premises, the most we will pay for under Coverage C, is the increased cost of construction of the improvements and betterments at the new premises.

#### **16. Tenant Leasehold Improvements**

- a. We will pay for the unamortized value of the Tenants Improvements and Betterments that you were forced to abandon if your lease is cancelled in accordance with a valid lease provision.
- b. Such cancellation must be the result of direct physical loss or damage caused by or resulting from a Covered Cause of Loss to property where you were:
  - (1) A tenant; and
  - (2) Occupying and conducting business at the time of loss.
- c. The most we will pay under this Extension of Coverage for loss in any one occurrence is the Tenant Leasehold Improvements Limit of Insurance shown in the Schedule.
- d. Tenants Improvements and Betterments include leased personal property for which you have a contractual responsibility to insure, unless otherwise insured. Our payment for loss of or damage to personal property of others will only be for the account of the owner of the property.
- e. Building glass not otherwise insured is a Tenant Improvement and Betterment if you are contractually required to insure it under a written lease agreement.

#### **17. Tenant Move-back Expenses**

- a. If your tenant(s) must temporarily vacate the described premises, due to

untenantability caused by direct physical loss or damage by a Covered Cause of Loss, we will pay the following expenses you actually incur as the owner of that covered Building to move those tenants back into your covered Building.

- b. We will pay only for the following expenses:
  - (1) Packing, transporting, unpacking and re-shelving the tenant's Business Personal Property including the cost of insuring the move back and any necessary disassembly and reassembly or setup of furniture and equipment; and
  - (2) The cost to re-establish the tenants' utility and telephone services, minus any refunds due the tenants from discontinued or unused services.
- c. We will only pay for the expenses that you incur within 60 days of the date:
  - (1) That at least 75% of the damage to the portion of the building(s) rented by that tenant has been repaired or rebuilt; and
  - (2) The portion of the building that has been repaired or rebuilt is ready for occupancy.
- d. Regardless of the number of tenants involved, the most we will pay under this Extension of Coverage per occurrence is the Tenant Move-back Expense Limit of Insurance shown in the Schedule.

#### **18. Theft Loss Damage to Non-owned Property**

- a. You may extend the insurance that applies to your Business Personal property to apply to direct physical loss or damage to that part of the non-owned building where you are a tenant and that contains your Business Personal Property caused by or resulting from burglary or theft, or attempted burglary or attempted theft.
- b. This Extension applies only to a premises where you are a tenant, and the terms of your lease for that non-owned property make you liable for damage described in paragraph a.
- c. The most we will pay under this Extension of Coverage for loss or damage in any one occurrence is the Theft Loss Damage to Non-owned Property Limit of Insurance shown in the Schedule. Payment under this Extension of Coverage is included within the Limit of Insurance applicable to your Business

Personal property.

- d. The Business Personal Property Deductible shown in the Declarations applies to this Extension.
- e. We will pay nothing if others pay for the repairs or replacement.

I. The following Property Optional Coverages are modified:

**1. Outdoor Signs**

The Outdoor Signs Optional Coverage applies to your policy.

a. The following replaces paragraph d in Outdoor Signs optional coverage:

d. The most we will pay under this Optional Coverage for loss or damage in any one occurrence is the sum of:

- (1) The Outdoor Signs Limit of Insurance shown in the Schedule; and
- (2) The Outdoor Signs Limit of Insurance, if any, shown in the Declarations.

b. The following is added to the Outdoor Signs optional coverage:

The Outdoor Signs optional coverage does not apply to signs attached to buildings.

**2. Employee Dishonesty**

The Employee Dishonesty Optional Coverage applies to your policy.

Paragraph c in 2 Employee Dishonesty in Property Optional Coverages is replaced by the following:

c. The most we will pay under this Optional Coverage for loss or damage in any one occurrence is the sum of:

- (1) The Employee Dishonesty Limit of Insurance shown in the Schedule; and
- (2) The Employee Dishonesty Limit of Insurance, if any, shown in the Declarations.

**J. Business Income - No Waiting Period**

Item a of "Period of Restoration" in Definitions is replaced by the following:

a. Begins immediately after the time of direct physical loss or damage for Business Income and Extra Expense coverage caused by or resulting from any Covered Cause of Loss at the described premises; and

**K. Premises**

For purposes of coverages provided by or modified by this endorsement, "each premises" and "described premises" include your premises covered as a newly acquired location under Newly Acquired or Constructed Property in Property Extensions of Coverage.

This endorsement modifies insurance provided under the following:  
**BIS-PAK® BUSINESS LIABILITY AND MEDICAL EXPENSES COVERAGE FORM**

**SCHEDULE**

Coverage	Limit of Insurance	Page
Increased Bail Bond Limit	\$1,000	1
Supplemental Reasonable Expenses	\$300 per day	1
<b>Additional Included Coverages</b>		
Automatic Status Additional Insured - Mortgagee, Assignee, or Receiver	Included	2
Automatic Status Additional Insured - State or Government Agency or Subdivision	Included	2
Bodily Injury Expanded Definition	Included	3
Damage to Premises Rented to You Broadening	Included	3
First Aid/Good Samaritan Coverage	Included	1
Knowledge by an Employee	Included	3
Newly Acquired Organizations - up to 180 days	Included	3

**A. Increased Bail Bond Limit**

Paragraph 1f(1)(b) under Liability and Medical Expenses Coverages is replaced by the following:

(b) Up to the Increased Bail Bond Limit of Insurance shown in the Schedule for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which Business Liability Coverage for *bodily injury* applies. We do not have to furnish these bonds.

**B. Supplemental Reasonable Expenses Incurred by Insured**

Paragraph 1f(1)(d) under Liability and Medical Expenses Coverages is replaced by the following:

(d) All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or *suit*, including actual loss of earnings up to the Supplemental Reasonable Expenses Limit of Insurance shown in the Schedule because of time off from work.

**C. First Aid/Good Samaritan Coverage**

The Following is added to Liability and Medical Expenses Coverage:

1. For purposes of this coverage, the definition of *occurrence* in Definitions is replaced by the following:

"*Occurrence*" means an act or omission by your *employee* in providing or failing to provide *first aid services* provided:

- a. Neither you nor the *employee* are employed to provide any type of *first aid services* or *medical services*.
- b. The *first aid services* were provided while the *employee* was engaged in activities related to the scope and extent of their employment by you.

2. The following is added to paragraph 2 of Liability and Medical Expenses Limits of Insurance:

c. For the purposes of determining the applicable Each Occurrence Limit, all acts or omissions committed by one or more persons in providing or failing to

provide *first aid services* to one person will be deemed to be one occurrence.

3. The following definitions are added to Definitions:

*"First aid services"* means *medical services* provided when no *professional medical service provider* (whether licensed or not) is present and without the immediate provision of which would have immediately resulted in death or significant adverse result from a serious injury or serious condition of the recipient of those services.

*"Medical services"* includes all medical and medically-related services.

*"Professional medical services provider"* means anyone who is employed to provide *medical services* or *first aid services*.

#### **D. Automatic Status Additional Insured - Mortgagee, Assignee, or Receiver**

1. Who Is An Insured is amended to include any person(s) or organization(s) with respect to that person(s) or organization(s) liability as mortgagee, assignee or receiver, but only when you and such person(s) or organization(s) have agreed in writing in a contract or agreement that such person(s) or organization(s) be added as an additional insured on your policy provided that a certificate of insurance showing that person or organization as an additional insured has been issued.

However:

- a. Such person(s) or organization(s) are additional insureds only with respect to liability as mortgagee, assignee or receiver and arising out of the ownership, maintenance or use of premises by you and which is covered by this policy; and
  - b. The insurance afforded to such additional insured only applies to the extent permitted by law; and
  - c. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.
2. With respect to the insurance afforded to these additional insureds this insurance does not apply to structural alterations, new construction or demolition operations performed by or for that person(s) or organization(s).
3. With respect to the insurance afforded to these additional insureds, the following is added to the Liability and Medical Expenses

Limits of Insurance section:

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

- a. Required by the contract or agreement; or
- b. Available under the applicable Limits of Insurance shown in the Declarations;

whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

#### **E. Automatic Status Additional Insured - State or Government Agency or Subdivision**

1. Who Is An Insured is amended to include as an additional insured any state or governmental agency or subdivision or political subdivision, but only when you and such state or governmental agency or subdivision or political subdivision have agreed in writing in a contract or agreement that such state or governmental agency or subdivision or political subdivision be added as an additional insured on your policy, subject to the following provisions, provided that a certificate of insurance showing that person or organization as an additional insured has been issued.

- a. This insurance applies only with respect to operations performed by you or on your behalf for which the state or governmental agency or subdivision or political subdivision has issued a permit or authorization.

However:

- (1) The insurance afforded to such additional insured only applies to the extent permitted by law; and
- (2) If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

- b. This insurance does not apply to:

- (1) *Bodily injury, property damage, or personal and advertising injury* arising out of operations performed for the federal government, state or municipality; or
- (2) *Bodily injury or property damage* included within the *products-completed operations hazard*.



2. With respect to the insurance afforded to these additional insureds, the following is added to the Liability and Medical Expenses Limits of Insurance section:

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

- a. Required by the contract or agreement; or
- b. Available under the applicable Limits of Insurance shown in the Declarations;

whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

#### **F. Newly Acquired Organizations**

Paragraph 3a under Who Is An Insured is replaced by the following:

- a. Coverage under this provision is afforded only:
  - (1) For the number of days for the Newly Acquired Organizations as shown in the Schedule after you acquire or form the organization; or
  - (2) Until the end of the policy period, whichever is earlier;

#### **G. Paragraph 3 of Liability and Medical Expenses Limits of Insurance is replaced by the following:**

3. The most we will pay under Business

Liability Coverage for damages because of *property damage* to a premises while rented to you or in the case of a fire, lightning, explosion, smoke or water while rented to you or temporarily occupied by you with permission of the owner is the applicable Damage To Premises Rented To You Limit shown for that premises in the Declarations. For a premises temporarily occupied by you, the applicable limit will be the Damage To Premises Rented To You Limit shown in the Declarations.

#### **H. Knowledge of Claim or Suit**

The following is added to the Duties in the Event of Occurrence, Offense, Claim or Suit Condition in Liability and Medical Expenses General Conditions:

Knowledge of an *occurrence*, offense, claim or *suit* by an agent or *employee* of any insured shall not in itself constitute knowledge of the insured unless your partners, *executive officers*, directors, managers, members or a person who has been designated by them to receive reports of *occurrences*, offenses, claims or *suits* shall have received such notice from the agent or *employee*.

#### **I. Bodily Injury Definition Expanded**

The definition of *bodily injury* is amended to include mental distress and mental injury, including but not limited to mental anguish and emotional anguish.

**ASBESTOS EXCLUSION**

**IL-7012(1-18)**

This endorsement modifies insurance provided under the following:

- BIS-PAK® BUSINESS LIABILITY AND MEDICAL EXPENSE COVERAGE FORM
- COMMERCIAL AUTO COVERAGE PART
- COMMERCIAL GENERAL LIABILITY COVERAGE PART
- DIRECTORS' AND OFFICERS' LIABILITY COVERAGE PART
- EMPLOYEE BENEFITS LIABILITY COVERAGE PART
- ERRORS AND OMISSIONS COVERAGE PART
- GARAGE COVERAGE FORM
- LIQUOR LIABILITY COVERAGE FORM
- OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE FORM
- POLLUTION LIABILITY COVERAGE FORM
- PRODUCT WITHDRAWAL COVERAGE PART

- PRODUCTS-COMPLETED OPERATIONS LIABILITY COVERAGE FORM
- RAILROAD PROTECTIVE LIABILITY COVERAGE FORM
- RESIDENTIAL CARE FACILITY LIABILITY COVERAGE PART

The following exclusion is added:

**Asbestos**

This insurance does not apply to any *bodily injury* or *property damage* arising out of activities related to, but not limited to, manufacture, mining, storage, distribution, installation, sale, use, exposure to, service, testing for, repair, containment or removal of asbestos, asbestos fibers, asbestos dust, or products containing asbestos.

