

## SURPLUS LINES NOTIFICATION

Named Insured <b>AUSTIN SELF STORAGE LLC</b>			
Policy Number <b>FPP18000280-00</b>	Policy Period <b>8/26/2024</b>	to	<b>8/26/2025</b>

### **IMPORTANT NOTICE:**

- 1. THE INSURANCE POLICY THAT YOU HAVE PURCHASED OR ARE APPLYING TO PURCHASE IS BEING ISSUED BY AN INSURER THAT IS NOT LICENSED BY THE STATE OF CALIFORNIA. THESE COMPANIES ARE CALLED “NONADMITTED” OR “SURPLUS LINE” INSURERS.**
- 2. THE INSURER IS NOT SUBJECT TO THE FINANCIAL SOLVENCY REGULATION AND ENFORCEMENT THAT APPLY TO CALIFORNIA LICENSED INSURERS.**
- 3. THE INSURER DOES NOT PARTICIPATE IN ANY OF THE INSURANCE GUARANTEE FUNDS CREATED BY CALIFORNIA LAW. THEREFORE, THESE FUNDS WILL NOT PAY YOUR CLAIMS OR PROTECT YOUR ASSETS IF THE INSURER BECOMES INSOLVENT AND IS UNABLE TO MAKE PAYMENTS AS PROMISED.**
- 4. THE INSURER SHOULD BE LICENSED EITHER AS A FOREIGN INSURER IN ANOTHER STATE IN THE UNITED STATES OR AS A NON-UNITED STATES (ALIEN) INSURER. YOU SHOULD ASK QUESTIONS OF YOUR INSURANCE AGENT, BROKER, OR “SURPLUS LINE” BROKER OR CONTACT THE CALIFORNIA DEPARTMENT OF INSURANCE AT THE FOLLOWING TOLL-FREE TELEPHONE NUMBER: 1-800-927-4357 OR INTERNET WEBSITE: [WWW.INSURANCE.CA.GOV](http://WWW.INSURANCE.CA.GOV). ASK WHETHER OR NOT THE INSURER IS LICENSED AS A FOREIGN OR NON-UNITED STATES (ALIEN) INSURER AND FOR ADDITIONAL INFORMATION ABOUT THE INSURER. YOU MAY ALSO CONTACT THE NAIC’S INTERNET WEBSITE AT [WWW.NAIC.ORG](http://WWW.NAIC.ORG).**

**THE NAIC – THE NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS – IS THE REGULATORY SUPPORT ORGANIZATION CREATED AND GOVERNED BY THE CHIEF INSURANCE REGULATORS IN THE UNITED STATES.**

- 5. FOREIGN INSURERS SHOULD BE LICENSED BY A STATE IN THE UNITED STATES AND YOU MAY CONTACT THAT STATE’S DEPARTMENT OF INSURANCE TO OBTAIN MORE INFORMATION ABOUT THAT INSURER.**

**YOU CAN FIND A LINK TO EACH STATE FROM THIS NAIC WEBSITE:  
[HTTPS://NAIC.ORG/STATE WEB MAP.HTM.](https://naic.org/state_web_map.htm)**

- 6. FOR NON-UNITED STATES (ALIEN) INSURERS, THE INSURER SHOULD BE LICENSED BY A COUNTRY OUTSIDE OF THE UNITED STATES AND SHOULD BE ON THE NAIC’S INTERNATIONAL INSURERS DEPARTMENT (IID) LISTING OF APPROVED NONADMITTED NON-UNITED STATES INSURERS. ASK YOUR AGENT, BROKER, OR “SURPLUS LINE” BROKER TO OBTAIN MORE INFORMATION ABOUT THAT INSURER.**

- 7. CALIFORNIA MAINTAINS A “LIST OF APPROVED SURPLUS LINE INSURERS (LASLI)”. ASK YOUR AGENT OR BROKER IF THE INSURER IS ON THAT LIST, OR VIEW THAT LIST AT THE INTERNET WEBSITE OF THE CALIFORNIA DEPARTMENT OF INSURANCE:  
[WWW.INSURANCE.CA.GOV/01-CONSUMERS/120-COMPANY/07-LASLI/LASLI.CFM.](http://www.insurance.ca.gov/01-consumers/120-company/07-lasli/lasli.cfm)**

- 8. IF YOU, AS THE APPLICANT, REQUIRED THAT THE INSURANCE POLICY YOU HAVE PURCHASED BE BOUND IMMEDIATELY, EITHER BECAUSE EXISTING COVERAGE WAS GOING TO LAPSE WITHIN TWO BUSINESS DAYS OR BECAUSE YOU WERE REQUIRED TO HAVE COVERAGE WITHIN TWO BUSINESS DAYS, AND YOU DID NOT RECEIVE THIS DISCLOSURE FORM AND A REQUEST FOR YOUR SIGNATURE UNTIL AFTER COVERAGE**

**BECAME EFFECTIVE, YOU HAVE THE RIGHT TO CANCEL THIS POLICY WITHIN FIVE DAYS OF RECEIVING THIS DISCLOSURE. IF YOU CANCEL COVERAGE, THE PREMIUM WILL BE PRORATED AND ANY BROKER'S FEE CHARGED FOR THIS INSURANCE WILL BE RETURNED TO YOU.**



# POLICY DECLARATIONS

<b>NAMED INSURED AND MAILING ADDRESS:</b>  Austin Self Storage LLC PO Box 302 Valley Springs, CA 95252	<b>INSURER:</b>  Sierra Specialty Insurance Company 4455 LBJ Freeway, Suite 700 Dallas, TX 75244
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<b>COVERAGE PERIOD:</b> FROM: <b>8/26/2024</b> TO: <b>8/26/2025</b>	at 12:01 AM Standard Time at the Named Insured's mailing address shown above.
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<b>BUSINESS DESCRIPTION:</b> Self-Storage Facility	<b>Policy Number:</b> FPP18000280-00
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### SUMMARY OF COVERAGES AND PREMIUMS

COVERAGE DESCRIPTION	PREMIUM
<b>PART ONE - PROPERTY</b> See location coverages for limits specific to location	\$ 7,141.00
<b>PART TWO - LIABILITY AND MEDICAL EXPENSES</b> See location coverages for limits specific to location	\$ 1,550.00
<b>CERTIFIED ACTS OF TERRORISM</b>	\$ Excluded
<b>Policy Premium</b> <u>\$8,691.00</u>	
<b>Surplus Lines Tax</b> <u>\$271.16</u>	Admin Fee 347.64
<b>SFCA</b> <u>\$16.27</u>	
<b>CBFCA</b> <u>\$300.00</u>	
<b>CPFCA</b> <u>\$347.64</u>	
<u>\$0.00</u>	Total \$ <u>9,038.64</u>
<u>\$0.00</u>	
<b>Total</b> <u>\$9,626.07</u>	

WE MAY NON-RENEW OR CANCEL COVERAGE BY MAILING WRITTEN NOTICE IN COMPLIANCE WITH THE LAWS AND REGULATIONS OF THE STATE OF THE ADDITIONAL NAMED INSURED'S AS NOTED ABOVE

<b>AGENT:</b>  R-T Specialty, LLC-Roseville 915 915 Highland Pointe Drive, Suite 250 Roseville, CA 95678	8/26/2024  Date Countersigned	  Authorized Representative
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## LOCATION DECLARATIONS

<b>Policy Number: FPP18000280-00</b>	<b>Location Number: 1</b>
<b>ADDITIONAL NAMED INSURED AND MAILING ADDRESS:</b>  <b>Austin Self Storage</b> <b>183 South Austin Rd</b> <b>Manteca, CA 95336</b>	<b>INSURED PREMISES:</b>  <b>Austin Self Storage</b> <b>183 South Austin Rd</b> <b>Manteca, CA 95336</b>

**COVERAGE PERIOD:** FROM: **8/26/2024** TO: **8/26/2025** at 12:01 AM Standard Time at the Additional Named Insured's mailing address shown above.

<b>BUSINESS DESCRIPTION:</b> <b>Self-Storage Facility</b>	<b>ISSUED BY:</b> <b>Sierra Specialty Insurance Company</b>
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**SUMMARY OF COVERAGES AND PREMIUMS: (Policy and Endorsements supply coverage details.)**

COVERAGE DESCRIPTION	LIMITS	COVERAGE DESCRIPTION	LIMITS
<b>Part One - Property Limits:</b>		<b>Part Two - Liability Limits:</b>	
Buildings	\$ 4,400,000	Business Liability	
Mobile Storage Containers	\$ Excluded	General Aggregate	\$ 2,000,000
Business Personal Property	\$ 60,000	Products / Completed Aggregate	\$ 2,000,000
Building Ordinance Coverage	\$ Included	Personal and Advertising Injury	\$ 1,000,000
Accounts Receivable	\$ 25,000	Each Occurrence	\$ 1,000,000
Business Income	\$ 15 Months (ALS)	Medical Expense Limit	\$ 10,000
Extended Business Income	\$ 180 Days (ALS)	Damage to Rented Premises to You	\$ 100,000
Civil Authority	\$ 90 Days	Resident Manager Liability	\$ Excluded
Employee Dishonesty	\$ 50,000	Customers Goods Legal Liability	\$ 1,000,000
Employee's Property	\$ 10,000	Sale and Disposal Liability	\$ 1,000,000
Fine Art	\$ 10,000	Deductible - Each Occurrence	\$ 1,000
Fire Department Surcharge	\$ Included	Employee Benefits Liability	\$ Excluded
Mini-Computer	\$ 20,000	Employment Practices Liability	\$ Excluded
Money Orders & Counterfeit Paper Currency	\$ 20,000	Retro Date: 01/00/1900	
Equipment Breakdown	\$ Excluded	Non-Owned and Hired Auto	\$ 1,000,000
Business Income & Extra Expense	\$ Excluded	Blended Pollution	\$ Excluded
Valuable Papers And Records	\$ 25,000	Valuable Papers And Records	
Pollutant Clean Up and Removal	\$ 25,000		
Limited Pollutant Removal	\$ Excluded		
Money and Securities	\$ (\$10,000 on premise/\$5,000 off premise)		

Replacement cost, special form, including theft with no co-insurance clause. 6% inflation guard.

**Deductible**

A deductible of \$5,000 applies to all Property Coverages except where specified in the policy.

A wind/hail deductible of \$5,000 applies to all other Property Coverages except where specified in the policy.

WE MAY NON-RENEW OR CANCEL COVERAGE BY MAILING WRITTEN NOTICE IN COMPLIANCE WITH THE LAWS AND REGULATIONS OF THE STATE OF THE ADDITIONAL NAMED INSURED'S AS NOTED ABOVE

<b>AGENT:</b>  <b>R-T Specialty, LLC-Roseville 915</b> <b>915 Highland Pointe Drive, Suite 250</b> <b>Roseville, CA 95678</b>	<b>MORTGAGEE, LENDER LOSS PAYEE AND ADDITIONAL INSURED:</b>  Tri Counties Bank PO Box 909 Chico, CA 95927
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S 0111 IL 002 09 23

<b>Form Number</b>	<b>Edition Date</b>	<b>Name:</b>
S 0111 IL 002 A 09 23	0923	DECLARATIONS PAGES
S 0112 IL 003 09 23	0923	SCHEDULE OF FORMS
S 0111 PR 001 09 23	0923	SPECIALTY PROPERTY COVERAGE FORM
S 0111 IL 004 09 23	0923	MINIMUM EARNED PREMIUM
S 0111 PR 002 09 23	0923	STORINSURE PROPERTY BROADENING ENDORSEMENT
S 0111 PR 003 09 23	0923	AMENDATORY ENDORSEMENT
S 0111 PR 004 09 23	0923	STORINSURE AUTOMATIC INCREASE ENDORSEMENT
S 0111 PR 005 09 23	0923	MINI-COMPUTER ENDORSEMENT
S 0111 PR 006 09 23	0923	CRIME ENDORSEMENT
S 0111 PR 007 09 23	0923	BUILDING ORDINANCE COVERAGE
S 0111 PR 008 09 23	0923	OFF PREMISES SERVICES ENDORSEMENT
S 0111 PR 010 09 23	0923	EXCLUSION OF CERTAIN COMPUTER RELATED LOSSES
S 0111 IL 005 09 23	0923	TRADE OR ECONOMIC SANCTIONS EXCLUSION
CPS330007	0423	SERVICE OF PROCESS
S 0111 IL 010 09 23	0923	BIOLOGICAL OR CHEMICAL MATERIALS EXCLUSION
S 0111 PR 012 09 23	0923	ASBESTOS ENDORSEMENT
S 0111 PR 013 09 23	0923	PROPERTY CYBER AND DATA ENDORSEMENT
S 0111 PR 014 09 23	0923	EXCLUSION OF LOSS DUE TO VIRUS OR BACTERIA
S 0111 PR 050 09 23	0923	COMMUNICABLE DISEASE ENDORSEMENT
S 0111 PR 015 09 23	0923	MICROORGANISM EXCLUSION (ABSOLUTE)
ILSIGDEC	1015	SIGNATURE PAGE
S 0111 IL TRIA B 09 23	0923	EXCLUSION OF OTHER ACTS OF TERRORISM CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM
S 0111 IL TRIA C 09 23	0923	TOTAL TERRORISM EXCLUSION
S 0111 PR 030 09 23	0923	LENDERS LOSS PAYABLE ENDORSEMENT
S 0111 PR 031 09 23	0923	PRE-EXISTING DAMAGE EXCLUSION ENDORSEMENT
S 0111 IL 013 CA 09 23	0923	CALIFORNIA AMENDATORY ENDORSEMENT
S 0111 IL 014 CA 09 23	0923	CALIFORNIA COMPLAINTS NOTICE
S 0111 IL 015 CA 09 23	0923	CALIFORNIA SURPLUS LINES NOTICE
S 0111 IL SOS CA 09 23	0923	SERVICE OF SUIT CLAUSE CALIFORNIA
S 0111 GL 001 09 23	0923	SPECIALTY LIABILITY COVERAGE FORM
S 0111 GL 002 09 23	0923	STORINSURE LIABILITY BROADENING ENDORSEMENT
S 0111 GL 003 09 23	0923	SALE AND DISPOSAL DEDUCTIBLE CHANGE ENDORSEMENT
S 0111 GL 005 09 23	0923	NON-PYRAMIDING OF LIMITS ENDORSEMENT
S 0111 GL 006 09 23	0923	LIMITATION OF COVERAGE TO DESIGNATED PREMISES
S 0111 GL 007 09 23	0923	NON-OWNED & HIRED AUTO ENDORSEMENT
S 0111 GL 009 09 23	0923	LOSS DUE TO VIRUS OR BACTERIA
S 0111 GL 010 09 23	0923	MORTGAGE HOLDER AND ADDITIONAL INSURED CANCELLATION CLAUSE
S 0111 GL 023 09 23	0923	LIMITATION OF COVERAGE TO SELF-STORAGE OPERATIONS AT DESIGNATED LOCATIONS
S 0111 GL 026 09 23	0923	ANIMAL LIABILITY EXCLUSION
S 0111 GL 051 09 23	0923	EXCLUSION – PERFLUOROALKYL AND POLYFLUOROALKYL SUBSTANCES (PFAS)
S 0111 GL 027 09 23	0923	COMMUNICABLE DISEASE EXCLUSION
S 0111 GL 028 09 23	0923	CYBER EXCLUSION ENDORSEMENT
S 0111 GL 029 09 23	0923	EXCLUSION - ACCESS OR DISCLOSURE OF CONFIDENTIAL OR PERSONAL INFORMATION AND DATA-REL/
S 0111 GL 031 09 23	0923	TOTAL POLLUTION EXCLUSION WITH A BUILDING HEATING, COOLING AND DEHUMIDIFYING EQUIPMEI
S 0111 GL 032 09 23	0923	FUNGI OR BACTERIA EXCLUSION
S 0111 GL 033 09 23	0923	ASSAULT AND OR BATTERY EXCLUSION

<u>Form Number</u>	<u>Edition Date</u>	<u>Name:</u>
S 0111 GL 034 09 23	0923	TOTAL LIQUOR EXCLUSION
S 0111 GL 040 09 23	0923	ADDITIONAL INSURED BY WRITTEN CONTRACT, WRITTEN AGREEMENT OR PERMIT

# SPECIALTY PROPERTY COVERAGE FORM

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**SPECIALTY PROPERTY COVERAGE FORM**

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

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

Other words and phrases that appear in quotation marks have special meaning. Refer to the DEFINITIONS section at the end of this policy.

## PROPERTY

### A. COVERAGE

We will pay for direct physical "loss" 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, as used in this policy, means the following types of property for the locations shown in the Declarations. The Limit of Insurance shown in the Declarations applies on a blanket basis to all buildings and business personal property at the location described.

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

- (1) Completed additions;
- (2) Permanently installed:
  - (a) Fixtures;
  - (b) Machinery; and
  - (c) Equipment;
- (3) Your personal property in apartments or rooms furnished by you as a landlord;
- (4) Outdoor fixtures, including radio and television antennas and satellite dishes;
- (5) Personal property owned by you that is used to maintain or service the buildings or structures or the premises, including:
  - (a) Fire extinguishing equipment;
  - (b) Outdoor furniture;
  - (c) Floor coverings;
  - (d) Appliances used for refrigerating, ventilating, cooking, dishwashing or laundering; and
  - (e) Grounds maintenance equipment;

(6) If not covered by other insurance:

- (a) Additions under construction, alterations and repairs to the buildings or structures;
- (b) Materials, equipment, supplies and temporary structures, on or within 1000 feet of the described premises, used for making additions, alterations or repairs to the buildings or structures.

(7) Buildings under course of construction;

(8) Building glass;

(9) Fences;

(10) Unattached signs;

(11) Foundations of buildings, pilings and underground pipes, including:

- (a) Foundations of buildings. Structures, machinery or boilers if their foundations are below the lowest basement floor or the surface of the ground if there is no basement;
- (b) Pilings, piers, wharves, docks or retaining walls; and
- (c) Underground pipes, flues or drains.

(12) Bridges, roadways, walks, patios other paved surfaces.

b. **Business Personal Property** located in or on the buildings at the described premises, or in the open (or in a vehicle) within 1000 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; plus the cost of labor, materials or services furnished or arranged by you on personal property of others. This coverage is without regard to your legal liability; and
  - (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 for which you have a contractual responsibility to insure, unless otherwise provided for under Paragraph A.1.b.(2).

(5) "Money" and "securities" used in the conduct of your business.

We will cover:

(a) On premises: While in or on described premises, or within a bank or savings institution; and

(b) Off premises: While en route to or from described premises, bank or savings institution, or within the living quarters of you, any of your partners or any employee having care, custody or control of such funds.

## 2. Property Not Covered

Covered property does not include:

- a. Aircraft, automobiles, motor trucks and other vehicles subject to motor vehicle registration;
- b. "Money" or "securities," except as provided in:
  - (1) Paragraph A.1.b.(5) above;
  - (2) the Crime 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 or growing crops;
- e. Trees, shrubs or plants, all except as provided in the Outdoor Property Coverage Extension;
- f. Watercraft (including motors, equipment and accessories) while afloat.

## 3. Covered Causes of Loss

We cover RISKS OF DIRECT PHYSICAL LOSS unless the "loss" is:

- a. Excluded in Section B., Exclusions; or
- b. Limited in Paragraph A.4., Limitations;

that follow.

## 4. Limitations

a. We will not pay for "loss" 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" 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 explosion.

(3) Property that is missing if there is no physical evidence to show what happened to it.

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

(5) Property sold by you under a conditional sale, trust agreement, installment payment or other deferred payment plan, after it has been delivered to the customers.

b. We will not pay for "loss" to fragile articles such as glassware, statuary, marble, chinaware and porcelain, if broken, unless caused by the "specified causes of loss". This restriction does not apply to:

(1) Glass that is part of a building or structure;

(2) Containers of property held for sale; or

(3) Photographic or scientific instrument lenses.

c. For “loss” by theft, the following types of property are covered only up to the limits shown. These limits are for all “loss” that occurs at any one time.

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

(2) \$2,500 for jewelry, watches, watch movements, jewels, pearls, precious and semiprecious stones, bullion, gold, silver, platinum and other precious alloys or metals. This limit does not apply to jewelry and watches worth \$250 or less per item.

## 5. Additional Coverages

### a. Debris Removal

(1) 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 earlier of:

(a) The date of direct physical “loss”; or

(b) The end of the policy period.

(2) This Additional Coverage does not apply to costs to:

(a) Extract “pollutants” from land or water; or

(b) Remove, restore or replace polluted land or water.

### b. Pollutant Cleanup 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 “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 earlier of:

(1) The date of direct physical “loss”; or

(2) The end of the policy period.

The most we will pay for each location under this Additional Coverage for such expenses

arising out of Covered Causes of Loss occurring during each policy period is \$10,000. This limit is in addition to the Limits of Insurance.

### c. Preservation of Property

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

(1) While it is being moved or while temporarily stored at another location; and

(2) Only if the “loss” occurs within 45 days after the property is first moved.

### 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 \$5,000 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 is not subject to the Limits of Insurance.

### e. Collapse

We will pay for “loss” caused by or resulting from risks of direct physical “loss” involving the collapse of a building or any part of a building caused only by one or more of the following:

(1) A “specified causes of loss” or breakage of building glass, all only as insured against in this policy;

(2) Undiscovered decay;

(3) Undiscovered insect or vermin damage;

(4) Weight of people or personal property;

(5) Weight of rain which collects on a roof;

(6) Use of defective material or methods in construction, remodeling or renovation if the collapse occurs during the course of construction, remodeling or renovation.

We will not pay for “loss” to the following types of property, if otherwise covered in this policy,

under items (2), (3), (4), (5) and (6) unless the "loss" is a direct result of the collapse of a building:

awnings; gutters and downspouts; yard fixtures; outdoor swimming pools; piers, wharves and docks; beach or diving platforms or appurtenances; retaining walls; walks, roadways or other paved surfaces.

Collapse does not include settling, cracking, shrinkage, bulging or expansion.

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

If "loss" caused by or resulting from covered water or other liquid, powder or molten material "loss" 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", but we will pay the cost to repair or replace damaged parts of fire extinguishing equipment if the damage:

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

**g. Business Income**

- (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" to property at the described premises, including personal property in the open (or in a vehicle) within 1000 feet, caused by or resulting from any Covered Cause of Loss.
- (2) We will only pay for "loss" of "Business Income" for a maximum of 15 consecutive months after the date of direct physical "loss". This Additional

Coverage is not subject to the Limits of Insurance.

- (3) Limitation — Electronic Data Processing. We will not pay for any "loss" of "Business Income" caused by direct physical "loss" to "Electronic Media and Records" after the longer of:

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

**h. 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:

- (1) Begins on the date property, except finished stock, is actually repaired, rebuilt or replaced and "operations" are resumed; and
- (2) Ends on the earlier of:
  - (a) The date you could restore your "operations," with reasonable speed, to the level which would generate the "Business Income" amount that would have existed if no direct physical "loss" had occurred; or
  - (b) 60 consecutive days after the date determined in h.(1) 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" at the described premises caused by or resulting from any Covered Cause of Loss.

This Additional Coverage is not subject to the Limits of Insurance.

#### **i. Extra Expense**

Extra Expense means the necessary expenses you incur during the “period of restoration” that you would not have incurred if there had been no direct physical “loss” to property at the described premises, including personal property in the open (or in a vehicle) within 1000 feet, caused by or resulting from a Covered Cause of Loss.

We will pay any Extra Expense:

- (1)** To avoid or minimize the suspension of business and to continue “operations”:
  - (a)** At the described premises; or
  - (b)** At replacement premises or at temporary locations, including:
    - (i)** Relocation expenses; and
    - (ii)** Costs to equip and operate the replacement or temporary locations.
- (2)** To minimize the suspension of business if you cannot continue “operations”.
- (3)** To repair or replace any property to the extent it reduces the amount of “loss” that otherwise would have been payable under this Additional Coverage or Additional Coverage g. Business Income.

We will only pay for Extra Expense that occurs within 15 consecutive months after the date of direct physical “loss”. This Additional Coverage is not subject to the Limits of Insurance.

#### **j. Civil Authority**

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 due to direct physical “loss” to property, other than at the described premises, caused by or resulting from any Covered Cause of Loss. This coverage will apply for a period of up to 30 consecutive days from the date of that action. This

Additional Coverage is not subject to the Limits of Insurance.

#### **6. Coverage Extensions**

In addition to the Limits of Insurance, the insurance provided by this policy is extended as follows:

##### **a. Newly Acquired or Constructed Property**

- (1)** You may extend the insurance that applies to Building to apply to:
  - (a)** Your new buildings while being built on the described premises; and
  - (b)** Buildings you acquire at locations, other than the described premises, intended for:
    - (i)** Similar use as the building described in the Declarations; or
    - (ii)** Use as a warehouse.

The most we will pay for “loss” under this Extension is the lesser of 50% of the largest location value or \$1,000,000 for each building.

- (2)** You may extend the insurance that applies to Your Business Personal Property to apply to that property at any location you acquire.

The most we will pay for “loss” under this Extension is the lesser of 25% of the largest location Business Personal Property value or \$500,000 for each building.

- (3)** Insurance under this Extension for each newly acquired or constructed property will end when any of the following first occurs:

- (a)** This policy expires;
- (b)** 180 days expire after you acquire or begin to construct the property; or
- (c)** You report values to us.

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

**b. Personal Property Off Premises**

The insurance that applies to Business Personal Property also applies to covered Business Personal Property, other than “money” and “securities,” while it is in course of transit or temporarily at a premises you do not own, lease or operate.

The most we will pay for “loss” under this Extension is \$25,000.

**c. Outdoor Property**

The insurance provided by this policy also applies to your trees, shrubs and plants, including debris removal expense, caused by or resulting 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” under this Extension is \$10,000, but not more than \$1,000 for any one tree, shrub or plant.

**d. Valuable Papers and Records**

We will pay up to \$25,000 for your cost to research, replace or restore the lost information because of “loss” to valuable papers and records as a result of direct physical “loss” to Covered Property.

**e. Accounts Receivable**

We will pay up to \$25,000 for accounts receivable, including:

- (1) All amounts due from your customers that you are unable to collect;
- (2) Interest charges on any loan required to offset amounts that you are unable to collect pending our payment of these amounts;

(3) Collection expenses in excess of your normal collection expenses that are made necessary by this “loss”; and

(4) Other reasonable expenses that you incur to reestablish your records of accounts receivable.

**f. Recharging of Fire Protection Systems**

If fire protection system discharges as a direct result of a Covered Cause of Loss, we will pay up to \$10,000 for the cost of recharging the fire protection system.

**g. Arson Reward**

We will pay a reward of \$10,000 for information leading to an arson conviction in connection with a covered fire or explosion “loss”. This is the most we will pay for any combination of policies.

**h. Inventory and Appraisal**

You may extend the insurance provided by this policy to apply to the expense you incur in preparing claim data when we require it. This includes the cost of taking inventories, making appraisals and preparing other documentation to show the extent of “loss”. The most we will pay for preparation of claim data under this Extension is \$1,000. We will not pay for any expenses billed by and payable to insurance adjusters or expenses from public adjusters and loss consultants.

**i. Fine Arts**

You may extend the insurance that applies to Business Personal Property to apply to “loss” by a Covered Cause of Loss to “Fine Arts” at the premises described in the Declarations.

The most we will pay under this Extension is \$10,000 in any one occurrence.

