BRANCH CODE	AGENCY CODE	COMM.
D	645261	15% - AUT 20%

AGENT AND ADDRESS: MENDERSONS INC. WHITTIER, CA.

Transamerica Insurance Services

Transamerica Insurance Group

PREMIUM FINANCED

BY [illegible]

ACCT #41-37601-5

RE-INSURANCE

ISSUED BY THE STOCK INSURANCE COMPANY INDICATED BY "X" HEREIN CALLED THE COMPANY

[X] Transamerica Insurance Company

[ ] REPORTING FORM

DDP

RENEWAL CERTIFICATE
VALUABLE
ATTACH THIS CERTIFICATE TO YOUR POLICY
DECLARATIONS

RENEWING POLICY NO. 1935 21 91

Item	
1.	Name of Insured and Mailing Address: (No., Street, Town or City, County, State & Zip No.) EARL MANUFACTURING INC. AND WILLIAM E. EARL AND DOT A. EARL, H/W AS INDIVIDUALS 11862 BURKE STREET. SANTA FE SPRINGS, CA. 90670
2.	Renewal Period: (Mo. Day Yr.) From 1-1-87 88 To 1-1-88 89
3.	The Named Insured is: [X] Individual [X] Corporation [ ] Partnership [ ] Joint Venture [ ] Other:

Inspection Basis (Complete one block only)

AUDIT BASIS	
NO AUDIT	[ ]
AUDIT	P [X]

4. Designated Premises (Enter "Same" if same location as above)	Occupancy of Premises
1. SAME 2. 11876 BURKE ST., SANTA FE SPRINGS, CA. 3.	METAL PARTS MFG.

5. SECTION	COVERAGE	Coinsurance Percentage Applicable	LIMIT OF LIABILITY Loc. No. Bldg. No. 1&2 1	Loc. No. Bldg. No. 1 1	Loc. No. Bldg. No.
I PROPERTY COVERAGE	Building(s) BLANKET	90%	$ 840,000	$	$
	Personal Property BLANKET	90%	$ 1,650,000	$	$
	Addl. Cov. (Specify) PERSONAL PROP. OF OTHERS	90%	$	$ 200,000	$
	Deductible: $ _____ each occurrence. $ _____ aggregate each occurrence. If no deductible stated above, the deductible shall be $100 each occurrence, $1,000 aggregate each occurrence.				
	Addl. Cov. (Specify) BLANKET GROSS EARNINGS	50%	$ 800,000	$	$

		AS PROVIDED UNDER SCHEDULE(S)
II LIABILITY	Liability	A
	Premises Medical Payments	A
III AUTOMOBILE	Liability	A
	Personal Injury Protection (or equivalent No-fault coverage)	
	Added Personal Injury Protection (or equivalent No-fault coverage)	
	Property Protection (Michigan only)	
	Medical Payments	A
	Uninsured Motorists	A
	Garagekeepers	
	Physical Damage	A
IV OPTIONAL COVERAGES	Crime	
	Inland Marine	A
	Glass	
V	Commercial Umbrella	

RENEWED
By 302151 91
1-25-88

6. Forms and Endorsements applying to this policy or certificate at time of renewal: (Insert Nos. and Ed. Dates). 2-4-87/BF/BF
MP0420(1-83), MP1590(8-77), F12833A(12-81), 438BRUNS(5-42), [illegible], L10609C(10-84), L11093D(1-85), L10501C, L9115A(7-66), GU271(6-85), 13034(2-84), A116868(5-84), A865(1-78), A482A(10-84), A487(7-84), A867(1-80), A11798D(5-81), A12107A(10-79), A12699A(3-82), A14937(12-84), IM123(3-77), IM122(3-77), IL0303(11-78)

7. Mortgage Clause: Subject to the provisions of the mortgage clause, loss on building items shall be payable to: (Insert Name(s) of Mortgagee(s) and mailing address(es))

8. The total advance premium of this Renewal certificate is $ 50,169.68 INCL. MANDATORY CIGA SURCHARGE: 88.03 41.65
THIS POLICY IS BEING [illegible]ED AT RATES IN EFFECT ON THE DATE OF RENEWAL

Countersignature WHITTIER, CA. City or Town and Date MENDERSONS INC. #645261 Agent

C 11639 A

8-78

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REGIONAL OFFICE COPY

L11093D-1-85

Transamerica
Insurance Services

Transamerica Insurance Group
of Companies

Section II — General Liability
Additional Declarations

Policy No.: 1933 21 92 Schedule: A

Insurance is provided only for those coverages for which limits of liability are stated in the place provided in this schedule. The limit of the company's liability on account of each such coverage shall be as stated herein, subject to all the forms of the policy and coverage supplement attached having reference thereto.

COVERAGES	LIMITS OF LIABILITY	
Divided Limits Plan	EACH OCCURRENCE	AGGREGATE
A. Bodily Injury Liability	$	$
B. Property Damage Liability	$	$
Combined Limits Plan	EACH OCCURRENCE	ANNUAL POLICY PERIOD (AGGREGATE)
A. and B. Combined Bodily Injury and Property Damage Liability	$ 1,000,000	$ 1,000,000
	EACH PERSON	EACH ACCIDENT
E. Premises Medical Payments	$ 1,000	$ 1,000,000

Forms and endorsements attached hereto: *(Insert form no. and edition date.)*

L10609C(10-84), L11093D(1-85), L9115A(7-86), GL271(6-85), 13034(2-86)
L10501C

BRANCH CODE	AGENCY CODE	COMM.
SCRO	645261	20% 15%

AGENT AND AGENCY AT:
HENDERSONS, INC.
WHITTIER, CA. 90602

Transamerica Insurance Services

PREMIUM FINANCED

Transamerica Insurance Company
A Stock Company / Home Office: Los Angeles, California

BY Geo

Declarations

ACCT # 41 1447-8

Policy No. 19352191

RE-INSURANCE

REPLACING NO. 1913 48 04

Policy No. 1935 21 91

Item 1. Name of Insured and Mailing Address: (No., Street, City, County, State, and Zip No.)

EARL MANUFACTURING, INC. AND WILLIAM E. EARL
AND DOT A. EARL, H/W AS INDIVIDUALS
11862 BURKE STREET
SANTA FE SPRINGS, CA. 90670

Inspection Basis (Complete one block only)
AUDIT BASIS
NO AUDIT ☐
AUDIT ☑

Business of Named Insured is: METAL PARTS MFG.

The Named Insured is ☒ Individual ☒ Corp. ☐ Partnership ☐ Joint Venture ☐ Other _____

Item 2. Policy Period: 1 Years
From: 1-1-86 To: 1-1-87
12:01 a.m. Standard Time at location of designated premises.

REPORTING FORM DB 4/86

Item 3. The insurance afforded shall only apply in accordance with the schedule or schedules attached hereto, and only with respect to the insurance specifically designated in such schedule or schedules.

SECTION	COVERAGE	AS PROVIDED UNDER SCHEDULE(S)
I PROPERTY COVERAGE	Designated premises: (Enter "same" if same location as above) 1. 11862 BURKE ST., SANTA FE SPRINGS, CA.	A
	2. 11876 BURKE ST., SANTA FE SPRINGS, CA.	A
	3.	
	4.	
II LIABILITY	Liability	A
	Premises Medical Payments	A
III AUTOMOBILE	Liability	A
	Medical Payments	A
	Uninsured Motorists	A
	Physical Damage	A
IV OPTIONAL COVERAGES	Crime	A
	Inland Marine	A
	Glass	
V	Commercial Umbrella	

3-21-86/LB/MK

Item 4. Audit Period: Annual, unless otherwise stated:

Item 5. The total Advance Premium is $ 43,251. and is payable $ _____ at inception and $ _____ at each anniversary.

HENDERSONS, INC. 0645261

WHITTIER, CA.

Countersignature _____ _____
City and Date Agent

C 11799

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BRANCH OFFICE COPY

Transamerica Insurance Services

Transamerica Insurance Group of Companies

Section II — General Liability
Additional Declarations

Policy No.: 1935 21 91 Schedule: A

Insurance is provided only for those coverages for which limits of liability are stated in the place provided in this schedule. The limit of the company's liability on account of each such coverage shall be as stated herein, subject to all the forms of the policy and coverage supplement attached having reference thereto.

COVERAGES	LIMITS OF LIABILITY	
Divided Limits Plan	EACH OCCURRENCE	AGGREGATE
A. Bodily Injury Liability	$	$
B. Property Damage Liability	$	$
Combined Limits Plan	EACH OCCURRENCE	ANNUAL POLICY PERIOD (AGGREGATE)
A. and B. Combined Bodily Injury and Property Damage Liability	$ 1,000,000	$
E. Premises Medical Payments	EACH PERSON $ 1,000	EACH ACCIDENT $ 1,000,000

Forms and endorsements attached hereto: *(Insert form no. and edition date.)*

L10609C(10-84), L11093C(3-84), GU271(6-85), SCRO 022, 13034(2-84)
L10501C(8-83), L9115A(7-66)

Transamerica Insurance Services

Transamerica Insurance Group

Premium Adjustment Statement

NAME AND ADDRESS OF INSURED

EARL MANUFACTURING INC. ETAL
11862 BURKE STREET
SANTA FE SPRINGS, CA. 90670

DATE: 4-29-88/mk

POLICY NUMBER: 1935 21 91

POLICY PERIOD: 1-1-87 TO 1-1-88

AUDIT PERIOD: TO

NAME OF PRODUCER	CO.	OFF.	PRODUCER	DATE CANCELLED	HOW
HENDERSONS INC.	10	SCBO	645261		

STATE & TPPD	CLASS CODE	CLASSIFICATION	EXPOSURE	RATE	EARNED PREMIUM
		SECTION IV - INLAND MARINE			
04	150	ACCOUNTS RECEIVABLE - REPORTING 1,804,353 @ 12 = IM	150,363	.063	95

REMARKS: FINAL ADJUSTMENT
INCLUDES MANDATORY CIGX SURCHARGE OF $.20

FINAL PREMIUM SHOWN IS PAYABLE IMMEDIATELY UPON RECEIPT OF THIS INVOICE. PLEASE REMIT TO THE AGENT SERVING YOU.

TOTAL EARNED PREMIUM $	95.
PREVIOUSLY CHARGED PREMIUM $	189.
RETURN PREMIUM $	94.20

126 A 3-85

STATE NO.	UNDISCOUNTED PREMIUM	COMM. RATE (*)	TOTAL EARNED	LINE		COMM. RATE	PREV. CHARGED	ADDITIONAL	RETURN
				I	PROPERTY				
				II	GEN. LIABILITY				
				III	AUTOMOBILE				
			95	IV	OPTIONAL IM		189		94
				V	UMBRELLA				
					WORK. COMP.				
				TOTAL					

* GRADUATED COMMISSION IN % OF TOTAL UNDISCOUNTED PREMIUM

126 A

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REGIONAL OFFICE COPY

Transamerica Insurance Services

Transamerica Insurance Group

Premium Adjustment Statement

NAME AND ADDRESS OF INSURED	DATE
EARL MANUFACTURING INC. ETAL 11862 BURKE ST. SANTA FE SPRINGS, CA. 90670	3-15-88/MK
	POLICY NUMBER: 1935 21 91
	POLICY PERIOD: 1-1-87 TO 1-1-88
	AUDIT PERIOD: SAME TO

NAME OF PRODUCER	CO.	OFF.	PRODUCER	DATE CANCELLED	HOW
HENDERSONS INC.	10	SCRO	645261		

STATE & TERR	CLASS CODE	CLASSIFICATION		EXPOSURE	RATE	EARNED PREMIUM
		SECTION II				
04		P-O				
003	34202	TOOL MFG.	BI	68,563	1.112	762.
			PD		.176	121.
003	39996	MACHINE SHOPS	BI	274,231	1.708	4,684.
			PD		.459	1,259.
		P-CO				
999	34203	TOOL MFG.	BI	447,020	9.565	4,276.
			PD		1.199	536.
	39982	MACHINE SHOPS	BI	670,530	7.440	4,988.
			PD		4.315	2,893.
	39982	VENTORS	BI	9,545	1.435	65.MP
			PD		.180	49.MP
	99990	BACE	BI	(14,775)	.30	4,433.
			PD	(4,858)	.30	1,457.
999	73920	EMPLOYEE BENEFIT	BI			248.

REMARKS

FINAL ADJUSTMENT

(INCL. MANDATORY CIGA SURCHARGE $10.35)

FINAL PREMIUM SHOWN IS PAYABLE IMMEDIATELY UPON RECEIPT OF THIS INVOICE. PLEASE REMIT TO THE AGENT SERVING YOU.

TOTAL EARNED PREMIUM $	25,771.
PREVIOUSLY CHARGED PREMIUM $	30,628.
RETURN PREMIUM $	4,857.35

126 A 3-85

STATE NO.	UNDISCOUNTED PREMIUM	COMM. RATE (*)	TOTAL EARNED	LINE		COMM. RATE	PREV. CHARGED	ADDITIONAL	RETURN
				I	PROPERTY				
			25,771	II	GEN. LIABILITY		30,628	4,857	
				III	AUTOMOBILE				
				IV	OPTIONAL				
				V	UMBRELLA				
					WORK. COMP.				
					CIGA			10.35	
				TOTAL					

* GRADUATED COMMISSION IN % OF TOTAL UNDISCOUNTED PREMIUM

126 A

REGIONAL OFFICE COPY

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Transamerica
Insurance Services

Transamerica Insurance Group

Premium Adjustment Statement

NAME AND ADDRESS OF INSURED	DATE
EARL MANUFACTURING INC. ETAL 11862 BURKE ST. SANTA FE SPRINGS, CA. 90670	3-30-88/MK
	POLICY NUMBER 1935 21 91
	POLICY PERIOD 1-1-87 TO 1-1-88
	AUDIT PERIOD SAME TO

NAME OF PRODUCER	CO.	OFF.	PRODUCER	DATE CANCELLED	HOW
HENDERSONS INC.	10	SCRO	643261		

STATE & TERR	CLASS CODE	CLASSIFICATION		EXPOSURE	RATE	EARNED PREMIUM
		SECTION II				
		P-O				
04	34202	TOOL MFG.	BI	68,563	.883	605.
003			PD		.155	106.
003	39996	MACHINE SHOPS	BI	274,251	1.355	3,716.
			PD		.401	1,100.
		P-CO				
999½	34203	TOOL MFG.	BI	447,020	7.119	3,182.
			PD		1.033	462.
	39982	MACHINE SHOPS	BI	670,530	5.538	3,713.
			PD		3.717	2,492.
	39982	VENDORS	BI	9,545	1.068	48.MP
			PD		.155	42.MP
	99990	BASE	BI	(11,216)	.30	3,365.
			PD	(4,160)	.30	1,248.
999	73920	EMPLOYEE BENEFIT	BI			242.
04	34203	EXCESS LIMITS CHARGE	BI			7,407.

REMARKS CORRECTION TO FINAL ADJUSTMENT DATED 3-15-88

INCL. MANDATORY CIGA SURCHARGE: 8.14

TOTAL EARNED PREMIUM $ 27,728.

PREVIOUSLY CHARGED PREMIUM $ 31,550.

RETURN PREMIUM $ 3,830.14

FINAL PREMIUM SHOWN IS PAYABLE IMMEDIATELY UPON RECEIPT OF THIS INVOICE. PLEASE REMIT TO THE AGENT SERVING YOU.

128 A 3-85

STATE NO.	UNDISCOUNTED PREMIUM	COMM. RATE (*)	TOTAL EARNED	LINE		COMM. RATE	PREV. CHARGED	ADDITIONAL	RETURN
				I	PROPERTY				
			27,728	II	GEN. LIABILITY		31,550	3,822	
				III	AUTOMOBILE				
				IV	OPTIONAL				
				V	UMBRELLA				
					WORK. COMP.				
					CIGA			8.15	
				TOTAL					

* GRADUATED COMMISSION IN % OF TOTAL UNDISCOUNTED PREMIUM

(The Attaching Clause need be completed only when this endorsement is issued subsequent to preparation of the policy.)

LIABILITY

GL 20 16 (Ed. 07 66)
G 114

L 9115a
(Ed. 7-66)

ADDITIONAL INSURED
(Vendors—Limited Form)

This endorsement modifies such insurance as is afforded by the provisions of the policy relating to the following:
COMPREHENSIVE GENERAL LIABILITY INSURANCE
COMPLETED OPERATIONS AND PRODUCTS LIABILITY INSURANCE

This endorsement, effective 9-10-87 (12:01 A. M., standard time), forms a part of policy No. 1935 21 91

issued to EARL MANUFACTURING INC. ETAL

by TRANSAMERICA INS. CO.

Authorized Representative

SCHEDULE HENDERSONS INC. 8643261

Name of Vendor(s)	Description of Product(s)
JAY P. CASTEEL CO., INC. P.O. BOX 606 NORWALK, CA. 90650	PREMIUM TO BE DETERMINED AT AUDIT

It is agreed that the "Persons Insured" provision is amended to include any person or organization designated above (herein referred to as "vendor"), as an insured, but only with respect to the distribution or sale in the regular course of the vendor's business of the named insured's products designated above subject to the following additional provisions:

1. The insurance with respect to the vendor does not apply to:
   (a) any express warranty, or any distribution or sale for a purpose, unauthorized by the named insured;
   (b) bodily injury or property damage arising out of
      (i) any act of the vendor which changes the condition of the products,
      (ii) any failure to maintain the product in merchantable condition,
      (iii) any failure to make such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products, or
      (iv) products which after distribution or sale by the named insured have been labeled or relabeled or used as a container, part or ingredient of any other thing or substance by or for the vendor;
   (c) bodily injury or property damage occurring within the vendor's premises.
2. The insurance does not apply to any person or organization, as insured, from whom the named insured has acquired such products or any ingredient, part or container, entering into, accompanying or containing such products.

AUTHENTIC

ENDT. 06
1-1-87/88(A) 11-3-87/MK

LOSS PAYABLE CLAUSE

CF 12 18
(Ed. 05 77)

EARL MANUFACTURING INC. ETAL

COMPANY	POLICY NO.	AGENCY
TRANSAMERICA INS. CO.	1935 21 91	MENDERSONS INC. #643261

Loss, if any, shall be adjusted with the Insured and shall be payable to the Insured and ORIENT-U.S. LEASING CORP. EQUIPMENT INSURANCE DEPT., 600 WILSHIRE BLVD., STE. #1460 LOS ANGELES, CA. 90017 ATTN: TOM OSAKI as their interests may appear.

This Endorsement must be attached to Change Endorsement when issued after the Policy is written.

ENDT. #5
11-18-87/88(A)
11-5-87/MK

CF 12 18 (Ed. 05 77)

(The Attaching Clause need be completed only when this endorsement is issued subsequent to preparation of the policy.)

LIABILITY

GL 20 16 (Ed. 07 66)
G 114

L 9115a
(Ed. 7-66)

ADDITIONAL INSURED
(Vendors—Limited Form)

This endorsement modifies such insurance as is afforded by the provisions of the policy relating to the following:
COMPREHENSIVE GENERAL LIABILITY INSURANCE
COMPLETED OPERATIONS AND PRODUCTS LIABILITY INSURANCE

This endorsement, effective 8-27-87 (12:01 A. M., standard time), forms a part of policy No. 1933 21 91

issued to DBA: WUDEL MFG., ETAL

by TRANSAMERICA INS. CO.

Authorized Representative
HENDERSON INC. 0645261

SCHEDULE

Name of Vendor(s)	Description of Product(s)
TOOL DISTRIBUTORS OF GEORGIA, INC. P.O. BOX 1028 MARIETTA, GEORGIA 30061-1028	*TBD *TO BE DETERMINED AT AUDIT

It is agreed that the "Persons Insured" provision is amended to include any person or organization designated above (herein referred to as "vendor"), as an insured, but only with respect to the distribution or sale in the regular course of the vendor's business of the named insured's products designated above subject to the following additional provisions:

1. The insurance with respect to the vendor does not apply to:
   (a) any express warranty, or any distribution or sale for a purpose, unauthorized by the named insured;
   (b) bodily injury or property damage arising out of
      (i) any act of the vendor which changes the condition of the products,
      (ii) any failure to maintain the product in merchantable condition,
      (iii) any failure to make such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products, or
      (iv) products which after distribution or sale by the named insured have been labeled or relabeled or used as a container, part or ingredient of any other thing or substance by or for the vendor;
   (c) bodily injury or property damage occurring within the vendor's premises.
2. The insurance does not apply to any person or organization, as insured, from whom the named insured has acquired such products or any ingredient, part or container, entering into, accompanying or containing such products.

AUTHENTIC

ENDT. #4
1-1-87/88(A)
9-18-87/MK

(The Attaching Clause need be completed only when this endorsement is issued subsequent to preparation of the policy.)

LIABILITY

GL 20 16 (Ed. 07 66)
G 114

L 9115a
(Ed. 7-66)

ADDITIONAL INSURED
(Vendors—Limited Form)

This endorsement modifies such insurance as is afforded by the provisions of the policy relating to the following:
COMPREHENSIVE GENERAL LIABILITY INSURANCE
COMPLETED OPERATIONS AND PRODUCTS LIABILITY INSURANCE

This endorsement, effective 7-6-87 (12:01 A. M., standard time), forms a part of policy No. 1935 21 91

issued to EARL MANUFACTURING INC., ETAL

by TRANSAMERICA INS. CO.

Authorized Representative

SCHEDULE HENDERSON'S INC. #645261

Name of Vendor(s)	Description of Product(s)
DELEGARD TOOL CO. 205 E. 78TH STREET BLOOMINGTON, MINN. 55420	*T.B.D.

* TO BE DETERMINED AT AUDIT

It is agreed that the "Persons Insured" provision is amended to include any person or organization designated above (herein referred to as "vendor"), as an insured, but only with respect to the distribution or sale in the regular course of the vendor's business of the named insured's products designated above subject to the following additional provisions:

1. The insurance with respect to the vendor does not apply to:
   (a) any express warranty, or any distribution or sale for a purpose, unauthorized by the named insured;
   (b) bodily injury or property damage arising out of
      (i) any act of the vendor which changes the condition of the products,
      (ii) any failure to maintain the product in merchantable condition,
      (iii) any failure to make such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products, or
      (iv) products which after distribution or sale by the named insured have been labeled or relabeled or used as a container, part or ingredient of any other thing or substance by or for the vendor;
   (c) bodily injury or property damage occurring within the vendor's premises.
2. The insurance does not apply to any person or organization, as insured, from whom the named insured has acquired such products or any ingredient, part or container, entering into, accompanying or containing such products.

AUTHENTIC

1-1-87/GB(A)
7-28-87/BF
END.43

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Transamerica Insurance Services

Transamerica Insurance Group

Premium Adjustment Statement

NAME AND ADDRESS OF INSURED	DATE
EARL MANUFACTURING INC., ETAL 11862 BURKE STREET SANTA FE SPRINGS, CA. 90670	6-15-87/BF
	POLICY NUMBER: 1955 21 91
	POLICY PERIOD: 1-1-86 TO 1-1-87
	AUDIT PERIOD: SAME TO

NAME OF PRODUCER	CO.	OFF.	PRODUCER	DATE CANCELLED	HOW
HENDERSONS INC.	10	SCRO	645261		

STATE & TERR.	CLASS CODE	CLASSIFICATION		EXPOSURE	RATE	EARNED PREMIUM
		SECTION II				
		PGO				
04/003	34202	TOOL MFG.-HAND TYPE-NOT POWERED	B.I.		.564	-
			P.D.		.089	-
	39996	MACHINE SHOPS - NOC	B.I.	443,255	.866	3,839.
			P.D.		.232	1,028.
		PGCO				
/999	34203	TOOL MFG.-HAND TYPE-NOT POWERED	B.I.	-	7.400	-
			P.D.		.608	-
	39982	MACHINE SHOPS	B.I.	1,431,494	5.345	7,651.
			P.D.		2.128	3,046.
	99990	RACE	B.I.		.15	1,724.
			P.D.		.15	611.
		ADD'L INSURED -				
		MAC TOOLS INC.	B.I.		.438	270.
			P.D.		.319	197.
		SNAP ON TOOLS	B.I.		.438	442.
			P.D.		.319	322.