**KENTUCKY LOCAL GOVERNMENT PREMIUM TAX ENDORSEMENT**

**IL-7013(3-14)**

This endorsement modifies insurance provided under the following:

- BIS-PAK® COVERAGE PART
- BOILER AND MACHINERY COVERAGE PART
- COMMERCIAL AUTO COVERAGE PART
- COMMERCIAL CRIME COVERAGE PART
- COMMERCIAL EXCESS LIABILITY COVERAGE PART
- COMMERCIAL GENERAL LIABILITY COVERAGE PART
- COMMERCIAL INLAND MARINE COVERAGE PART
- COMMERCIAL PROPERTY COVERAGE PART
- DIRECTORS AND OFFICERS LIABILITY COVERAGE PART
- EMPLOYEE BENEFITS LIABILITY COVERAGE PART
- EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART

- ERRORS AND OMISSIONS COVERAGE PART
- FARM COVERAGE PART
- LIQUOR LIABILITY COVERAGE FORM
- OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE FORM
- POLLUTION LIABILITY COVERAGE FORM
- PRODUCT WITHDRAWAL COVERAGE PART
- PRODUCTS-COMPLETED OPERATIONS LIABILITY COVERAGE FORM
- RAILROAD PROTECTIVE LIABILITY COVERAGE FORM

The total local government premium tax is included in the Total Advance Premium shown in the Declarations.

## **KENTUCKY COLLECTION FEE ENDORSEMENT**

**IL-7014(3-14)**

This endorsement modifies insurance provided under the following:

BIS-PAK® COVERAGE PART  
BOILER AND MACHINERY COVERAGE PART  
COMMERCIAL AUTO COVERAGE PART  
COMMERCIAL CRIME COVERAGE PART  
COMMERCIAL EXCESS LIABILITY COVERAGE PART  
COMMERCIAL GENERAL LIABILITY COVERAGE PART  
COMMERCIAL INLAND MARINE COVERAGE PART  
COMMERCIAL PROPERTY COVERAGE PART  
DIRECTORS AND OFFICERS LIABILITY COVERAGE PART  
EMPLOYEE BENEFITS LIABILITY COVERAGE PART  
EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART

ERRORS AND OMISSIONS COVERAGE PART  
FARM COVERAGE PART  
LIQUOR LIABILITY COVERAGE FORM  
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE FORM  
POLLUTION LIABILITY COVERAGE FORM  
PRODUCT WITHDRAWAL COVERAGE PART  
PRODUCTS-COMPLETED OPERATIONS LIABILITY COVERAGE FORM  
RAILROAD PROTECTIVE LIABILITY COVERAGE FORM

The total collection fee charged for collecting and remitting to a city, county or urban government such taxes or fees required by its ordinances is included in the Total Advance Premium shown in the Declarations.

This endorsement modifies insurance provided under the following:

- BIS-PAK® COVERAGE PART
- BOILER AND MACHINERY COVERAGE PART
- COMMERCIAL AUTO COVERAGE PART
- COMMERCIAL CRIME COVERAGE PART
- COMMERCIAL GENERAL LIABILITY COVERAGE PART
- COMMERCIAL INLAND MARINE COVERAGE PART
- COMMERCIAL PROPERTY COVERAGE PART
- DIRECTORS AND OFFICERS LIABILITY COVERAGE PART
- EMPLOYEE BENEFITS LIABILITY COVERAGE PART
- EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART
- ERRORS AND OMISSIONS COVERAGE PART
- FARM COVERAGE PART
- LIQUOR LIABILITY COVERAGE FORM
- POLLUTION LIABILITY COVERAGE FORM
- PRODUCT WITHDRAWAL COVERAGE PART
- PRODUCTS-COMPLETED OPERATIONS LIABILITY COVERAGE FORM

1. Paragraph 2 of the Cancellation Common Policy Condition is replaced by the following:

**a. Cancellation of Policies in Effect for 60 Days or Less**

If this policy has been in effect for 60 days or less and is not a renewal with us, we may cancel this policy by mailing or delivering to the First Named Insured written notice of cancellation, stating the reason for cancellation, at least 14 days before the effective date of cancellation.

**b. Cancellation of Policies in Effect for More Than 60 Days**

If this policy has been in effect for more than 60 days or is a renewal of a policy we issued, we may cancel this policy only for one or more of the following reasons:

- (1) Nonpayment of premium;
- (2) Discovery of fraud or material misrepresentation made by you or with your knowledge in obtaining the policy, continuing the policy or in presenting a claim under the policy;
- (3) Discovery of willful or reckless acts or omissions on your part which increase any hazard insured against;
- (4) The occurrence of a change in the risk which substantially increases any hazard insured against after insurance coverage has been issued or renewed;
- (5) A violation of any local fire, health, safety, building, or construction regulation or ordinance with respect to any insured property or the occupancy

thereof which substantially increases any hazard insured against;

- (6) We are unable to reinsure the risk covered by the policy; or
- (7) A determination by the commissioner that the continuation of the policy would place us in violation of the Kentucky insurance code or regulations of the commissioner.

If we cancel this policy based on any reason listed in paragraph b, we will mail or deliver to the First Named Insured, a written notice of cancellation, stating the reason for cancellation, at least:

- (1) Fourteen days before the effective date of cancellation for nonpayment of premium; or
- (2) Seventy-five days before the effective date of cancellation for all other reasons.

2. Paragraph 5 of the Cancellation Common Policy Condition is replaced by the following:

If this policy is cancelled, we will send the First Named Insured any premium refund due. If we cancel, the refund will be computed pro rata. If the First Named Insured cancels, the refund will be computed at 90% of pro rata. The cancellation will be effective even if we have not made or offered a refund.

3. The following condition is added and supersedes any provision to the contrary:

**NONRENEWAL**

a. If we decide not to renew this policy, we will mail or deliver to the First Named Insured, at the last mailing address known to us, a written notice of nonrenewal, stating the reason for nonrenewal, at least 75 days before the expiration date of the policy period.

For the purpose of this Condition:

- (1) Any policy period or term of less than six months shall be considered to be a policy period or term of six months; and
- (2) Any policy period or term of more than one year or any policy with no fixed expiration date shall be considered a policy period or term of one year.

b. If notice of nonrenewal is not provided pursuant to this Condition, coverage under the same terms and conditions shall be deemed to be renewed for the ensuing policy period upon payment of the appropriate premium until you have accepted replacement coverage with another insurer, or until you have agreed to the nonrenewal.

- c. If we mail or deliver a renewal notice to the First Named Insured at least 30 days before the end of the policy period, stating the renewal premium and its due date, the policy will terminate without further notice unless the renewal premium is received by us or our authorized agent by the due date.
- d. If this policy terminates because the re-

newal premium has not been received by the due date, we will, within 15 days, mail or deliver to the First Named Insured at the last mailing address known to us, a notice that the policy was not renewed and the date it was terminated.

- e. If notice is mailed, proof of mailing is sufficient proof of notice.

**KENTUCKY PREMIUM SURCHARGE ENDORSEMENT**

**IL-7044(3-14)**

This endorsement modifies insurance provided under the following:

BIS-PAK® COVERAGE PART  
BOILER AND MACHINERY COVERAGE PART  
COMMERCIAL AUTO COVERAGE PART  
COMMERCIAL CRIME COVERAGE PART  
COMMERCIAL EXCESS LIABILITY COVERAGE PART  
COMMERCIAL GENERAL LIABILITY COVERAGE PART  
COMMERCIAL INLAND MARINE COVERAGE PART  
COMMERCIAL PROPERTY COVERAGE PART  
DIRECTORS AND OFFICERS LIABILITY COVERAGE PART  
EMPLOYEE BENEFITS LIABILITY COVERAGE PART  
EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART

ERRORS AND OMISSIONS COVERAGE PART  
FARM COVERAGE PART  
LIQUOR LIABILITY COVERAGE FORM  
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE FORM  
POLLUTION LIABILITY COVERAGE FORM  
PRODUCT WITHDRAWAL COVERAGE PART  
PRODUCTS-COMPLETED OPERATIONS LIABILITY COVERAGE FORM  
RAILROAD PROTECTIVE LIABILITY COVERAGE FORM

The surcharge required by Kentucky Statute KRS 136.392 is included in the Total Advance Premium shown in the Declarations.

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.

**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 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 of that

portion of the amount of such insured losses that exceeds the applicable insurer retention. The federal share percentage is 80%. However, if aggregate insured losses attributable 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.



## AMENDMENT TO DEFINITION OF OCCURRENCE

IL-7092(2-11)

This endorsement modifies insurance provided under the following:

BIS-PAK® BUSINESS LIABILITY AND MEDICAL  
EXPENSES COVERAGE FORM  
COMMERCIAL GENERAL LIABILITY COVERAGE FORM  
PRODUCTS-COMPLETED OPERATIONS LIABILITY  
COVERAGE FORM

The definition of Occurrence is replaced by the following:

*Occurrence* means an accident, including continuous or repeated exposure to substantially the same gen-

eral harmful conditions. *Occurrence* includes:

- A. *Property damage to your work* if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor and the *property damage to your work* is included in the *products-completed operations hazard*;
- B. *Property damage to property other than your work* that arises out of *your work*.

All other terms, exclusions, limitations and conditions of the policy remain unchanged.



**DIRECTORS' AND OFFICERS' LIABILITY  
COVERAGE PART**

Acuity, A Mutual Insurance Company

**Renewal Declarations**

Organization:

CHAMBERLAIN SQUARE GARDEN  
COUNCIL OF CO-OWNERS INC  
PO BOX 99115  
LOUISVILLE KY 40269

Agency Name and Number:

MCDANIEL INSURANCE AGENCY  
8015-AA

Policy Number: ZA6324

Policy Period: Effective Date: 07-21-23

Expiration Date: 07-21-24

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

12:01 A.M. standard time at your mailing address shown in the declarations

**LIMIT OF LIABILITY**

Each and every *loss* and in the aggregate each *policy period* .....\$ 1,000,000

**COVERAGE FORMS AND ENDORSEMENTS APPLICABLE TO THIS COVERAGE PART**

Form Number	Form Title	Premium
CG-7154 (09-05)	Directors and Officers Liability Coverage Form - Condominium or Cooperative .....	\$
IL-0017F (11-98)	Common Policy Conditions .....	
IL-0021F (03-14)	Nuclear Energy Liability Exclusion - Broad Form .....	
IL-7025 (03-14)	Kentucky Changes - Cancellation and Nonrenewal .....	
IL-7013 (03-14)	Kentucky Local Government Premium Tax Endorsement .....	18.00
IL-7014 (03-14)	Kentucky Collection Fee Endorsement .....	3.00
IL-7012 (01-18)	Asbestos Exclusion .....	
IL-7044 (03-14)	Kentucky Premium Surcharge Endorsement .....	6.00
<b>Advance Endorsement Premium .....</b>		<b>27.00</b>

**PREMIUM SUMMARY**

Advance Premium .....	\$ 350.00
Advance Endorsement Premium .....	27.00
<b>Total Advance Premium .....</b>	<b>\$ 377.00</b>

A Kentucky Local Government Tax has been applied to the premium. See Kentucky Local Premium Tax Breakdown section.

The surcharge required by Kentucky Statute KRS 136.392 is included in the premium charged.

**KENTUCKY LOCAL PREMIUM TAX BREAKDOWN**

<b>Unit No.</b>	<b>Taxing Authority</b>	<b>Premium Tax (including collection fee)</b>	
001	LOUISVILLE	\$	21.00
<b>Total KY Local Premium Tax and Collection Fee .....</b>		<b>\$</b>	<b>21.00</b>

**ADDITIONAL NAMED INSUREDS**

*Named insured* includes the following Additional Named Insureds:

NONE

**DIRECTORS AND OFFICERS LIABILITY COVERAGE FORM - CONDOMINIUM OR COOPERATIVE**

**Index of Policy Provisions**

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## DIRECTORS AND OFFICERS LIABILITY COVERAGE FORM - CONDOMINIUM OR COOPERATIVE

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

Throughout this policy the words "you" and "your" refer to the organization shown in the Declarations.

The words "we," "us" and "our" refer to the Company providing this insurance.

Other words and phrases that appear in italics have special meaning. Refer to the Definitions Section.