**B. EXCLUSIONS**

1. We will not pay for “loss” caused by any of the following excluded perils, whether occurring alone or in any sequence with a covered peril.

**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.

**b. Earth Movement:** Any earth movement, such as an “earthquake,” landslide, mine subsidence or earth sinking, rising or shifting. But if “loss” by fire or explosion results, we will pay that resulting “loss”.

**c. Governmental Action:** Seizure or destruction of property by order of governmental authority.

But we will pay for 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 “loss” by fire results, we will pay for that resulting “loss”.

**e. Power Failure:** The failure of power or other utility service supplied to the described premises, however caused, if the failure occurs away from the described premises.

But if “loss” by a Covered Cause of Loss results, we will pay for that resulting “loss”.

**f. War and Military Action:**

(1) War, including undeclared or civil war;

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

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

**g. Water:**

(1) Flood, surface water, waves, tides, tidal waves, overflow of any body of water, or their spray, all whether driven by wind or not;

(2) Mudslide or mudflow;

(3) Water under the ground surface pressing on, or flowing or seeping through:

(a) Foundations, walls, floors or paved surfaces;

(b) Basements, whether paved or not paved; or

(c) Doors, windows or other openings.

(4) Waterborne material carried or otherwise moved by any of the water referred to in Paragraph (1) or (3) above, or material carried or otherwise moved by mudslide or mudflow.

But if “loss” by fire, explosion or sprinkler leakage results, we will pay for that resulting “loss”.

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

**a. Electrical Apparatus:** Artificially generated electric current, including electric arcing, that disturbs electrical devices, appliances or wires.

But if “loss” by fire results, we will pay for that resulting “loss”.

**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. Maintenance Types of Loss:**

(1) Wear and tear;

(2) Rust, corrosion, “fungus”, 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; or

(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 "loss" by the "specified causes of loss" or building glass breakage results, we will pay that resulting "loss".

e. **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 "loss" by fire or combustion explosion results, we will pay for that resulting "loss". We will also pay for "loss" caused by or resulting from the explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.

f. **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.

g. **Dishonesty:** Dishonest or criminal act:

(1) That you or any of your partners commit whether acting alone or in collusion with other persons; or

(2) Committed by any of your employees, directors, trustees, authorized representatives or anyone to whom you entrust the property for any purpose:

(a) Acting alone or in collusion with

others;

(b) While performing services for you or otherwise; or

(c) 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.

h. **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.

i. **Exposed Property:** Rain, snow, ice or sleet to personal property in the open.

j. **Collapse:** Collapse, except as provided in the Additional Coverage for Collapse. But if "loss" by a Covered Cause of Loss results at the described premises, we will pay for that resulting "loss".

k. **Pollution:** 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 "loss" by the "specified causes of loss" results, we will pay for the resulting damage caused by the "specified causes of loss".

3. We will not pay for "loss" caused by or resulting from any of the following. But if "loss" by a Covered Cause of Loss results, we will pay for that resulting "loss".

a. **Weather Conditions:** Weather conditions. But this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in paragraph B.1. (Exclusions) above to produce the "loss".

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. **Accounts Receivable Exclusions.** We will not pay for "loss" to accounts receivable due to:

- a. Bookkeeping, accounting or billing errors or omissions;
- b. Alteration, falsification, concealment or destruction of records of accounts receivable done to conceal the wrongful giving, taking, obtaining, or withholding of "money," "securities" or other property but only to the extent of such wrongful giving, taking obtaining, or withholding; or
- c. Electrical or magnetic injury, disturbance or erasure of electronic recordings, except by lightning.

5. **Business Income and Extra Expense Exclusions.** We will not pay for 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".

## C. LIMITS OF INSURANCE

1. The most we will pay for "loss" in any one occurrence is the applicable Limit of Insurance shown in the Declarations.

2. The most we will pay for "loss" to "money" and "securities" under A.1.b.(5) is as follows:

- a. At the described premises, we will not pay more in any one "occurrence" than \$10,000.
- b. Away from the described premises, we will not pay more in any one occurrence than \$5,000.

3. The limits applicable to the Additional Coverages of Pollutant Cleanup and Removal, Fire Department Service Charge, Business Income, Extended Business Income, Extra Expense and Civil Authority and to the Coverage Extensions are in addition to the Limits of Insurance.

4. Payments under the following Additional Coverages will not increase the applicable Limit of Insurance:

- a. Preservation of Property;
- b. Collapse;
- c. Water Damage; or
- d. Debris Removal; but if the sum of "loss" and debris removal expense exceeds the Limit of Insurance, we will pay up to an additional \$25,000 for each location in any one occurrence under the Debris Removal Additional Coverage.

5. **Building Limit — Automatic Increase**

- a. We will adjust the Limit of Insurance for Buildings on each anniversary and/or renewal of the policy. The amount of the adjustment will be the percent of increase or decrease as that which has occurred during the preceding policy year in the cost-of-construction factor, as reported in the publication of a recognized independent appraisal company.
- b. When a "loss" exceeds the Limit of Insurance applying under this policy, the amount we will pay will be increased to the lesser of:
  - (1) Full replacement value at the time of "loss"; or
  - (2) 110% of the Limit of Insurance.

- c. You agree to report to us any additions, improvements or enlargements of Covered Property which have been made since the effective date of this policy. If any of these changes are not reported to us upon completion, and the replacement value of such additions, improvements or enlargements is equal to more than 5% of the Limit of Insurance, any "loss" occurring after that time shall be adjusted in accordance with the provisions of the policy without consideration of paragraph C.5.b. above.

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

We will adjust the Limit of Insurance for Business Personal Property on each anniversary and/or renewal of the policy. The amount of the adjustment will be based on inflation and the economic factors for the preceding year.

**7. Business Personal Property Limit — Seasonal Increase**

- a. The Limit of Insurance for Business Personal property will automatically increase by 33% to provide for seasonal variations.
- b. This increase will apply only if the Limit of Insurance shown for Business Personal Property in the Declarations is at least 100% of your average monthly values during the lesser of:
  - (1) The 12 months immediately preceding the date the "loss" occurs; or
  - (2) The period of time you have been in business as of the date the "loss" occurs.

**D. DEDUCTIBLES**

- 1. We will not pay for "loss" in any one occurrence until the amount of "loss" exceeds the Deductible shown in the Declarations, except as provided below. We will then pay the amount of "loss" in excess of the Deductible up to the Limit of Insurance.
- 2. No deductible applies to the following Additional Coverages and Coverage Extensions:
  - a. Fire Department Service Charge;
  - b. Business Income;
  - c. Extra Expense;

- d. Fire Extinguisher Recharge;
- e. Inventory and Appraisal; and
- f. Arson Reward.

**E. COMMON POLICY CONDITIONS**

All parts of this policy are subject to the following conditions.

**1. Cancellation**

- a. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
- b. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
  - (1) 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
  - (2) 30 days before the effective date of cancellation if we cancel for any other reason.
- c. We will mail or deliver our notice to the first Named Insured's last address known to us or at the last address shown by our records.
- d. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
- e. 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.
- f. If notice is mailed, proof of mailing will be sufficient proof of notice.

## 2. 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.

## 3. Concealment, Misrepresentation and Fraud

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

- a. This policy;
- b. The Covered Property;
- c. Your interest in the Covered Property; or
- d. A claim under this policy.

## 4. 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.

## 5. Inspections and Surveys

- a. We have the right, but are not obligated to:
  - (1) Make inspections and surveys at any time;
  - (2) Give you reports on the conditions we find; and
  - (3) Recommend changes.
- b. Any inspections, surveys, reports or recommendations relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:
  - (1) Are safe or healthful; or
  - (2) Comply with laws, regulations, codes or standards.

- c. This condition applies not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

- d. 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.

## 6. Insurance Under Two or More Coverages

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

## 7. Liberalization

If we revise this policy to provide broader coverage without additional premium charge, your policy will automatically provide the broader coverage as of the date the revision is effective in your state.

## 8. Other Insurance

- a. If there is other insurance covering the same "loss," we will pay only for the amount of covered "loss" 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.
- b. When this insurance is excess, we will have no duty under Business Liability Coverage or Stop Gap Coverage to defend any claim or "suit" that any other insurer has a duty to defend. If no other insurer defends, we will undertake to do so; but we will be entitled to the insured's rights against all those other insurers.

## 9. Policy Period and Coverage Territory

We cover "loss" occurring:

- a. During the policy period shown in the Declarations; and
- b. Within the "coverage territory".

## 10. Premiums

- a. 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.

- b. The premium shown in the Declarations was computed based on rates in effect at the time the policy was issued. On each renewal of the effective date of this policy, we will compute the premium in accordance with our rates and rules then in effect.
- c. With our consent, you may renew this policy by paying the renewal premium for the successive one-year period. The premium must be:

(1) Paid to us prior to the renewal date; and

(2) Determined in accordance with paragraph 10.b. above.

Our forms then in effect will apply. If you do not pay the renewal premium, this policy will expire on that renewal date.

- d. During the policy period you may have undeclared exposures or changes in your business operation, acquisition or use of locations, that are not shown in the Declarations. If so, we may require an additional premium. That premium will be determined in accordance with our rates and rules then in effect.

## 11. Transfer of Your Rights and Duties

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.

## F. CONDITIONS APPLICABLE TO PROPERTY COVERAGE

### 1. Abandonment

There can be no abandonment of 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. Control of Property

Any act or neglect of any person other than you, and 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", the breach of condition does not exist.

### 4. Duties in the Event of "Loss"

You must see that the following are done in the event of "loss" to Covered Property:

- a. Notify the police if a law may have been broken.
- b. Give us prompt notice of the "loss". Include a description of the property involved.
- c. As soon as possible, give us a description of how, when and where the "loss" occurred.
- d. Take all reasonable steps to protect the Covered Property from further damage. If feasible, set the damaged property aside and in the best possible order for examination. Also keep a record of your expenses, for consideration in the settlement of the claim.
- e. At our request, give us complete inventories of the damaged and undamaged property. Included quantities, costs, values and amount of "loss" claimed.
- f. As often as may be reasonably required,

permit us to inspect the property proving the "loss" 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.

- g.** 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.
- h.** Cooperate with us in the investigation or settlement of the claim.
- i.** Resume all or part of your "operations" as quickly as possible.
- j.** With respect to a "loss" to accounts receivable, you must render all possible assistance to us to effect collection of outstanding accounts receivable.

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.

## 5. Legal Action Against Us

No one may bring legal action against us unless:

- a.** There has been full compliance with all of the terms of this policy; and
- b.** The action is brought within 2 years after the date on which the direct physical "loss" occurred.

## 6. Loss Payment

In the event of "loss" covered by this policy:

- a.** At our option we will either:
  - (1)** Pay the value of the lost or damaged property;
  - (2)** Pay the cost of repairing or replacing the lost or damaged property;
  - (3)** Take all or 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 not pay you more than your financial interest in the Covered Property.
- c.** We will give notice of our intentions within 30 days after we receive the sworn proof of "loss".
- d.** We will determine the value of Covered Property as follows:
  - (1)** At replacement cost (without deduction for depreciation), except as provided in d.(2) through d.(8) below.

- (a)** You may make a claim for "loss" 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" 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".

- (b)** We will not pay on a replacement cost basis for any "loss":

- (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".

- (c)** The value of "loss" on a replacement cost basis is the lesser of:

- (i)** The cost to replace, on the same premises, the lost or damaged property with other property of comparable material and quality and used for the same purpose; or

- (ii)** The amount you actually

spend that is necessary to repair or replace the lost or damaged property.

- (2)** Glass at the cost of replacement with safety glazing material if required by law.
  - (3)** Tenants' Improvements and Betterments at:
    - (a)** Replacement cost if you make repairs as soon as reasonably possible after "loss".
    - (b)** A proportion of your original cost if you do not make repairs as soon as reasonably possible after "loss". We will determine the proportionate value as follows:
      - (i)** Multiply the original cost by the number of days from the "loss" to the expiration of the lease; and
      - (ii)** Divide the amount determined in 3.b.(i) above by the number of days from the installation of improvements to the expiration of the lease.

If your lease contains a renewal option, the expiration of the renewal option period will replace the expiration of the lease in this procedure.

  - (c)** Nothing if others pay for repairs or replacement.
- (4)** "Valuable Papers and Records" at the cost of:
  - (a)** Blank materials for reproducing the records;
  - (b)** Labor to transcribe or copy the records; and
  - (c)** Research to reconstruct the records.
- (5)** Accounts Receivable at the amounts outstanding at the time of "loss".
  - (a)** If you cannot accurately establish the amount of accounts receivable outstanding as of the time of "loss,"

the following method will be used:

- (i)** Determine the total of the average monthly amounts of accounts receivable for the 12 months immediately preceding the month in which the "loss" occurs; and
  - (ii)** Adjust that total for any normal fluctuations in the amount of accounts receivable for the month in which the "loss" 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 amounts of the accounts for which there is no "loss";
  - (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.
- (6)** "Money" and "securities" will be valued as follows:
  - (a)** "Money" at its face value; and
  - (b)** "Securities" at the close of business on the day the "loss" is discovered.
- (7)** "Electronic Media and Records" will be valued as follows:
  - (a)** Replacement cost if a prepackaged replacement can be purchased; or
  - (b)** The cost of blank media such as film, tapes, discs, drums or cells if prepackaged materials cannot be purchased.
- (8)** "Fine Arts" will be valued at the lesser of:
  - (a)** Market value at the time and place of "loss";

- (b) Cost of reasonably restoring that property; or
  - (c) Replacing that property with substantially the same property.
- e. Our payment for “loss” 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 the 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.
- f. We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.
- g. We will pay for covered “loss” within 30 days after we receive the sworn proof of “loss,” if:

- (1) You have complied with all of the terms of this policy; and
- (2) (a) We have reached agreement with you on the amount of “loss”;  
or  
(b) An appraisal decision, as described in Condition F.2. Appraisal, has been made.

## 7. Mortgage Holders

- a. The term mortgage holder includes trustee, loss payee or lienholder.
- b. We will pay for covered “loss” to property to each mortgage holder shown in the Declarations in their order of precedence, as their interests may appear.
- c. The mortgage holder has the right to receive “loss” payment even if the mortgage holder has started foreclosure or similar action on the property.
- d. If we deny your claim because of your acts or because you have failed to comply with the terms of this policy, the mortgage holder will still have the right to receive “loss” payment if the mortgage holder:

- (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 mortgage holder.

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

- e. If we pay the mortgage holder for any “loss” and deny payment to you because of your acts or because you have failed to comply with the terms of this policy:
- (1) The mortgage holder’s rights under the mortgage will be transferred to us to the extent of the amount we pay; and
  - (2) The mortgage holder’s right to recover the full amount of the mortgage holder’s claim will not be impaired.
- f. If we cancel this policy, we will give written notice to the mortgage holder at least:
- (1) 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
  - (2) 30 days before the effective date of cancellation if we cancel for any other reason.
- g. If we do not renew this policy, we will give written notice to the mortgage holder at least 10 days before the expiration date of this policy.

## 8. No Benefit to Bailee

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

## 9. Recovered Property

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



recovered property, subject to the Limit of Insurance.

## 10. 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.

## 11. Transfer of Rights of Recovery

If any person or organization to or for whom we make payment under this policy 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.

## 12. Vacancy

If the building where "loss" occurs has been vacant for more than 60 days before that "loss", we will:

- a. Not pay for any "loss" caused by:
  - (1) Vandalism;

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

(3) When Special Coverage is shown in the Declarations:

- (a) Building glass breakage;
- (b) Water damage;
- (c) Theft; or
- (d) Attempted theft.

b. Reduce the amount we would otherwise pay for the "loss" by 15%.

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

## DEFINITIONS

**"Actual Cash Value"** means:

- A. When the damage to property is economically repairable "actual cash value" means the cost of repairing the damage, less reasonable deduction for wear and tear, deterioration and obsolescence.
- B. When the "loss" to property creates a total "loss", "actual cash value" means the market value of the property in a used condition equal to that of the destroyed property, if reasonably available on the used market.
- C. Otherwise, "actual cash value" means the market value of new, identical or nearly identical property, less reasonable deduction for wear and tear, deterioration and obsolescence.

**"Automatic Sprinkler System"** means:

- A. Any automatic fire protective or extinguishing system, including connected:
  1. Sprinklers and discharge nozzles;
  2. Ducts, pipes, valves and fittings;
  3. Tanks, their component parts and supports; and
  4. Pumps and private fire protection mains.

B. When supplied from an automatic fire protective system:

1. Non-automatic fire protective systems; and
2. Hydrants, standpipes and outlets.

**“Business Income”** means the:

- A. Net Income (net profit or loss before income taxes) that would have been earned or incurred; and
- B. Continuing normal operating expenses, including payroll, incurred.

**“Coverage Territory”** means The United States of America, its territories and possessions and Canada;

**“Earthquake”** means shaking or trembling of the earth, whether caused by volcanic activity, tectonic processes or any other cause.

**“Electronic Media and Records”** means:

- A. Electronic data processing, recording or other storage media such as film, tapes, discs, drums or cells;
- B. Data stored on such media; and
- C. Programming records used for electronic data processing or electronically controlled equipment.

**“Fine Arts”** means paintings, etchings, pictures, tapestries, art glass windows, valuable rugs, statuary, marbles, bronzes, antique furniture, rare books, antique silver, manuscripts, porcelains, rare glass, bric-a-brac and similar property of rarity, historical value, or “artistic merit”.

**“Fungus”** means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.

**“Loss”** includes damage.

**“Money”** means:

- A. Currency, coins and bank notes in current use and having a face value; and
- B. Traveler’s checks, register checks and money orders held for sale to the public.

**“Occurrence”** means:

A. Under A.1.b.(5) “money” and “securities,” and the Crime Optional Coverage paragraph A. (Employee Dishonesty), all “loss” whether:

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

will be considered one “occurrence”.

B. Under the Crime Optional Coverage paragraphs B. (Money Orders and Counterfeit Currency) and C. (Forgery), all “loss” whether:

1. Caused by one or more persons; or
2. Involving one or more instruments; will be considered one “occurrence”.

**“Operations”** means the type of your business activities occurring at the described premises.

**“Period of Restoration”** means the period of time that:

- A. Begins with the date of direct physical “loss” caused by or resulting from any Covered Cause of Loss at the described premises; and
- B. Ends on the date by which the property at the described premises should have been repaired, rebuilt or replaced with all due reasonable speed and of similar quality.

“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”.

**“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.

**“Securities”** means negotiable and non-negotiable 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”.

**“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; volcanic action; falling objects; weight of snow, ice or sleet; and water damage.

- A. Falling objects does not include “loss” 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.
- B. Water damage means accidental discharge or leakage of water or steam as the direct result of the breaking or cracking of any part of a system or appliance containing water or steam.

**“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.

“Valuable papers and records” does not mean:

- A. “Money” or “securities”;
- B. Converted data; or
- C. Programs or instructions used in your data processing operations, including the materials on which the data is recorded.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**MINIMUM EARNED PREMIUM ENDORSEMENT**

This endorsement modifies insurance provided under the following:

SPECIALTY LIABILITY COVERAGE FORM  
SPECIALTY PROPERTY COVERAGE FORM

If this insurance policy is cancelled at your request, there will be a Minimum Earned Premium retained by us of 25% of the premium. Cancellation for nonpayment of premium is considered a request by the first Named Insured for cancellation of this policy.

**THIS ENDOSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**STORINSURE PROPERTY BROADENING ENDORSEMENT**

This endorsement modifies insurance provided under the following:

SPECIALTY PROPERTY COVERAGE FORM

**A. COVERAGE**

**1. Covered Property**

**b. Business Personal Property**

Paragraph (2) is deleted.

**5. Additional Coverages**

**b. Pollutant Clean Up and Removal**

The limit in the last paragraph is changed from \$10,000 to \$25,000.

**d. Fire Department Service Charge**

The limit is changed from \$5,000 to actual loss sustained.

**h. Extended Business Income**

In paragraph (2)(b), the number of days is changed from 60 to 180.

**j. Civil Authority**

The period is changed from 30 days to 90 days.

**6. Coverage Extensions**

**d. Valuable Papers and Records**

The provision is replaced by:

We will pay up to \$25,000 for your cost to research, replace or restore the lost information because of "loss" to valuable papers and records as a result of direct physical "loss" to covered property, unless a higher Limit of Insurance is shown in the Declarations.

**e. Accounts Receivable**

The first sentence is replaced by:

We will pay up to \$25,000 for Accounts Receivable, unless a higher Limit of Insurance is shown in the Declarations. This coverage includes:

**i. Fine Arts**

The last paragraph is replaced by:

The most we will pay under this Extension is \$10,000 in any one occurrence, unless a higher Limit of Insurance is shown in the Declarations.

The following coverages are added:

**j. Employees' Property**

We will pay up to \$10,000 for household furniture and personal effects of your employees while at the described premises as a result of direct physical "loss", unless a higher Limit of Insurance is shown in the Declarations.

**k. Sinkhole Collapse**

We will pay for direct physical "loss" to covered property caused by sinkhole collapse. Sinkhole collapse means the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or similar rock formations. It does not include the cost of filling sinkholes, indirect or consequential "loss", or "loss" of use.

Exclusion **B.1.b.** does not apply to the extent that coverage is provided under this Extension.

**l. Lock Replacement**

We will pay up to \$500 for the cost to repair or replace locks due to theft of keys. A \$25 deductible per "occurrence" applies.

**B. EXCLUSIONS**

**1. b. Earth Movement**

The last sentence is replaced by:

But if "loss" by fire, explosion or fire protection systems results, we will pay that resulting "loss".

**D. DEDUCTIBLES**

The following paragraphs are added:

**3.** The most we will deduct from any "loss" under the following coverages in any one "occurrence" is \$100:

- a. Employees' Property; and
- b. Money and Securities under **A.1.b.(5)**.

**DEFINITIONS**

"Business Income" is replaced by the following:

“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” 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.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **AMENDATORY ENDORSEMENT**

This endorsement modifies insurance provided under the following:

SPECIALTY PROPERTY COVERAGE FORM

Paragraph **12. Vacancy** under **F. Conditions Applicable to Property Coverage** is replaced by the following:

### **12. Vacancy**

If the building where “loss” occurs has been vacant for more than 60 days before that “loss”, we will:

- a.** Not pay for any “loss” caused by:
  - (1) Vandalism;
  - (2) Sprinkler leakage, unless you have protected the system against freezing;
  - (3) Building glass breakage;
  - (4) Water damage;
  - (5) Theft; or
  - (6) Attempted theft.
  
- b.** Reduce the amount we would otherwise pay for the “loss” by 15%.

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



**THIS ENDOSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **STORINSURE AUTOMATIC INCREASE ENDORSEMENT**

This endorsement modifies insurance provided under the following:

SPECIALTY PROPERTY COVERAGE FORM

Paragraph **5.a.** under **C. Limits of Insurance** is replaced by the following:

### **5. Building Limit – Automatic Increase**

- a.** On each anniversary or renewal of the policy, the Limit of Insurance for property to which this Coverage applies will automatically increase by the annual percentage shown in the Declarations, expressed as a decimal (example: 6% is .06), times the Limit of Insurance that applied on the most recent of the policy inception date, the policy anniversary date, or any other policy change amending the Limit of Insurance, times the number of days since the beginning of the current policy year or the effective date of the most recent policy change amending the Limit of Insurance, divided by 365.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **MINI-COMPUTER ENDORSEMENT**

This endorsement modifies insurance provided under the following:

SPECIALTY PROPERTY COVERAGE FORM

MINI-COMPUTER

**A.** This insurance is extended to cover the following property against direct physical "loss" by the Covered Causes of Loss to:

- 1.** Equipment: "Data" processing "equipment" owned by, rented to, or under your control:
  - a. While at the locations shown in the Declarations, subject to the Mini-Computer Limit of Insurance shown in the Declarations, for each location;
  - b. While in transit or at a temporary location, subject to a total limit of \$5,000 for any one covered occurrence; and
  - c. While at premises owned, leased or operated by you other than those shown in the Declarations. This coverage shall cease 30 days from the date you acquire the premises or on the date values at such locations are reported to us or the expiration date of the policy, whichever occurs first. The Limit of Insurance for this coverage shall not exceed \$10,000.
- 2.** Media and Data: "Data" processing "media" and "data" owned by, rented to, or for which you are legally responsible, subject to the following Limits of Insurance for any one covered occurrence:
  - a. While at any location shown in the Declarations, subject to the Mini-Computer Limit of Insurance shown in the Declarations;
  - b. \$1,000 while covered property is in transit or at a temporary location not owned, occupied or controlled by you; and
  - c. \$500 for duplicate or backup material while stored at a location other than as indicated in paragraphs **a.** and **b.** above.

**B.** The following property is not covered:

1. Accounts, bills, evidences of debt, valuable papers, records, abstracts, deeds, manuscripts, or other documents;
2. Program support documentation, such as flow charts, record formats, or narrative descriptions, unless converted to "data" and then only in that form;
3. "Media" or "data" which cannot be replaced with like kind or quality; and
4. Property rented or leased to others while away from your premises.

**C.** Covered Causes of Loss

This Optional Coverage covers RISKS OF DIRECT PHYSICAL LOSS unless the "loss" is excluded in paragraph **E.** exclusions, below.

**D.** Coverage Extensions

## 1. Breakdown Coverage

We also cover direct physical "loss" to:

- a. Covered "data" processing "equipment" from mechanical breakdown, machinery breakdown, short circuit, blow-out or other electrical damage to electrical "equipment", apparatus, devices, or wiring, changes in electric power supply, processing operations or while the "equipment" is being worked on or serviced, and errors in design or use of faulty materials in the development, manufacture or installation of the "equipment."
- b. Covered "media" resulting from mechanical breakdown or malfunction while the "media" is in actual use within covered "data" processing "equipment".
- c. Covered "data" from electrical or magnetic injury, disturbance, or erasure of electronic recordings, but this coverage does not apply to property in transit.

In no case, however, will we be liable for any "loss" caused by any change in the electrical power supply which originates more than 100 feet from any covered location.

## 2. Extra Expense

Extra Expense means the necessary expenses you incur during the "period of restoration" that you would not have incurred if there had been no direct physical "loss" to "data" processing "equipment", "media" or "data."

The most we will pay for "loss" under this Extension is \$5,000 at each location.

**E.** The exclusions under **B. EXCLUSIONS**, do not apply to this optional coverage except for:

1. Paragraph **B.2.b.**, Consequential Losses;
2. Paragraph **B.2.d.**, Maintenance Types of Losses, except as provided under paragraph **D.1.** above; and
3. Paragraph **B.2.g.**, Dishonesty.

**F.** The following exclusions are added to **B. EXCLUSIONS**:

We also will not pay for "loss" caused by or resulting from:

1. Errors in machine programming or instructions to the machine;
2. Loss of income, interruption of business, or consequential "loss" of any nature, except as provided under paragraph **D.2.**, Extra Expense, above; and
3. The suspension, lapse or cancellation of any lease, license, contract or order.

## **G.** Deductible

Under this Coverage, we will not pay for any "loss" in any one "occurrence" until the amount of "loss" exceeds the Deductible specified below:

1. For "loss" under the Breakdown Coverage extension, the Deductible amount is \$1,000.
2. For "loss" other than Breakdown Coverage, the Deductible amount is shown in the Declarations for Property Coverage.

We will then pay the amount of "loss" in excess of the Deductible up to the Limit of Insurance.

