

CANNABIS BUSINESSOWNERS POLICY CALIFORNIA

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Endorsements may apply to this policy. All applicable endorsements are identified on the "declarations". Refer to the Common Policy Definitions and Additional Definitions for words that have special meanings. These words are shown in quotation marks.

AGREEMENT

Subject to all the "terms" that apply, and in return for "your" payment of the required premium, "we" provide the coverages described in this policy.

COMMON POLICY DEFINITIONS

The Common Policy Definitions contain definitions that apply to all coverages provided by this policy.

1. The words "you" and "your" mean the person or entity named as the "insured" on the "declarations".

Throughout this policy, any reference to "your" spouse includes a person who is "your" registered domestic partner as defined or recognized by California law.

Throughout this policy, any reference to "your" relative or "your" resident relative includes a relative of "your" registered domestic partner.

2. The words "we", "us", and "our" mean the company providing the coverages described in this policy.
3. "Basic territory" means the United States of America, its territories and possessions, Canada, and Puerto Rico.

With respect to losses to "cannabis" or "cannabis accessories", and losses arising out of or in any way related to "cannabis activities", the "basic territory":

- a. is limited to the state of California; and
 - b. does not include land or property owned by the United States government.
4. "Cannabis"

a. "Cannabis" means all parts of the plant *Cannabis sativa* L., whether growing or not, even if such parts have undergone a process whereby the plant material has been transformed or incorporated into any:

- 1) compound, concentrate, derivative, extract, manufacture, mixture, preparation, resin, or salt, all whether crude or purified;
- 2) edible item;

- 3) topical product; or
- 4) other consumable or disposable item or product.

b. "Cannabis" does not include:

- 1) the mature stalks of the plant *Cannabis sativa* L., or fiber produced from such stalks;
- 2) oil or cake made from the seeds of the plant *Cannabis sativa* L.;
- 3) any compound, derivative, extract, manufacture, mixture, preparation, or salt of item 4.b.1) or item 4.b.2) above; or
- 4) the sterilized seed of the plant *Cannabis sativa* L. that is incapable of germination.

5. "Cannabis accessories" means equipment, products, or materials of any kind that are used, intended for use, or designed for use in:

- a. "cannabis activities"; or
- b. ingesting, inhaling, smoking, vaporizing, or otherwise consuming "cannabis" in any form or quantity.

6. "Cannabis activities"

- a. "Cannabis activities" means commercial activity regulated by the state of California that involves or is in any way related to "cannabis".
- b. "Cannabis activities" includes but is not limited to the:

- 1) cultivation;
- 2) delivery, distribution, or transportation;
- 3) labeling, packaging, or repackaging;
- 4) laboratory testing;
- 5) manufacturing or processing;
- 6) possession;
- 7) sale; and
- 8) storage;

of "cannabis" in any form or quantity.

7. "Computers" means:
- a. "hardware" owned by "you" or in "your" care, custody, or control; or
 - b. "software".
8. "Data records" means files, documents, and information in an electronic format that are stored on "media".
- "Data records" does not include digital or virtual currencies.
9. "Declarations" means all pages labeled "declarations", supplemental declarations, or schedules that pertain to this policy.
10. "Described premises" means any location shown on the "declarations" as a described premises.
11. "Fungus or related perils" means:
- a. a fungus, including but not limited to mildew and mold;
 - b. a protist, including but not limited to algae and slime mold;
 - c. wet rot;
 - d. dry rot; or
 - e. a chemical, matter, or compound produced or released by a fungus, a protist, wet rot, or dry rot, including but not limited to toxins, spores, fragments, and metabolites such as microbial volatile organic compounds.
12. "Hardware" means a network of electronic machine components (microprocessors) capable of accepting instructions and information, processing the information according to the instructions, and producing desired results.
- "Hardware" is limited to:
- a. mainframe and mid-range "computers" and servers;
- b. personal "computers" and workstations;
 - c. laptops, hand-held "computers", notebook PCs, and other portable computer devices and accessories, such as multimedia projectors; and
 - d. peripheral data processing equipment, such as printers, keyboards, monitors, and modems.
13. "Limit" means the amount of coverage that applies.
14. "Media" means instruments that are used with "hardware" and on which "data records", "programs and applications", and "proprietary programs" can be recorded or stored.
- "Media" includes but is not limited to films, tapes, cards, discs, drums, cartridges, cells, DVDs, or CD-ROMs.
15. "Pollutants" means:
- a. any solid, liquid, gaseous, thermal, or radioactive irritant or contaminant, including acids, alkalis, chemicals, fumes, smoke, soot, vapor, and waste. Waste includes materials to be disposed of as well as recycled, reclaimed, or reconditioned; or
 - b. electrical, magnetic, or electromagnetic particles or fields, whether visible or invisible, and sound.
16. "Programs and applications" means operating programs, applications, and data management tools that can be readily purchased on a retail or wholesale basis and that are:
- a. stored on "media"; or
 - b. pre-installed and stored in "hardware".
- Applications include but are not limited to programs for word processing, spreadsheet calculations, data management tools, and graphic design.

17. "Proprietary programs" means proprietary operating "programs and applications" developed specifically for "your" use or the use of another entity that are:
- a. stored on "media"; or
 - b. installed and stored in "hardware".
18. "Software" includes:
- a. "media";
 - b. "data records";
 - c. "programs and applications"; and
 - d. "proprietary programs".
19. "Terms" means provisions, limitations, exclusions, conditions, "declarations", and definitions used in this policy.
- c. If this policy has been in effect for 60 days or less, "we" may cancel for any reason. "We" will give "you" notice at least 10 days before the cancellation is effective. "Our" notice will state the date on which the cancellation is effective. Such notice may be delivered by electronic means if "you" have affirmatively consented to that method of delivery and have not withdrawn such consent.
- d. If this policy has been in effect for more than 60 days, or if it is a renewal of a policy issued by "us", "we" may cancel only for one or more of the following reasons:
- 1) nonpayment of premium;
 - 2) there has been 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 that materially increases any of the risks insured against;
 - 3) there has been a discovery of fraud or material misrepresentation committed by:
 - a) the "insured" or his or her representative in obtaining this insurance; or
 - b) "you" or "your" representative in pursuing a claim under this policy;
 - 4) there has been a discovery of a willful or grossly negligent act or omission, or of a violation of a state law or regulation establishing safety standards, by "you" or "your" representative, that materially increases any of the risks insured against;

COMMON POLICY CONDITIONS

The Common Policy Conditions contain "terms" that apply to all coverages provided by this policy.

1. **Assignment** -- This policy may not be assigned without "our" written consent.
2. **Cancellation And Nonrenewal**
 - a. "You" may cancel this policy by returning the policy to "us" or by giving "us" written notice and stating at what future date coverage is to stop.
 - b. "We" may cancel or not renew this policy by delivering or mailing written notice to the producer of record and to "you" at "your" mailing address shown on the "declarations". "Our" notice will state the reason for the cancellation or nonrenewal. Proof of delivery or mailing is sufficient proof of notice.

- 5) there has been a failure by "you" or "your" representative to implement reasonable loss control requirements that were agreed to by "you" as a condition of the issuance of this policy, or that were conditions precedent to "our" use of a particular rate or rating plan, if the failure materially increases any of the risks insured against;
 - 6) the Insurance Commissioner has determined that the loss of, or changes in, "our" reinsurance would threaten "our" financial integrity or solvency;
 - 7) the Insurance Commissioner has determined that a continuation of this policy would place "us" in violation of the laws of this state or the state in which "we" are domiciled, or that continuation of coverage would threaten "our" solvency; or
 - 8) there has been a change made by "you" or "your" representative in "your" activities or property that results in a materially added, increased, or changed risk, unless such added, increased, or changed risk is included in the policy.
- e. If "we" cancel this policy for nonpayment of premium or fraud, "we" will give "you" notice at least 10 days before the cancellation is effective. If "we" cancel this policy for any other reason, "we" will give "you" notice at least 30 days before the cancellation is effective. "Our" notice will state the date on which the cancellation is effective. Such notice may be delivered by electronic means if "you" have affirmatively consented to that method of delivery and have not withdrawn such consent.
- f. "Your" return premium, if any, will be calculated on a pro rata basis and will be refunded at the time of cancellation or within 80 business days of cancellation unless this policy is subject to audit. If this policy is subject to audit, it will be refunded within 80 business days of the date on which "you" provide all information needed to conduct an audit. Payment or tender of the unearned premium is not a condition of cancellation.
 - g. If "we" do not renew this policy, "we" will give "you" notice at least 60 days, but not more than 120 days, before the nonrenewal is effective.
- However, notice of nonrenewal is not required if:
- 1) the transfer or renewal of this policy without a change in its "terms" or rates is between "us" and another member of "our" insurance group;
 - 2) the policy has been extended for 90 days or less, if the notice of nonrenewal has been given prior to such extension;
 - 3) "you" have obtained replacement coverage or have agreed, in writing, within 60 days of the termination of the policy, to obtain such coverage;
 - 4) the policy is for a period of no more than 60 days, and "you" are notified at the time of issuance that it may not be renewed;
 - 5) "you" request a change in the "terms" or risks covered by the policy within 60 days prior to the end of the policy period; or
 - 6) "we" have made a written offer of conditional renewal to "you", as set forth in 4. below.

- h. If this policy covers a one- to four-family dwelling, and if in accordance with California law, "you" have designated an additional person to receive notice of the nonrenewal or cancellation of this policy for nonpayment of premium, "we" will give notice to such person at least 10 days before the nonrenewal or cancellation is effective. Such notice will be sent by first-class United States mail, postage prepaid, to the address provided by "you" within 10 days after the date on which the premium is due and unpaid. Proof of delivery or mailing is sufficient proof of notice.

Except as provided above, no person designated by "you" to receive notice of the nonrenewal or cancellation of this policy for nonpayment of premium has any rights, whether as an additional insured or otherwise, to any benefits under this policy.

3. **Change, Modification, Or Waiver Of Policy Terms** -- A change or waiver of "terms" of this policy must be issued by "us" in writing to be valid.
4. **Conditional Renewal** -- If "we" condition the renewal of this policy upon:
- a. a reduction in "limits";
 - b. an elimination of coverage;
 - c. an increase in deductibles; or
 - d. a rate increase of more than 25%;

"we" will deliver or mail written notice to the producer of record and to "you", at the mailing address shown on the "declarations", at least 60 days, but not more than 120 days, before the end of the policy period. Such notice may be delivered by electronic means if "you" have affirmatively consented to that method of delivery and have not withdrawn such consent. Proof of delivery or mailing is sufficient proof of notice.

5. **Conformity With Statute And Severability**

- a. If any of the "terms" of this policy are held by a court of competent jurisdiction to conflict with an applicable California state law, such "terms" are amended to conform to that law.
- b. Subject to item 5.a., if any of the "terms" of this policy are held by a court of competent jurisdiction to be illegal or unenforceable, the remaining legal and enforceable "terms" of this policy will remain in full force and effect.

6. **Cooperation** -- In case of loss, "you" must cooperate in performing all acts required by this policy.

7. **Examination Of Books And Records** -- "We" may examine and audit "your" books and records that relate to this policy during the policy period and within three years after the policy has expired. "Our" examination and audit may include but are not limited to any available records, reports, or logs generated or retained as part of a cannabis activity tracking (CAT) system or similar tracking mechanism.

8. **Inspections** -- "We" have the right, but are not obligated, to inspect "your" property and operations at any time. This inspection may be made by "us" or may be made on "our" behalf. An inspection or its resulting advice or report does not warrant that "your" property or operations are safe, healthful, or in compliance with codes, laws, rules, standards, or regulations. Inspections or reports are for "our" benefit only.

9. **Liberalization** -- If "we" adopt a revision of forms during the policy period that broadens the coverage under this policy without additional premium, the broadened coverage will automatically apply to this policy. This also applies if "we" adopt the revision within 60 days before this policy is effective.

10. Misrepresentation, Concealment, Or Fraud

- a. With respect to loss caused by or resulting from fire, "we" do not provide coverage to the "insured" who has, before or after a loss:
 - 1) willfully concealed or misrepresented:
 - a) a material fact or circumstance that relates to this insurance or the subject thereof; or
 - b) the "insured's" interest herein; or
 - 2) committed fraud or sworn falsely with regard to a matter that relates to this insurance or the subject thereof.
- b. With respect to loss caused by or resulting from a peril insured against other than fire, this coverage is void as to "you" and any other "insured" if, before or after a loss:
 - 1) "you" have or any other "insured" has willfully concealed or misrepresented:
 - a) a material fact or circumstance that relates to this insurance or the subject thereof; or
 - b) "your" interest or any other "insured's" interest herein; or
 - 2) there has been fraud or false swearing by "you" or any other "insured" with regard to a matter that relates to this insurance or the subject thereof.

PROPERTY COVERAGES

The Property Coverages section contains additional definitions, coverage descriptions, perils, exclusions, limitations, and conditions that apply to the property coverages provided by this policy.

ADDITIONAL DEFINITIONS

In addition to the Common Policy Definitions, the following definitions apply to the Property Coverages.

1. "Computer hacking" means an unauthorized intrusion by an individual or group of individuals, whether or not employed by "you", into a "computer", a website, or a "computer" network that results in but is not limited to:
 - a. deletion, destruction, generation, or modification of "software";
 - b. alteration, contamination, corruption, degradation, or destruction of the integrity, quality, or performance of "software";
 - c. observation, scanning, or copying of "data records", "programs and applications", and "proprietary programs";
 - d. damage, destruction, inadequacy, malfunction, degradation, or corruption of any "hardware" or "media"; or
 - e. denial of access to or denial of services from "computers", "computer" networks, or websites, including related "software".
2. "Computer virus" means any malicious, self-replicating electronic data processing code or other code that is introduced into a "computer", "computer" network, or website server, intended to result in but is not limited to:
 - a. deletion, destruction, generation, or modification of "software";
 - b. alteration, contamination, corruption, degradation, or destruction of the integrity, quality, or performance of "software";

- c. damage, destruction, inadequacy, malfunction, degradation, or corruption of any "hardware" or "media"; or
 - d. denial of access to or denial of services from "computers", "computer" networks, or website servers.
3. "Dependent location" means any location within the "basic territory" operated by others that "your" business relies upon as a contributing location, recipient location, leader location, or manufacturing location. As used in this definition:
- a. Contributing locations deliver materials or services to "your" business. However, contributing locations do not include water suppliers, communication suppliers, power suppliers, or wastewater removal services.
 - b. Recipient locations receive "your" products.
 - c. Leader locations attract customers to "your" business.
 - d. Manufacturing locations make products for delivery to "your" customers under contract of sale.
4. "Earth movement"
- a. For the purposes of this definition, earth includes but is not limited to ground, soil, sediments, substrates, and strata.
 - b. "Earth movement" means the movement of earth, including the following:
 - 1) earthquake, earth tremor, or earth temblor, including any aftershocks, whether manifested in shaking, ground displacement, or otherwise;
 - 2) soil liquefaction, whether or not caused by:
 - a) earthquake;
 - b) earth tremor; or
 - c) earth temblor;
- 3) eruption, explosion, or effusion of a volcano, including shaking or ground rupture before, during, or after a volcanic eruption, explosion, or effusion;
 - 4) landslide, including the movement of material present in or carried or otherwise moved by landslide;
 - 5) mine subsidence, whether or not the manmade mine is currently in use; or
 - 6) any other movement of earth, including its sinking (other than "sinkhole collapse"), shifting, contracting, or rising, including but not limited to:
 - a) erosion;
 - b) expansion or shrinking;
 - c) freezing or thawing;
 - d) soil compaction; and
 - e) movement caused by water under the surface of the ground;that causes cracking, settling, or shifting of covered property.
- c. "Earth movement" also means the movement of earth resulting from any act, error, or omission, whether or not such act, error, or omission occurs on the covered property. This includes but is not limited to:
- 1) construction or excavation;
 - 2) blasting or vibration from any source;
 - 3) hydraulic fracturing, mining, drilling, geothermal energy extraction, or any other process for extracting gas, heat, minerals, oil, steam, water, or any other natural resource, substance, or material from under the surface of the ground;
 - 4) injecting any natural resource, substance, or material, including but not limited to water and wastewater, under the surface of the ground;
 - 5) storing any natural resource, substance, or material, including but not limited to carbon dioxide, under the surface of the ground; or

- 6) any combination of the activities described in items 4.c.1) through 4.c.5) above.
5. "Employee"
- a. "Employee" means any natural person:
- 1) while in "your" service (and 30 days after termination of service) whom "you" compensate directly by salary, wages, or commissions, and whom "you" have the right to direct and control while performing services for "you";
 - 2) who is employed by an employment contractor while that person is subject to "your" direction and control and is performing services for "you" on a:
 - a) long-term basis; or
 - b) short-term or temporary basis; or
 - 3) who is a student or an intern in "your" service, whether or not "you" compensate such person directly by salary, wages, or commissions, and whom "you" have the right to direct and control while performing services for "you".
- b. "Employee" does not mean any:
- 1) agent, broker, contractor, commission merchant, consignee, independent contractor, or representative of the same general character;
 - 2) partner, director, trustee, joint venturer, manager, or member, except while performing acts falling within the scope of the usual duties of an "employee"; or
 - 3) short-term or temporary worker while having care and custody of property away from the "described premises".
6. "Insured" means "you", and any other person or entity that is insured under the Property Coverages.
7. "Interruption" means:
- a. the reduction or complete stoppage of "your" business activities; or
 - b. all or part of the "described premises" becomes unfit for rental occupancy.
8. "Money" means:
- a. currency, including coins and banknotes in current use; and
 - b. register checks, traveler's checks, and money orders held for sale.
- However, "money" does not include "securities" or digital or virtual currencies.
9. "Restoration period"
- a. "Restoration period" means the time it should reasonably take to resume "your" normal business activities at the "described premises".
- b. Time Limitations And Restrictions
- 1) The "restoration period" begins:
 - a) with respect to earnings, 72 hours after the time of direct physical loss caused by a peril insured against; and
 - b) with respect to extra expenses, immediately after the time of direct physical loss caused by a peril insured against.
 - 2) The "restoration period" ends on the earlier of:
 - a) the date that the property should be rebuilt, repaired, or replaced with reasonable speed and similar quality; or
 - b) the date when the business is resumed at a new permanent location.
- The length of the "restoration period" is not limited by the expiration date of the policy.

- 3) The "restoration period" does not include any increase in time due to the enforcement of any code, ordinance, law, or decree that regulates or requires:
 - a) the construction, use, repair, or demolition of any property; or
 - b) that "you" or anyone else test for, abate, monitor, clean up, remove, contain, treat, detoxify, neutralize, or in any way respond to or assess the effects of "pollutants" or "fungus or related perils".
10. "Secondary dependent location"
- a. "Secondary dependent location" means any location within the "basic territory" that is not owned or operated by a "dependent location" and that:
 - 1) supplies services or materials to a "dependent location" that are used by the "dependent location" in supplying services or materials to "you"; or
 - 2) receives products from a "dependent location" that receives "your" products.
 - b. "Secondary dependent location" does not include:
 - 1) an airfield;
 - 2) a bridge;
 - 3) a pipeline;
 - 4) a road;
 - 5) a tunnel;
 - 6) a waterway; or
 - 7) any other area or structure similar to items 10.b.1) through 10.b.6) above.
 - c. Any location that supplies any of the following services is not a "secondary dependent location" with respect to such services:
 - 1) water supply;
 - 2) wastewater removal;
 - 3) communication supply; or
 - 4) power supply.
11. "Securities"
- a. "Securities" means negotiable and nonnegotiable instruments or contracts representing either "money" or other property. This includes but is not limited to:
 - 1) stock certificates;
 - 2) tokens, tickets, or revenue or other stamps (whether represented by actual stamps or unused value in a meter) in current use; and
 - 3) evidences of debt used in connection with charge, credit, or debit cards that are not issued by "you".
 - b. However, "securities" does not include:
 - 1) "money"; or
 - 2) digital or virtual currencies.
12. "Sinkhole collapse" means the sudden settlement or collapse of earth supporting the covered property into subterranean voids created by the action of water on a limestone or similar rock formation.
- However, "sinkhole collapse" does not include the:
- a. value of the land;
 - b. cost of filling sinkholes; or
 - c. sinking or collapse of land into manmade underground cavities.
13. "Specified perils" means the following perils:
- a. aircraft, meaning loss caused by actual physical contact of:
 - 1) aircraft, spacecraft, or self-propelled missiles; or
 - 2) objects falling from aircraft, spacecraft, or self-propelled missiles;

- b. explosion:
 - 1) including the explosion of gas or fuel in a firebox, combustion chamber, or flue; and
 - 2) not including loss caused by:
 - a) rupturing, bursting, or operating of pressure release devices; or
 - b) rupturing or bursting due to the expansion of contents of a building or structure due to water;
 - c. falling objects, but not including loss to:
 - 1) personal property in the open; or
 - 2) the interior of buildings or structures, or personal property inside buildings or structures, unless the exterior of the roof or walls are first damaged by a falling object;
 - d. fire;
 - e. leakage from fire extinguishing equipment:
 - 1) meaning loss caused by leakage or discharge of water or other substances from within a fire protective sprinkler system; and
 - 2) including loss caused by collapse or fall of a tank that is part of a fire protective sprinkler system;
 - f. lightning;
 - g. riot or civil commotion, including loss caused by:
 - 1) looting or pillaging at the time and place of such riot or civil commotion; and
 - 2) employees while on strike and occupying the "described premises";
 - h. "sinkhole collapse";
 - i. smoke, meaning sudden and accidental loss caused by smoke;
 - j. sonic boom;
 - k. vandalism:
 - 1) meaning willful and malicious damage to, or destruction of, the covered property; and
 - 2) not including loss caused by theft, except for building damage caused by burglars breaking in or exiting a building;
 - l. vehicles, meaning loss caused by actual physical contact with vehicles or objects thrown by vehicles with covered property;
 - m. "volcanic action";
 - n. "water damage";
 - o. weight of ice, snow, or sleet; or
 - p. windstorm or hail, but not including loss:
 - 1) caused directly or indirectly by frost or cold weather or by ice (other than hail), sleet, or snow, all whether driven by wind or not;
 - 2) to the interior of a building or structure, or to property inside, caused by dust, rain, sand, sleet, or snow, all whether driven by wind or not, unless wind or hail first damages the building or structure, allowing dust, rain, sand, sleet, or snow to enter through openings made by the direct force of wind or hail; or
 - 3) to exterior awnings or canopies of fabric or slat construction or their supports;
- all except as excluded or limited.
14. "Valuable papers and records" means written, printed, or otherwise inscribed documents and records. This includes books, maps, films, drawings, abstracts, deeds, mortgages, and manuscripts.