REMARKS

FINAL AUDIT

FINAL PREMIUM SHOWN IS PAYABLE IMMEDIATELY UPON RECEIPT OF THIS INVOICE. PLEASE REMIT TO THE AGENT SERVING YOU.

TOTAL EARNED PREMIUM $	19,130.
PREVIOUSLY CHARGED PREMIUM $	24,311.
RETURN PREMIUM $	5,181.

126 A 3-85

STATE NO.	UNDISCOUNTED PREMIUM	COMM. RATE (*)	TOTAL EARNED	LINE		COMM. RATE	PREV. CHARGED	ADDITIONAL	RETURN
				I	PROPERTY				
			19,130	II	GEN. LIABILITY		24,311		5,181
				III	AUTOMOBILE				
				IV	OPTIONAL				
				V	UMBRELLA				
					WORK. COMP.				
				TOTAL					

* GRADUATED COMMISSION IN % OF TOTAL UNDISCOUNTED PREMIUM

Transamerica
Insurance Services

Transamerica Insurance

Premium Adjustment Statement

NAME AND ADDRESS OF INSURED
EARL MANUFACTURING INC., ETAL
11862 BURKE STREET
SANTA FE SPRINGS, CA. 90670

DATE: 6-1-87/BF

POLICY NUMBER: 1935 21 91

POLICY PERIOD: 1-1-86 TO 1-1-87

AUDIT PERIOD: SAME TO

NAME OF PRODUCER	CO.	OFF.	PRODUCER	DATE CANCELLED	HOW
HENDERSONS INC.	10	SCBD	643261		

STATE & TERR.	CLASS CODE	CLASSIFICATION	EXPOSURE	RATE	EARNED PREMIUM
		SECTION IV			
04/999	150	ACCOUNTS RECEIVABLE 1,993,325 ÷ 12	166,110	.067	111.

REMARKS

FINAL ADJUSTMENT

FINAL PREMIUM SHOWN IS PAYABLE IMMEDIATELY UPON RECEIPT OF THIS INVOICE. PLEASE REMIT TO THE AGENT SERVING YOU.

TOTAL EARNED PREMIUM $ 111.

PREVIOUSLY CHARGED PREMIUM $ 201.

RETURN PREMIUM $ 90.

126 A 3-85

STATE NO.	UNDISCOUNTED PREMIUM	COMM. RATE (*)	TOTAL EARNED	LINE		COMM. RATE	PREV. CHARGED	ADDITIONAL	RETURN
				I	PROPERTY				
				II	GEN. LIABILITY				
				III	AUTOMOBILE				
			111.	IV	OPTIONAL		201.		90.
				V	UMBRELLA				
					WORK. COMP.				
				TOTAL					

* GRADUATED COMMISSION IN % OF TOTAL UNDISCOUNTED PREMIUM

126 A 3-85

REGIONAL OFFICE COPY

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(The Attaching [redacted] need be completed only when this endorsement is issued [redacted] uent to preparation of the policy.)

LIABILITY

GL 20 16 (Ed. 07 66)
G 114

L 9115a
(Ed. 7-66)

ADDITIONAL INSURED

(Vendors—Limited Form)

This endorsement modifies such insurance as is afforded by the provisions of the policy relating to the following:
COMPREHENSIVE GENERAL LIABILITY INSURANCE
COMPLETED OPERATIONS AND PRODUCTS LIABILITY INSURANCE

This endorsement, effective 1-1-87 (12:01 A. M., standard time), forms a part of policy No. 1935 21 91

issued to EARL MANUFACTURING INC. & ETAL

by TRANSAMERICA INSURANCE CO.

Authorized Representative
HENDERSONS, INC. 8645261

SCHEDULE

Name of Vendor(s)	Description of Product(s)
CORNWELL QUALITY TOOLS COMPANY 667 SEVILLE ROAD WADSWORTH, OHIO 44281	TO BE DETERMINED AT AUDIT

It is agreed that the "Persons Insured" provision is amended to include any person or organization designated above (herein referred to as "vendor"), as an insured, but only with respect to the distribution or sale in the regular course of the vendor's business of the named insured's products designated above subject to the following additional provisions:

1. The insurance with respect to the vendor does not apply to:
   (a) any express warranty, or any distribution or sale for a purpose, unauthorized by the named insured;
   (b) bodily injury or property damage arising out of
      (i) any act of the vendor which changes the condition of the products,
      (ii) any failure to maintain the product in merchantable condition,
      (iii) any failure to make such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products, or
      (iv) products which after distribution or sale by the named insured have been labeled or relabeled or used as a container, part or ingredient of any other thing or substance by or for the vendor;
   (c) bodily injury or property damage occurring within the vendor's premises.
2. The insurance does not apply to any person or organization, as insured, from whom the named insured has acquired such products or any ingredient, part or container, entering into, accompanying or containing such products.

AUTHENTIC

ENDT. #3
1-1-87/88(A)
4-22-87/GB/MK

Transamerica Insurance Services

Transamerica Insurance Group

Premium Adjustment Statement

NAME AND ADDRESS OF INSURED:

EARL MANUFACTURING INC. & ETAL
11862 BURKE STREET
SANTA FE SPRINGS, CA. 90670

DATE: 4-22-87/GB/MK

POLICY NUMBER: 1935 21 91

POLICY PERIOD: 1-1-86 TO 1-1-87

AUDIT PERIOD: 1-1-86 TO 1-1-87

NAME OF PRODUCER: HENDERSONS INC.

CO.	OFF.	PRODUCER
10	SCRO	645261

DATE CANCELLED: | HOW:

STATE & TERR.	CLASS CODE	CLASSIFICATION		EXPOSURE	RATE	EARNED PREMIUM
		SECTION II				
		P&O				
04	34202	TOOL MFG. HAND TYPE NOT POWERED	BI	0	.564	0
005			PD		.089	0
	39996	MACHINE SHOPS - NOC	BI	443,255	.866	3,839.
			PD		.232	1,028.
		P&CO				
999	34203	TOOL MFG. HAND TYPE NOT POWERED	BI	0	7.400	0
			PD		.608	0
999	39982	MACHINE SHOPS	BI	1,431,494	5.345	7,651.
			PD		2.128	3,046.
999		BACE	BI		.15	1,724.
			PD		.15	611.
		ADDITIONAL INS. MATCO TOOLS	BI		.438	270.
			PD		.319	197.
		SNAP ON TOOLS	BI		.438	442.
			PD		.319	322.

REMARKS: FINAL AUDIT

FINAL PREMIUM SHOWN IS PAYABLE IMMEDIATELY UPON RECEIPT OF THIS INVOICE. PLEASE REMIT TO THE AGENT SERVING YOU.

TOTAL EARNED PREMIUM $ 24,311.

PREVIOUSLY CHARGED PREMIUM $ 19,130.

RETURN PREMIUM $ 5,181.

126 A 3-85

STATE NO.	UNDISCOUNTED PREMIUM	COMM. RATE (*)	TOTAL EARNED	LINE		COMM. RATE	PREV. CHARGED	ADDITIONAL	RETURN
				I	PROPERTY				
			24,311.	II	GEN. LIABILITY		19,130		5,181.
				III	AUTOMOBILE				
				IV	OPTIONAL				
				V	UMBRELLA				
					WORK. COMP.				
			24,311.	TOTAL			19,130.		5,181.

* GRADUATED COMMISSION IN % OF TOTAL UNDISCOUNTED PREMIUM

126 A

REGIONAL OFFICE COPY

000015 3-85

Transamerica Insurance Services

Transamerica Insurance Group

Premium Summary Endorsement

Policy Number	Insured
1935 21 91	

This policy is issued in consideration of premiums due and payable as follows:

SECTION	COVERAGE	ESTIMATED PREMIUMS
I PROPERTY		9,220
II LIABILITY		31,550
III AUTOMOBILE		8,709
IV OPTIONAL COVERAGES	BOND-IF APPLICABLE SEE FORM 12701A FOR BOND PREMIUM ACCOUNTS RECEIVABLE VALUABLE PAPERS MINICOMPUTER	 189. 122. 250.MP
V COMMERCIAL UMBRELLA		
	TOTAL ONE YEAR PREMIUM	$ 50,169.68 INCL. MANDATORY CIGA SURCHARGE
	other autos	88.03
	autos OTHER:	41.65

If premium is payable Three-year Prepaid,

Amount due at Inception is $ _____*

If premium is payable at each anniversary,

1. Amount due at Inception is $ _____

2. Amount due each subsequent Anniversary $ _____*

*PLUS AUTOMOBILE PREMIUMS FOR EACH SUBSEQUENT ANNIVERSARY

ANY PREMIUMS SUBJECT TO AUDIT WILL BE ADJUSTED AS PROVIDED IN THE POLICY

GROSS EARNINGS ENDORSEMENT

MP 15 90
(Ed. 07 77)

1935 21 91

LOCATION OF PREMISES		SECTION I FORMS AND ENDORSEMENTS APPLICABLE	CONTRIBUTION CLAUSE PERCENTAGE	LIMIT OF LIABILITY
Loc. No.	Bldg. No.			
182	1	MP0013	50%	800,000

1. Subject to all the provisions applicable to Section I of this policy, except the Coinsurance Clause and the Deductible Clause, this policy is extended to insure against loss resulting directly from necessary interruption of business caused by the perils insured against damaging or destroying, during the policy period, real or personal property (except finished stock) at the premises described in this endorsement, subject to the limit of liability specified above for the premises at which the damage or destruction occurs. For the purposes of this insurance, "perils insured against" shall mean the perils, as defined and limited in the forms and endorsements listed above, for each premises specified and also subject to the provisions of this endorsement.

2. The Company shall be liable for:
   a. the actual loss sustained by the insured resulting directly from necessary interruption of business, but not exceeding the reduction in gross earnings less charges and expenses which do not necessarily continue during the interruption of business, for only such length of time as would be required with the exercise of due diligence and dispatch to rebuild, repair or replace such part of the property herein described as has been damaged or destroyed commencing with the date of such damage or destruction and not limited by the date of expiration of this policy. Due consideration shall be given to the continuation of normal charges and expenses, including payroll expense, to the extent necessary to resume operations of the insured with the same quality of service which existed immediately preceding the loss; and
   b. the actual loss sustained by the insured, resulting directly from an interruption of business as covered hereunder, during the length of time, not exceeding two consecutive weeks, when, as a direct result of damage to or destruction of property adjacent to the premises herein described by the peril(s) insured against, access to such described premises is specifically prohibited by order of civil authority; and
   c. loss resulting from damage to or destruction of media for, or programming records pertaining to, electronic data processing or electronically controlled equipment, including data thereon, by the perils insured against. The length of time for which this Company shall be liable hereunder shall not exceed:
      (1) 30 consecutive calendar days; or
      (2) the length of time that would be required to rebuild, repair or replace such other property herein described as has been damaged or destroyed;
      whichever is the greater length of time.
   d. such expenses as are necessarily incurred for the purpose of reducing loss under this endorsement (except expense incurred to extinguish a fire), and such expenses, in excess of normal, as would necessarily be incurred in replacing any finished stock used by the insured to reduce loss but in no event shall the aggregate of such expenses exceed the amount by which the loss under this endorsement is thereby reduced. Such expenses shall not be subject to the application of the Contribution Clause.

3. **Resumption of Operations:** It is a condition of this insurance that if the insured could reduce the loss resulting from the interruption of business:
   a. by complete or partial resumption of operation of the property herein described, whether damaged or not, or
   b. by making use of merchandise or other property at the locations described herein or elsewhere, or
   c. by making use of stock (raw, in process or finished) at the locations described herein or elsewhere, such reduction shall be taken into account in arriving at the amount of loss hereunder.

4. **Contribution Clause:** The Company shall not be liable for a greater proportion of any loss than the limit of liability specified above bears to the amount produced by multiplying the Contribution Clause Percentage specified above by the Gross Earnings that would have been earned (had no loss occurred) during the 12 months immediately following the date of damage to or destruction of the described property.

5. **Definitions:**
   a. For the purposes of this insurance, "gross earnings" are defined as the sum of:
      (1) total net sales value of production, and
      (2) total net sales of merchandise, and
      (3) other earnings derived from operations of the business,
      less the cost of:
      (4) raw stock from which such production is derived, and
      (5) supplies consisting of materials consumed directly in the conversion of such raw stock into finished stock or in supplying the services sold by the insured, and
      (6) merchandise sold, including packaging materials therefor, and
      (7) services purchased from outsiders (not employees of the insured) for resale which do not continue under contract.

      No other costs shall be deducted in determining gross earnings.
      In determining gross earnings, due consideration shall be given to the experience of the business before the date of damage or destruction and the probable experience thereafter had no loss occurred.
   b. The term "directly," as applied to loss under this endorsement, means loss, as limited and conditioned in this policy, resulting from direct loss to described property from the perils insured against.

c. "Normal": the condition that would have existed had no loss occurred.
d. "Raw stock": material in the state in which the insured receives it for conversion by the insured into finished stock.
e. "Stock in process": raw stock which has undergone any aging, seasoning, mechanical or other process of manufacture at the locations herein described but which has not become finished stock.
f. "Finished stock": stock manufactured by the insured which in the ordinary course of the insured's business is ready for packing, shipment or sale.
g. "Merchandise': goods kept for sale by the insured which are not the product of manufacturing operations conducted by the insured.

6. Alterations and New Buildings: Permission granted to make alterations in or to construct additions to any building described herein and to construct new buildings on the described premises. This endorsement is extended to cover, subject to all its provisions, loss resulting from damage to or destruction of such alterations, additions or new buildings while in course of construction and when completed or occupied, provided that, in the event of damage to or destruction of such property (including building materials, supplies, machinery or equipment incident to such construction or occupancy while on the described premises or within 100 feet thereof) so as to delay commencement of business operations of the insured, the length of time for which the Company shall be liable shall be determined as otherwise provided herein but such determined length of time shall be applied and the loss hereunder calculated from the date that business operations would have begun had no damage or destruction occurred.

7. Additional Exclusions and Limitations:

a. The Company shall not be liable for any increase of loss which may be occasioned by:
   (1) enforcement of any local or state ordinance or law regulating construction, repair or demolition of buildings or structures,
   (2) interference at the described premises by strikers or other persons with rebuilding, repairing or replacing the property or with the resumption or continuation of business,
   (3) the suspension, lapse or cancellation of any lease, license, contract or order unless such suspension, lapse or cancellation results directly from the interruption of business, and then the Company shall be liable for only such loss as affects the insured's earnings during, and limited to, the period of indemnity covered under this policy.

b. The Company shall not be liable for:
   (1) more than the limit of liability set forth above for each premises,
   (2) any other consequential or remote loss.

c. The Company shall not be liable for loss resulting from:
   (1) damage to or destruction of finished stock, nor for the time required to reproduce said finished stock,
   (2) theft of any property which at the time of loss is not an integral part of a building or structure (except direct loss by pillage and looting occurring during and at the immediate place of a riot or civil commotion), unless loss by a peril not excluded in this policy ensues from theft or attempted theft, and then this Company shall be liable for only such ensuing loss.

8. Requirements in Case Loss Occurs: The insured shall give immediate written notice to the Company of any business interruption loss as covered by this policy and protect the property from further damage that might result in extension of the period of interruption; and within 60 days following the date of damage to or destruction of the real or personal property described, unless such time is extended in writing by the Company, the insured shall render to the Company a proof of loss, signed and sworn to by the insured, stating the knowledge and belief of the insured as to the following:

a. the time and origin of the property damage or destruction causing the interruption of business,
b. the interest of the insured and of all others in the business,
c. all other contracts of insurance, whether valid or not, covering in any manner the loss insured against by this policy,
d. any changes in the title, nature, location, encumbrance or possession of said business since the issuing of this policy, and
e. by whom and for what purpose any building herein described and the several parts thereof were occupied at the time of damage or destruction,

and shall furnish a copy of all the descriptions and schedules in all policies, and the actual amount of business interruption value and loss claimed, accompanied by detailed exhibits of all values, costs and estimates upon which such amounts are based.

The insured, as often as may be reasonably required, shall exhibit to any person designated by the Company all that remains of any property herein described, and submit to examinations under oath by any person named by the Company, and subscribe the same; and, as often as may be reasonably required, shall produce for examination all books of account, bills, invoices and other vouchers, or certified copies thereof if originals be lost, at such reasonable time and place as may be designated by the Company or its representative, and shall permit extracts and copies thereof to be made.

This Endorsement must be attached to Change Endorsement when issued after the Policy is written.

Transamerica
Insurance Services

Transamerica Insurance Group
of Companies

Blanket Additional Coverage Endorsement (Section II — Liability)

It is agreed that such insurance as is provided under the Blanket Liability Coverage Supplement is extended to include the following additional insurance:

I. FIRE LEGAL LIABILITY — REAL PROPERTY

The company will pay on behalf of the insured all sums which the insured shall become legally obligated to pay as damages because of property damage to structures or portions thereof rented to or leased to the named insured, including fixtures permanently attached thereto, if such property damage arises out of fire;

A. All of the exclusions of this policy, other than the Nuclear Energy Liability Exclusion (Broad Form), are deleted and replaced by the following:

This insurance does not apply to liability assumed by the insured under any contract or agreement.

B. The limit of property damage liability as respects this Fire Legal Liability Coverage — Real Property is $100,000.00 each occurrence unless otherwise stated in the Declarations.

II. INCIDENTAL MEDICAL MALPRACTICE LIABILITY COVERAGE

Such insurance as is provided under Coverage A — Bodily Injury, is amended to include Incidental Medical Malpractice Injury.

Incidental Medical Malpractice Injury means injury arising out of the rendering of or failure to render, during the policy period, the following services:

A. medical, surgical, dental, x-ray or nursing service or treatment or the furnishing of food or beverages in connection therewith; or

B. the furnishing or dispensing of drugs or medical, dental or surgical supplies or appliances.

This coverage does not apply to:

1. expenses incurred by the insured for first-aid to others at the time of an accident and the "Supplementary Payments" provision and the "Insured's Duties in the Event of Occurrence, Claim or Suit" Condition are amended accordingly; or

2. any insured engaged in the business or occupation of providing any of the services described under II (A) and (B) above;

3. injury caused by any indemnitee if such indemnitee is engaged in the business or occupation of providing any of the services described under II (A) and (B) above.

III. PERSONAL INJURY AND ADVERTISING INJURY LIABILITY COVERAGE

A. The company will pay on behalf of the insured all sums which the insured shall become legally obligated to pay as damages because of personal injury or advertising injury to which this insurance applies, sustained by any person or organization and arising out of the conduct of the named insured's business, within the policy territory, and the company shall have the right and duty to defend any suit against the insured seeking damages on account of such injury, even if any of the allegations of the suit are groundless, false or fraudulent, and may make such investigation and settlement of any claim or suit as it deems expedient, but the company shall not be obligated to pay any claim or judgment or to defend any suit after the applicable limit of the company's liability has been exhausted by payment of judgments or settlements.

B. This insurance does not apply:

1. to liability assumed by the insured under any contract or agreement;

2. to personal injury or advertising injury arising out of the wilful violation of a penal statute or ordinance committed by or with the knowledge or consent of the insured;

3. to personal injury or advertising injury arising out of a publication or utterance of a libel or slander, or a publication or utterance in violation of an individual's right of privacy, if the first injurious publication or utterance of the same or similar material by or on behalf of the named insured was made prior to the effective date of this insurance;

4. to personal injury or advertising injury arising out of libel or slander or the publication or utterance of defamatory or disparaging material concerning any person or organization or goods, products or services, or in violation of an individual's right of privacy, made by or at the direction of the insured with knowledge of the falsity thereof;

5. to personal injury or advertising injury arising out of the conduct of any partnership or joint venture of which the insured is a partner or member and which is not designated in the declarations of the policy as a named insured;

6. to advertising injury arising out of

a. failure of performance of contract, but this exclusion does not apply to the unauthorized appropriation of ideas based upon alleged breach of implied contract, or

b. infringement of trademark, service mark or trade name, other than titles or slogans, by use thereof on or in connection with goods, products or services sold, offered for sale or advertised, or

c. incorrect description or mistake in advertised price of goods, products or services sold, offered for sale or advertised;

7. with respect to advertising injury

a. to any insured in the business of advertising, broadcasting, publishing or telecasting, or

b. to any injury arising out of any act committed by the insured with actual malice.

C. Limits of Liability

Regardless of the number of (1) insureds hereunder, (2) persons or organizations who sustain injury or damage, or (3) claims made or suits brought on account of personal injury or advertising injury the total limit of the company's liability under this coverage for all damages shall not exceed the per occurrence bodily injury liability limit stated in the General Liability Schedule.

D. Additional Definitions

"Advertising Injury" means injury arising out of an offense committed during the policy period occurring in the course of the named insured's advertising activities, if such injury arises out of libel, slander, defamation, violation of right of privacy, piracy, unfair competition, or infringement of copyright, title or slogan.

"Personal Injury" means injury arising out of one or more of the following offenses committed during the policy period:

1. false arrest, detention, imprisonment, or malicious prosecution;

2. wrongful entry or eviction or other invasion of the right of private occupancy,

3. a publication or utterance

a. of a libel or slander or other defamatory or disparaging material, or

b. in violation of an individual's right of privacy;

except publications or utterances in the course of or related to advertising, broadcasting, publishing or telecasting activities conducted by or on behalf of the named insured shall not be deemed **personal injury;**

IV. BLANKET CONTRACTUAL LIABILITY COVERAGE

A. The definition of **incidental contract** is extended to include any contract or agreement relating to the conduct of the named insured's business.

B. The insurance afforded with respect to liability assumed under an **incidental contract** is subject to the following additional exclusions:

1. to **bodily injury or property damage** for which the **insured** has assumed liability under any **incidental contract,** if such injury or damage occurred prior to the execution of the **incidental contract;**

2. if the **insured** is an architect, engineer or surveyor, to **bodily injury or property damage** arising out of the rendering or failure to render professional services by such **insured,** including

a. the preparation or approval of maps, drawings, opinions, reports, surveys, change orders, designs or specifications, and

b. supervisory, inspection or engineering services;

3. if the indemnitee of the **insured** is an architect, engineer or surveyor, to the liability of the indemnitee, his agents or employees, arising out of

a. the preparation or approval or the failure to prepare or approve maps, drawings, opinions, reports, surveys, change orders, designs or specifications, or

b. the giving of or the failure to give directions or instructions by the indemnitee, his agent or employees, provided such giving or failure to give is the primary cause of the **bodily injury or property damage;**

4. to any obligation for which the **insured** may be held liable in an action on a contract by a third party beneficiary for **bodily injury or property damage** arising out of a project for a public authority; but this exclusion does not apply to an action by the public authority or any other person or organization engaged in the project;

5. to **bodily injury or property damage** arising out of operations, within 50 feet of any railroad property, affecting any railroad bridge or trestle, tracks, road beds, tunnel, underpass or crossing; but this exclusion does not apply to sidetrack agreements.