## H. CONDITIONS APPLICABLE TO MINI-COMPUTER COVERAGE

The following is added to **6. Loss Payment**, paragraph **d.**:

- (9) "Media" at the cost of repairing or replacing with "media" of like kind and quality. In no event will we pay more than the Limit of Insurance stated in this form.
- (10) "Data" at the actual cost of reproducing the "data", providing that it can actually be replaced or reproduced and that you do, in fact, replace or reproduce it. In no event will we pay more than the Limit of Insurance stated in this form.

## DEFINITIONS

The following definitions are added:

"Data" means the facts, concepts or instructions which have been converted to a form usable by the "data" processing "equipment".

"Equipment" means the network of machine components capable of accepting information or converted material, processing it according to a plan or program, and producing the desired results.

"Media" means all forms of material on which "data" is stored, such as magnetic tapes, disk packs, paper tapes and cards.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**CRIME ENDORSEMENT**

This endorsement modifies insurance provided under the following:

**SPECIALTY PROPERTY COVERAGE FORM**

**CRIME**

**A. Employee Dishonesty**

1. We will pay for direct "loss" to Business Personal Property and property of your tenants, including "money" and "securities", resulting directly 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:
  - a. Cause you to sustain "loss"; and
  - b. Obtain financial benefit (other than salaries, commissions, fees, bonuses, promotions, awards, profit sharing, pensions or other employee benefits earned in the normal course of employment) for:
    - (1) Any employee; or
    - (2) Any other person or organization.
2. We will not pay for "loss" where the only proof of which as to its existence or amount is:
  - a. An inventory computation; or
  - b. A profit and loss computation.
3. We will pay only for "loss" 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.
4. We will pay only for covered "loss" discovered no later than one year from the end of the policy period.
5. This Optional Coverage is cancelled as to any employee immediately upon discovery by:
  - a. You; or
  - b. Any of your partners, officers or directors not in collusion with the employee;  
  
of any dishonest act committed by that employee before or after being employed by you.
6. If you (or any predecessor in interest) sustained "loss" during the period of any prior insurance that you could have recovered under that insurance except that the time within which to discover "loss" had expired, we will pay for it under this Optional Coverage, provided:
  - a. This Optional Coverage became effective at the time of cancellation or termination of the prior insurance; and
  - b. The "loss" would have been covered by this Optional Coverage had it been in effect when the acts or events causing the "loss" were committed or occurred.
7. The insurance under paragraph 6. 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:
  - a. This Optional Coverage as of its effective date; or
  - b. The prior insurance had it remained in effect.
8. With respect to the Employee Dishonesty Coverage in Paragraph **A.** above, employee means:
  - a. Any natural person:

- (1) While in your service or for 30 days after termination of service;
  - (2) Who you compensate directly by salary, wages, or commissions; and
  - (3) Who you have the right to direct and control while performing services for you.
- b. Any natural person who is furnished temporarily to you:
- (1) To substitute for a permanent employee as defined in Paragraph a. above, who is on leave; or
  - (2) To meet seasonal or short-term work load conditions:
- c. Any natural person who is leased to you under a written agreement between you and a labor leasing firm, to perform duties related to the conduct of your business, but does not mean a temporary employee as defined in Paragraph b. above;
- d. 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
- e. 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:

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

**B. Money Orders and Counterfeit Paper Currency**

We will pay for "loss" due to the good faith acceptance of:

- 1. Any U.S. or Canadian post office, express company or national or state (or Canadian) chartered bank money order that is not paid upon presentation to the issuer; or
  - 2. Counterfeit United States or Canadian paper currency;
- in exchange for merchandise, "money" or services or as part of a normal business transaction.

**C. Forgery**

- 1. We will pay for "loss" involving Covered Instruments resulting directly from the Covered Causes of Loss as described below.
  - a. Covered Instruments: checks, drafts, promissory notes, or similar written promises, orders or directions to pay a sum certain in money that are:
    - (1) Made or drawn by or drawn upon you;
    - (2) Made or drawn by one acting as your agent;
 or that is purported to have been so made or drawn.
  - b. Covered Causes of Loss: Forgery or alteration of, on or in any Covered Instrument.
- 2. We will not pay for "loss" resulting from any dishonest or criminal act committed by any of your employees, directors, trustees or authorized representatives:
  - a. Acting alone or in collusion with other persons; or
  - b. While performing services for you or otherwise.
- 3. The following conditions apply to this Coverage in addition to the other policy conditions:
  - a. **Facsimile Signatures:** We will treat mechanically reproduced

facsimile signatures the same as handwritten signatures.

- b. **General Amendment:** As respects this Coverage, the words Covered Property mean Covered Instruments.
- c. **Instrument:** You must include with your proof of "loss" any instrument involved in that "loss", or if that is not possible, an affidavit setting forth the amount and cause of "loss".

#### D. Limits of Insurance

The most we will pay for "loss" under this Optional Coverage is as follows:

- 1. Under A. Employee Dishonesty, we will not pay more in any one "occurrence" than the Employee Dishonesty Limit of Insurance shown in the Declarations.
- 2. Under B. Money Orders and Counterfeit Paper Currency, we will not pay more in any one "occurrence" than the Money Orders and Counterfeit Paper Currency Limit shown in the Declarations.
- 3. Under C. Forgery, we will not pay more in any one "occurrence" than \$20,000.

#### E. Paragraph A.3. Covered Causes of Loss, and the exclusions under B. EXCLUSIONS, do not apply to this Optional Coverage except for:

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

#### F. ERISA Compliance

In compliance with certain provisions of the Employee Retirement Income Security Act (ERISA):

- 1. Employee also includes any natural person who is:
  - a. A trustee, an officer, employee, administrator, or a manager, except an administrator or a

manager who is an independent contractor, of any Employee Welfare or Pension Benefit Plan (hereafter called Plan) insured under this insurance; and

- b. Your director or trustee while that person is handling funds or other property of any Plan insured under this insurance.
- 2. If any Plan is insured jointly with any other entity under this insurance, you or the Plan Administrator must select a Limit of Insurance for Employee Dishonesty that is sufficient to provide an amount of insurance for each Plan that is at least equal to that required if each Plan were separately insured.
  - 3. Any payment we make to you for "loss" sustained by any Plan will be held by that Insured for the use and benefit of the Plan(s) sustaining the "loss."
  - 4. If two or more Plans are insured under this insurance, any payment we make for "loss":
    - a. Sustained by two or more plans; or
    - b. Of commingled funds or other property of two or more plansthat arises out of one "occurrence", is to be shared by each Plan sustaining "loss" in the proportion that the amount of insurance required for each such Plan under ERISA provisions bears to the total of those amounts.
  - 5. Any Plan intended to benefit your employees is also considered an insured, but only as it pertains to Employee Dishonesty Coverage.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **BUILDING ORDINANCE COVERAGE**

This endorsement modifies insurance provided under the following:

SPECIALTY PROPERTY COVERAGE FORM

### **A. COVERAGE**

**1. Coverage A — Coverage For Loss to the Undamaged Portion of the Building.**

If a Covered Cause of Loss occurs to covered Building property shown in the Declarations, we will pay for “loss” to the undamaged portion of the building caused by enforcement of any ordinance or law that:

- a.** Requires the demolition of parts of the same property not damaged by a Covered Cause of Loss;
- b.** Regulates the construction or repair of buildings, or establishes zoning or land use requirements at the described premises; and
- c.** Is in force at the time of “loss”.

Coverage A is included within the Limit of Insurance applicable to the covered Building property shown in the Declarations. This is not additional insurance.

**2. Coverage B — Demolition Cost Coverage.**

If a Covered Cause of Loss occurs to covered Building property shown in the Declarations, we will pay the cost to demolish and clear the site of undamaged parts of the property caused by enforcement of building, zoning or land use ordinance or law.

**3. Coverage C — Increased Cost of Construction Coverage.**

If a Covered Cause of Loss occurs to covered Building property shown in the Declarations, we will pay for the increased cost to repair, rebuild or construct the property caused by enforcement of building, zoning or land use ordinance or law. If the property is repaired or rebuilt, it must be intended for similar occupancy as the current property, unless otherwise required by zoning or land use ordinance or law.

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

**B. Paragraph B.1.a. Ordinance or Law under B. EXCLUSIONS does not apply to this optional coverage.**

The following additional exclusion does apply:

We will not pay under this endorsement for 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”.

### **C. LOSS PAYMENT**

**1. Under Coverage A — Coverage for Loss to the Undamaged Portion of the Building:**

- a.** If the property is repaired or replaced on the same premises, we will not pay more for “loss” to Covered



Property, including "loss" caused by enforcement of an ordinance or law, than the lesser of:

**(1)** 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 to the same height, floor area, style

and comparable quality of the original property insured; or

**(2)** The Limit of Insurance applicable to the covered Building property,

**b.** If the property is not repaired or replaced, we will not pay more for "loss" to Covered property, including "loss" caused by the enforcement of an ordinance or law, than the lesser of:

**(1)** The actual cash value of the building at the time of "loss"; or

**(2)** The Limit of Insurance applicable to the covered Building property.

**2.** Under Coverage B — Demolition Cost Coverage, we will not pay more than the lesser of:

**a.** The amount you actually spend to demolish and clear the site of the described premises; or

**b.** The Limit of Insurance applicable to the covered Building property.

**3.** Under Coverage C — Increased Cost of Construction, we will not pay:

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

**b.** Unless the repairs or replacement are made as soon as reasonably possible after the "loss", not to exceed two years. We may extend this period in writing during the two years.

**c.** 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 lesser of:

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

**(2)** The Limit of Insurance applicable to the covered Building property.

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

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

**(2)** The Limit of Insurance applicable to the covered Building property.

**D.** Under the definition of "Period of Restoration", the following provision is deleted:

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

**E.** The terms of this endorsement apply separately to each building to which this endorsement applies.

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**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **OFF PREMISES SERVICES ENDORSEMENT**

This endorsement modifies insurance provided under the following:

**SPECIALTY PROPERTY COVERAGE FORM**

### **OFF PREMISES SERVICES**

- A.** This insurance is extended to cover “loss” to Covered Property, “loss” of “Business Income” and Extra Expense, caused by the interruption of service to the premises shown in the Declarations. The interruption must result from direct physical “loss” by a Covered Cause of Loss to the following property, not on the premises shown in the Declarations but located within the “coverage territory”:
- 1.** Water Supply Services, meaning the following types of property supplying water to the described premises:
    - a. Pumping stations; and
    - b. Water mains.
  - 2.** Communication Supply Services, meaning property supplying communication services, including telephone, radio, microwave or television services to the described premises, such as:
    - a. Communication transmission lines including optic fiber transmission lines;
    - b. Coaxial cables; and
    - c. Microwave radio relays except satellites.
  - 3.** Power Supply Services, meaning the following types of property supplying electricity, steam or gas to the described premises:
    - a. Utility generating plants;
    - b. Switching stations;
    - c. Substations;
    - d. Transformers; and
    - e. Transmission lines.

**B. Deductibles**

Under this optional coverage, we will only pay for “Business Income” and Extra Expense “loss” you sustain after the first 12 hours following the direct physical “loss” to the off-premises property to which this endorsement applies.

S 0111 PR 008 09 23	Includes copyrighted material of Insurance Services Office, Inc., with its permission.	Page 1 of 1
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**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EXCLUSION OF CERTAIN COMPUTER RELATED LOSSES**

This endorsement modifies insurance provided under the following:

### **SPECIALTY PROPERTY COVERAGE FORM MINI-COMPUTER ENDORSEMENT**

The following provisions are added to Paragraph **B. Exclusions** in the SPECIALTY PROPERTY COVERAGE FORM and Paragraph **E.** in the MINI-COMPUTER ENDORSEMENT:

- 1.** We will not pay for "loss" caused by the following events or related expenses. Such "loss" is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the "loss".
  - a.** The failure, malfunction or inadequacy of:
    - (1)** Any of the following, whether belonging to any insured or to others:
      - (a) Computer hardware, including microprocessors or other Electronic Data Processing Equipment as may be described elsewhere in this policy;
      - (b) Computer application software or other Electronic Media and Records as may be described elsewhere in this policy;
      - (c) Computer operating systems and related software;
      - (d) Computer networks;
      - (e) Microprocessors (computer chips) not part of any computer system;
      - (f) Any other computerized or electronic equipment or components; or
    - (2)** 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 **1.a.(1)** of this endorsement;  
  
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.
  - b.** 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.a.** of this endorsement.
- 2.** If excluded "loss", as described in Paragraph **1.a.** of this endorsement results in:
  - a.** An elevator collision resulting from mechanical breakdown; or
  - b.** Any other "loss" resulting from a "Specified Cause of Loss";we will pay only for the "loss" caused by such "Specified Cause of Loss" or elevator collision.
- 3.** We will not pay for repair, replacement or modification of any items listed in Paragraph **1.a.** of this endorsement to correct any deficiencies or change any features

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **TRADE OR ECONOMIC SANCTIONS EXCLUSION**

This endorsement modifies insurance provided under the following:

SPECIALTY LIABILITY COVERAGE FORM  
SPECIALTY PROPERTY COVERAGE FORM

This insurance does not apply to, and we will not pay any "loss", damages, claim or expense, or provide any benefit under this policy, to the extent that the provision of such coverage, payment of such "loss", damages, claim or expense, or provision of such benefit would expose us to any violation of any trade or economic sanctions, laws or regulations, including but not limited to, those administered and enforced by the United States Treasury Department's Office of Foreign Assets Control (OFAC).

## **POLICYHOLDER NOTICE – SERVICE OF PROCESS**

Service of process for any suit instituted against Sierra Specialty Insurance Company concerning this Policy may be made upon the Superintendent, Commissioner, or Director of Insurance or other person specified for that purpose in the statute or his/her successor or successors in office as their true and lawful attorney upon whom may be served any lawful process in any action, suit, or proceeding instituted by or on behalf of the Insured or any beneficiary hereunder and arising out of this Policy.

Sierra Specialty Insurance Company has designated:

Mr. Stephen Ungar, Secretary  
Republic Lloyds  
59 Maiden Lane, 43<sup>rd</sup> Floor  
New York, NY 10038

as the person(s)/organization to whom the Superintendent, Commissioner, or Director of Insurance or other specified person is authorized to mail such process or a true copy thereof, in compliance with the applicable statutes governing said service of process in the state or jurisdiction in which a cause of action under this Policy arises.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

### **Biological or Chemical Materials Exclusion**

This endorsement modifies insurance provided under the following:

SPECIALTY LIABILITY COVERAGE FORM  
SPECIALTY PROPERTY COVERAGE FORM

It is agreed that this insurance excludes "loss", damages, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with the actual or threatened malicious use of pathogenic or poisonous biological or chemical materials regardless of any other cause or event contributing concurrently or in any other sequence thereto.



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **ASBESTOS ENDORSEMENT**

This endorsement modifies insurance provided under the following:

### **SPECIALTY PROPERTY COVERAGE FORM**

- A. This policy only insures asbestos physically incorporated in an insured building or structure, and then only that part of the asbestos which has been physically damaged during the period of insurance by one of the following perils:

fire; explosion; lightning; windstorm; hail; direct impact of vehicle, aircraft or vessel; riot or civil commotion; vandalism or malicious mischief; or accidental discharge of fire protective equipment.

This coverage is subject to each of the following specific limitations:

1. The said building or structure must be insured under this policy for damage by a covered peril listed above.
  2. The peril must be the immediate, sole cause of the damage of the asbestos.
  3. You must report to us the existence and cost of the damage as soon as practicable after the peril first damaged the asbestos. However, this policy does not insure any such damage first reported to us more than 12 months after the expiration, or termination, of this policy.
  4. Insurance under this policy in respect of asbestos shall not include any sum relating to:
    - (a) Any faults in the design, manufacture or installation of the asbestos;
    - (b) Asbestos not physically damaged by a covered peril listed above, including any governmental or regulatory authority direction or request of whatsoever nature relating to undamaged asbestos.
- B. Except as set forth in the foregoing Section A. above, this policy does not insure asbestos or any sum relating thereto.



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**PROPERTY CYBER AND DATA ENDORSEMENT**

This endorsement modifies insurance provided under the following:

**SPECIALTY PROPERTY COVERAGE FORM**

1. Notwithstanding any provision to the contrary within this policy or any endorsement thereto, this policy excludes any:
  - 1.1 "Cyber Loss", unless subject to the provisions of paragraph 2. below;
  - 1.2 "Loss", liability, claim, cost, or expense of whatsoever nature, directly or indirectly caused by, contributed to by, resulting from, arising out of, or in connection with any loss of use, reduction in functionality, repair, replacement, restoration or reproduction of any "Data", including any amount pertaining to the value of such "Data", unless subject to the provisions of paragraph 3. below;regardless of any other cause or event contributing concurrently or in any other sequence thereto.
2. Subject to all the terms, conditions, limitations and exclusions of this policy or any endorsement thereto, this policy covers physical "loss" to property insured under this policy caused by any ensuing fire or explosion which directly results from a "Cyber Incident", unless that "Cyber Incident" is caused by, contributed to by, results from, arises out of or in connection with a "Cyber Act" including, but not limited to, any action taken in controlling, preventing, suppressing or remediating any "Cyber Act".
3. Subject to all the terms, conditions, limitations and exclusions of this policy or any endorsement thereto, should "Data Processing Media" owned or operated by the insured suffer physical "loss" insured by this policy, this policy will cover the cost to repair or replace the "Data Processing Media" itself, plus the costs of copying the "Data" from back-up or from originals of a previous generation. These costs will not include research and engineering, nor any costs of recreating, gathering or assembling the "Data". If such media is not repaired, replaced or restored, the basis of valuation shall be the cost of the blank "Data Processing Media". However, this policy excludes any amount pertaining to the value of such "Data", to the insured or any other party, even if such "Data" cannot be recreated, gathered or assembled.
4. In the event any portion of this endorsement is found to be invalid or unenforceable, the remainder shall remain in full force and effect.
5. This endorsement supersedes and, if in conflict with any other wording in the policy or any endorsement thereto having a bearing on "Cyber Loss", "Data" or "Data Processing Media", replaces that wording.

**Definitions**

The following definitions are added:

1. "Cyber Loss" means any "loss", liability, claim, cost or expense of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any "Cyber Act" or "Cyber Incident" including, but not limited to, any action taken in controlling, preventing, suppressing or remediating any "Cyber Act" or "Cyber Incident".
2. "Cyber Act" means an unauthorized, malicious or criminal act or series of related unauthorized, malicious or criminal acts, regardless of time and place, or the threat or hoax thereof involving access to, processing of, use of or operation of any "Computer System".

3. "Cyber Incident" means:
  - a. any error or omission or series of related errors or omissions involving access to, processing of, use of or operation of any "Computer System"; or
  - b. any partial or total unavailability or failure or series of related partial or total unavailability or failures to access, process, use or operate any "Computer System".
4. "Computer System" means any computer, hardware, software, communications system, electronic device (including, but not limited to, smart phone, laptop, tablet, wearable device), server, cloud or microcontroller including any similar system or any configuration of the aforementioned and including any associated input, output, data storage device, networking equipment or back up facility, owned or operated by the insured or any other party.
5. "Data" means information, facts, concepts, code or any other information of any kind that is recorded or transmitted in a form to be used, accessed, processed, transmitted or stored by a "Computer System".
6. "Data Processing Media" means any property insured by this policy on which "Data" can be stored but not the "Data" itself.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EXCLUSION OF LOSS DUE TO VIRUS OR BACTERIA**

This endorsement modifies insurance provided under the following:  
**SPECIALTY PROPERTY COVERAGE FORM**

- A.** The exclusion set forth in Paragraph **B.** applies to all coverage under all forms and endorsements Coverage Part , including but not limited to forms or endorsements that cover property damage to buildings or personal property and forms or endorsements that cover "business income", extra expense or action of civil authority.
- B.** We will not pay for "loss" or damage caused by or resulting from any virus, bacterium or other micro-organism that induces or is capable of inducing physical distress, illness or disease.  
  
However, this exclusion does not apply to "loss" or damage caused by or resulting from "fungus", wet rot or dry rot. Such "loss" or damage is addressed in a separate exclusion in this Coverage Part.
- C.** With respect to any "loss" or damage subject to the exclusion in Paragraph **B.**, such exclusion supersedes any exclusion relating to "pollutants".
- D.** The terms of the exclusion in Paragraph **B.**, or the inapplicability of this exclusion to a particular "loss", do not serve to create coverage for any "loss" that would otherwise be excluded under this Coverage Part.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**COMMUNICABLE DISEASE EXCLUSION  
ENDORSEMENT**

This endorsement modifies insurance provided under the following:

**SPECIALTY PROPERTY COVERAGE FORM**

1. Notwithstanding any other provision of this policy to the contrary, this policy does not insure any "loss", claim, cost, expense or other sum, directly or indirectly arising out of, attributable to, or occurring concurrently or in any sequence with a "Communicable Disease" or the fear or threat (whether actual or perceived) of a "Communicable Disease".
2. For the purposes of this endorsement, "loss", damage, claim, cost, expense or other sum, includes, but is not limited to, any cost to clean-up, detoxify, remove, monitor or test:
  - 2.1. for a "Communicable Disease"; or
  - 2.2. any property insured hereunder that is affected by such "Communicable Disease".
3. As used herein, a "Communicable Disease" means any disease which can be transmitted by means of any substance or agent from any organism to another organism where:
  - 3.1. the substance or agent includes, but is not limited to, a virus, bacterium, parasite or other organism or any variation thereof, whether deemed living or not;
  - 3.2. the method of transmission, whether direct or indirect, includes but is not limited to, airborne transmission, bodily fluid transmission, transmission from or to any surface or object, solid, liquid or gas or between organisms; and
  - 3.3. the disease, substance or agent can cause or threaten damage to human health or human welfare or can cause or threaten damage to, deterioration of, "loss" of value of, marketability of or "loss" of use of property insured hereunder.
4. This endorsement applies to all coverage extensions, additional coverages, exceptions to any exclusion and other coverage grant(s).

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**MICROORGANISM EXCLUSION  
(ABSOLUTE)**

This insurance modifies insurance provided under the following:

SPECIALTY PROPERTY COVERAGE FORM

The following is added to Paragraph 1. of **B. Exclusions**:

Any "loss", damage, claim, cost, expense or other sum directly or indirectly arising out of or relating to "fungus" or other microorganism of any type, nature, or description, including but not limited to any substance whose presence poses an actual or potential threat to human health.

This exclusion applies regardless whether there is:

- (i) any physical "loss" or damage to the insured's property;
- (ii) any "loss" of use, occupancy, or functionality; or
- (iii) any action required, including but not limited to repair, replacement, removal, cleanup, abatement, disposal, relocation, or steps taken to address medical or legal concerns.

This exclusion replaces and supersedes any provision in the Coverage Part that provides insurance, in whole or in part, for these matters.

## Read Your Policy Carefully

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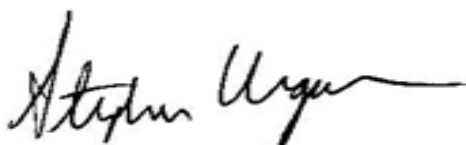
This policy is a legal contract between you and us. The information on this page is not the insurance contract and only the actual policy provisions will control. The policy sets forth in detail the rights and obligations of both you and us. **It is therefore important that you read your policy carefully.**

We will provide the insurance described in this policy in return for the premium and compliance with all applicable provisions of the policy.

This policy is signed by the President and Secretary of the insurance company and, if required by State law, this policy shall not be valid unless countersigned on the Declaration page by its authorized representative.



President



Secretary

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EXCLUSION OF OTHER ACTS OF TERRORISM; CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM ENDORSEMENT**

This endorsement modifies insurance provided under the following:

SPECIALTY LIABILITY COVERAGE FORM  
SPECIALTY PROPERTY COVERAGE FORM

- A.** The following exclusion is added:  
This insurance does not apply to:

**Terrorism**

1. Any injury, loss or damage arising directly or indirectly out of a "certified act of terrorism". However, this exclusion only applies when one or more of the following are attributed to such act:
  - a. The terrorism involves the use, release or escape of nuclear materials, or directly or indirectly results in nuclear reaction or radiation or radioactive contamination; or
  - b. The terrorism is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or
  - c. Pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the terrorism was to release such materials.
2. Damages arising, directly or indirectly, out of a "certified act of terrorism", that are awarded as punitive damages.
3. An "other act of terrorism".

- B.** The following exception to the Terrorism Exclusion set forth in Section **A.** above applies only under the Specialty Property Coverage Part , in jurisdictions which require such coverage:

If a "certified act of terrorism" or "other act of 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.

- C.** The following definitions are added to **SECTION V - DEFINITIONS:**

1. "Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act, to be an act of terrorism pursuant to such Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:
  - a. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act;
  - b. The act resulted in damage:
    - (1) Within the United States (including its territories and possessions and Puerto Rico); or
    - (2) Outside of the United States in the case of:
      - (a) An air carrier (as defined in Section 40102 of title 49, United States Code) or United States flag vessel (or a vessel based principally in the United States, on which United





# TOTAL TERRORISM EXCLUSION

This endorsement modifies insurance provided under the following:

SPECIALTY LIABILITY COVERAGE FORM  
SPECIALTY PROPERTY COVERAGE FORM

**A.** The following exclusion is added:

This insurance does not apply to:

**TERRORISM**

Any injury, loss or damage arising, directly or indirectly, out of a "certified act of terrorism" or "other act of terrorism".

**B.** The following exception to the Terrorism Exclusion set forth in Section **A.** above applies only under the Commercial Inland Marine Coverage Part and Specialty Property Coverage Part, in jurisdictions which require such coverage:

If a "certified act of terrorism" or "other act of 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.

**C.** The following definitions are added:

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

a. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act;

b. The act resulted in damage:

(1) Within the United States (including its territories and possessions and Puerto Rico); or

(2) Outside of the United States in the case of:

(a) An air carrier (as defined in Section 40102 of title 49, United States Code) or United States flag vessel (or a vessel based principally in the United States, on which United States income tax is paid and whose insurance coverage is subject to regulation in the United States), regardless of where the loss occurs; or

(b) The premises of any United States mission; and

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

2. "Other act of terrorism" means a violent act or an act that is dangerous to human life, property or infrastructure that is committed by an individual or individuals and that appears to be part of an effort to coerce a civilian population or to influence the policy or affect the conduct of any government by coercion, and the act is not a "certified act of terrorism".