However, "valuable papers and records" does not include:

- a. "data records";
- b. "money";
- c. "securities"; or
- d. digital or virtual currencies.

15. "Volcanic action" means:

- a. airborne volcanic blast or airborne shock waves;
- b. ash, dust, or particulate matter; or
- c. lava flow.

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

16. "Water damage"

- a. "Water damage" means:
 - 1) the sudden and accidental discharge or leakage of water or steam as the direct result of a breaking or cracking of a part of the system or appliance containing the water or steam; or
 - 2) the sudden and accidental discharge or leakage of water or waterborne materials as the direct result of a breaking or cracking of a water or sewer pipe that is part of a municipal potable water or municipal sanitary sewer system that is located off the "described premises" and is caused only by wear and tear.
- b. "Water damage" does not include the discharge or leakage of water from a sump pump, sump pump well, or related equipment.

c. Under Excluded Perils, item 1.i. Water, the exclusions for:

- 1) surface water; and
- 2) water below the surface of the ground;

do not apply to the extent that "water damage" is caused by the breaking or cracking described in items 16.a.1) or 16.a.2) above.

PROPERTY COVERED

"We" pay for direct physical loss to property covered under Coverage A -- Buildings or Coverage B -- Business Personal Property if such property is at the "described premises" and the loss is caused by a peril insured against.

COVERAGE A -- BUILDINGS

1. "We" cover buildings, which means buildings and structures for which a "limit" is shown on the "declarations".
2. Unless otherwise shown on the "declarations", buildings and structures include:
 - a. completed additions;
 - b. machinery and equipment that are a permanent part of the described building or structure;
 - c. fixtures, including outdoor fixtures;
 - d. personal property owned by "you" and used to maintain or service the "described premises", including:
 - 1) air-conditioning equipment;
 - 2) fire extinguishing apparatus;
 - 3) outdoor furniture;
 - 4) floor coverings; and
 - 5) appliances for refrigerating, ventilating, cooking, dish washing, and laundering;

- e. the following property, if not covered by other insurance:
 - 1) additions under construction, alterations, and repairs to the described building or structure; and
 - 2) materials, equipment, supplies, and temporary structures, on or within 100 feet of the "described premises", used for making additions, alterations, or repairs to the described building or structure;
- f. personal property owned by "you" as a landlord and located in common areas, rooms, or apartments; and
- g. building glass.

COVERAGE B -- BUSINESS PERSONAL PROPERTY

- 1. "We" cover business personal property, which means "your" personal property:
 - a. for which a "limit" is shown on the "declarations"; and
 - b. located:
 - 1) in or on the buildings and structures described on the "declarations"; or
 - 2) in the open (or in vehicles) on or within 100 feet of the "described premises".

If the "described premises" is only a portion of a building or structure, this item 1.b.2) includes "your" business personal property located in the open (or in vehicles) within 100 feet of such building or structure.

- 2. Limitations -- Unless otherwise shown on the "declarations", business personal property is limited to:
 - a. property owned by "you" and that is used in "your" business;

- b. "your" interest in personal property of others in "your" care, custody, or control, to the extent of "your" legal liability, plus the cost of "your" labor, material, and services;
- c. leased personal property, to the extent of "your" contractual obligation to insure such property; and
- d. if "you" are a non-owner tenant:
 - 1) "your" use interest in improvements to the described building or structure.

Improvements are fixtures, alterations, installations, or additions:

- a) to a building or structure that "you" occupy, but do not own; and
 - b) that are made or acquired at "your" expense and that "you" cannot legally remove; and
- 2) exterior building glass that "you" own or that is in "your" care, custody, or control.

However, exterior building glass is not covered under Coverage B -- Business Personal Property if a "limit" is shown on the "declarations" for Coverage A -- Buildings.

PROPERTY NOT COVERED

The property described below is not covered under Coverage A -- Buildings or Coverage B -- Business Personal Property. Limited coverage for some of the property described below is included under Additional Coverages or Extensions Of Coverage.

- 1. **Accounts Receivable** -- "We" do not cover accounts receivable, except as provided under Extensions Of Coverage.

2. **Animals** -- "We" do not cover animals.
3. **Antennas, Fences, Or Signs** -- "We" do not cover outdoor:
- a. radio, television, satellite, dish-type, or other antennas, including their masts, towers, and lead-in wiring;
 - b. fences; or
 - c. signs not attached to buildings;
- except as provided under the Additional Coverages.

4. **Cannabis** -- "We" do not cover "cannabis":
- a. whose origin and chain of custody is not traceable using a cannabis activity tracking (CAT) system or similar tracking mechanism that is compliant with all applicable California state and local laws, rules, regulations, and ordinances for track and trace systems;
 - b. that has ever been subject to any "cannabis activities" conducted:
 - 1) without a valid state or local license required to engage in such "cannabis activities"; or
 - 2) in violation of any California state or local law, rule, regulation, or ordinance;by any individual or entity, other than a governmental entity; or
 - c. that has been combined or processed with any ingredient, material, or substance, other than "cannabis", that:
 - 1) is prohibited or banned by the Federal Food and Drug Administration (FDA); or
 - 2) is prohibited or banned by, or when such combination or process is in violation of, any applicable state or local law, rule, regulation, or ordinance.

5. **Controlled Substances And Contraband**

- a. "We" do not cover controlled substances, contraband, or property in the course of illegal transportation or trade.
- b. This exclusion applies to, but is not limited to, items or materials subject to statutory or regulatory control by any federal, state, or local authority.
- c. However, this exclusion does not apply to "cannabis" or "cannabis accessories" that:
 - 1) have not been combined with any other controlled substance; and
 - 2) "you" possess, transport, or trade:
 - a) exclusively within the state of California;
 - b) in the regular course of "your" business; and
 - c) in compliance with all applicable laws, rules, regulations, and ordinances of:
 - (1) the state of California; and
 - (2) any local jurisdiction in which "your" business operates.

6. **Data Records And Programs**

- a. "We" do not cover "data records", "programs and applications", or "proprietary programs", except as provided under Extensions Of Coverage.
- b. Exception -- This exclusion does not apply to:
 - 1) pre-packaged "software" that "you" hold for sale; or
 - 2) "data records", "programs and applications", or "proprietary programs" that are integrated in to operate or control any HVAC, refrigeration, humidification, lighting, elevator, or security system.

7. **Digital Or Virtual Currency** -- "We" do not cover digital or virtual currencies, including but not limited to cryptocurrencies and digital tokens.
8. **Land Or Water** -- "We" do not cover:
 - a. land, including land on which the property is located; or
 - b. underground or surface water.
9. **Lottery Tickets** -- "We" do not cover lottery tickets not held for sale.
10. **Money Or Securities** -- "We" do not cover "money", "securities", accounts, bills, or food stamps.
11. **Trees, Shrubs, Plants, Lawns, Or Crops**
 - a. "We" do not cover indoor or outdoor:
 - 1) growing or unharvested "cannabis";
 - 2) grain, hay, straw, or other crops; or
 - 3) trees, shrubs, plants other than "cannabis", or lawns, except as provided under Extensions Of Coverage.
 - b. Item 11.a.3) above does not apply to any such plants, trees, shrubs, or lawns that are part of a vegetated roof.
12. **Valuable Papers And Records** -- "We" do not cover "valuable papers and records", except as provided under Extensions Of Coverage.
13. **Vehicles Or Aircraft** -- "We" do not cover vehicles or aircraft or self-propelled machines required to be licensed for use on public roads, including "computers" that are permanently installed or designed to be installed in any vehicles or aircraft or self-propelled machines required to be licensed for use on public roads.
14. **Watercraft** -- "We" do not cover watercraft, including their motors, equipment, or accessories, while afloat.

ADDITIONAL PROPERTY EXCLUDED AND LIMITATIONS

The exclusions and limitations described below apply to Coverage A -- Buildings and Coverage B -- Business Personal Property.

1. Boilers

- a. "We" do not pay for loss to:
 - 1) steam boilers, steam pipes, steam turbines, or steam engines caused by any condition or occurrence within such equipment; or
 - 2) hot water boilers or water heaters caused by any condition or occurrence within such equipment other than explosion.
- b. However, "we" do pay for loss to steam boilers, steam pipes, steam turbines, or steam engines caused by the explosion of gas or fuel in a firebox, combustion chamber, or flue.

2. **Furs** -- "We" do not pay more than \$2,500 total in any one occurrence for loss by theft of furs or fur garments.

3. Glassware/Fragile Articles

- a. "We" do not pay for breakage of fragile articles such as glassware, statuary, porcelains, and bric-a-brac, except as a result of a "specified peril" or building glass breakage.
- b. However, this exclusion does not apply to:
 - 1) glass that is a part of a building or structure;
 - 2) bottles or other containers held for sale;
 - 3) lenses of photographic or scientific instruments; or
 - 4) "cannabis accessories".

4. **Interior Of Building Or Structure**

a. "We" do not pay for loss to the interior of any building or structure, or to personal property located in any building or structure, caused by or resulting from rain, snow, sleet, ice, sand, or dust, whether driven by wind or not.

b. However, "we" do pay for loss to the interior of any building or structure, and to personal property located in the building or structure:

1) caused by or resulting from:

- a) rain;
- b) snow;
- c) sleet;
- d) ice;
- e) sand; or
- f) dust;

that enters through a roof or wall that has been damaged by a peril insured against; or

2) if the loss is caused by or results from thawing of snow, sleet, or ice on the building or structure.

5. **Jewelry, Watches, Jewels, Pearls, Gems, Precious Stones, Or Metals**

a. Unless a higher "limit" for this coverage is shown on the "declarations", "we" do not pay more than \$2,500 total in any one occurrence for loss by theft of jewelry; watches; watch movements; jewels; pearls; gems; precious or semi-precious stones; bullion, gold, silver, or other precious alloys or metals; or items consisting primarily of precious metals.

b. However, this limitation does not apply to jewelry or watches worth \$100 or less per item.

6. **Lawns, Trees, Shrubs, Or Plants That Are Part Of A Vegetated Roof** -- "We" do not pay for loss to lawns, trees, shrubs, or plants that are part of a vegetated roof caused by or resulting from:

- a. changes in or extremes of temperature;
- b. disease;
- c. dryness or dampness of atmosphere or vegetation soil; or
- d. rain, snow, sleet, ice, frost, or hail.

7. **Missing Property** -- "We" do not pay for loss of missing property where the only proof of loss is unexplained or mysterious disappearance, shortage discovered upon taking inventory, or any other instance where there is no physical evidence to show what happened to the property.

8. **Patterns, Dies, Molds, Models, Or Forms** -- "We" do not pay more than \$2,500 total in any one occurrence for loss by theft of patterns, dies, molds, models, or forms.

9. **Personal Property In The Open** -- "We" do not pay for loss to personal property in the open caused by rain, snow, ice, or sleet.

10. **Unauthorized Transfer Of Property** -- "We" do not pay for loss to property that has been transferred to a person or to a place outside the "described premises" on the basis of unauthorized instructions.

ADDITIONAL COVERAGES

"We" provide the following additional property coverages. These coverages provide additional insurance unless otherwise stated.

1. **Antennas, Fences, Or Signs**

a. "We" pay for direct physical loss to "your" outdoor:

- 1) radio, television, satellite, dish-type, or other antennas, including their masts, towers, and lead-in wiring;
- 2) fences; or
- 3) signs not attached to buildings;

caused by a peril insured against.

- b. Restriction -- Loss to fences is covered only for the perils of aircraft, explosion, fire, lightning, and riot or civil commotion, all as described under the definition of "specified perils".
 - c. Coverage Limits -- Unless a higher "limit" for this additional coverage is shown on the "declarations", the most "we" pay under this coverage for any one loss is \$2,500, subject to the sub-limit for outdoor signs not attached to buildings. The most "we" pay for loss per occurrence to each outdoor sign not attached to a building is \$1,000.
2. **Collapse** -- This additional coverage does not increase the "limit" for the covered property.
- a. "We" pay for direct physical loss to covered property caused by the sudden and abrupt collapse of a covered building or structure, or a portion of a covered building or structure, caused only by one or more of the following:
 - 1) hidden decay of a structural component of the building or structure, unless an "insured" knew of or should reasonably have suspected the presence of such decay prior to the sudden and abrupt collapse;
 - 2) hidden insect or vermin damage to a structural component of the building or structure, unless an "insured" knew of or should reasonably have suspected the presence of such damage prior to the sudden and abrupt collapse;
 - 3) the use of defective materials or methods in construction, remodeling, or renovation if the sudden and abrupt collapse occurs during the course of the construction, remodeling, or renovation; or
 - 4) the use of defective materials or methods in construction, remodeling, or renovation if the sudden and abrupt collapse occurs after the construction, remodeling, or renovation is complete, but only if the sudden or abrupt collapse is caused by one or more of the following, even if the use of defective materials or methods in construction, remodeling, or renovation also contributes to the sudden and abrupt collapse:
 - a) hidden decay of a structural component of the building or structure, unless an "insured" knew of or should reasonably have suspected the presence of such decay prior to the sudden and abrupt collapse;
 - b) hidden insect or vermin damage to a structural component of the building or structure, unless an "insured" knew of or should reasonably have suspected the presence of such damage prior to the sudden and abrupt collapse;
 - c) one or more "specified perils" or breakage of building glass; all as covered under the Property Coverages;
 - d) weight of people or personal property; or
 - e) weight of rain that collects on a roof.
- b. Collapse Restrictions -- With respect to the causes listed under item 2.a. above:
- 1) sudden and abrupt collapse of a building or structure, or any portion of a building or structure, means the sudden and abrupt caving in, falling in, falling down, or giving way of the building or structure or the portion thereof so that the building or structure or the portion thereof cannot be occupied as intended; and

- 2) the following are not considered to be in a state of sudden and abrupt collapse:
 - a) a building or structure that is standing, or any portion of a building or structure, that is standing even if it displays evidence of bending, bulging, cracking, expansion, leaning, sagging, settling, or shrinkage;
 - b) a building or structure, or any portion of a building or structure, in danger of caving in, falling in, falling down, or giving way; or
 - c) a portion of a building or structure that is standing, even if it has separated from another portion of the building or structure.
 - c. Additional Property Restrictions -- "We" pay for direct physical loss to the following property, if otherwise covered by this policy, only if such loss is caused by the sudden and abrupt collapse of a covered building or structure that occurs as a result of one or more of the causes listed under item 2.a. above:
 - 1) outdoor radio, television, satellite, dish-type, and other antennas including their masts, towers, and lead-in wiring;
 - 2) outdoor awnings and canopies and their supports;
 - 3) gutters and downspouts;
 - 4) fences;
 - 5) yard fixtures;
 - 6) outdoor swimming pools;
 - 7) bulkheads, piers, wharves, and docks;
 - 8) beach and diving platforms and related attachments;
 - 9) retaining walls that are not part of buildings or structures; and
 - 10) bridges, walkways, roadways, and other paved surfaces.
 - d. Collapse Of Covered Personal Property
 - 1) "We" also pay for direct physical loss caused by the sudden and abrupt collapse of covered personal property inside a building or structure if the loss does not involve the sudden and abrupt collapse of a building or structure or any portion of a building or structure. The sudden and abrupt collapse must occur as a result of one or more of the causes listed under item 2.a. above.
 - 2) With respect to the collapse of covered personal property, sudden and abrupt collapse means the sudden and abrupt caving in, falling in, falling down, or giving way of the covered personal property.

However, sudden and abrupt collapse does not mean the bending, bulging, cracking, expansion, leaning, sagging, settling, or shrinkage of personal property if such personal property has not suddenly or abruptly fallen down or caved in.
 - 3) Restrictions -- This additional coverage does not apply to property that is listed under item 2.c. above; or damage due to marring and scratching, if that is the only damage caused by the sudden and abrupt collapse.
 - e. Reference to peril insured against includes this additional coverage for Collapse as described and limited in items 2.a through 2.d. above.
3. **Debris Removal**
 - a. "We" pay "your" expense to remove the debris of covered property and other debris located on the "described premises" if the debris is caused by a peril insured against that occurs during the policy period.

- b. Restrictions -- This additional coverage does not include any expense to:
- 1) extract "pollutants" from land or water, or to remove, restore, or replace polluted land or water;
 - 2) remove any property described under Property Not Covered;
 - 3) remove any property addressed under Extensions Of Coverage, item 1.c. Trees, Shrubs, And Plants;
 - 4) remove any property of others that would not be considered covered property under this policy; or
 - 5) remove mud or earth deposits.

c. Coverage Limits

- 1) If there is direct physical loss to covered property, the most "we" pay to remove the debris of such covered property under this additional coverage is no more than 25% of the amount "we" pay for the direct physical loss, plus 25% of the applicable deductible. "We" do not pay more for loss to property and debris removal combined than the "limit" that applies to the damaged property.

If the debris removal expense exceeds 25% of the amount "we" pay for direct physical loss plus 25% of the deductible, or if the loss to property and debris removal combined exceeds the "limit" for the damaged property, "we" pay an additional amount of debris removal expense up to \$25,000, unless a higher "limit" for this additional coverage is shown on the "declarations".

- 2) If there is no direct physical loss to covered property, the most "we" pay to remove the debris of other property under this additional coverage is \$5,000 per "described premises".

- d. Time Limitation -- "We" do not pay any expenses unless they are reported to "us" in writing within 180 days from the date on which the debris is caused by a peril insured against.

4. **Fire Department Service Charges**

- a. If the fire department is called to save or protect covered property from a peril insured against, "we" pay fire department service charges:
 - 1) for which "you" are liable under any local ordinance; or
 - 2) that "you" have assumed by contract or agreement prior to the loss.

- b. Coverage Limit -- Unless a higher "limit" for this additional coverage is shown on the "declarations", the most "we" pay under this coverage for charges incurred at each "described premises" is \$2,500 per occurrence. The number of responding fire departments or the types of services performed does not increase the "limit" above. No deductible applies to this additional coverage.

5. **Glass** -- This additional coverage does not increase the "limit" for the covered property.

- a. In the event of loss to building glass, "we" pay the following expenses:
 - 1) the cost of replacing or repairing the frames that hold the glass, if the frames have been damaged by the loss;
 - 2) the cost of boarding up openings or installing temporary glass, if there is an unavoidable delay in replacement; and
 - 3) the cost of removing or replacing obstructions that prohibit replacement or repair.
- b. Restriction -- This additional coverage does not include the cost of removing or replacing window displays.

6. Increased Costs -- Ordinance Or Law

- a. "We" pay for the increased costs of a covered loss resulting from the enforcement of any code, ordinance, law, or decree that regulates the construction, use, or repair of any property.
- b. Under Excluded Perils, Ordinance Or Law does not apply to this additional coverage.
- c. Restrictions
 - 1) This additional coverage applies only to building property insured on a replacement cost basis.
 - 2) The code, ordinance, law, or decree regulating land use, zoning, or construction and repair of property must be in force at the time of loss.
 - 3) "We" do not pay for any increased costs that are the result of any code, ordinance, law, or decree requirement "you" failed to comply with prior to the covered loss.
 - 4) If relocation to another site is required by the code, ordinance, law, or decree, "we" pay only for the increased costs of construction at the new site.
 - 5) If "you" elect to rebuild at another site, "we" pay only for the increased costs of construction that "you" would have incurred to rebuild at the same site.
 - 6) "We" do not pay the increased costs of construction until the building or structure is actually repaired or replaced and unless the repairs or replacement are made as soon as reasonably possible after the loss, not to exceed two years.

7) "We" do not pay for:

- a) any costs associated with the enforcement of any code, ordinance, law, or decree that requires "you" or anyone else to test for, abate, monitor, clean up, remove, contain, treat, detoxify, neutralize, or in any way respond to or assess the effects of "pollutants" or "fungus or related perils"; or
- b) loss or increased cost caused by the enforcement of any code, ordinance, law, or decree that regulates or requires the repair, replacement, remodeling, rehabilitation, or razing of property due to the existence of or any activity of "pollutants" or "fungus or related perils".
- d. Coverage Limit -- "We" pay up to \$10,000 for each covered building or structure to cover these increased costs resulting from the enforcement of any such code, ordinance, law, or decree.

7. Inventory And Appraisal Expenses

- a. "We" pay reasonable expenses incurred by "you" for any inventory and appraisal conducted at "our" request to assist "us" in the determination of the amount of a covered loss.
- b. Restrictions -- This additional coverage does not include:
 - 1) expenses incurred under the Appraisal "terms" of the Additional Conditions; or
 - 2) any public adjusters' fees.
- c. Coverage Limit -- Unless a higher "limit" for this additional coverage is shown on the "declarations", the most "we" pay under this coverage in any one occurrence is \$2,500. No deductible applies to this additional coverage.

8. Limited Fungus And Related Perils

- a. Subject to the Limited Fungus and Related Perils Coverage Aggregate Limit, "we" pay for direct physical loss to covered property caused by or consisting of "fungus or related perils" that is the direct result of a "specified peril" that occurs during the policy period.

The Limited Fungus and Related Perils Coverage Aggregate Limit also applies to any cost or expense to:

- 1) clean up, contain, treat, detoxify, or neutralize "fungus or related perils" on covered property or remove "fungus or related perils" from covered property;
- 2) remove and replace those parts of covered property if doing so is necessary to gain access to "fungus or related perils"; and
- 3) test for the existence or level of "fungus or related perils" following the repair, replacement, restoration, or removal of damaged property if it is reasonable to believe that "fungus or related perils" are present.

b. Restrictions

- 1) This additional coverage applies only if all reasonable steps were taken to protect the property at and after the time of the occurrence.
- 2) This additional coverage does not apply to lawns, trees, shrubs, or plants that are part of a vegetated roof.

c. Limited Fungus And Related Perils Coverage Aggregate Limit

- 1) The Limited Fungus And Related Perils Coverage Aggregate Limit is \$15,000.

- 2) The Limited Fungus and Related Perils Coverage Aggregate Limit is the most that "we" pay for each consecutive annual period and for any remaining period of less than 12 months, beginning with the inception date of this policy as shown on the "declarations". However, if the policy period is extended for an additional period of less than 12 months, this additional period will be considered part of the preceding annual period for the purpose of determining the "limit".
- 3) The Limited Fungus and Related Perils Coverage Aggregate Limit is the most that "we" pay even if "fungus or related perils" that are the direct result of a specific occurrence recur or continue to exist during this or any future policy period.
- 4) The Limited Fungus and Related Perils Coverage Aggregate Limit applies regardless of the number of claims made and regardless of the number of premises or buildings insured under this policy.
- 5) This additional coverage does not increase the "limit" shown for any property, expense, or assessment covered.

d. Exceptions -- The limitations set forth by this additional coverage do not apply to:

- 1) "fungus or related perils" that result from fire or lightning;
- 2) the additional coverage provided for Removal;
- 3) collapse caused by hidden decay, to the extent that such loss is covered under the additional coverage provided for Collapse; or
- 4) coverage provided for accounts receivable, "computers", or outdoor signs.