C. The following exclusion applicable to Coverages A (Bodily Injury) and B (Property Damage) does not apply to this Contractual Liability Coverage: (g).

D. Exclusion (h) is replaced by the following:

To liability assumed by the **insured** under any contract or agreement except an **incidental contract.**

V. ADDITIONAL PERSONS INSURED

As respects Coverage A (**bodily injury**) and B (**property damage**), and **advertising injury** and **personal injury** coverages, under the provisio , "Persons Insured," the following are added as **insureds:**

1. Spouse — Partnership — If the **named insured** is a partnership, the spouse of a partner but only with respect to the conduct of the business of the **named insured.**

2. Employee — Any employee of the **named insured** while acting within the scope of his duties as such, but the insurance afforded to such employee does not apply:

a. to **bodily injury** or **personal injury** to another employee of the **named insured** arising out of or in the course of his employment;

b. to **personal injury** or **advertising injury** to the **named insured** or, if the **named insured** is a partnership or joint venture, any partner or member thereof, or the spouse of any of the foregoing;

c. to **property damage** to property owned, occupied or used by, rented to, in the care, custody or control of or over which physical control is being excercised for any purpose by another employee of the **named insured,** or by the **named insured** or, if the **named insured** is a partnership or joint venture, any partner or member thereof or b the spouse of any of the foregoing.

VI. AMENDMENT OF DEFINITION OF OCCURRENCE

With respect to insurance for Coverage A, **bodily injury** and Coverage B, **property damage,** provided by this policy, the definition of **occurrence** includes any intentional act by or at the direction of the **insured** which results in **bodily injury** or **property damage,** if such injury or damage arises solely from the use of reasonable force for the purpose of protecting persons or property.

VII. AUTOMATIC COVERAGE — NEWLY ACQUIRED ORGANIZATIONS (90 DAYS)

The "Persons Insured" provision is amended by the deletion of:

"This insurance does not apply to **bodily injury** or **property damage** arising out of the conduct of any partnership or joint venture of which the **insured** is a partner or member and which is not designated in this policy as a **named insured.**"

and the addition of:

d. any organization which is acquired or formed by the **named insured** and over which the **named insured** maintains ownership or majority interest, other than a joint venture, provided this insurance does not apply to **bodily injury, property damage, personal injury** and **advertising injury** with respect to which such new organization under this policy is also an **insured** under any other similar liability or indemnity policy or would be an insured under any such policy but for exhaustion of its limits of liability. The insurance afforded hereby shall terminate 90 days from the date any such organization is acquired or formed by the named insured.

This endorsement must be attached to the change endorsement when issued after the policy is written.

(The Attaching Clause need be completed only when this endorsement is issued subsequent to preparation of the policy.)

LIABILITY

GL 20 16 (Ed. 07 66)
G 114

L 9115a
(Ed. 7-66)

ADDITIONAL INSURED
(Vendors—Limited Form)

This endorsement modifies such insurance as is afforded by the provisions of the policy relating to the following:
COMPREHENSIVE GENERAL LIABILITY INSURANCE
COMPLETED OPERATIONS AND PRODUCTS LIABILITY INSURANCE

This endorsement, effective (12:01 A. M., standard time) , forms a part of policy No.

Issued to

by

Authorized Representative

SCHEDULE

Name of Vendor(s)	Description of Product(s)

It is agreed that the "Persons Insured" provision is amended to include any person or organization designated above (herein referred to as "vendor"), as an insured, but only with respect to the distribution or sale in the regular course of the vendor's business of the named insured's products designated above subject to the following additional provisions:

1. The insurance with respect to the vendor does not apply to:
   (a) any express warranty, or any distribution or sale for a purpose, unauthorized by the named insured;
   (b) bodily injury or property damage arising out of
      (i) any act of the vendor which changes the condition of the products,
      (ii) any failure to maintain the product in merchantable condition,
      (iii) any failure to make such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products, or
      (iv) products which after distribution or sale by the named insured have been labeled or relabeled or used as a container, part or ingredient of any other thing or substance by or for the vendor;
   (c) bodily injury or property damage occurring within the vendor's premises.
2. The insurance does not apply to any person or organization, as insured, from whom the named insured has acquired such products or any ingredient part or container, entering into, accompanying or containing such products.

AUTHENTIC

Transamerica Insurance Services

Transamerica Insurance Group Companies

Transaction 600 Blanket General Liability (Coverage Supplement)

I. COVERAGE A – BODILY INJURY COVERAGE B – PROPERTY DAMAGE

The company will pay on behalf of the **insured** all sums which the **insured** shall become legally obligated to pay as damages because of **bodily injury** or **property damage** to which this insurance applies, caused by an **occurrence**. The company shall have the right and duty to defend any suit against the **insured** seeking damages on account of such **bodily injury** or **property damage**, even if any of the allegations of the suit are groundless, false or fraudulent, and may make such investigation and settlement of any claim or suit as it deems expedient. The company shall not be obligated to pay any claim or judgment or to defend any suit after the applicable limit of the company's liability has been exhausted by payment of judgments or settlements.

Exclusions

This insurance does not apply:

(a) to **bodily injury** or **property damage** included within the war hazard with respect to liability assumed by the **insured**, under any contract or agreement or expenses for first aid under the Supplementary Payments provision;

(b) to any obligation for which the **insured** or any carrier as his insurer may be held liable under any workmen's compensation, unemployment compensation or disability benefits law, or under any similar law;

(c) to **bodily injury** to any employee of the **insured** arising out of and in the course of his employment by the **insured** for which the **insured** may be held liable as an employer or in any other capacity; to any obligation of the **insured** to indemnify or contribute with another because of damages arising out of the **bodily injury**; to **bodily injury** sustained by the spouse, child parent, brother, or sister of an employee of the **insured** as a consequence of **bodily injury** to such employee arising out of and in the course of his employment by the **insured**;

this exclusion applies to all claims and suits by any person or organization for damages because of such **bodily injury** including damages for care and loss of services;

but this exclusion does not apply to liability assumed by the **insured** under any contract;

(d) to **property damage**: (1) to property owned by the **insured**; (2) to property occupied by or rented to the **insured**, (3) to property under bailment to the **insured** (except injury to or destruction of such property arising out of the use of elevators or escalators or to liability assumed under sidetrack agreements); (4) to that particular part of any property (a) upon which operations are being performed by or on behalf of the **insured**, or (b) out of which such injury or destruction arises; (5) to premises alienated by the **named insured** arising out of such premises or any part thereof; (6) to the **named insured's products** arising out of such products or any part of such products; (7) to work performed by the **named insured** arising out of the work or any portion thereof, or out of materials, parts or equipment furnished in connection therewith;

(e) to loss of use of tangible property which has not been physically injured or destroyed resulting from

(1) a delay in or lack of performance by or on behalf of the **named insured** of any contract or agreement, or

(2) The failure of the **named insured's products** or work performed by or on behalf of the **named insured** to meet the level of performance, quality, fitness or durability warranted or represented by the **named insured**;

but this exclusion does not apply to loss of use of other tangible property resulting from the sudden and accidental physical injury to or destruction of the **named insured's products** or work performed by or on behalf of the **named insured** after such products or work have been put to use by any person or organization other than an **insured**;

(f) to damages claimed for the withdrawal, inspection, repair, replacement, or loss of use of the **named insured's products** or work completed by or for the **named insured** or of any property of which such products or work form a part, if such products, work or property are withdrawn from the market or from use because of any known or suspected defect or deficiency therein;

(g) to **bodily injury** or **property damage** arising out of the ownership, maintenance, operation, use, loading or unloading of

(1) any **automobile** or aircraft owned or operated by or rented or loaned to any **insured**, or

(2) any other **automobile** or aircraft operated by any person in the course of his employment by any **insured**;

but this exclusion does not apply to the parking of an **automobile** on premises owned by, rented to or controlled by the **named insured** or the ways immediately adjoining, if such **automobile** is not owned by or rented or loaned to any **insured**;

(h) to **bodily injury** or **property damage** for liability assumed under any contract or agreement not in writing. The written contract must be relating to the conduct of the **named insured's** business. The insurance afforded with respect to liability assumed under a written contract is subject to the other exclusions of this policy except (g) and subject to the following additional exclusions:

(1) to **bodily injury** or **property damage** for which the **insured** has assumed liability under any contract, if such injury or damage occurred prior to the execution of the contract;

(2) if the **insured** is an architect, engineer or surveyor, to **bodily injury** or **property damage** arising out of the rendering of or the failure to render professional services by such **insured**, including

(i) the preparation or approval of maps, drawings, opinions, reports, surveys, change orders, designs or specifications, and

(ii) supervisory, inspection or engineering services;

(3) If the indemnitee of the **insured** is an architect, engineer or surveyor, to the liability of the indemnitee, his agents or employees, arising out of

(i) the preparation or approval of or the failure to prepare or approve maps, drawings, opinions, reports, surveys, change orders, designs or specifications, or

(ii) the giving of or the failure to give directions or instructions by the indemnitee, his agents or employees, provided such giving or failure to give is the primary cause of the **bodily injury** or **property damage**;

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(4) to any obligation for which the **insured** may be held liable in an action on a contract by a third party beneficiary for **bodily injury** or **property damage** arising out of a project for a public authority; but this exclusion does not apply to an action by the public authority or any other person or organization engaged in the project;

(5) to **bodily injury** or **property damage** arising out of construction or demolition operations, within 50 feet of any railroad property, and affecting any railroad bridge or trestle, tracks, roadbeds, tunnel, underpass or crossing; but this exclusion does not apply to sidetrack agreements or easement or license agreements in connection with vehicle or pedestrian private railroad crossings at grade;

(i) to **bodily injury** or **property damage** arising out of (1) the ownership, maintenance, operation, use, loading or unloading of any **mobile equipment** while being used in any prearranged or organized racing, speed or demolition contest or in any stunting activity or in practice or preparation for any such contest or activity or (2) the operation or use of any snowmobile or trailer designed for use therewith;

(j) to **bodily injury** or **property damage** arising out of the discharge, dispersal, release or escape of smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids or gases, waste materials or other irritants, contaminants or pollutants into or upon land, the atmosphere or any water course or body of water; but this exclusion does not apply if such discharge, dispersal, release or escape is sudden and accidental;

(k) to **bodily injury** or **property damage** arising out of and in the course of the transportation of **mobile equipment** by an **automobile** owned or operated by or rented or loaned to any **insured**.

II. SUPPLEMENTARY PAYMENTS

The company will pay, in addition to the applicable limit of liability:

(a) all expenses incurred by the company, all costs taxed against the **insured** in any suit defended by the company and all interest on the entire amount of any judgment therein which accrues after entry of the judgment and before the company has paid or tendered or deposited in court that part of the judgment which does not exceed the limit of the company's liability thereon;

(b) premiums on appeal bonds required in any such suit, premiums on bonds to release attachments in any such suit for an amount not in excess of the applicable limit of liability of this policy, and the cost of bail bonds required of the **insured** not to exceed $250 per bail bond, but the company shall have no obligation to apply for or furnish any such bonds;

(c) expenses incurred by the **insured** for first aid to others at the time of an **occurrence**, for **bodily injury** to which this policy applies;

(d) reasonable expenses incurred by the **insured** at the company's request in assisting the company in the investigation or defense of any claim or suit, including actual loss of earnings not to exceed $25 per day.

III. COVERAGE E – PREMISES MEDICAL PAYMENTS

The company will pay to or for each person who sustains **bodily injury** caused by accident all reasonable **medical expense** incurred within one year from the date of the accident on account of such **bodily injury**, provided such **bodily injury** arises out of (a) a condition in the **insured premises** or (b) operations with respect to which the **named insured** is afforded coverage for **bodily injury** liability under this policy.

Exclusions

This insurance does not apply

(a) to **bodily injury**

(1) arising out of the ownership, maintenance, operation, use, loading or unloading of

(i) any **automobile** or aircraft owned or operated by or rented or loaned to any **insured**, or

(iii) any other **automobile** or aircraft operated by any person in the course of his employment by any **insured**;

but this exclusion does not apply to the parking of an **automobile** on the **insured premises**, if such **automobile** is not owned by or rented or loaned to any **insured**;

(2) arising out of (i) the ownership, maintenance, operation, use, loading or unloading of any **mobile equipment** while being used in any prearranged or organized racing, speed or demolition contest or in any stunting activity or in practice or preparation for any such contest or activity or (ii) the operation or use of any snowmobile or trailer designed for use therewith;

(3) arising out of the ownership, maintenance, operation, use, loading or unloading of

(i) any watercraft owned or operated by or rented or loaned to any **insured**, or

(ii) any other watercraft operated by any person in the course of his employment by any **insured**;

but this exclusion does not apply to watercraft while ashore on the **insured premises**; or

(4) arising out of, and in the course of the transportation of **mobile equipment** by an automobile owned or operated by or rented or loaned to any **insured**;

(b) to **bodily injury**

(1) included within the **completed operations hazard** or the **products hazard**;

(2) arising out of operations performed for the **named insured** by independent contractors other than (i) maintenance and repair of the **insured premises** or (ii) structural alterations at such premises which do not involve changing the size or moving buildings or other structures;

(3) resulting from the selling serving or giving of any alcoholic beverage (i) in violation of any statute, ordinance or regulation, (ii) to a minor, (iii) to a person under the influence of alcohol or (iv) which causes or contributes to the intoxication of any person, if the **named insured** is a person or organization engaged in the business of manufacturing, distributing, selling or serving alcoholic beverages or, if not so engaged, is an owner or lessor of premises used for such purposes, but only part (i) of this exclusion (b) (3) applies when the **named insured** is such an owner or lessor;

(4) included within the **war hazard**;

(c) to **bodily injury**

(1) to the **named insured**, any partner therein, any tenant or other person regularly residing on the **insured premises** or any employee of any of the foregoing if the **bodily injury** arises out of and in the course of his employment therewith;

(2) to any other tenant if the **bodily injury** occurs on that part of the **insured premises** rented from the **named insured** or to any employee of such a tenant if the **bodily injury** occurs on the tenant's part of the **insured premises**

and arises out of and in the course of his employment for the tenant.

(3) to any person while engaged in maintenance and repair of the insured premises or alteration, demolition or new construction at such premises;

(4) to any person if any benefits for such **bodily injury** are payable or required to be provided under any workmen's compensation, unemployment compensation or disability benefits law, or under any similar law;

(5) to any person practicing, instructing or participating in any physical training, sport, athletic activity or contest;

(d) to any medical expenses for services by the named insured, any employee thereof or any person or organization under contract to the named insured to provide such services.

IV. PERSONS INSURED (Coverages A and B)

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

(a) the named insured and, if an individual, the spouse of such named insured if a resident of the same household;

(b) if the named insured is designated in the declarations as

(1) an individual, the person so designated but only with respect to the conduct of a business of which he is the sole proprietor, and the spouse of the named insured with respect to the conduct of such a business;

(2) a partnership or joint venture, the partnership or joint venture so designated and any partner or member thereof but only with respect to his liability as such;

(3) other than an individual, partnership or joint venture, the organization so designated and any executive officer, director or stockholder thereof while acting within the scope of his duties as such;

(c) any person (other than an employee of the named insured) or organization while acting as real estate manager for the named insured; and

(d) with respect to the operation, for the purpose of locomotion upon a public highway, of mobile equipment registered under any motor vehicle registration law,

(1) an employee of the named insured while operating any such equipment in the course of his employment, and

(2) any other person while operating with the permission of the named insured any such equipment registered in the name of the named insured and any person or organization legally responsible for such operation, but only if there is no other valid and collectible insurance available, either on a primary or excess basis, to such person or organization;

provided that no person or organization shall be an insured under this paragraph (d) with respect to:

(i) **bodily injury** to any fellow employee of such person injured in the course of his employment, or

(ii) **property damage** to property owned by, rented to, in charge of or occupied by the named insured or the employer of any person described in subparagraph (2).

This insurance does not apply to **bodily injury** or **property damage** arising out of the conduct of any partnership or joint venture of which the insured is a partner or member and which is not designated in this policy as a named insured.

V. LIMITS OF LIABILITY

Regardless of the number of (1) insureds under this policy, (2) persons or organizations who sustain **bodily injury** or **property damage**, (3) claims made or suits brought on account of **bodily injury** or **property damage** the company's liability is limited as follows:

COVERAGES A AND B

A. Divided Limits Plan

Coverage A — The total liability of the company for all damages, including damages for care and loss of services, because of **bodily injury** sustained by one or more persons as the result of any one **occurrence** shall not exceed the limit of **bodily injury** liability stated in the additional declarations as applicable to "each **occurrence**."

Subject to the above provisions respecting "each **occurrence**", the total liability of the company for all damages because of (1) all **bodily injury** included within the **completed operations hazard** and (2) all **bodily injury** included within the **products hazard** shall not exceed the limit of **bodily injury** liability stated in the additional declarations as "aggregate".

Coverage B — The total liability of the company for all damages because of all **property damage** sustained by one or more persons or organizations as the result of any one **occurrence** shall not exceed the limit of **property damage** liability stated in the additional declarations as applicable to "each **occurrence**".

Subject to the above provisions respecting "each **occurrence**", the total liability of the company for all damages because of all **property damage** to which the coverage applies and described in any of the numbered subparagraphs below shall not exceed the limit of **property damage** liability stated in the additional declarations as "aggregate".

(1) all **property damage** arising out of premises or operations rated on a remuneration basis or contractor's equipment rated on a receipts basis, including **property damage** for which liability is assumed under any incidental contract relating to such premises or operations, but excluding **property damage** included in subparagraph (2) below;

(2) all **property damage** arising out of and occurring in the course of operations performed for the named insured by independent contractors, and general supervision thereof by the named insured, including any such **property damage** for which liability is assumed under any **incidental contract** relating to such operations, but this subparagraph (2) does not include **property damage** arising out of maintenance or repairs at premises owned by or rented to the named insured or structural alterations at such premises which do not involve changing the size of, or moving building or other structures;

(3) all **property damage** included within the **products hazard** and all **property damage** included within the **completed operations hazard**.

Such aggregate limit shall apply separately to the **property damage** described in subparagraphs (1), (2) and (3) above, and under subparagraphs (1) and (2), separately with respect to each project away from premises owned by or rented to the named insured.

Coverages A and B — For the purpose of determining the limit of the company's liability, all **bodily injury** and **property damage** arising out of continuous or repeated exposure to substantially the same general conditions shall be considered as arising out of one **occurrence**.

B. Combined Limits Plan

The limit of liability under the Combined Limits Plan expressed in the schedule as applicable to "each **occurrence**" is the total limit of the company's liability under the **bodily injury** liability and **property damage** liability cover-

ages combined for all damages as the result of any one occurrence provided:

(a) such limit of liability shall be the total limit of the company's liability during each annual policy period as the result of one or more than one **occurrence**, but said limit of liability shall apply separately to each project with respect to operations being performed away from premises owned by or rented to the **insured**;

(b) with respect to any **occurrence** for which the notice of this policy is given in lieu of security, or when this policy is certified as proof of financial responsibility under the provisions of the motor vehicle financial responsibility law of any state or province, such limit of liability shall be applied in accordance with the applicable terms of such law, except that the total limit of liability shall not be reduced.

For the purpose of determining the limit of the company's liability, all **bodily injury** and **property damage** arising out of continuous or repeated exposure to substantially the same general conditions shall be considered as arising out of one **occurrence**.

COVERAGE E

The limit of liability for Premises Medical Payments Coverage stated in the schedule as applicable to "each person" is the limit of the company's liability for all medical expense for **bodily injury** to any one person as the result of any one accident; but subject to the above provision respecting "each person", the total liability of the company under Premises Medical Payments Coverage for all **medical expense** for **bodily injury** to two or more persons as the result of any one accident shall not exceed the limit of liability stated in the schedule as applicable to "each accident".

When more than one medical payments coverage afforded by this policy applies to the loss, the company shall not be liable for more than the amount of the highest applicable limit of liability.

VI. POLICY TERRITORY

This insurance applies only to **bodily injury** or **property damage** which occurs: (1) for Coverages A and B, within the policy territory; (2) for Coverage E, within the United States of America, its territories or possessions, or Canada.

VII. DEFINITIONS

When used in this policy (including endorsements forming a part hereof):

"automobile" means a land motor vehicle, trailer or semitrailer designed for travel on public roads (including any machinery or apparatus attached thereto), but does not include **mobile equipment**;

"bailment" means a delivery of property by any person to the **insured** for purpose beneficial to either the **insured** or such person or both under a contract, express or implied, for the **insured** to carry out such purpose and to redeliver such property or otherwise dispose of its as provided;

"bodily injury" means **bodily injury**, sickness or disease sustained by any person which occurs during the policy period, including death at any time resulting therefrom;

"completed operations hazard" includes **bodily injury** and **property damage** arising out of operations or reliance upon a representation or warranty made at any time with respect thereto, but only if the **bodily injury** or **property damage** occurs after such operations have been completed or abandoned and occurs away from premises owned by or rented to the **named insured**. "Operations" include materials, parts or equipment furnished in connection therewith. Operations shall be deemed completed at the earliest of the following times:

(1) when all operations to be performed by or on behalf of the **named insured** under the contract have been completed;

(2) when all operations to be performed by or on behalf of the **named insured** at the site of the operations have been completed, or

(3) when the portion of the work out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.

Operations which may require further service or maintenance work, or correction, repair or replacement because of any defect or deficiency, but which are otherwise completed, shall be deemed completed.

The **completed operations hazard** does not include **bodily injury** or **property damage** arising out of

(a) operations in connection with the transportation of property, unless the **bodily injury** or **property damage** arises out of a condition in or on a vehicle created by the loading or unloading thereof;

(b) the existence of tools, uninstalled equipment or abandoned or unused materials, or

(c) operations for which the classification stated in the policy or in the company's manual specifies "including completed operations".