**D.** 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.

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## LENDER'S LOSS PAYABLE ENDORSEMENT

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1. "Loss", if any, under this policy, will be paid **to the Payee named on the Declarations**, its successors and assigns, hereinafter referred to as "the Lender," in whatever form or capacity its interests may appear and whether said interest be vested in said Lender in its individual or in its disclosed or undisclosed fiduciary or representative capacity, or otherwise, or vested in a nominee or trustee of said Lender.
2. The insurance under this policy, or any rider or endorsement attached thereto, as to the interest only of the Lender, its successors and assigns, can not be invalidated nor suspended:
  - (a) by any error, omission, or change respecting the ownership, description, possession, or location of the subject of the insurance or the interest therein, or the title thereto;
  - (b) by the commencement of foreclosure proceedings or the giving of notice of sale of any of the property covered by this policy by virtue of any mortgage or trust deed;
  - (c) by any breach of warranty, act, omission, neglect, or non-compliance with any of the provisions of this policy, including any and all riders now or hereafter attached thereto, by the named insured, the borrower, mortgagor, trustor, vendee, owner, tenant, warehouseman, custodian, occupant, or by the agents of either or any of them or by the happening of any event permitted by them or either of them, or their agents, or which they failed to prevent, whether occurring before or after the attachment of this endorsement, or whether before or after a "loss", which under the provisions of this policy of insurance or of any rider or endorsement attached thereto would invalidate or suspend the insurance as to the named insured, excluding herefrom, however, any acts or omissions of the Lender while exercising active control and management of the property.
3. In the event of failure of the insured to pay any premium or additional premium which shall be or become due under the terms of this policy or on account of any change in occupancy or increase in hazard not permitted by this policy, we will give written notice to the Lender of such non-payment of premium within sixty (60) and one hundred and twenty (120) days after due date of such premium. It is a condition of the continuance of the rights of the Lender hereunder that the Lender when so notified in writing must pay or cause to be paid the premium due within ten (10) days following receipt of our demand in writing therefor. If the Lender declines to pay said premium or additional premium, the rights of the Lender will be terminated after ten (10) days after receipt of said written notice by the Lender.
4. Whenever we pay the Lender any sum for "loss" under this policy and claim that as to the insured no liability therefor exists, we, at our option, may pay to the Lender the whole principal sum and interest and other indebtedness due or to become due from the insured, whether secured or unsecured, with refund of all interest not accrued. We, to the extent of such payment, will then receive a full assignment and transfer, without recourse, of the debt and all rights and securities held as collateral thereto.
5. If there be any other insurance covering the same property, we will be liable under this policy to the Lender for the proportion of such "loss" that the sum hereby insured bears to the entire insurance of similar character on said property under policies held by, payable to and expressly consented to by the Lender. Any Contribution Clause included in any Fallen Building Clause Waiver or any Extended Coverage Endorsement attached to this contract of insurance is hereby nullified, and also any Contribution Clause in any other endorsement or rider attached to this contract of insurance is hereby nullified except Contribution Clauses for the compliance with which the insured has received reduction in the rate charged or has received extension of the coverage to include hazards other than fire and compliance with such Contribution Clause is made a part of the consideration for insuring such other hazards. The Lender upon the payment to it of the full amount of its claim, will subrogate us (pro rata with all other insurers contributing to said payment) to all of the Lender's right of contribution under said other insurance.
6. We reserve the right to cancel this policy at any time, as provided by its terms. As respects the Lender, the cancellation will be effective ten (10) days after written notice of such cancellation is received by the Lender.

7. This policy shall remain in full force and effect as to the interest of the Lender for a period of ten (10) days after its expiration unless an acceptable policy in renewal thereof with "loss" thereunder payable to the Lender in accordance with the terms of this Lender's Loss Payable Endorsement, shall have been issued by some insurance company and accepted by the Lender.
8. Should legal title to and beneficial ownership of any of the property covered under this policy become vested in the Lender or its agents, insurance under this policy shall continue for the term thereof for the benefit of the Lender but, in such event, any privileges granted by this Lender's Loss Payable Endorsement which are not also granted the insured under the terms and conditions of this policy and/or under other riders or endorsements attached thereto shall not apply to the insurance hereunder as respects such property.
9. All notices herein provided to be given by us to the Lender in connection with this policy and this Lender's Loss Payable Endorsement shall be mailed to or delivered to the Lender at its office or branch described on the first page of the policy.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **PRE-EXISTING DAMAGE EXCLUSION**

This endorsement modifies insurance provided under the following:

### **SPECIALTY PROPERTY COVERAGE FORM**

Notwithstanding any provision to the contrary within the policy to which this exclusion is attached or any endorsement thereto, it is agreed that this insurance excludes "loss", cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any property insured hereunder where such property has sustained pre-existing damage prior to the commencement of this insurance, which pre-existing damage has not been fully repaired.

This exclusion shall apply until such time as the damage has been repaired to a standard acceptable to us and has been certified as meeting the minimum code standards in force at the time of such "loss". Such certification shall be made available to us upon request.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**CALIFORNIA AMENDATORY ENDORSEMENT**

CONDITIONS

A. Common Policy Conditions

1. Cancellation

The following provisions are added to this condition:

- g. If this policy has been in effect for 60 days or more, or if this policy is a renewal of a policy we issued, we may not cancel this policy except for:
  - (1) Nonpayment of premium;
  - (2) A judgment by a court or an administrative tribunal that you have violated a law of this state or of the United States having as one of its necessary elements an act increasing any hazard insured against;
  - (3) Discovery of fraud or material misrepresentation in procurement of this insurance or with respect to any claims submitted under it;
  - (4) Discovery of grossly negligent acts or omissions by you that materially increase any hazard insured against;
  - (5) The occurrence of a change in the risk that materially increases any hazard insured against after insurance coverage has been issued or renewed; or
  - (6) A determination by the Insurance Commissioner that the continuation of the policy would place us in violation of the insurance laws of this state.

- h. The notice of cancellation will state the specific reasons for cancellation.

The following provision is added and applies if this policy covers residential properties occupied by 4 families or less:

- i. If this policy has been in effect for 60 days or less and is not a renewal of a policy we issued, we may cancel this coverage for any reason except we may not cancel such coverage solely because the first Named Insured has accepted our offer of earthquake coverage.

The following Condition is added:

13. Nonrenewal

- a. If we decide not to renew this policy, we will mail or deliver written notice of nonrenewal to the first Named Insured and the agent, if any, at least 60 days prior to the expiration date of this policy.
- b. We are not required to send notice of nonrenewal in the following situations:
  - (1) If you have obtained replacement coverage, or if the first Named Insured has agreed, in writing, within 60 days of the termination of the policy, to obtain that coverage.
  - (2) If the policy is for a period of no more than 60 days and you are notified at the time of issuance that it will not be renewed.
  - (3) If the first Named Insured requests a change in the terms or conditions or risks covered by the policy within 60 days of the end of the policy period.

- (4) If we have made a written offer to the first Named Insured, in accordance with the time frame shown in paragraph **13.a.**, to renew the policy under changed terms or conditions or at an increased premium rate, when the increase exceeds 25%.

The following provision applies only if this policy covers residential properties occupied by 4 families or less:

- c. We may not refuse to renew this policy solely because the first Named Insured has accepted our offer of earthquake coverage.

## **CALIFORNIA COMPLAINTS NOTICE**

To request assistance or make an initial complaint, you should contact Citadel Insurance Services LC at:

**2600 W Executive Parkway, Suite 500, Lehi, UT 84043**

**Toll Free Number 1-877-247-4468**

In the alternative, or if you are dissatisfied with the resolution of your complaint by the above party, you may wish to contact the Lloyd's Complaints Department at:

**Accelerant Specialty Insurance Company  
400 Northridge Rd., Suite 800  
Sandy Springs, GA 30350**

**Phone: 1-833-284-9200**

**Email: [uscomplaints@accelins.com](mailto:uscomplaints@accelins.com)**

The California Department of Insurance should be contacted only after discussions with the insurer, its agent, or representative, have failed to produce a satisfactory resolution. You may contact the California Department of Insurance to obtain information on your rights or make a complaint at:

**Consumer Hotline  
1-800-927-4357 (HELP)**

**TDD Number  
1-800-482-4833 (TTY)**

**California Department of Insurance  
Consumer Services Division  
300 South Spring Street, South Tower  
Los Angeles, CA 90013**

**CALIFORNIA SURPLUS LINES NOTICE 2**

This insurance is issued pursuant to the California Insurance Code, Sections 1760 through 1780, and is placed in an insurer or insurers not holding a Certificate of Authority from or regulated by the California Insurance Commissioner.



## SERVICE OF SUIT CLAUSE (U.S.A.)

This Service of Suit Clause will not be read to conflict with or override the obligations of the parties to arbitrate their disputes as provided for in any Arbitration provision within this Policy. This Clause is intended as an aid to compelling arbitration or enforcing such arbitration or arbitral award, not as an alternative to such Arbitration provision for resolving disputes arising out of this contract of insurance (or reinsurance).

It is agreed that in the event of the failure of the Underwriters hereon to pay any amount claimed to be due hereunder, the Underwriters hereon, at the request of the Insured (or Reinsured), will submit to the jurisdiction of a Court of competent jurisdiction within the United States. Nothing in this Clause constitutes or should be understood to constitute a waiver of Underwriters' rights to commence an action in any Court of competent jurisdiction in the United States, to remove an action to a United States District Court, or to seek a transfer of a case to another Court as permitted by the laws of the United States or of any State in the United States.

It is further agreed that service of process in such suit may be made upon

Foley & Lardner LLP  
555 California Street, Suite 1700,  
San Francisco,  
California 94104-1520,  
USA

and that in any suit instituted against any one of them upon this contract, Underwriters will abide by the final decision of such Court or of any Appellate Court in the event of an appeal.

The above-named are authorized and directed to accept service of process on behalf of Underwriters in any such suit and/or upon the request of the Insured (or Reinsured) to give a written undertaking to the Insured (or Reinsured) that they will enter a general appearance upon Underwriters' behalf in the event such a suit shall be instituted.

Further, pursuant to any statute of any state, territory or district of the United States which makes provision therefor, Underwriters hereon hereby designate the Superintendent, Commissioner or Director of Insurance or other officer specified for that purpose in the statute, or his successor or successors in office, as their true and lawful attorney upon whom may be served any lawful process in any action, suit or proceeding instituted by or on behalf of the Insured (or Reinsured) or any beneficiary hereunder arising out of this contract of insurance (or reinsurance), and hereby designate the above-named as the person to whom the said officer is authorized to mail such process or a true copy thereof.

# SPECIALTY LIABILITY COVERAGE FORM

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## SPECIALTY LIABILITY 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.

The word “insured” means any person or organization qualifying as such under SECTION C — WHO IS AN INSURED.

Other words and phrases that appear in quotation marks have special meaning. Refer to the DEFINITIONS section at the end of this policy.

## LIABILITY AND MEDICAL EXPENSES

### A. 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," "personal injury" or "advertising injury" to which this insurance applies. We will have the right and duty to defend any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages to which this insurance does not apply. We may at our discretion investigate any "occurrence" and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in SECTION D — LIMITS OF INSURANCE; and
- (2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or 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 to:

- (1) "Bodily injury" and "property damage" that occurs during the "policy period" and is caused by an "occurrence" that takes place in the "coverage territory".
- (2) "Personal injury" caused by an offense arising out of your business, excluding advertising, publishing, broadcasting or telecasting done by or for you, but only if the offense was committed in the "coverage territory" during the policy period.
- (3) "Advertising injury" caused by an offense committed in the course of advertising your goods, products or services, but only if the offense was committed in the "coverage territory" during the policy period.

c. 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".

d. "Property damage" that is "loss" of use of tangible property that is not physically injured will be deemed to occur at the time of the "occurrence" that caused it.

e. This insurance applies to "bodily injury" and "property damage" only if:

- (1) Prior to the policy period, no insured listed under Paragraph 1. of Section C. WHO IS AN INSURED and no employee authorized by you to give or receive notice of an "occurrence" or claim, knew that the "bodily injury" or "property damage" had occurred, in whole or in part. If such a listed insured or authorized employee knew, prior to the policy period, that the "bodily injury" or "property damage" occurred, then any continuation, change or resumption of such "bodily injury" or "property damage" during or after the policy period will be deemed to have been known prior to the policy period.
- (2) "Bodily injury" or "property damage" which occurs during the policy period and was not, prior to the policy period, known to have occurred by any insured listed under Paragraph 1. of Section C. WHO IS AN INSURED or any employee authorized by you to give or receive notice of an "occurrence" or claim, includes any continuation, change or resumption of that "bodily injury" or "property damage" after the end of the policy period.
- (3) "Bodily injury" or "property damage" will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraph 1. of Section C. WHO IS AN INSURED or any employee authorized by you to give or receive notice of an "occurrence" or claim:
  - (a) Reports all, or any part, of the "bodily injury" or "property damage" to us or any other insurer;
  - (b) Receives a written or verbal demand or claim for damages because of the "bodily injury" or "property damage"; or
  - (c) Becomes aware by any other means that "bodily injury" or "property damage" has occurred or has begun to occur.

**2. Stop Gap.** The coverage for “bodily injury” provided by 1. Business Liability above is extended to include all sums you legally must pay for “bodily injury” to an employee of yours provided:

- a. The injury arises out of and in the course of the injured employee’s employment by you; and
- b. The employee is reported and declared under the Workers’ Compensation fund of the State(s) Ohio, North Dakota, Washington or Wyoming.

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

b. We will make the following payments regardless of fault. These payments will not exceed the applicable 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.

**4. Coverage Extension — Supplementary Payments.** In addition to the Limits of Insurance, we will pay, with respect to any claim or “suit” we defend:

- a. All expenses we incur.
- b. Up to \$2,000 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 the 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 \$500 a day because of time off from work.

e. All costs taxed against the insured in a “suit”.

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 the 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.

**B. EXCLUSIONS**

**1. Applicable to Business Liability Coverage —** This insurance does not cover:

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

b. “Bodily injury” or “property damage” for which any insured may be held liable by reason of:

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

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

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

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

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

d. "Bodily injury" to:

- (1) An employee of the insured arising out of and in the course of employment by the insured; or
- (2) The spouse, child, parent, brother or sister of that employee as a consequence of (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 a contract.

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

- (1) 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;
- (2) 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;
- (3) 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;
- (4) 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":
  - (a) If the "pollutants" are brought on or to the premises, site or location in connection with such "operations" by such insured, contractor or subcontractor; or
  - (b) 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".

Subparagraph (a) does not apply to "bodily injury" or "property damage" arising out of heat, smoke or fumes from a hostile fire. As used in this exclusion, a hostile fire means one which becomes uncontrollable or breaks out from where it was intended to be.

f. Any loss, cost or expense arising out of any:

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

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

This exclusion does not apply to:

- (1) 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 any insured; or
- (2) Liability assumed under contract for the ownership, maintenance or use of an aircraft.

h. "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 or preparation for, a prearranged racing, speed or demolition contest or in any stunting activity.

i. "Bodily injury" or "property damage" due to war, whether or not declared, or any act or condition incident to war. War includes civil war, insurrection, rebellion or revolution. This exclusion applies only to liability assumed under a contract or agreement.

- j. "Bodily injury", "property damage", "personal injury" or "advertising injury" due to rendering or failure to render any "professional service".

This exclusion does not apply to "Incidental Medical Malpractice".

- k. "Bodily injury", "property damage", "personal injury" or "advertising injury" arising out of or resulting from the manufacturing, handling, selling, distribution, disposal, existence, use of or exposure to asbestos, asbestos dust, asbestos fibers or asbestos products.

- l. "Property damage" to:

- (1) Property you own;
- (2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;
- (3) Personal property rented by you or loaned to you;
- (4) Personal property in the care, custody or control of the insured;
- (5) That particular part of real property on which you or any 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 (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".

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

- o. "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 the sudden and accidental physical injury to "your product" or "your work" after it has been put to its intended use.

- p. 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.

- q. Any claim made against you for loss of revenue due to "loss" to any data processing records, if this "loss" is a result of:

- (1) Your negligence;
- (2) Your failure to perform; or

**(3)** “Your product”.

This exclusion applies only if you are in the business of providing data processing services to others.

**r.** “Personal injury” or “advertising injury”:

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

**(2)** Arising out of oral or written publication of material whose first publication took place before the beginning of the policy period;

**(3)** Arising out of the willful violation of a penal statute or ordinance committed by or with the consent of any insured; or

**(4)** For which any 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.

**s.** “Advertising injury” arising out of:

**(1)** Breach of contract, other than misappropriation of advertising ideas under an implied contract;

**(2)** The failure of goods, products or services to conform with advertised quality or performance;

**(3)** The wrong description of the price of goods, products or services; or

**(4)** An offense committed by an insured whose business is advertising, broadcasting, publishing or telecasting.

**t.** “Bodily injury” or “personal injury” to:

**(1)** A person arising out of any:

**(a)** Refusal to employ that person;

**(b)** Termination of that person’s employment; or

**(c)** Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline,

or discrimination directed at that person; or

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

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.
- u. "Bodily injury", "property damage", "personal injury" or "advertising injury", however caused, arising, directly or indirectly, out of:
- (1) War, including undeclared or civil war;
  - (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
  - (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.
- v. "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 attorneys' 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 attorneys' 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.

For the purposes of this exclusion, "insured contract" means:

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

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

- (a) That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, road-beds, tunnel, underpass or crossing;
- (b) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
  - (i) Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
  - (ii) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or



**2. Applicable to Stop Gap Coverage — This**

insurance does not cover:

- a. Any obligation imposed by a workers' compensation, occupational disease, unemployment compensation or disability benefits law, or any similar law.
- b. "Bodily injury" suffered or caused by any person knowingly employed by you in violation of any law as to age, or under the age of 14 years regardless of any such law.
- c. Any claim for "bodily injury" with respect to which you are deprived of any defense or defenses or are otherwise subject to penalty because of default in premium payment, or other failure to comply with the provisions of any workers' compensation law.
- d. Liability assumed under a contract.
- e. "Bodily injury" intentionally caused or aggravated by you.
- f. "Bodily injury" which occurred or is alleged to have occurred, in whole or in part, because of the following or any similar actions: coercion, criticism, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination against or termination of any employee, or any personnel practices, policies, acts or omissions.
- g. Any assessment, penalty or fine levied by any regulatory inspection agency or authority.

Exclusions 2.a. and 2.e. above shall not exclude coverage for which you are legally liable, other than benefits or compensation provided for under any workers' compensation act, resulting from the deliberate intentional act of an employee or agent (other than an executive officer, director, stockholder or partner) to produce injury or death to another employee when such act is committed within the scope of employment.

**3. Applicable to Medical Expenses Coverage — We will not pay expenses for "bodily injury":**

- a. To any insured;
- 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 taking part in athletics.
- f. Included within the "products-completed operations hazard".
- g. Excluded under Business Liability Coverage.

**4. Applicable to Business Liability, Stop Gap and Medical Expenses Coverages — Nuclear Energy Liability Exclusion.**

This insurance does not cover:

- a. Under Business Liability and Stop Gap Coverages, 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" arising out of the operation of a "nuclear facility" by any person or organization.

- c. Under Business Liability and Stop Gap Coverages, 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.

### C. WHO IS AN INSURED

- 1. If you are designated in the Declarations as:

- a. An individual, you and your spouse are insureds, but only with respect to the conduct

of a business of which you are the sole owner.

- b. A partnership or joint venture, you are an insured. Your members, your partners and their spouses are also insureds, but only with respect to the conduct of your business.

- c. A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your manager.

- d. An organization other than a partnership or joint venture, 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.

- 2. Each of the following is also an insured:

- a. Your employees, other than your executive officers, but only for acts within the scope of their employment by you. However, no employee is an insured for:

- (1) “Bodily injury” or “personal injury” to you or to a co-employee while in the course of his or her employment, or to the spouse, child, parent, brother or sister of that co-employee as a consequence of such “bodily injury” or “personal injury,” or for any obligation to share damages with or repay someone else who must pay damages because of the injury;

- (2) “Property damage” to property owned or occupied by or rented or loaned to that employee, any of your other employees, or any of your partners or members (if you are a partnership or joint venture).

- Paragraph (1) does not apply to executive officers, or to managers at the supervisory level or above.

- b. Any person (other than your employee), 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.
- e. Any organization you newly acquire or form, other than a partnership or joint venture, and over which you maintain ownership or majority interest, will be deemed to be a Named Insured if there is no other similar insurance available to that organization. However:
  - (1) Coverage under this provision is afforded only until the 180th day after you acquire or form the organization or the end of the policy period, whichever is earlier;
  - (2) Coverage does not apply to “bodily injury” or “property damage” that occurred before you acquired or formed the organization; and
  - (3) Coverage does not apply to “personal injury” or “advertising injury” arising out of an offense committed before you acquired or formed the organization.
- f. Any person or organization (referred to below as “vendor”) with whom you have agreed in a written contract or agreement to provide insurance, but only with respect to “bodily injury” or “property damage” arising out of “your products” which are distributed or sold in the regular course of the vendor’s business, subject to the following additional provisions and only to the extent that this policy provides insurance for “bodily injury” and “property damage” included in the “products-completed operations hazard”:
  - (1) The insurance afforded the vendor does not apply to:
    - (a) “Bodily injury” or “property damage” for which the vendor is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability damages that the vendor would have in the absence of the contract or agreement;
    - (b) Any express warranty unauthorized by you;

- (c) Any physical or chemical change in the product made intentionally by the vendor;
  - (d) Repackaging, unless unpacked solely for the purpose of inspection, demonstration, testing, or the substitution of parts under instructions from the manufacturer, and then repackaged in the original container;
  - (e) Any failure to make such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products;
  - (f) Demonstration, installation, servicing or repair “operations”, except such “operations” performed at the vendor’s premises in connection with the sale of the product;
  - (g) Products which, after distribution or sale by you, have been labeled or relabeled or used as a container, part or ingredient of any other thing or substance by or for the vendor.
- (2) This insurance does not apply to any insured person or organization from whom you have acquired such products, or any ingredient, part or container, entering into, accompanying or containing such products.

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

#### **D. 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. Subject to 3. below, the most we will pay for:

- a. Damages because of “bodily injury” and “property damage”, and medical expenses arising out of any one “occurrence” is the Each Occurrence Limit; and
- b. Damages because of “personal injury” and “advertising injury” sustained by any one person or organization is the Personal Injury and Advertising Injury 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. Aggregate Limits

The most we will pay for:

- a. Damages because of “bodily injury”, “property damage” under the “products- completed operations hazard” is the Products-Completed Operations Aggregate Limit.
- b. Other than under the “products-completed operations hazard”, the sum of damages because of “bodily injury”, “property damage”, “personal injury” and “advertising injury”, and medical expenses arising from all “occurrences” during the policy period, at any one location, is the General Aggregate Limit.

The limits of this policy apply separately to each policy period.

## E. COMMON POLICY CONDITIONS

All parts of this policy are subject to the following conditions.

### 1. Cancellation

- a. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
- b. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
  - (1) 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
  - (2) 30 days before the effective date of cancellation if we cancel for any other reason.
- c. We will mail or deliver our notice to the first Named Insured’s last address known to us or

at the last address shown by our records.

- d. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
- e. If this policy is canceled, 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.
- f. If notice is mailed, proof of mailing will be sufficient proof of notice.

### 2. 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.

### 3. Concealment, Misrepresentation and Fraud

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

- a. This policy;
- b. The Covered Property;
- c. Your interest in the Covered Property; or
- d. A claim under this policy.

### 4. 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.

### 5. Inspections and Surveys

- a. We have the right but are not obligated to:
  - (1) Make inspections and surveys at any time;
  - (2) Give you reports on the conditions we find; and
  - (3) Recommend changes.

- b. Any inspections, surveys, reports or recommendations relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:

- (1) Are safe or healthful; or
- (2) Comply with laws, regulations, codes or standards.

- c. This condition applies not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.
- d. 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

#### 6. Insurance Under Two or More Coverages

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

#### 7. Liberalization

If we revise this policy to provide broader coverage without additional premium charge, your policy will automatically provide the broader coverage as of the date the revision is effective in your state.

#### 8. Other Insurance

- a. If there is other insurance covering the same loss, we will pay only for the amount of covered loss 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.
- b. When this insurance is excess, we will have no duty under Business Liability Coverage or Stop Gap Coverage to defend any claim or "suit" that any other insurer has a duty to defend. If no other insurer defends, we will undertake to do so; but we will be entitled to the insured's rights against all those other insurers.

#### 9. Policy Period and "Coverage Territory"

We cover loss occurring:

- a. During the policy period shown in the Declarations; and
- b. Within the "coverage territory".

#### 10. Premiums

- a. 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.

- b. The premium shown in the Declarations was computed based on rates in effect at the time the policy was issued. On each renewal of the effective date of this policy, we will compute the premium in accordance with our rates and rules then in effect.
- c. With our consent, you may renew this policy by paying the renewal premium for the successive one-year period. The premium must be:

- (1) Paid to us prior to the renewal date; and
- (2) Determined in accordance with paragraph 10.b. above.

Our forms then in effect will apply. If you do not pay the renewal premium, this policy will expire on that renewal date.

- d. During the policy period you may have undeclared exposures or changes in your business operation, acquisition or use of locations, that are not shown in the Declarations. If so, we may require an additional premium. That premium will be determined in accordance with our rates and rules then in effect.

#### 11. Transfer of Rights of Recovery

If the insured has rights to recover all or part of any payment we have made under this policy, 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.

#### 12. Transfer of Your Rights and Duties

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.

## F. CONDITIONS APPLICABLE TO LIABILITY AND MEDICAL EXPENSES COVERAGES

### 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, settlement or defense of the claim or "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 insureds will, except at their 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 obtained after an actual trial; 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.

Knowledge of an "occurrence," claim or "suit" by your agent, servant or employee shall not in itself constitute knowledge of the Named Insured unless an officer of the Named Insured has received such notice from the agent, servant or employee.

## DEFINITIONS

"Advertising Injury" means injury except "bodily injury" or "personal injury" arising out of one or more of the following offenses committed in the course of

your advertising activities:

- A. Oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
- B. Oral or written publication of material that violates a person's right of privacy;
- C. Misappropriation of advertising ideas or style of doing business; or
- D. Infringement of copyright, title or slogan.

**"Auto"** means a land motor vehicle, trailer or semitrailer designed for travel on public roads, including any attached machinery or equipment. But "auto" does not include "mobile equipment".

**"Auto Business"** means the business or occupation of selling, repairing, servicing, storing or parking "autos".

**"Bodily Injury"** means bodily harm, sickness or disease sustained by a person, including death resulting from any of these at any time.

**"By-product Material"** has the meaning given it in the Atomic Energy Act of 1954 or in any law amending this Act.

**"Coverage Territory"** means:

- A. The United States of America, its territories and possessions and Canada;
- B. International waters or airspace, provided the injury or damage does not occur in the course of travel or transportation to or from any place not included in A. above; or
- C. All parts of the world if:
  - 1. The injury or damage arises out of:
    - a. Goods or products made or sold by you in the territory described in A. above; or

- b. 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

- 2. The insured's responsibility to pay damages is determined in a "suit" brought in the territory described in A. above or in a settlement we agree to.

**"Hazardous Properties"** include radioactive, toxic or explosive properties.

**"Impaired Property"** means tangible property, other than "your product" or "your work";

- A. That cannot be used or is less useful because:
  - 1. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or
  - 2. You have failed to fulfill the terms of a contract or agreement; and
- B. If such property can be restored to use by:
  - 1. The repair, replacement, adjustment or removal of "your product" or "your work"; or
  - 2. Your fulfilling the terms of a contract or agreement.

**"Incidental Medical Malpractice"** means injury arising out of the rendering of or failure to render the following services, if you or your indemnitee is not engaged in the business or occupation of providing any of these services:

- 1. Medical, surgical, dental, X-ray or nursing service or treatment or the furnishing of food or beverages in connection with these services; or
  - 2. The furnishing or dispensing of drugs or medical, dental or surgical supplies or appliances.

**"Loading or Unloading"** means the handling of property:

- 1. After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "auto";
  - 2. While it is in or on an aircraft, watercraft or "auto"; or

3. 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".

"Loss" includes damage.