- e. Application Of Coverage -- The "terms" of this additional coverage do not apply to loss to covered property that is not caused, in total or in part, by "fungus or related perils" except to the extent that "fungus or related perils" increase the amount of loss. If "fungus or related perils" increase the amount of loss, that increased amount is subject to the "terms" of this additional coverage.

9. Lock And Key Replacement

- a. "We" pay for any necessary expense to repair or replace exterior or interior door locks and keys at the "described premises" if, as the result of a covered theft loss by burglars, "your" property is damaged or "your" door keys are stolen.
- b. Coverage Limit -- Unless a higher "limit" for this additional coverage is shown on the "declarations", the most "we" pay under this coverage for any one loss is \$1,000. No deductible applies to this additional coverage.

10. Pollutant Clean Up And Removal

- a. "We" pay "your" expense to extract "pollutants" from land or water at the "described premises" if the discharge, dispersal, seepage, migration, release, escape, or emission of the "pollutants" is caused by a peril insured against that occurs during the policy period.
- b. Restrictions
 - 1) The expenses are paid only if they are reported to "us" in writing within 180 days from the date the peril insured against occurs.
 - 2) "We" pay the cost of testing, evaluating, observing, or recording the existence, level, or effects of "pollutants" only if the expense of extracting the "pollutants" is covered by this additional coverage.

- c. Coverage Limit -- Unless a higher "limit" for this additional coverage is shown on the "declarations", the most "we" pay for each "described premises" is \$10,000 for the sum of all such expenses arising out of a peril insured against occurring during each separate 12-month period of this policy.

11. Recharge Of Fire Extinguishing Equipment

- a. "We" pay expenses "you" incur to recharge "your" manual fire extinguishing equipment or installed fire extinguishing system, including any necessary hydrostatic testing, if the equipment or system is discharged on or within 100 feet of the "described premises":
 - 1) to fight a fire;
 - 2) as a result of a peril insured against; or
 - 3) as a result of an accidental discharge.
- b. This additional coverage also applies to loss to covered property that is caused by the accidental discharge of a chemical from fire extinguishing equipment or fire extinguishing system.
- c. Restriction -- This additional coverage does not apply if the equipment or system is discharged during installation or testing.
- d. Coverage Limit -- Unless a higher "limit" for this additional coverage is shown on the "declarations", the most "we" pay under this coverage in any one occurrence is \$5,000. No deductible applies to this additional coverage.

If the cost to replace "your" automatic fire extinguishing equipment or system is less than the cost of recharging, "we" pay "your" cost to replace such automatic fire extinguishing equipment or system, rather than the cost to recharge the equipment or system.

12. Removal

- a. "We" pay for direct physical loss to covered property while it is moved or being moved from the "described premises" to prevent a loss caused by a peril insured against. This additional coverage does not increase the "limit" for the covered property.
- b. Time Limitation -- This additional coverage applies for up to 30 days after the property is first moved but does not extend past the date on which this policy expires.
- c. Restriction -- This additional coverage does not apply to "cannabis" or "cannabis accessories" that are moved or being moved:
 - 1) outside the state of California; or
 - 2) to, over, or through any land or property owned by the United States government.

13. Tearing Out And Replacing -- This additional coverage does not increase the "limit" for the covered property.

- a. If loss caused by:
 - 1) water;
 - 2) other liquids;
 - 3) powder; or
 - 4) molten material;is covered, "we" also pay the cost of tearing out and replacing any part of the building or structure to repair damage to the system or appliance from which the water or other substance escapes.
- b. Restriction -- "We" do not pay for damage to the system or appliance from which the water or other substance escapes.

However, "we" do pay the cost to repair or replace damaged parts of fire extinguishing equipment if the damage results in discharge of any substance from an automatic fire protection system or is directly caused by freezing.

EXTENSIONS OF COVERAGE

Unless otherwise stated, each extension of coverage is an additional amount of insurance that applies to losses at the "described premises" caused by a peril insured against.

1. If a "limit" is shown on the "declarations" for Coverage A -- Buildings, "we" provide the following extensions of coverage.

a. Building Property - Off Premises

- 1) "We" pay for loss to covered property while temporarily at locations that "you" do not own, control, rent, or lease. This extension of coverage includes property while in transit.
- 2) Restrictions
 - a) "We" do not pay for loss at locations outside the "basic territory".
 - b) "We" do not pay for theft loss from unattended vehicles unless the loss results from forced entry of a securely locked compartment. There must be visible evidence that the entry was forced.
 - c) "We" do not pay for loss to "cannabis" or "cannabis accessories":
 - (1) while located on, or while being moved to, over, or through, land or property owned by the United States government; or

- (2) from vehicles that do not comply with all applicable state and local laws, rules, regulations, and ordinances concerning the transportation of "cannabis" or "cannabis accessories".
- 3) Coverage Limit -- Unless a higher "limit" for this extension of coverage is shown on the "declarations", the most "we" pay under this coverage in any one occurrence is \$5,000.

b. Newly Acquired Buildings

- 1) "We" pay for loss to each building or structure being built on the "described premises", or that "you" acquire at premises other than the "described premises", during the policy period.
- 2) Restriction -- "We" only pay for loss at such locations within the "basic territory".
- 3) Time Limitation -- This extension of coverage applies:
 - a) for 30 days after construction is started;
 - b) for 30 days from the date "you" acquire the building or structure; or
 - c) until "you" report the newly acquired property to "us";

whichever occurs first. This extension of coverage does not extend past the date on which this policy expires.

- 4) Premium Requirement -- "You" must pay any additional premium due from the date construction is started or the date "you" acquire the property.
- 5) Coverage Limit -- The most "we" pay under this extension of coverage is \$250,000 for each newly acquired building or structure.

c. Trees, Shrubs, And Plants

- 1) "We" pay for direct physical loss to "your" outdoor trees, shrubs, and plants, including the cost of debris removal. This includes the cost to remove outdoor trees, shrubs, and plants belonging to others from the "described premises".
- 2) Restrictions
 - a) "We" only pay for loss caused by aircraft, explosion, fire, lightning, or riot or civil commotion, all as described under the definition of "specified perils".
 - b) This extension of coverage does not apply to:
 - (1) "cannabis"; or
 - (2) trees, shrubs, and plants that are part of a vegetated roof.
 - c) If "you" are a non-owner tenant, this extension of coverage does not include the expense of removing the debris of trees, shrubs, and plants that are owned by "your" landlord and located on the "described premises".
- 3) Coverage Limits -- Unless a higher "limit" for this extension of coverage is shown on the "declarations", the most "we" pay under this coverage in any one occurrence is \$2,500, subject to a \$1,000 "limit" for any one tree, shrub, or plant.

2. If a "limit" is shown on the "declarations" for Coverage B -- Business Personal Property, "we" provide the following extensions of coverage.

a. Accounts Receivable

- 1) "We" pay for loss to "your" accounts receivable records caused by a peril insured against. "We" pay:

- a) the sums that are due and that "you" cannot collect from "your" customers because of the loss;
 - b) the interest charged on a loan if that loan is used to offset those sums that cannot be collected pending "our" payment of those sums;
 - c) collection costs that result from the loss and that are above "your" normal collection costs; and
 - d) the reasonable costs to reconstruct "your" accounts receivable records.
- 2) Exclusions
- a) Under Excluded Perils, only the following exclusions apply to this extension of coverage:
 - (1) Civil Authority;
 - (2) Nuclear Hazard; and
 - (3) War And Military Action.
 - b) Under Additional Property Exclusions, only the following exclusions apply to this extension of coverage:
 - (1) Fraudulent, Dishonest, Or Illegal Acts;
 - (2) Electrical Damage;
 - (3) Indirect Losses; and
 - (4) Voluntary Parting.
 - c) The following exclusions also apply to this extension of coverage:
 - (1) "We" do not pay for loss caused by the destruction, alteration, falsification, or concealment of "your" accounts receivable records that is done to conceal the fraudulent, dishonest, or illegal giving, taking, or withholding of "money", "securities", or other property.
- 3) Coverage Limits -- Unless higher "limits" for this extension of coverage are shown on the "declarations", the most "we" pay is:
- a) \$10,000 in any one occurrence for loss to "your" accounts receivable records at the "described premises"; and
 - b) \$5,000 in any one occurrence for loss to "your" accounts receivable records away from the "described premises".
- b. Business Personal Property**
- 1) "We" pay for loss to property covered under Coverage B -- Business Personal Property:
 - a) at each location "you" acquire;
 - b) "you" newly acquire located at the "described premises"; or
 - c) located at each building being built or that "you" acquire on the "described premises".
 - 2) Restriction -- "We" only pay for loss at such locations within the "basic territory".
 - 3) Time Limitation and Premium Requirement -- This extension of coverage applies:
 - a) for 30 days from the date "you" acquire a location or business personal property; or
- (2) "We" do not pay for loss that results from a discrepancy that is discovered in "your" books or records if this is the only means to prove that a loss has occurred. If there is other evidence to prove that a loss has occurred, "you" may use the discrepancy to support "your" claim.
 - (3) "We" do not pay for loss caused by bookkeeping, accounting, or billing errors or omissions.

- b) until "you" report the acquired location or business personal property values to "us";
- whichever occurs first. This extension of coverage does not extend past the date on which this policy expires. "You" must pay any additional premium due from the date "you" acquire the location or the business personal property.
- 4) Coverage Limit -- The most "we" pay under this extension of coverage in any one occurrence is \$100,000 at each building.
- c. **Business Personal Property - Off Premises**
- 1) "We" pay for loss to property covered under Coverage B -- Business Personal Property while temporarily at locations that "you" do not own, control, rent, or lease. This extension of coverage includes property while in transit.
- 2) Restrictions
- a) "We" only pay for loss at such locations within the "basic territory".
- b) "We" do not pay for loss to accounts receivable or "valuable papers and records".
- c) "We" do not pay for theft loss from unattended vehicles unless the loss results from forced entry of a securely locked compartment. There must be visible evidence that the entry was forced.
- d) "We" do not pay for loss to "cannabis" or "cannabis accessories":
- (1) while located on, or while being moved to, over, or through, land or property owned by the United States government; or
- (2) from vehicles that do not comply with all applicable state and local laws, rules, regulations, and ordinances concerning the transportation of "cannabis" or "cannabis accessories".
- 3) Coverage Limit -- Unless a higher "limit" for this extension of coverage is shown on the "declarations", the most "we" pay under this coverage in any one occurrence is \$10,000.
- d. **Business Personal Property - Portable Storage Units**
- 1) "We" pay for direct physical loss to covered business personal property stored temporarily in a portable storage unit or detached trailer located on or within 100 feet of the "described premises", or on or within 100 feet of the building or structure in which the "described premises" is located.
- 2) Restrictions -- "We" do not pay for loss:
- a) that occurs more than 90 days after the business personal property is first stored in the portable storage unit or detached trailer;
- b) if the portable storage unit or detached trailer itself has been in use for more than 90 consecutive days on the "described premises";
- c) to business personal property stored temporarily in a portable storage unit or detached trailer caused by or resulting from rain, snow, sleet, ice, sand, or dust, whether driven by wind or not.
- However, "we" do cover direct physical loss to business personal property stored temporarily in a portable storage unit or detached trailer:
- (1) caused by or resulting from:

- (a) rain;
- (b) snow;
- (c) sleet;
- (d) ice;
- (e) sand; or
- (f) dust;

that enters through a roof or wall that has been damaged by a peril insured against; or

- (2) caused by or resulting from thawing of snow, sleet, or ice on the portable storage unit or detached trailer;

- d) to "cannabis" or "cannabis accessories" stored in violation of any applicable state or local law, rule, regulation, or ordinance;
- e) otherwise covered under this policy or endorsement to this policy; or
- f) to the portable storage unit or detached trailer itself.

- 3) Coverage Limit -- Unless a higher "limit" for this extension of coverage is shown on the "declarations", the most "we" pay under this coverage in any one occurrence is \$10,000, regardless of the number of portable storage units or detached trailers.

e. Data Records And Programs

- 1) "We" pay for loss to "data records", "programs and applications", and "proprietary programs" caused by a peril insured against, "computer virus", or "computer hacking".
- 2) Restrictions
 - a) "We" do not pay for loss caused by or resulting from the manipulation of the computer system by any "employee", temporary "employee", leased "employee", volunteer, or person or entity retained by "you" to perform computer systems related services.

- b) "We" do not pay for loss to:

- (1) accounts receivable;
- (2) pre-packaged "software" that "you" hold for sale; or
- (3) "data records", "programs and applications", or "proprietary programs" that are integrated in to operate or control any HVAC, refrigeration, humidification, lighting, elevator, or security system.

- 3) Coverage Limit -- Unless a higher "limit" for this extension of coverage is shown on the "declarations", the most "we" pay under this coverage is \$10,000 on an annual aggregate basis in any one policy period, regardless of the number of occurrences, premises, locations, or "computers".

f. Personal Effects

- 1) "We" pay for loss at each "described premises" to personal effects owned by "you" or "your" partners, officers, directors, trustees, joint venturers, members, managers, or "employees".
- 2) Restrictions -- Personal effects do not include:
 - a) "your" business equipment and tools; or
 - b) "cannabis" or "cannabis accessories".

- 3) Coverage Limit -- Unless a higher "limit" for this extension of coverage is shown on the "declarations", the most "we" pay under this coverage in any one occurrence is \$2,500.

g. Valuable Papers And Records

- 1) "We" pay for loss to "valuable papers and records" that "you" own or that are in "your" care, custody, or control, caused by a peril insured against.

2) Exclusions

a) "We" do not pay for loss to:

- (1) property held for delivery after it is sold;
- (2) property that is in storage at locations other than the "described premises"; or
- (3) property held as samples for sale.

b) Under Excluded Perils, only the following exclusions apply to this extension of coverage:

- (1) Civil Authority;
- (2) Nuclear Hazard; and
- (3) War And Military Action.

c) Under Additional Property Exclusions, only the following exclusions apply to this extension of coverage:

- (1) item a.3) under Defects, Errors, Or Omissions;
- (2) Fraudulent, Dishonest, Or Illegal Acts; and
- (3) Voluntary Parting.

3) Coverage Limits -- Unless higher "limits" for this extension of coverage are shown on the "declarations", the most "we" pay is:

- a) \$10,000 in any one occurrence for loss to "valuable papers and records" at the "described premises"; and
- b) \$5,000 in any one occurrence for loss to "your" "valuable papers and records" away from the "described premises".

COVERAGE C -- LOSS OF INCOME

1. If a "limit" is shown on the "declarations" for Coverage C -- Loss Of Income, "we" provide the coverages described below during the "restoration period" when "your" business sustains a necessary "interruption" due to direct physical loss to real or personal property as a result of a peril insured against.

2. Restrictions

a. With respect to Coverage C, a peril insured against does not include a peril that applies only to "computers".

b. Coverage C applies only if the loss to real or personal property occurs at the "described premises" or in the open (or in vehicles) within 100 feet of the "described premises".

If "you" occupy only a portion of a building, "your" "described premises" is the portion of the building "you" rent, lease, or occupy and any area of the building or "described premises" that provides services or access to "your" "described premises". With respect to personal property in the open (or in vehicles), "your" "described premises" also includes the area within 100 feet of the building.

c. Except as provided under Additional Loss Of Income Coverages for Destruction Of Data Records And Programs, "we" will not pay for "your" loss of earnings or extra expenses resulting from damage, loss, corruption, or destruction of "data records", "programs and applications", or "proprietary programs".

d. "We" pay only the loss of earnings and extra expenses incurred within 12 consecutive months after the date of direct physical loss to property.

3. Coverage Limit -- "We" do not pay more for earnings and extra expenses combined than the "limit" shown on the "declarations" for Coverage C -- Loss Of Income.

4. Earnings

- a. "We" pay for "your" actual loss of net income (net profit or loss before income taxes), payroll expense, interest, and other continuing operating expenses normally incurred and earned by "your" business.
- b. In determining a loss, "we" consider the experience of "your" business before the loss, and the probable experience had no loss occurred.
- c. Additional Restrictions -- The following additional restrictions apply to coverage for earnings.
 - 1) "We" pay only the expenses that are necessary during the "restoration period". Consideration is given to continuation of payroll and other expenses to the extent necessary to resume "your" normal business activities with the same quality of service that existed before the loss.
 - 2) "We" do not pay for any increase in loss due to "your" failure to use reasonable efforts to resume all or part of "your" normal business activities. This includes making use of other locations and property, as permitted by applicable state and local laws, rules, regulations, and ordinances, to reduce the loss.
 - 3) If "your" normal business activities are not resumed as soon as possible, or if they are not resumed at all, the value of loss payment is based on the period of time it would have otherwise taken to resume "your" normal business activities as soon as possible.
 - 4) "We" do not pay for any increase in net income that might have been earned by "your" business as the result of conditions created by the effect of the peril insured against.

5. Extra Expenses

- a. "We" pay the necessary extra expenses that "you" incur to resume or continue "your" normal business activities as nearly as practicable.
- b. "We" pay extra expenses to repair, replace, or restore any property, but only to the extent that they reduce the loss otherwise payable under this coverage.
- c. "We" pay extra expenses to research, replace, or restore information on damaged "valuable papers and records", but only to the extent that they reduce the loss otherwise payable under this coverage.
- d. The salvage value of any property bought for temporary use will be deducted from the amount of loss determined for extra expense.
- e. Additional Restrictions -- The following additional restrictions apply to coverage for extra expenses.
 - 1) "We" do not pay for any increase in loss due to "your" failure to use reasonable efforts to resume all or part of "your" normal business activities. This includes making use of other locations and property, as permitted by all applicable state and local laws, rules, regulations, and ordinances, to reduce the loss.
 - 2) "We" pay only the extra expenses that are necessary during the "restoration period".
 - 3) If "your" normal business activities are not resumed as soon as possible, or if they are not resumed at all, the value of loss payment is based on the period of time it would have otherwise taken to resume "your" normal business activities as soon as possible.

6. Exclusions And Limitations -- The exclusions and limitations described below apply to Coverage C.

- a. **Fire Extinguishing** -- "We" do not pay expenses incurred to put out a fire.
- b. **Leases, Licenses, Contracts, Or Orders** -- "We" do not pay for any increase in loss due to the suspension, lapse, or cancellation of leases, licenses, contracts, or orders.

However, "we" do pay for loss during the "restoration period", and any period of loss extension as provided for by the "terms" of item 7.d. under Loss Of Income Coverage Extensions, if the suspension, lapse, or cancellation results directly from the "interruption" of "your" normal business activities.

"We" do not pay for any extra expense caused by the suspension, lapse, or cancellation of leases, licenses, contracts, or orders beyond the "restoration period".

- c. **Strikes, Protests, And Other Interference** -- "We" do not pay for any increase in loss due to interference by strikers or other persons at the "described premises". This applies to interference with rebuilding, repairing, or replacing the property, or with resuming "your" normal business activities.
- d. **Unnecessary Expenses** -- "We" do not pay for any expenses that are not necessary during the "restoration period".

7. **Loss Of Income Coverage Extensions** -- "We" provide the following Loss Of Income Coverage Extensions. These coverage extensions are part of and not in addition to the "limit" shown on the "declarations" for Coverage C -- Loss Of Income.

a. **Alterations And New Buildings**

- 1) "We" extend "your" coverage to include loss caused by damage to:
 - a) additions or alterations;

- b) new buildings or structures, completed or under construction; and
- c) machinery, equipment, supplies, or building materials located on or within 100 feet of the "described premises" used in the construction of additions or alterations, or incidental to the occupancy of new buildings or structures;

at the "described premises" caused by a peril insured against.