"domestic employee" means an employee of an **insured** performing duties not in connection with the **insured's** business;

"elevator" means any hoisting or lowering device to connect floors or landings, whether or not in service, and all appliances thereof including any car, platform, shaft, hoistway, stairway, runway, power equipment and machinery; but does not include an **automobile** servicing hoist, or a hoist without a platform outside a building if without mechanical power or if not attached to building walls, or a hod or material hoist used in alteration, construction or demolition operations, or an inclined conveyor used exclusively for carrying property or a dumbwaiter used exclusively for carrying property and having a compartment height not exceeding four feet, or hydraulic or mechanical hoists used for dumping materials from trucks;

"incidental contract" means any written (1) lease of premises, (2) easement agreement, except in connection with construction or demolition operations on or adjacent to a railroad, (3) undertaking to indemnify a municipality required by municipal ordinance, except in connection with work for the municipality, (4) sidetrack agreement, or (5) elevator maintenance agreement;

"insured" means any person or organization qualifying as an **insured** in the **"Persons Insured"** provision of the applicable insurance coverage. The insurance afforded applies separately to each **insured** against whom claim is made or suit is brought, except with respect to the limits of the company's liability;

"insured premises" means all premises owned by or rented to the **named insured** with respect to which the **named insured** is afforded coverage for **bodily injury** liability under this policy, and includes the ways immediately adjoining on land;

"loading or unloading", with respect to an **automobile**, means the handling of property after it is moved from the place where it is accepted for movement into or onto an **automobile** or while it is in or on an **automobile** or while it is being moved from an **automobile** to the place where it is finally delivered, but "loading or unloading" does not include the movement of property by means of a mechanical device (other than a hand truck) not attached to the **automobile**;

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"medical expense" means expenses for necessary medical, surgical, x-ray and dental services, including prosthetic devices, and necessary ambulance, hospital, professional nursing and funeral services;

"mobile equipment" means a land vehicle (including any machinery or apparatus attached thereto), whether or not self-propelled, (1) not subject to motor vehicle registration, or (2) maintained for use exclusively on premises owned by or rented to the named insured, including the ways immediately adjoining or (3) designed for use principally off public roads, or (4) designed or maintained for the sole purpose of affording mobility to equipment of the following types forming an integral part of or permanently attached to such vehicle; power cranes, shovels, loaders, diggers and drills; concrete mixers (other than the mix-in-transit type); graders, scrapers, rollers, and other road construction or repair equipment; air-compressors, pumps and generators, including spraying, welding and building cleaning equipment; and geophysical exploration and well servicing equipment;

"named insured" means the person or organization named in Item 1. of the declarations of this policy;

"named insured's products" means goods or products manufactured, sold, handled or distributed by the named insured or by others trading under his name, including any container thereof (other than a vehicle), but "named insured's products" shall not include a vending machine or any property other than such container, rented to or located for use of others but not sold;

"occurrence" means an accident, including continuous or repeated exposure to conditions, which results in bodily injury or property damage neither expected nor intended from the standpoint of the insured;

"policy territory" means anywhere in the world, provided, however, that: (1) resulting claims are originally asserted within the United States of America, its possessions, or Canada, and (2) it shall apply to suits and judgments for damages resulting therefrom only if suit is originally commenced in a court in the United States of America, its possessions or in Canada;

"products hazard" includes bodily injury and property damage arising out of the named insured's products or reliance upon a representation or warranty made at any time with respect thereto, but only if the bodily injury or property damage occurs away from premises owned by or rented to the named insured and after physical possession of such products has been relinquished to others;

"property damage" means (1) physical injury to or destruction of tangible property which occurs during the policy period, including the loss of use thereof at any time resulting therefrom, or (2) loss of use of tangible property which has not been physically injured or destroyed provided such loss of use is caused by an occurrence during the policy period.

"suit" includes an arbitration proceeding to which the insured is required to submit or to which the insured has submitted with the company's consent.

"war hazard" includes all bodily injury and property damage due to war whether or not declared, civil war, insurrection, rebellion or revolution or to any act or condition incident to any of the foregoing.

VIII. ADDITIONAL CONDITIONS

1. **Premium.** All premiums for this policy shall be computed in accordance with the Company's rules, rates, rating plans, premiums and minimum premiums applicable to the insurance afforded herein.

   Premium designated in this policy as "advance premium" is a deposit premium only which shall be credited to the amount of the earned premium due at the end of the policy period. At the close of each period (or part thereof terminating with the end of the policy period) designated in the declarations as the audit period, the earned premium shall be computed for such period and, upon notice thereof to the named insured, shall become due and payable. If the total earned premium for the policy period is less than the premium previously paid, the company shall return to the named insured the unearned portion paid by the named insured.

   If this policy is issued for a period in excess of one year with a specified expiration date and a premium is payable at each anniversary, such premium shall be determined annually on the basis of the rates in effect at the anniversary date.

   If this policy is issued for a period without a specified expiration date, it may be continued by payment of the required premium for the succeeding annual period. Such premium must be paid to the Company prior to each anniversary date; if not so paid, this policy shall expire on the first anniversary date that the said premium has not been received by the Company.

   The named insured shall maintain records of such information as is necessary for premium computation and shall send copies of such records to the company at the end of the policy period and at such times during the policy period as the company may direct.

2. **Inspection and Audit.** The company shall be permitted but not obligated to inspect the named insured's property and operations at any time. Neither the company's right to make inspections nor the making thereof nor any report thereon shall constitute an undertaking, on behalf of or for the benefit of the named insured or others, to determine or warrant that such property or operations are safe or healthful, or are in compliance with any law, rule or regulation.

   The company may examine and audit the named insured's books and records at any time during the policy period and extensions thereof and within three years after the final termination of this policy, as far as they relate to the subject matter of this insurance.

3. **Financial Responsibility Laws.** Such insurance as is afforded by this policy for bodily injury liability or for property damage liability shall comply with the provisions of any motor vehicle financial responsibility law to the extent of the coverage and limits of liability required by such law.

4. **Insured's Duties in the Event of Occurrence, Claim or Suit.**
   (a) In the event of an occurrence, written notice containing particulars sufficient to identify the insured and also reasonably obtainable information with respect to the time, place and circumstances thereof, and the names and addresses of the injured and of available witnesses, shall be given by or for the insured to the company or any of its authorized agents as soon as practicable.
   (b) If claim is made or suit is brought against the insured, the insured shall immediately forward to the company every demand, notice, summons or other process received by him or his representative.
   (c) The insured shall cooperate with the company and, upon the company's request, assist in making settlements, in the conduct of suits and in enforcing any right of contribution or indemnity against any person or organization who may be liable to the insured because of injury or damage with respect to which insurance is afforded under this policy; and the insured shall attend hearings and trials and assist in securing and giving evidence and obtaining the attendance of witnesses. The insured shall not, except at his own cost, voluntarily make any payment, assume

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any obligation or incur any expense other than for first aid to others at the time of accident.

5. **Action Against Company.** No action shall lie against the company unless, as a condition precedent thereto, there shall have been full compliance with all of the terms of this policy, nor until the amount of the insured's obligation to pay shall have been finally determined either by judgment against the insured after actual trial or by written agreement of the insured, the claimant and the company.

   Any person or organization or the legal representative thereof who has secured such judgment or written agreement shall thereafter be entitled to recover under this policy to the extent of the insurance afforded by this policy. No person or organization shall have any right under this policy to join the company as a party to any action against the insured to determine the insured's liability, nor shall the company be impleaded by the insured or his legal representative. Bankruptcy or insolvency of the insured or of the insured's estate shall not relieve the company of any of its obligations hereunder.

6. **Subrogation.** In the event of any payment under this policy, the company shall be subrogated to all the insured's rights of recovery therefor against any person or organization and the insured shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The insured shall do nothing after loss to prejudice such rights.

7. **Other Insurance.** The insurance afforded by this policy is primary insurance, except when stated to apply in excess of or contingent upon the absence of other insurance. When this insurance is primary and the insured has other insurance which is stated to be applicable to the loss on an excess or contingent basis, the amount of the company's liability under this policy shall not be reduced by the existence of such other insurance.

   When both this insurance and other insurance apply to the loss on the same basis, whether primary, excess or contingent, the company shall not be liable under this policy for a greater proportion of the loss than that stated in the applicable contribution provision below.

   (a) **Contribution by Equal Shares.** If all of such other valid and collectible insurance provides for contribution by equal shares, the company shall not be liable for a greater proportion of such loss than would be payable if each insurer contributes an equal share until the share of each insurer equals the lowest applicable limit of liability under any one policy or the full amount of the loss is paid, and with respect to any amount of loss not so paid the remaining insurers then continue to contribute equal shares of the remaining amount of the loss until each such insurer has paid its limit in full or the full amount of the loss is paid.

   (b) **Contribution by Limits.** If any of such other insurance does not provide for contribution by equal shares, the company shall not be liable for a greater proportion of such loss than the applicable limit of liability under this policy for such loss bears to the total applicable limit of liability of all valid and collectible insurance against such loss.

8. **Changes.** Notice to any agent or knowledge possessed by any agent or by any other person shall not effect a waiver or a change in any part of this policy or estop the company from asserting any right under the terms of this policy; nor shall the terms of this policy be waived or changed, except by endorsement issued to form a part of this policy.

9. **Assignment.** Assignment of interest under this policy shall not bind the company until its consent is endorsed hereon; if, however, the named insured shall die, such insurance as is afforded by this policy shall apply (1) to the named insured's legal representative, as the named insured, but only while acting within the scope of his duties as such, and (2) with respect to the property of the named insured, to the person having proper temporary custody thereof, as insured, but only until the appointment and qualification of the legal representative.

10. **Annual Aggregate.** If this policy is issued for a period of three years any limit of the company's liability stated in this policy as "aggregate" shall apply separately to each consecutive annual period thereof.

11. **Cancellation.** This policy may be cancelled by the named insured by surrender thereof to the Company or any of its authorized agents or by mailing to the Company written notice stating when thereafter the cancellation shall be effective. This policy may be cancelled by the Company by mailing to the named insured at the mailing address shown in the Declarations, written notice stating when not less than ten days thereafter such cancellation shall be effective. The mailing of notice as aforesaid shall be sufficient proof of notice. The time of surrender or the effective date and hour of cancellation stated in the notice shall become the end of the policy period. Delivery of such written notice either by the named insured or by the Company shall be equivalent to mailing.

    If the named insured cancels, the Company shall, upon demand and surrender of this policy, refund the excess of paid premium above the customary short rates for the expired time. If the Company cancels, earned premium shall be computed pro rata. Premium adjustment may be made either at the time cancellation is effected or as soon as practicable after cancellation becomes effective, but payment or tender or unearned premium is not a condition of cancellation.

12. **Liberalization Clause.** In the event any filing is submitted to the insurance supervisory authorities on behalf of the Company, and:

    (a) the filing is approved or accepted by the insurance authorities to be effective while this policy is in force or within 45 days prior to its inception; and

    (b) the filing includes insurance forms or other provisions that would extend or broaden this insurance by endorsement or substitution of form, without additional premium;

    the benefit of such extended or broadened insurance shall inure to the benefit of the insured as though the endorsement or substitution of form had been made.

13. **Insurance Under More Than One Coverage, Part or Endorsement.** In the event that more than one coverage, part or endorsement of this policy insures the same loss, damage or claim, the Company shall not be liable for more than the actual loss or damage sustained by the insured.

14. **Time of Inception.** To the extent that coverage in this policy replaces coverage in other policies terminating noon standard time on the inception date of this policy, coverage under this policy shall not become effective until such other coverage has terminated.

15. **Medical Reports; Proof and Payment of Claim.** As soon as practicable the injured person or someone on his behalf shall give to the company written proof of claim, under oath if required, and shall, after each request from the company, execute authorization to enable the company to obtain medical reports and copies of records. The injured person shall submit to physical examination by physicians selected by the company when and as often as the company may reasonably require. The company may pay the injured person

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or any person or organization rendering the services and the payment shall reduce the amount payable hereunder for such injury. Payment hereunder shall not constitute an admission of liability of any person or, except hereunder, of the company.

16. **Arbitration.** The company shall be entitled to exercise all of the insured's rights in the choice or arbitrators and in the conduct of any arbitration proceeding.

17. **Waiver or Change of Provisions.** The terms of this insurance shall not be waived, changed or modified except by endorsement issued to form a part of this policy.

18. **Nuclear Exclusion.**

I. This policy does not apply:

(a) Under any Liability Coverage, to **bodily injury** or **property damage**,

(1) with respect to which an **insured** under this policy is also an **insured** under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters or Nuclear Insurance Association of Canada, or would be an **insured** under any such policy but for its termination upon exhaustion of its limit of liability; or

(2) resulting from the **hazardous properties** of **nuclear material** and with respect to which (i) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or (ii) the **insured** is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.

(b) Under any Medical Payments Coverage, or under any Supplementary Payments provision relating to first aid to expenses incurred with respect to **bodily injury** resulting from the **hazardous properties** of **nuclear material** and arising out of the operation of a **nuclear facility** by any person or organization.

(c) Under any Liability Coverage, to **bodily injury** or **property damage** resulting from the **hazardous properties** of **nuclear material**, if

(1) the **nuclear material** (i) is at any **nuclear facility** owned by, or operated by or on behalf of an **insured** or (ii) has been discharged or dispersed therefrom;

(2) the **nuclear material** is contained in **spent fuel** or **waste** at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of an **insured**; or

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

II. As used in this exclusion

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

"nuclear material" means **source material**, **special nuclear material** or **byproduct material**;

"source material", **"special nuclear material"**, and **"byproduct material"** have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof;

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

"waste" means any waste material (1) containing **byproduct material** other than the tailings or **wastes** produced by extraction or concentration of uranium or thorium from any ore processed primarily for its **source material** content, and (2) resulting from the operation by any person or organization of any **nuclear facility** included under the first two paragraphs of the definition of **nuclear facility**;

"nuclear facility" means

(a) any **nuclear reactor**,

(b) any equipment or device designed or used for (1) separating the isotopes of uranium or plutonium, (2) processing or utilizing **spent fuel**, or (3) handling, processing or packaging waste,

(c) any equipment or device used for the processing, fabricating or alloying of **special nuclear material** if at any time the total amount of such material in the custody of the **insured** at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235,

(d) any structure, basin, excavation, premises or place prepared or used for the storage or disposal of waste,

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations;

"nuclear reactor" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material;

"property damage" includes all forms of radioactive contamination of property.

19. **Special Definitions.** Wherever in any form attached the word "policy" appears it shall mean the section of this policy of which such form is a part, or the supplemental policy or policies to which such form applies.

Transamerica Insurance Services

Transamerica Insurance Company

☐ _____

Endorsement

ATTACHED TO AND FORMING A PART OF POLICY NUMBER	ENDORSEMENT EFFECTIVE (Standard Time) Mo	Day	Yr.	12:01 A.M.	00%	INSURED	PRODUCER AND CODE

Section II - General Liability
Form L10609C

POLLUTION EXCLUSION

It is agreed that the exclusion relating to the discharge, dispersal, release or escape of smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids or gases, waste materials or other irritants, contaminants or pollutants is replaced by the following:

(1) to bodily injury or property damage arising out of the actual, alleged or threatened discharge, dispersal, release or escape of pollutants:

(a) at or from premises owned, rented or occupied by the named insured;

(b) at or from any site or location used by or for the named insured or others for the handling, storage, disposal, processing or treatment of waste;

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

(d) at or from any site or location on which the named insured or any contractors or subcontractors working directly or indirectly on behalf of the named insured are performing operations:

(i) if the pollutants are brought on or to the site or location in connection with such operations; or

(ii) if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize the pollutants.

(2) to any loss, cost or expense arising out of any governmental direction or request that the named insured test for, monitor, clean up, remove, contain, treat, detoxify or neutralize pollutants.

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

This endorsement forms a part of the policy to which attached, effective on the inception date of the policy unless otherwise stated herein.

ALL OTHER TERMS AND CONDITIONS OF THIS POLICY REMAIN UNCHANGED

_____ Authorized Representative

_____ Date

1303-1

2-84

000029

(The Attaching Clause need be completed only when this endorsement is issued subsequent to preparation of the policy.)

IL 09 28 (Ed. 06 85)

GU 271
(Ed. 6-85)

POLLUTION EXCLUSION

This endorsement modifies such insurance as is afforded by the provisions of the policy relating to the following:

BUSINESSOWNERS POLICY
COMPREHENSIVE GENERAL LIABILITY INSURANCE
CONTRACTUAL LIABILITY INSURANCE
MANUFACTURERS' AND CONTRACTORS' LIABILITY INSURANCE
OWNERS' AND CONTRACTORS' PROTECTIVE LIABILITY INSURANCE
OWNERS', LANDLORDS' AND TENANTS' LIABILITY INSURANCE
SMP LIABILITY INSURANCE
STOREKEEPERS INSURANCE

This endorsement, effective (12:01 A. M., standard time) , forms a part of Policy No.

Issued to

by

Authorized Representative

It is agreed that the exclusion relating to the discharge, dispersal, release or escape of smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids or gases, waste materials or other irritants, contaminants or pollutants is replaced by the following:

(1) to **bodily injury** or **property damage** arising out of the actual, alleged or threatened discharge, dispersal, release or escape of pollutants:
  (a) at or from premises owned, rented or occupied by the **named insured**;
  (b) at or from any site or location used by or for the **named insured** or others for the handling, storage, disposal, processing or treatment of waste;
  (c) which are at any time transported, handled, stored, treated, disposed of, or processed as waste by or for the **named insured** or any person or organization for whom the **named insured** may be legally responsible; or
  (d) at or from any site or location on which the **named insured** or any contractors or subcontractors working directly or indirectly on behalf of the **named insured** are performing operations:
    (i) if the pollutants are brought on or to the site or location in connection with such operations; or
    (ii) if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize the pollutants.

(2) to any loss, cost or expense arising out of any governmental direction or request that the **named insured** test for, monitor, clean up, remove, contain, treat, detoxify or neutralize pollutants.

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

AUTHENTIC

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TRANSAMERICA
INSURANCE GROUP

EMPLOYEE BENEFIT PROGRAMS LIABILITY COVERAGE FORM

This form provides Claims Made Coverage.
Please read the entire form carefully.

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

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

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

Other words and phrases that appear in quotation marks have special meaning. Refer to SECTION VI - DEFINITIONS.

SECTION I - COVERAGE

1. Insuring Agreement

   a. We will pay those sums that the insured becomes legally obligated to pay as damages to an employee, former employee or heirs because of negligent acts or omissions in the "administration" of the insured's "employee benefit programs" to which this insurance applies. No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under SUPPLEMENTARY PAYMENTS. This insurance does not apply to any negligent acts or omissions which occurred before the Retroactive Date, if any, shown on the declarations or which occurs after the policy period. The negligent act or omission must be caused by an "occurrence" that takes place in the "coverage territory". We have the right and duty to defend any "suit" seeking those damages. But:

      (1) The amount we will pay for damages is limited as described in SECTION III - LIMITS OF INSURANCE;

      (2) We may investigate and settle any claim or "suit" at our discretion; and

      (3) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under this coverage.

   b. This insurance applies to negligent acts or omissions in the "administration" of the insured's "employee benefit programs" only if a claim for damages because of the negligent acts or omissions is first made against any insured during the policy period.

      (1) A claim by a person seeking damages will be deemed to have been made when written notice of such claim is received by any insured from a person or organization seeking damages or notice of the claim is received by us from any insured.

      (2) All claims for damages to the same person will be deemed to have been made at the time the first of those claims is made against any insured.

2. Exclusions

   This insurance does not apply to:

   a. Any responsibilities, obligations or duties imposed by the Employee Retirement Income Security Act of 1974 (ERISA), or any amendment of the act.

   b. Damage, destruction, loss or loss of use of any tangible or intangible property owned by or in the care, custody or control or the insured or anyone for whom the insured is responsible.

   c. Damages based on errors or omission in giving or failing to give opinions, statements or advice on participating or not participating in investment plans.

   d. Damages because of discrimination.

   e. Damages because of failure to comply with worker's compensation, unemployment compensation, disability benefits, social security laws or any similar law.

   f. Damages for which the insured is obligated to pay by reason of any obligation or duty required of the insured under any contract or by reason of any liability assumed by the insured under a contract of indemnity.

   g. Damages because of failure to effect or maintain bonds or insurance.

   h. Damages because of any investment, investment program or individual security or for failure of them to perform as represented.

   i. Any dishonest, fraudulent or criminal act.

SUPPLEMENTARY PAYMENTS

We will pay, with respect to any claim or "suit" we defend:

1. All expenses we incur.
2. The cost of bonds to release attachments, but only

000031

for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.

3. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to $100 a day because of time off from work.
4. All costs taxed against the insured in the "suit".
5. Pre-judgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any pre-judgment interest based on that period of time after the offer.
6. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

These payments will not reduce the limits of insurance.

SECTION II - WHO IS AN INSURED

1. The Named Insured for negligent acts or omissions in the "administration" of "employee benefit programs".
2. Any executive officers, directors or employees performing within the scope of their duties in the "administration" of "employee benefit programs".
3. Any organization you newly acquire or form, other than a partnership or joint venture, and over which you maintain ownership or majority interest, will be deemed to be a Named Insured if there is no other similar insurance available to that organization. However:
   a. Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or end of the policy period, whichever is earlier;
   b. Coverage does not apply to any negligent act or omission in the "administration" of "employee benefit programs" that occurred before you acquired or formed the organization.

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

SECTION III - LIMITS OF INSURANCE

1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
   a. Insureds;
   b. Claims made or "suits" brought; or
   c. Persons making claims or bringing "suits".
2. The Aggregate Limit is the most we will pay for the sum of all damages because of all negligent acts or omissions in the "administration" of the insured's "employee benefit programs".
3. Subject to the Aggregate Limit above, the most we will pay for the sum of all damages arising out of any one "occurrence" to the same employee will be the lesser of:
   a. The Each Occurrence Limit, reduced by the deductible amount, if any, shown in the declarations; or
   b. The sum of those damages minus any such deductible amount.
4. The Deductible Amount applies to every claim or "suit" separately covered by this insurance as the result of any one "occurrence".

   We may, or will if required by law, pay part of all of the Deductible Amount, if applicable, to effect settlement or any claim or "suit". Upon notice of our payment of a Deductible Amount, you shall promptly reimburse us for that part of the Deductible Amount we paid.

The limits of this Coverage Part apply separately to each consecutive annual period and to any remaining period of less that 12 months, starting with the beginning of the policy period shown in the declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposed of determining the Limits of Insurance.

SECTION IV - CONDITIONS

1. Bankruptcy.

   Bankruptcy or insolvency of the insured or the insured's estate will not relieve us of our obligations under this Coverage Part.
2. Duties In The Event Of Occurrence, Claim Or Suit.
   a. You must see to it that we are notified promptly of an "occurrence" which may result in a claim. Notice should include:
      (1) How, when and where the "occurrence" took place; and
      (2) The names and address of any injured persons and witnesses.
   b. If a claim is made or "suit" brought against any insured, you must see to it that we receive prompt written notice of the claim or "suit".
   c. You and any other involved insured must:
      (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";
      (2) Authorize us to obtain records and other information;

(3) Cooperate with us in the investigation, settlement or defense of the claim or "suit"; and

(4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury or damage to which this insurance may also apply.

d. No insured will, except at their own cost, voluntarily make a payment, assume any obligation or incur any expense without our consent.

3. Legal Action Against Us.

No person or organization has a right under this Coverage Part:

a. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or

b. To sue us on this Coverage Part unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement on a final judgment against an insured obtained after an actual trial; but we will not be liable for damages that are not payable under the terms of this Coverage Part or that are in excess of the applicable limits of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

4. Other Insurance.

If other valid and collectible insurance is available to the insured for a loss we cover under this Coverage Part, our obligations are limited as follows:

a. Primary Insurance

This insurance is primary except when b. below applies. When this insurance is primary our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in c. below.

b. Excess Insurance

This insurance is excess over any other insurance whether primary, excess, contingent or on any other basis:

(1) That is effective prior to the beginning of the policy period shown in the Declarations of this insurance and applies to "employee benefit programs" on other than a claims made basis, if:

(a) No Retroactive Date is shown in the Declarations of this insurance; or

(b) The other insurance has a policy period which continues after the Retroactive Date shown in the Declarations of this insurance.

When this insurance is excess, we will have no duty under this insurance to defend any claim or "suit" that any other insurer has a duty to defend. If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

(a) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and

(b) The total of all deductible and self-insured amounts under all that other insurance.

We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Coverage Part.

c. Method of Sharing

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the less remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

5. Premium Audit.

a. We will compute all premiums for this Coverage Part in accordance with our rules and rates.

b. Premium shown in this coverage as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period.

Audit premiums are due and payable on notice to the first Named Insured. If the sum of the advance and audit premiums paid for the policy term is greater than the earned premium, we will return the excess to the first Named Insured.

c. The first Named Insured must keep records of the information we need for premium computation, and send us copies at such time as we request.

6. Representation.

By accepting this policy, you agree:

a. The statements in the Declarations are accurate and complete;

b. Those statements are based upon representations you made to us; and

c. We have issued this policy in reliance upon your representations.