### COVERAGE

#### 1. Insuring Agreement

In consideration of the payment of the premium and subject to the terms, conditions and limitations of the policy, we will provide the insurance coverage stated herein. We agree to pay on behalf of the *named insured* or an *insured person* all loss which they, individually or collectively, shall become legally obligated to pay. This insurance applies to loss arising out of a *wrongful act* committed during the *policy period*.

#### 2. Exclusions

The *wrongful act* of any *insured person* shall not be imputed to the *named insured* or to any other *insured person* for the purpose of determining the applicability of the following exclusions.

This coverage shall not apply to any loss:

- a. Based on or attributable to bodily or personal injury, mental injury or anguish, counseling injury, sickness, disease or death of any person, or to damages or destruction of any tangible property including loss of use.
- b. Based on or attributable to any failure or omission on the part of the *named insured* or an *insured person* to effect, procure or maintain insurance, or failure or omission with respect to insurance amount, form, conditions or provisions.
- c. Arising out of the violation of any "civil rights" law. This means any federal, state or local ordinance, including (but not limited to) discrimination on account of race, religion, sex or age.
- d. Based on or attributable to an *insured person* gaining in fact any personal profit or advantage to which they were not legally entitled.
- e. For damages arising out of any dishonest, fraudulent, criminal or malicious act or willful violation of any statute. This includes fines or penalties resulting therefrom.
- f. Arising from or in connection with any claim for the return by an *insured person* of any remuneration paid in fact to them if such remuneration shall be held by the courts to

be in violation of the law.

- g. Based on the Employee Retirement Income Security Act of 1974, Public Law 93-406 and amendments thereto, or similar provisions of any federal, state or local statutory or common law. Public Law 93-406 is commonly referred to as the Pension Reform Act of 1974.
  - h. Based on or attributable to any statutory or common law relating to the purchase, sale or disposition of securities.
  - i. Based on or attributable to any salary, compensation or bonuses voted to any *insured person* by the Board of Directors of the *named insured*.
  - j. For other than money damages.
  - k. For the payment of punitive or exemplary damages.
  - l. Due to or arising out of nuclear reaction, nuclear radiation or radioactive contamination, or to any act or condition incident to any of the foregoing.
  - m. Based on or attributable to the transmission of any communicable disease.
  - n. Based on or attributable to:
    - (1) The actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of pollutants; or
    - (2) Any loss, cost or expense arising out of any governmental direction or request, including but not limited to testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of pollutants.
- Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
- o. Based on or attributable to any sexual act, including but not limited to molestation, incest or rape.

## LIMIT OF LIABILITY

1. The most we will pay for all *loss* caused by a *wrongful act* committed during the *policy period* is the Limit of Liability as shown in the Declarations.
2. Subject to the foregoing, our liability for each

and every *loss* shall be the Limit of Liability shown in the Declarations and shall be our maximum liability in each *policy period* (regardless of the time of payment by us).

## COSTS, CHARGES AND EXPENSES

1. No costs, charges or expenses shall be incurred or settlements made without our consent. We will not unreasonably withhold such consent. If such consent is given, we will pay such costs, settlements, charges or expenses. We may at any time take over the defense of any claim or suit covered by this Coverage Part, including the right to appeal a judgment at our own cost and expense.

2. We may, at our option and upon request, advance on behalf of the *insured persons* (jointly or severally) expenses which they have incurred in connection with claims made against them prior to disposition of such claims, provided that if it is established we have no liability hereunder, such *insured persons* agree to repay us upon demand all monies so advanced.

## GENERAL CONDITIONS

### 1. Notice of Claim

- a. You and any other *insured person* must see to it that we are notified as soon as practicable when an *insured person* becomes aware of a *wrongful act* which may result in a claim. This notice shall be in writing and include how, when and where the *wrongful act* took place as well as any other reasonably obtainable information.
- b. If a claim is made or suit is brought against you or an *insured person*, you must:
  - (1) Immediately record the specifics of the claim or suit and the date received; and
  - (2) Notify us in writing as soon as practicable.
- c. You and any other involved *insured person* must:
  - (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or suit;
  - (2) Authorize us to obtain records and other information;
  - (3) Cooperate with us in the investigation or settlement of the claim or defense against the suit; and
  - (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of *loss* to which this insurance may also apply.

been full compliance with all of the terms of this Coverage Part, nor until the amount of the *named insured's* obligation to pay shall have been finally determined either by judgment against the *named insured* after actual trial or by written agreement of the *named insured*, the claimant and us.

Any person or organization or their legal representative who has secured such judgment or written agreement shall be entitled to recover under this Coverage Part to the extent of the insurance afforded by this Coverage Part. No person or organization shall have any right under this Coverage Part to join us as a party to any action against the *named insured* to determine the *named insured's* liability. We shall not be impleaded by the *named insured* or its legal representative. Bankruptcy or insolvency of the *named insured* shall not relieve us of any of our obligations.

### 3. Organization Authorization Clause

By acceptance of this Coverage Part, the organization shown in the Declarations agrees to act on behalf of all *insured persons* with respect to the giving and receiving of notice of cancellation, the payment of premiums and the receiving of any return premiums that may become due under this Coverage Part, and the *insured persons* agree that the *named insured* shall act on their behalf.

### 4. Admission of Liability

The *insured persons* shall not make any admission of liability, nor shall they authorize any other officers, employees or other persons to make any admission of liability in connection with any claim without obtaining our written consent.

### 2. Action Against Company

No action shall lie against us unless, as a condition precedent thereto, there shall have

## 5. Subrogation

In the event of any payment under this Coverage Part, we shall be subrogated to the extent of such payment to all rights of recovery therefore. The *named insured* or the *insured persons*, shall execute all papers required and shall do everything that may be necessary to secure and preserve such rights including the execution of such documents necessary to enable us effectively to bring suit in the name of the *insured persons*.

## 6. Cooperation of the Directors, Officers or Trustees

The *insured persons* shall cooperate with us and assist us in making settlements, in the conduct of suits and in enforcing any right of contribution or indemnity against any person or organization. The *insured persons* shall attend hearings and trials and assist in securing and giving evidence and obtaining the attendance of witnesses.

## 7. Appeals

In the event an *insured person* elects not to appeal a judgment, we may elect to make such appeal at our own cost and expense and shall be liable for the taxable costs and disbursements and interests incidental thereto, but in no event shall our liability exceed the Limit of Liability as provided herein.

## 8. Other Insurance

When the *named insured* or an *insured person*

has other insurance against *loss* covered by this Coverage Part, we will not be liable under this Coverage Part for a greater proportion of such *loss* than the applicable limit under this Coverage Part bears to the total applicable Limit of Liability of all valid and collectible insurance against such *loss*.

## 9. Declarations

By acceptance of this Coverage Part, the *named insured* agrees that the statements in the Declarations are its agreements and representations. You also agree this Coverage Part is issued in reliance upon the truth of such representations and that this Coverage Part embodies all agreements existing between itself and us or any of our agents relating to this insurance.

## 10. Conformance to Statute

Terms of this Coverage Part which are in conflict with the statutes of states where coverages included in this Coverage Part are not permitted, are amended to cover only those provisions and coverages as apply and conform to such statutes.

## 11. First Named Insured

The first legal entity shown as an organization in the Declarations will be the First Named Insured for this policy.

## DEFINITIONS

1. "*Insured person*" means all directors, officers or trustees of the *named insured* including:

- a. The estates, heirs, legal representatives or assigns of the deceased persons who were *insured persons* at the time of the *wrongful act* upon which claims are based; and
- b. The legal representatives or assigns of said *insured persons* in the event of their incompetency, insolvency or bankruptcy.

2. "*Loss*" means any amount which an *insured person* is legally obligated to pay or which the *named insured* may be required or permitted by law to pay as indemnity to an *insured person* for *wrongful acts*. Any series of related *wrongful acts* committed during the *policy period* shall be considered a single *wrongful act*.

The amount payable includes but is not limited to damages, judgments and settlements.

*Loss* shall not include fines or penalties imposed by law or matters which may be deemed uninsurable.

3. "*Named insured*" means the organization shown in the Declarations.

4. "*Policy period*" means the period of one year following the effective date and hour of this policy or any anniversary thereof, or if the time between the effective date or any anniversary and termination of the policy is less than one year, such lesser period.

5. "*Wrongful act*" means any actual or alleged error or misstatement or misleading statement or act or omission or neglect or breach of duty by an *insured person* in the discharge of their duties, individually or collectively. It also includes any matter claimed against them solely by reason of their being *insured persons*.

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

**A. CANCELLATION**

1. The First Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.

2. We may cancel this policy by mailing or delivering to the First Named Insured written notice of cancellation at least:

a. Ten days before the effective date of cancellation if we cancel for nonpayment of premium; or

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

3. We will mail or deliver our notice to the First Named Insured's last mailing address known to us.

4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.

5. If this policy is cancelled, we will send the First Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the First Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.

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

**B. CHANGES**

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

**C. EXAMINATION OF YOUR BOOKS AND RECORDS**

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

**D. INSPECTIONS AND SURVEYS**

1. We have the right to:

a. Make inspections and surveys at any time;

b. Give you reports on the conditions we find; and

c. Recommend changes.

2. We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:

a. Are safe or healthful; or

b. Comply with laws, regulations, codes or standards.

3. Paragraphs 1 and 2 of this condition apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

4. Paragraph 2 of this condition does not apply to any inspections, surveys, reports or recommendations we may make relative to certification, under state or municipal statutes, ordinances or regulations, of boilers, pressure vessels or elevators.

**E. PREMIUMS**

The First Named Insured shown in the Declarations:

1. Is responsible for the payment of all premiums; and

2. Will be the payee for any return premiums we pay.

**F. TRANSFER OF YOUR RIGHTS AND DUTIES UNDER THIS POLICY**

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

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



## NUCLEAR ENERGY LIABILITY EXCLUSION - BROAD FORM

IL-0021F(3-14)

This endorsement modifies insurance provided under the following:

COMMERCIAL AUTO COVERAGE PART  
COMMERCIAL GENERAL LIABILITY COVERAGE PART  
DIRECTORS' AND OFFICERS' LIABILITY COVERAGE PART  
EMPLOYEE BENEFITS LIABILITY COVERAGE PART  
ERRORS AND OMISSIONS COVERAGE PART  
FARM COVERAGE PART  
LIQUOR LIABILITY COVERAGE FORM  
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE FORM  
POLLUTION LIABILITY COVERAGE FORM  
PRODUCT WITHDRAWAL COVERAGE PART  
PRODUCTS-COMPLETED OPERATIONS LIABILITY COVERAGE FORM  
RAILROAD PROTECTIVE LIABILITY COVERAGE FORM

1. The insurance does not apply:

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

(1) With respect to which an *insured* under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or

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

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

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

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

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

(1) The *nuclear material*:

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

(b) Has been discharged or dispersed therefrom.

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

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

2. As used in this endorsement:

a. "*Hazardous properties*" include radioactive, toxic or explosive properties.

b. "*Nuclear material*" means *source material*, *special nuclear material* or *byproduct material*.

c. "*Source material*," "*special nuclear material*" and "*byproduct material*" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof.

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

e. "*Waste*" means any waste material:

(1) Containing *byproducts material* other than the tailings or *wastes* produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its *source material* content; and

(2) Resulting from the operation by any person or organization of any *nuclear facility* included under the first two paragraphs of the definition of *nuclear facility*.

f. "*Nuclear facility*" means:

(1) Any *nuclear reactor*;

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

(a) Separating the isotopes of uranium or plutonium;

(b) Processing or utilizing *spent fuel*; or

- (c) Handling, processing or packaging waste.
- (3) Any equipment or device used for the processing, fabricating or alloying of *special nuclear material* if at any time the total amount of such material in the custody of the *insured* at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235.
- (4) Any structure, basin, excavation, prem-

ises or place prepared or used for the storage or disposal of waste;

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

- g. "*Nuclear reactor*" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material.
- h. "*Property damage*" includes all forms of radioactive contamination of property.