- 2) If a loss described in item 7.a.1) above delays the start of "your" normal business activities, the "restoration period" starts from the time "your" normal business activities would have begun had no loss occurred.

b. **Fungus And Related Perils**

- 1) "We" extend "your" coverage to apply to loss caused by the existence of or any activity of "fungus or related perils" if the existence of or any activity of the "fungus or related perils" is the direct result of a peril insured against other than fire or lightning.
- 2) Time Limitation -- This coverage extension is provided for a cumulative period of time not exceeding 30 days.

c. **Interruption By Civil Authority**

- 1) "We" extend "your" coverage to include loss while access to the "described premises" is specifically denied by an order of civil authority.
- 2) The order of civil authority must be a result of damage to property other than at the "described premises" that is caused by a peril insured against under this policy, subject to the following:

- a) the "described premises" is:
 - (1) within one mile of the damaged property; and
 - (2) within the area where access is denied by civil authority; and
 - b) the order is initiated:
 - (1) to allow civil authority to have access to the damaged property without interference; or
 - (2) due to dangerous conditions as a result of the damage or continuation of the peril insured against that caused the damage.
 - 3) This coverage extension does not apply to orders by any civil authority to seize, confiscate, destroy, or quarantine "cannabis" or "cannabis accessories", owned or possessed by an "insured", due to the actual or alleged violation of or noncompliance with any applicable federal, state, or local law, rule, regulation, or ordinance concerning:
 - a) "cannabis";
 - b) "cannabis accessories";
 - c) "cannabis activities";
 - d) controlled substances;
 - e) contraband; or
 - f) other property in the course of illegal transportation or trade.
 - 4) Waiting Period And Time Limitation
 - a) This coverage extension for earnings will begin 72 hours after the time of the initial order of civil authority that denies access to the "described premises" and will apply for a period of up to four consecutive weeks from the date this coverage extension began.
 - b) This coverage extension for necessary extra expenses begins at the time of the initial order of civil authority that denies access to the "described premises" and will end:
 - (1) four consecutive weeks after the date of the initial order; or
 - (2) when this coverage for earnings expires;whichever is later.
- d. **Period Of Loss Extension**
- 1) "We" extend "your" coverage to cover loss from the date the property that incurred the loss is rebuilt, repaired, or replaced until:
 - a) the end of 60 consecutive days (unless otherwise shown on the "declarations"); or
 - b) the date "you" could reasonably resume "your" normal business activities to the level that would have existed had no loss occurred;whichever is earlier.
 - 2) Restrictions
 - a) This coverage extension does not apply to loss resulting from unfavorable business conditions caused by the impact of the peril insured against in the area where the "described premises" is located.
 - b) Property that incurred the loss does not include finished stock.
8. **Additional Loss Of Income Coverages --** "We" provide the following additional coverages. The Earnings and Extra Expenses coverages, as described under items 4. and 5. above, also apply to these additional coverages. These additional coverages provide additional insurance.

a. Destruction Of Data Records And Programs

- 1) "We" pay for "your" loss of earnings and extra expenses resulting from damage, loss, corruption, or destruction of "data records", "programs and applications", and "proprietary programs" caused by a peril insured against.
- 2) Restrictions
 - a) Perils insured against are limited to the "specified perils", "computer virus", "computer hacking", and the additional coverage for Collapse.
 - b) "We" will not pay for loss caused by or resulting from the manipulation of the computer system by any "employee", temporary "employee", leased "employee", volunteer, or person or entity retained by "you" to perform computer systems related services.
 - c) If an additional peril insured against is added by endorsement to this policy, such additional peril insured against does not apply to this additional loss of income coverage.
- 3) Time Limitation -- This additional coverage does not apply to a loss that occurs or to expenses incurred after the "restoration period" ends, even if the coverage "limit" for this additional coverage has not been exhausted.
- 4) Coverage Limit -- Unless a higher "limit" for this additional coverage is shown on the "declarations", the most "we" pay for earnings and extra expenses under this coverage is \$10,000 on an annual aggregate basis in any one policy period, regardless of the number of "interruptions", premises, locations, or "computers".

b. Earnings From Dependent Locations

- 1) "We" pay "your" loss of earnings and extra expenses due to direct physical loss to real or personal property at a "dependent location" or "secondary dependent location" caused by a peril insured against.
- 2) Restrictions
 - a) "We" do not pay for "your" loss of earnings and extra expenses if the only loss to property at the "dependent location" or "secondary dependent location" is loss to "software". If the "dependent location" or "secondary dependent location" sustains loss to "software" and other property, coverage for loss of earnings and extra expenses will not continue once the other property is repaired, rebuilt, or replaced.
 - b) "We" will reduce the amount of "your" loss, other than extra expenses, to the extent "you" can resume "your" business by using other available sources or materials or outlets for "your" products.
 - c) If "you" do not resume "your" business, or do not resume "your" business as soon as possible, "we" will pay based on the length of time it would have taken to resume "your" business as soon as possible.
- 3) Coverage Period
 - a) This additional coverage:
 - (1) begins 72 hours after the time of direct physical loss caused by a peril insured against at the "dependent location" or "secondary dependent location"; and

- (2) ends on the date that the property at the "dependent location" or "secondary dependent location" should be rebuilt, repaired, or replaced using reasonable speed and materials of similar quality.
 - b) The coverage period does not include any increase in time due to the enforcement of any code, ordinance, law, or decree that regulates or requires:
 - (1) the construction, use, repair, or demolition of any property; or
 - (2) that "you" or anyone else test for, abate, monitor, clean up, remove, contain, treat, detoxify, neutralize, or in any way respond to or assess the effects of "pollutants" or "fungus or related perils".
 - c) The coverage period is not limited by the expiration date of the policy.
 - 4) Coverage Limit -- Unless a higher "limit" for this additional coverage is shown on the "declarations", the most "we" pay under this coverage for any one loss is \$5,000.
- b) This additional coverage does not apply to loss of earnings and extra expenses resulting from loss to "cannabis" or "cannabis accessories".
 - 3) Time Limitation -- This additional coverage applies for 30 days after "you" acquire the location or until "you" report the newly acquired location to "us", whichever occurs first. This additional coverage does not extend past the date on which this policy expires.
 - 4) Coverage Limit -- The most "we" pay under this additional coverage for earnings and extra expenses is \$100,000 per occurrence.

PERILS INSURED AGAINST

Unless otherwise stated, the Perils Insured Against apply to Coverage A -- Buildings, Coverage B -- Business Personal Property, and Coverage C -- Loss Of Income.

"We" pay for direct physical loss unless the loss is limited or caused by a peril that is excluded.

EXCLUDED PERILS

c. Newly Acquired Locations

- 1) "We" pay for "your" loss of earnings and extra expenses resulting from damage that is caused by a peril insured against to property at locations "you" acquire.
 - 2) Restrictions
 - a) In addition to the restrictions that apply to earnings and extra expenses, "we" only pay for loss at such locations within the "basic territory".
- 1. "We" do not pay for loss caused directly or indirectly by, or consisting of, one or more of the following excluded causes, events, or conditions. Such loss is excluded regardless of other causes, events, or conditions that contribute in any sequence to or aggravate the loss, whether such causes, events, or conditions act to produce the loss before, at the same time as, or after the excluded causes, events, or conditions. These exclusions apply whether or not an extensive area suffers damage from or is affected by the excluded cause, event, or condition.

a. **Civil Authority**

- 1) Except as provided under Coverage C -- Loss of Income, Loss Of Income Coverage Extensions, Interruption By Civil Authority, "We" do not pay for loss caused by order of any civil authority, including seizure, confiscation, destruction, or quarantine of property.
- 2) Except as provided in item 1.a.3) below, this exclusion applies to, but is not limited to, orders by any civil authority to seize, confiscate, destroy, or quarantine "cannabis" or "cannabis accessories".
- 3) Exception -- This exclusion does not apply to loss resulting from acts of destruction by a civil authority to prevent the spread of fire, unless the fire is caused by a peril excluded under this policy.

b. **Earth Movement**

- 1) "We" do not pay for loss caused by any "earth movement".
- 2) This exclusion applies regardless of whether:
 - a) the "earth movement" results from manmade or natural causes, or a combination thereof;
 - b) the cause of the "earth movement" originates on or under covered property; or
 - c) the "earth movement" results from activities being performed at "your" request or for "your" benefit.
- 3) Exceptions
 - a) If eruption, explosion, or effusion of a volcano results in "volcanic action" or building glass breakage, "we" will pay for the loss caused by that "volcanic action" or building glass breakage.

- b) If "earth movement" results in fire, "we" will pay for the loss caused by that fire.
 - c) If "earth movement" (other than eruption, explosion, or effusion of a volcano) results in explosion, "we" will pay for the loss caused by that explosion.
 - d) This exclusion does not apply to "computers".
- 4) Limitation -- All volcanic eruptions that occur within a 168-hour period will be considered a single loss.

c. **Fungus Or Related Perils**

- 1) Except as provided under the additional coverage for Limited Fungus And Related Perils, "we" do not pay for loss, cost, or expense caused by or relating to the existence of or any activity of "fungus or related perils".
- 2) Exceptions -- This exclusion does not apply to:
 - a) loss that is caused by a "specified peril" that results from "fungus or related perils";
 - b) loss that results from fire or lightning;
 - c) collapse caused by hidden decay, to the extent that such loss is covered under the additional coverage provided for Collapse; or
 - d) "computers".

d. **Nuclear Hazard**

- 1) "We" do not pay for loss caused by a nuclear hazard, which means nuclear reaction, nuclear radiation, or radioactive contamination, all whether:
 - a) controlled or uncontrolled;
 - b) caused by, contributed to, or aggravated by a peril insured against; or
 - c) caused by natural, accidental, or artificial means.

- 2) Loss caused by nuclear hazard is not considered loss caused by fire, explosion, or smoke.
- 3) Exception -- This exclusion does not apply to direct physical loss caused by fire resulting from the nuclear hazard.

e. Ordinance Or Law

- 1) Except as provided under the additional coverage for Increased Costs -- Ordinance or Law, "we" do not pay for loss or increased costs caused by enforcement of any code, ordinance, law, or decree that:
 - a) regulates the construction, use, or repair of any building or structure; or
 - b) requires the demolition of any property, including the removal of debris.
- 2) This exclusion applies whether the loss results from:
 - a) a code, ordinance, law, or decree that is enforced, even if the covered property has not been damaged; or
 - b) the increased costs incurred to comply with a code, ordinance, law, or decree during the construction, repair, renovation, remodeling, demolition, or debris removal following a physical loss to covered property.

f. Utility Failure

- 1) "We" do not pay for loss caused by failure or disruption of power, water, communication, or other utility services supplied to the "described premises" resulting from any cause, if the failure or disruption originates:
 - a) away from the "described premises"; or

- b) at the "described premises", if such failure or disruption involves equipment used to furnish the utility service to the "described premises" from a source away from the "described premises".

- 2) Failure or disruption includes reduced or increased voltage, power surge, low or high pressure, reduction in supply, or other disruptions of normal services.
- 3) Communication utilities include but are not limited to services relating to telephone, cable, internet access, or the connectivity to satellite, cellular, or other electronic network or service.
- 4) Exceptions
 - a) If the failure, disruption, or surge of power, or the failure or disruption of water, communication, or other utility service, results in a peril insured against, "we" do pay for the direct physical loss caused by that peril insured against.
 - b) This exclusion does not apply to "computers".

g. Virus Or Bacteria

- 1) "We" do not pay for loss, cost, or expense caused by, resulting from, or relating to any virus, bacterium, or other microorganism that causes disease, illness, or physical distress or that is capable of causing disease, illness, or physical distress.
- 2) This exclusion applies to, but is not limited to, any loss, cost, or expense as a result of:
 - a) any contamination by any virus, bacterium, or other microorganism; or
 - b) any denial of access to property because of any virus, bacterium, or other microorganism.

- 3) Exception -- This exclusion does not apply to loss, cost, or expense resulting from "fungus or related perils".
- 4) This exclusion supersedes the "terms" of any other exclusions under the Property Coverages section of this policy referring to "pollutants" or to contamination, but only with respect to any loss, cost, or expense caused by, resulting from, or relating to any virus, bacterium, or other microorganism that causes disease, illness, or physical distress, or that is capable of causing disease, illness, or physical distress.

h. War And Military Action

- 1) "We" do not pay for loss caused directly or indirectly by the following:
 - a) war, including undeclared or civil war;
 - b) warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign, or other authority using military personnel or other agents; or
 - c) insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.
- 2) With respect to any action that comes within the "terms" of this exclusion and involves nuclear reaction or radiation or radioactive contamination, this War And Military Action exclusion supersedes the Nuclear Hazard exclusion.

i. Water

- 1) "We" do not pay for loss caused by:
 - a) flood;
 - b) surface water;

- c) waves, including but not limited to tidal wave and tsunami;
- d) tidal water;
- e) tides;
- f) overflow of any body of water; or
- g) spray from items 1.i.1)a) through 1.i.1)f) above;

whether driven by wind or not.

This includes but is not limited to storm surge, storm tide, and tidal surge.

- 2) "We" do not pay for loss caused by mudslide or mudflow.
- 3) "We" do not pay for loss caused by water that backs up through, overflows from, or is otherwise discharged from:
 - a) a sewer or drain;
 - b) a sump, sump pump, or related equipment; or
 - c) any other type of system designed to remove subsurface water that is drained from the foundation area.
- 4) "We" do not pay for loss caused by water below the surface of the ground. This includes water that exerts pressure on or flows, seeps, or leaks through or into:
 - a) basements, whether paved or not;
 - b) doors, windows, or other openings;
 - c) foundations, floors, walls, or paved surfaces; or
 - d) swimming pools, septic tanks, or other structures; or
- 5) "We" do not pay for loss caused by material present in or carried or otherwise moved by water described in items 1.i.1) through 1.i.4) above.
- 6) The exclusions set forth in items 1.i.1) through 1.i.5) above:

- a) apply regardless of the cause of the excluded event, whether or not such cause is an act of nature; and
- b) apply to, but are not limited to, water and material present in or carried or moved by water, whether or not driven by wind, that:

- (1) overtops;
- (2) escapes from;
- (3) is released from; or
- (4) is otherwise discharged from;

a dam, levee, dike, floodgate, seawall, or other device or feature designed or used to retain, contain, or control water.

7) Exceptions

- a) "We" do pay for direct loss to covered property caused by fire, explosion, or sprinkler leakage resulting from an event excluded in items 1.i.1) through 1.i.5) above.
- b) The exclusions in items 1.i.1) through 1.i.5) above do not apply to "computers".

2. Weather Conditions

- a. "We" do not pay for loss caused by weather conditions if the weather conditions contribute in any way with a cause, event, or condition excluded in items 1.a through 1.i. above.
- b. Exception -- This exclusion does not apply to any resulting loss caused by a peril insured against unless the resulting loss itself is excluded.

ADDITIONAL PROPERTY EXCLUSIONS

"We" do not pay for loss if one or more of the following exclusions apply to the loss.

1. Animals

- a. "We" do not pay for loss caused by nesting or infestation, or discharge or release of waste products or secretions, of or by animals, including birds or insects.
- b. This exclusion applies to, but is not limited to:
 - 1) the consumption of property by animals; and
 - 2) the presence of animals in property distributed or sold.
- c. Exceptions -- This exclusion does not apply to:
 - 1) any resulting breakage of building glass or loss caused by a "specified peril"; or
 - 2) "hardware".

2. Boiler Explosion

- a. "We" do not pay for loss caused by explosion of steam boilers, steam pipes, steam turbines, or steam engines that "you" own or lease, or that are operated under "your" control.
- b. Exceptions
 - 1) If a fire or combustion explosion results from the explosion of steam boilers, steam pipes, steam turbines, or steam engines, "we" do pay for the resulting loss.
 - 2) "We" also pay for loss caused by the explosion of gas or fuel in a firebox, combustion chamber, or flue.

3. Collapse

a. Except as provided under the additional coverage for Collapse, "we" do not pay for loss involving collapse, caving in, or impairment of structural integrity, including but not limited to sagging, bowing, bending, leaning, separation of parts of the property, or inadequacy of load bearing capacity.

b. Exceptions

- 1) If collapse, as described in item 3.a. above, results in a peril insured against, "we" pay for the loss caused by that peril insured against.
- 2) This exclusion does not apply to:
 - a) direct physical loss that results from collapse of a covered building or structure or any part of a covered building or structure caused only by one or more of the following:
 - (1) "specified perils" or breakage of building glass, all as covered under the Property Coverages;
 - (2) weight of people or personal property; or
 - (3) weight of rain that collects on a roof; or

b) "computers".

4. Computer Virus or Computer Hacking

a. Except as provided for under Extensions Of Coverage for Data Records And Programs, and under Additional Loss Of Income Coverages for Destruction Of Data Records And Programs, "we" do not pay for:

- 1) any direct or indirect loss; or
- 2) loss of access, loss of use, or loss of functionality;

caused by a "computer virus" or by "computer hacking".

b. This exclusion applies to, but is not limited to, loss to:

- 1) "computers";
- 2) "your" computer network; or
- 3) "your" website

caused by or resulting from a "computer virus" or "computer hacking".

5. Contamination Or Deterioration

a. "We" do not pay for loss caused by contamination or deterioration, including but not limited to corrosion, rust, or any quality, fault, or weakness in property that causes it to damage or destroy itself.

b. Exceptions -- This exclusion does not apply to:

- 1) any resulting breakage of building glass or loss caused by a "specified peril"; or
- 2) loss caused by contamination or deterioration of "hardware" that results from direct physical damage by a peril insured against to the air-conditioning system that services "your" "hardware".

6. Data And Computer Errors

a. "We" do not pay for loss caused by an error or omission in:

- 1) the programming, storing, or processing of "data records"; or
- 2) the design, specification, installation, repair, modification, or testing of "your" "computers".

b. Exceptions -- This exclusion does not apply to:

- 1) any resulting breakage of building glass or loss caused by a "specified peril"; or

- 2) loss caused by a "computer virus" or "computer hacking" under the Extensions Of Coverage for Data Records And Programs, and under Additional Loss Of Income Coverages for Destruction Of Data Records And Programs.

7. Defects, Errors, Or Omissions

- a. "We" do not pay for loss that results from one or more of the following:
 - 1) an act, error, or omission (negligent or not) relating to:
 - a) land use;
 - b) the design, specification, construction, repair, modification, workmanship, installation, or testing of property;
 - c) planning, licensing, zoning, development, siting, surveying, grading, or compaction; or
 - d) maintenance of property (including land, structures, or improvements);whether on or off the "described premises";
 - 2) a defect, a weakness, a fault, or unsoundness in, or the inadequacy of, materials used in construction, modification, or repair, whether on or off the "described premises";
 - 3) an error or omission in copying or processing "valuable papers and records";
 - 4) the cost to make good an error in design; or
 - 5) an error or omission by any person or entity that adversely affects the quality, nature, form, or function of any product, goods, or merchandise, or any part thereof.
- b. Item 7.a.5) above applies:
 - 1) to any error or omission that occurs at any time during the:

- a) research, planning, or development;
- b) processing, production, manufacturing, or testing;
- c) marketing, sale, packaging, or shipping;
- d) installation or use; or
- e) maintenance or repair;

of such product, goods, or merchandise, or any part thereof; and

- 2) regardless of the person or entity responsible for the error or omission, including a party with possession of the property under an arrangement in which work or a portion of the work has been subcontracted or outsourced.

c. Exceptions

- 1) This exclusion does not apply to collapse caused by the use of defective materials or methods during the course of construction, remodeling, or renovation or after construction, remodeling, or renovation is complete, to the extent coverage is provided by the additional coverage for Collapse.
- 2) If a defect, error, or omission as described above results in a peril insured against, "we" pay for the loss caused by that peril insured against.

8. Electrical Currents

- a. "We" do not pay for loss caused by manmade or mechanically produced electrical, electromagnetic, or magnetic currents or energy, or by their arcing, that results in damage or disruption to:
 - 1) electrical or electronic wiring, networks, systems, appliances, or devices; or
 - 2) networks, systems, appliances, or devices that utilize wireless, microwave, satellite, or cellular technologies.

b. For the purposes of this exclusion, electrical, electromagnetic, or magnetic currents or energy includes but is not limited to:

- 1) the flow of electricity and its arcing;
- 2) electromagnetic energy pulses;
- 3) electromagnetic waves (microwaves); or
- 4) the electrical charge generated by or conducted through a magnetic or electromagnetic field.

c. Exceptions

- 1) If a fire results from manmade or mechanically produced electrical, electromagnetic, or magnetic currents or energy, or by their arcing, "we" do pay for the loss caused by such fire; and
- 2) This exclusion does not apply to "computers".

9. Electrical Damage

a. Except as provided for under Extensions Of Coverage for Data Records And Programs, "we" do not pay for loss to "data records", "programs and applications", and "proprietary programs" caused by electrical or magnetic damage, erasure, or disturbance.

b. Exception -- "We" do pay for electrical or magnetic damage, erasure, or disturbance of "data records", "programs and applications", and "proprietary programs" caused by lightning.

10. Fraudulent, Dishonest, Or Illegal Acts

a. "We" do not pay for loss caused by fraudulent, dishonest, or illegal acts, whether or not such acts occur during work hours, or whether committed alone or in collusion with another, by:

- 1) "you";
- 2) others who have an interest in the property;

- 3) others to whom "you" entrust the property;
- 4) "your" partners, officers, directors, trustees, joint venturers, members, or managers; or
- 5) the "employees" or agents of 10.a.1), 2), 3), or 4) above.

b. For the purposes of this exclusion, illegal acts do not include "cannabis activities" conducted in compliance with all applicable laws, rules, and regulations of:

- 1) the state of California; and
- 2) any local jurisdiction in which "your" business operates.

c. Exceptions

- 1) This exclusion does not apply to acts of destruction of property by "your" "employees" or authorized representatives, or to accounts receivable and "valuable papers and records" in the custody of carriers for hire. However, theft by "employees" or authorized representatives is not covered.
- 2) With respect to a covered loss caused by fire, this exclusion does not apply to an "insured" who did not cooperate with or contribute to the act that caused such loss.

d. Limitation -- Subject to all other "terms" of this policy, "our" payment to an "insured" who did not cooperate in or contribute to the act that caused the loss may be limited to that person's insurable interest in the property, less any payment made to a mortgagee or other party with a legal secured interest in the property. "We" retain all rights set forth in the Subrogation condition of this policy with regard to action against the perpetrator of the act that caused the loss.

11. Freezing

- a. "We" do not pay for loss caused by water, other liquids, powder, or molten material that leaks or flows from:
 - 1) plumbing systems;
 - 2) heating systems;
 - 3) air-conditioning systems;
 - 4) appliances; or
 - 5) other equipment (other than fire protective systems);as a result of freezing.
- b. Exceptions -- This exclusion does not apply:
 - 1) if "you" use reasonable care to maintain heat in the building or structure;
 - 2) if "you" drain the equipment and turn off the supply when the heat is not maintained; or
 - 3) to "computers".

12. Indirect Losses

- a. "We" do not pay for loss caused by loss of use, delay, or loss of market.
- b. Exception -- This exclusion does not apply to Coverage C -- Loss Of Income.

13. Mechanical Breakdown

- a. "We" do not pay for loss caused by mechanical breakdown or rupturing or bursting of moving parts of machinery caused by centripetal or centrifugal force.
- b. Exceptions
 - 1) "We" do pay for any resulting breakage of building glass or loss caused by a "specified peril".
 - 2) This exclusion does not apply to "hardware".

- 14. **Neglect** -- "We" do not pay for loss caused by an "insured's" neglect to use all reasonable means to save covered property at and after the time of loss, or when endangered by a peril insured against.

15. Pollution

- a. "We" do not pay for loss caused by the release, discharge, seepage, migration, dispersal, escape, or emission of "pollutants" unless the release, discharge, seepage, migration, dispersal, escape, or emission is caused by a "specified peril".
- b. Exception -- "We" do pay for any resulting loss caused by a "specified peril".

- 16. **Seepage** -- "We" do not pay for loss caused by, or resulting from:

- a. continuous or repeated seepage or leakage of water; or
- b. the presence or condensation of moisture, humidity, or vapor;

that occurs over a period of 14 days or more.

17. Settling, Cracking, Shrinking, Bulging, Or Expanding

- a. "We" do not pay for loss caused by the settling, cracking, shrinking, bulging, or expanding of pavements, footings, foundations, walls, ceilings, or roofs.
- b. Exceptions
 - 1) "We" do pay for any resulting breakage of building glass or loss caused by a "specified peril".
 - 2) This exclusion does not apply to "hardware".

18. Smog

- a. "We" do not pay for loss caused by smog.

- b. Exception -- This exclusion does not apply to "computers".

19. Smoke, Vapor, Or Gas

- a. "We" do not pay for loss caused by smoke, vapor, or gas from agricultural smudging or industrial operations.
- b. Exception -- This exclusion does not apply to "computers".

20. Temperature Or Humidity

- a. "We" do not pay for loss to personal property caused by dampness, dryness, or changes in or extremes of temperature.
- b. Exceptions
 - 1) "We" do pay for any resulting breakage of building glass or loss caused by a "specified peril".
 - 2) This exclusion does not apply to loss or damage to "hardware" that results from direct physical damage by a peril insured against to the air-conditioning system that services "your" "hardware".