7. Separation Of Insureds.

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

a. As if each Named Insured were the only Named Insured; and

b. Separately to each insured against whom claim is made or "suit" is brought.

8. Transfer Of Rights Of Recovery Against Others To Us.

If the insured has rights to recover all or part of any payment we have made under this Coverage Part, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them.

SECTION V - EXTENDED REPORTING PERIOD OPTION

1. This Section applied only if:

a. We cancel or non-renew this coverage;

b. We renew or replace this coverage with other insurance that:

(1) Provides claims-made coverage; and

(2) Has a Retroactive Date later than the one shown in this Coverage Part's Declarations; or

c. We replace this Coverage with other insurance that applies on other than a claims-made basis.

2. If we provide an Extended Reporting Period, the following is added to paragraph 1 of Section I:

c. A claim first made during the Extended Reporting Period will be deemed to have been made on the last day of the policy period provided that the claim is for damages for negligent acts or omissions that occurred before the end of the policy period (but not before any applicable Retroactive Date).

The Extended Reporting Period will not reinstate or increase the Limits of Insurance or extend the policy period.

3. The Extended Reporting Period will be as set forth in either a. or b. below:

a. 60 days, starting with the end of the policy period, if no other insurance you purchase to replace this Coverage Part applies to the claim or would apply but for the exhaustion of its applicable limits of insurance. This Extended Reporting Period may not be cancelled.

b. The time specified in the Extended Reporting Period Endorsement, starting with the end of the policy period, if we issue the Extended Reporting Period Endorsement. We will issue that endorsement if the first Named Insured shown in the declarations:

(1) Makes a written request for it which we receive within 60 days after the end of the policy period; and

(2) Promptly pays the additional premium when due.

The Extended Reporting Period Endorsement will not take effect unless the additional premium is paid when due. If that premium is paid when due, the endorsement may not be cancelled.

The Extended Reporting Period Endorsement will also amend paragraph 4. b. of Section IV - Conditions (Other Insurance) so that the insurance provided will be excess over any other valid and collectible insurance available to the insured, whether primary, excess, contingent or on any other basis, whose policy period begins or continues after the endorsement takes effect.

SECTION VI - DEFINITIONS

1. "Administration" means the following which are authorized by the Named Insured with respect to "employee benefit programs":

a. Counseling of employees with respect to eligibility in "employee benefit programs";

b. Interpretation of programs;

c. Record keeping; and

d. Enrollment, termination or cancellation of employees in the "employee benefit programs".

2. "Coverage Territory" means the United States of America (including its territories and possessions), Puerto Rico and Canada.

3. "Employee Benefit Programs" means group life insurance, group health insurance, profit sharing, pension, employee stock subscription, travel, savings, vacation, unemployment insurance and disability benefit plans.

4. "Occurrence" means any negligent act or omission together with all related negligent acts or omissions in the "administration" of "employee benefit programs" to any one employee shall be considered one occurrence.

5. "Suit" means a civil proceeding in which damages because of negligent acts or omissions in the "administration" of "employee benefit programs" to which this insurance applies is alleged. "Suit" includes an arbitration proceeding alleging such damages to which you must submit or submit with our consent.

Transamerica
Insurance Services

Transamerica Insurance Group

Policy No. 1935 21 91

Liability Schedule and Premium Recap.

Code No.	Description of Hazards	Premium Bases	Rates B.I.	Rates P.D.	Advance Premiums Bodily Injury	Advance Premiums Property Damage
Premises – Operations						
34202 - 003	TOOL MFG. - HAND TYPE - NOT POWERED	75,000	.883	.155	662.	116.
39996 - 003	MACHINE SHOPS	380,000	1.355	.401	4,065.	1,203.
34203 - 999	TOOL MFG. - HAND TYPE - NOT POWERED	560,000	7.119	1.033	3,987.	578.
39983 -	MACHINE SHOPS	840,000	5.538	3.717	4,652.	3,122.
	VENDORS LIMITED FORM	IF ANY	1.068	.155	*T.B.D.	*T.B.D.
99990 -	BASE	300			4,010.	1,506.
73920 -	EMPLOYEE BENEFIT LIAB.	1			242.	
	EXCESS LIMITS CHARGE (SUBJECT TO A MINIMUM PREMIUM OF $7,407)	1,400,000	5.29		7,407.	INCL.

* TO BE DETERMINED AT AUDIT

Total Advance B.I. and P.D. Premiums	$	$
Total Advance Premium	$	21 SEP

1312

9-80

ITEM ONE. Named Insured: EARL MANUFACTURING, INC., ETAL

This policy provides only those coverages where a limit is shown in the place provided in this schedule. The limit shown for each coverage is the most we will pay for any one accident or loss.

ITEM TWO. COVERAGES		LIMIT
(X)	COMPREHENSIVE AUTO LIABILITY Liability Insurance	$ 1,000,000 per accident.
(X)	AUTO MEDICAL PAYMENTS INSURANCE Designation of covered autos: (X) Any auto designated in the description of autos with medical payments. Designated Person Insured: NAMED INSURED	$ 2,000 per person.
(X)	UNINSURED MOTORISTS /UNDERINSURED MOTORISTS INSURANCE (Endorsement specifies when Underinsured Motorists applies)	$ 500,000 per accident.
	Uninsured Motorists Property Damage (Endorsement specifies when Uninsured Motorists Property Damage applies) Designation of covered autos: (X) Autos specified on Schedule.	Separately stated in the U.M.P.D. endorsement.
(X)	PHYSICAL DAMAGE INSURANCE	As shown in Schedule of Autos attached.

ITEM THREE. Forms and Endorsements contained in this policy at its inception (Show Form No. and Edition Date)

1) A11686B	05/84	2) A465	01/78	3) A482A	10/84
4) A487	07/84	5) A867	01/80	6) A11798D	05/81
7) A12107A	10/79	8) A12699A	03/82	9) A14937	
10) A15002	05/85	11) A15010	07/84	12) A15001A	

The estimated total premium for this policy is based on the exposures you told us you would have when this policy began.

We will compute your final premium due when we determine your actual exposures. The estimated total premium will be credited against the final premium due and you will be billed for the balance, if any. If the estimated total premium exceeds the final premium due you will get a refund. To determine your final premium due we may examine your records at any time during the period of coverage and up to three years afterward. If this policy is issued for more than one year, the premium shall be computed annually based on our rates or premiums in effect at the beginning of each year of the policy.

Transamerica
Insurance Services

SCHEDULE OF AUTOS
PAGE 1
POLICY NUMBER: 19352191

Named Insured: EARL MANUFACTURING, INC., ETAL

Veh. No.	Year, Make, Model Body, VIN/Ser. Number	Symbol or Cost New	Terr St	Code	Class	Limit of Liab
0001	1980 FORD 1/2 TON PICKUP J1824	7000	CA	005	01499	ACV
0002	1980 LINCOLN MARK 6 2746	18000	CA	058	7398	ACV
0003	1984 MERCURY TOPAZ 6375	9800	CA	005	7398	ACV
0004	1984 DATSUN 300 ZX 7868	15700	CA	005	7398	ACV
0005	1984 FORD F600 STAKE 3376	16325	CA	005	21499	ACV

A15001B

See Abbreviation Key - Attached
01/26/87

(5-85)

14283

11/83

000038

Transamerica Insurance Services

SCHEDULE OF AUTOS
PAGE 2
POLICY NUMBER: 19352191

Named Insured: EARL MANUFACTURING, INC., ETAL

SCHEDULE OF COVERAGES AND PREMIUMS

	Veh. No. 0001	Veh. No. 0002	Veh. No. 0003	Veh. No. 0004	Veh. No. 0005	Veh. No.	Total
PIP							0
Add PIP							0
PPI							0
FPB							0
Add/Comb FPB							0
Liab	1371	895	980	980	1439		5665
Med Pay	121	56	39	39	121		356
UM/UIM/UMPD*	31	26	31	31	31		150
Comp Ded	100	100	100	100	100		
Comp Prem	72	135	108	212	207		734
SP Cov							
SP Prem							0
Coll Ded	250	250	250	250	250		
Coll Prem	176	294	304	439	431		1644
Tow & Labor							0
Other Endor	16	16	16	16	16		80

*Endorsement will specify when Underinsured Motorists or Uninsured Motorists Property Damage apply.

A15001B See Abbreviation Key - Attached (5-85)
01/26/87

Named Insured: EARL MANUFACTURING, INC., ETAL

HIRED OR BORROWED COVERED AUTOS - LIABILITY

STATE	ESTIMATED COST OF HIRE IF ANY	RATE PER $100 OF HIRE	PREMIUM
CA		1.316	40
		Total Premium	$ 40

Cost of Hire means the total amount you incur for the hire of autos you don't own (not including autos you borrow or rent from your employees or their family members). Cost of Hire does not include charges for services performed by motor carriers of property or passengers.

SCHEDULE FOR NON-OWNERSHIP LIABILITY

	Estimated No. of Employees	PREMIUM
Rating basis - Number of Employees	25	40

PREMIUM TOTALS

Schedule of Coverages and Premiums - Owned Autos	$	8,629
Hired or Borrowed Covered Auto - Liability	$	40
Hired or Borrowed Covered Autos - Physical Damage	$	
Non-Ownership Liability	$	40
Other Endorsements	$	
TOTAL PREMIUMS	$	8,709

Transamerica
Insurance Services

ABBREVIATION KEY

ACV	(Actual Cash Value)
ADD	(Additional)
B	(Broadened)
BI	(Bodily Injury)
COLL	(Collision)
COMB	(Combination)
COMP	(Comprehensive)
COV	(Coverage)
DAM	(Damage)
DED	(Deductible)
ENDOR	(Endorsements)
F	(Fire)
FT	(Fire and Theft)
FPB	(First Party Benefits)
FTW	(Fire, Theft, and Windstorm)
INC	(Included)
L	(Limited)
LIAB	(Liability)
LSP	(Limited Specified Perils)
MED	(Medical)
PAY	(Payments)
PD	(Property Damage)
PIP	(Personal Injury Protection)
PPI	(Property Protection Insurance)
PREM	(Premium)
R	(Regular)
SP	(Specified Perils)
ST	(State)
TOW	(Towing)
UIM	(Underinsured Motorists)
UM	(Uninsured Motorist)
UMPD	(Uninsured Motorists Property Damage)
VEH	(Vehicle)

A15004B (3-85)

Transamerica Insurance Services

LOSS PAYABLE CLAUSE

POLICY NO. 19352191
PAGE 1

TRANSAMERICA INSURANCE COMPANY

Agency Code: 645261
Agent: HENDERSONS

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Effective Date: 01-01-87, 12:01 A.M. standard time.

Named Insured: EARL MANUFACTURING, INC., ETAL

Address: 11862 BURKE ST.
SANTA FE SPRINGS CA 90670

Loss Payee: FIRST INTERSTATE BANK

Address: 8737 E. WASHINGTON BLVD.
PICO RIVERA CA 90660

A. We will pay you and the loss payee named in the policy for a loss to a covered auto, as interest may appear.

B. The insurance covers the interest of the loss payee unless the loss results from fraudulent acts or omissions on your part.

C. We may cancel the policy as allowed by CANCELLING THIS POLICY DURING THE POLICY PERIOD. Cancellation ends this agreement as to the loss payee's interest. If we cancel the policy we will mail you and the loss payee the same advance notice.

D. If we make any payment to the loss payee, we will obtain his rights against any other party.

LIST OF VEHICLES AND SERIAL NUMBERS

VEH. NO.	YEAR	MAKE	SERIAL NUMBER
0004	1984	DATSUN	7868
0005	1984	FORD	3376

Authorized Representative

01-01-88/ANNUAL
A15010

(7-84)

4283

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11/83

Transamerica Insurance Services

Transamerica Insurance Group of Companies

Uninsured Motorists Bodily Injury Rejection Authorization - California

NAMED INSURED	POLICY NUMBER
EARL MANUFACTURING INC., ETAL	1935 21 91
AGENT & CODE	**EFFECTIVE DATE**
HENDERSONS INC. 0645261	1-1-87

The information above is only required when this endorsement is issued subsequent to the issuance of the policy.

California law requires that Uninsured Motorists Bodily Injury Coverage be offered in limits equal to your Bodily Injury Limits. You have the right to select lower limits for Uninsured Motorists Coverage or you can delete the coverage in its entirety. If you sign this form, you are reducing or deleting coverage available to you.

(Applicable item marked ☒)

☒ I select Uninsured Motorists Bodily Injury Coverage in amounts less than my Bodily Injury Liability Limit. I select limits of $ 500,000

☐ I hereby delete Uninsured Motorists Bodily Injury Coverage entirely.

☐ I hereby delete Uninsured Motorists Bodily Injury Coverage only with respect to the following person(s):

NAME OF INDIVIDUAL

NAME OF INDIVIDUAL

I understand and agree that this acknowledgement of this coverage authorization shall be applicable to all vehicles on my policy unless I subsequently request a change in writing.

INSURED'S SIGNATURE — DATE 6/25/87

INSURED'S SIGNATURE — DATE

Do not sign this form wit reading it.

USU

JUL 30 1987

ROBRIN VOCT

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Transamerica Insurance Services

Transamerica Insurance Group

Minicomputer Coverage

(Use Only With The Inland Transit Policy or Special Conditions Endorsement)

DECLARATIONS

No insurance is afforded under any of the following coverages unless specific limits of liability are provided for in Section I.

SECTION I. EQUIPMENT as per schedule attached to this policy

A. on Property of the Insured in the amount of
   (1) $ 10,000 located at 11876 BURKE, SANTA FE SPRINGS, CA.
   (2) $ _____ located at _____

B. On Property leased, rented, or under control of the Insured in the amount of
   (1) $ _____ located at _____
   (2) $ _____ located at _____

C. $ 10,000 while in Transit and while temporarily within other premises

D. VALUATION
   (1) ☐ Actual Cash Value with _____ % Coinsurance Clause
   (2) ☐ Replacement Cost with _____ % Coinsurance Clause

SECTION II. DATA, MEDIA, COMPUTER PROGRAMS

A. On Property of the Insured consisting of Data, Media and Computer Programs for up to 25% of the amount of Insurance at each premises covered in Section I or $10,000 at each premises, whichever is least.

B. Data, Media, Computer Programs in excess of 25% or $10,000

	Extra Amount	Total Coverage	
(1)	$		located at
(2)	$		located at

C. $ 2,500 while in Transit and while temporarily within other premises

D. ARTICLES WHICH CANNOT BE REPLACED MUST BE INSURED FOR A SPECIFIC AMOUNT

Specified coverage on Data, Media, Computer Programs

LOCATION	SPECIFIC ITEMS	NO. OF ITEMS	VALUE OF ITEMS	TOTAL

E. DATA OR MEDIA NOT TO BE INSURED

SECTION III. EXTRA EXPENSE

A. EXTRA EXPENSE as defined in Section III of the Minicomputer Supplement is covered for an amount not to exceed 25% of the amount of insurance at each location or $10,000, whichever is least.

B. Extra Expense in excess of 25% or $10,000

	Extra Amount	Total Amount	
(1)	$	$	at
(2)	$	$	at

SECTION IV. DEDUCTIBLE

A. This company shall not be liable for the first $ 250 of any one Loss and then only for the excess of such amount up to any applicable limit of liability.

B. The deductible amount shall be $100 or the amount shown above, whichever is higher.

Forms and endorsements made part of this policy at the time of issue:

J10200C(2-78), J10263(5-81), J10356(5-81), 13034(2-84)

Attached to and forming part of Policy No. 1935 21 91 of the _____ Insurance Company

_____ Insured

_____ Agent

(The Attaching Clause must be completed only when this endorsement is issued subsequent to preparation of the policy.)

LIABILITY

GL 20 16 (Ed. 07 66)
G 114

L 9115a
(Ed. 7-66)

ADDITIONAL INSURED
(Vendors—Limited Form)

This endorsement modifies such insurance as is afforded by the provisions of the policy relating to the following:
COMPREHENSIVE GENERAL LIABILITY INSURANCE
COMPLETED OPERATIONS AND PRODUCTS LIABILITY INSURANCE

This endorsement, effective 6-27-86 (12:01 A. M., standard time), forms a part of policy No. 1935 21 91

issued to EARL MANUFACTURING, INC., ETAL

by TRANSAMERICA INSURANCE COMPANY HENDERSONS, INC. 1645261

Authorized Representative

SCHEDULE

Name of Vendor(s)	Description of Product(s)
JAY P. CASTEEL CO., INC. P.O. BOX 606 NORWALK, CA 90650	TBD*

It is agreed that the "Persons Insured" provision is amended to include any person or organization designated above (herein referred to as "vendor"), as an insured, but only with respect to the distribution or sale in the regular course of the vendor's business of the named insured's products designated above subject to the following additional provisions:

1. The insurance with respect to the vendor does not apply to:
   (a) any express warranty, or any distribution or sale for a purpose, unauthorized by the named insured;
   (b) bodily injury or property damage arising out of
      (i) any act of the vendor which changes the condition of the products, *TO BE DETERMINED AT AUDIT
      (ii) any failure to maintain the product in merchantable condition,
      (iii) any failure to make such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products, or
      (iv) products which after distribution or sale by the named insured have been labeled or relabeled or used as a container, part or ingredient of any other thing or substance by or for the vendor;
   (c) bodily injury or property damage occurring within the vendor's premises.
2. The insurance does not apply to any person or organization, as insured, from whom the named insured has acquired such products or any ingredient, part or container, entering into, accompanying or containing such products.

AUTHENTIC

1-1-86/87 (A)
7-10-86/JF/CW
ENDT. 12

Transamerica Insurance Services

Transamerica Insurance Company

☐ _____

Endorsement

ATTACHED TO AND FORMING A PART OF POLICY NUMBER	ENDORSEMENT EFFECTIVE (Standard Time) Mo	Day	Yr	12:01 A.M.	NOON	INSURED	PRODUCER AND CODE
1935 21 91	4	28	86	X		EARL MANUFACTURING, INC. ETAL	HENDERSON'S INC. #645261

SECTION I - PROPERTY

ADD THE FOLLOWING AS MORTGAGEE AS RESPECTS TO LOCATION #1:

11862 BURKE STREET
SANTA FE SPRINGS, CA.

PER FORM CF 12 45(5-77) ATTACHED:

GIRLSTOWN U.S.A.
P.O. BOX 35
WHITEFACE, TEXAS 79379-0035
ATTN: MARSHALL W. COOPER
EXECUTIVE DIRECTOR

5-21-86/CC/JFB
1-1-86/87 (A)
ENDT. #1

ALL OTHER TERMS AND CONDITIONS OF THIS POLICY REMAIN UNCHANGED

Authorized Representative

Date

Transamerica Insurance Services

Transamerica Insurance Group

Premium Summary Endorsement

Policy Number	Insured
1935 21 91	

This policy is issued in consideration of premiums due and payable as follows:

SECTION	COVERAGE	ESTIMATED PREMIUMS
I PROPERTY		8,321.
II LIABILITY		24,559.
III AUTOMOBILE		8,558.
IV OPTIONAL COVERAGES	INLAND MARINE BOND-IF APPLICABLE, SEE FORM 12781A FOR BOND PREMIUM	481.
V COMMERCIAL UMBRELLA		
	TOTAL ONE YEAR PREMIUM	$ 43,251.

If premium is payable Three-year Prepaid,

Amount due at inception is $ _____*

If premium is payable at each anniversary,

1. Amount due at inception is $ _____

2. Amount due each subsequent Anniversary $ _____*

*PLUS AUTOMOBILE PREMIUMS FOR EACH SUBSEQUENT ANNIVERSARY

ANY PREMIUMS SUBJECT TO AUDIT WILL BE ADJUSTED AS PROVIDED IN THE POLICY

I. COVERAGE A – BODILY INJURY COVERAGE B – PROPERTY DAMAGE

The company will pay on behalf of the insured all sums which the insured shall become legally obligated to pay as damages because of bodily injury or property damage to which this insurance applies, caused by an occurrence. The company shall have the right and duty to defend any suit against the insured seeking damages on account of such bodily injury or property damage, even if any of the allegations of the suit are groundless, false or fraudulent, and may make such investigation and settlement of any claim or suit as it deems expedient. The company shall not be obligated to pay any claim or judgment or to defend any suit after the applicable limit of the company's liability has been exhausted by payment of judgments or settlements.

Exclusions

This insurance does not apply:

(a) to bodily injury or property damage included within the war hazard with respect to liability assumed by the insured, under any contract or agreement or expenses for first aid under the Supplementary Payments provision;

(b) to any obligation for which the insured or any carrier as his insurer may be held liable under any workmen's compensation, unemployment compensation or disability benefits law, or under any similar law;

(c) to bodily injury to any employee of the insured arising out of and in the course of his employment by the insured for which the insured may be held liable as an employer or in any other capacity; to any obligation of the insured to indemnify or contribute with another because of damages arising out of the bodily injury; to bodily injury sustained by the spouse, child parent, brother, or sister of an employee of the insured as a consequence of bodily injury to such employee arising out of and in the course of his employment by the insured;

this exclusion applies to all claims and suits by any person or organization for damages because of such bodily injury including damages for care and loss of services;

but this exclusion does not apply to liability assumed by the insured under any contract;

(d) to property damage; (1) to property owned by the insured; (2) to property occupied by or rented to the insured, (3) to property under bailment to the insured (except injury to or destruction of such property arising out of the use of elevators or escalators or to liability assumed under sidetrack agreements); (4) to that particular part of any property (a) upon which operations are being performed by or on behalf of the insured, or (b) out of which such injury or destruction arises; (5) to premises alienated by the named insured arising out of such premises or any part thereof; (6) to the named insured's products arising out of such products or any part of such products; (7) to work performed by the named insured arising out of the work or any portion thereof, or out of materials, parts or equipment furnished in connection therewith;

(e) to loss of use of tangible property which has not been physically injured or destroyed resulting from

(1) a delay in or lack of performance by or on behalf of the named insured of any contract or agreement, or

(2) The failure of the named insured's products or work performed by or on behalf of the named insured to meet the level of performance, quality, fitness or durability warranted or represented by the named insured;

but this exclusion does not apply to loss of use of other tangible property resulting from the sudden and accidental physical injury to or destruction of the named insured's products or work performed by or on behalf of the named insured after such products or work have been put to use by any person or organization other than an insured;

(f) to damages claimed for the withdrawal, inspection, repair, replacement, or loss of use of the named insured's products or work completed by or for the named insured or of any property of which such products or work form a part, if such products, work or property are withdrawn from the market or from use because of any known or suspected defect or deficiency therein;

(g) to bodily injury or property damage arising out of the ownership, maintenance, operation, use, loading or unloading of

(1) any automobile or aircraft owned or operated by or rented or loaned to any insured, or

(2) any other automobile or aircraft operated by any person in the course of his employment by any insured;

but this exclusion does not apply to the parking of an automobile on premises owned by, rented to or controlled by the named insured or the ways immediately adjoining, if such automobile is not owned by or rented or loaned to any insured;

(h) to bodily injury or property damage for liability assumed under any contract or agreement not in writing. The written contract must be relating to the conduct of the named insured's business. The insurance afforded with respect to liability assumed under a written contract is subject to the other exclusions of this policy except (g) and subject to the following additional exclusions:

(1) to bodily injury or property damage for which the insured has assumed liability under any contract, if such injury or damage occurred prior to the execution of the contract;

(2) if the insured is an architect, engineer or surveyor, to bodily injury or property damage arising out of the rendering of or the failure to render professional services by such insured, including

(i) the preparation or approval of maps, drawings, opinions, reports, surveys, change orders, designs or specifications, and

(ii) supervisory, inspection or engineering services;

(3) If the indemnitee of the insured is an architect, engineer or surveyor, to the liability of the indemnitee, his agents or employees, arising out of

(i) the preparation or approval of or the failure to prepare or approve maps, drawings, opinions, reports, surveys, change orders, designs or specifications, or

(ii) the giving of or the failure to give directions or instructions by the indemnitee, his agents or employees, provided such giving or failure to give is the primary cause of the bodily injury or property damage;

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(4) to any obligation for which the **insured** may be held liable in an action on a contract by a third party beneficiary for **bodily injury** or **property damage** arising out of a project for a public authority; but this exclusion does not apply to an action by the public authority or any other person or organization engaged in the project;

(5) to **bodily injury** or **property damage** arising out of construction or demolition operations, within 50 feet of any railroad property, and affecting any railroad bridge or trestle, tracks, roadbeds, tunnel, underpass or crossing; but this exclusion does not apply to sidetrack agreements or easement or license agreements in connection with vehicle or pedestrian private railroad crossings at grade;

(i) to **bodily injury** or **property damage** arising out of (1) the ownership, maintenance, operation, use, loading or unloading of any **mobile equipment** while being used in any prearranged or organized racing, speed or demolition contest or in any stunting activity or in practice or preparation for any such contest or activity or (2) the operation or use of any snowmobile or trailer designed for use therewith;

(j) to **bodily injury** or **property damage** arising out of the discharge, dispersal, release or escape of smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids or gases, waste materials or other irritants, contaminants or pollutants into or upon land, the atmosphere or any water course or body of water; but this exclusion does not apply if such discharge, dispersal, release or escape is sudden and accidental;

(k) to **bodily injury** or **property damage** arising out of and in the course of the transportation of **mobile equipment** by an **automobile** owned or operated by or rented or loaned to any **insured**.