## ASBESTOS EXCLUSION

IL-7012(1-18)

This endorsement modifies insurance provided under the following:

BIS-PAK® BUSINESS LIABILITY AND MEDICAL  
EXPENSE COVERAGE FORM  
COMMERCIAL AUTO COVERAGE PART  
COMMERCIAL GENERAL LIABILITY COVERAGE PART  
DIRECTORS' AND OFFICERS' LIABILITY COVERAGE  
PART  
EMPLOYEE BENEFITS LIABILITY COVERAGE PART  
ERRORS AND OMISSIONS COVERAGE PART  
GARAGE COVERAGE FORM  
LIQUOR LIABILITY COVERAGE FORM  
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY  
COVERAGE FORM  
POLLUTION LIABILITY COVERAGE FORM  
PRODUCT WITHDRAWAL COVERAGE PART

PRODUCTS-COMPLETED OPERATIONS LIABILITY  
COVERAGE FORM  
RAILROAD PROTECTIVE LIABILITY COVERAGE FORM  
RESIDENTIAL CARE FACILITY LIABILITY COVERAGE  
PART

The following exclusion is added:

### **Asbestos**

This insurance does not apply to any *bodily injury* or *property damage* arising out of activities related to, but not limited to, manufacture, mining, storage, distribution, installation, sale, use, exposure to, service, testing for, repair, containment or removal of asbestos, asbestos fibers, asbestos dust, or products containing asbestos.

**KENTUCKY LOCAL GOVERNMENT PREMIUM TAX ENDORSEMENT**

**IL-7013(3-14)**

This endorsement modifies insurance provided under the following:

- BIS-PAK® COVERAGE PART
- BOILER AND MACHINERY COVERAGE PART
- COMMERCIAL AUTO COVERAGE PART
- COMMERCIAL CRIME COVERAGE PART
- COMMERCIAL EXCESS LIABILITY COVERAGE PART
- COMMERCIAL GENERAL LIABILITY COVERAGE PART
- COMMERCIAL INLAND MARINE COVERAGE PART
- COMMERCIAL PROPERTY COVERAGE PART
- DIRECTORS AND OFFICERS LIABILITY COVERAGE PART
- EMPLOYEE BENEFITS LIABILITY COVERAGE PART
- EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART

- ERRORS AND OMISSIONS COVERAGE PART
- FARM COVERAGE PART
- LIQUOR LIABILITY COVERAGE FORM
- OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE FORM
- POLLUTION LIABILITY COVERAGE FORM
- PRODUCT WITHDRAWAL COVERAGE PART
- PRODUCTS-COMPLETED OPERATIONS LIABILITY COVERAGE FORM
- RAILROAD PROTECTIVE LIABILITY COVERAGE FORM

The total local government premium tax is included in the Total Advance Premium shown in the Declarations.

## KENTUCKY COLLECTION FEE ENDORSEMENT

IL-7014(3-14)

This endorsement modifies insurance provided under the following:

BIS-PAK® COVERAGE PART  
BOILER AND MACHINERY COVERAGE PART  
COMMERCIAL AUTO COVERAGE PART  
COMMERCIAL CRIME COVERAGE PART  
COMMERCIAL EXCESS LIABILITY COVERAGE PART  
COMMERCIAL GENERAL LIABILITY COVERAGE PART  
COMMERCIAL INLAND MARINE COVERAGE PART  
COMMERCIAL PROPERTY COVERAGE PART  
DIRECTORS AND OFFICERS LIABILITY COVERAGE PART  
EMPLOYEE BENEFITS LIABILITY COVERAGE PART  
EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART

ERRORS AND OMISSIONS COVERAGE PART  
FARM COVERAGE PART  
LIQUOR LIABILITY COVERAGE FORM  
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE FORM  
POLLUTION LIABILITY COVERAGE FORM  
PRODUCT WITHDRAWAL COVERAGE PART  
PRODUCTS-COMPLETED OPERATIONS LIABILITY COVERAGE FORM  
RAILROAD PROTECTIVE LIABILITY COVERAGE FORM

The total collection fee charged for collecting and remitting to a city, county or urban government such taxes or fees required by its ordinances is included in the Total Advance Premium shown in the Declarations.

This endorsement modifies insurance provided under the following:

- BIS-PAK® COVERAGE PART
- BOILER AND MACHINERY COVERAGE PART
- COMMERCIAL AUTO COVERAGE PART
- COMMERCIAL CRIME COVERAGE PART
- COMMERCIAL GENERAL LIABILITY COVERAGE PART
- COMMERCIAL INLAND MARINE COVERAGE PART
- COMMERCIAL PROPERTY COVERAGE PART
- DIRECTORS AND OFFICERS LIABILITY COVERAGE PART
- EMPLOYEE BENEFITS LIABILITY COVERAGE PART
- EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART
- ERRORS AND OMISSIONS COVERAGE PART
- FARM COVERAGE PART
- LIQUOR LIABILITY COVERAGE FORM
- POLLUTION LIABILITY COVERAGE FORM
- PRODUCT WITHDRAWAL COVERAGE PART
- PRODUCTS-COMPLETED OPERATIONS LIABILITY COVERAGE FORM

1. Paragraph 2 of the Cancellation Common Policy Condition is replaced by the following:

**a. Cancellation of Policies in Effect for 60 Days or Less**

If this policy has been in effect for 60 days or less and is not a renewal with us, we may cancel this policy by mailing or delivering to the First Named Insured written notice of cancellation, stating the reason for cancellation, at least 14 days before the effective date of cancellation.

**b. Cancellation of Policies in Effect for More Than 60 Days**

If this policy has been in effect for more than 60 days or is a renewal of a policy we issued, we may cancel this policy only for one or more of the following reasons:

- (1) Nonpayment of premium;
- (2) Discovery of fraud or material misrepresentation made by you or with your knowledge in obtaining the policy, continuing the policy or in presenting a claim under the policy;
- (3) Discovery of willful or reckless acts or omissions on your part which increase any hazard insured against;
- (4) The occurrence of a change in the risk which substantially increases any hazard insured against after insurance coverage has been issued or renewed;
- (5) A violation of any local fire, health, safety, building, or construction regulation or ordinance with respect to any insured property or the occupancy

thereof which substantially increases any hazard insured against;

- (6) We are unable to reinsure the risk covered by the policy; or
- (7) A determination by the commissioner that the continuation of the policy would place us in violation of the Kentucky insurance code or regulations of the commissioner.

If we cancel this policy based on any reason listed in paragraph b, we will mail or deliver to the First Named Insured, a written notice of cancellation, stating the reason for cancellation, at least:

- (1) Fourteen days before the effective date of cancellation for nonpayment of premium; or
- (2) Seventy-five days before the effective date of cancellation for all other reasons.

2. Paragraph 5 of the Cancellation Common Policy Condition is replaced by the following:

If this policy is cancelled, we will send the First Named Insured any premium refund due. If we cancel, the refund will be computed pro rata. If the First Named Insured cancels, the refund will be computed at 90% of pro rata. The cancellation will be effective even if we have not made or offered a refund.

3. The following condition is added and supersedes any provision to the contrary:

**NONRENEWAL**

a. If we decide not to renew this policy, we will mail or deliver to the First Named Insured, at the last mailing address known to us, a written notice of nonrenewal, stating the reason for nonrenewal, at least 75 days before the expiration date of the policy period.

For the purpose of this Condition:

- (1) Any policy period or term of less than six months shall be considered to be a policy period or term of six months; and
- (2) Any policy period or term of more than one year or any policy with no fixed expiration date shall be considered a policy period or term of one year.

b. If notice of nonrenewal is not provided pursuant to this Condition, coverage under the same terms and conditions shall be deemed to be renewed for the ensuing policy period upon payment of the appropriate premium until you have accepted replacement coverage with another insurer, or until you have agreed to the nonrenewal.

- c. If we mail or deliver a renewal notice to the First Named Insured at least 30 days before the end of the policy period, stating the renewal premium and its due date, the policy will terminate without further notice unless the renewal premium is received by us or our authorized agent by the due date.
- d. If this policy terminates because the re-

newal premium has not been received by the due date, we will, within 15 days, mail or deliver to the First Named Insured at the last mailing address known to us, a notice that the policy was not renewed and the date it was terminated.

- e. If notice is mailed, proof of mailing is sufficient proof of notice.

**KENTUCKY PREMIUM SURCHARGE ENDORSEMENT**

**IL-7044(3-14)**

This endorsement modifies insurance provided under the following:

BIS-PAK® COVERAGE PART  
BOILER AND MACHINERY COVERAGE PART  
COMMERCIAL AUTO COVERAGE PART  
COMMERCIAL CRIME COVERAGE PART  
COMMERCIAL EXCESS LIABILITY COVERAGE PART  
COMMERCIAL GENERAL LIABILITY COVERAGE PART  
COMMERCIAL INLAND MARINE COVERAGE PART  
COMMERCIAL PROPERTY COVERAGE PART  
DIRECTORS AND OFFICERS LIABILITY COVERAGE PART  
EMPLOYEE BENEFITS LIABILITY COVERAGE PART  
EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART

ERRORS AND OMISSIONS COVERAGE PART  
FARM COVERAGE PART  
LIQUOR LIABILITY COVERAGE FORM  
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE FORM  
POLLUTION LIABILITY COVERAGE FORM  
PRODUCT WITHDRAWAL COVERAGE PART  
PRODUCTS-COMPLETED OPERATIONS LIABILITY COVERAGE FORM  
RAILROAD PROTECTIVE LIABILITY COVERAGE FORM

The surcharge required by Kentucky Statute KRS 136.392 is included in the Total Advance Premium shown in the Declarations.



**b**

**Bhutto, Fareed**

P. O. Box 649  
Louisville, KY 40056  
Email: fareedbhutto@gmail.com

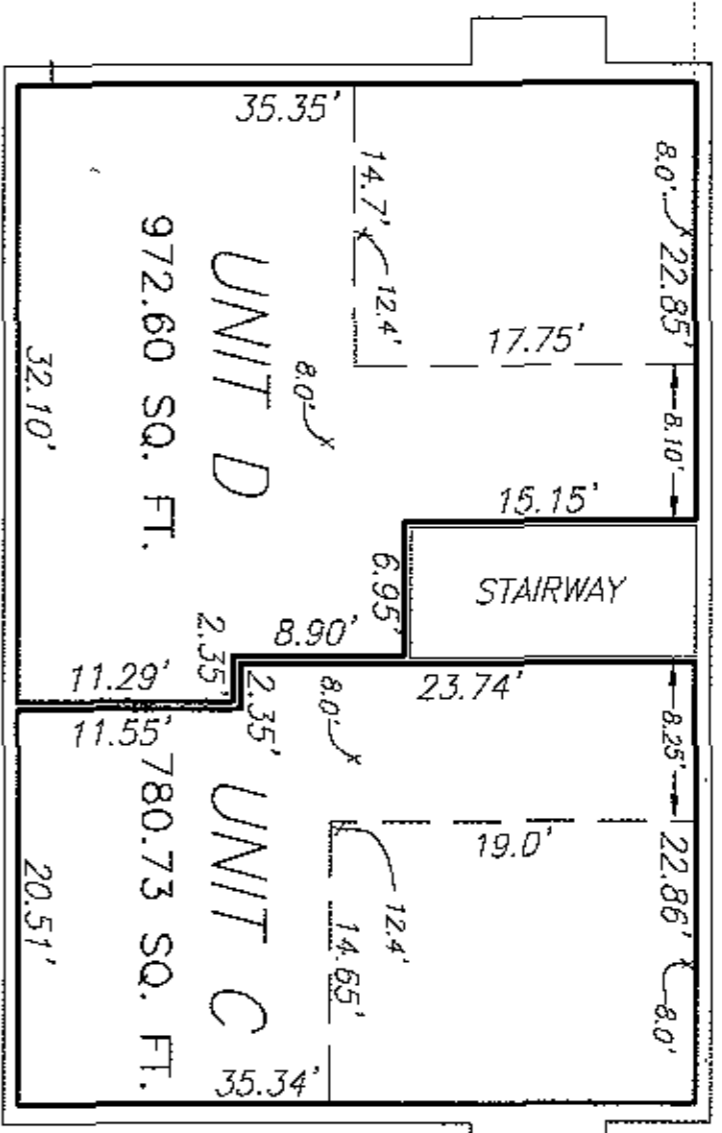
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3811A Chamberlain Lane  
Louisville, KY 40241  
Email: rborders60@bellsouth.net