- 21. Voluntary Parting** -- "We" do not pay for loss caused by voluntary parting with title to or possession of any property because of any fraudulent scheme, trick, or false pretense.

22. Wear And Tear

- a. "We" do not pay for loss caused by wear and tear, marring, or scratching.
- b. Exceptions
 - 1) "We" do pay for any resulting breakage of building glass or loss caused by a "specified peril".
 - 2) This exclusion does not apply to loss to "hardware" resulting from mechanical breakdown.

**WHAT MUST BE DONE
IN CASE OF LOSS**

- 1. **Notice** -- In case of a loss, "you" must:
 - a. give "us" or "our" agent prompt notice including a description of the property involved ("we" may request written notice); and
 - b. give notice to the police if the act that causes the loss may have been a crime.
- 2. **Protect Property**
 - a. "You" must take all reasonable steps to protect covered property at and after an insured loss to avoid further loss. "We" pay the reasonable costs incurred by "you" for necessary repairs or emergency measures performed solely to protect covered property from further damage by a peril insured against if a peril insured against has already caused a loss to covered property. This does not increase the "limit" for the covered property.
 - b. Restriction -- "We" do not pay for such repairs or emergency measures performed on property that has not been damaged by a peril insured against.
- 3. **Proof Of Loss**
 - a. Within 60 days after "our" request, "you" must send "us" a signed, sworn proof of loss.
 - b. The proof of loss must include the following information:
 - 1) the date, time, place, and circumstances of the loss;
 - 2) other policies of insurance that may cover the loss;
 - 3) "your" interest and the interests of all others in the property involved, including all mortgages and liens;

- 4) changes in title or occupancy of the covered property during the policy period;
- 5) detailed estimates for repair or replacement of covered property;
- 6) available plans and specifications of buildings or structures;
- 7) detailed estimates of any covered loss of income and expenses; and
- 8) an inventory of damaged and undamaged covered personal property showing in detail the quantity, description, cost, actual cash value, and amount of the loss. "You" must attach to the inventory copies of all bills, receipts, and related documents that substantiate the inventory.

An inventory of undamaged personal property is not required if the total claim for a loss is less than \$10,000 and less than 5% of the total "limit" that applies to the covered property.

- c. If the covered property involved in the loss includes "cannabis", "we" may also require that "your" proof of loss include copies of all applicable and available records, reports, and logs generated or retained as part of a cannabis activity tracking (CAT) system or similar tracking mechanism. This includes all applicable tracking information in "your" care, custody, or control, as well as any applicable tracking information that "you" can reasonably obtain from others.

4. Examination Under Oath

- a. An "insured" must submit to examination under oath in matters connected with the loss or relating to this insurance as often as "we" reasonably request and give "us" signed sworn statements of the answers. If more than one "insured" is examined, "we" have the right to examine and receive statements from each "insured" separately and not in the presence of the other "insureds".

- b. Any examination under oath is subject to the provisions of Section 2071.1 of the California Insurance Code.

5. **Cooperation** -- "You" must cooperate with "us" in the investigation and settlement of the claim.

6. Records

- a. "You" must produce records, including but not limited to tax returns and bank microfilms of all cancelled checks, relating to value, loss, and expense, and permit copies and extracts to be made of these records as often as "we" reasonably request.
- b. "We" will inform "you" that tax returns are privileged against disclosure under applicable state law but may be necessary to process or determine the claim.

7. **Damaged Property** -- "You" must exhibit the damaged and undamaged property as often as "we" reasonably request and allow "us" to inspect or take samples of the property.

8. **Volunteer Payments** -- "You" must not, except at "your" own expense, voluntarily make any payments, assume any obligations, pay or offer any rewards, or incur any other expenses except with respect to protecting property from further damage by a peril insured against.

9. **Abandonment** -- "We" do not have to accept any abandonment of property.

10. **Intent To Continue Business** -- If "you" intend to continue "your" business, "you" must resume all or part of "your" business as soon as possible.

VALUATION OF PROPERTY LOSSES

The valuation of property losses will be based on the following provisions.

1. Replacement Cost

- a. Subject to items 3. through 12. below, the value of covered property is based on its replacement cost without a deduction for depreciation, unless Actual Cash Value is shown on the "declarations".
- b. Limitations
 - 1) If the "limit" on the lost or damaged property at the time of loss is 80% or more of the property's full replacement cost immediately prior to the loss, "we" pay the cost to repair or replace the property, but not more than the least of the following:
 - a) the "limit" that applies to the lost or damaged property;
 - b) the cost to replace, on the same premises, the lost or damaged property with property of comparable materials and quality, that is to be used for the same purpose; or
 - c) the amount that "you" actually spend that is necessary to repair or replace the lost or damaged property.

If a building is not rebuilt on the same premises, the cost to replace is limited to the cost that would have been incurred had the building been rebuilt on the same premises.

- 2) If the "limit" on the lost or damaged property at the time of loss is less than 80% of the property's full replacement cost immediately prior to the loss, "we" pay the greater of the following amounts, but not more than the "limit" that applies to the property:
 - a) the actual cash value of the lost or damaged property; or
 - b) that part of the replacement cost of the lost or damaged property that the applicable "limit" bears to 80% of the full current replacement cost of the covered property.
- 3) The cost to repair, rebuild, or replace lost or damaged property does not include the increased cost attributable to enforcement of any code, ordinance, law, or decree regulating the construction, use, or repair of any property.

2. Actual Cash Value

- a. If Actual Cash Value is shown on the "declarations" for Coverage A -- Buildings or Coverage B -- Business Personal Property, Replacement Cost does not apply to such coverage and the value of property is based on its actual cash value at the time of the loss with a deduction for depreciation.
- b. Limitations
 - 1) If actual cash value "terms" apply to covered building property:
 - a) the actual cash value of building property that has suffered a total loss will be determined as:
 - (1) the fair market value of that building property; or
 - (2) the "limit" shown on the "declarations" as applicable to that building property;

whichever is less; and

- b) the actual cash value of building property that has suffered a partial loss will be determined as:
- (1) the amount it would cost "you" to repair, rebuild, or replace the damaged portion of the building property less a fair and reasonable deduction for physical depreciation of the components of that building property that are normally subject to repair or replacement during the building property's useful life; or
 - (2) the "limit" shown on the "declarations" as applicable to the damaged building property at the time of the loss;
- whichever is less.
- 2) If the actual cash value "terms" apply to covered property other than building property, the actual cash value of that property will be determined as:
- a) the amount it would cost to repair, rebuild, or replace the lost, damaged, or destroyed property less a fair and reasonable deduction for physical depreciation; or
 - b) the "limit" applicable to that property at the time of the loss;
- whichever is less.
- 3) The condition of the property at the time of the loss is the basis for determining the amount of physical depreciation. The expense of labor necessary to repair, rebuild, or replace covered property is not a component of physical depreciation.

3. **Property Not Eligible For Replacement Cost** -- The value of the following property is based on its actual cash value at the time of the loss:

- a. household contents, except personal property in apartments or rooms furnished by "you" as landlord;
- b. manuscripts;
- c. objects of art, rarity, or antiquity;
- d. used or second-hand merchandise held for sale or in storage; and
- e. personal property of others.

However, if personal property of others in "your" care, custody, or control is subject to a written agreement that specifies the extent of "your" liability for such property, the value of that property is based on the lesser of the following, unless Actual Cash Value is shown on the "declarations":

- 1) the extent of "your" liability as specified in the written agreement to which the property is subject;
- 2) the Replacement Cost "terms" set forth under item 1. of Valuation of Property Losses; or
- 3) the "limit" that applies to the lost or damaged property.

If Actual Cash Value is shown on the "declarations", the value of personal property of others is based on its actual cash value at the time of the loss or the extent of "your" liability as specified in the written agreement to which the property is subject, whichever is less.

Actual cash value includes a deduction for depreciation.

4. **Glass** -- The value of glass is based on the cost of safety glazing material where required by code, ordinance, law, or decree.

5. **Hardware** -- The value of "hardware" is based on the following:
 - a. **Hardware That Is Replaced** -- The value of "hardware" that is replaced is based on the cost of replacing the "hardware" with new equipment that is functionally comparable to the "hardware" that is being replaced.
 - b. **Hardware That Is Not Replaced** -- The value of "hardware" that is not repaired or replaced is based on the actual cash value at the time of loss, with a deduction for depreciation.
 - c. **Partial Loss** -- "We" do not pay more than the reasonable cost of restoring partially damaged "hardware" to its condition directly prior to the damage.
 6. **Loss To Parts** -- The value of a lost or damaged part of an item that consists of several parts when it is complete is based on the value of only the lost or damaged part or the cost to repair or replace it.
 7. **Money** -- The value of "money" is based on its face value.
 8. **Pair Or Set** -- The value of a lost or damaged article that is part of a pair or set is based on a reasonable proportion of the value of the entire pair or set. The loss is not considered a total loss of the pair or set.
 9. **Securities** -- The value of "securities" is based on their actual cash value at the close of business on the day the loss was discovered.
 10. **Software** -- The value of "software" is based on the following:
 - a. **Data Records**
 - 1) The value of "data records" is based on the cost of reproduction from duplicate copies. The cost of reproduction includes but is not limited to the cost of labor to copy or transcribe the information from duplicate copies.
 - 2) **Exceptions**
 - a) If duplicate copies do not exist, the value of "data records" is based on the cost of research or other expenses necessary to reproduce, replace, or restore lost files, documents, and information.
 - b) The value of "data records" not restored or replaced is based on the cost to replace the "media" on which the "data records" were stored with blank "media" of similar kind and quality.
- 2) **Exceptions**
 - a) **Media** -- The value of "media" is based on the cost to repair or replace the "media" with material of the same kind and quality.
 - b) **Media** -- The value of "media" is based on the cost to repair or replace the "media" with material of the same kind and quality.
 - c. **Programs And Applications**
 - 1) The value of "programs and applications" is based on the cost to reinstall the "programs and applications" from the licensed discs that were originally used to install the "programs and applications".
 - 2) **Exceptions**
 - a) If the original licensed discs are lost, damaged, or can no longer be obtained, the value of "programs and applications" is based on the cost of the most current version of the "programs and applications".
 - b) The value of "programs and applications" not restored or replaced is based on the cost to replace the "media" on which the "programs and applications" were stored with blank "media" of similar kind and quality.

d. Proprietary Programs

- 1) The value of "proprietary programs" is based on the cost of reproduction from duplicate copies. The cost of reproduction includes but is not limited to the cost of labor to copy or transcribe the information from duplicate copies.
- 2) Exceptions
 - a) If duplicate copies do not exist, the value of "proprietary programs" is based on the cost of research or other expenses necessary to reproduce, replace, or restore lost "proprietary programs".
 - b) The value of "proprietary programs" not restored or replaced is based on the cost to replace the "media" on which the "proprietary programs" were stored with blank "media" of similar kind and quality.

11. Tenant's Improvements

- a. The value of tenant's improvements losses will be based on replacement cost, without a deduction for depreciation, if repaired or replaced at "your" expense within a reasonable time.
- b. The value of tenant's improvements losses will be based on a portion of "your" original cost if not repaired or replaced within a reasonable time. This portion is determined as follows:
 - 1) divide the number of days from the date of the loss to the expiration date of the lease by the number of days from the date of installation to the expiration date of the lease; and
 - 2) multiply the figure determined in item 11.b.1) above by the original cost.

However, if "your" lease contains a renewal option, the expiration date of the lease in this calculation is replaced by the expiration of the renewal option period.

- c. Tenant's improvements losses are not covered if repaired or replaced at another's expense.

12. Valuable Papers And Records

- a. The value of "valuable papers and records" is based on the cost of blank materials and the labor to transcribe or copy the records if there is a duplicate.
- b. Exceptions
 - 1) If a duplicate does not exist, the value is based on the cost of research or other expenses necessary to reproduce, replace, or restore lost information on such lost or damaged "valuable papers and records".
 - 2) If "valuable papers and records" are not reproduced, replaced, or restored, the value of "valuable papers and records" is based on the cost of blank materials of similar kind and quality.

HOW MUCH WE PAY

1. **Insurable Interest** -- "We" do not pay more than "your" insurable interest in any property.
2. **Deductible**
 - a. Except as provided under items 2.b. and 2.c. below, "we" pay only that part of "your" loss, in any one occurrence, in excess of the deductible amount shown on the "declarations".

- b. If more than one deductible applies to a loss, only the highest deductible amount will be applied.
 - c. No deductible applies to Fire Department Service Charges, Lock and Key Replacement, Inventory and Appraisal Expenses, Recharge of Fire Extinguishing Equipment, or Coverage C -- Loss of Income.
3. **Loss Settlement Terms**
- a. Subject to items 1. and 2. above, and items 4. through 8. below, "we" pay the lesser of:
 - 1) the amount determined under Valuation Of Property Losses;
 - 2) the cost to repair, replace, or rebuild the property with materials of like kind and quality to the extent practicable; or
 - 3) the "limit" that applies to covered property.
 - b. If replacement cost valuation applies, "we" pay no more than the actual cash value of the damaged property before the repair or replacement takes place. If the repair or replacement is completed within 12 months of the date that the initial actual cash value payment is made, "we" will pay the difference between the actual cash value and the replacement cost of the damaged property, subject to item 3.a. above.
 - c. "We" will allow additional extensions of up to six months if repair or replacement is delayed for good cause. In the event of a loss related to a state of emergency as defined in Section 8558 of the Government Code of California, repair or replacement must be completed within 24 months of the date that the initial payment is made.
4. **Insurance Under More Than One Coverage** -- If more than one coverage of this policy insures the same loss, "we" pay no more than the actual claim or loss sustained.
5. **Insurance Under More Than One Policy** -- If there is another policy covering the same loss, "we" pay "our" share of the covered loss. "Our" share is the proportion that the applicable "limit" under this policy bears to the "limit" of all policies covering the loss. But "we" will not pay more than the applicable "limit" under this policy.
6. **Accounts Receivable**
- a. Subject to items 1., 2., 4., and 5. above, "we" pay the lesser of:
 - 1) the total sum of accounts receivable due. From this total "we" will deduct:
 - a) all amounts due from the accounts receivable records that are not lost;
 - b) all amounts due that can be established by other means;
 - c) all amounts due that "you" have collected from the records that are lost;
 - d) all unearned interest and service charges; and
 - e) an amount to allow for bad debts;
 - 2) the reasonable cost to reconstruct "your" accounts receivable records; or
 - 3) the applicable "limit".
 - b. If a loss occurs and "you" cannot establish the actual accounts receivable amounts due, they will be determined as follows:
 - 1) "We" will determine the total of the average monthly accounts receivable amounts for the 12-month period that immediately precedes the month in which the loss occurred.
 - 2) "We" will adjust the total for any verifiable variance in the accounts receivable amount for the month in which the loss occurred.

7. Automatic Increase

- a. If a percentage increase is shown on the "declarations" for a Coverage A -- Buildings or Coverage B -- Business Personal Property entry, the corresponding "limit" is increased annually by the percentage shown.
- b. The increase applies:
 - 1) proportionally from the date of the most recent "limit".
 - 2) only to the "limit" shown on the "declarations" for the corresponding Coverage A -- Buildings or Coverage B -- Business Personal Property entry.

8. Seasonal Increase

- a. The Coverage B -- Business Personal Property "limits" shown on the "declarations" will automatically increase by 25% to provide for seasonal increase.
- b. Conditions
 - 1) This increase applies only if "your" Coverage B -- Business Personal Property "limit" is at least 100% of "your" average monthly values for the 12 months immediately preceding the date of the loss.
 - 2) If "you" have been in business less than 12 months, the "limit" of insurance must be 100% of "your" average monthly values for the time "you" have been in business.

- 2) pay the cost of repairing or replacing the lost or damaged property;
- 3) rebuild, repair, or replace the property with other property of equivalent kind and quality, to the extent practicable, within a reasonable time; or
- 4) take all or any part of the property at the agreed or appraised value.

- b. "We" must give "you" notice of "our" intent to rebuild, repair, or replace within 30 days after receipt of a duly executed proof of loss.

2. Your Losses

- a. "We" adjust all losses with "you".
- b. Payment is made to "you" unless another loss payee is named in the policy.
- c. A covered loss is payable 30 days after a satisfactory proof of loss is received, and:
 - 1) the amount of the loss has been agreed to in writing;
 - 2) an appraisal award has been filed with "us"; or
 - 3) a final judgment has been entered.

3. Property Of Others

- a. Losses to property of others may be adjusted with and paid to:
 - 1) "you" on behalf of the owner; or
 - 2) the owner, subject to the owner's interest.
- b. If "we" pay the owner, "we" do not pay "you". "We" may also choose to defend any suits arising from the owners at "our" expense.

4. Common Wall

- a. In the event of loss to a common wall or party wall and subject to all other applicable policy provisions and "limits":

LOSS PAYMENT

1. Our Options

- a. In the event of loss covered by this policy, "we" have the following options:
 - 1) pay the value of the lost or damaged property;

- 1) "We" will pay the share of the loss to the common wall equal to "your" ownership interest in the common wall in proportion to the adjoining owner's interest in the common wall.
 - 2) If "you" choose to repair or replace damage to the common wall caused by a peril insured against, but the adjoining owner chooses not to, "we" will pay the full value of the loss to the common wall.
 - 3) "We" retain "our" rights to subrogation against the owner or insurer of the adjoining property or any other person or entity. The Subrogation condition of this policy is not altered by this provision.
- b. With respect to this Loss Payment provision, a common wall or party wall is a shared wall dividing two adjoining properties that have different ownership.
5. **Adjusters** -- If, within a six-month period, "we" assign a third or subsequent adjuster to be primarily responsible for a claim, "we", in a timely manner, will provide "you" with a written status report that contains a summary of any decisions or actions that are substantially related to the disposition of the claim, including but not limited to the amount of losses to structures or contents, the retention or consultation of design or construction professionals, the amount of coverage for losses to structures or contents, and all items of dispute.

ADDITIONAL CONDITIONS

1. Appraisal

- a. If "you" and "we" do not agree on the actual cash value of the property or the amount of the loss, either party may request that the amount be determined by appraisal.
- b. If either makes a written request for appraisal and the request is accepted, each selects a competent and impartial appraiser and notifies the other of the appraiser's identity within 20 days of receipt of the written demand. The two appraisers then select a competent and impartial umpire. If the two appraisers are unable to agree upon an umpire within 15 days, "you" or "we" can ask a judge of a court of record in the state where the property is located to select an umpire.
 - c. Appraisal proceedings are informal unless "you" and "we" mutually agree otherwise. This means that no formal discovery will be conducted, including depositions, interrogatories, requests for admission, or other forms of formal civil discovery, no formal rules of evidence will be applied, and no court reporter will be used for the proceedings.
 - d. The appraisers then determine and state separately the amount of each loss.
 - e. The appraisers also determine the actual cash value of covered property items at the time of the loss.
 - f. If the appraisers fail to agree, they submit only their differences to the umpire. The written agreement of any two will determine the amount of actual cash value and loss.
 - g. Each appraiser is paid by the party selecting that appraiser. The expenses of the appraisal and the compensation of the umpire are paid equally by "you" and "us".
 - h. In the event of a government-declared disaster, as defined in the Government Code, appraisal may be requested by either "you" or "us" but cannot be compelled.

2. **Benefit To Others** -- Insurance under the Property Coverages will not directly or indirectly benefit anyone having custody of "your" property.
3. **Control Of Property**
 - a. The Property Coverages are not affected by any act or neglect beyond "your" control.
 - b. A violation of any condition in this policy by an "insured" will only affect coverage at the location where the violation took place.
4. **Death of An Individual Named Insured** -- If "you" die, "your" rights and duties under the Property Coverages pass to "your" legal representative or other person having proper temporary custody of "your" property.
5. **Mortgage Provisions**
 - a. If a mortgagee (mortgagee includes trustee) is named in this policy, covered loss to buildings or structures will be paid to the mortgagee and "you" as the interests of each appear. If more than one mortgagee is named, they will be paid in order of precedence.
 - b. The insurance for the mortgagee continues in effect even if "your" insurance may be void because of "your" acts, neglect, or failure to comply with the coverage "terms". However, the insurance for the mortgagee does not continue in effect if the mortgagee is aware of changes in ownership or substantial increase in risk and does not notify "us".
 - c. If "you" fail to do so, "we" may request from the mortgagee:
 - 1) payment of the premium; and
 - 2) a signed, sworn proof of loss within 60 days after "our" request.
- d. If "we" pay the mortgagee for a loss where "your" insurance may be void, the mortgagee's right to collect that portion of the mortgage debt from "you" then belongs to "us". This does not affect the mortgagee's right to collect the remainder of the mortgage debt from "you". As an alternative, "we" may pay the mortgagee the remaining principal and accrued interest in return for a full assignment of the mortgagee's interest and any instruments given as security for the mortgage debt.
- e. If "we" cancel this policy, "we" will notify the mortgagee at least ten days before the effective date of cancellation if "we" cancel for "your" nonpayment of premium, or 30 days before the effective date of cancellation if "we" cancel for any other reason. If "we" choose not to renew this policy, "we" will give written notice to the mortgagee at least ten days before the expiration date of this policy.
6. **Policy Period** -- "We" cover loss that begins within the policy period shown on the "declarations".
7. **Recoveries** -- If "we" pay "you" for a loss, and the lost or damaged property is recovered, or payment is made by those responsible for the loss, the following provisions apply:
 - a. "You" must notify "us" promptly if "you" recover property or receive payment.
 - b. "We" must notify "you" promptly if "we" recover property or receive payment.
 - c. "We" pay any recovery expenses incurred, and the expense to repair the recovered property, subject to the "limit" of insurance.
 - d. "You" may keep the recovered property, but "you" must refund to "us" the amount of the claim paid, or any lesser amount to which "we" agree.

- e. If the claim paid is less than the agreed loss due to a deductible or other limiting "term" of this policy, any recovery is prorated between "you" and "us" based on "our" respective interests in the loss.

8. Subrogation

- a. If "we" pay for a loss under the Property Coverages, "we" may require that "you" assign to "us" any right of recovery against others, up to the amount "we" have paid.
- b. "You" may waive "your" right to recover, in writing, before a loss takes place without voiding coverage.
- c. Restrictions
 - 1) "You" must do nothing to impair "our" right of recovery after a loss.
 - 2) "You" may waive "your" right to recover, in writing, after a loss only with respect to the following parties:
 - a) persons or entities that are insured under the Property Coverages;
 - b) "your" tenant;
 - c) a business firm owned or controlled by "you"; or
 - d) a business firm that owns or controls "your" business.