II. SUPPLEMENTARY PAYMENTS

The company will pay, in addition to the applicable limit of liability:

(a) all expenses incurred by the company, all costs taxed against the **insured** in any suit defended by the company and all interest on the entire amount of any judgment therein which accrues after entry of the judgment and before the company has paid or tendered or deposited in court that part of the judgment which does not exceed the limit of the company's liability thereon;

(b) premiums on appeal bonds required in any such suit, premiums on bonds to release attachments in any such suit for an amount not in excess of the applicable limit of liability of this policy, and the cost of bail bonds required of the **insured** not to exceed $250 per bail bond, but the company shall have no obligation to apply for or furnish any such bonds;

(c) expenses incurred by the **insured** for first aid to others at the time of an **occurrence**, for **bodily injury** to which this policy applies;

(d) reasonable expenses incurred by the **insured** at the company's request in assisting the company in the investigation or defense of any claim or suit, including actual loss of earnings not to exceed $25 per day.

III. COVERAGE E — PREMISES MEDICAL PAYMENTS

The company will pay to or for each person who sustains **bodily injury** caused by accident all reasonable medical expense incurred within one year from the date of the accident on account of such **bodily injury**, provided such **bodily injury** arises out of (a) a condition in the **insured premises** or (b) operations with respect to which the **named insured** is afforded coverage for **bodily injury** liability under this policy.

Exclusions

This insurance does not apply

(a) to **bodily injury**

(1) arising out of the ownership, maintenance, operation, use, loading or unloading of

(i) any **automobile** or aircraft owned or operated by or rented or loaned to any **insured**, or

(iii) any other **automobile** or aircraft operated by any person in the course of his employment by any **insured**;

but this exclusion does not apply to the parking of an **automobile** on the **insured premises**, if such **automobile** is not owned by or rented or loaned to any **insured**;

(2) arising out of (i) the ownership, maintenance, operation, use, loading or unloading of any **mobile equipment** while being used in any prearranged or organized racing, speed or demolition contest or in any stunting activity or in practice or preparation for any such contest or activity or (ii) the operation or use of any snowmobile or trailer designed for use therewith;

(3) arising out of the ownership, maintenance, operation, use, loading or unloading of

(i) any watercraft owned or operated by or rented or loaned to any **insured**, or

(ii) any other watercraft operated by any person in the course of his employment by any **insured**;

but this exclusion does not apply to watercraft while ashore on the **insured premises**; or

(4) arising out of, and in the course of the transportation of **mobile equipment** by an automobile owned or operated by or rented or loaned to any **insured**;

(b) to **bodily injury**

(1) included within the **completed operations hazard** or the **products hazard**;

(2) arising out of operations performed for the **named insured** by independent contractors other than (i) maintenance and repair of the **insured premises** or (ii) structural alterations at such premises which do not involve changing the size or moving buildings or other structures;

(3) resulting from the selling serving or giving of any alcoholic beverage (i) in violation of any statute, ordinance or regulation, (ii) to a minor, (iii) to a person under the influence of alcohol or (iv) which causes or contributes to the intoxication of any person, if the **named insured** is a person or organization engaged in the business of manufacturing, distributing, selling or serving alcoholic beverages or, if not so engaged, is an owner or lessor of premises used for such purposes, but only part (i) of this exclusion (b) (3) applies when the **named insured** is such an owner or lessor;

(4) included within the **war hazard**;

(c) to **bodily injury**

(1) to the **named insured**, any partner therein, any tenant or other person regularly residing on the **insured premises** or any employee of any of the foregoing if the **bodily injury** arises out of and in the course of his employment therewith;

(2) to any other tenant if the **bodily injury** occurs on that part of the **insured premises** rented from the **named insured** or to any employee of such a tenant if the **bodily injury** occurs on the tenant's part of the **insured premises**

and arises out of and in the course of his employment for the tenant.

(3) to any person while engaged in maintenance and repair of the insured premises or alteration, demolition or new construction at such premises;

(4) to any person if any benefits for such bodily injury are payable or required to be provided under any workmen's compensation, unemployment compensation or disability benefits law, or under any similar law;

(5) to any person practicing, instructing or participating in any physical training, sport, athletic activity or contest;

(d) to any medical expenses for services by the named insured, any employee thereof or any person or organization under contract to the named insured to provide such services.

IV. PERSONS INSURED (Coverages A and B)

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

(a) the named insured and, if an individual, the spouse of such named insured if a resident of the same household;

(b) if the named insured is designated in the declarations as

(1) an individual, the person so designated but only with respect to the conduct of a business of which he is the sole proprietor, and the spouse of the named insured with respect to the conduct of such a business;

(2) a partnership or joint venture, the partnership or joint venture so designated and any partner or member thereof but only with respect to his liability as such;

(3) other than an individual, partnership or joint venture, the organization so designated and any executive officer, director or stockholder thereof while acting within the scope of his duties as such;

(c) any person (other than an employee of the named insured) or organization while acting as real estate manager for the named insured; and

(d) with respect to the operation, for the purpose of locomotion upon a public highway, of mobile equipment registered under any motor vehicle registration law,

(1) an employee of the named insured while operating any such equipment in the course of his employment, and

(2) any other person while operating with the permission of the named insured any such equipment registered in the name of the named insured and any person or organization legally responsible for such operation, but only if there is no other valid and collectible insurance available, either on a primary or excess basis, to such person or organization;

provided that no person or organization shall be an insured under this paragraph (d) with respect to:

(i) bodily injury to any fellow employee of such person injured in the course of his employment, or

(ii) property damage to property owned by, rented to, in charge of or occupied by the named insured or the employer of any person described in subparagraph (2).

This insurance does not apply to bodily injury or property damage arising out of the conduct of any partnership or joint venture of which the insured is a partner or member and which is not designated in this policy as a named insured.

V. LIMITS OF LIABILITY

Regardless of the number of (1) insureds under this policy, (2) persons or organizations who sustain bodily injury or property damage, (3) claims made or suits brought on account of bodily injury or property damage the company's liability is limited as follows:

COVERAGES A AND B

A. Divided Limits Plan

Coverage A — The total liability of the company for all damages, including damages for care and loss of services, because of bodily injury sustained by one or more persons as the result of any one occurrence shall not exceed the limit of bodily injury liability stated in the additional declarations as applicable to "each occurrence."

Subject to the above provisions respecting "each occurrence", the total liability of the company for all damages because of (1) all bodily injury included within the completed operations hazard and (2) all bodily injury included within the products hazard shall not exceed the limit of bodily injury liability stated in the additional declarations as "aggregate".

Coverage B — The total liability of the company for all damages because of all property damage sustained by one or more persons or organizations as the result of any one occurrence shall not exceed the limit of property damage liability stated in the additional declarations as applicable to "each occurrence".

Subject to the above provisions respecting "each occurrence", the total liability of the company for all damages because of all property damage to which the coverage applies and described in any of the numbered subparagraphs below shall not exceed the limit of property damage liability stated in the additional declarations as "aggregate".

(1) all property damage arising out of premises or operations rated on a remuneration basis or contractor's equipment rated on a receipts basis, including property damage for which liability is assumed under any incidental contract relating to such premises or operations, but excluding property damage included in subparagraph (2) below;

(2) all property damage arising out of and occurring in the course of operations performed for the named insured by independent contractors, and general supervision thereof by the named insured, including any such property damage for which liability is assumed under any incidental contract relating to such operations, but this subparagraph (2) does not include property damage arising out of maintenance or repairs at premises owned by or rented to the named insured or structural alterations at such premises which do not involve changing the size of, or moving building or other structures;

(3) all property damage included within the products hazard and all property damage included within the completed operations hazard.

Such aggregate limit shall apply separately to the property damage described in subparagraphs (1), (2) and (3) above, and under subparagraphs (1) and (2), separately with respect to each project away from premises owned by or rented to the named insured.

Coverages A and B — For the purpose of determining the limit of the company's liability, all bodily injury and property damage arising out of continuous or repeated exposure to substantially the same general conditions shall be considered as arising out of one occurrence.

B. Combined Limits Plan

The limit of liability under the Combined Limits Plan expressed in the schedule as applicable to "each occurrence" is the total limit of the company's liability under the bodily injury liability and property damage liability cover-

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ages combined for all damages as the result of any one occurrence provided:

(a) such limit of liability shall be the total limit of the company's liability during each annual policy period as the result of one or more than one **occurrence**, but said limit of liability shall apply separately to each project with respect to operations being performed away from premises owned by or rented to the **insured**;

(b) with respect to any **occurrence** for which the notice of this policy is given in lieu of security, or when this policy is certified as proof of financial responsibility under the provisions of the motor vehicle financial responsibility law of any state or province, such limit of liability shall be applied in accordance with the applicable terms of such law, except that the total limit of liability shall not be reduced.

For the purpose of determining the limit of the company's liability, all **bodily injury** and **property damage** arising out of continuous or repeated exposure to substantially the same general conditions shall be considered as arising out of one **occurrence**.

COVERAGE E

The limit of liability for Premises Medical Payments Coverage stated in the schedule as applicable to "each person" is the limit of the company's liability for all medical expense for **bodily injury** to any one person as the result of any one accident; but subject to the above provision respecting "each person", the total liability of the company under Premises Medical Payments Coverage for all medical expense for **bodily injury** to two or more persons as the result of any one accident shall not exceed the limit of liability stated in the schedule as applicable to "each accident".

When more than one medical payments coverage afforded by this policy applies to the loss, the company shall not be liable for more than the amount of the highest applicable limit of liability.

VI. POLICY TERRITORY

This insurance applies only to **bodily injury** or **property damage** which occurs: (1) for Coverages A and B, within the **policy territory**; (2) for Coverage E, within the United States of America, its territories or possessions, or Canada.

VII. DEFINITIONS

When used in this policy (including endorsements forming a part hereof):

"automobile" means a land motor vehicle, trailer or semitrailer designed for travel on public roads (including any machinery or apparatus attached thereto), but does not include **mobile equipment**;

"bailment" means a delivery of property by any person to the **insured** for purpose beneficial to either the **insured** or such person or both under a contract, express or implied, for the **insured** to carry out such purpose and to redeliver such property or otherwise dispose of its as provided;

"bodily injury" means **bodily injury**, sickness or disease sustained by any person which occurs during the policy period, including death at any time resulting therefrom;

"completed operations hazard" includes **bodily injury** and **property damage** arising out of operations or reliance upon a representation or warranty made at any time with respect thereto, but only if the **bodily injury** or **property damage** occurs after such operations have been completed or abandoned and occurs away from premises owned by or rented to the **named insured**. "Operations" include materials, parts or equipment furnished in connection therewith. Operations shall be deemed completed at the earliest of the following times:

(1) when all operations to be performed by or on behalf of the **named insured** under the contract have been completed;

(2) when all operations to be performed by or on behalf of the **named insured** at the site of the operations have been completed, or

(3) when the portion of the work out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.

Operations which may require further service or maintenance work, or correction, repair or replacement because of any defect or deficiency, but which are otherwise completed, shall be deemed completed.

The **completed operations hazard** does not include **bodily injury** or **property damage** arising out of

(a) operations in connection with the transportation of property, unless the **bodily injury** or **property damage** arises out of a condition in or on a vehicle created by the loading or unloading thereof;

(b) the existence of tools, uninstalled equipment or abandoned or unused materials, or

(c) operations for which the classification stated in the policy or in the company's manual specifies "including completed operations".

"domestic employee" means an employee of an **insured** performing duties not in connection with the **insured's** business;

"elevator" means any hoisting or lowering device to connect floors or landings, whether or not in service, and all appliances thereof including any car, platform, shaft, hoistway, stairway, runway, power equipment and machinery; but does not include an **automobile** servicing hoist, or a hoist without a platform outside a building if without mechanical power or if not attached to building walls, or a hod or material hoist used in alteration, construction or demolition operations, or an inclined conveyor used exclusively for carrying property or a dumbwaiter used exclusively for carrying property and having a compartment height not exceeding four feet, or hydraulic or mechanical hoists used for dumping materials from trucks;

"incidental contract" means any written (1) lease of premises, (2) easement agreement, except in connection with construction or demolition operations on or adjacent to a railroad, (3) undertaking to indemnify a municipality required by municipal ordinance, except in connection with work for the municipality, (4) sidetrack agreement, or (5) elevator maintenance agreement;

"insured" means any person or organization qualifying as an **insured** in the **"Persons Insured"** provision of the applicable insurance coverage. The insurance afforded applies separately to each **insured** against whom claim is made or suit is brought, except with respect to the limits of the company's liability;

"insured premises" means all premises owned by or rented to the **named insured** with respect to which the **named insured** is afforded coverage for **bodily injury** liability under this policy, and includes the ways immediately adjoining on land;

"loading or unloading", with respect to an **automobile**, means the handling of property after it is moved from the place where it is accepted for movement into or onto an **automobile** or while it is in or on an **automobile** or while it is being moved from an **automobile** to the place where it is finally delivered, but "loading or unloading" does not include the movement of property by means of a mechanical device (other than a hand truck) not attached to the **automobile**;

"medical expense" means expenses for necessary medical, surgical, x-ray and dental services, including prosthetic devices, and necessary ambulance, hospital, professional nursing and funeral services;

"mobile equipment" means a land vehicle (including any machinery or apparatus attached thereto), whether or not self-propelled, (1) not subject to motor vehicle registration, or (2) maintained for use exclusively on premises owned by or rented to the named insured, including the ways immediately adjoining or (3) designed for use principally off public roads, or (4) designed or maintained for the sole purpose of affording mobility to equipment of the following types forming an integral part of or permanently attached to such vehicle; power cranes, shovels, loaders, diggers and drills; concrete mixers (other than the mix-in-transit type); graders, scrapers, rollers, and other road construction or repair equipment; air-compressors, pumps and generators, including spraying, welding and building cleaning equipment; and geophysical exploration and well servicing equipment;

"named insured" means the person or organization named in Item 1. of the declarations of this policy;

"named insured's products" means goods or products manufactured, sold, handled or distributed by the named insured or by others trading under his name, including any container thereof (other than a vehicle), but "named insured's products" shall not include a vending machine or any property other than such container, rented to or located for use of others but not sold;

"occurrence" means an accident, including continuous or repeated exposure to conditions, which results in bodily injury or property damage neither expected nor intended from the standpoint of the insured;

"policy territory" means anywhere in the world, provided, however, that: (1) resulting claims are originally asserted within the United States of America, its possessions, or Canada, and (2) it shall apply to suits and judgments for damages resulting therefrom only if suit is originally commenced in a court in the United States of America, its possessions or in Canada;

"products hazard" includes bodily injury and property damage arising out of the named insured's products or reliance upon a representation or warranty made at any time with respect thereto, but only if the bodily injury or property damage occurs away from premises owned by or rented to the named insured and after physical possession of such products has been relinquished to others;

"property damage" means (1) physical injury to or destruction of tangible property which occurs during the policy period, including the loss of use thereof at any time resulting therefrom, or (2) loss of use of tangible property which has not been physically injured or destroyed provided such loss of use is caused by an occurrence during the policy period.

"suit" includes an arbitration proceeding to which the insured is required to submit or to which the insured has submitted with the company's consent.

"war hazard" includes all bodily injury and property damage due to war whether or not declared, civil war, insurrection, rebellion or revolution or to any act or condition incident to any of the foregoing.

VIII. ADDITIONAL CONDITIONS

1. **Premium.** All premiums for this policy shall be computed in accordance with the Company's rules, rates, rating plans, premiums and minimum premiums applicable to the insurance afforded herein.

   Premium designated in this policy as "advance premium" is a deposit premium only which shall be credited to the amount of the earned premium due at the end of the policy period. At the close of each period (or part thereof terminating with the end of the policy period) designated in the declarations as the audit period, the earned premium shall be computed for such period and, upon notice thereof to the named insured, shall become due and payable. If the total earned premium for the policy period is less than the premium previously paid, the company shall return to the named insured the unearned portion paid by the named insured.

   If this policy is issued for a period in excess of one year with a specified expiration date and a premium is payable at each anniversary, such premium shall be determined annually on the basis of the rates in effect at the anniversary date.

   If this policy is issued for a period without a specified expiration date, it may be continued by payment of the required premium for the succeeding annual period. Such premium must be paid to the Company prior to each anniversary date; if not so paid, this policy shall expire on the first anniversary date that the said premium has not been received by the Company.

   The named insured shall maintain records of such information as is necessary for premium computation and shall send copies of such records to the company at the end of the policy period and at such times during the policy period as the company may direct.

2. **Inspection and Audit.** The company shall be permitted but not obligated to inspect the named insured's property and operations at any time. Neither the company's right to make inspections nor the making thereof nor any report thereon shall constitute an undertaking, on behalf of or for the benefit of the named insured or others, to determine or warrant that such property or operations are safe or healthful, or are in compliance with any law, rule or regulation.

   The company may examine and audit the named insured's books and records at any time during the policy period and extensions thereof and within three years after the final termination of this policy, as far as they relate to the subject matter of this insurance.

3. **Financial Responsibility Laws.** Such insurance as is afforded by this policy for bodily injury liability or for property damage liability shall comply with the provisions of any motor vehicle financial responsibility law to the extent of the coverage and limits of liability required by such law.

4. **Insured's Duties in the Event of Occurrence, Claim or Suit.**
   (a) In the event of an occurrence, written notice containing particulars sufficient to identify the insured and also reasonably obtainable information with respect to the time, place and circumstances thereof, and the names and addresses of the injured and of available witnesses, shall be given by or for the insured to the company or any of its authorized agents as soon as practicable.
   (b) If claim is made or suit is brought against the insured, the insured shall immediately forward to the company every demand, notice, summons or other process received by him or his representative.
   (c) The insured shall cooperate with the company and, upon the company's request, assist in making settlements, in the conduct of suits and in enforcing any right of contribution or indemnity against any person or organization who may be liable to the insured because of injury or damage with respect to which insurance is afforded under this policy; and the insured shall attend hearings and trials and assist in securing and giving evidence and obtaining the attendance of witnesses. The insured shall not, except at his own cost, voluntarily make any payment, assume

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any obligation or incur any expense other than for first aid to others at the time of accident.

5. **Action Against Company.** No action shall lie against the company unless, as a condition precedent thereto, there shall have been full compliance with all of the terms of this policy, nor until the amount of the insured's obligation to pay shall have been finally determined either by judgment against the insured after actual trial or by written agreement of the insured, the claimant and the company.

   Any person or organization or the legal representative thereof who has secured such judgment or written agreement shall thereafter be entitled to recover under this policy to the extent of the insurance afforded by this policy. No person or organization shall have any right under this policy to join the company as a party to any action against the insured to determine the insured's liability, nor shall the company be impleaded by the insured or his legal representative. Bankruptcy or insolvency of the insured or of the insured's estate shall not relieve the company of any of its obligations hereunder.

6. **Subrogation.** In the event of any payment under this policy, the company shall be subrogated to all the insured's rights of recovery therefor against any person or organization and the insured shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The insured shall do nothing after loss to prejudice such rights.

7. **Other Insurance.** The insurance afforded by this policy is primary insurance, except when stated to apply in excess of or contingent upon the absence of other insurance. When this insurance is primary and the insured has other insurance which is stated to be applicable to the loss on an excess or contingent basis, the amount of the company's liability under this policy shall not be reduced by the existence of such other insurance.

   When both this insurance and other insurance apply to the loss on the same basis, whether primary, excess or contingent, the company shall not be liable under this policy for a greater proportion of the loss than that stated in the applicable contribution provision below.

   (a) **Contribution by Equal Shares.** If all of such other valid and collectible insurance provides for contribution by equal shares, the company shall not be liable for a greater proportion of such loss than would be payable if each insurer contributes an equal share until the share of each insurer equals the lowest applicable limit of liability under any one policy or the full amount of the loss is paid, and with respect to any amount of loss not so paid the remaining insurers then continue to contribute equal shares of the remaining amount of the loss until each such insurer has paid its limit in full or the full amount of the loss is paid.

   (b) **Contribution by Limits.** If any of such other insurance does not provide for contribution by equal shares, the company shall not be liable for a greater proportion of such loss than the applicable limit of liability under this policy for such loss bears to the total applicable limit of liability of all valid and collectible insurance against such loss.

8. **Changes.** Notice to any agent or knowledge possessed by any agent or by any other person shall not effect a waiver or a change in any part of this policy or estop the company from asserting any right under the terms of this policy; nor shall the terms of this policy be waived or changed, except by endorsement issued to form a part of this policy.

9. **Assignment.** Assignment of interest under this policy shall not bind the company until its consent is endorsed hereon; if, however, the named insured shall die, such insurance as is afforded by this policy shall apply (1) to the named insured's legal representative, as the named insured, but only while acting within the scope of his duties as such, and (2) with respect to the property of the named insured, to the person having proper temporary custody thereof, as insured, but only until the appointment and qualification of the legal representative.

10. **Annual Aggregate.** If this policy is issued for a period of three years any limit of the company's liability stated in this policy as "aggregate" shall apply separately to each consecutive annual period thereof.

11. **Cancellation.** This policy may be cancelled by the named insured by surrender thereof to the Company or any of its authorized agents or by mailing to the Company written notice stating when thereafter the cancellation shall be effective. This policy may be cancelled by the Company by mailing to the named insured at the mailing address shown in the Declarations, written notice stating when not less than ten days thereafter such cancellation shall be effective. The mailing of notice as aforesaid shall be sufficient proof of notice. The time of surrender or the effective date and hour of cancellation stated in the notice shall become the end of the policy period. Delivery of such written notice either by the named insured or by the Company shall be equivalent to mailing.

    If the named insured cancels, the Company shall, upon demand and surrender of this policy, refund the excess of paid premium above the customary short rates for the expired time. If the Company cancels, earned premium shall be computed pro rata. Premium adjustment may be made either at the time cancellation is effected or as soon as practicable after cancellation becomes effective, but payment or tender or unearned premium is not a condition of cancellation.