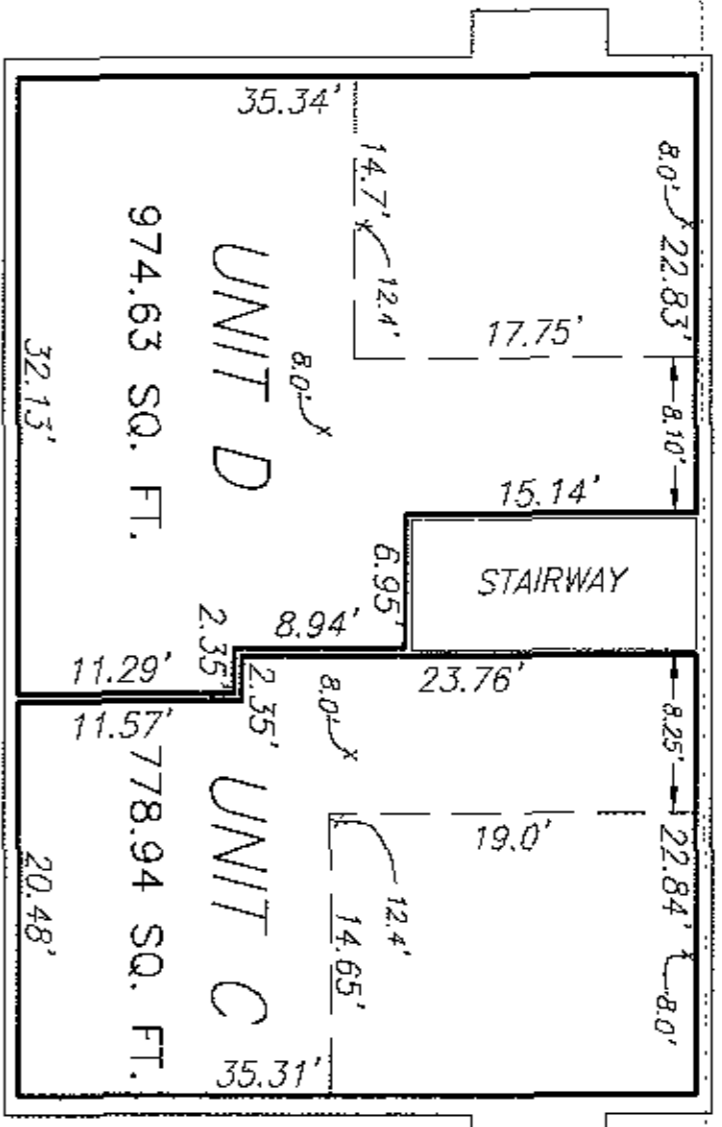
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**Hettinger, Nick**

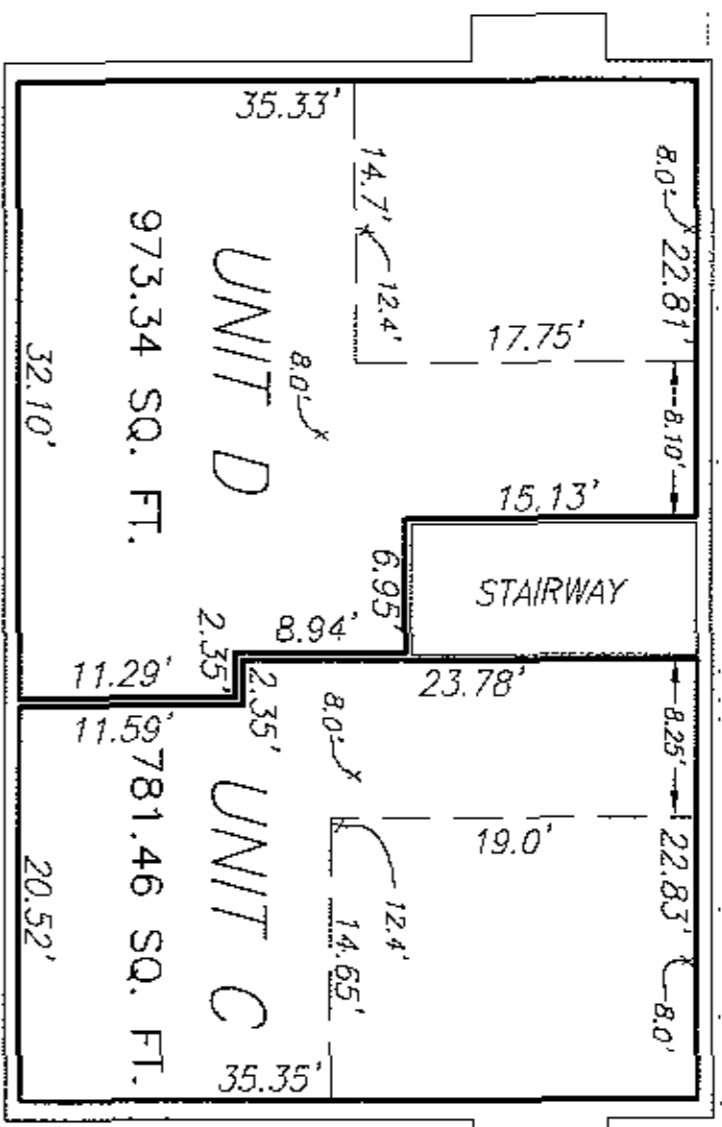
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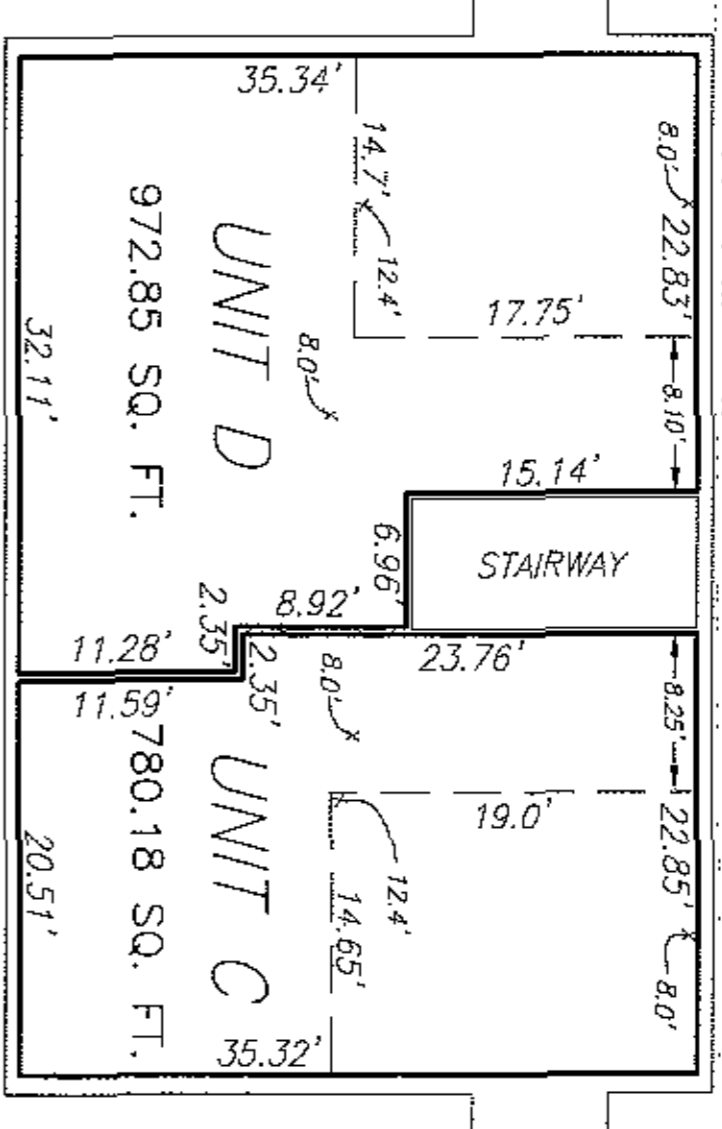
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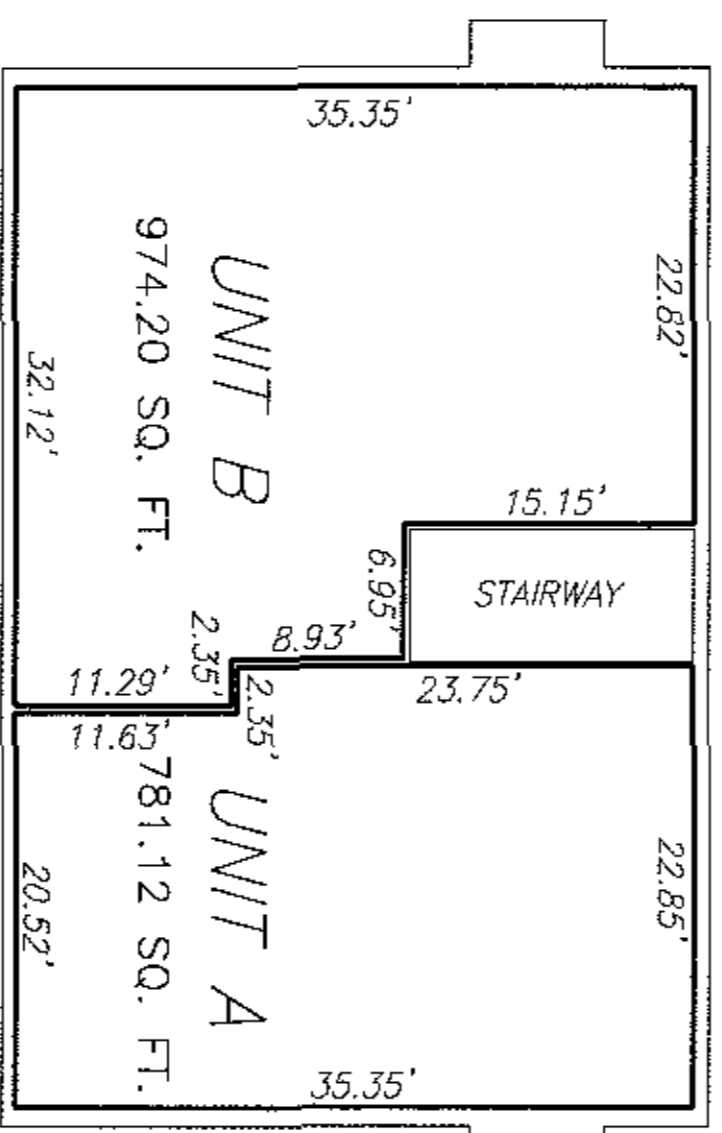
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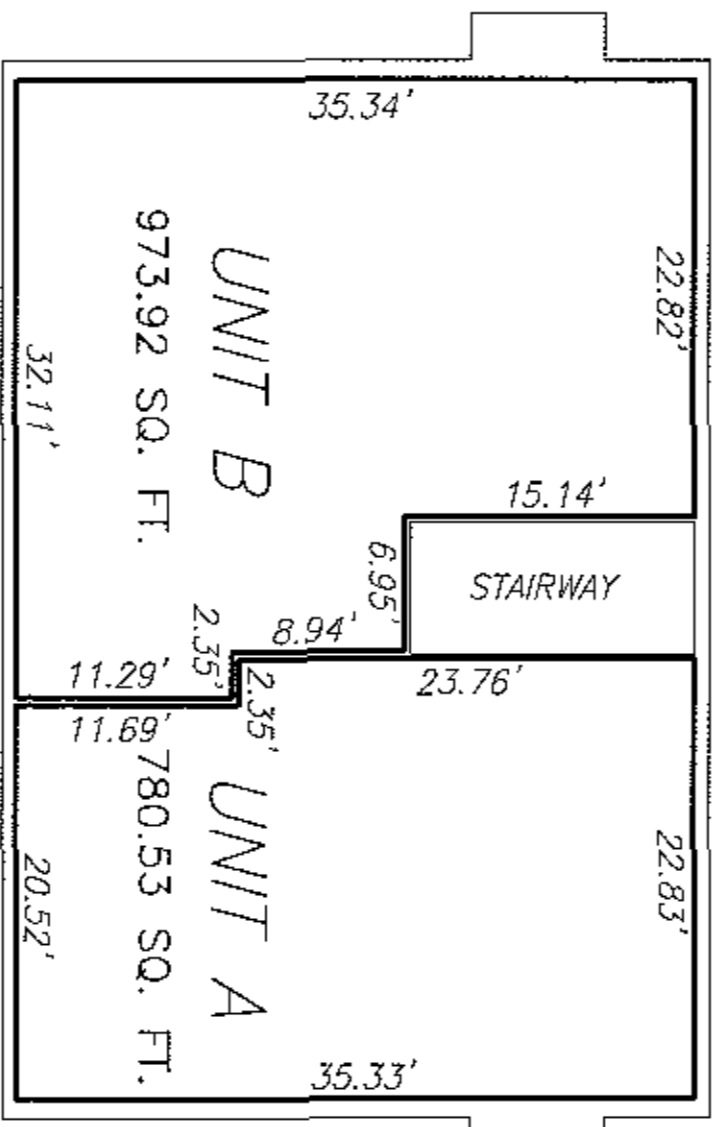
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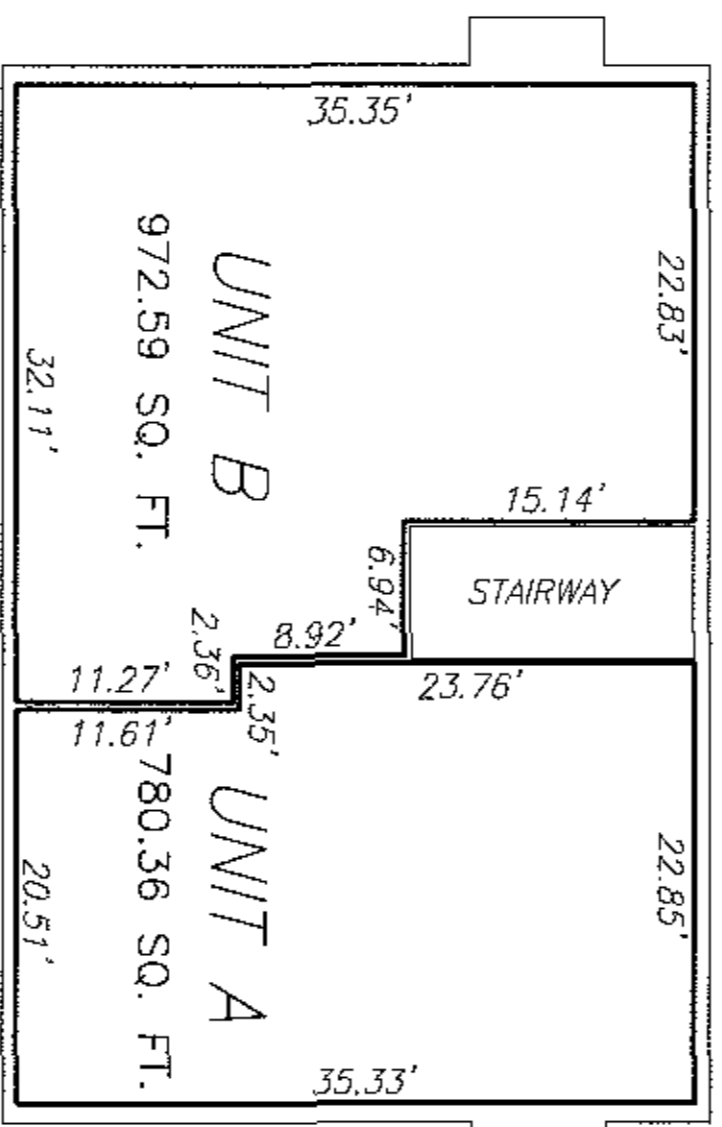
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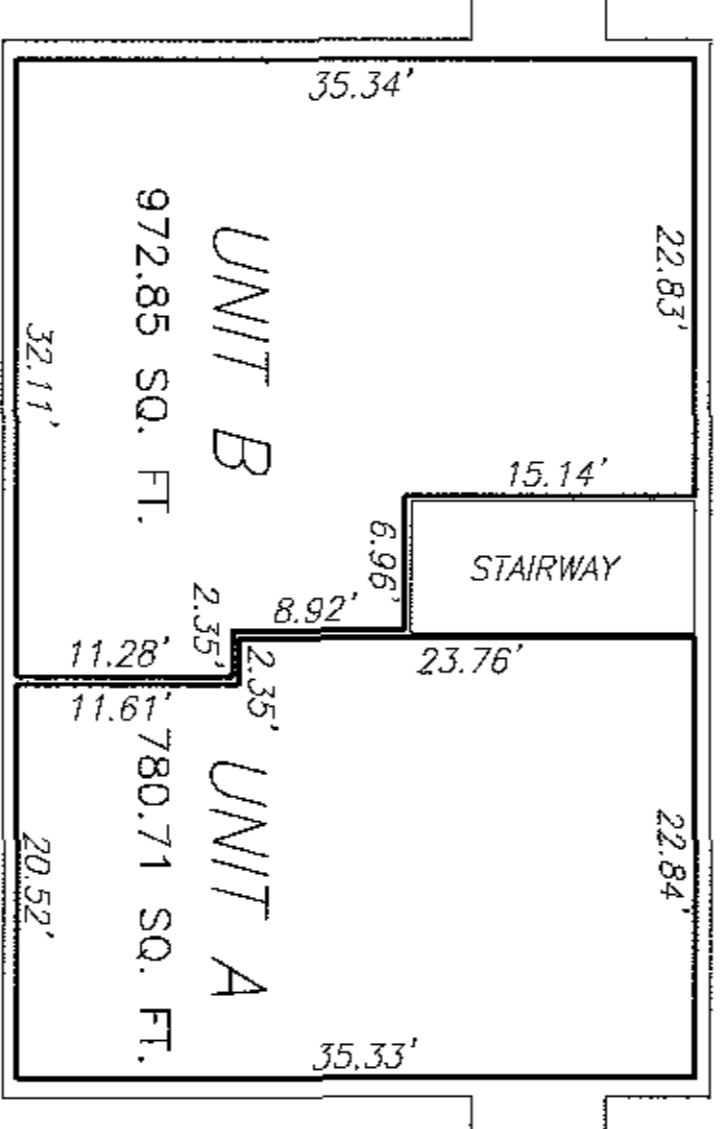
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3801