9. Suit Against Us

- a. No lawsuit can be brought against "us" unless:
 - 1) the "terms" of the Property Coverages have been fully complied with; and
 - 2) the lawsuit is commenced within two years after the date on which direct physical loss occurred.
- b. If any applicable law makes this limitation invalid, then the lawsuit must begin within the shortest period permitted by the law.

10. Vacancy Restriction

- a. "We" do not pay for loss caused by attempted theft, breakage of building glass, sprinkler leakage (unless "you" have protected the system against freezing), theft, vandalism, or "water damage" if, immediately prior to the loss, the building or structure has been vacant for more than 60 consecutive days.
- b. The amount "we" pay for any loss that occurs at a building or structure that has been vacant for more than 60 consecutive days, and that is not otherwise excluded, is reduced by 15%.
- c. Property is vacant if the occupants of a building or structure have moved, leaving the building or structure empty or containing limited business personal property.
- d. If "you" are the owner or general lessee, the building or structure is considered vacant if 30% or less of the total square footage is occupied as intended.
- e. If "you" are the tenant, the building or structure is considered vacant if the area rented to "you" does not contain enough business personal property to conduct "your" customary activities or operations.
- f. Buildings or structures that are under construction or being renovated are not considered vacant.

COMMERCIAL LIABILITY COVERAGES

The Commercial Liability Coverages section contains additional definitions, coverage descriptions, exclusions, limitations, and conditions that apply to the liability coverages provided by this policy.

ADDITIONAL DEFINITIONS

In addition to the Common Policy Definitions, the following definitions apply to the Commercial Liability Coverages.

1. "Advertisement"

- a. "Advertisement" means a public notice or announcement, including but not limited to one found in electronic communication or on the Internet, offering "your" goods, "products", or services:
- 1) for sale, rent, lease, or other purpose to potential buyers, clients, customers, or patrons; or
 - 2) for promotion to and consideration by potential supporters.
- b. With respect to "advertisements" that appear on websites, only that part of a website that offers "your" goods, "products", or services:
- 1) for sale, rent, lease, or other purpose to potential buyers, clients, customers, or patrons; or
 - 2) for promotion to and consideration by potential supporters;
- is considered an "advertisement".

2. "Auto" means:

- a. a land motor vehicle, a trailer, or a semi-trailer that is designed for travel on public roads, including attached machinery and equipment; or
- b. any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state where it is licensed or principally garaged.

However, "auto" does not include "mobile equipment".

3. "Bodily injury" means bodily harm, sickness, or disease sustained by a person. "Bodily injury" includes death that results at any time from bodily harm, sickness, or disease.

However, "bodily injury" does not include mental or emotional injury, suffering, or distress that does not result from a physical injury.

4. "Coverage territory":

- a. With respect to "bodily injury", "property damage", or "personal and advertising injury" arising out of "cannabis", "cannabis accessories", or "cannabis activities", the "coverage territory" is limited to the "basic territory".
- b. With respect to injury or damage that does not arise out of "cannabis", "cannabis accessories", or "cannabis activities", "coverage territory" means:
 - 1) the "basic territory";
 - 2) international waters or airspace, but only with respect to "bodily injury", "property damage", or "personal and advertising injury" that occurs in the course of transit between any places included in the "basic territory"; and
 - 3) other parts of the world, but only with respect to "bodily injury", "property damage", or "personal and advertising injury" that arises out of:
 - a) "products" "you" have made or sold in the "basic territory";
 - b) the activities of a person who normally resides in the "basic territory", but is away for a short time on "your" business; or
 - c) "personal and advertising injury" arising out of offenses that occur through electronic communication or the Internet;

provided that the "insured's" liability to pay "damages" has been determined in a "suit" on the merits in the "basic territory", or in a settlement that "we" have agreed to.

5. "Covered contract"
- a. "Covered contract" means:
- 1) a lease of premises;
 - 2) an easement or license agreement (however, this does not include an agreement in connection with any construction or demolition operation within 50 feet of a railroad);
 - 3) a responsibility to indemnify a municipality if required by an ordinance (however, this does not apply in connection with work done for the municipality);
 - 4) a sidetrack agreement;
 - 5) an elevator maintenance agreement; or
 - 6) any part of any other contract or agreement relating to the conduct of "your" business (including an indemnification of a municipality in connection with work done for the municipality) under which "you" assume the tort liability of another person or entity to pay "damages" because of "bodily injury" or "property damage" to a third person or entity. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.
- b. "Covered contract" does not include that part of any contract or agreement:
- 1) that indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations within 50 feet of railroad property and affecting any railroad bridge or trestle, tracks, road-beds, tunnel, underpass, or crossing;
 - 2) that indemnifies an architect, engineer, or surveyor for injury or damage arising out of:
 - a) preparing, approving, or failing to prepare or approve maps, drawings, opinions, reports, surveys, change orders, designs, or specifications; or
 - b) giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage;
 - 3) under which the "insured", if an architect, engineer, or surveyor, assumes liability for injury or damage arising out of the "insured's" rendering or failing to render professional services, including those listed in 5.b.2) above, and supervisory, inspection, or engineering services;
 - 4) that indemnifies any person or entity for damage by fire to premises rented or loaned to "you"; or
 - 5) that indemnifies any person or entity for "damages" arising out of any "cannabis activities" conducted:
 - a) by any person or entity not licensed, permitted, or authorized by all applicable state and local governmental authorities as required to engage in such "cannabis activities"; or
 - b) in violation of any applicable state or local law, rule, regulation, or ordinance.
6. "Damages" means compensation in the form of "money" for a person or entity who claims to have suffered an injury.
7. "Designated insured" means:
- a. all individuals listed in items 12.a.1) through 12.a.5) of the definition of "insured" below; and
 - b. any "employee" who is authorized to give or receive notice of an "occurrence" or a claim.
8. "Employee" includes a "leased worker" but does not include a "temporary worker".
9. "Executive officer" means a person holding any of the officer positions created by "your" charter, constitution, by-laws, or any other similar governing document.

10. "Impaired property" means tangible property (other than "products" or "your work"):

- a. that is less useful or no longer useable because:
 - 1) it includes "products" or "your work" that is, or is believed to be, deficient or dangerous; or
 - 2) "you" failed to carry out the "terms" of a contract or agreement; and
- b. that can be restored by:
 - 1) the repair, replacement, adjustment, or removal of "products" or "your work"; or
 - 2) "your" fulfillment of the "terms" of the contract or agreement.

11. "Indemnitee" means a person or entity for whom an "insured" has assumed liability for "damages" due to "bodily injury" or "property damage" under a "covered contract".

12. "Insured"

- a. "Insured" means:
 - 1) "you" and "your" spouse, but only with respect to the conduct of a business of which "you" are the sole owner, if "you" are shown on the "declarations" as an individual;
 - 2) "you" and all of "your" partners or members and their spouses, but only with respect to the conduct of "your" business, if "you" are shown on the "declarations" as a partnership or a joint venture;
 - 3) "you" and all of "your" members, but only with respect to the conduct of "your" business, if "you" are shown on the "declarations" as a limited liability company. "Your" managers are also "insureds" but only with respect to their duties as managers;
 - 4) "you" and all of "your" trustees, but only while acting within the scope of their duties as trustees, if "you" are shown on the "declarations" as a trust; or

5) "you" and all of "your" "executive officers" and directors, but only while acting within the scope of their duties as "executive officers" and directors, if "you" are shown on the "declarations" as an entity other than a partnership, joint venture, or limited liability company. "Insured" also includes "your" stockholders, but only for their liability as stockholders.

b. "Insured" also includes:

- 1) any person or entity, except "your" "employee" or "volunteer worker", while acting as "your" real estate manager;
- 2) if "you" die during the policy period, "your" legal representative while acting within the scope of such duties, or a person or entity who has temporary custody of "your" property with respect to liability arising out of the maintenance or use of that property until "your" legal representative is appointed. "Your" legal representative has all of "your" rights and duties under this coverage;
- 3) "your" "employees" for acts within the scope of their employment by "you", and "your" "employees" and "volunteer workers" while in the course of performing duties related to the conduct of "your" business.

However, this does not include "your" managers if "you" are a limited liability company or "your" "executive officers" if "you" are an entity other than a partnership, joint venture, or limited liability company.

None of these "employees" or "volunteer workers" are "insureds" for:

- a) "bodily injury" or "personal and advertising injury":

- (1) to "you", "your" partners or members (if "you" are a partnership or joint venture), "your" members (if "you" are a limited liability company), or fellow "employees" while in the course of employment or while performing duties related to the conduct of "your" business, or "your" other "volunteer workers" while performing duties related to the conduct of "your" business;
 - (2) for which there is an obligation to fully or partially reimburse a third party for "damages" arising out of injury described in items 12.b.3)a)(1) above or 12.b.3)b) below; or
 - (3) arising out of his or her rendering or failure to render professional health care services.
- b) consequential injury to a spouse, child, parent, brother, or sister of that injured fellow "employee" or "volunteer worker" as described in 12.b.3)a)(1) above.
 - c) "property damage" to property owned by; occupied by; used by; rented to; loaned to; in the care, custody, or control of; or over which physical control is being applied by "you", "your" "employees", "your" "volunteer workers", or any of "your" partners or members (if "you" are a joint venture or a partnership), or any of "your" members (if "you" are a limited liability company).
- c. No person or entity is an "insured" with respect to the conduct of a current or past partnership, joint venture, or limited liability company that is not named on the "declarations" as an "insured".
- 13. "Leased worker" means a person who "you" lease from a labor leasing firm under a contract or agreement to perform duties related to the conduct of "your" business.

However, "leased worker" does not include a "temporary worker".
 - 14. "Loading or unloading"
 - a. "Loading or unloading" means the handling of property:
 - 1) starting after it is removed from the point where it has been accepted for transit by "auto", aircraft, or watercraft;
 - 2) continuing while it is in or on such vehicle; and
 - 3) ending when it has been removed from the vehicle to the point of final delivery.
 - b. "Loading or unloading" includes the movement of property by a mechanical device, but only if the mechanical device is:
 - 1) a hand truck; or
 - 2) attached to the "auto", aircraft, or watercraft.
 - 15. "Mobile equipment"
 - a. "Mobile equipment" means land vehicles (including any attached machinery or equipment) that meet one or more of the following criteria:
 - 1) those that are used only on premises owned by or rented to "you" (premises includes adjoining ways);
 - 2) those that are designed primarily for use off public roads, including bulldozers, farm machinery, and forklifts;
 - 3) those that travel on crawler treads;

- 4) those, whether self-propelled or not, that are designed or used primarily to afford mobility to the following types of equipment, which must be a part of or be permanently attached to such vehicle:
 - a) power cranes, shovels, loaders, diggers, drills; and
 - b) graders, scrapers, rollers, and other road construction or repair equipment;
 - 5) those not described in items 15.a.1) through 15.a.4) above, and that are not self-propelled, but are used primarily to afford mobility to the following types of permanently attached equipment:
 - a) air compressors, pumps, and generators (this includes spraying, welding, and building cleaning equipment);
 - b) geophysical exploration, lighting, and well servicing equipment; and
 - c) cherry pickers and similar devices used to raise or lower workers; or
 - 6) vehicles not described in items 15.a.1) through 15.a.4) above, and that are primarily maintained for other than the purpose of transporting persons or cargo.
- b. "Mobile equipment" does not include:
- 1) self-propelled vehicles with the following types of permanently attached equipment:
 - a) equipment designed primarily for snow removal, street cleaning, or road maintenance other than road construction or resurfacing;
 - b) cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers;
 - c) air compressors, pumps, and generators (this includes spraying, welding, and building cleaning equipment); or
 - d) geophysical exploration, lighting, and well servicing equipment; or
 - 2) land vehicles that are subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state where they are licensed or principally garaged.
 - c. The vehicles described in item 15.b. above are considered "autos".
16. "Occurrence" means an accident and includes continuous or repeated exposure to similar conditions.
17. "Personal and advertising injury" means injury, including "bodily injury" that is a consequence thereof, arising out of one or more of the following offenses:
- a. oral or written publication, including electronic publication, of material that:
 - 1) slanders or libels a person or entity;
 - 2) disparages a person's or an entity's goods, "products", or services; or
 - 3) violates a person's right of privacy;
 - b. false arrest, detention, or imprisonment;
 - c. malicious prosecution;
 - d. misappropriation of advertising ideas of another in "your" "advertisement";
 - e. infringement of the copyright, slogan, or trade-dress of another in "your" "advertisement"; or
 - f. wrongful entry into, wrongful eviction from, or invasion of the right of private occupancy of a room, dwelling, or premises that a person occupies. This offense must be committed by or on behalf of the owner, landlord, or lessor of the room, dwelling, or premises.

18. "Products/completed work hazard"

- a. "Products hazard" means "bodily injury" or "property damage" arising out of "products" after physical possession of the "products" has been relinquished to others.

The "bodily injury" or "property damage" must occur away from premises "you" own or rent unless "your" business includes selling, handling, or distributing "products" for consumption on premises owned by or rented to "you".

- b. "Completed work hazard" means "bodily injury" or "property damage" occurring away from premises "you" own or rent and arising out of "your work".

However, "completed work hazard" does not include work that has not been completed or that has not been abandoned.

- c. "Your work" is deemed completed at the earliest of the following times:

- 1) when all work specified in "your" contract has been completed;
- 2) when all the work to be done at a job site has been completed if "your" contract includes work at more than one job site; or
- 3) when that part of the work at a job site has been put to its intended use by any person or entity other than another contractor or subcontractor working on the same project.

Work that requires further service, maintenance, correction, repair, or replacement because of defect or deficiency, but that is otherwise complete, will be deemed completed.

- d. Neither the "products hazard" nor the "completed work hazard" includes "bodily injury" or "property damage" arising out of:

- 1) the transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by "you" and that was created by any "insured's" "loading or unloading" of the vehicle; or
- 2) the presence of tools, uninstalled equipment, or abandoned or unused materials.

19. "Products"

- a. "Products" means goods or other property that is manufactured, packaged, sold, handled, stored, tested, distributed, or disposed of by "you", others trading under "your" name, or a person or entity whose business or assets "you" have acquired.

- b. "Products" includes but is not limited to:

- 1) "cannabis" and "cannabis accessories";
- 2) warranties or representations made at any time regarding the quality, fitness, durability, performance, or use of "products";
- 3) containers (other than vehicles), materials, parts, or equipment furnished in connection with such "products"; and
- 4) providing or failure to provide warnings or instructions.

- c. "Products" does not include:

- 1) vending machines or other property that is rented to or placed for the use of others, but not sold;
- 2) real property; or
- 3) "money", "securities", or digital or virtual currencies

20. "Property damage"

- a. "Property damage" means:

- 1) physical injury or destruction of tangible property, including loss of use of that property; or

- 2) the loss of use of tangible property that has not been physically damaged.
 - b. Loss of use is deemed to occur at the time of the:
 - 1) physical injury; or
 - 2) "occurrence";that caused it.
 - c. With respect to the Commercial Liability Coverages, "data records" are not tangible property.
21. "Short-term rented premises" means premises that are rented to an "insured" for a period of seven successive days or fewer, and the contents of such premises.
22. "Suit" means a civil proceeding or an administrative proceeding alleging "damages" for "bodily injury", "property damage", or "personal and advertising injury" to which this policy applies. "Suit" includes any alternative dispute resolution proceeding or arbitration proceeding to which:
- a. any "insured" must submit in compliance with a law or regulation; or
 - b. any "insured" submits with "our" consent.
23. "Temporary worker" means a person who is furnished to "you":
- a. as a temporary substitute for a permanent "employee" who is on a leave of absence; or
 - b. to meet seasonal or short-term workloads.
24. "Volunteer worker" means a person who gives his or her time or services and who:
- a. acts at "your" direction and within the scope of duties "you" determine; and

- b. is not paid a fee, salary, or other compensation for his or her time or services that are donated to "you", other than reimbursement of out-of-pocket expenses.

However, "volunteer worker" does not include an "employee", a "leased worker", or a "temporary worker".

25. "Your work"

- a. "Your work" means:
 - 1) work or operations performed by "you" or on "your" behalf; and
 - 2) materials, parts, and equipment supplied for such work or operations.
- b. "Your work" includes:
 - 1) warranties or representations made at any time regarding quality, fitness, durability, performance, or use of "your work"; and
 - 2) providing or failing to provide warnings or instructions.

COMMERCIAL LIABILITY COVERAGES

COVERAGE L -- BODILY INJURY LIABILITY AND PROPERTY DAMAGE LIABILITY

1. Insuring Agreement

- a. "We" pay those sums that an "insured" becomes legally obligated to pay as "damages" due to "bodily injury" or "property damage" to which this insurance applies. "We" have the right and duty to defend the "insured" against a "suit" seeking "damages" that may be covered under the Commercial Liability Coverage.

However, "we" have no duty to defend the "insured" against a "suit" seeking "damages" arising out of "bodily injury" or "property damage" to which this policy does not apply.

"We" may investigate "occurrences" and settle claims or "suits" that "we" decide are appropriate.

- b. The amount "we" will pay for "damages" is limited as described under How Much We Pay.
- c. "We" do not have to provide a defense after "we" have paid an amount equal to the "limit" as the result of:
 - 1) a judgment;
 - 2) a written settlement agreed to by "us"; or
 - 3) medical expenses.

"We" have no other liability or obligation to pay sums or to provide assistance or support unless specifically provided for under Supplemental Payments.

- d. If "we" defend the "insured" against a "suit" or "we" pay for an "insured's" defense, and "we" later determine that the "suit" is not covered, "we" have the right to be reimbursed for the defense costs "we" have incurred.

However, "our" right to be reimbursed for defense costs applies only to such costs that "we" incur after "we" give "you" written notice that the "suit" may not be covered and that "we" are reserving "our" rights to end the defense coverage and to seek reimbursement for defense costs.

- e. This insurance applies only to "bodily injury" or "property damage":
 - 1) caused by an "occurrence" that takes place in the "coverage territory";
 - 2) that occurs during the policy period; and

- 3) that is not a continuation of, resumption of, or change in "bodily injury" or "property damage" that was known by a "designated insured" prior to the inception date of the policy period. If a "designated insured" knew, as stated under the additional condition for Knowledge Of Bodily Injury Or Property Damage, prior to the inception date of the policy period, that "bodily injury" or "property damage" had occurred, any continuation of, resumption of, or change in such "bodily injury" or "property damage" will be deemed to have been known by the "designated insured" prior to the inception date of the policy period.

- f. "Bodily injury" or "property damage" that occurs during the policy period and that is not a continuation of, resumption of, or change in "bodily injury" or "property damage" that was known by a "designated insured", as stated under the additional condition for Knowledge Of Bodily Injury Or Property Damage, to have occurred prior to the inception date of this policy period, will include any continuation of, resumption of, or change in such "bodily injury" or "property damage" after the end of this policy period.

- g. With respect to liability for "bodily injury" or "property damage" arising out of commercial "cannabis activities", this insurance applies only to the extent that, at the time of the "occurrence":

- 1) "you" have been issued all applicable and required licenses, permits, and other authorizations by:
 - a) the state of California; and
 - b) any local jurisdiction in which "your" business operates;

to engage in or conduct the "cannabis activities" that are the actual or alleged cause of the "bodily injury" or "property damage"; and

2) such license, permits, and authorizations are valid, effective, and in good standing.

h. "Damages" due to "bodily injury" include "damages" claimed by any person or entity for care, loss of services, and death that result at any time from such "bodily injury".

2. Exclusions

a. Alienated Property

- 1) "We" do not pay for "property damage" to premises "you" sell, give away, or abandon, if the "property damage" arises out of any part of those premises.
- 2) However, this exclusion does not apply if the premises are "your work" and were not occupied, rented, or held for rental by "you".

b. Auto, Aircraft, Or Watercraft

- 1) "We" do not pay for "bodily injury" or "property damage" arising out of:
 - a) the ownership, operation, occupancy, renting, loaning, supervision, maintenance, use, entrusting, or "loading or unloading" of an "auto", aircraft, or watercraft, owned by, operated by, rented to, or loaned to any "insured"; or
 - b) the negligent supervision, hiring, or training of another person by an "insured" if the "bodily injury" or "property damage" arose out of the ownership, operation, occupancy, renting, loaning, supervision, maintenance, use, entrusting, or "loading or unloading" of an "auto", aircraft, or watercraft, owned by, operated by, rented to, or loaned to any "insured".
- 2) However, this exclusion does not apply to:

a) "bodily injury" or "property damage" arising out of:

- (1) the operation of equipment described under items 15.b.1)b) through 15.b.1)d) of the definition of "mobile equipment"; or
- (2) the operation of machinery or equipment that is attached to, or part of, a land vehicle that would qualify under the definition of "mobile equipment" if it were not subject to a compulsory or financial responsibility law or other motor vehicle law in the state where it is licensed or principally garaged;

b) parking an "auto" on premises owned by, rented to, or controlled by "you" or on the ways immediately adjoining such premises if the "auto" is not owned by, rented to, or loaned to "you" or the "insured";

- c) liability assumed under a "covered contract" for the ownership, maintenance, or use of an aircraft or a watercraft;
- d) watercraft, if it is on shore on premises owned by, rented to, or controlled by "you"; or
- e) watercraft, if it is not owned by "you" and is:

- (1) less than 51 feet in length; and
- (2) not being used to carry persons or property for a charge.

c. Care, Custody, Or Control

- 1) "We" do not pay for "property damage" to either business or non-business personal property in the care, custody, or control of the "insured".