"Mobile Equipment" means any of the following types of land vehicles, including any attached machinery or equipment:

1. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
2. Vehicles maintained for use solely on or next to premises you own or rent;
3. Vehicles that travel on crawler treads;
4. Vehicles, whether self-propelled or not, on which are permanently mounted:
  - a. Power cranes, shovels, loaders, diggers or drills; or
  - b. Road construction or resurfacing equipment such as graders, scrapers or rollers;
5. Vehicles not described in 1., 2., 3. or 4. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
  - a. Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
  - b. Cherry pickers and similar devices used to raise or lower workers;
6. Vehicles not described in 1., 2., 3. or 4. above maintained primarily for purposes other than the transportation of persons or cargo.

However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":

1. Equipment designed primarily for:
  - a. Snow removal;
  - b. Road maintenance, but not construction or resurfacing;
  - 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.

"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 your custody 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 "by-product 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.



**“Occurrence”** means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.

**“Operations”** means the type of your business activities occurring at the described premises.

**“Personal Injury”** means injury, other than “bodily injury” or “advertising injury,” arising out of one or more of the following offenses:

1. False arrest, detention or imprisonment of any person;
2. Malicious prosecution;
3. Wrongful entry of a person into, or eviction of a person from, a room, dwelling or premises that the person occupies;
4. Oral or written publication of material that slanders or libels a person or organization or disparages a person’s or organization’s goods, products or services; or
5. Oral or written publication of material that violates a person’s right of privacy.

**“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.

**“Products-Completed Operations Hazard”:**

1. This hazard includes all “bodily injury” and “property damage” arising out of “your product” or “your work” except:
  - a. Products that are still in your physical possession; or
  - b. Work that has not yet been completed or abandoned.

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.

2. “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 site has been completed if your contract calls for work at more than

one site.

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

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

3. This hazard does not include “bodily injury” or “property damage” arising out of:
  - a. The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle created by the “loading or unloading” of it; or
  - b. The existence of tools, uninstalled equipment or abandoned or unused materials.

**“Professional Service”** includes, but is not limited to:

1. Legal, accounting or advertising services;
2. Preparing, approving, or failing to prepare, or approve maps, drawings, opinions, reports, surveys, change orders, designs or specifications;
3. Supervisory, inspection or engineering services;
4. Medical, surgical, dental, X-ray or nursing services or treatment;
5. Any health service or treatment;
6. Any cosmetic or tonsorial service or treatment;
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. Ear piercing services; and
9. Services in the practice of pharmacy.

**“Property Damage”** means:

1. 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
2. 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 physical injury that caused it.

Under B.4. Nuclear Energy Liability Exclusion, "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 amending this Act.

**"Special Nuclear Material"** has the meaning given it in the Atomic Energy Act of 1954 or in any law amending this Act.

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

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

1. An arbitration proceeding in which such damages are claimed and to which you must submit or do submit with our consent; or
2. Any other alternative dispute resolution proceeding in which such damages are claimed and to which you submit with our consent.

**"Waste"** means any waste material:

1. Containing "by-product material" other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its "source material" content; and
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".

**"Your Product"** means:

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

- a. You;
- b. Others trading under your name; or
- c. A person or organization whose business or assets you have acquired; and

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

"Your product" includes:

1. Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and
2. The providing of or failure to provide warnings or instructions.

"Your product" does not include vending machines or other property rented to or located for the use of others but not sold.

**"Your Work" means:**

1. Work or "operations" performed by you or on your behalf; and
2. Materials, parts or equipment furnished in connection with such work or "operations".

"Your Work" includes:

1. Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work"; and
2. The providing of or failure to provide warnings or instructions.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **STORINSURE LIABILITY BROADENING ENDORSEMENT**

This endorsement modifies insurance provided under the following:

SPECIALTY LIABILITY COVERAGE FORM

### **A. COVERAGES**

The following paragraphs are added:

#### **5. Customers' Goods Legal Liability**

We will pay those sums that the insured becomes legally obligated to pay as damages because of "property damage" to "customer's" property (or the property of others for which such "customer" is liable) only while at the insured premises, that occurs during the policy period and is caused by an "occurrence" We will have the right and duty to defend any "suit" seeking those damages. We may at our discretion investigate any "occurrence" and settle any claim or "suit" that may result. But:

- a. The amount we will pay for damages is limited as described in Section **D. LIMITS OF INSURANCE**; and
- b. Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under **COVERAGE EXTENSION — SUPPLEMENTARY PAYMENTS**.

This insurance applies to "property damage" only if:

- (1) Prior to the policy period, no insured listed under Paragraph **1.** of Section **C. WHO IS AN INSURED** and no employee authorized by you to give or receive notice of an "occurrence" or claim, knew that the "property damage" had occurred, in whole or in part. If such a listed insured or authorized employee knew, prior to the policy period, that the "property damage" occurred, then any continuation, change or resumption of such "property damage" during or after the policy period will be deemed to have been known prior to the policy period.
- (2) "Property damage" which occurs during the policy period and was not, prior to the policy period, known to have occurred by any insured listed under Paragraph **1.** of Section **C. WHO IS AN INSURED** or any employee authorized by you to give or receive notice of an "occurrence" or claim, includes any continuation, change or resumption of that "property damage" after the end of the policy period.
- (3) "Property damage" will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraph **1.** of Section **C. WHO IS AN INSURED** or any employee authorized by you to give or receive notice of an "occurrence" or claim:
  - (a) Reports all, or any part, of the "property damage" to us or any other insurer;
  - (b) Receives a written or verbal demand or claim for damages because of the "property damage"; or
  - (c) Becomes aware by any other means that "property damage" has occurred or has begun to occur.

#### **6. Sale and Disposal Liability**

We will pay those sums that you become legally obligated to pay as damages for your acts or omissions arising from "lock-out" or the sale, removal or disposition of "customer's" property as a result of "sale and disposal operations." We will have the right and duty to defend any "suit" seeking those damages. We may at our discretion investigate any "occurrence" and settle any claim or "suit" that may result. But:

- a. The amount we will pay for damages is limited as described in SECTION D — LIMITS OF INSURANCE; and
- b. Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements.

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. EXCLUSIONS**

### **1. Applicable to Business Liability Coverage**

The following exclusions are added:

- I. (7)** “Property damage” to property belonging to insured’s “customers”.
- w. “Bodily injury” to any “customer” arising directly or indirectly from the sale or other disposition of the “customer’s” property by you or any other person or persons.

The following exclusions are added:

### **5. Applicable to Customers’ Goods Legal Liability Coverage — This insurance does not cover:**

- a. Liability assumed by you under any contract or agreement;
- b. “Property damage” arising out of misappropriation, secretion, conversion, infidelity or any dishonest or criminal act on your part or your employees or agents, or any person or persons to whom you may entrust the property;
- c. “Property damage” arising out of the removal, “sale and disposal operations” or destruction of your “customer’s” property by you or any other person or persons.
- d. Losses to “customers” wine in storage resulting from contamination, spoilage or breakage.

### **6. Applicable to Sale and Disposal Liability Coverage — This insurance does not cover:**

- a. Liability assumed by you under any contract or agreement;
- b. “Property damage” arising out of misappropriation, secretion, conversion, infidelity or any dishonest or criminal act on your part or your employees or agents, or any person or persons to whom you may entrust the property;
- c. Any loss, damage, cost or expense arising out of any government direction or request that you test for, monitor, clean up, remove, contain, treat, detoxify or neutralize “pollutants”; or
- d. “Bodily injury” to any “customer” arising directly or indirectly from the sale or other disposition of the “customer’s” property by you or any other person or persons.

## **D. LIMITS OF INSURANCE**

### **3. Aggregate Limits**

The following paragraphs are added to the end:

This section applies separately to each of your “locations” owned by or rented by you.

"Location" means premises involving the same or connecting lots, or premises whose connection is interrupted only by a street, roadway, waterway, or right-of-way of a railroad.

4. Under **A.5. Customers' Goods Legal Liability**, the most we will pay for damages because of "property damage" arising out of any one "occurrence" at any location, is the Customers' Goods Legal Liability limit shown in the Declarations for that location.

The most we will pay for all damages because of "property damage" during the policy period is the Customers' Goods Legal Liability aggregate limit shown in the Declarations.

The most we will pay for all damages because of "property damage" in any one "occurrence" to "customers'" mail items accepted for delivery is \$25,000.

The most we will pay for all damages because of "property damage" in any one "occurrence" to "customers'" wine in storage is \$50,000.

5. Under **A.6. Sale and Disposal Liability**, the most we will pay for all claims during the policy period, at any one location, is the Sale and Disposal Liability limit shown in the Declarations.

Add the following paragraphs:

#### **DEDUCTIBLE**

This Deductible clause applies only to **A.6. Sale and Disposal Liability**.

1. From the amount of each adjusted claim the deductible sum indicated in the Declarations shall be deducted.
2. We may pay part or all of the deductible on your behalf. Upon notification of the action taken, you agree to promptly reimburse us.
3. The applicable deductible shall be increased to \$10,000 for any claim or loss where the involved tenant has not completed and signed, prior to the date of the applicable claim or loss, the most recent, approved version of the tenant lease agreement on file with the Underwriter.

#### **DEFINITIONS**

The following definitions are added:

**"Customer"** means a tenant, lessee or any person or organization leasing or renting self-storage space(s) at the insured premises.

**"Lock-out"** means depriving the "customer" access to their property or to occupancy of this space.

**"Sale and Disposal Operations"** means activities and procedures which you conduct in your self-service storage business to reclaim rented space in self-storage units at the insured premises.

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## **SALE AND DISPOSAL DEDUCTIBLE CHANGE ENDORSEMENT**

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**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

This endorsement modifies insurance provided under **PART ONE LIABILITY AND MEDICAL EXPENSES**

STOR1037 STORINSURE LIABLITY BROADENING ENDORSEMENT E. DEDUCTIBLE the following has been added:

3. The applicable deductible shall be increased to \$10,000 for any claim or loss where the involved tenant has not completed and signed, prior to the date of the applicable claim or loss, the most recent, approved version of the tenant lease agreement on file with the Underwriter.

## CALIFORNIA SELF STORAGE RENTAL AGREEMENT

<Site.Name>

<Site.StreetAddress1> <Site.StreetAddress2> <Site.City>, <Site.Region> <Site.PostalCode>

<Site.Phone>

Unit # <Tenant.UnitName>

**Welcome! The following information is for your reference. It contains some important suggestions and pertinent information about the policies of this self storage facility.**

1. Your monthly rental fee is \$ <Tenant.RentalRate> and is due on the first (1<sup>st</sup>) of each month, no invoice will be mailed. Electronic invoices can be sent to your email address at no charge.
2. Payments can be made in the office or via the facility website <Site.Website> .
3. We provide the capability to automatically bill your credit card on a monthly basis at no charge.
4. If your payment is not received by day <Rent.LateNoGateAccess> of the month, your gate access will be denied.
5. If your payment is not received by the 15<sup>th</sup> of the month, we will start the process for public auction.
6. A partial payment **does not** stop fees or official procedures. Any agreement between tenant and management to extend payment dates or defer sale of goods must be in writing and signed by both management and tenant to be binding.
7. A <Tenant.FeeBadCheck> fee is automatically charged for all returned checks as well as a <Tenant.LateFee1> late fee. All future payments must be made by money order.
8. **Tenant Insurance is a requirement.** Your property must be insured., you may submit your own policy that provides coverage for offsite storage. We do not assume liability for the goods you store.
9. Do not use the rental unit for anything but DEAD STORAGE. Do not store food. Do not store any flammable, explosive or illicit materials. The unit is to be used for storage only. Any violation will result in an eviction notice.
10. The storage unit must be vacated on or before the last day of the month for which rent has been paid and all terms and conditions of this agreement are met by the tenant.
11. The storage unit must be broomed clean, emptied, and in good condition - subject only to wear and tear - and ready to re-rent.
12. Your lock must be removed upon termination of occupancy. Failure to remove lock will result in your being charged the next month is the unit is locked and not accessible by the site.
13. Planned gate hours are seasonal and will be posted at the site. Gate hours **will vary** throughout the year.
14. Standard office hours are from 10:00(A.M.) to 6:00(P.M.), Monday through Friday. 9:00 (A.M) to 5:00 (P.M) Saturday. Management is on the property after hours for security reasons only.
15. We do not prorate when you vacate a unit. If your unit is occupied on the first (1<sup>st</sup>) day of the month, a full month's rent is due. There are no exceptions!
16. Only one lock is allowed per door latch. If more than one lock is found, the second lock will be removed, and you may be subject to a <Tenant.FeeCutLock> administration fee for the removal of that lock.
17. Do not follow someone through the gate without first putting in your access code. The gate may close on you or you may not be able to exit.
18. Please leave aisles clear and do not block another tenant's door or a fine may be added.
19. Delivery drivers are to be met promptly and are not to block the front driveway or gate under any circumstances. The storage

office **DOES NOT** accept deliveries on your behalf.

20. It is your responsibility to update the office with any address changes and/or phone number change. Until we are notified in writing with your signature, the only valid address and telephone number will be from the signed lease. **If both the mailing address and phone number are found to be incorrect at any time, the unit will be overlocked, gate code deactivated and the eviction process started.**

21. By signing this lease **you certify that you have not been evicted by another storage facility**, nor auctioned off by a storage facility. If this is found to be false, the unit will be overlocked, gate code deactivated and the eviction process started.

22. If you are renting via the internet/website outside of business hours, you acknowledge that the facility is only available during posted gate hours and that under no circumstance is any occupant of onsite residence is to be contacted. If you come onsite after hours, and/or disturb any onsite residents, you have violated policy, reference consequence in following clause number twenty-three.

23. We strictly enforce all policies and conditions and do not make exceptions! The standard remedy for a rules violation is the unit will get overlocked, the gate code deactivated and eviction process started. Only access from that point would be a scheduled appointment during business hours to arrange for removal of your goods.

**Occupant Initials:** <ESign.Initials1>

Thank you! We appreciate your business and look forward to you having a pleasant stay with us. If we can be of further help, please let us know.

**Tenant Signature:** <ESign.Signature1>

**Date:** <Date.Notice>

#### Occupant Information

**Name:** <Tenant.Name>

**Address:** <Tenant.FullAddress>

**Email:** <Tenant.Email>

**Phone: (Home)** <Tenant.HomePhone>      **(Cell)** <Tenant.MobilePhone>      **(Business)** <Tenant.WorkPhone>

**Company Name :** <Tenant.CompName>

**Driver's License # / State:** <Tenant.DriversLicense> / <Tenant.DriversLicenseRegion>

*If any personal information is found to be incorrect you will be asked to vacate immediately and there will be no refunds.*

**Alternate Person -- Please provide the name and address of another person to whom the Preliminary Lien Notice and subsequent notices may be sent. (If none write "none")**

**Name:** <Tenant.AltName>

**Address:** <Tenant.AltStreetAddress1> <Tenant.AltStreetAddress2>, <Tenant.AltCity> <Tenant.AltRegion>  
<Tenant.AltPostalCode>

**Military Service -- Are you or your spouse on active duty military service? (Identification required)**

<ESign.RadioButtonPair:Yes:No>



**Space, Rent, Fees & Charges**

Space #:	<u>&lt;Tenant.UnitName&gt;</u>	Rent Due Date:	<u>&lt;Tenant.DueDay&gt; day of month</u>
Rent:	<u>\$ &lt;Tenant.RentalRate&gt;</u>	Admin. Fee:	<u>\$20.00</u>
Late Fee:	<u>\$10.00</u>	Bad Check Charge:	<u>\$35.00</u>
Pre Lien Charge:	<u>\$15.00</u>	Lien Letter Charge	<u>\$30.00</u>

**NOTICE OF LIEN:** Pursuant to the California Self-Service Storage Facility Act your property will be subject to a claim of lien for unpaid rent and other charges and may even be sold to satisfy the lien if rent and other charges due remain unpaid for fourteen (14) consecutive days.

<Site.Name> (hereinafter Owner) rents to Occupant the storage space indicated above pursuant to the following terms and conditions:

**TERM:** The term of the tenancy shall commence on the date indicated above and shall continue until terminated on a month-to-month basis. The minimum rental term is one month.

**RENT:** The rent shall be the amount stated above and paid to Owner at the address stated above. Rent is due each month on the rent due date in advance and without demand. Owner reserves the right to require that rent and other charges be paid in cash, certified check, or money order. Owner may change the monthly rent or other charges by giving Occupant fifteen (15) days advanced written notice by first-class mail at the address stated in this agreement. The new rent shall become effective on the next date rent is due. If Occupant has made advanced rental payments, the new rent will be charged against such payments, effective upon giving notice of the new rate.

**PARTIAL RENT PAYMENTS:** Owner, at Owner's sole discretion, may accept or reject partial rent payments. Acceptance of partial rent payments by Owner shall not constitute a waiver of Owner's rights and Occupant understands and agrees that acceptance of a partial rent payment made to cure a default for non-payment of rent shall not delay or stop foreclosure on Occupant's stored property as provided by the California Self-service Storage Facility Act.

**CHANGE OF ADDRESS:** Occupant must provide address changes to Owner in writing. Such change will become effective when received by Owner. It is the responsibility of the Occupant to verify that Owner has received and recorded the requested change of address.

**ADMINISTRATION FEE:** Occupant agrees to pay the indicated non-refundable administration fee.

**SECURITY DEPOSIT:** No security deposit is in place at facility.

**LATE FEES AND OTHER CHARGES:** Occupant agrees to pay Owner the indicated late fee if rent is received ten (10) or more days after the due date. Occupant will pay Owner the indicated fee for each letter sent to Occupant notifying Occupant of the default. Occupant agrees to pay Owner the indicated "Bad Check Charge" plus all bank charges for any dishonored check. These fees are considered additional rent and are to compensate Owner for labor and other costs of collection. In the event of default, Occupant agrees to pay all collection and lien costs incurred by Owner.

**ADDITIONAL FEE SCHEDULE:**

\$20 Administration Fee (upon move in, non-refundable)

\$10 Late Fee (10th day past due)

\$15 Pre Lien Fee (15th day past due)

\$30 Lien Fee (30th day past due)

\$30 Lock Cut - Auction

\$30.00 Advertising - Auction

\$30.00 Inventory - Auction

\$30 Auction Fee

\$35 NSF- Dishonored check charge/Credit Card Reversals

\$25 Gate violation

\$25.00 + Trash removal/dumpster violation

**CROSS COLLATERALIZATION OF SPACES:** When Occupant rents more than one space at this facility, the rent is secured by the property in all the spaces rented. Failure by Occupant to pay on any space shall be considered a default on all spaces rented. Owner may exercise all remedies, including, denial of access to the facility and sale of the property, if all rent on all spaces is not paid when due.

**GATE ACCESS REVOKED:** When rent or other charges remain unpaid for ten (10) consecutive days, Owner may revoke Occupant's gate access code. Occupant will only have access to the space during office hours and must first check-in at the office prior to entry into the facility.

**TERMINATION:** Thirty (30) days advanced written notice given by Owner or Occupant to the other party will terminate this tenancy. Owner does not prorate rent; only full months' prepaid rent shall be returned to Occupant within fifteen (15) days of vacating the unit. Occupant must leave the space broom clean and in good condition. Occupant is responsible for all damages.

**USE OF STORAGE SPACE:** Owner is not engaged in the business of storing goods for hire and no bailment is created under this agreement. Owner does not exercise care, custody, nor control, over Occupant's stored property. Occupant agrees to use the storage space only for the storage of property wholly owned by Occupant. Occupant shall not store antiques, artworks, heirlooms, collectibles or any property having special or sentimental value to Occupant. Occupant waives any claim for emotional or sentimental attachment to the stored property. **Occupant agrees not to store property with a total value in excess of \$5,000 without the written permission of the Owner. If such written permission is not obtained, the value of Occupant's property shall be deemed not to exceed \$5,000.** Nothing herein shall constitute any agreement or admission by Owner that Occupant's stored property has any value, nor shall anything alter the release of Owner's liability set forth below.

**HAZARDOUS OR TOXIC MATERIALS PROHIBITED:** Occupant is strictly prohibited from storing or using materials in the storage space or on the facility classified as hazardous or toxic under any local, state or federal law or regulation, and from engaging in any activity which produces such materials. Occupant's obligation of indemnity as set forth below specifically includes any costs, expenses, fines, or penalties imposed against the Owner, arising out of the storage or use of any hazardous or toxic material by Occupant, Occupant's agents, employees, invitees or guests. Owner may enter the storage space at any time to remove and dispose of prohibited items.

Occupant Initials <ESign.Initials1>

**INSURANCE OBLIGATION: THE OWNER DOES NOT PROVIDE ANY TYPE OF INSURANCE WHICH WOULD PROTECT THE OCCUPANT'S PERSONAL PROPERTY FROM LOSS BY FIRE, THEFT, OR ANY OTHER TYPE OF CASUALTY LOSS. IT IS THE OCCUPANT'S RESPONSIBILITY TO OBTAIN SUCH INSURANCE.** Occupant, at Occupant's sole expense, shall maintain an insurance policy of fire, extended coverage endorsement, burglary, vandalism and malicious mischief insurance for the actual cash value of the stored property. Insurance on Occupant's stored property is a material condition of this agreement, and is for the benefit of both Occupant and Owner. **Occupant's failure to carry the required insurance is a breach of this agreement**, and Occupant assumes all risk of loss to stored property that would be covered by such insurance, including any loss due to any acts whatsoever of Owner, Owner's agents or employees, including, but not limited to the alleged negligent or intentional acts of Owner, or Owner's agents or employees, including negligent or intentional disposal of Occupant's stored property. Occupant expressly agrees that the carrier of such insurance shall not be subrogated to any claim of Occupant against Owner, Owner's agents or employees. It is expressly agreed between Occupant and Owner that it is intended that insurance coverage be acquired by Occupant to cover loss of the property due to any acts whatsoever of Owner, Owner's agents, or employees, whether intentional or negligent, or active or passive in nature, which results in any loss, disposal, or damage to Occupant's stored property.

**INSURANCE ELECTION:** Occupant selects one of the following (Select Yes or No and initial below):

I agree to enroll in (Tenant Insurance).

<ESign.RadioButtonPair:Yes:No>

Occupant does understand that Occupant can contact the management or go by the main office and provide Occupants insurance declaration page, showing proof that Occupant has insurance.

I have provided evidence of insurance from my insurance agent or company for my personal property and contents.

I agree to keep the insurance in force during the time of my lease.

<ESign.RadioButtonPair:Yes:No>

(Note: Insurance is required and added, if rental is performed using our mobile app. Occupant can provide insurance declaration page to management and required insurance can be removed at that time.)

INSURANCE COMPANY NAME: \_\_\_\_\_ POLICY #: \_\_\_\_\_

Occupant Initials <ESign.Initials1>

Occupant agrees and understands that the SBOA TI policy can be cancelled at any time if Occupant provides evidence of third party insurance coverage for its stored property. **Occupant further consents to business communication by Owner and Insurer via phone, text, e-mail and fax.**

**RELEASE OF OWNER'S LIABILITY FOR PROPERTY DAMAGE: All personal property stored within or upon the storage space by Occupant shall be at Occupant's sole risk. Owner and Owner's agents and employees shall not be liable for any loss of or damage to any personal property in the storage space or at the self-storage facility arising from any cause whatsoever including, but not limited to, burglary, mysterious disappearance, fire, water damage, rodents, Acts of God, the active or passive acts or omissions or negligence of the Owner, Owner's agents or employees.**

Occupant Initials <ESign.Initials1>

**RELEASE OF OWNER'S LIABILITY FOR BODILY INJURY:** Owner, Owner's agents and employees shall not be liable to Occupant for injury or death as a result of Occupant's use of the storage space or the self-storage facility, even if such injury is caused by the active or passive acts or omissions or negligence of the Owner, Owner's agents or employees.

Occupant Initials <ESign.Initials1>

**TIME TO MAKE CLAIM OR BRING SUIT:** Occupant must bring any claim that arises out of this rental agreement, the negotiations that proceeded this tenancy, or for loss of or damage to stored property within twelve (12) months of the date of the acts, omissions, or inactions that gave rise to such claim or suit or twelve (12) months after the termination of this rental agreement, whichever occurs first.

**INDEMNITY:** Occupant agrees to indemnify, hold harmless and defend Owner from all claims, demands, actions or causes of action (including attorneys' fees and all costs) that are hereinafter brought by others arising out of Occupant's use of the storage space and common areas, including claims for Owner's active negligence.

**LOCKS:** Occupant shall provide, at Occupant's own expense, a lock that Occupant deems sufficient to secure the space. If the space is found unlocked Owner may, but is not obligated to, take whatever measures Owner deems reasonable to re-secure the space, with or without notice to Occupant.

**RULES AND REGULATIONS:** Owner shall have the right to establish or change the hours of operation for the facility and to promulgate rules and regulations for the safety, care and cleanliness of the storage space or the preservation of good order on the facility. Occupant agrees to follow all rules and regulations now in effect, or that may be put into effect from time to time.

**PROPERTY LEFT IN THE STORAGE SPACE:** Owner may dispose of any property left or abandoned in the storage space or on the storage facility by Occupant after Occupant has terminated his or her tenancy. Occupant shall be responsible for paying all costs incurred by Owner in disposing of such property.

**OCCUPANT ACCESS:** Occupant's access to the storage facility may be conditioned in any manner deemed reasonably necessary by Owner to maintain order. Such measures may include but are not limited to, limiting hours of operation, requiring verification of Occupant's identity and inspecting vehicles that enter the storage facility.

**OWNER'S RIGHT TO ENTER:** Occupant grants Owner, Owner's agents or representatives of any governmental authority, including police and fire officials, access to the storage space upon three (3) days advanced written notice to Occupant. In the event of an emergency, Owner, Owner's agents or representatives of governmental authority shall have the right to enter the storage space without notice to Occupant, and take such action as may be necessary or appropriate to protect the storage facility, to comply with applicable law or enforce Owner's rights.

**NO SUBLETTING:** Occupant shall not assign or sublease the storage space without the written permission of the Owner. Owner may withhold permission to sublet or assign for any reason or for no reason in Owner's sole discretion.

**NOTICES:** All notices required by this rental agreement shall be sent by first class mail postage prepaid to Occupant's last known mailing address or by e-mail to the e-mail address provided by the occupant. Notices shall be deemed given when deposited in the United States mail or sent to the electronic mail address provided by Occupant. Occupant agrees that mailed notice is conclusively presumed to have been received by Occupant five (5) days after mailing, unless returned to Owner by the U.S. Postal Service and that electronic mail notices shall be deemed delivered upon sending unless Owner receives notice of non-delivery within 48 hours of sending the notice. All statutory notices shall be sent as required by law.

**NO WARRANTIES:** No expressed or implied warranties are given by Owner, Owner's agents or employees as to the suitability of the storage space for Occupant's intended use. Owner disclaims and Occupant waives any implied warranties of suitability or fitness for a particular use.

**NO ORAL AGREEMENTS:** This rental agreement contains the entire agreement between Owner and Occupant, and no oral agreements shall be of any effect whatsoever. Occupant acknowledges that no representations or warranties have been made with respect to the safety, security or suitability of the storage space for the storage of Occupant's property, and that Occupant has made

his own determination of such matters solely from inspection of the storage space and the facility. Occupant agrees that he is not relying, and will not rely, upon any oral representation made by Owner or by Owner's agents or employees purporting to modify or add to this rental agreement. Occupant understands and agrees that this agreement may be modified only in writing, signed by both parties.

**SUCCESSION:** All provisions of this rental agreement shall apply to and be binding upon all successors in interest, assigns or representatives of the parties hereto.

**ENFORCEMENT:** If any part of this rental agreement is held to be unenforceable for any reason, in any circumstance, the parties agree that such part shall be enforceable in other circumstances, and that all the remaining parts of this agreement will be valid and enforceable.