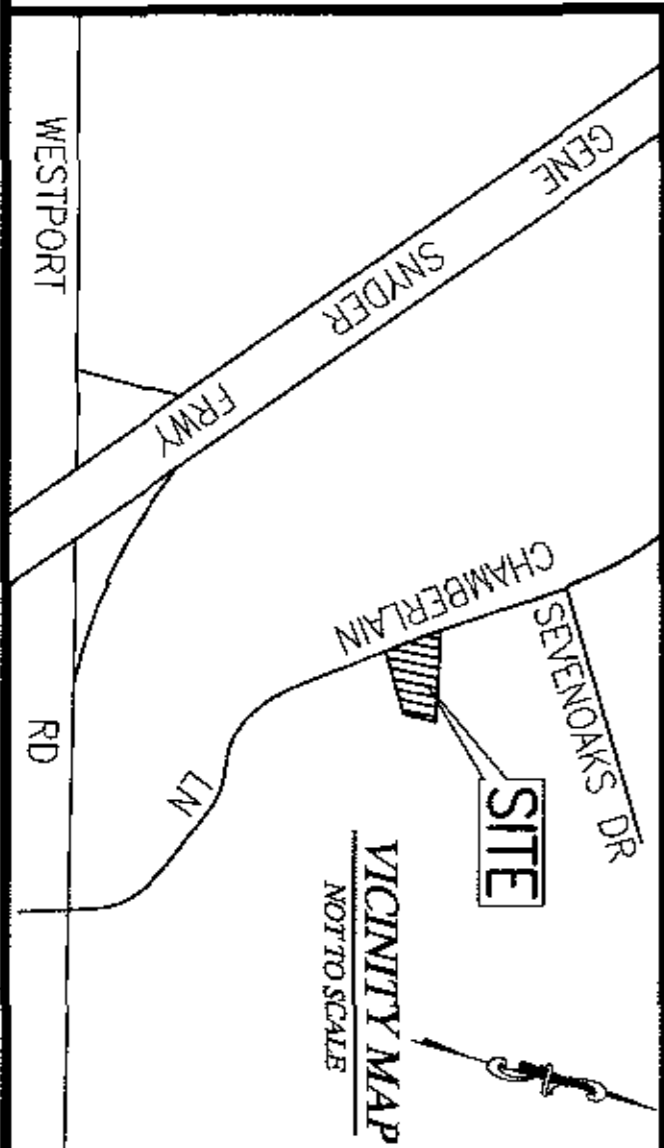
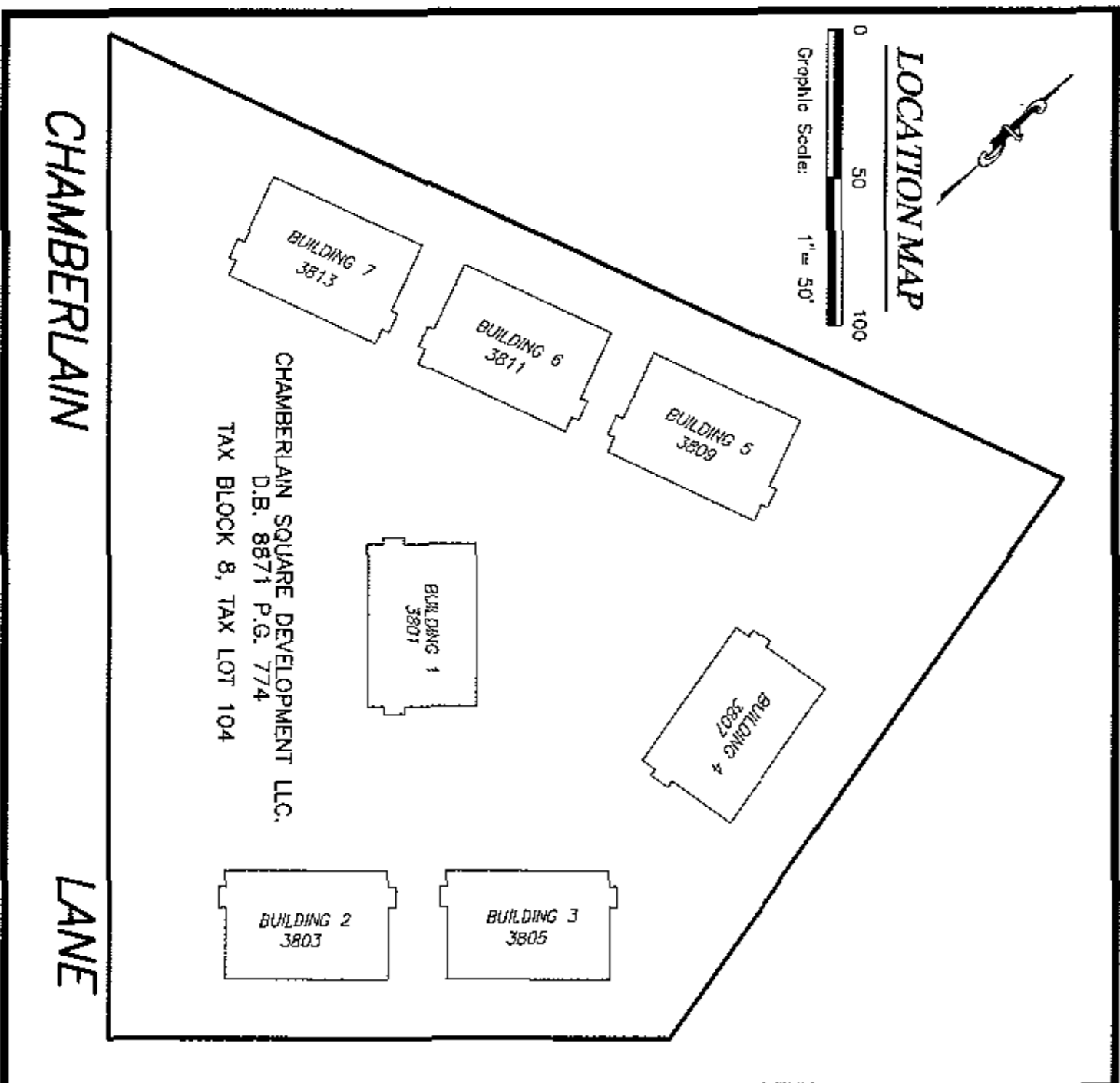
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BUILDING 2  
3803



FIRST FLOOR  
BUILDING 3  
3805



FIRST FLOOR  
BUILDING 4  
3807



NOTE:  
TYPICAL CEILING HEIGHT IS 8.0'  
UNLESS NOTED WITH AN "X"

LAND SURVEYORS CERTIFICATE  
I HEREBY CERTIFY THAT THIS PLAN  
FULLY DEPICTS THE LAYOUT, LOCATION,  
UNIT NUMBERS AND DIMENSIONS OF  
THE UNITS AS BUILT.