- 2) However, this exclusion does not apply:
 - a) with respect to liability assumed under a sidetrack agreement; or
 - b) to sums the "insured" is legally obligated to pay as "damages" due to "property damage" to "short-term rented premises". A separate "limit" applies to coverage for "property damage" to "short-term rented premises".
- d. **Damage To Completed Work**
 - 1) "We" do not pay for "property damage" to that specific part of any property that must be restored, repaired, or replaced because "your work" that was performed on the property was faulty.
 - 2) However, this exclusion does not apply to:
 - a) "property damage" covered under the "products/completed work hazard"; or
 - b) liability assumed under a sidetrack agreement.
- e. **Damage To Ongoing Work**
 - 1) "We" do not pay for "property damage" to that specific part of real property on which work is being performed by:
 - a) "you"; or
 - b) a contractor or subcontractor working directly or indirectly on "your" behalf;if the "property damage" arises out of such work.
 - 2) However, this exclusion does not apply with respect to liability assumed under a sidetrack agreement.
- f. **Damage To Products** -- "We" do not pay for "property damage" to "products" if the damage arises out of the "products" or their parts.
- g. **Damage To Your Work**
 - 1) "We" do not pay for "property damage" to "your work" if the "property damage" arises out of "your work" or any part of it and is included in the "products/completed work hazard".
 - 2) However, this exclusion does not apply if damage to the work or the part of the work out of which the damage arises was performed by a subcontractor on "your" behalf.
- h. **Data Breach**
 - 1) "We" do not pay for:
 - a) "bodily injury" or "property damage" arising out of disclosure of or access to private or confidential information belonging to any person or entity; or
 - b) any loss, cost, expense, or "damages" arising out of damage to, corruption of, loss of use or function of, or inability to access, change, or manipulate "data records".
 - 2) This exclusion also applies to "damages" for any expenses incurred by "you" or others arising out of 2.h.1)a) or 2.h.1)b) above, including expenses for credit monitoring, notification, forensic investigation, and legal research.
- i. **Employers Liability**
 - 1) "We" do not pay for "bodily injury":

- a) to an "employee" of the "insured" if it arises out of and occurs in the course of employment by the "insured" or while performing duties related to the conduct of the "insured's" business; or
 - b) to a spouse, child, parent, brother, or sister as a consequence of "bodily injury" to such injured "employee".
- 2) This exclusion applies where the "insured" is liable either as an employer or in any other capacity or there is an obligation to fully or partially reimburse a third party for "damages" arising out of injury described in 2.i.1)a) or 2.i.1)b) above.
 - 3) However, this exclusion does not apply to liability assumed by the "insured" under a "covered contract".
- j. Expected Or Intended Injury Or Damage**
- 1) "We" do not pay for "bodily injury" or "property damage" that is:
 - a) expected or intended from the standpoint of the "insured";
 - b) directed by the "insured"; or
 - c) the result of an intentional and malicious act of the "insured".
 - 2) This exclusion applies even if the "bodily injury" or "property damage" that occurs is:
 - a) different than what was expected, intended, or directed; or
 - b) suffered by any person, entity, or property not expected, intended, or directed.
 - 3) However, this exclusion does not apply to "bodily injury" arising out of the use of reasonable force to protect people or property.
- k. Liquor Liability**
- 1) "We" do not pay for "bodily injury" or "property damage" for which any "insured" may be held liable by reason of:
 - a) causing or contributing to the alcoholic intoxication of a person;
 - b) the furnishing of alcoholic beverages to a person under the influence of alcohol or under the legal drinking age;
 - c) any law, rule, regulation, or ordinance relating to the sale, gift, distribution, or use of alcoholic beverages;
 - d) negligence or other wrongdoing in the supervision, hiring, retention, or training of another person, if the "bodily injury" or "property damage" is attributed, in whole or in part, to a reason set forth in items 2.k.1)a), 2.k.1)b), or 2.k.1)c) above; or
 - e) any act or omission in furnishing or failing to furnish transportation for, detaining or failing to detain, or providing or failing to provide for the well-being of any person who is or who may be under the influence of alcohol, if the "bodily injury" or "property damage" is attributed, in whole or in part, to a reason set forth in items 2.k.1)a), 2.k.1)b), or 2.k.1)c) above.
 - 2) This exclusion applies only to the extent that "you":
 - a) manufacture, distribute, or sell alcoholic beverages;
 - b) furnish or serve alcoholic beverages for a fee or charge;
 - c) furnish or serve alcoholic beverages, and a license or permit for "you" to do so is required by an applicable law, rule, regulation, or ordinance;

d) violate or fail to comply with any applicable law rule, regulation, or ordinance concerning:

- (1) alcoholic beverages; and
- (2) "cannabis", "cannabis accessories", or "cannabis activities"; or

e) allow any person to:

- (1) bring their own alcoholic beverages onto property within "your" care, custody, or control; and
- (2) consume such beverages on that property.

I. Loaned Property

- 1) "We" do not pay for "property damage" to property loaned to "you".
- 2) However, this exclusion does not apply:
 - a) with respect to liability assumed under a sidetrack agreement; or
 - b) to sums the "insured" is legally obligated to pay as "damages" due to "property damage" to "short-term rented premises". A separate "limit" applies to coverage for "property damage" to "short-term rented premises".

m. Mobile Equipment - Performance

Activities -- "We" do not pay for "bodily injury" or "property damage" arising out of the use of "mobile equipment" in, or in the practice or preparation for any:

- 1) racing;
- 2) speed;
- 3) pulling or pushing;
- 4) demolition; or
- 5) stunt;

activities or contests.

n. **Personal And Advertising Injury** -- "We" do not pay for "bodily injury" arising out of "personal and advertising injury".

o. **Pollution** -- "We" do not pay for:

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

a) at or from any premises, site, or location that is, or was at any time, owned by, occupied by, rented to, or loaned to any "insured".

However, this exclusion does not apply to:

- (1) "bodily injury" or "property damage" arising from the heat, smoke, or fumes of a fire that becomes uncontrollable or breaks out from where it was intended to be located;
- (2) "bodily injury" arising from the smoke, fumes, soot, or vapor from equipment used to heat, cool, or dehumidify a building, or used to heat water for the building's occupants, if the "bodily injury" was suffered in that building; or

- (3) "bodily injury" or "property damage" for which "you" may be held liable as the contractor at the premises, site, or location and the owner or lessee of that premises, site, or location has been added to "your" policy as an additional insured for "your" ongoing operations conducted for that additional insured at that premises, site, or location. This exception to the exclusion applies only if the premises, site, or location is not currently and was not previously owned by, occupied by, rented to, or loaned to any "insured" other than the additional insured;
- b) at or from any premises, site, or location that is or was at any time used by or for any "insured" or others for the handling, storage, disposal, processing, or treatment of waste;
- c) that are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for any "insured" or by or for any person or entity for whom "you" may be legally responsible; or
- d) at or from any premises, site, or location where any "insured" or any contractor or subcontractor working directly or indirectly on any "insured's" behalf is performing operations if the "pollutants" are brought on or to the premises, site, or location in connection with such work by such "insured", contractor, or subcontractor.

However, this exclusion does not apply to:

- (1) "bodily injury" or "property damage" arising from the heat, smoke, or fumes of a fire that becomes uncontrollable or breaks out from where it was intended to be located;
- (2) "bodily injury" or "property damage" arising out of the escape of any fuels, lubricants, or other fluids needed for the normal operation and function of "mobile equipment" or its parts, if such fuels, lubricants, or other fluids escape from a vehicle part designed to contain, store, or receive them.

However, this exception does not apply if the "bodily injury" or "property damage" arises out of fuels, lubricants, or other fluids that are intentionally discharged, dispersed, or released, or if such fuels, lubricants, or other fluids are brought on or to the premises, site, or location to be discharged, dispersed, or released as part of the operations being performed by such "insured", contractor, or subcontractor; or

- (3) "bodily injury" or "property damage" caused by the release of gases, vapors, or fumes from materials brought into a building because of the operations being performed by "you" or on "your" behalf by a contractor or subcontractor, if the "bodily injury" or "property damage" was suffered within that building; or

- e) at or from any premises, site, or location where any "insured" is working or where any contractor or subcontractor is working directly or indirectly on any "insured's" behalf, if the work is to test for, abate, monitor, clean up, remove, contain, treat, detoxify, neutralize, or in any way respond to or assess the effects of "pollutants".
- 2) any loss, cost, or expense arising out of any:
 - a) request, demand, order, statute, or regulation requiring that any "insured" or others test for, abate, monitor, clean up, remove, contain, treat, detoxify, neutralize, or in any way respond to or assess the effects of "pollutants"; or
 - b) claim or "suit" by or on behalf of any governmental authority relating to testing for, abating, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, or in any way responding to or assessing the effects of "pollutants".

However, this exclusion does not apply to liability for "property damage" that the "insured" would have had in the absence of such request, demand, order, statute, or regulation, or claim or "suit" by or on behalf of any governmental authority.

p. Product Recall

- 1) "We" do not pay for any loss, cost, or expense incurred by "you" or any other person or entity arising out of the loss of use, disposal, withdrawal, recall, inspection, repair, replacement, adjustment, or removal of "your work", "products", or "impaired property".

- 2) This exclusion applies if "your work", "products", or "impaired property" is withdrawn or recalled from the market or from use by any person or entity because of a known or suspected defect, deficiency, contaminant, or unsafe condition in such work, "products", or "impaired property", or because of any improper or inadequate disclosures, notices, instructions, "advertisements", or packaging.
- 3) This exclusion applies to, but is not limited to, any withdrawal or recall of "cannabis" or "cannabis accessories" manufactured, packaged, sold, handled, stored, tested, distributed, or disposed of as part of "your" "cannabis activities".

q. Property Not Physically Injured Or Destroyed

- 1) "We" do not pay for "property damage" to property that has not been physically injured or destroyed, or to "impaired property", arising out of:
 - a) a delay or failure to perform a contract or agreement as specified in its "terms" by "you" or another acting on "your" behalf; or
 - b) a defect, deficiency, inadequacy, or unsafe condition in "your work" or "products".
- 2) However, this exclusion does not apply to the loss of use of other property resulting from sudden and accidental physical injury to or destruction of "your work" or "products" after having been put to its intended use.

r. **Property Owned, Occupied, Or Rented**

- 1) "We" do not pay for "property damage" to property owned by, occupied by, or rented to "you", including any cost or expense incurred by "you" or another person or entity to repair, retrofit, replace, or maintain such property for any reason, including for the purpose of avoiding injury to a person or damage to another's property.
- 2) However, this exclusion does not apply to sums the "insured" is legally obligated to pay as "damages" due to "property damage" to "short-term rented premises". A separate "limit" applies to coverage for "property damage" to "short-term rented premises".

s. **Transportation Of Mobile Equipment**

-- "We" do not pay for "bodily injury" or "property damage" arising out of the transportation of "mobile equipment" by an "auto" owned by, operated by, rented to, or loaned to any "insured".

t. **Workers Compensation Or Like Law**

-- "We" do not pay for "bodily injury" if benefits are provided or are required to be provided by the "insured" under a workers compensation, disability benefits, occupational disease, unemployment compensation, or like law.

b. "We" pay these medical expenses regardless of fault, but only if:

- 1) such expenses arise out of an accident that occurred in the "coverage territory" and during the policy period;
- 2) such expenses are incurred and reported to "us" within one year of the accident; and
- 3) the injured person submits to medical exams by doctors chosen by "us" when and as often as "we" may reasonably require.

c. With respect to medical expenses arising out of commercial "cannabis activities", this insurance applies only to the extent that, at the time of the accident giving rise to the "bodily injury":

- 1) "you" have been issued all applicable and required licenses, permits, and other authorizations by:
 - a) the state of California; and
 - b) any local jurisdiction in which "your" business operates;

to engage in or conduct the "cannabis activities" that are the actual or alleged cause of the "bodily injury"; and

- 2) such licenses, permits, and authorizations are valid, effective, and in good standing.

COVERAGE M -- MEDICAL PAYMENTS

1. Insuring Agreement

a. "We" pay the medical expenses described below for "bodily injury" caused by an accident:

- 1) on premises "you" own or rent;
- 2) on ways adjacent or next to premises "you" own or rent; or
- 3) because of "your" operations.

d. The amount "we" will pay for medical expenses is limited as described under How Much We Pay.

e. Medical expenses mean the reasonable and necessary expenses for:

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

2. Exclusions

- a. **Athletic Activities** -- "We" do not pay for medical expenses for "bodily injury" to any person participating in, instructing, or practicing for any athletic or sports activity that "you" sponsor.
- b. **Bodily Injury And Property Damage Liability** -- "We" do not pay for medical expenses for "bodily injury" excluded under Coverage L.
- c. **Club Members** -- "We" do not pay for medical expenses for "bodily injury" to "your" members if "you" are a club.
- d. **Hired Persons** -- "We" do not pay for medical expenses for "bodily injury" to a person hired by or on behalf of any "insured" to do work for:
 - 1) an "insured"; or
 - 2) a tenant of an "insured".
- e. **Hotel And Motel Guests** -- "We" do not pay for medical expenses for "bodily injury" to a guest of a hotel, motel, or tourist court owned or operated by "you" or on "your" behalf.
- f. **Injury To An Insured** -- "We" do not pay for medical expenses for "bodily injury" to an "insured", except "volunteer workers".
- g. **Products/Completed Work Hazard** -- "We" do not pay for medical expenses for "bodily injury" included in the "products/completed work hazard".
- h. **Students, Campers, Patients, Or Inmates** -- "We" do not pay for medical expenses for "bodily injury" to a:
 - 1) student or camper enrolled in a program of any facility owned or operated by "you" or on "your" behalf; or
 - 2) patient or inmate being treated or detained in a facility owned or operated by "you" or on "your" behalf.

- i. **Tenants** -- "We" do not pay for medical expenses for "bodily injury" to a person injured on that part of the premises owned by or rented to "you" that the person normally occupies.
- j. **Workers Compensation Or Like Law** -- "We" do not pay for medical expenses for "bodily injury" to a person if benefits are provided or required to be provided under any workers compensation, nonoccupational disability, occupational disease, or like law.

COVERAGE O -- FIRE LEGAL LIABILITY

1. Insuring Agreement

- a. "We" pay those sums that an "insured" becomes legally obligated to pay as "damages" due to "property damage" to buildings, or parts thereof, that "you" rent from another, or that are loaned to "you", if the "property damage" is caused by fire or explosion. Buildings include permanently attached fixtures. "We" have the right and duty to defend the "insured" against a "suit" seeking "damages" that may be covered under the Commercial Liability Coverage.

However, "we" have no duty to defend the "insured" against a "suit" seeking "damages" arising out of "property damage" to which this policy does not apply. "We" may investigate "occurrences" and settle claims or "suits" that "we" decide are appropriate.

- b. The amount "we" will pay for "damages" is limited as described under How Much We Pay.
- c. "We" do not have to provide a defense after "we" have paid an amount equal to the "limit" as the result of:
 - 1) a judgment;
 - 2) a written settlement agreed to by "us"; or
 - 3) medical expenses.

"We" have no other liability or obligation to pay sums or to perform acts or services unless specifically provided for under Supplemental Payments.

- d. If "we" defend the "insured" against a "suit" or "we" pay for an "insured's" defense, and "we" later determine that the "suit" is not covered, "we" have the right to be reimbursed for the defense costs "we" have incurred.

However, "our" right to be reimbursed for defense costs applies only to such costs that "we" incur after "we" give "you" written notice that the "suit" may not be covered and that "we" are reserving "our" rights to end the defense coverage and to seek reimbursement for defense costs.

- e. This insurance applies only to "property damage":
- 1) caused by an "occurrence" that takes place in the "coverage territory"; and
 - 2) that occurs during the policy period.
- f. With respect to "property damage" caused by or arising out of commercial "cannabis activities", this insurance applies only to the extent that, at the time of the "occurrence":
- 1) "you" have been issued all applicable and required licenses, permits, and other authorizations by:
 - a) the state of California; and
 - b) any local jurisdiction in which "your" business operates;to engage in or conduct the "cannabis activities" that are the actual or alleged cause of the "property damage"; and
 - 2) such licenses, permits, and authorizations are valid, effective, and in good standing.

2. Exclusions

- a. **Contract Or Agreement** -- "We" do not pay for "property damage" liability that is assumed by the "insured" under a contract or an agreement to indemnify any person or entity for damage to the premises by fire.
- b. **Expected Or Intended Damage** -- "We" do not pay for "property damage":
 - 1) that is expected by, directed by, or intended by the "insured"; or
 - 2) that is the result of intentional and malicious acts of the "insured".

COVERAGE P -- PERSONAL AND ADVERTISING INJURY LIABILITY

1. Insuring Agreement

- a. "We" pay those sums that an "insured" becomes legally obligated to pay as "damages" due to "personal and advertising injury" to which this insurance applies. "We" have the right and duty to defend the "insured" against a "suit" seeking "damages" that may be covered under the Commercial Liability Coverage.

However, "we" have no duty to defend the "insured" against a "suit" seeking "damages" arising out of "personal and advertising injury" to which this policy does not apply.

"We" may investigate offenses and settle claims or "suits" that "we" decide are appropriate.

- b. The amount "we" will pay for "damages" is limited as described under How Much We Pay.
- c. "We" do not have to provide a defense after "we" have paid an amount equal to the "limit" as the result of:
 - 1) a judgment;
 - 2) a written settlement agreed to by "us"; or

3) medical expenses.

"We" have no other liability or obligation to pay sums or to perform acts or services unless specifically provided for under Supplemental Payments.

- d. If "we" defend the "insured" against a "suit" or "we" pay for an "insured's" defense, and "we" later determine that the "suit" is not covered, "we" have the right to be reimbursed for the defense costs "we" have incurred.

However, "our" right to be reimbursed for defense costs applies only to such costs that "we" incur after "we" give "you" written notice that the "suit" may not be covered and that "we" are reserving "our" rights to end the defense coverage and to seek reimbursement for defense costs.

- e. "We" pay for "personal and advertising injury" arising out of an offense committed in the course of "your" business, if the offense was committed:

- 1) within the "coverage territory"; and
- 2) during the policy period.

- f. With respect to "personal and advertising injury" caused by or arising out of commercial "cannabis activities", this insurance applies only to the extent that, at the time of the offense giving rise to the "personal and advertising injury":

- 1) "you" have been issued all applicable and required licenses, permits, or other authorizations by:
 - a) the state of California; and
 - b) any local jurisdiction in which "your" business operates;

to engage in or conduct the "cannabis activities" that are the actual or alleged cause of the "personal and advertising injury"; and

- 2) such licenses, permits, and authorizations are valid, effective, and in good standing.

2. Exclusions

- a. **Breach Of Contract** -- "We" do not pay for "personal and advertising injury" arising out of breach of contract, other than using the advertising ideas of another in "your" "advertisement" under an implied contract.

b. **Data Breach**

- 1) "We" do not pay for "personal and advertising injury" arising out of disclosure of or access to private or confidential information belonging to any person or entity.
- 2) This exclusion also applies to "damages" for any expenses incurred by "you" or others arising out of disclosure of or access to private or confidential information belonging to any person or entity, including expenses for credit monitoring, notification, forensic investigation, and legal research.

- c. **Description Of Price** -- "We" do not pay for "personal and advertising injury" arising out of wrong description of the price of an "insured's" goods, "products", or services as stated in "your" "advertisement".

- d. **Expected Injury** -- "We" do not pay for "personal and advertising injury" arising out of an act committed by or directed by the "insured" who knew that "personal and advertising injury" would occur as a result of the act.

- e. **False Or Prior Publication** -- "We" do not pay for "personal and advertising injury" arising out of:

- 1) oral or written publication of material done by or at the direction of the "insured" who knew that it was false; or

- 2) oral or written publication of material that took place prior to the policy period.
- f. **Illegal Acts**
- 1) "We" do not pay for "personal and advertising injury" arising out of an illegal act committed by or directed by the "insured".
 - 2) For the purposes of this exclusion, illegal acts do not include "cannabis activities" conducted:
 - a) exclusively within the state of California;
 - b) in the regular course of "your" business; and
 - c) in compliance with all applicable laws, rules, regulations, and ordinances of:
 - (1) the state of California; and
 - (2) any local jurisdiction in which "your" business operates.
- g. **Intellectual Property Rights**
- 1) "We" do not pay for "personal and advertising injury" arising out of any violation of intellectual property rights, including infringement of trademark, trade-secret, patent, or copyright. With respect to this exclusion, intellectual property rights do not include using the advertising ideas of others in "your" "advertisement".
 - 2) However, this exclusion does not apply to a violation or infringement of copyright, slogan, or trade-dress rights that occur in "your" "advertisement".
- h. **Internet Forums** -- "We" do not pay for "personal and advertising injury" arising out of electronic chat rooms, gripe sites, social networking sites, blogs, bulletin boards, or other forums that the "insured" hosts, owns, or has the control or authority to manage or update.
- i. **Names Or Products Of Others** -- "We" do not pay for "personal and advertising injury" arising out of using, without permission, the name or product of others on "your" website or in "your" e-mail address, domain name, or meta tags for the purpose of misleading the potential customers of another.
- j. **Pollution** -- "We" do not pay for:
- 1) "personal and advertising injury" arising out of the actual, alleged, or threatened discharge, dispersal, seepage, migration, release, escape, or emission of "pollutants" at any time; or
 - 2) any loss, cost, or expense arising out of any:
 - a) request, demand, order, statute, or regulation that any "insured" or others test for, abate, monitor, clean up, remove, contain, treat, detoxify, neutralize, or in any way respond to or assess the effects of "pollutants"; or
 - b) claim or "suit" by or on behalf of any governmental authority relating to testing for, abating, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, or in any way responding to or assessing the effects of "pollutants".
- k. **Stated Quality Or Performance** -- "We" do not pay for "personal and advertising injury" arising out of the failure of goods, "products", or services to conform with quality or performance as stated in "your" "advertisement".
- l. **Specific Business Operations**
- 1) "We" do not pay for "personal and advertising injury" arising from an offense committed by an "insured" whose business is:
 - a) advertising, broadcasting, publishing, or telecasting;

- b) designing, developing, or coordinating the content of websites for others; or
 - c) providing Internet access, search, service, or content capabilities.
- 2) However, this exclusion does not apply to false arrest, detention, imprisonment; malicious prosecution; and wrongful entry into, wrongful eviction from, or invasion of the right of private occupancy of a room, dwelling, or premises that a person occupies and that is committed by or on behalf of the owner, landlord, or lessor of the room, dwelling, or premises.
- 3) The placement of advertising, including frames, borders, or links, on the Internet is not in and of itself considered being in the business of advertising, broadcasting, publishing, or telecasting.

ADDITIONAL LIABILITY EXCLUSIONS

"We" do not pay for loss if one or more of the following exclusions apply to the loss.

1. Animals

- a. "We" do not pay for "bodily injury", "property damage", or "personal and advertising injury" arising out of or involving any animal, including but not limited to:

- 1) guard dogs and service animals;
- 2) birds;
- 3) insects; and
- 4) pests;

regardless of whether such animal is owned, hired, or possessed by "you", in "your" care, custody, or control, or permitted by "you" or by others acting on "your" behalf to enter into or upon the "described premises".

- b. This exclusion applies to, but is not limited to, any loss caused by or related to biting or scratching, nesting or infestation, discharge or release of waste products or secretions, consumption of property, or the presence of animals in property distributed or sold, whether known or unknown at the time of loss.

2. Cannabis Cultivation

- a. "We" do not pay for "bodily injury", "property damage", or "personal and advertising injury" arising out of the cultivation of "cannabis" by an "insured" or by others acting on an "insured's" behalf.