**SPACE SIZE APPROXIMATE:** Space sizes are approximate and for comparison purposes only. Spaces may be smaller than indicated in advertising or other size indicators.

**NO ALTERATIONS:** Occupant shall make no alterations to the interior or exterior of the space without the written permission of the Owner authorizing such alterations.

**DISABILITY ACCESS INSPECTION:** This facility has not been inspected by a Certified Access Specialist.

**AUTOMATIC PAYMENTS:** We provide the capability for you to have your payments made automatically, either by credit card, or debit card. Complete the following information to enroll in this program.

**Credit Card/Debit Card** Type of credit card (Master Card or Visa)

Card Number <Tenant.CreditCardNumber>

Expiration <Tenant.CreditCardExpirationDate> Security Code \_\_\_\_\_

Name on Card \_\_\_\_\_

Billing Address \_\_\_\_\_

Billing Zip Code \_\_\_\_\_

I hereby authorize Owner to automatically charge the above account for monthly rent charges incurred in connection with the rented storage units. I also agree to hold the aforementioned site harmless from liability as a result of its activities in connection with such transaction. I understand the rental payments for the storage unit(s) will be charged prior to the 5th of the month per the auto payment authorization agreement, for as long as the rental agreement is in effect. Authorization can be terminated at any time by written notice.

<ESign.RadioButtonPair:Yes:No>

Occupant Initials <ESign.Initials1>

**ID VERIFY:** Owner will verify current contact information. If any is found to be falsely stated, this may result in the unit being overlocked and/or in eviction.

**Do not sign this agreement until you have read it, including the provisions on all pages, and fully understand it. This agreement limits the Owner's liability for loss of or damage to your stored property. If you have any questions concerning its legal effect, consult your legal advisor.**

<ESign.Signature1>

<Tenant.LeaseSignDate>

Occupant Signature

Date

<ESign.Signature2>

<Tenant.LeaseSignDate>

On Behalf of Owner

Date

### **Attachment - Rules and Policies**

Welcome to <Site.Name> The following information is provided for your reference and outlines the rules and policies to be followed.

- **THIS IS A NON SMOKING FACILITY.**
- **Rent is due on the first day of each month.** Invoices will not be sent. However, if an email address is provided an electronic invoice and reminder can be sent via email at no charge.
- **Tenant Insurance:** Tenant MUST have tenant insurance or provide proof of insurance or enroll in the facility office. Failure to carry insurance is a breach of the rental agreement.
- **Late Rent:** If your rent payment is not received by the end of the 10th of the month, your gate access will be denied.
- **Unit Overlocks:** If a payment is made outside of office hours, the overlock will not be removed until the next business day.
- **Automatic payments** are available and will be processed during set office hours.
- NSF ACH/Checks/Reversed credit card payments will result in a \$35 fee and going forward only money order or cash payments will be accepted.
- Personal checks are not accepted.
- **Moving Out:** Move-out payments must be made by cashier's check, money orders or cash. Credit card payments will not be accepted. Refunds will only be issued for pre-paid full month's rent. Contact our staff early so we may assist you with any special needs.
- **Gate Hours:** If you get locked behind the gate outside of gate hours and management must return to the facility, you will be charged \$25 per offense.
- **Absolutely NO lock cutting devices are allowed on facility grounds.**

- Customers are required to update any change in address or telephone numbers in writing. This policy is for your protection.
- Only one lock is allowed per door latch. If more than one lock is found, the second lock will be removed, and subject to a lock removal fee of \$15.00.
- Do not allow children to run or play on the storage property. Large vehicles such as motor homes, trucks, and vehicles pulling 5th Wheels or campers could place an unsupervised child at risk. BE SAFETY CONSCIOUS AT ALL TIMES.
- Pets must be on a 6' leash or less or confined to a carrier while on the facility. We like our pets healthy and unharmed. Pest Control Measures are periodical in effect on the premises that could endanger the pet.
- Absolutely no alcohol is to be consumed on the premises. Controlled Substances (Drugs) are not to be used or stored.
- Occupant shall not store any motor vehicle in Storage Space without Owner's written consent.
- Occupant is strictly prohibited from storing any food or using materials on the premises which are classified as toxic or hazardous under any governmental regulation. Occupant's obligation of indemnity as set forth specifically includes any cost, expenses, fines or penalties imposed against Owner, arising out of storage or use of hazardous material by Occupant.
- Rented premises shall not be used for operation of any business, for manufacturing or production.
- Rented premises shall not be used for human or animal occupancy.
- Nothing is to be nailed or fastened to walls.
- **Trash bins** are not to be used to discard personal property that is unwanted, such as items formerly stored in the unit. It is to be used for small trash items (paper bags, empty beverage container). Any dumping of large items (i.e. chairs, mattress, TV, tire, paint cans, etc.) will result in the occupant being charged a minimum fee assessed of \$25.00 per item.
- No loitering on the site, at or in the unit.
- Doors are to remain opened while occupant is on site. Occupant visits are **not to exceed** two (2) hours.
- Recommendations
  - Place 2x4s underneath articles to be stored to prevent moisture damage
  - Place drip pans under vehicles to prevent oil spotting
  - Cover belongings with protective material (shower curtains, trash bags, drop cloths, etc)
  - Make sure your lock is secured before leaving the storage area. (If a unit is found unsecured, management will call the phone number on file and place a facility lock on unit until you come in during set office hours.)

Occupant Initials <ESign.Initials1>

<Date.Notice>

**CALIFORNIA SELF STORAGE RENTAL AGREEMENT**

183 S Austin Road  
Manteca, CA 95336

**SPACE AND RENTAL INFORMATION:**

**Lease Date:** \_\_\_\_\_  
**Administration Fee:** \$ \_\_\_\_\_

**Lease #:** \_\_\_\_\_  
**Unit #:** \_\_\_\_\_  
**Monthly Rent:** \$ \_\_\_\_\_

**OCCUPANT INFORMATION:**

**Name:** \_\_\_\_\_  
**Address:** \_\_\_\_\_  
\_\_\_\_\_  
**City:** \_\_\_\_\_ **State:** \_\_\_\_\_  
\_\_\_\_\_ **Zip:** \_\_\_\_\_

**ALTERNATE INFORMATION:**

**Name:** \_\_\_\_\_  
**Address:** \_\_\_\_\_  
\_\_\_\_\_  
**City:** \_\_\_\_\_ **State:** \_\_\_\_\_  
\_\_\_\_\_ **Zip:** \_\_\_\_\_

**Home Phone:** \_\_\_\_\_  
**Work Phone:** \_\_\_\_\_  
**E-Mail:** \_\_\_\_\_

**Phone:** \_\_\_\_\_

**Initials:** \_\_\_\_

**EMERGENCY CONTACT:**

**Name:** \_\_\_\_\_  
**Phone:** \_\_\_\_\_

**Initials:** \_\_\_\_

**MILITARY STATUS:** Please state whether either you or your spouse is an active duty member of the uniformed services of the United States meaning a member of the armed forces; the commissioned corps of the National Oceanic and Atmospheric Administration; or the commissioned corps of the Public Health Service:

<ESign.RadioButtonPair:Yes:No>

**Initials:** \_\_\_\_

**LATE FEES AND OTHER SERVICE CHARGES:**

Any payments received from Occupant shall apply first toward any services charges due under this paragraph, second to rent in arrears and thereafter toward any other sums due pursuant to this Agreement.

**Late Fees:** Late fees are added for any monthly rent payment that is received ten (10) days after the due date.

**Late fees will be:** **Monthly Rent is \$60 or less:** \$10 per month for each delinquent payment.  
**Monthly Rent is greater than \$60, but less than \$100:** \$15 per month for each delinquent payment  
**Monthly Rent is \$100 or greater:** \$20 or 15% of the monthly non-discounted rental fee, whichever is greater, for each delinquent payment.

**Pre-lien Fee:** **\$15.00 for each certificate of mailing pre-lien** letter sent to Occupant and/or to the alternative address given by Occupant because Occupant has not paid rent or service charges due, after 15 days.

**Lien Fee:** **\$20.00 for each certificate of mailing lien** letter sent to Occupant and/or to the alternative address given by

Occupant because Occupant has not paid rent or service charges due after 30 days.

**Advertising:** **\$30.00 for each publication** of an advertisement of the lien sale. It will be advertised twice.

**Inventory:** **\$40.00 for Auction Lock Cut** including inventory of goods and picture fees.



**Auction Fee:** \$25.00 Auction Fee added on day of the auction.  
**Returned Payment:** \$25.00 for All Returned Payments

**NOTICE OF LIEN:** Pursuant to the California Self-Service Storage Facility Act your property is subject to a claim of lien for unpaid rent and other charges and may even be sold to satisfy the lien if rent and other charges remain unpaid for fourteen (14) consecutive days.

**OWNER'S RIGHT TO TOW:** Pursuant to the California Self-Service Storage Facility Act Owner also has the right to tow a vehicle, watercraft or trailer when rent and other charges are 60 or more days past due.

Westport Properties, Inc. property manager for Austin Road Self Storage dba: US Storage Centers - Manteca, (hereinafter collectively Owner), rents to Occupant the storage space indicated above pursuant to the following terms and conditions:

**TERM:** The term of the tenancy shall commence on the date indicated above and shall continue until terminated on a month-to-month basis. The minimum rental term is one month.

**RENT:** The rent shall be the amount stated above and paid to Owner at the address stated above. Rent is due each month on the FIRST day of the month, in advance and without demand. Owner reserves the right to require that rent and other charges be paid in cash, certified check or money order. Owner may change the monthly rent or other charges by giving Occupant ten (10) days advanced written notice by first-class mail or email at the postal or email address stated in this agreement. The new rent shall become effective on the next date rent is due. If Occupant has made advanced rental payments, the new rent will be charged against such payments, effective upon giving notice of the new rate. Owner, at Owner's sole discretion, may accept or reject partial rent payments. Acceptance of partial payments of rent by Owner shall not constitute a waiver of Owner's rights and Occupant understands and agrees that acceptance of a partial rent payment made to cure a default for non-payment of rent shall not delay or stop foreclosure on Occupant's stored property as provided by the California Self-Service Storage Facility Act.

**ADMINISTRATION FEE:** Occupant agrees to pay the indicated non-refundable administration fee.

**LATE FEES AND OTHER CHARGES:** Occupant agrees to pay Owner the indicated late fee if rent is received ten (10) or more days after the due date. Occupant will pay Owner the indicated fee for each letter sent to Occupant notifying Occupant of the default. Occupant agrees to pay Owner the indicated returned payment charge (e.g., a dishonored check or failed credit/debit transaction) plus any ancillary bank charges incurred by Owner as the result of the returned payment. These fees are considered additional rent and are to compensate Owner for labor and other costs of collection. In the event of default, Occupant agrees to pay all collection and lien costs incurred by Owner.

**CROSS COLLATERALIZATION OF STORAGE SPACES:** When Occupant rents more than one space at this facility the rent is secured by the property in all the spaces rented. Failure by Occupant to pay on any space shall be considered a default on all spaces rented. Owner may exercise all remedies including denial of access to the facility and sale of the property if all rent on all spaces is not paid when due.

**CIVIL RELIEF ACT:** In order to comply with SERVICE MEMBERS CIVIL RELIEF ACT of 2004, it is your obligation to notify this facility in writing, that you and any family member storing goods in this storage facility are in active military service, in order to determine your qualifications under this act. If your military status or your family member's military status changes, you are required to notify us in writing of this change immediately.

**USE OF STORAGE SPACE:** Occupant agrees to use the storage space only for the storage of property wholly owned by Occupant. Occupant shall not store food or any perishable items in the space. **Occupant agrees not to store collectibles, heirlooms, jewelry, works of art or any property having special or sentimental value to Occupant. Occupant waives any claim for emotional or sentimental attachment to the stored property.** Residential use of the Space by Occupant is prohibited.

**LIMITATION OF VALUE:** **Occupant agrees not to store property with a total value in excess of \$5,000 without the written permission of the Owner. If such written permission is not obtained, the value of Occupant's property shall be deemed not to exceed \$5,000.** Nothing herein shall constitute any agreement or admission by Owner that Occupant's stored property has any value, nor shall anything alter the release of Owner's liability set forth below.

**HAZARDOUS OR TOXIC MATERIALS PROHIBITED:** Occupant is strictly prohibited from storing or using materials in the storage space or on the facility classified as hazardous or toxic under any local, state or federal law

or regulation, and from engaging in any activity which produces such materials. Occupant's obligation of indemnity as set forth below specifically includes any costs, expenses, fines or penalties imposed against the Owner, arising out of the storage or use of any hazardous or toxic material by Occupant, Occupant's agents, employees, invitees or guests. Owner may enter the storage space at any time to remove and dispose of prohibited items.

**INSURANCE:** Occupant, at Occupant's expense, shall maintain a policy of insurance covering at least the actual cash value of all stored property against at least the following risks: fire, water damage, burglary, vandalism and malicious mischief. Insurance on Occupant's property is a material condition of this agreement and is for the benefit of both Occupant and Owner. Failure to carry the required insurance is a breach of this agreement. Occupant expressly agrees that the insurance company providing such insurance shall not be subrogated to any claim of Occupant against Owner, Owner's agents or employees for loss of or damage to stored property. This waiver of subrogation applies even if Occupant elects to participate in the Protection Plan Agreement described below.

**ALTERNATIVE TO INSURANCE:** Occupant may comply with the insurance requirement of this Rental Agreement by participating in the Protection Plan Agreement. The Protection Plan Agreement is not insurance. For additional rent the Owner will assume liability for and pay certain losses to Occupant's stored property resulting from Owner's negligence that would otherwise be borne solely by the Occupant. Occupant will be provided information on the Protection Plan Agreement at the time of rental. While an Occupant who participates in the Protection Plan Agreement is not required by this Rental Agreement to maintain insurance on stored property, but may wish to do so because insurance provides additional protection.

**RELEASE OF OWNER'S LIABILITY FOR PROPERTY DAMAGE:** All personal property stored within or upon the storage space by Occupant shall be at Occupant's sole risk. Owner and Owner's agents and employees shall not be liable for any loss of or damage to any personal property in the storage space or at the self storage facility arising from any cause whatsoever including, but not limited to, burglary, mysterious disappearance, fire, water damage, rodents, Acts of God, the active or passive acts or omissions or negligence of the Owner, or the malfunction of any type of climate control system installed by owner, owner's agents or employees.

**RELEASE OF OWNER'S LIABILITY FOR BODILY INJURY:** Owner, Owner's agents and employees shall not be liable to Occupant for injury or death as a result of Occupant's use of the storage space or the self storage facility, even if such injury is caused by the active or passive acts or omissions or negligence of the Owner, Owner's agents or employees.

**INDEMNITY:** Occupant agrees to indemnify, hold harmless and defend Owner from all claims, demands, actions or causes of action (including attorneys' fees and all costs) that are hereinafter brought by others arising out of Occupant's use of the storage space and common areas, including claims for Owner's active negligence.

**OWNER'S RIGHT TO ENTER:** Occupant grants Owner, Owner's agents or representatives of any governmental authority, including police and fire officials, access to the storage space upon two (2) days advanced written notice to Occupant. In the event of an emergency, Owner, Owner's agents or representatives of governmental authority shall have the right to enter the storage space without notice to Occupant, and take such action as may be necessary or appropriate to protect the storage facility, to comply with applicable law or enforce Owner's rights.

**CLIMATE CONTROLLED SPACES:** Climate controlled spaces are heated or cooled depending on outside temperature. These spaces do not provide constant internal temperature or humidity control. Owner does not warrant or guarantee temperature or humidity ranges inside the space due to changes in outside temperature or humidity.

**CHANGE OF ADDRESS:** Occupant agrees to keep all mailing and email addresses provided in the Rental Agreement current. All postal and electronic mail address changes must be in writing and are effective when acknowledged by the Owner in writing.

**NOTICES FROM OWNER:** All notices required by this Rental Agreement shall be sent by first-class mail postage prepaid to Occupant's postal address or to the electronic mail address provided by Occupant. Notices shall be deemed given when deposited in the United States mail or sent to the electronic mail address provided. **All statutory notices shall be sent as required by law.**

**NOTICES FROM OCCUPANT:** Occupant shall send notices by certified mail or first-class mail postage pre-paid or electronic mail to the Owner's postal or electronic mail address provided in this Agreement or written change thereto.

**COMMUNICATION:** Occupant understands that Owner and Occupant are entering into a business relationship. Occupant agrees to keep at least one valid and working phone number on file with Owner at all times for the

purposes of contact by Owner Occupant authorizes and consents to Owner contacting Occupant at Occupant's residence, email box, cell phone, through social media and by automated telephone calls or texts. Such automated calls or messages may be used for conveying important facility information, marketing or collection purposes.

**LOCKS:** Occupant shall provide, at Occupant's own expense, a lock that Occupant deems sufficient to secure the space. If the space is found unlocked Owner may, but is not obligated to, take whatever measures Owner deems reasonable to re-secure the space, with or without notice to Occupant.

**RULES AND REGULATIONS:** Owner shall have the right to establish or change the hours of operation for the facility and to promulgate rules and regulations for the safety, care and cleanliness of the storage space or the preservation of good order on the facility. Occupant agrees to follow all rules and regulations now in effect, or that may be put into effect from time to time.

**NO ALTERATIONS:** Occupant shall make no alterations to the interior or exterior of the space without the written permission of the Owner authorizing such alterations.

**NO SUBLETTING:** Occupant shall not assign or sublease the storage space without the written permission of the Owner. Owner may withhold permission to sublet or assign for any reason or for no reason in Owner's sole discretion.

**NO ORAL AGREEMENTS:** This rental agreement contains the entire agreement between Owner and Occupant, and no oral agreements shall be of any effect whatsoever. Occupant acknowledges that no representations or warranties have been made with respect to the safety, security or suitability of the storage space for the storage of Occupant's property, and that Occupant has made his own determination of such matters solely from inspection of the storage space and the facility. Occupant agrees that he is not relying, and will not rely, upon any oral representation made by Owner or by Owner's agents or employees purporting to modify or add to this rental agreement. Occupant understands and agrees that this agreement may be modified only in writing, signed by both parties.

**OCCUPANT ACCESS:** Occupant's access to the storage facility may be conditioned in any manner deemed reasonably necessary by Owner to maintain order. Such measures may include but are not limited to, limiting hours of operation, requiring verification of Occupant's identity and inspecting vehicles that enter the storage facility.

**DENIAL OF ACCESS:** When rent or other charges remain unpaid for Thirty-One (31) consecutive days, Owner may deny Occupant access to the storage space.

**NO WARRANTIES:** No expressed or implied warranties are given by Owner, Owner's agents or employees as to the suitability of the storage space for Occupant's intended use. Owner disclaims and Occupant waives any implied warranties of suitability or fitness for a particular use.

**SUCCESSION:** All provisions of this rental agreement shall apply to and be binding upon all successors in interest, assigns or representatives of the parties hereto.

**ENFORCEMENT:** If any part of this rental agreement is held to be unenforceable for any reason, in any circumstance, the parties agree that such part shall be enforceable in other circumstances, and that all the remaining parts of this agreement will be valid and enforceable.

**NO WAIVER OF RIGHTS:** The Owner's exercise or of failure to exercise any remedy provided herein for any default shall not be deemed a waiver of the Owner's right to exercise that or any other remedy. Owner's failure to exercise any remedy provided herein for any default shall not be deemed a waiver under this agreement or the Owner's acceptance of money after any default shall not be considered or construed to waive any of the Owner's rights or to affect any notice or legal proceedings given or commenced.

**PROPERTY LEFT IN THE STORAGE SPACE:** Owner may dispose of any property left in the storage space or on the storage facility by Occupant after Occupant has terminated his or her tenancy. Occupant shall be responsible for paying all costs incurred by Owner in disposing of such property.

**TIME TO MAKE CLAIM OR BRING SUIT:** **Occupant must bring any claim or file any lawsuit that arises out of this rental agreement, the negotiations that preceded this tenancy, or for loss of or damage to stored property within twelve (12) months after the date of the acts, omissions, or inactions that gave rise to such claim or suit or twelve (12) months after the termination of this rental agreement, whichever occurs first.**

**TERMINATION:** Owner or Occupant may terminate this Agreement by giving at least ten (10) days written notice before the next Rent Due Date to the other party. Failure of Occupant to give the required notice shall result in Occupant being charged an additional month's rent. Owner does not prorate rent; only full months prepaid rent shall be returned to Occupant within sixty (60) days of vacating the unit. Occupant must leave the space broom clean and in good condition. Occupant is responsible for all damages.

**APPROXIMATE SIZE:** Space sizes are approximate and for comparison purposes only. Spaces may be smaller

than indicated in advertising or other size indicators

**OFAC REPRESENTATION:** By executing below, Occupant represents and warrants that he/she/it is not in violation of any applicable law relating to anti-money laundering or anti-terrorism, including, without limitation, those related to transacting business with Embargoed Persons or the requirements of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, U.S. Public Law 107-56, and the related regulations issued thereunder, including temporary regulations (collectively, as the same may be amended from time to time, the **Patriot Act**).

**Do not sign this agreement until you have read it, including all the provisions on pages subsequent to the current page, and fully understand them. This agreement limits the Owner's liability for loss of or damage to your stored property. If you have any questions concerning its legal effect, consult your legal advisor.**

**Occupant hereby consents to the enforceability of his/her/its electronic signature on this Lease. Occupant understands that by providing his/her/its electronic signature on this Lease, that: (i) Occupant intends to create a contract, and (ii) upon electronic execution the Lease will constitute a legally binding contract that is enforceable against the parties thereto.**

\_\_\_\_\_  
Occupant's Signature

**OCCUPANT'S NAME:** \_\_\_\_\_

**LEASE DATE:** \_\_\_\_\_

\_\_\_\_\_  
Agent for Owner-Westport Properties

**LEASE #:** \_\_\_\_\_

**UNIT #:** \_\_\_\_\_

**California**  
**Mandatory Binding Arbitration of Claims**  
**Addendum to Rental Agreement**

This addendum is between \_\_\_\_\_ (Occupant) and Westport Properties, Inc. property manager for Austin Road Self Storage dba: US Storage Centers - Manteca, (hereinafter collectively Owner) and is made a part of the Rental Agreement for Space(s) number \_\_\_\_\_ and the parties agree as follows:

**MANDATORY BINDING ARBITRATION:** In the event of any dispute of claim between Occupant and Owner arising from or relating to Occupant's rental or use of the facility, the storage space, and/or this Rental Agreement, any and all such disputes or claims shall be submitted to binding arbitration upon the request of either party. The parties agree that the arbitration shall be conducted and heard by a single arbitrator to resolve the claim or dispute and that the arbitrator's decision shall be final and binding.

**CLASS ACTION WAIVER:** THE ARBITRATION MUST BE CONDUCTED ON AN INDIVIDUAL BASIS AND OCCUPANT AND OWNER AGREE NOT TO ACT AS A CLASS-REPRESENTATIVE OR ON BEHALF OF ANY CLASS.

**EXCEPTION FOR SMALL CLAIMS:** Owner and Occupant agree that any claims subject to the jurisdiction of a small claims court shall not be subject to arbitration. However, if such a small court claim is transferred, removed or appealed to a different court, either party may then choose to arbitrate.

**GOVERNING LAW AND RULES:** The arbitration must be brought within the time set by the applicable statute of limitations or within two years of Occupant vacating the premises, whichever occurs first. The Federal Arbitration Act (FAA) shall govern this arbitration agreement. Subject to the FAA, the Arbitration shall be conducted by the American Arbitration Association (AAA) under its applicable rules, which may be found at [www.adr.org](http://www.adr.org). Unless otherwise agreed by the parties, the arbitration shall take place within the county where the self-storage unit last used by Occupant is location. Each party to the arbitration shall pay his, her, or its own costs of arbitration. If Occupant cannot afford the costs of arbitration, he or she may qualify and/or apply for a waiver under the relevant rules.

**EFFECT OF YOUR AGREEMENT TO ARBITRATION:** IF OWNER CHOOSES ARBITRATION, OCCUPANT SHALL NOT HAVE THE RIGHT TO LITIGATE SUCH CLAIM OR LAWSUIT IN A COURT OF LAW OR TO HAVE A JURY TRIAL. OCCUPANT IS ALSO GIVING UP OCCUPANT'S RIGHT TO PARTICIPATE IN A CLASS-ACTION OR ON BEHALF OF A CLASS.

\_\_\_\_\_  
Occupant's Signature  
**OCCUPANT'S NAME:** \_\_\_\_\_  
**LEASE DATE:** \_\_\_\_\_

\_\_\_\_\_  
Agent for Owner-Westport Properties  
**LEASE #:** \_\_\_\_\_  
**UNIT #:** \_\_\_\_\_

# US Storage Centers - Manteca

## RULES AND REGULATIONS

**OFFICE HOURS:** See <<http://www.usstoragecenters.com>> for hours  
**ACCESS HOURS:** See <<http://www.usstoragecenters.com>> for hours

### **YOU MUST EXIT THE FACILITY BY CLOSING TIME OR YOUR VEHICLE WILL BE LOCKED IN.**

1. **RENTAL PAYMENT:** Rent is due on the FIRST of each month following the move in date. The minimum term of rental is one month, paid in advance. No bill will be sent to you unless requested at a fee of \$1.00 per month. No Refunds-except full months of prepaid rent less any discounts or credits received. Refunds will be paid (if any) by a check issued from the corporate office within 60 days of termination of the Rental Agreement. All payments received are applied first towards all service charges or fees due, second to any late rent payments and thereafter to any other sums due.
2. **VACATING:** Move-outs before the 5th day after the due date may pay the pro-rated amount if a 10 day written notice was given in advance. Move-outs after the 5th day after the due date must pay the full month's rent. Move-out payments must be made in cash or credit cards only. NO PERSONAL CHECKS will be accepted for a move out payment! Any outstanding balance due may be sent to a collection agency.
3. **ACCESS:** Access to your storage unit will be denied if the Occupant is 31 days or more delinquent. Information regarding access to the facility will be given to the Occupant only, in person with valid identification. We cannot give out access information over the phone or to anyone other than the Occupant named on the lease agreement as the Occupant. For a company's personnel and/or delivery personnel to have access to the unit, written documentation must be on file with the management. Access to your vehicle is during regular access hours unless you have prior written permission from the management.
4. **CHANGE OF ADDRESS OR PHONE NUMBER:** Occupant is required to update any change in address or phone numbers to either Occupant or alternate contact, in writing within 10 days of the actual change.
5. **LATE COLLECTION AND LIEN FEES:** Occupants will pay all late and letter fees associated with the default process. These fees and any service charges will be paid first before all rent charges when a payment is received. Late fees will continue to incur monthly until the balance is paid in full. CASH, MONEY ORDER, OR CREDIT CARD PAYMENTS ONLY WILL BE ACCEPTED FOR UNITS IN LIEN STATUS.
6. **RETURNED PAYMENT CHARGES:** All returned payments (e.g., a dishonored check or failed credit/debit transaction) will incur a RETURNED PAYMENT FEE of \$25.00, in addition to any ancillary bank charges incurred by Owner as the result of the returned payment. Tenant may be required to pay in Cash, Credit Card, Money Order or Cashier's Check when a check is returned/dishonored. Fees and Charges will incur on all accounts that are put into late or lien status due to returned payment.
7. **MISCELLANEOUS RULES AND REGULATIONS:**
  - ANY PERSONS FOUND ON THE PROPERTY AFTER HOURS ARE CONSIDERED TRESPASSING.
  - CHILDREN ARE NOT TO BE LEFT UNSUPERVISED AT ANY TIME WHILE ON THE PROPERTY.
  - NO BIKE RIDING, SKATEBOARDING, SCOOTER RIDING OR RUNNING ON THE PROPERTY.
  - NO ANIMALS OR PETS ARE ALLOWED ON THE PROPERTY AT ANY TIME, EXCEPT SEEING EYE DOGS AND AUTHORIZED SERVICE ANIMALS.
  - NO ALCOHOL OR DRUGS ARE ALLOWED ON THE PROPERTY.
  - NO SMOKING INSIDE ANY BUILDING, ELEVATOR, HALLWAY OR STORAGE UNIT.
  - NO FLAMMABLES, HAZARDOUS WASTE, ILLEGAL SUBSTANCES OR FOOD ITEMS ARE TO BE STORED IN YOUR UNIT AT ANY TIME.
  - NO DUMPING OR DISPOSAL OF ANY ITEM ALLOWED ON THE PROPERTY.
  - TRASH CONTAINERS ARE FOR STORAGE FACILITY USE ONLY.
  - SPEED LIMIT AT ALL FACILITIES IS 5 MPH
8. **LOCK INFORMATION:** Occupant has the option to provide a lock of their own or purchase a lock from this facility. If the Occupant neglects to put a lock on their unit, a lock will be placed on the unit and Occupant's account will be charged for the lock and the key will be mailed to the Occupant.
9. **ONE LOCK PER SPACE:** Only one customer lock per unit is allowed. All other locks will be cut off and Occupant will be charged a \$40.00 per lock removal fee which will be added to Occupant's account.
10. **THE FOLLOWING ARE OTHER CHARGES FOR SERVICES RENDERED:**
  - \$40.00 Lock Cutting Fee (Customer Requested with Identification) Up to 48 hours may be required to schedule a lock cut
  - \$25.00 or more for excessive disposal or for abuse of the trash container
  - \$50.00 or more for cleaning fee for an extremely dirty unit after vacating or items left behind
11. **LOITERING:**

All Occupants must be actively loading, unloading, or sorting through their items while at the facility. Prolonged lengths of stay on the property without a storage related purpose will not be tolerated. Occupants found to be loitering on the property will be asked to leave the premises and are subject to eviction

### **ADDITIONAL RULES FOR VEHICLE STORAGE:**

- Occupants may only park one vehicle in their parking space without written permission from the management.
- Vehicles must be registered to the person renting the parking space and registration must be valid.
- Vehicles must remain in drivable condition. No Flat Tires, Broken Windows or Leaks of any type.
- No Loose items are to be left around the stored vehicle. All loose items will be discarded.
- No repairs of any kind are allowed on the property. The area around the vehicle must be kept clean at all times.