4901 Bardstown Road  
Louisville, KY 40218-4001  
Office: (502) 493-2722  
Fax: (502) 493-2677

# CHAMBERLAIN SQUARE CONDOMINIUMS

3801-3813 CHAMBERLAIN LN.  
LOUISVILLE, KY. 40241

OWNER:  
CHAMBERLAIN SQUARE DEVELOPMENT LLC.  
P.O. BOX 153  
PROSPECT, KY. 40059

TAX BLOCK 8 TAX LOT 104  
D.B. 8871 P.G. 774

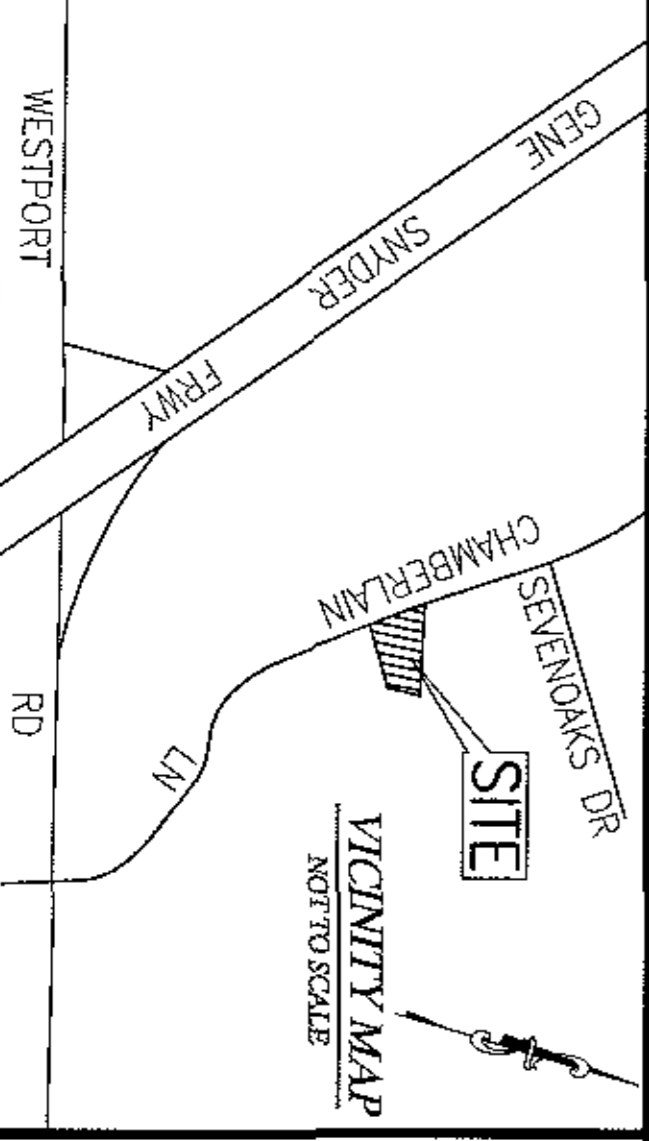
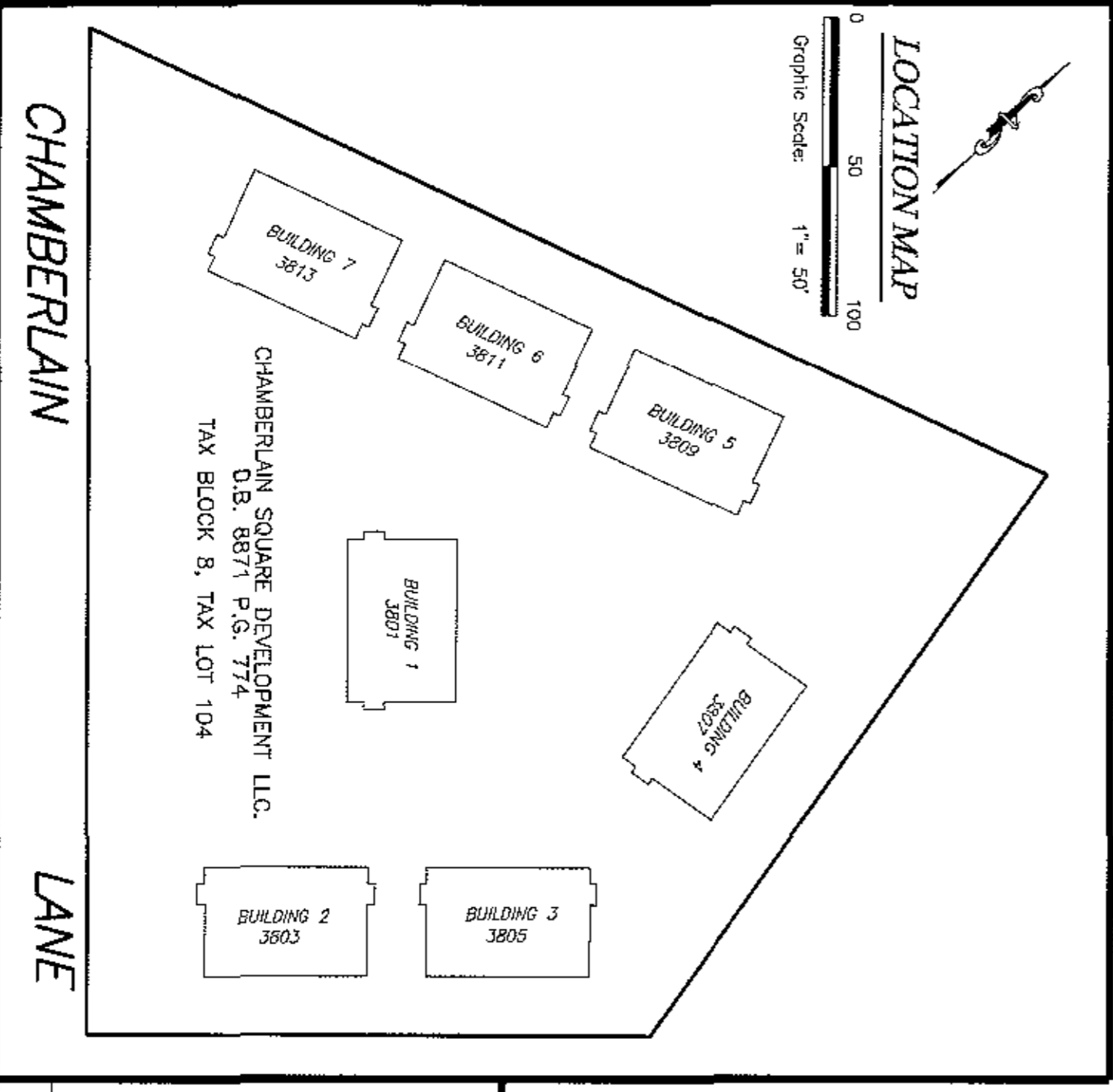
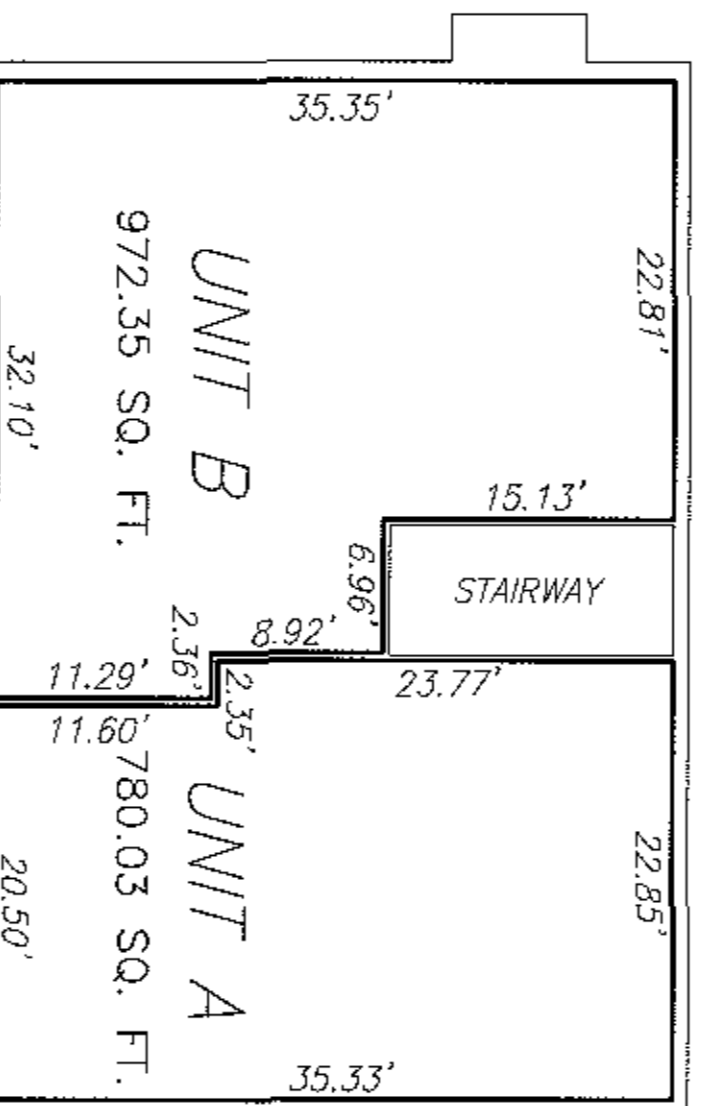
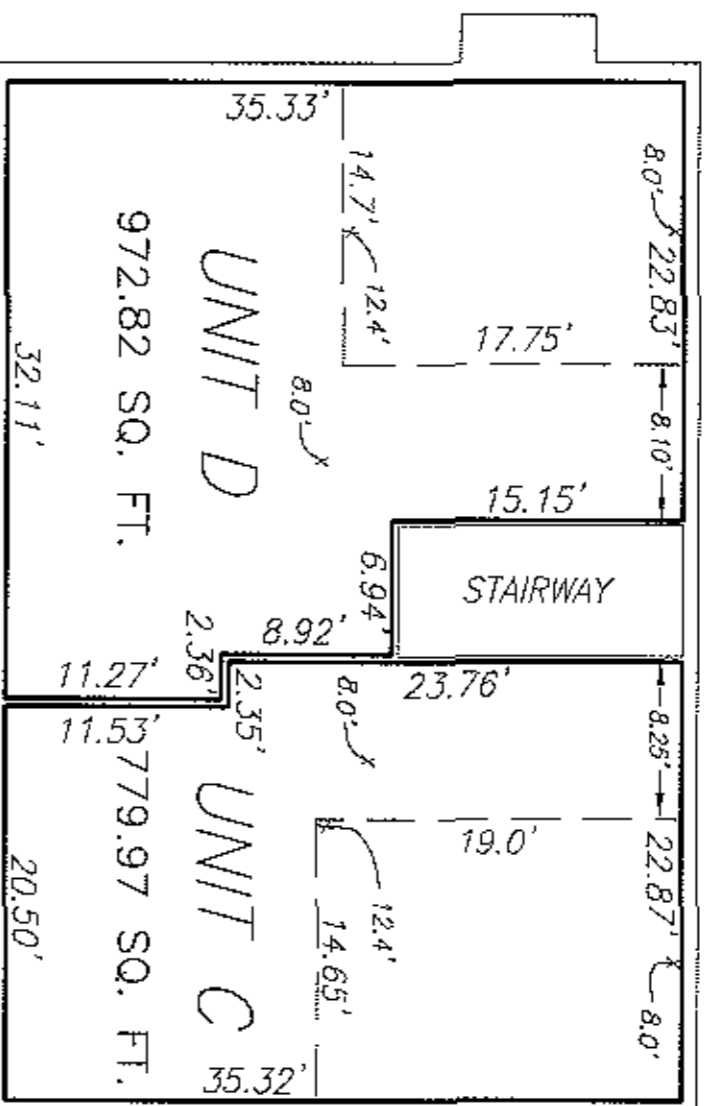
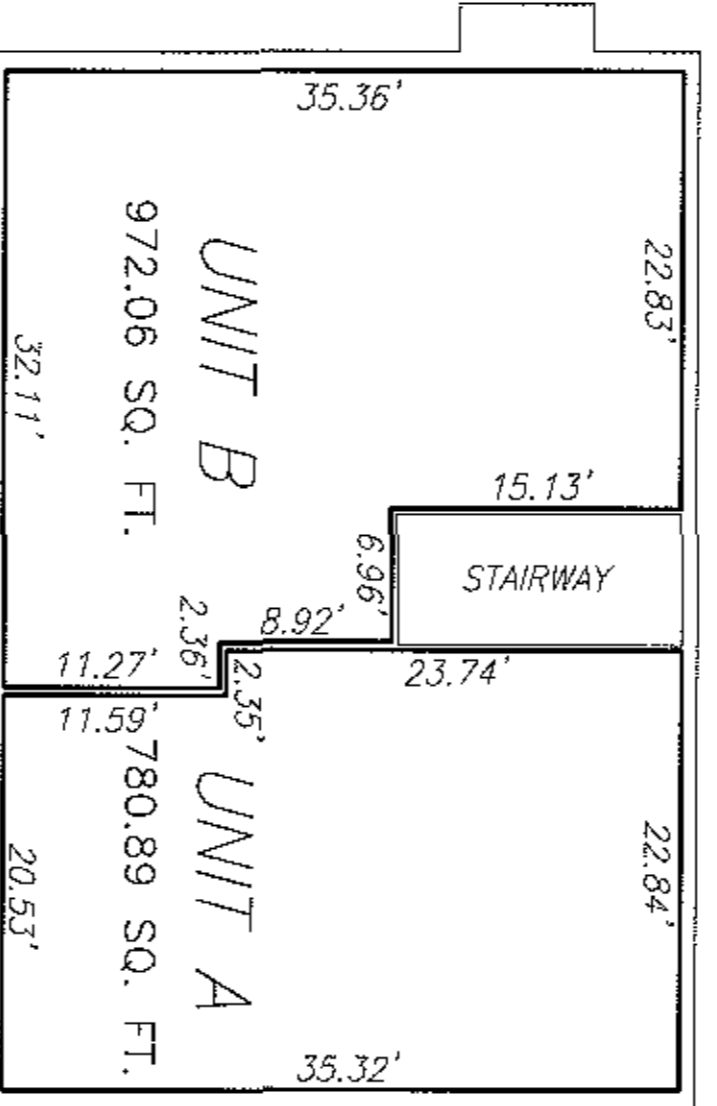
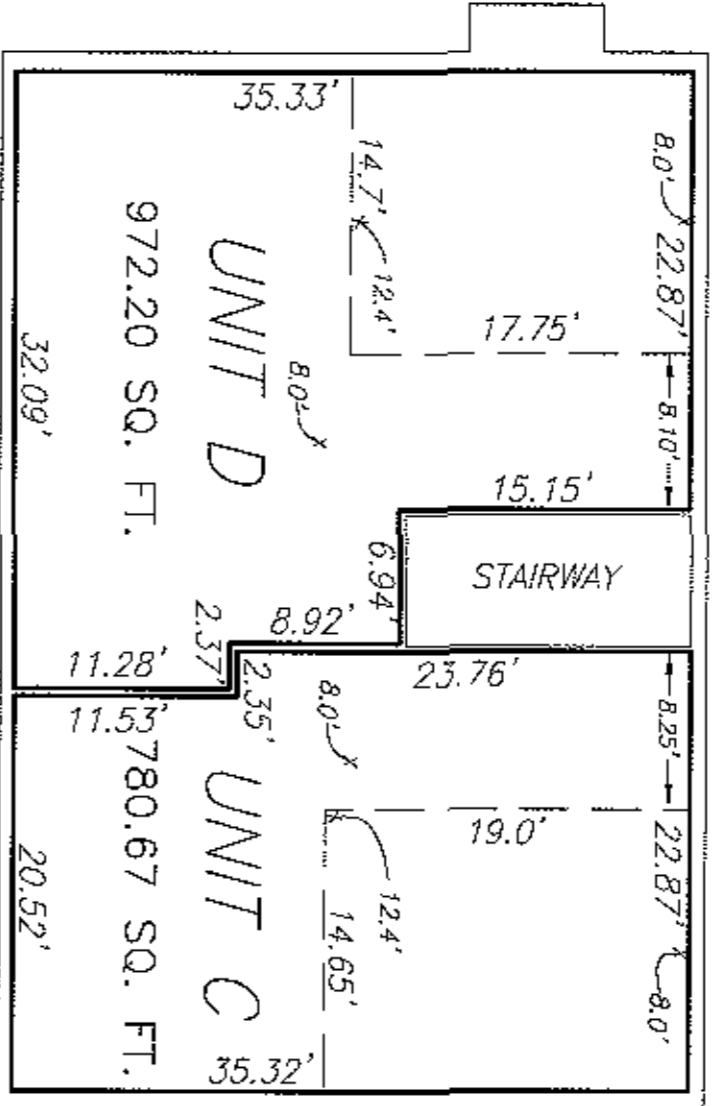
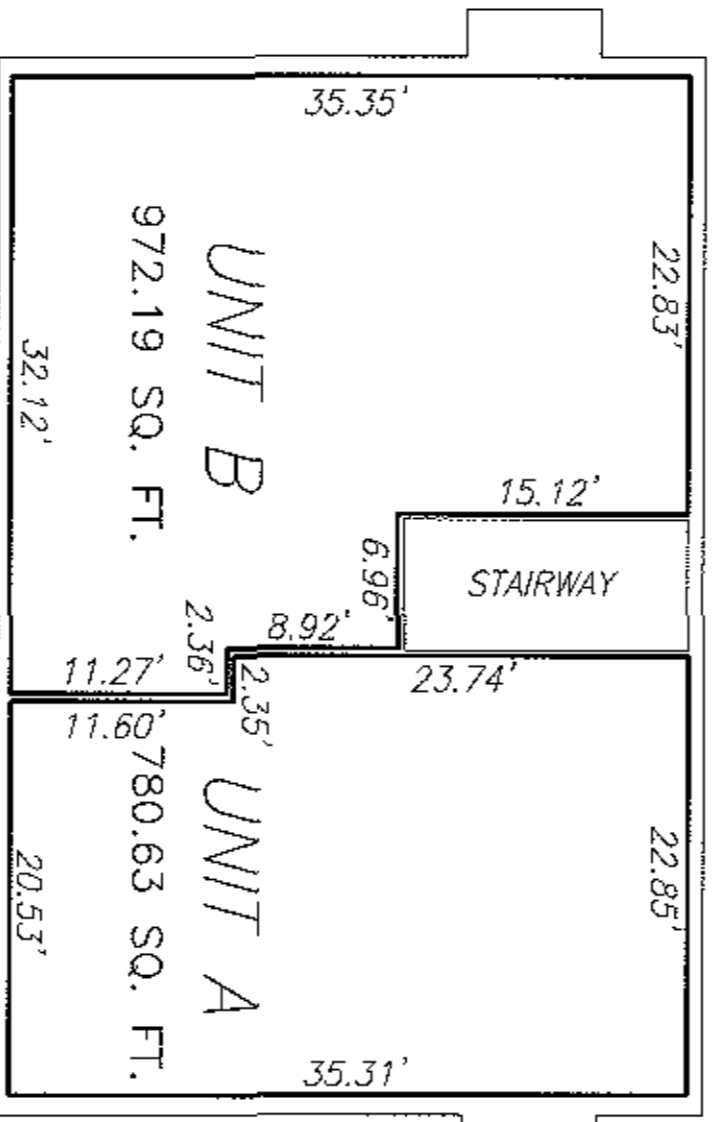
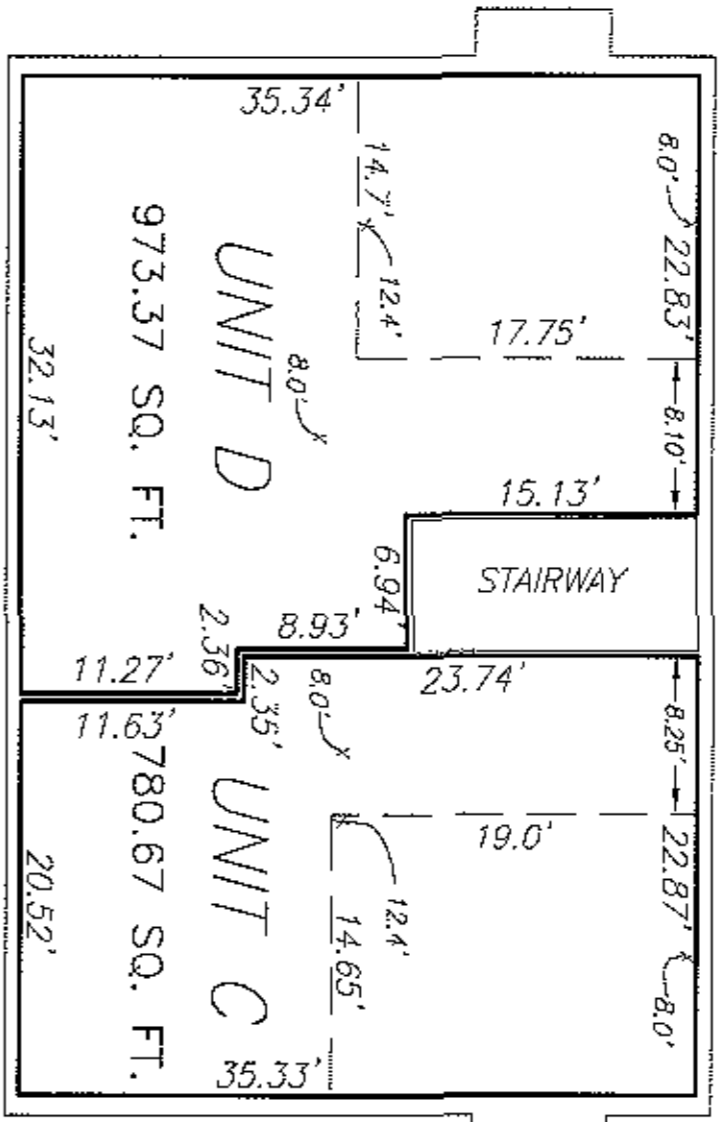
PROJECT NO.:	102-01150
SCALE:	AS NOTED
DATE:	9-12-06
SHEET:	1 OF 9