- b. The cultivation of "cannabis" includes but is not limited to the:

- 1) planting;
- 2) propagating
- 3) cloning;
- 4) fertilizing;
- 5) growing; or
- 6) harvesting;

of "cannabis".

- 3. **Cannabis Laws And Regulations** -- "We" do not pay for "bodily injury", "property damage", or "personal and advertising injury" arising out of an actual or alleged violation of or noncompliance with any applicable state or local law, rule, regulation, or ordinance concerning "cannabis", "cannabis accessories", or "cannabis activities" by an "insured" or by others acting on an "insured's" behalf.

4. Cannabis-Related Illness, Sickness, Or Disease

- a. "We" do not pay for "bodily injury", "property damage", or "personal and advertising injury" arising out of any actual or alleged chronic illness, sickness, or disease, or aggravation thereof, arising out of or in any way related to:

- 1) an "insured's" "cannabis activities"; or
 - 2) any person's use of or exposure to "cannabis" or "cannabis accessories",
- b. For the purposes of this exclusion, chronic illness, sickness, or disease includes but is not limited to:
- 1) addiction or dependence;
 - 2) birth defect or chronic prenatal injury;
 - 3) cancer, cancerous growth, or pre-cancerous condition;
 - 4) depression or other mental or neurological disorder or condition; or
 - 5) organ or arterial damage, disease, or condition.
- c. This exclusion applies to any allegation that a pre-existing illness, sickness, or disease has been aggravated, enhanced, or triggered by:
- 1) an insured's "cannabis activities"; or
 - 2) the use of or exposure to "cannabis" or "cannabis accessories".
5. **Cannabis Use, Inhalation, Or Exposure --**
"We" do not pay for any actual or alleged "bodily injury", "property damage", or "personal and advertising injury" arising out of the use of, inhalation of, ingestion of, or exposure to "cannabis", in any form or quantity, that occurs:
- a. at the "described premises";
 - b. as part of a "products" demonstration or sample; or
 - c. while such "cannabis" is in:
 - 1) "your" care, custody, or control; or
 - 2) the care, custody, or control of anyone acting on "your" behalf.

6. **Contract Or Agreement**

- a. "We" do not pay for "bodily injury", "property damage", or "personal and advertising injury" liability that is assumed by the "insured" under a contract or an agreement.
- b. Exception -- This exclusion does not apply:
 - 1) to liability that an "insured" would have had in the absence of the contract or agreement; or
 - 2) with respect to Coverage L -- Bodily Injury Liability And Property Damage Liability, to liability for "damages" assumed in a "covered contract", but only if such "bodily injury" or "property damage" occurs after the contract or agreement has been executed.

Only with respect to liability assumed in a "covered contract", "damages" due to "bodily injury" or "property damage" include reasonable attorney fees and necessary litigation costs incurred by or for an "indemnitee", if:

- a) liability to that "indemnitee" for, or for the cost of, that "indemnitee's" defense has also been assumed under the same "covered contract"; and
- b) such attorney fees and litigation costs are for the defense of that "indemnitee" against a civil or administrative proceeding, alternative dispute resolution, or arbitration proceeding alleging "damages" to which this insurance applies.

"Damages" due to "bodily injury" or "property damage" do not include reasonable attorney fees and necessary litigation costs incurred by or for an "indemnitee" when all the requirements set forth under item 3.b. of Supplemental Payments are met.

c. This exclusion applies only to:

- 1) Coverage L -- Bodily Injury Liability And Property Damage Liability;
- 2) Exclusion 2.b. under Coverage M -- Medical Payments; and
- 3) Coverage P -- Personal And Advertising Injury Liability.

7. Controlled Substances, Contraband, And Property In The Course Of Illegal Transportation Or Trade

- a. "We" do not pay for "bodily injury", "property damage", or "personal and advertising injury" arising out of any controlled substances or contraband or other property in the course of illegal transportation or trade.
- b. For the purposes of this exclusion, controlled substances means items or materials subject to statutory control as defined by the Federal Controlled Substances Act, 21 U.S.C. Sections 801 through 812, and any amendments thereto. Such controlled substances include but are not limited to cocaine, LSD, and other narcotic or hallucinogenic drugs.
- c. Exception -- This exclusion does not apply to "cannabis" and "cannabis accessories":
 - 1) that have not been combined or packaged with any other substances or materials in violation of any applicable state or local law, rule, regulation, or ordinance; and
 - 2) that "you" possess, transport, or trade:
 - a) exclusively within the "basic territory";
 - b) in the regular course of "your" business; and
 - c) in compliance with all applicable state and local laws, rules, regulations, and ordinances.

8. Employees

- a. We" do not pay for "bodily injury" or "personal and advertising injury":
 - 1) to a person arising out of any:
 - a) refusal to employ that person;
 - b) termination of the employment of that person; or
 - c) coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, malicious prosecution, discrimination, sexual misconduct, or other employment-related practices, policies, acts, or omissions directed towards that person; or
 - 2) to a spouse, child, parent, brother, or sister of that person as a consequence of "bodily injury" or "personal and advertising injury" to that person as a result of one or more of the employment-related practices described in item 8.a.1) above.
- b. This exclusion applies whether the injury as a result of one or more of the employment-related practices described in item 8.a.1) above occurs before, during, or after employment of that person.
- c. This exclusion applies where the "insured" is liable either as an employer or in any other capacity or there is an obligation to fully or partially reimburse a third party for "damages" arising out of one or more of the employment-related practices described in item 8.a.1) above.
- d. This exclusion applies only to:
 - 1) Coverage L -- Bodily Injury Liability And Property Damage Liability;
 - 2) Exclusion 2.b. under Coverage M -- Medical Payments; and
 - 3) Coverage P -- Personal And Advertising Injury Liability.

9. **Lead** -- "We" do not pay for:

- a. actual or alleged "bodily injury" arising out of the ingestion, inhalation, or absorption of lead in any form or quantity;
- b. actual or alleged "property damage" or "personal and advertising injury" arising out of any form of lead;
- c. any loss, cost, or expense arising out of any request, demand, or order that any "insured" or others test for, monitor, clean up, remove, contain, treat, detoxify, neutralize, or in any way respond to or assess the effects of lead; or
- d. any loss, cost, or expense arising out of any claim or "suit" by or on behalf of any governmental authority for "damages" resulting from testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, or in any way responding to or assessing the effects of lead.

10. **Professional Services**

- a. "We" do not pay for "bodily injury", "property damage", or "personal and advertising injury" arising out of:
 - 1) the rendering of or the failure to render a professional service; or
 - 2) the "insured's" negligence or other wrongdoing in the supervision, hiring, or training of another person, if the "bodily injury", "property damage", or "personal and advertising injury" arose out of the rendering of or the failure to render a professional service.
- b. For the purpose of this exclusion:
 - 1) the sale of "cannabis" and "cannabis accessories"; and
 - 2) advice or recommendations provided by "you" or "your" "employees" concerning the characteristics, uses, or effects of "cannabis";

will not be considered a professional service unless the individual who provided such advice or recommendation was a licensed or registered pharmacist, physician, nurse, or other medical professional at the time the advice or recommendation was provided.

11. **Prohibited Or Restricted Materials**

- a. "We" do not pay for "bodily injury", "property damage", or "personal and advertising injury" arising out of the use or sale of any prohibited or restricted materials as part of "your" business, including but not limited to any "cannabis activities" conducted by "you" or by others acting on "your" behalf.
- b. For the purposes of this exclusion, prohibited or restricted materials are limited to ingredients or substances, other than "cannabis", that are defined or listed by the Federal Food and Drug Administration (FDA) as banned, prohibited, or restricted both:
 - 1) when used or sold as part of "your" business; and
 - 2) at the time of "occurrence" giving rise to the "bodily injury", "property damage", or "personal and advertising injury".

12. **Punitive Damages** -- We" do not pay for punitive, exemplary, or vindictive "damages".

13. **Security Guards, Patrolmen, Or Watchmen**

- a. "We" do not pay for any actual or alleged "bodily injury", "property damage", or "personal and advertising injury" arising out of or involving any guard, patrolman, watchman, or other security force hired by "you" or others acting on "your" behalf.

b. This exclusion does not apply if all of the following conditions are met:

1) the "occurrence" giving rise to the actual or alleged "bodily injury", "property damage", or "personal and advertising injury" takes place at the "described premises";

2) at the time the "occurrence", any hired guard, patrolman, watchman, or other security force involved is:

a) licensed and registered with, and authorized by, an applicable state bureau or agency to provide private security services; and

b) employed or contracted by a licensed:

- (1) private patrol operator;
- (2) private security employer; or
- (3) other security organization; and

3) the licensed private patrol operator, private security employer, or other security organization described in item 13.b.2)b) above carries at least \$1,000,000 in general liability insurance that:

a) is effective on the date of the "occurrence";

b) does not exclude coverage for assault, battery, or "cannabis" related claims; and

c) names "you" or "your" business as an additional insured.

14. **Statutory Violations** -- "We" do not pay for "bodily injury", "property damage", or "personal and advertising injury" arising directly or indirectly out of any actual or alleged violations of:

a. the Telephone Consumer Protection Act of 1991 (TCPA), including any amendments thereto, and any similar federal, state, or local laws, rules, regulations, or ordinances;

b. the CAN-SPAM Act of 2003, including any amendments thereto, and any similar federal, state, or local laws, rules, regulations, or ordinances;

c. the Fair Credit Reporting Act (FCRA), including any amendments thereto, such as the Fair and Accurate Credit Transaction Act (FACTA), and any similar federal, state, or local laws, rules, regulations, or ordinances; or

d. any other federal, state, or local law, rule, regulation, or ordinance that restricts, prohibits, or otherwise pertains to the collecting, communicating, recording, printing, transmitting, sending, disposal, or distribution of material or information.

15. **War** -- "We" do not pay for "bodily injury", "property damage", or "personal and advertising injury" caused directly or indirectly by the following:

a. war, including undeclared or civil war;

b. warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign, or other authority using military personnel or other agents; or

c. insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

SUPPLEMENTAL PAYMENTS

1. If "we" investigate or settle a claim or defend a "suit" against an "insured", "we" will pay:

a. the court costs taxed against the "insured" in the "suit". These costs do not include attorneys' fees or attorneys' expenses;

- b. the expenses incurred by "us";
 - c. the actual loss of earnings by the "insured" for the time spent away from work at "our" request. "We" pay up to \$250 per day;
 - d. the necessary and reasonable expenses incurred by the "insured" at "our" request to assist "us" in the defense or investigation of the claim or "suit";
 - e. prejudgment interest awarded against the "insured" on that part of the judgment "we" pay. If "we" offer to pay the "limit", "we" will not pay any prejudgment interest based on that period of time after the offer;
 - f. the interest that accrues on the entire amount of a judgment beginning with entry of a judgment and ending when "we" tender, deposit in court, or pay the portion of the judgment that is up to, but does not exceed, "our" "limit";
 - g. the cost of appeal bonds or bonds for the release of attachments up to "our" "limit". However, "we" are not required to apply for or furnish such bonds; and
 - h. the cost, up to \$500, for bail bonds required of an "insured" because of an accident or traffic violation arising out of the use of a vehicle for which "bodily injury" coverage is provided under Coverage L. However, "we" are not required to apply for or furnish such bonds.
2. Payments under this coverage are in addition to the "limits" for the Commercial Liability Coverages.
 3. If "we" defend an "insured" against a "suit" and an "indemnatee" of the "insured" is also named as a party to the "suit":
 - a. "we" will:
 - 1) defend that "indemnatee";
 - 2) pay attorneys' fees incurred by "us" in the defense of that "indemnatee";
 - 3) pay necessary litigation expenses incurred by "us"; and
 - 4) pay necessary litigation expenses incurred by the "indemnatee" at "our" request.
 - b. all of the following conditions must be met:
 - 1) the "suit" seeks "damages" against the "indemnatee" for which the "insured" has assumed the liability of the "indemnatee" in a "covered contract";
 - 2) this insurance applies to such liability assumed by the "insured";
 - 3) the obligation to defend, or the cost of the defense of, that "indemnatee" has also been assumed by the "insured" in the same "covered contract";
 - 4) no conflict appears to exist between the interests of the "insured" and the interests of the "indemnatee" in the allegations in the "suit" and in the information "we" know about the "occurrence";
 - 5) the "indemnatee" and the "insured" ask "us" to conduct and control the defense of that "indemnatee" against such "suit" and agree that "we" can assign the same counsel to defend the "insured" and the "indemnatee"; and
 - 6) the "indemnatee" agrees to:
 - a) cooperate with "us" in the investigation, settlement, or defense of the "suit";
 - b) immediately send "us" copies of any demands, notices, summonses, or legal papers received in connection with the "suit";
 - c) notify any other insurer whose coverage is available to the "indemnatee";
 - d) cooperate with "us" with respect to coordinating other applicable insurance available to the "indemnatee";

- e) provide "us" with written authorization to obtain records regarding the "suit";
 - f) provide "us" other information related to the "suit"; and
 - g) provide "us" with written authorization to conduct and control the defense of the "indemnitee" in such "suit".
4. If all of the conditions of item 3.b. above are met, "our" payments under item 3.a. above will not be deemed to be "damages" for "bodily injury" or "property damage" and will not reduce the "limits", regardless of the provisions under Additional Liability Exclusions, Contract Or Agreement, item 6.b.2).

"Our" obligation to provide a defense for an "insured's" "indemnitee" and to pay for the "indemnitee's" defense and litigation costs as Supplemental Payments ceases when "we" have paid an amount equal to the applicable "limit" as the result of a judgment or settlement, or when any requirement set forth under 3.b.1) through 3.b.6) above is no longer met.

WHAT MUST BE DONE IN CASE OF LOSS

1. Notice

- a. In the case of an "occurrence" or offense, or if an "insured" becomes aware of anything that indicates that there might be a claim under the Commercial Liability Coverages, "you" must see to it that "we" or "our" agent receive notice as soon as practicable. Notice to "our" agent is notice to "us".
- b. The notice to "us" must state:
 - 1) the "insured's" name;
 - 2) the policy number;

- 3) the time, the place, and the circumstances of the "occurrence" or offense, or the situation that indicates that there might be a claim; and
- 4) the names and addresses of all known and potential claimants and witnesses.

2. **Cooperation** -- All "insureds" involved with an "occurrence" or an offense must cooperate with "us" in investigating or settling a claim or defending a "suit".

3. **Volunteer Payments** -- Any payment or expense made or assumed by an "insured" without "our" written consent will be paid or assumed by the "insured".

However, this does not apply to first aid to others at the time of "bodily injury".

4. Other Duties

a. If a claim is made or a "suit" is brought against any "insured", "you" and any other "insured" involved in the claim or "suit" must:

- 1) promptly send to "us" copies of all legal papers, demands, and notices received in connection with such claim or "suit";
- 2) at "our" request, provide written authorization to obtain records and other information permitted to be obtained by applicable law; and
- 3) at "our" request, cooperate and assist "us" in:
 - a) settling the claim;
 - b) investigating claims and conducting "suits" or administrative hearings or proceedings, including but not limited to attending trials, hearings, and proceedings;
 - c) enforcing rights against all parties who may be liable to any "insured" for injury or damage that may be covered by this insurance;

- d) securing and giving evidence; and
 - e) obtaining the attendance of all witnesses.
- b. If the claim or "suit" arises out of, involves, or in any way relates to "cannabis", "cannabis accessories" or "your" commercial "cannabis activities", "you" must also, at "our" request, provide "us" with copies of all applicable and available records, reports, and logs generated or retained as part of a cannabis activity tracking (CAT) system or similar tracking mechanism. This includes all applicable tracking information in "your" care, custody, or control, as well as any applicable tracking information that "you" can reasonably obtain from others.

HOW MUCH WE PAY

1. The "limits", shown on the "declarations" and subject to the following conditions, are the most "we" pay regardless of the number of:
 - a. "insureds" under the Commercial Liability Coverages;
 - b. persons or entities who sustain injury or damage; or
 - c. claims made or "suits" brought.

However, the payment of a claim under Coverage M does not mean that "we" admit "we" are liable under other coverages.
2. The General Aggregate Limit is the most "we" will pay for the sum of:
 - a. all "damages" under Coverage L, except "damages" due to "bodily injury" or "property damage" included in the "products/completed work hazard";
3. The Products/Completed Work Hazard Aggregate Limit is the most "we" will pay for "damages" due to "bodily injury" or "property damage" included in the "products/completed work hazard".
4. The Each Occurrence Limit, subject to the General Aggregate Limit and the Products/Completed Work Hazard Aggregate Limit, is the most "we" will pay for the total of:
 - a. "damages" under Coverages L and P; and
 - b. medical expenses under Coverage M;

due to all "bodily injury" and "property damage" arising out of a single "occurrence" or due to all "personal and advertising injury" sustained by one person or organization.
5. Subject to the Each Occurrence Limit, the most "we" pay for "property damage" to "short-term rented premises" is \$50,000 for each "occurrence" unless otherwise shown on the "declarations".

However, the "limit" that applies to "property damage" to "short-term rented premises" does not apply to "damages" covered under Coverage O.
6. Subject to the Each Occurrence Limit, the most "we" pay for "property damage" covered under Coverage O is \$50,000 for each "occurrence" unless otherwise shown on the "declarations".

However, the Coverage O "limit" is not subject to the General Aggregate Limit or the Products/Completed Work Hazard Aggregate Limit.
7. The Coverage M Limit is the most that "we" will pay under Coverage M for all medical expenses because of "bodily injury" sustained by any one person.

8. The General Aggregate Limit and the Products/Completed Work Hazard Aggregate Limit apply separately to each consecutive 12-month period beginning with the inception date of the Commercial Liability Coverage shown on the "declarations". They also apply separately to any remaining policy period of less than 12 months, unless the Commercial Liability Coverage has been extended after it was written. In that case, the additional period will be considered part of the last preceding period for the purpose of determining "limits".

If part of the loss remains unpaid, "we" will pay an equal share with the other insurers until the full amount of the loss is paid, or until "we" have paid "our" "limit" in full.

- 2) If the other insurance does not provide for contribution by equal shares, "we" will pay, up to "our" "limit", no more than that proportion of the loss to which the applicable "limit" under this policy for such loss bears to the total applicable "limit" for all insurance against the loss.
- c. Insurance under this Commercial Liability Coverage is excess over any other insurance:

ADDITIONAL CONDITIONS

1. **Bankruptcy** -- Bankruptcy or insolvency of an "insured" does not relieve "us" of "our" obligations under Commercial Liability Coverage.
2. **Insurance Under More Than One Policy** -- (Applies to all coverages except Coverage M -- Medical Payments.)
- a. Insurance under this Commercial Liability Coverage is primary except as provided under 2.c. below, or unless otherwise stated. The amount of "our" liability is not reduced because of other insurance that applies to the loss on other than a primary basis.
- b. If the other insurance is also primary, "we" will share in the loss as follows:
- 1) If the other insurance provides for contribution by equal shares, "we" will pay equal amounts with other insurers until:
- a) the lowest applicable "limit" under any one policy is reached; or
- b) the full amount of the loss is paid.

- 1) if the other insurance, whether primary, excess, contingent, or on any other basis, provides:
- a) fire, extended coverage, builders' risk, installation risk, or similar coverage for "your work";
- b) fire insurance for "property damage" caused by fire or explosion to buildings, or parts thereof, that "you" rent from another or that are loaned to "you"; or
- c) insurance "you" purchase for "your" liability for "property damage" to "short-term rented premises";
- 2) if the other insurance applies to any loss arising out of the maintenance or use of aircraft, "autos", or watercraft that may be covered by this Commercial Liability Coverage; or
- 3) if the other insurance is primary insurance and is available to "you" to cover liability arising out of premises or operations, or "products" and completed operations, for which "you" have been added as an additional insured by endorsement to the policy.

- d. If this insurance is excess over any other insurance:
- 1) "we" will have no duty to defend any claim or "suit" that any other insurer has a duty to defend. If no other insurer defends, "we" will do so.

However, "we" will be entitled to the "insured's" rights against all those other insurers.
 - 2) "we" will pay "our" share of the amount of loss, if any, that exceeds the sum of:
 - a) the total amount that all such other insurance would pay for the loss in the absence of this insurance; and
 - b) the total of all deductibles and self-insured amounts required by such other insurance.
- e. "We" will share the remaining loss with any other insurance that is not described in item 2.c. above and was not bought specifically to apply in excess of the "limits" shown on the "declarations" of this Commercial Liability Coverage.
3. **Knowledge Of Bodily Injury Or Property Damage** -- Knowledge of "bodily injury" or "property damage" will be deemed to have occurred at the earliest of the following times:
- a. when a "suit", claim, or demand for "damages" alleging "bodily injury" or "property damage" is received by any "designated insured";
 - b. when any "designated insured" reports the "bodily injury" or "property damage" to "us" or any other insurer; or
 - c. when any "designated insured" becomes aware of anything that indicates that "bodily injury" or "property damage" may have occurred or is occurring.

4. **Premium** -- If the premium is shown on the "declarations" as a deposit premium, "we" will compute the final earned premium at the end of each audit period shown on the "declarations". If it is more than the deposit premium paid by "you", "we" will bill "you" for the difference. If the final earned premium is less than the deposit premium paid by "you", "we" will return the difference to "you". "You" must maintain records of the information that is necessary for computing the premium. Copies of the records must be sent to "us" at the end of the audit period or when requested by "us".

If the premium for coverage provided by this policy is based upon an audit of exposures and the final premium is determined after the expiration of the policy, any additional premium owed to "us" is due on the due date that appears on the billing notice.

5. **Separate Insureds** -- Coverage provided under the Commercial Liability Coverage applies separately to each "insured" against whom claim is made or "suit" is brought.

However, this does not affect the "limits" stated under How Much We Pay.

6. **Subrogation** -- If "we" pay under the Commercial Liability Coverage, "we" may require from an "insured" an assignment of any right of recovery. The "insured" must do nothing to impair "our" right of recovery after a loss.

This condition does not apply to Coverage M.

7. **Suit Against Us**

- a. No lawsuit can be brought against "us" unless:
 - 1) all the "terms" of the Commercial Liability Coverage have been complied with; and
 - 2) the amount of the "insured's" liability has been determined by:

- a) a final judgment against an "insured" as a result of a trial; or
- b) a written agreement by the "insured", the claimant, and "us".

However, "we" will not pay for injury or damage that is not covered by this Commercial Liability Coverage, or that exceeds the applicable "limit".

- b. No person has a right under the Commercial Liability Coverage to join "us" or implead "us" in actions that are brought to determine an "insured's" liability.