- Trailers wheels must be blocked and trailer tongues must be on wood to prevent asphalt damage.
- Occupant will notify management if the vehicle, boat or trailer is to be out of the space for more than 24 hours.
- Occupant's rent at their own risk and insurance is not provided by the facility. You must provide valid insurance for your vehicle at all times.

**Violations and/or non-compliance with the above RULES AND REGULATIONS will result in immediate eviction from the unit(s). I understand and agree to the contract as well as the Rules and Regulations as presented to me.**

\_\_\_\_\_  
Occupant's Signature  
**OCCUPANT'S NAME:** \_\_\_\_\_

\_\_\_\_\_  
Agent for Owner-Westport Properties  
**UNIT #:** \_\_\_\_\_

This is not a contract of insurance and the facility Owner is not an insurance company.

**Protection Plan Addendum to Self Service Storage Rental Agreement**

Tenant: \_\_\_\_\_ Unit #: \_\_\_\_\_ Date: \_\_\_\_\_

Pursuant to the terms and conditions of your Rental Agreement, Austin Road Self Storage d/b/a US Storage Centers - Manteca (Owner) is not liable for the loss of or damage to its Tenant's stored goods. As the Tenant, your goods are stored at your sole risk and you must insure your personal property while it is on the premises. Owner is offering a Protection Plan (Protection Plan). The Protection Plan provides an option that may not require you to insure your stored goods and offers reimbursement to you for certain losses.

<b>PROTECTION PLAN LIMIT</b>	<b>\$2,500</b>	<b>Additional Fee: \$12.00</b>
	<b>\$5,000</b>	<b>Additional Fee: \$20.00</b>

The Protection Plan Limit cannot exceed \$5,000 unless confirmed in writing by Owner. An increase in the Protection Plan Limit will result in a higher Rental Fee per month.

1. The Protection Plan Offer: In consideration of the payment of the Additional Rental Fee per month, Owner waives the release of liability for property damage in your rental agreement up to the PROTECTION PLAN LIMIT indicated above. This limited assumption of liability is a modification to the waiver of liability in the Rental Agreement that it forms a part.

Owner's responsibility is limited to the liability for losses that occur as a result of Owner's negligence or as a result of acts or omissions for which Owner is liable under the law, including, but not limited to, vicarious liability, intentional tort, strict liability, and breach of common law or statutory duty. Owner's liability will arise **ONLY IF** Owner is negligent or breaches some other duty to you as Occupant **AND** you suffer a loss.

**Examples of when Owner would be liable include, but are not limited to:** IF Owner is negligent by not repairing the roof, **AND** you suffer a loss due to water damage, **THEN** Owner will be liable for your loss, subject to the limitations below; or, **IF** a fire occurs as a result of Owner's negligence or other breach of his duty, **AND** you suffer a loss due to fire or smoke damage or water damage, **THEN** Owner will be liable for your loss, subject to the limitations below; or, **IF** theft or vandalism occurs because of Owner's negligence or other breach of his duty, **AND** you suffer a loss due to theft or vandalism damage to your property, **THEN** Owner will be liable for your loss, subject to the limitations below. Owner is not liable for loss in excess of the amount Occupant requests in this Addendum and which is set forth as the limit of Owner's liability.

2. Protection Plan Limit: The most the Owner will pay for loss or damage to your stored goods under this Protection Plan is the PROTECTION PLAN LIMIT above. The Owner has no liability for loss of or damage to Tenant's stored goods beyond the PROTECTION PLAN LIMIT agreed to by Owner under the Protection Plan purchased by you. This is the most the Owner shall pay for any loss for any reason.
3. Goods Not Covered under the Protection Plan: The Owner will not pay for loss of or damage to goods that are in the open and not in a locked fully enclosed storage space; accounts, bills, currency, deeds, evidence of debt, securities, money, or notes; any goods you are not permitted to store under the terms of the Rental Agreement; jewelry, watches, precious or semi-precious stones and stamps (exceeding \$500 combined total); furs, antiques, works of art, mobile phones, perfumery, wines, cigars, spirits and the like (exceeding \$5,000 combined total but still subject to the PROTECTION PLAN LIMIT); consumer and commercial electronic items (exceeding \$5,000 combined total but still subject to the PROTECTION PLAN LIMIT); stolen goods or contraband; livestock, explosives and flammables. This Protection Plan does not cover motor vehicles, boats or other property if stored outdoors.
4. Losses Not Covered under the Protection Plan:
  - a. Loss or damage to Tenant's stored goods caused by flood; surface water, underground water, storm surge, waves, tidal water or overflow from any body of water; water that backs up through or overflows from a sewer drain or sump.
  - b. Mold, mildew, or wet or dry rot.



- c. Terrorist attack, war or military action.
  - d. Loss or damage resulting from unknown or mysterious causes.
  - e. Consequential loss of any kind or description.
  - f. Nuclear reaction, radiation or radioactive, biological or chemical contamination.
  - g. Moths, insects, rodents or vermin damage (covered up to \$500).
  - h. Loss of data records other than the cost of blank data carrying materials.
  - i. Loss or damage from earthquake, unless fire or explosion ensues, and then we will pay only for the ensuing loss.
  - j. Loss from theft without forcible and violent signs of entry into a securely locked space and accompanied by a police report.
  - k. Loss or damage occurring during loading and/or unloading and/or not contained within the storage unit at the time of the loss.
5. The Amount Owner Will Pay if there is a Loss: For any single loss or damage covered under this Protection Plan, Owner will be required to repair the item if repair is possible and where it is economical to do so. In the event of the total loss or destruction of any item, the basis of payment shall be the cost of replacing the item as new provided that the item is substantially the same as but not better than the original when new. Owner may decide to offer payment instead of cost to repair or replace. In no event will Owner pay more than the PROTECTION PLAN LIMIT.
- a. Household linen and clothing: Owner will not pay for new replacement and will take into consideration the age, quality, degree of use and market value of any lost or damaged item(s)
  - b. Documents: Where there is loss of or damage to documents, Owner will pay the reasonable costs of reprinting and/or reasonable costs of reissue and or reconstitution including, where applicable fresh research or exploration to obtain essential information.
  - c. Pairs and sets: Where any items are part of a pair or of a set, payment shall only be for the actual items which are lost or damaged. No payment will be made for any items which are part of a pair or set which are not lost or damaged.
6. Failure to Pay Rent: The Protection Plan may not cover any damages or losses for any month that the Protection Plan is not timely paid in full for the month. At Owner's sole discretion, your participation in the Protection Plan may be reinstated upon payment of all rent and other charges due and owing, unless any loss or damage has occurred during the period of non-payment.
7. Participation Termination: Participation in this Protection Plan may be canceled by you upon ten (10) days written notice to Owner. This Protection Plan may be canceled by Owner upon thirty (30) days written notice to you (unless terminated earlier by rent non-payment).
8. Time Limit for Notice: Notice of loss and/or damage must be made to Owner no later than 45 days after the discovery of loss or damage to your property or at the time of the removal of your property from the unit, whichever is the soonest.
9. Modifications to Protection Plan: The terms and conditions of this Protection Plan are subject to change at the option of Owner upon thirty (30) days prior written notice. If so changed, the Tenant may terminate the Protection Plan on the effective date of such change by giving the Owner ten (10) days prior written notice of termination after receiving notice of the change. If the Tenant purchases a Protection Plan the next month, the change shall become effective on the date stated in the Owner's notice and shall apply thereafter. Tenant is obligated to notify Owner if there is any change to the PROTECTION PLAN LIMIT otherwise Tenant warrants that the value is accurate.
10. Cooperation: As a condition to any payment under the Protection Plan, Tenant must cooperate with any licensed adjuster appointed by Owner to review Tenant's alleged loss or damage.
11. The Rental Agreement: All terms and conditions of the Rental Agreement not specifically modified by this Addendum are in effect and binding on both Owner and you and are incorporated by reference herein.

***NOTICE: This is not an insurance policy and the Owner is not an insurance company. The Owner shall perform the obligations described in this addendum. The Owner assumes this business risk on its own, but it may purchase insurance coverage at a discounted rate in an effort to transfer part or all of the liability retained under this Protection Plan. The consumer acknowledges that the Owner may profit from the sale of the Protection Plan.***

\_\_\_\_\_  
Occupant's Signature

\_\_\_\_\_  
Agent for Owner-Westport Properties

**OCCUPANT'S NAME:** \_\_\_\_\_  
**LEASE DATE:** \_\_\_\_\_

**LEASE #:** \_\_\_\_\_  
**UNIT #:** \_\_\_\_\_

# NOTICE OF LIEN SALE AND FINAL DEFAULT NOTICE

VIA FIRST CLASS MAIL WITH CERTIFICATE OF MAILING

01/24/23

US Storage Centers - Manteca  
183 S Austin Rd  
Manteca CA, 95336  
209-337-3399  
- Monday-Saturday 9 am - 6 pm; Closed Sunday

Unit #:

Dear

In accordance with your written Rental Agreement, your right to use storage space known as Unit #1 has terminated and Occupant no longer has access to the stored property. The stored property is now subject to enforcement of the Owner's lien. The amount of the lien is listed in the Preliminary Lien Notice. The lien will continue to increase if rent is not paid.

You may contact: Property Manager  
US Storage Centers - Manteca  
183 S Austin Rd  
Manteca, CA 95336  
209-337-3399

To make arrangements for payment of this debt, to respond to this Notice, or if a lien holder, to make a payment in order to claim your secured property. If an unsecured creditor, you may make payments to stop the sale as prescribed in the California Statute.

Currently, the following represents an itemized statement of the sum due at the time Owner is sending you this Notice and the dates on which the said sums became due:

DATE OF CHARGE	DESCRIPTION	AMOUNT OF CHARGE
2023-01-01	Rent	\$ 115.00
2023-01-03	Advertising Fee	\$ 60.00
2023-01-12	Late Fee	\$ 20.00
2022-12-12	Late Fee	\$ 10.00
2022-11-01	Rent	\$ 115.00
2022-11-12	Late Fee	\$ 10.00
2023-01-01	Protection Plan	\$ 12.00
2022-12-01	Rent	\$ 115.00
2022-12-03	Pre-Lien Fee	\$ 15.00
2022-12-03	Lien Fee	\$ 20.00

TOTAL AMOUNT NOW DUE \$ 492.00

Partial Payments and Credits, if any, are not listed in the itemized list of charges but ARE calculated in the TOTAL AMOUNT DUE.

Reminder additional rent, late fees, and other charges shall continue to accrue until the balance is paid in full.

**THIS NOTICE CONSTITUTES FINAL DEMAND FOR PAYMENT.**

Unless the balance is paid in full on or before \_\_\_\_\_ the stored property will be sold, as indicated by the "(X)" . ( ( ) ) at auction at US Storage Centers - Manteca 183 S Austin Rd Manteca CA 95336 on 03/16/23 at 10:00 AM OR ( ( X ) ) at an Online Auction via [www.storage-treasures.com](http://www.storage-treasures.com) on 03/16/23 at 10:00 AM unless Occupant executes and returns, by Certified Mail, a Declaration under the Penalty of Perjury in Opposition to the Lien Sale. A blank copy of a Declaration is enclosed with this Notice.

Occupant may regain full use of the Space by paying the full lien amount prior to

If the Storage Space contains a vehicle, watercraft or trailer ("vehicle") then Owner may, alternatively, have the vehicle towed from the Facility. If Owner chooses to tow the vehicle the towing company, contact phone number and vehicle location can be obtained from facility manager named below. The earliest date the vehicle will be towed is 02/20/23.

Any excess proceeds of the sale over the lien amount and costs of the sale will be retained by the Owner and may be reclaimed by Occupant or claimed by another person any time for a period of one (1) year from the date of the sale and thereafter the proceeds will escheat to the County in which the facility is located. You may still be held liable for any outstanding balance not satisfied by the proceeds of the public sale.

**PLEASE CONTACT US IMMEDIATELY AT THE ADDRESS OR PHONE NUMBER ABOVE TO MAKE PAYMENT ARRANGEMENTS AND AVOID THE SALE OF YOUR STORED PROPERTY.**

Property Manager  
Manager

Enclosure: Declaration in Opposition Form



**US Storage Centers - Manteca**  
**CALIFORNIA DECLARATION IN OPPOSITION TO LIEN SALE**

You must complete all sections of this Declaration. If the Owner cannot contact or serve you at the address and telephone number that you provide below, this Declaration shall be void and the Owner may sell your stored property.

I \_\_\_\_\_ (Occupant Name), have received the notice of lien sale of the property stored at \_\_\_\_\_ (location and space).

I oppose the lien sale of the property because: (provide a brief explanation of the reason Owner's lien may not be valid. For example, "I have paid my rent and other charges in full.")

My address is (physical address):

Address: \_\_\_\_\_

City: \_\_\_\_\_

State: \_\_\_\_\_

Zip: \_\_\_\_\_

Telephone Number: \_\_\_\_\_

I understand that the lienholder may file an action against me in any court of competent jurisdiction, including small claims court, at the address provided above, and if a judgment is given in his or her favor, I may be liable for the court costs. I also understand that this declaration is not valid if (a) the address provided in this declaration is not my current address; or (b) I change my address at any time prior to service of an action on the lien and I do not provide the Owner with the address within ten (10) days of the change.

**I declare under penalty of perjury that the foregoing is true and correct, and that this declaration was signed by me on: \_\_\_\_\_ (date) at \_\_\_\_\_ (place.)**

\_\_\_\_\_  
Signature of Occupant

**RETURN THIS DOCUMENT**

**VIA CERTIFIED MAIL TO:**

US Storage Centers - Manteca

183 S Austin Rd

Manteca

CA 95336



**CALIFORNIA PRELIMINARY LIEN NOTICE**

**Via FIRST CLASS MAIL WITH CERTIFICATE OF MAILING**

07/19/23

TO:

Preliminary Lien Notice To:

RE: Unit

You owe and have not paid rent and/or other charges for the use of unit at: US Storage Centers - Manteca 183 S Austin Rd  
Manteca, CA 95336 209-337-3399.

The below listed charges have been due for at least fourteen (14) consecutive days. They are itemized as follows:

<u>DATE OF CHARGE</u>	<u>DESCRIPTION</u>	<u>AMOUNT OF CHARGE</u>
2023-07-12	Late Fee	\$ 20.00
2023-07-01	Rent	\$ 129.50
2023-07-01	Protection Plan	\$ 12.00

TOTAL AMOUNT NOW DUE \$ 161.50

Partial Payments and Credits, if any, are not listed in the itemized list of charges but ARE calculated in the TOTAL AMOUNT DUE.

Reminder additional rent, late fees, and other charges shall continue to accrue until the balance is paid in full.

Unless the sum above is paid in full before your right to use the storage space will terminate, you will be denied access, and an owner's lien on any stored Personal Property will be imposed.

You may pay this sum and may contact the owner at:

US Storage Centers - Manteca  
183 S Austin Rd  
Manteca, CA 95336  
209-337-3399

Property Manager  
Manager

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **NON-PYRAMIDING OF LIMITS ENDORSEMENT**

This endorsement modifies insurance provided under . the following:

SPECIALTY LIABILITY COVERAGE FORM

The following provision is added to Paragraph **8. Other Insurance** of Section **E. COMMON POLICY CONDITIONS**:

If there is other applicable insurance available under other policies, the maximum recovery under all of these policies combined may not exceed the highest applicable limit for any one policy.

This provision does not apply to any policies written specifically as excess over this policy.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **LIMITATION OF COVERAGE TO DESIGNATED PREMISES**

This endorsement modifies insurance provided under the following:

SPECIALTY LIABILITY COVERAGE FORM

This insurance applies only to “bodily injury”, “property damage”, “personal injury”, “advertising injury” and medical expenses arising out of the ownership, maintenance or use of the premises shown in the Declarations and operations necessary or incidental to those premises.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **NON-OWNED & HIRED AUTO ENDORSEMENT**

This endorsement modifies insurance provided under the following:

### **SPECIALTY LIABILITY COVERAGE FORM**

and applies when Non-owned & Hired Auto is shown in the Declarations.

This coverage is subject to the terms and conditions applicable to Section A., Paragraph 1. Business Liability of this policy, except as provided in this endorsement.

### **NON-OWNED & HIRED AUTOS**

**A.** Insurance is provided for “bodily injury” or “property damage” arising out of:

1. The use of any “non-owned auto” in your business by any person other than you;
2. The maintenance or use of a “hired auto” by you or your employees in the course of your business; or
3. The use of any “non-owned auto” by you or your employees for the purpose of picking up, delivering or road testing the “non-owned auto.”

**B.** Under this Optional Coverage, Section C. WHO IS AN INSURED includes any person using a “hired auto” with your permission.

But none of the following is an insured:

1. Any person while employed in or otherwise engaged in duties in connection with an “auto business”, other than an “auto business” you operate;
2. The owner or lessee (from whom you are a sublessee) of a “hired auto” or the owner of a “non-owned auto” or any agent or employee of such owner or lessee.

**C.** Limits of Insurance

For the purposes of this Optional Coverage only, Section D. LIMITS OF INSURANCE, paragraph 2. is replaced by the following:

2. Subject to 3. below, the most we will pay for damages because of “bodily injury” or “property damage” under the Non-Owned and Hired Autos Coverage is the Non-owned and Hired Auto Limit of Insurance shown in the Declarations.

**D.** This Optional Coverage shall be excess insurance over any other valid and collectible insurance available to you.

**E.** Exclusion 1.g. of Section B. EXCLUSIONS is not applicable to this Optional Coverage.

### **DEFINITIONS**

“Non-owned auto” means any “auto” you do not own, lease, hire, rent or borrow that is used in connection with your business. This includes any “auto” owned by your employees or partners or members of their households but only while used in your business or your personal affairs.

“Hired auto” means any “auto” you lease, hire, rent or borrow. This does not include any “auto” you lease, hire, rent, or borrow from any of your employees or members of their households, or from any partner or executive officer of yours.



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **LOSS DUE TO VIRUS OR BACTERIA**

This endorsement modifies insurance provided under the following:

SPECIALTY LIABILITY COVERAGE FORM

The following exclusions are added to Paragraph 1. under **B. EXCLUSIONS**:

This insurance does not apply to:

- (a) "Bodily injury", "property damage", "personal injury", or "advertising injury" which would not have occurred, in whole or in part, but for the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, presence of, or transmission of, any virus, bacterium or other microorganism that induces or is capable of inducing physical distress, illness or disease. This exclusion applies regardless of any other cause or event contributing to the loss concurrently or in any other sequence.

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

- (1) Supervising, hiring, employing, training or monitoring of others that may be infected with and spread any virus, bacterium or other microorganism that induces or is capable of inducing physical distress, illness or disease;
  - (2) Testing for any virus, bacterium or other microorganism that induces or is capable of inducing physical distress, illness or disease;
  - (3) Failure to prevent the spread of any virus, bacterium or other microorganism that induces or is capable of inducing physical distress, illness or disease; or
  - (4) Failure to report any virus, bacterium or other microorganism that induces or is capable of inducing physical distress, illness or disease to authorities.
- (b) Any loss, cost or expenses arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to, or assessing the effects of, virus, bacterium or other microorganism, by any insured or by any other person or entity.

The terms of the exclusions above, or the inapplicability of this exclusion to a particular loss, do not serve to create coverage for any loss that would otherwise be excluded by this policy.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **MORTGAGE HOLDER AND ADDITIONAL INSURED CANCELLATION CLAUSE**

This endorsement modifies insurance provided under the following:

SPECIALTY LIABILITY COVERAGE FORM

The following are added to Paragraph 1. under **E. COMMON POLICY CONDITIONS**:

- g.** If we cancel this policy, we will give written notice to the mortgage holder or Additional Insured at least:
  - (1)** 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
  - (2)** 30 days before the effective date of cancellation if we cancel for any other reason.
  
- h.** If we do not renew this policy, we will give written notice to the mortgage holder or Additional Insured at least 10 days before the expiration of this policy.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **LIMITATION OF COVERAGE TO SELF-STORAGE OPERATIONS AT DESIGNATED LOCATIONS**

This endorsement modifies insurance provided under the following:

SPECIALTY LIABILITY COVERAGE FORM

### **A. COVERAGES**

#### **1. Business Liability**

Paragraph **a.** is deleted and replaced with:

**a.** We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury", "property damage", "personal injury" or "advertising injury" but only with respect to the conduct of your "self-storage operations" at the specifically designated locations shown in the Declarations 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 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 Section **D. LIMITS OF INSURANCE**; and

**(2)** Our right and duty to defend end when we have used up the applicable Limit of Insurance in the payment of judgments or settlements or medical expenses.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Section **4. COVERAGE EXTENSION – SUPPLEMENTARY PAYMENTS**.

### **DEFINITIONS**

The following definitions are added:

"Customer" means any person or organization which is renting or leasing space at your self-storage facility with your permission and pursuant to a signed, written rental or leasing contract.

"Self-storage operation" means a business that rents or leases storage space in a warehouse or commercial facility to "customers" who have access to such warehouse or commercial facility for the purpose of storing and removing personal or business property. "Self-storage operations" are limited to those locations specifically identified in the Location Declarations.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **ANIMAL LIABILITY EXCLUSION**

This endorsement modifies insurance provided under the following:

SPECIALTY LIABILITY COVERAGE FORM

### **B. EXCLUSIONS**

The following exclusion is added under paragraph 1. Applicable to Business Liability Coverage and paragraph 3. Applicable to Medical Expenses Coverage:

This insurance does not apply to "bodily injury", "property damage", "personal injury", "advertising injury", or medical expenses arising directly or indirectly out of the ownership, use, failure to control, failure to train, or entrustment to others of any animal.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **PERFLUOROALKYL AND POLYFLUOROALKYL SUBSTANCES (PFAS) EXCLUSION**

This endorsement modifies insurance provided under the following:

SPECIALTY LIABILITY COVERAGE FORM

**A.** The following exclusion is added to Paragraph 1. of Section **B – EXCLUSIONS:**

**Applicable to Business Liability Coverage -**

This insurance does not cover:

**Perfluoroalkyl And Polyfluoroalkyl Substances**

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, threatened or suspected inhalation, ingestion, absorption, consumption, discharge, dispersal, seepage, migration, release or escape of, contact with, exposure to, existence of, or presence of, any "perfluoroalkyl or polyfluoroalkyl substances".
2. Any "loss", cost or expense arising, in whole or in part, 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, "perfluoroalkyl or polyfluoroalkyl substances", by any insured or by any other person or entity.

**B.** The following is added to **DEFINITIONS:**

**"Perfluoroalkyl or polyfluoroalkyl substances"** means any:

1. Chemical or substance that contains one or more alkyl carbons on which hydrogen atoms have been partially or completely replaced by fluorine atoms, including but not limited to:
  - a. Polymer, oligomer, monomer or nonpolymer chemicals and their homologues, isomers, telomers, salts, derivatives, precursor chemicals, degradation products or by-products;
  - b. Perfluoroalkyl acids (PFAA), such as perfluorooctanoic acid (PFOA) and its salts, or perfluorooctane sulfonic acid (PFOS) and its salts;
  - c. Perfluoropolyethers (PFPE);
  - d. Fluorotelomer-based substances;
  - e. Side-chain fluorinated polymers; or
2. Good or product, including containers, materials, parts or equipment furnished in connection with such goods or products, that consists of or contains any chemical or substance described in Paragraph **B.1.** above.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **COMMUNICABLE DISEASE EXCLUSION**

This endorsement modifies insurance provided under the following:

### **SPECIALTY LIABILITY COVERAGE FORM**

1. Notwithstanding any provision to the contrary within this policy, this policy does not cover any actual or alleged loss, liability, damage, compensation, injury, sickness, disease, death, medical payment, defense cost, cost, expense or any other amount, directly or indirectly and regardless of any other cause contributing concurrently or in any sequence, originating from, caused by, arising out of, contributed to by, resulting from, or otherwise in connection with a "Communicable Disease" or the fear or threat (whether actual or perceived) of a "Communicable Disease".
2. For the purposes of this endorsement, loss, liability, damage, compensation, injury, sickness, disease, death, medical payment, defense cost, cost, expense or any other amount, includes, but is not limited to, any cost to clean-up, detoxify, remove, monitor or test for a "Communicable Disease".
3. As used herein, a "Communicable Disease" means any disease which can be transmitted by means of any substance or agent from any organism to another organism where:
  - 3.1. the substance or agent includes, but is not limited to, a virus, bacterium, parasite or other organism or any variation thereof, whether deemed living or not;
  - 3.2. the method of transmission, whether direct or indirect, includes but is not limited to, airborne transmission, bodily fluid transmission, transmission from or to any surface or object, solid, liquid or gas or between organisms; and
  - 3.3. the disease, substance or agent can cause or threaten "bodily injury", illness, emotional distress, damage to human health, human welfare or "property damage".