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Date No. 2-3-05

117x50

117x50

15x111



**ClassStickle**  
Incorporated

4501 Bardstown Road  
Louisville, KY 40213-4001

Office: (502) 493-2722  
Fax: (502) 493-2677

**CHAMBERLAIN SQUARE CONDOMINIUMS**

3801-3813 CHAMBERLAIN LN.  
LOUISVILLE, KY. 40241

OWNER:  
CHAMBERLAIN SQUARE DEVELOPMENT LLC.  
P.O. BOX 153  
PROSPECT, KY. 40059  
TAX BLOCK 8 TAX LOT 104  
D.B. 8871 P.G. 774

PROJECT NO.: 102-01150  
SCALE: AS NOTED  
DATE: 9-12-06  
SHEET: 17 OF 18

DATE: 9-12-06

NOTE:  
TYPICAL CEILING HEIGHT IS 8.0'  
UNLESS NOTED WITH AN "X"

LAND SURVEYORS CERTIFICATE  
I HEREBY CERTIFY THAT THIS PLAN  
FULLY DEPICTS THE LAYOUT LOCATION,  
DIMENSIONS AND THE DIMENSIONS OF  
THE UNITS AS BUILT.

SURVEYOR: *[Signature]*  
DATE OF FIELD MEASUREMENTS: 8-10-06



Recorded in County Book  
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335

117x51