12. **Liberalization Clause.** In the event any filing is submitted to the insurance supervisory authorities on behalf of the Company, and:

    (a) the filing is approved or accepted by the insurance authorities to be effective while this policy is in force or within 45 days prior to its inception; and

    (b) the filing includes insurance forms or other provisions that would extend or broaden this insurance by endorsement or substitution of form, without additional premium;

    the benefit of such extended or broadened insurance shall inure to the benefit of the insured as though the endorsement or substitution of form had been made.

13. **Insurance Under More Than One Coverage, Part or Endorsement.** In the event that more than one coverage, part or endorsement of this policy insures the same loss, damage or claim, the Company shall not be liable for more than the actual loss or damage sustained by the insured.

14. **Time of Inception.** To the extent that coverage in this policy replaces coverage in other policies terminating noon standard time on the inception date of this policy, coverage under this policy shall not become effective until such other coverage has terminated.

15. **Medical Reports; Proof and Payment of Claim.** As soon as practicable the injured person or someone on his behalf shall give to the company written proof of claim, under oath if required, and shall, after each request from the company, execute authorization to enable the company to obtain medical reports and copies of records. The injured person shall submit to physical examination by physicians selected by the company when and as often as the company may reasonably require. The company may pay the injured person

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or any person or organization rendering the services and the payment shall reduce the amount payable hereunder for such injury. Payment hereunder shall not constitute an admission of liability of any person or, except hereunder, of the company.

16. **Arbitration.** The company shall be entitled to exercise all of the insured's rights in the choice or arbitrators and in the conduct of any arbitration proceeding.

17. **Waiver or Change of Provisions.** The terms of this insurance shall not be waived, changed or modified except by endorsement issued to form a part of this policy.

18. **Nuclear Exclusion.**

I. This policy does not apply:

(a) Under any Liability Coverage, to **bodily injury** or **property damage**,

(1) with respect to which an insured under this policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters or Nuclear Insurance Association of Canada, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or

(2) resulting from the **hazardous properties** of **nuclear material** and with respect to which (i) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or (ii) the **insured** is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.

(b) Under any Medical Payments Coverage, or under any Supplementary Payments provision relating to first aid to expenses incurred with respect to **bodily injury** resulting from the **hazardous properties** of **nuclear material** and arising out of the operation of a **nuclear facility** by any person or organization.

(c) Under any Liability Coverage, to **bodily injury** or **property damage** resulting from the **hazardous properties** of **nuclear material**, if

(1) the **nuclear material** (i) is at any **nuclear facility** owned by, or operated by or on behalf of an **insured** or (ii) has been discharged or dispersed therefrom;

(2) the **nuclear material** is contained in **spent fuel** or **waste** at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of an insured; or

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

II. As used in this exclusion

"**hazardous properties**" include radioactive, toxic or explosive properties;

"**nuclear material**" means **source material**, **special nuclear material** or **byproduct material**;

"**source material**", "**special nuclear material**", and "**byproduct material**" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof;

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

"**waste**" means any waste material (1) containing **byproduct material** other than the tailings or **wastes** produced by extraction or concentration of uranium or thorium from any ore processed primarily for its **source material** content, and (2) resulting from the operation by any person or organization of any **nuclear facility** included under the first two paragraphs of the definition of **nuclear facility**;

"**nuclear facility**" means

(a) any **nuclear reactor**,

(b) any equipment or device designed or used for (1) separating the isotopes of uranium or plutonium, (2) processing or utilizing **spent fuel**, or (3) handling, processing or packaging **waste**,

(c) any equipment or device used for the processing, fabricating or alloying of **special nuclear material** if at any time the total amount of such material in the custody of the **insured** at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235,

(d) any structure, basin, excavation, premises or place prepared or used for the storage or disposal of waste,

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations;

"**nuclear reactor**" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material;

"**property damage**" includes all forms of radioactive contamination of property.

19. **Special Definitions.** Wherever in any form attached the word "policy" appears it shall mean the section of this policy of which such form is a part, or the supplemental policy or policies to which such form applies.

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Transamerica
Insurance Services

Transamerica Insurance Group
of Companies

Blanket Additional Coverage Endorsement (Section II — Liability)

It is agreed that such insurance as is provided under the Blanket Liability Coverage Supplement is extended to include the following additional insurance:

I. FIRE LEGAL LIABILITY – REAL PROPERTY

The company will pay on behalf of the insured all sums which the insured shall become legally obligated to pay as damages because of property damage to structures or portions thereof rented to or leased to the named insured, including fixtures permanently attached thereto, if such property damage arises out of fire;

A. All of the exclusions of this policy, other than the Nuclear Energy Liability Exclusion (Broad Form), are deleted and replaced by the following:

This insurance does not apply to liability assumed by the insured under any contract or agreement.

B. The limit of property damage liability as respects this Fire Legal Liability Coverage – Real Property is $100,000.00 each occurrence unless otherwise stated in the Declarations.

II. INCIDENTAL MEDICAL MALPRACTICE LIABILITY COVERAGE

Such insurance as is provided under Coverage A — Bodily Injury, is amended to include Incidental Medical Malpractice Injury.

Incidental Medical Malpractice Injury means injury arising out of the rendering of or failure to render, during the policy period, the following services:

A. medical, surgical, dental, x-ray or nursing service or treatment or the furnishing of food or beverages in connection therewith; or

B. the furnishing or dispensing of drugs or medical, dental or surgical supplies or appliances.

This coverage does not apply to:

1. expenses incurred by the insured for first-aid to others at the time of an accident and the "Supplementary Payments" provision and the "Insured's Duties in the Event of Occurrence, Claim or Suit" Condition are amended accordingly; or

2. any insured engaged in the business or occupation of providing any of the services described under II (A) and (B) above;

3. injury caused by any indemnitee if such indemnitee is engaged in the business or occupation of providing any of the services described under II (A) and (B) above.

III. PERSONAL INJURY AND ADVERTISING INJURY LIABILITY COVERAGE

A. The company will pay on behalf of the insured all sums which the insured shall become legally obligated to pay as damages because of personal injury or advertising injury to which this insurance applies, sustained by any person or organization and arising out of the conduct of the named insured's business, within the policy territory, and the company shall have the right and duty to defend any suit against the insured seeking damages on account of such injury, even if any of the allegations of the suit are groundless, false or fraudulent, and may make such investigation and settlement of any claim or suit as it deems expedient, but the company shall not be obligated to pay any claim or judgment or to defend any suit after the applicable limit of the company's liability has been exhausted by payment of judgments or settlements.

B. This insurance does not apply:

1. to liability assumed by the insured under any contract or agreement;

2. to personal injury or advertising injury arising out of the wilful violation of a penal statute or ordinance committed by or with the knowledge or consent of the insured;

3. to personal injury or advertising injury arising out of a publication or utterance of a libel or slander, or a publication or utterance in violation of an individual's right of privacy, if the first injurious publication or utterance of the same or similar material by or on behalf of the named insured was made prior to the effective date of this insurance;

4. to personal injury or advertising injury arising out of libel or slander or the publication or utterance of defamatory or disparaging material concerning any person or organization or goods, products or services, or in violation of an individual's right of privacy, made by or at the direction of the insured with knowledge of the falsity thereof;

5. to personal injury or advertising injury arising out of the conduct of any partnership or joint venture of which the insured is a partner or member and which is not designated in the declarations of the policy as a named insured;

6. to advertising injury arising out of

a. failure of performance of contract, but this exclusion does not apply to the unauthorized appropriation of ideas based upon alleged breach of implied contract, or

b. infringement of trademark, service mark or trade name, other than titles or slogans, by use thereof on or in connection with goods, products or services sold, offered for sale or advertised, or

c. incorrect description or mistake in advertised price of goods, products or services sold, offered for sale or advertised;

7. with respect to advertising injury

a. to any insured in the business of advertising, broadcasting, publishing or telecasting, or

b. to any injury arising out of any act committed by the insured with actual malice.

C. Limits of Liability

Regardless of the number of (1) insureds hereunder, (2) persons or organizations who sustain injury or damage, or (3) claims made or suits brought on account of personal injury or advertising injury the total limit of the company's liability under this coverage for all damages shall not exceed the per occurrence bodily injury liability limit stated in the General Liability Schedule.

D. Additional Definitions

"Advertising Injury" means injury arising out of an offense committed during the policy period occurring in the course of the named insured's advertising activities, if such injury arises out of libel, slander, defamation, violation of right of privacy, piracy, unfair competition, or infringement of copyright, title or slogan.

"Personal Injury" means injury arising out of one or more of the following offenses committed during the policy period:

1. false arrest, detention, imprisonment, or malicious prosecution;

2. wrongful entry or eviction or other invasion of the right of private occupancy,

3. a publication or utterance

a. of a libel or slander or other defamatory or disparaging material, or

b. in violation of an individual's right of privacy;

except publications or utterances in the course of or related to advertising, broadcasting, publishing or telecasting activities conducted by or on behalf of the named insured shall not be deemed personal injury;

IV. BLANKET CONTRACTUAL LIABILITY COVERAGE

A. The definition of incidental contract is extended to include any contract or agreement relating to the conduct of the named insured's business.

B. The insurance afforded with respect to liability assumed under an incidental contract is subject to the following additional exclusions:

1. to bodily injury or property damage for which the insured has assumed liability under any incidental contract, if such injury or damage occurred prior to the execution of the incidental contract;

2. if the insured is an architect, engineer or surveyor, to bodily injury or property damage arising out of the rendering or failure to render professional services by such insured, including

a. the preparation or approval of maps, drawings, opinions, reports, surveys, change orders, designs or specifications, and

b. supervisory, inspection or engineering services;

3. if the indemnitee of the insured is an architect, engineer or surveyor, to the liability of the indemnitee, his agents or employees, arising out of

a. the preparation or approval or the failure to prepare or approve maps, drawings, opinions, reports, surveys, change orders, designs or specifications, or

b. the giving of or the failure to give directions or instructions by the indemnitee, his agent or employees, provided such giving or failure to give is the primary cause of the bodily injury or property damage;

4. to any obligation for which the insured may be held liable in an action on a contract by a third party beneficiary for bodily injury or property damage arising out of a project for a public authority; but this exclusion does not apply to an action by the public authority or any other person or organization engaged in the project;

5. to bodily injury or property damage arising out of operations, within 50 feet of any railroad property, affecting any railroad bridge or trestle, tracks, road beds, tunnel, underpass or crossing; but this exclusion does not apply to sidetrack agreements.

C. The following exclusion applicable to Coverages A (Bodily Injury) and B (Property Damage) does not apply to this Contractual Liability Coverage: (g).

To liability assumed by the insured under any contract or agreement except an incidental contract.

D. Exclusion (h) is replaced by the following:

V. ADDITIONAL PERSONS INSURED

As respects Coverage A (bodily injury) and B (property damage), an advertising injury and personal injury coverages, under the provisio "Persons Insured," the following are added as insureds:

1. Spouse — Partnership — If the named insured is a partnership, the spouse of a partner but only with respect to the conduct of the business of the named insured.

2. Employee — Any employee of the named insured while acting within the scope of his duties as such, but the insurance afforded to such employee does not apply:

a. to bodily injury or personal injury to another employee of the named insured arising out of or in the course of his employment;

b. to personal injury or advertising injury to the named insured or, if the named insured is a partnership or joint venture, any partner or member thereof, or the spouse of any of the foregoing;

c. to property damage to property owned, occupied or used by, rented to, in the care, custody or control of or over which physical control is being excercised for any purpose by another employee of the named insured, or by the named insured or, if the named insured is a partnership or joint venture, any partner or member thereof or b the spouse of any of the foregoing.

VI. AMENDMENT OF DEFINITION OF OCCURRENCE

With respect to insurance for Coverage A, bodily injury and Coverage B, property damage, provided by this policy, the definition of occurrence includes any intentional act by or at the direction of the insured which results in bodily injury or property damage, if such injury or damage arises solely from the use of reasonable force for the purpose of protecting persons or property.

VII. AUTOMATIC COVERAGE — NEWLY ACQUIRED ORGANIZATIONS (90 DAYS)

The "Persons Insured" provision is amended by the deletion of:

"This insurance does not apply to bodily injury or property damage arising out of the conduct of any partnership or joint venture of which the insured is a partner or member and which is not designated in this policy as a named insured."

and the addition of:

d. any organization which is acquired or formed by the named insured and over which the named insured maintains ownership or majority interest, other than a joint venture, provided this insurance does not apply to bodily injury, property damage, personal injury and advertising injury with respect to which such new organization under this policy is also an insured under any other similar liability or indemnity policy or would be an insured under any such policy but for exhaustion of its limits of liability. The insurance afforded hereby shall terminate 90 days from the date any such organization is acquired or formed by the named insured.

This endorsement must be attached to the change endorsement when issued after the policy is written.

(The Attaching Clause need be completed only when this endorsement is issued subsequent to preparation of the policy.)

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(Ed. 7-66)

LIABILITY

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ADDITIONAL INSURED

(Vendors—Limited Form)

This endorsement modifies such insurance as is afforded by the provisions of the policy relating to the following:
COMPREHENSIVE GENERAL LIABILITY INSURANCE
COMPLETED OPERATIONS AND PRODUCTS LIABILITY INSURANCE

This endorsement, effective (12:01 A. M., standard time) , forms a part of policy No.

issued to

by

Authorized Representative

SCHEDULE

Name of Vendor(s) Description of Product(s)

It is agreed that the "Persons Insured" provision is amended to include any person or organization designated above (herein referred to as "vendor"), as an insured, but only with respect to the distribution or sale in the regular course of the vendor's business of the named insured's products designated above subject to the following additional provisions:

1. The insurance with respect to the vendor does not apply to:
   (a) any express warranty, or any distribution or sale for a purpose, unauthorized by the named insured;
   (b) bodily injury or property damage arising out of
      (i) any act of the vendor which changes the condition of the products,
      (ii) any failure to maintain the product in merchantable condition,
      (iii) any failure to make such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products, or
      (iv) products which after distribution or sale by the named insured have been labeled or relabeled or used as a container, part or ingredient of any other thing or substance by or for the vendor;
   (c) bodily injury or property damage occurring within the vendor's premises.
2. The insurance does not apply to any person or organization, as insured, from whom the named insured has acquired such products or any ingredient part or container, entering into, accompanying or containing such products.

AUTHENTIC

(The Attaching Clause need be completed only when this endorsement is issued subsequent to preparation of the policy.)

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(Ed. 6-85)

POLLUTION EXCLUSION

This endorsement modifies such insurance as is afforded by the provisions of the policy relating to the following:

BUSINESSOWNERS POLICY
COMPREHENSIVE GENERAL LIABILITY INSURANCE
CONTRACTUAL LIABILITY INSURANCE
MANUFACTURERS' AND CONTRACTORS' LIABILITY INSURANCE
OWNERS' AND CONTRACTORS' PROTECTIVE LIABILITY INSURANCE
OWNERS', LANDLORDS' AND TENANTS' LIABILITY INSURANCE
SMP LIABILITY INSURANCE
STOREKEEPERS INSURANCE

FILE UNDER THIS IF

This endorsement, effective (12:01 A. M., standard time) , forms a part of Policy No.

Issued to

by

Authorized Representative

It is agreed that the exclusion relating to the discharge, dispersal, release or escape of smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids or gases, waste materials or other irritants, contaminants or pollutants is replaced by the following:

(1) to **bodily injury** or **property damage** arising out of the actual, alleged or threatened discharge, dispersal, release or escape of pollutants:
  (a) at or from premises owned, rented or occupied by the **named insured**;
  (b) at or from any site or location used by or for the **named insured** or others for the handling, storage, disposal, processing or treatment of waste;
  (c) which are at any time transported, handled, stored, treated, disposed of, or processed as waste by or for the **named insured** or any person or organization for whom the **named insured** may be legally responsible; or
  (d) at or from any site or location on which the **named insured** or any contractors or subcontractors working directly or indirectly on behalf of the **named insured** are performing operations:
    (i) if the pollutants are brought on or to the site or location in connection with such operations; or
    (ii) if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize the pollutants.

(2) to any loss, cost or expense arising out of any governmental direction or request that the **named insured** test for, monitor, clean up, remove, contain, treat, detoxify or neutralize pollutants.

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

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Transamerica Insurance Services

☒ Transamerica Insurance Company

☐ _____

Endorsement

ATTACHED TO AND FORMING A PART OF POLICY NUMBER	ENDORSEMENT EFFECTIVE (Standard Time) Mo	Day	Yr	12:01 A.M.	P.M.	INSURED	PRODUCER AND CODE

Section II - General Liability
Form LI0609C

POLLUTION EXCLUSION

It is agreed that the exclusion relating to the discharge, dispersal, release or escape of smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids or gases, waste materials or other irritants, contaminants or pollutants is replaced by the following:

(1) to bodily injury or property damage arising out of the actual, alleged or threatened discharge, dispersal, release or escape of pollutants:

(a) at or from premises owned, rented or occupied by the named insured;

(b) at or from any site or location used by or for the named insured or others for the handling, storage, disposal, processing or treatment of waste;

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

(d) at or from any site or location on which the named insured or any contractors or subcontractors working directly or indirectly on behalf of the named insured are performing operations:

(i) if the pollutants are brought on or to the site or location in connection with such operations; or

(ii) if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize the pollutants.

(2) to any loss, cost or expense arising out of any governmental direction or request that the named insured test for, monitor, clean up, remove, contain, treat, detoxify or neutralize pollutants.

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

This endorsement forms a part of the policy to which attached, effective on the inception date of the policy unless otherwise stated herein.

ALL OTHER TERMS AND CONDITIONS OF THIS POLICY REMAIN UNCHANGED

_____ _____

Authorized Representative Date

13034 2-84

000059

COINSURANCE CONTRACT

REPLACEMENT COST COVERAGE ENDORSEMENT

MP 04 20
(Ed. 07 83)

This endorsement applies only with respect to the premises described in the following Schedule and affords insurance on a replacement cost basis only on the property described below.

SCHEDULE

Location Of Premises Location No. Building No.	Property Covered on a Replacement Cost Basis (Specify Building or Personal Property of the Insured or both)
~~As per Statement of Values on file with company~~ As per MP 1205	Buildings & Personal Prop.

1. Replacement Cost Clause: The provisions of Section I of this policy applicable to the property described as covered on a replacement cost basis are amended to substitute the term "replacement cost (without deduction for depreciation)" for the term "actual cash value" wherever it appears in this policy, and the Coinsurance Clause of this endorsement supersedes and replaces all other Coinsurance Clauses otherwise applicable, subject in all other respects to the provisions of this endorsement and of Section I of this policy.
2. This policy does not cover the following property on a replacement cost basis:
   (a) stock (raw, in process or finished) or merchandise, including materials and supplies in connection therewith;
   (b) property of others;
   (c) household furniture or residential contents;
   (d) manuscripts;
   (e) paintings, etchings, pictures, tapestries, statuary, marbles, bronzes, antique furniture, rare books, antique silver, porcelains, rare glassware and bric-a-brac, or other articles of art, rarity or antiquity.
3. The Company shall not be liable under this endorsement for any loss unless and until the damaged or destroyed property is actually repaired or replaced by the insured with due diligence and dispatch.
4. Coinsurance Clause: This Company shall not be liable for a greater proportion of any loss or damage to the property covered under this policy than the limit of liability under this policy for such property bears to the amount produced by multiplying the coinsurance percentage applicable (specified in this policy) by the total of (a) the replacement cost (without deduction for depreciation) of that part of said property which is specifically described as covered on a replacement cost basis and (b) the actual cash value of that part of said property which is covered on an actual cash value basis at the time of loss.

   In the event that the aggregate claim for any loss is both less than $10,000 and less than 5% of the limit of liability for all contributing insurance applicable to the property involved at the time such loss occurs, no special inventory or appraisement of the undamaged property shall be required, provided that nothing herein shall be construed to waive application of the first paragraph of this clause.

   If insurance under Section I of this policy is divided into separate limits of liability, the foregoing shall apply separately to the property covered under each such limit of liability.

   The value of property covered under Extensions of Coverage, and the cost of the removal of debris, shall not be considered in the determination of actual cash value or replacement cost when applying the Coinsurance Clause.
5. This Company's liability for loss on a replacement cost basis, shall not exceed the smallest of the following amounts:
   (a) the amount of this policy applicable to the damaged or destroyed property;
   (b) the replacement cost of the property or any part thereof identical with such property on the same premises and intended for the same occupancy and use; or
   (c) the amount actually and necessarily expended in repairing or replacing said property or any part thereof.
6. The insured may elect to make claim under this policy in accordance with its provisions, disregarding this endorsement; and the insured may make further claim for any additional liability brought about by this endorsement in accordance with its provisions, provided the Company is notified in writing within 180 days after loss of the insured's intent to make such further claim.

ON

This Endorsement must be attached to Change Endorsement when issued after the Policy is written.

Crum and Forster organizations

GROSS EARNINGS ENDORSEMENT

Form MP-1590 (ED. 07-77)

1. Subject to all the provisions applicable to Section I of this policy, except the Coinsurance Clause and the Deductible Clause, this policy is extended to insure against loss resulting directly from necessary interruption of business caused by the perils insured against damaging or destroying, during the policy period, real or personal property (except finished stock) at the premises described in this endorsement, subject to the limit of liability specified in the declaration page for the premises at which the damage or destruction occurs. For the purposes of this insurance, "perils insured against" shall mean the perils, as defined and limited in the forms and endorsements listed in the declaration page for each premises specified and also subject to the provisions of this endorsement.

2. The Company shall be liable for:
   a. the actual loss sustained by the insured resulting directly from necessary interruption of business, but not exceeding the reduction in gross earnings less charges and expenses which do not necessarily continue during the interruption of business, for only such length of time as would be required with the exercise of due diligence and dispatch to rebuild, repair or replace such part of the property herein described as has been damaged or destroyed commencing with the date of such damage or destruction and not limited by the date of expiration of this policy. Due consideration shall be given to the continuation of normal charges and expenses, including payroll expense, to the extent necessary to resume operations of the insured with the same quality of service which existed immediately preceding the loss; and
   b. the actual loss sustained by the insured, resulting directly from an interruption of business as covered hereunder, during the length of time, not exceeding two consecutive weeks, when, as a direct result of damage to or destruction of property adjacent to the premises herein described by the peril(s) insured against, access to such described premises is specifically prohibited by order of civil authority; and
   c. loss resulting from damage to or destruction of media for, or programming records pertaining to, electronic data processing or electronically controlled equipment, including data thereon, by the perils insured against. The length of time for which this Company shall be liable hereunder shall not exceed:
      (1) 30 consecutive calendar days; or
      (2) the length of time that would be required to rebuild, repair or replace such other property herein described as has been damaged or destroyed;
      whichever is the greater length of time.
   d. such expenses as are necessarily incurred for the purpose of reducing loss under this endorsement (except expense incurred to extinguish a fire), and such expenses, in excess of normal, as would necessarily be incurred in replacing any finished stock used by the insured to reduce loss but in no event shall the aggregate of such expenses exceed the amount by which the loss under this endorsement is thereby reduced. Such expenses shall not be subject to the application of the Contribution Clause.

3. **Resumption of Operations:** It is a condition of this insurance that if the insured could reduce the loss resulting from the interruption of business:
   a. by complete or partial resumption of operation of the property herein described, whether damaged or not, or
   b. by making use of merchandise or other property at the locations described herein or elsewhere, or
   c. by making use of stock (raw, in process or finished) at the locations described herein or elsewhere, such reduction shall be taken into account in arriving at the amount of loss hereunder.