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**CYBER EXCLUSION ENDORSEMENT**

This endorsement modifies insurance provided under the following:

**SPECIALTY LIABILITY COVERAGE FORM**

Notwithstanding any provision to the contrary within this policy, it is agreed that this policy does not cover any "loss", directly or indirectly caused by, resulting from or in connection with the insured's use of, reliance upon, sale or supply of any computer hardware or related information technology or communication system, any computer software, Internet, Intranet, Website or similar facility, system or network or any electronic data or related information.

This exclusion does not apply to claims for "bodily injury" caused by an accident involving physical contact with computer hardware.

"Loss", as used in this endorsement includes, but shall not be limited to, injury, loss, damage, cost or expense of whatsoever nature including consequential and pure financial loss, and loss of, damage to, deterioration, corruption (whether permanent or temporary) or loss of use of any computer hardware, related Information Technology or communication system, any computer software, Internet, Intranet, Website or similar facility, system or network or any electronic data and related information.

If any part of this endorsement is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EXCLUSION – ACCESS OR DISCLOSURE OF CONFIDENTIAL OR PERSONAL INFORMATION AND DATA-RELATED LIABILITY**

This endorsement modifies insurance provided under the following:

SPECIALTY LIABILITY COVERAGE FORM

### **B. EXCLUSIONS**

#### **1. Applicable to Business Liability Coverage**

This insurance does not cover:

The following exclusions are added :

#### **z. “Personal injury” or “advertising injury”:**

**(5)** 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.

#### **aa. Access Or Disclosure Of Confidential Or Personal Information And Data- related Liability**

Damages arising out of:

**(1)** 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)** 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.

As used in this exclusion, electronic data means information, facts or programs stored as or on, 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.



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **TOTAL POLLUTION EXCLUSION WITH A BUILDING HEATING, COOLING AND DEHUMIDIFYING EQUIPMENT EXCEPTION AND A HOSTILE FIRE EXCEPTION**

This endorsement modifies insurance provided under the following:

### **SPECIALTY LIABILITY COVERAGE FORM**

Exclusions **e.** and **f.** under Paragraph **1.** of **B.** **EXCLUSIONS** are replaced by the following:

This insurance does not apply to:

**e. Pollution**

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

This exclusion does not apply to:

- (a) "Bodily injury" if sustained within a building which is or was at any time owned or occupied by, or rented or loaned to, any insured and caused by smoke, fumes, vapor or soot produced by or originating from equipment that is used to heat, cool or dehumidify the building, or equipment that is used to heat water for personal use, by the building's occupants or their guests; or
- (b) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a hostile fire unless that hostile fire occurred or originated:
  - (i) At any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of "waste"; or

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

As used in this exclusion, hostile fire means one which becomes uncontrollable or breaks out from where it was intended to be.

- f. Any loss, cost or expense arising out of any:
  - (a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
  - (b) Claim or "suit" by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **FUNGI OR BACTERIA EXCLUSION**

This endorsement modifies insurance provided under the following:

SPECIALTY LIABILITY COVERAGE FORM

The following exclusion is added to Paragraph 1. of **B. 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.

The following definition is added to **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.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **ASSAULT OR BATTERY EXCLUSION**

This endorsement modifies insurance provided under the following:  
SPECIALTY LIABILITY COVERAGE FORM

### **B. EXCLUSIONS**

For the purposes of this endorsement, paragraph **1.a.** is replaced by the following:

- a.** "Bodily injury" or "property damage" expected or intended from the standpoint of any insured.

The following exclusion is added:

This insurance does not cover "bodily injury", "property damage", "personal injury", "advertising injury", medical expenses, claims or "suits" arising from, related to, or in any way connected with:

- (1)** "Assault or battery" committed by, or alleged to have been committed by, any insured, any employee or agent of any insured, or any other person or entity;
- (2)** The attempt or failure to suppress or prevent "assault or battery" by any person or entity in paragraph **(1)** above; or
- (3)** Any actual or alleged liability for the hiring, retention, supervision, investigation, training or reporting of any person or entity whose conduct would be excluded by paragraphs **(1)** or **(2)** above.

We will have no duty to provide a defense or pay damages for any claim or "suit" involving any allegations or conduct to which this exclusion applies.

### **DEFINITIONS**

The following is added:

"Assault or battery" means assault, battery, harmful, offensive or unwanted contact, or threat of any of these.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY**

**TOTAL LIQUOR EXCLUSION ENDORSEMENT**

This endorsement modifies insurance provided under the following:

**SPECIALTY LIABILITY COVERAGE FORM**

Paragraph **1. b.** under section **B. EXCLUSIONS** is amended as follows:

- b.** “Bodily injury”, “property damage”, “personal injury”, “advertising injury”, or any injury, loss or damage for which any insured may be held liable by reason of:
- (1)** Causing or contributing to the intoxication of any person;
  - (2)** Furnishing alcoholic beverages to anyone under legal drinking age or under the influence of alcohol;
  - (3)** Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages; or
  - (4)** Any act or omission by any insured, any employee of any insured, patron, member, associate, volunteer or any other person as respects providing or failing to provide transportation, detaining or failing to detain any person, or any act of assuming or failing to assume responsibility for the well-being, supervision or care of any person allegedly under or suspected to be under the influence of alcohol.
  - (5)** Negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by any insured with respect to use of alcohol.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**ADDITIONAL INSURED — BY WRITTEN CONTRACT,  
WRITTEN AGREEMENT OR PERMIT**

This endorsement modifies insurance provided under the following:

**SPECIALTY LIABILITY COVERAGE FORM**

**C. WHO IS AN INSURED**

2. The following paragraphs are added:

**g.** Any person or organization for whom you are required by written contract, written agreement or permit to provide insurance is an insured, subject to the following additional provisions:

**(1)** The contract, agreement or permit must be in effect during the policy period shown in the Declarations, and must have been executed prior to the “bodily injury”, “property damage”, “personal injury” or “advertising injury”.

**(2)** The person or organization added as an insured by this endorsement is an insured only to the extent you are held liable due to:

**(a)** The ownership, maintenance or use of that part of premises you own, rent, lease or occupy, subject to the following additional provisions:

**(i)** This insurance does not apply to any “occurrence” which takes place after you cease to be a tenant in any premises leased to or rented to you;

**(ii)** This insurance does not apply to any structural alterations, new construction or demolition operations performed by or on behalf of the person or organization added as an insured;

**(3)** Your ongoing operations for that insured, whether the work is performed by you or for you;

**(4)** The maintenance, operation or use by you of equipment leased to you by such person or organization, subject to the following additional provisions:

**(a)** This insurance does not apply to any “occurrence” which takes place after the equipment lease expires;

**(b)** This insurance does not apply to “bodily injury” or “property damage” arising out of the sole negligence of such person or organization;

**(5)** Permits issued by any state or political subdivision with respect to operations performed by you or on your behalf. However, this insurance does not apply to “bodily injury”, “property damage”, “personal injury” or “advertising injury” arising out of operations performed for the state or municipality;

**(6)** The insurance with respect to any architect, engineer, or surveyor added as an insured by this endorsement does not apply to “bodily injury”, “property damage”, “personal injury” or “advertising injury” arising out of the rendering of or the failure to render any professional services by or for you, including:

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

- (b) Supervisory, inspection or engineering services.
- (7) This insurance does not apply to “bodily injury” or “property damage” included within the “products-completed operations hazard”.
- (8) A person’s or organization’s status as an insured under this endorsement ends when your operations for that insured are completed.
- (9) No coverage will be provided if, in the absence of this endorsement, no liability would be imposed by law on you. Coverage shall be limited to the extent of your negligence or fault according to the applicable principles of comparative fault.
- (10) The defense of any claim or “suit” must be tendered as soon as practicable to all other insurers which potentially provide insurance for such claim or “suit”.

(11) The insurance provided to an additional insured will not exceed the lesser of:

- (a) The coverage and/or limits of this policy; or
- (b) The coverage and/or limits required by such contract, agreement or permit.

(12) The insurance provided to an additional insured only applies to the extent permitted by law.

#### **TRANSFER OF RIGHTS OF RECOVERY**

The following is added to Paragraph 11. **Transfer of Rights of Recovery** under **A. Common Policy Conditions**:

We waive any right of recovery we may have against any person or organization because of payments we make for injury or damage arising out of your ongoing operations or “your work” done under a contract with that person or organization and included in the “products-completed operations hazard”. This waiver applies only to a person or organization for whom you are required by written contract, agreement or permit to waive these rights of recovery.



## Lease/Lien Procedures Checklist

**Date**  
**Completed**

**Make sure you have updated Unit Lease Agreements:** Make sure you do not have several different lease agreements in use as some of the older lease agreements have less protections and risk transfer provisions. Make sure to ensure that all unit owners have the most recent, updated lease agreements in place, which are properly executed and kept on file within 30 days of updating your lease or purchasing your facility.

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**Obtaining proof of contents insurance from the tenant:** As a self-storage facility you are not insuring the tenants contents. The tenant needs to have contents coverage in place, and your lease should require this. In addition, an addendum to your lease should also be used in regards to tenant contents coverage. This should be completed and signed by the tenant. I have enclosed an addendum you can use, or you can use your own addendum

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**Have a written Unit Forfeiture/Contents Sale Process:** Make sure you have and follow a written units lien sale process. This protects you in the event of claim. I have attached an article called Perfecting your Lien Sale Process that was written by the SSA Self Storage Legal Network the details the steps that need to be taken in regards to a lien sale. Be sure to follow your state Lien Laws and use your procedure list for every sale. Documentation is key in regards to any unit sale/disposal, especially photographs and/or video of the unit **PRIOR** to sale/disposal.

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**The Financial aspects of the Contents Sale/Disposal needs to be documented:** You should be able to clearly (with documentary evidence) show the financial aspects of any contents sale. This evidence is always requested in any claim, and you will be well-served by being able to provide clear information including the amount of rent unpaid, the amount received in the sale of the unit, cost of disposing, and the final balance in regards to the unit. In the absence of clear financial evidence, your tenant will find it easier to argue a higher valuation unless this information is documented.

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## TENANT RESPONSIBILITY ADDENDUM

**I understand that this self-storage facility and/or its management:**

**Is not responsible for loss or damage to my property**

**Does not provide insurance for my stored property**

**Requires that I provide my own insurance coverage or be uninsured (personally responsible for any loss)**

**Is a commercial business renting space and is not a bailee or warehouseman**

**As such it is agreed that I take full responsibility for any loss or damage to my stored goods**

\_\_\_\_\_  
Unit Number

\_\_\_\_\_  
Tenant Printed Name

\_\_\_\_\_  
Date

\_\_\_\_\_  
Tenant Signature





## Perfecting Your Lien Sale Process

The right of non-judicial foreclosure and the sale of tenant's property is a unique attribute of the self storage business and provides a self storage owner or operator with a powerful tool in collecting its rent or recovering its storage space from a delinquent tenant. Yet, the right of repossession also comes with the tremendous responsibility of following the rules for that foreclosure. Although many states have self storage statutes which identify the foreclosure rights of a self storage owner, each statute must be reviewed depending on the state in which the property to be sold is located. All required notices must be sent, and all time periods for demand, notice, publication and sale must be observed. The failure to follow any of those requirements exposes the self storage facility to tremendous liability and explains why there is specific insurance in the self storage industry for "wrongful sales." The conservative approach to foreclosures is that if there are any questions relating to compliance with the statutory procedures, the self storage facility should redo the process. The slogan for foreclosure should be if there are any questions as to whether it's been done right, do it again.

Again, under most state laws, a statute exists which provides the basic rules for responding to a tenant's delinquency. Regardless of the statute involved, each of the self storage statutes contains the same essential elements required for foreclosure which are: default; written notice to tenant of default; written notice to lien holders or other parties with secured interests in the stored property; time for a tenant to cure its default (pay the outstanding rent); and sale of the tenant's property.

**Default.** Default is usually defined within the state law, but commonly occurs at the time the tenant breaches its obligation to pay its rent. However, when the tenant "defaults" does not necessarily trigger the time when the foreclosure process begins. In many instances, the foreclosure process can only start when the tenant has been in default for thirty or forty days or even longer. Again, the time for beginning foreclosure will be based upon the terms of the specific state law where the facility is located. Although many storage owners proceed with over- locking a unit after five or ten days, many states specifically restrict a landlord from limiting the tenant's access to its space until the foreclosure process has actually started.

**Notice.** Following default, the storage owner must provide proper notice to the tenant of its default. The majority of state statutes simply require that one demand letter be sent to the tenant via certified mail, which notice allows a tenant to pay the outstanding rent within a certain time. Although a storage facility must send that required notice, it benefits the facility to go beyond the minimum requirements of the statute and attempt to give additional notice to the tenant prior to proceeding to foreclosure. It is recommended that facility managers take the time to make follow up phone calls, and even send additional letters, giving the tenant

notice of the default. Certainly, after a limited time and effort, it may become obvious that further efforts are useless.

Under certain state statutes, notice must also be sent to any lien-holders or parties with a secured interest in the property stored in the unit. Some statutes do not require such notice at all; some statutes require such notice if the tenant discloses the lien-holders in its lease; and still other statutes require that a storage owner do a separate search to determine who the lien-holders may be by reviewing county records.

**Time to Cure Default.** Once the demand letter is sent regarding payment, the tenant is entitled, by statute, to a certain period of time in which to cure its default and pay the outstanding rent (in addition to its late charges).

One of the common questions from storage operators is when does the time to cure begin? Some states start the time period after the “mailing” of the demand letter, others after “receipt” of the demand letter. If the statute requires receipt of the certified mail letter, most statutes identify receipt as either the actual signing of the green card or the impossibility of delivery (usually after the third attempt by the post office). The best approach for a storage operator is to be as conservative as possible in determining when the time period begins to run for the tenant to repay its rent. That way, it cannot later be questioned by the Court on a claim for wrongful sale if the storage facility waited an additional amount of time before it sold the tenant's goods. Due to the questions surrounding the delivery of certified mail, it always makes sense to send the certified mail letter along with a letter for regular delivery. That way if the letter sent regular delivery is not returned, it will confirm that the original address sent for certified mail delivery was accurate.

**Payment.** Obviously, if a tenant pays the outstanding rent, the delinquency is cured and the default stops. Similarly, if the tenant fails to pay anything in response to the demand, the process continues toward sale. However, what is a storage operator to do regarding partial payments? A storage operator simply has two choices with respect to partial payments. It can either choose not to accept any partial payments, or it can accept partial payments, so long as certain conditions are met. A storage facility that accepts partial payments must do the following: (1) provide notice in the lease that acceptance of partial payments will not stop the sale of the tenant's goods; (2) if the tenant brings in a partial payment, the tenant should sign a form acknowledging that the payment will not stop the sale; (3) if a tenant mails in a partial payment, the facility should send a letter to the tenant confirming that the payment will not stop the sale. If a facility accepts partial payments, and it does not meet the above conditions, it should not sell the tenant's goods.

**Publication.** If a tenant has not paid the money due within the time allotted, the property is then scheduled for auction. However, prior to the auction occurring, most statutes require that a notice of the sale be published in a paper of general circulation in the area where the facility is located. Commonly, this publication must occur at least twice prior to the sale date. A facility

should obtain some written verification from the paper that the notices have been published and should keep those confirmations in the tenant's file for later proof, if necessary.

**Inspection and Inventory.** Again, state laws differ on the requirement for self storage owners and operators to physically inspect and inventory a tenant's property prior to sale, rather than relying on the general description given by the tenant itself. Certainly, an owner that cuts a tenant's lock and inspects a tenant's goods assumes the risk that if the tenant reappears and pays the overdue rent prior to the sale that the tenant will complain that property has been taken or damaged. The best solution to this problem is to photograph or videotape the inspection before the unit is re-locked. If a physical inspection is not required by statute, a facility may want to weigh the benefits of such an inspection compared to the potential risks.

**Auctions.** How the auction is handled is an important part of a facility's foreclosure process. States differ on the mandatory use of licensed auctioneers to run storage auctions. Certainly, there are benefits to using an auctioneer service. For example, auctioneers who are good at their jobs will have bidders that follow them from sale to sale. With more traffic, those auctioneers may potentially get more dollars for each unit sold. Licensed auctioneers are also presumed to know their state's auction laws and, if an auction is found to be invalid, the facility may be able to pass on its liability to the auctioneer. The obvious disadvantage to using an auctioneer is that a facility will have to pay some percentage of the dollars recovered in the sale as a commission or some other amount as compensation for the auctioneer's services which will lower the facility's bottom line recovery.

**Bid Rules.** Whether or not a facility uses an auctioneer, it is important that the bidders all follow uniform rules and understand those rules in bidding on the particular units. It is recommended that all of the bidders sign an attendance sheet in advance of the auction which includes their name, address and phone number. It is also important that each bidder sign a form which indicates their understanding of the rules of the auction relating to payment (i.e. cash or certified funds) and removal of the property (i.e. 48 hours or it is considered abandoned). Again, the bidders should be required to sign these rule forms to avoid later disputes by the bidders relating to the sale.

Finally, the highest bidder should be required to sign a winning bid form, showing that party's name, address, phone number, unit number and the dollar amount of the bid. This winning bid form should state that the bidder must remove the property within 48 hours. If the property is not removed within that time, the form should state that the property will be deemed abandoned and that the facility owner will be allowed to remove and dispose of the property without any claims of "trespass or conversion." The only exception would be if a delay was approved in writing by the facility owner or its authorized representative prior to the termination of the 48-hour period. Certainly, the bidder may choose to become a tenant in the facility and hold the property in the unit for a certain period of time. If so, the bidder should be required to sign a lease as would any other tenant for the unit.

**Bidder's Liability for Bad Sale.** The Uniform Commercial Code, as well as many state storage statutes makes it quite clear that good faith purchasers (winning bidders) can not be held liable to tenants for any wrongful sales. A bidder is presumed to purchase the property in good faith unless there is some evidence to show that the bidder knew that the sale being held was wrongful. Although these laws make it clear that third party bidders cannot be held liable for good faith purchases, it will not prevent a disgruntled tenant from suing that purchaser in an effort to reclaim its property.

**Commercially Reasonable Sale.** In many jurisdictions, a facility owner is required to obtain "commercially reasonable" bids to ensure that a unit gets its best price for the type of property stored. Although not all state laws have this requirement, where valuable items are discovered in a storage unit (i.e., collectibles, jewels, antiques), it is prudent for a storage owner to attempt to have bidders interested and knowledgeable about such property appear at the auction so that the bidding for the property can match the reasonable market value of the property being sold. This benefits both the facility owner and the tenant where a bidder, who recognizes the true value of the property, will bid accordingly. If it is found that the facility owner did not seek to obtain commercially reasonable bids, it may be determined that the sale was improper and may expose the facility owner to liability for the difference in value received for the property.

**Proceeds of the Sale.** Certainly the goal of any foreclosure sale is to recoup as much money as possible so as to re-pay the facility for its lost rent. If an owner is still owed money after the sale, it should have a provision in its Lease Agreement allowing the owner the legal right to seek collection for the difference. If so, the facility would have the right to sue in a court (most commonly a small claims court) for the difference between the amount obtained in the auction sale and the amount owed under the rent.

Once a facility has obtained a judgment from the Magistrate Court, it can use a collection service or attorney to recover the dollars owed. Certainly, it is the best philosophy not to throw good money after bad and, depending on the amount of the judgment; it may not be worth it to go after the additional money. Depending on which state the facility is in, it may be wise to include an attorneys' fees provision allowing you to collect attorneys' fees for having to bring suit against a tenant to collect the remaining debt. However, be careful. Certain states enforce mutuality provisions which would allow the tenants to seek attorneys' fees against a facility where the tenant brings its own claim against the facility.

Although it is not too common, occasionally facility owners are left with surplus funds from the sale of a tenant's property. Commonly the state's self storage facility law will dictate specifically what needs to be done with such proceeds. Many times a facility's first obligation is to contact the tenant concerning the excess funds. If the tenant does not claim the funds within a certain period of time (sometimes two years), some states will direct the facility owner to deposit the monies with its County Court or County Treasurer. In other states the facility owner is entitled to retain the funds unless the tenant makes a timely claim on the excess funds. It is important to learn and observe the state's laws concerning surplus funds (if not found under the self

storage statute, they may be explained under the abandoned property section of the state law). A failure to abide by these laws may subject the facility, and its officers, to criminal sanctions.

**Practical Advice.** The best sale is no sale, but if you have to do it, do it right. Unfortunately, the majority of wrongful sale claims arise out of simple administrative mistakes as compared to intentional acts. Although a facility's records may indicate non-payment or proper mailing of notices, the actual documents may indicate otherwise. In order to protect a facility from wrongful sale claims, it is vital to create a procedure at the facility to allow a second person, whether it be a manager or other facility representative, to review all aspects of a tenant's lease before the property is sold at auction. Once the property is sold a facility can not turn back the clock and recoup the tenant's property. A tenant whose unit has been disturbed will unlikely say that everything has been replaced in the unit. Instead, it is more likely that the few items that are claimed to be missing by the tenant will be antiques or jewelry or other items which will increase the value of the wrongful sale claim against the facility. Therefore, if a checklist is created which requires two parties to review the documents and approve the sale, errors in the paperwork and other missteps can hopefully be avoided. It may take additional time to perform this double-checking routine but it will save the facility in the long run.

It cannot be said enough that the goal of self storage is to rent units and not to sell property. Unless a facility owner or operator has tried all other avenues to resolve the outstanding balance with its tenant, the sale of the tenant's property should be the last resort. By recognizing the risks of foreclosing on tenant's property, a facility owner or operator should be more inclined to resolve delinquencies as conservatively as possible. The industry has witnessed an increase in tenant claims for wrongful sales over the past few years and based upon the risks involved, any sale of a tenant's property should be handled cautiously and carefully.



## Updating your Rental Agreement

By far, the self storage rental agreement is one of the most important tools in operating a self storage facility. Therefore, it is important for facility owners and operators to take the time to stop and review their agreement to confirm that the document they're using is up to date and effective for its intended purpose. Consider some of these questions when looking at your rental agreement. When was it drafted? Does it follow your state's self storage law? Has your state law been amended since the agreement was written? Does your agreement consider recent court decisions that interpret self storage agreements? Depending on your answer to some of these questions, it may be time for you to consider updating your agreement.

As a general guide, in addition to provisions regarding term, rent, late fees and other charges, your rental agreement should explain the owner's role as landlord, the tenant's risk of loss and the need for insurance for the stored property. The agreement should generally outline the rights of the facility owner, the obligations of the tenant and what happens when the tenant doesn't pay the rent.

**Nonbailment.** One of the most crucial ingredients to a strong self storage lease is the discussion that the relationship between the party leasing the space for storage and the party storing their property is that of a landlord/tenant. The self storage owner is not a bailee of the tenant's property and there is no warehouseman relationship between the parties. That limitation must be included in a self storage rental agreement. A statement that the self storage owner is not a bailee, and does not take care, custody or control of a tenant's goods, must be explicitly addressed in the agreement. Keep in mind that judges who are deciding cases concerning tenant's claims will look primarily to the rental agreement to determine the facility owner's obligations to the tenant. A bailee is held to a much higher standard of care than a landlord. Therefore, the agreement needs to be clear that the facility owner is not a bailee of the tenant's property.

**Limitation of Liability.** The effort to potentially limit a self storage owner's liability in case of tenant claims should be included in the self storage agreement under three separate provisions. First, there should be a limitation of value provision which explains that the value of the property to be stored cannot exceed a certain amount (commonly \$5,000) unless previously approved in writing by the facility owner. Under this type of provision the facility would allow a tenant to store property with a value greater than \$5,000 if the tenant could provide proof of insurance for 100% of the estimated value of the property. Next, there should be a statement in the agreement that the tenant agrees not to store property having special or sentimental value and the tenant specifically waives its right to make claims for emotional attachment to its stored property. This provision lessens the likelihood of claims for emotional distress arising from the loss or damage to the tenant's property. Finally, there should be a jury trial waiver provision in the agreement which would attempt to restrict the tenant's rights to bring its claim before a jury. This provision is important because tenant cases heard before a jury have a greater likelihood of larger verdicts than a similar case heard only before a judge. Unfortunately, there is a caveat to the limitation of liability provisions addressed above. Certain states will allow these provisions to be upheld. Other states will not.

**Release of Liability.** Another significant section of the rental agreement should specifically address the tenant's release of liability against the landlord. The language in the agreement would normally include statements that the property is stored at the "sole risk" of the tenant and that the landlord is not liable for the "loss of or damage to" the tenant's personal property due to burglary, mysterious disappearance, mold, mildew, fire, water damage, rodents, insects and acts of God. It is also important to include in the rental agreement that the landlord will not be held liable for such property loss or damage arising from the "active or passive acts or omissions or negligence of the owner, owner's agents or employees." Where this language is found, certain court decisions have allowed landlords to be released from liability where their own negligence has caused the loss or damage to occur. This release section of the agreement can also address liability for any personal injuries which may occur to the tenant while at the facility. However, many states will not uphold a personal injury waiver such as this, although some mention of it still should be included in your agreement.

**Insurance.** One of the most important clauses in a self storage rental agreement involves the issue of tenant insurance. This provision should state that the tenant is obligated to obtain its own insurance to protect the value of its stored property. The provision would provide that the requirement to obtain insurance is a material condition of the agreement and that the failure to obtain such insurance would be a breach of the agreement. Certainly, the agreement should identify that the tenant has the right to be self insured, but that it assumes full risk for the loss or damage to its stored property. Another vital provision that should be included under the insurance section of the agreement is a waiver of subrogation. This provision prevents a tenant's insurance company from pursuing claims against the self storage facility after it has paid its insured. Without such a provision, if a tenant collects from its insurance company on a loss or damage claim, the insurance company would have the right to then seek recovery back against the facility for their payment of that claim.

**Indemnification Provision.** Related to insurance, a good self storage agreement should also contain an indemnification provision whereby the tenant agrees to indemnify and hold the self storage facility harmless for property loss or damage or personal injury which it causes from its use of the facility. In other words, where a third party is injured as a result of the tenant's acts, and that third party seeks to recover against the facility, the facility can look to the tenant to recover for any damages it is required to pay that injured third party.

**Lien Sale Rights and Procedures.** Almost every state self storage law requires that certain language be incorporated in the rental agreement to notify the tenant of the landlord's right to lien its tenant's goods and sell those goods once the tenant is in default. Certain state laws even require that this notice be in bold print or that the print be in a larger type size. Again, it is crucial that whatever is required by the statute be followed in the agreement. Courts will likely not uphold a facility's lien enforcement rights if the facility has not properly complied with the requirements of the statute.

**Other Important Provisions.** Self storage rental agreements should also include language addressing restrictions as to what can be stored in the unit, the termination rights of both the landlord and the tenant, and what defines a tenant's abandonment of its property. Other provisions should address warranties, partial payments, the landlord's right to obtain access and their right to change the terms of the agreement upon proper notice to the tenant.

No rental agreement is perfect, nor does it have to be. What a good agreement must do, however, is contain certain language that identifies it as a self storage rental agreement as compared to any other type of lease. Again, there is enough confusion with regards to the rights and liabilities of self storage

owners as it is. There need not be further confusion based upon a poorly written or incomplete rental agreement. If you haven't done so in awhile, take some time to read your agreement and test it to see whether it needs updating.