4. **Contribution Clause:** The Company shall not be liable for a greater proportion of any loss than the limit of liability specified bears to the amount produced by multiplying the Contribution Clause Percentage specified by the Gross Earnings that would have been earned (had no loss occurred) during the 12 months immediately following the date of damage to or destruction of the described property.

5. **Definitions:**
   a. For the purposes of this insurance, "gross earnings" are defined as the sum of:
      (1) total net sales value of production, and
      (2) total net sales of merchandise, and
      (3) other earnings derived from operations of the business,
      less the cost of:
      (4) raw stock from which such production is derived, and
      (5) supplies consisting of materials consumed directly in the conversion of such raw stock into finished stock or in supplying the services sold by the insured, and
      (6) merchandise sold, including packaging materials therefor, and
      (7) services purchased from outsiders (not employees of the insured) for resale which do not continue under contract.

      No other costs shall be deducted in determining gross earnings.
      In determining gross earnings, due consideration shall be given to the experience of the business before the date of damage or destruction and the probable experience thereafter had no loss occurred.
   b. The term "directly," as applied to loss under this endorsement, means loss, as limited and conditioned in this policy, resulting from direct loss to described property from the perils insured against.
   c. "Normal": the condition that would have existed had no loss occurred.
   d. "Raw stock": material in the state in which the insured receives it for conversion by the insured into finished stock.
   e. "Stock in process": raw stock which has undergone any aging, seasoning, mechanical or other process of manufacture at the locations herein described but which has not become finished stock.
   f. "Finished stock": stock manufactured by the insured which in the ordinary course of the insured's business is ready for packing, shipment or sale.
   g. "Merchandise': goods kept for sale by the insured which are not the product of manufacturing operations conducted by the insured.

This Endorsement must be attached to Change Endorsement MP-1201 when issued after the Policy is written.

6. Alterations and New Buildings: Permission granted to make alterations in or to construct additions to any building described herein and to construct new buildings on the described premises. This endorsement is extended to cover, subject to all its provisions, loss resulting from damage to or destruction of such alterations, additions or new buildings while in course of construction and when completed or occupied, provided that, in the event of damage to or destruction of such property (including building materials, supplies, machinery or equipment incident to such construction or occupancy while on the described premises or within 100 feet thereof) so as to delay commencement of business operations of the insured, the length of time for which the Company shall be liable shall be determined as otherwise provided herein but such determined length of time shall be applied and the loss hereunder calculated from the date that business operations would have begun had no damage or destruction occurred.

7. Additional Exclusions and Limitations:

a. The Company shall not be liable for any increase of loss which may be occasioned by:
   (1) enforcement of any local or state ordinance or law regulating construction, repair or demolition of buildings or structures,
   (2) interference at the described premises by strikers or other persons with rebuilding, repairing or replacing the property or with the resumption or continuation of business,
   (3) the suspension, lapse or cancellation of any lease, license, contract or order unless such suspension, lapse or cancellation results directly from the interruption of business, and then the Company shall be liable for only such loss as affects the insured's earnings during, and limited to, the period of indemnity covered under this policy.

b. The Company shall not be liable for:
   (1) more than the limit of liability set forth for each premises,
   (2) any other consequential or remote loss.

c. The Company shall not be liable for loss resulting from:
   (1) damage to or destruction of finished stock, nor for the time required to reproduce said finished stock,
   (2) theft of any property which at the time of loss is not an integral part of a building or structure (except direct loss by pillage and looting occurring during and at the immediate place of a riot or civil commotion), unless loss by a peril not excluded in this policy ensues from theft or attempted theft, and then this Company shall be liable for only such ensuing loss.

8. Requirements in Case Loss Occurs: The insured shall give immediate written notice to the Company of any business interruption loss as covered by this policy and protect the property from further damage that might result in extension of the period of interruption; and within 60 days following the date of damage to or destruction of the real or personal property described, unless such time is extended in writing by the Company, the insured shall render to the Company a proof of loss, signed and sworn to by the insured, stating the knowledge and belief of the insured as to the following:

a. the time and origin of the property damage or destruction causing the interruption of business,
b. the interest of the insured and of all others in the business,
c. all other contracts of insurance, whether valid or not, covering in any manner the loss insured against by this policy,
d. any changes in the title, nature, location, encumbrance or possession of said business since the issuing of this policy, and
e. by whom and for what purpose any building herein described and the several parts thereof were occupied at the time of damage or destruction,

and shall furnish a copy of all the descriptions and schedules in all policies, and the actual amount of business interruption value and loss claimed, accompanied by detailed exhibits of all values, costs and estimates upon which such amounts are based.

The insured, as often as may be reasonably required, shall exhibit to any person designated by the Company all that remains of any property herein described, and submit to examinations under oath by any person named by the Company, and subscribe the same; and, as often as may be reasonably required, shall produce for examination all books of account, bills, invoices and other vouchers, or certified copies thereof if originals be lost, at such reasonable time and place as may be designated by the Company or its representative, and shall permit extracts and copies thereof to be made.

GROSS EARNINGS ENDORSEMENT 500-213275-2 MP 15 90

Rancour Machine Products, Inc. (Ed. 07 77)
and Oscar & Emma Rancour

LOCATION OF PREMISES		SECTION I FORMS AND ENDORSEMENTS APPLICABLE	CONTRIBUTION CLAUSE PERCENTAGE	LIMIT OF LIABILITY
Loc. No.	Bldg. No.			
1	1	MP0013	80%	$2,200,000.

1. Subject to all the provisions applicable to Section I of this policy, except the Coinsurance Clause and the Deductible Clause, this policy is extended to insure against loss resulting directly from necessary interruption of business caused by the perils insured against damaging or destroying, during the policy period, real or personal property (except finished stock) at the premises described in this endorsement, subject to the limit of liability specified above for the premises at which the damage or destruction occurs. For the purposes of this insurance, "perils insured against" shall mean the perils, as defined and limited in the forms and endorsements listed above, for each premises specified and also subject to the provisions of this endorsement.

2. The Company shall be liable for:
   a. the actual loss sustained by the insured resulting directly from necessary interruption of business, but not exceeding the reduction in gross earnings less charges and expenses which do not necessarily continue during the interruption of business, for only such length of time as would be required with the exercise of due diligence and dispatch to rebuild, repair or replace such part of the property herein described as has been damaged or destroyed commencing with the date of such damage or destruction and not limited by the date of expiration of this policy. Due consideration shall be given to the continuation of normal charges and expenses, including payroll expense, to the extent necessary to resume operations of the insured with the same quality of service which existed immediately preceding the loss; and
   b. the actual loss sustained by the insured, resulting directly from an interruption of business as covered hereunder, during the length of time, not exceeding two consecutive weeks, when, as a direct result of damage to or destruction of property adjacent to the premises herein described by the peril(s) insured against, access to such described premises is specifically prohibited by order of civil authority; and
   c. loss resulting from damage to or destruction of media for, or programming records pertaining to, electronic data processing or electronically controlled equipment, including data thereon, by the perils insured against. The length of time for which this Company shall be liable hereunder shall not exceed:
      (1) 30 consecutive calendar days; or
      (2) the length of time that would be required to rebuild, repair or replace such other property herein described as has been damaged or destroyed;
      whichever is the greater length of time.
   d. such expenses as are necessarily incurred for the purpose of reducing loss under this endorsement (except expense incurred to extinguish a fire), and such expenses, in excess of normal, as would necessarily be incurred in replacing any finished stock used by the insured to reduce loss but in no event shall the aggregate of such expenses exceed the amount by which the loss under this endorsement is thereby reduced. Such expenses shall not be subject to the application of the Contribution Clause.

3. **Resumption of Operations:** It is a condition of this insurance that if the insured could reduce the loss resulting from the interruption of business:
   a. by complete or partial resumption of operation of the property herein described, whether damaged or not, or
   b. by making use of merchandise or other property at the locations described herein or elsewhere, or
   c. by making use of stock (raw, in process or finished) at the locations described herein or elsewhere, such reduction shall be taken into account in arriving at the amount of loss hereunder.

4. **Contribution Clause:** The Company shall not be liable for a greater proportion of any loss than the limit of liability specified above bears to the amount produced by multiplying the Contribution Clause Percentage specified above by the Gross Earnings that would have been earned (had no loss occurred) during the 12 months immediately following the date of damage to or destruction of the described property.

5. Definitions:
   a. For the purposes of this insurance, "gross earnings" are defined as the sum of:
      (1) total net sales value of production, and
      (2) total net sales of merchandise, and
      (3) other earnings derived from operations of the business,
      less the cost of:
      (4) raw stock from which such production is derived, and
      (5) supplies consisting of materials consumed directly in the conversion of such raw stock into finished stock or in supplying the services sold by the insured, and
      (6) merchandise sold, including packaging materials therefor, and
      (7) services purchased from outsiders (not employees of the insured) for resale which do not continue under contract.

      No other costs shall be deducted in determining gross earnings.
      In determining gross earnings, due consideration shall be given to the experience of the business before the date of damage or destruction and the probable experience thereafter had no loss occurred.
   b. The term "directly," as applied to loss under this endorsement, means loss, as limited and conditioned in this policy, resulting from direct loss to described property from the perils insured against.

c. "Normal": the condition that would have existed had no loss occurred.
d. "Raw stock": material in the state in which the insured receives it for conversion by the insured into finished stock.
e. "Stock in process": raw stock which has undergone any aging, seasoning, mechanical or other process of manufacture at the locations herein described but which has not become finished stock.
f. "Finished stock": stock manufactured by the insured which in the ordinary course of the insured's business is ready for packing, shipment or sale.
g. "Merchandise": goods kept for sale by the insured which are not the product of manufacturing operations conducted by the insured.

6. Alterations and New Buildings: Permission granted to make alterations in or to construct additions to any building described herein and to construct new buildings on the described premises. This endorsement is extended to cover, subject to all its provisions, loss resulting from damage to or destruction of such alterations, additions or new buildings while in course of construction and when completed or occupied, provided that, in the event of damage to or destruction of such property (including building materials, supplies, machinery or equipment incident to such construction or occupancy while on the described premises or within 100 feet thereof) so as to delay commencement of business operations of the insured, the length of time for which the Company shall be liable shall be determined as otherwise provided herein but such determined length of time shall be applied and the loss hereunder calculated from the date that business operations would have begun had no damage or destruction occurred.

7. Additional Exclusions and Limitations:

a. The Company shall not be liable for any increase of loss which may be occasioned by:
   (1) enforcement of any local or state ordinance or law regulating construction, repair or demolition of buildings or structures,
   (2) interference at the described premises by strikers or other persons with rebuilding, repairing or replacing the property or with the resumption or continuation of business,
   (3) the suspension, lapse or cancellation of any lease, license, contract or order unless such suspension, lapse or cancellation results directly from the interruption of business, and then the Company shall be liable for only such loss as affects the insured's earnings during, and limited to, the period of indemnity covered under this policy.

b. The Company shall not be liable for:
   (1) more than the limit of liability set forth above for each premises,
   (2) any other consequential or remote loss.

c. The Company shall not be liable for loss resulting from:
   (1) damage to or destruction of finished stock, nor for the time required to reproduce said finished stock,
   (2) theft of any property which at the time of loss is not an integral part of a building or structure (except direct loss by pillage and looting occurring during and at the immediate place of a riot or civil commotion), unless loss by a peril not excluded in this policy ensues from theft or attempted theft, and then this Company shall be liable for only such ensuing loss.

8. Requirements in Case Loss Occurs: The insured shall give immediate written notice to the Company of any business interruption loss as covered by this policy and protect the property from further damage that might result in extension of the period of interruption; and within 60 days following the date of damage to or destruction of the real or personal property described, unless such time is extended in writing by the Company, the insured shall render to the Company a proof of loss, signed and sworn to by the insured, stating the knowledge and belief of the insured as to the following:

a. the time and origin of the property damage or destruction causing the interruption of business,
b. the interest of the insured and of all others in the business,
c. all other contracts of insurance, whether valid or not, covering in any manner the loss insured against by this policy,
d. any changes in the title, nature, location, encumbrance or possession of said business since the issuing of this policy, and
e. by whom and for what purpose any building herein described and the several parts thereof were occupied at the time of damage or destruction,

and shall furnish a copy of all the descriptions and schedules in all policies, and the actual amount of business interruption value and loss claimed, accompanied by detailed exhibits of all values, costs and estimates upon which such amounts are based.

The insured, as often as may be reasonably required, shall exhibit to any person designated by the Company all that remains of any property herein described, and submit to examinations under oath by any person named by the Company, and subscribe the same; and, as often as may be reasonably required, shall produce for examination all books of account, bills, invoices and other vouchers, or certified copies thereof if originals be lost, at such reasonable time and place as may be designated by the Company or its representative, and shall permit extracts and copies thereof to be made.

This Endorsement must be attached to Change Endorsement when issued after the Policy is written.

Transamerica
Insurance Services

Transamerica Insurance Group

Protective Safeguards Endorsement (ISO IL 0014 Ed. 9-79)

This Endorsement must be attached to Change Endorsement when issued after the Policy is written.

Failure to comply with the Protective Safeguard Clauses specified as applicable in the schedule below shall suspend this insurance in accordance with the Protective Safeguards provisions set forth in this policy of which this endorsement is made a part.

SCHEDULE			
Item or Location Number	Building Number	Location (Street, Address, City & State)	Clause(s) Applicable

(If Clause "D. Other Protective Safeguard Clause(s)" is applicable, describe system.)

A. AUTOMATIC SPRINKLER CLAUSE

In consideration of the premium at which this policy is written, based on the protection of the premises by the sprinkler system, it is a condition of this policy that the insured shall exercise due diligence in maintaining in complete working order all equipment and services pertaining to the operation of the sprinkler system, including supervisory service, which are under the control of the insured. The insured shall give immediate notice to this Company of any impairment in or suspension of the sprinkler system or services (within the knowledge of the insured). No unsprinklered additions or extensions shall be made to the building unless immediate notification is given to this Company. Permission is given in case of break, leakage, freezing conditions or the opening of sprinkler heads, to shut off the water from so much of the sprinkler system as may be imperatively necessary with immediate notification to this Company and the protection restored as promptly as possible.

B. AUTOMATIC FIRE ALARM CLAUSE

In consideration of the premium at which this policy is written, it is a condition of this policy that the entire building is equipped with an automatic fire alarm connected to a central station or reporting directly to a public or private fire alarm station and that, the insured shall exercise due diligence in maintaining in complete working order all equipment and services pertaining to the operation of this system which are under the control of the insured and shall give immediate notice of any impairment in or suspension of the automatic fire alarm equipment or service (within the knowledge of the insured) to this Company.

C. WATCHMAN SERVICE CLAUSE

In consideration of the premium at which this policy is written, it is a condition of this policy that the insured shall exercise due diligence in maintaining in complete working order all equipment of the watchman's service at such times as the premises are not in actual operation, insofar as the watchman's service is under the control of the insured and shall give immediate notice of any impairment in or suspension of the watchman's service (within the knowledge of the insured) to this Company.

D. OTHER PROTECTIVE SAFEGUARD CLAUSE(S)

In consideration of the premium at which this policy is written, based on the protection of the premises by the protective safeguard system described above, it is a condition of this policy that, the insured shall exercise due diligence in maintaining in complete working order all equipment and services pertaining to the system and the insured shall give immediate notice of any impairment in or suspension of such equipment or service (within the knowledge of the insured) to this Company.

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I. COVERAGE A – BODILY INJURY COVERAGE B – PROPERTY DAMAGE

The company will pay on behalf of the insured all sums which the insured shall become legally obligated to pay as damages because of **bodily injury** or **property damage** to which this insurance applies, caused by an **occurrence**. The company shall have the right and duty to defend any suit against the insured seeking damages on account of such **bodily injury** or **property damage**, even if any of the allegations of the suit are groundless, false or fraudulent, and may make such investigation and settlement of any claim or suit as it deems expedient. The company shall not be obligated to pay any claim or judgment or to defend any suit after the applicable limit of the company's liability has been exhausted by payment of judgments or settlements.

Exclusions

This insurance does not apply:

(a) to **bodily injury** or **property damage** included within the **war hazard** with respect to liability assumed by the **insured**, under any contract or agreement or expenses for first aid under the Supplementary Payments provision;

(b) to any obligation for which the **insured** or any carrier as his insurer may be held liable under any workmen's compensation, unemployment compensation or disability benefits law, or under any similar law;

(c) to **bodily injury** to any employee of the **insured** arising out of and in the course of his employment by the **insured** for which the **insured** may be held liable as an employer or in any other capacity; to any obligation of the **insured** to indemnify or contribute with another because of damages arising out of the **bodily injury**; to **bodily injury** sustained by the spouse, child parent, brother, or sister of an employee of the **insured** as a consequence of **bodily injury** to such employee arising out of and in the course of his employment by the **insured**;

this exclusion applies to all claims and suits by any person or organization for damages because of such **bodily injury** including damages for care and loss of services;

but this exclusion does not apply to liability assumed by the **insured** under any contract;

(d) to **property damage**; (1) to property owned by the **insured**; (2) to property occupied by or rented to the **insured**, (3) to property under bailment to the **insured** (except injury to or destruction of such property arising out of the use of elevators or escalators or to liability assumed under sidetrack agreements); (4) to that particular part of any property (a) upon which operations are being performed by or on behalf of the **insured**, or (b) out of which such injury or destruction arises; (5) to premises alienated by the **named insured** arising out of such premises or any part thereof; (6) to the **named insured's products** arising out of such products or any part of such products; (7) to work performed by the **named insured** arising out of the work or any portion thereof, or out of materials, parts or equipment furnished in connection therewith;

(e) to loss of use of tangible property which has not been physically injured or destroyed resulting from

(1) a delay in or lack of performance by or on behalf of the **named insured** of any contract or agreement, or

(2) The failure of the **named insured's products** or work performed by or on behalf of the **named insured** to meet the level of performance, quality, fitness or durability warranted or represented by the **named insured**;

but this exclusion does not apply to loss of use of other tangible property resulting from the sudden and accidental physical injury to or destruction of the **named insured's products** or work performed by or on behalf of the **named insured** after such products or work have been put to use by any person or organization other than an **insured**;

(f) to damages claimed for the withdrawal, inspection, repair, replacement, or loss of use of the **named insured's products** or work completed by or for the **named insured** or of any property of which such products or work form a part, if such products, work or property are withdrawn from the market or from use because of any known or suspected defect or deficiency therein;

(g) to **bodily injury** or **property damage** arising out of the ownership, maintenance, operation, use, **loading or unloading** of

(1) any **automobile** or aircraft owned or operated by or rented or loaned to any **insured**, or

(2) any other **automobile** or aircraft operated by any person in the course of his employment by any **insured**;

but this exclusion does not apply to the parking of an **automobile** on premises owned by, rented to or controlled by the **named insured** or the ways immediately adjoining, if such **automobile** is not owned by or rented or loaned to any **insured**;

(h) to **bodily injury** or **property damage** for liability assumed under any contract or agreement not in writing. The written contract must be relating to the conduct of the **named insured's** business. The insurance afforded with respect to liability assumed under a written contract is subject to the other exclusions of this policy except (g) and subject to the following additional exclusions:

(1) to **bodily injury** or **property damage** for which the **insured** has assumed liability under any contract, if such injury or damage occurred prior to the execution of the contract;

(2) if the **insured** is an architect, engineer or surveyor, to **bodily injury** or **property damage** arising out of the rendering of or the failure to render professional services by such **insured**, including

(i) the preparation or approval of maps, drawings, opinions, reports, surveys, change orders, designs or specifications, and

(ii) supervisory, inspection or engineering services;

(3) If the indemnitee of the **insured** is an architect, engineer or surveyor, to the liability of the indemnitee, his agents or employees, arising out of

(i) the preparation or approval of or the failure to prepare or approve maps, drawings, opinions, reports, surveys, change orders, designs or specifications, or

(ii) the giving of or the failure to give directions or instructions by the indemnitee, his agents or employees, provided such giving or failure to give is the primary cause of the **bodily injury** or **property damage**;

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(4) to any obligation for which the **insured** may be held liable in an action on a contract by a third party beneficiary for **bodily injury** or **property damage** arising out of a project for a public authority; but this exclusion does not apply to an action by the public authority or any other person or organization engaged in the project;

(5) to **bodily injury** or **property damage** arising out of construction or demolition operations, within 50 feet of any railroad property, and affecting any railroad bridge or trestle, tracks, roadbeds, tunnel, underpass or crossing; but this exclusion does not apply to sidetrack agreements or easement or license agreements in connection with vehicle or pedestrian private railroad crossings at grade;

(i) to **bodily injury** or **property damage** arising out of (1) the ownership, maintenance, operation, use, loading or unloading of any **mobile equipment** while being used in any prearranged or organized racing, speed or demolition contest or in any stunting activity or in practice or preparation for any such contest or activity or (2) the operation or use of any snowmobile or trailer designed for use therewith;

(j) to **bodily injury** or **property damage** arising out of the discharge, dispersal, release or escape of smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids or gases, waste materials or other irritants, contaminants or pollutants into or upon land, the atmosphere or any water course or body of water; but this exclusion does not apply if such discharge, dispersal, release or escape is sudden and accidental;

(k) to **bodily injury** or **property damage** arising out of and in the course of the transportation of **mobile equipment** by an **automobile** owned or operated by or rented or loaned to any **insured**.

II. SUPPLEMENTARY PAYMENTS

The company will pay, in addition to the applicable limit of liability:

(a) all expenses incurred by the company, all costs taxed against the **insured** in any suit defended by the company and all interest on the entire amount of any judgment therein which accrues after entry of the judgment and before the company has paid or tendered or deposited in court that part of the judgment which does not exceed the limit of the company's liability thereon;

(b) premiums on appeal bonds required in any such suit, premiums on bonds to release attachments in any such suit for an amount not in excess of the applicable limit of liability of this policy, and the cost of bail bonds required of the **insured** not to exceed $250 per bail bond, but the company shall have no obligation to apply for or furnish any such bonds;

(c) expenses incurred by the **insured** for first aid to others at the time of an **occurrence**, for **bodily injury** to which this policy applies;

(d) reasonable expenses incurred by the **insured** at the company's request in assisting the company in the investigation or defense of any claim or suit, including actual loss of earnings not to exceed $25 per day.

III. COVERAGE E – PREMISES MEDICAL PAYMENTS

The company will pay to or for each person who sustains **bodily injury** caused by accident all reasonable medical expense incurred within one year from the date of the accident on account of such **bodily injury**, provided such **bodily injury** arises out of (a) a condition in the **insured premises** or (b) operations with respect to which the **named insured** is afforded coverage for **bodily injury** liability under this policy.

Exclusions

This insurance does not apply

(a) to **bodily injury**

(1) arising out of the ownership, maintenance, operation, use, loading or unloading of

(i) any **automobile** or aircraft owned or operated by or rented or loaned to any **insured**, or

(iii) any other **automobile** or aircraft operated by any person in the course of his employment by any **insured**;

but this exclusion does not apply to the parking of an **automobile** on the **insured premises**, if such **automobile** is not owned by or rented or loaned to any **insured**;

(2) arising out of (i) the ownership, maintenance, operation, use, loading or unloading of any **mobile equipment** while being used in any prearranged or organized racing, speed or demolition contest or in any stunting activity or in practice or preparation for any such contest or activity or (ii) the operation or use of any snowmobile or trailer designed for use therewith;

(3) arising out of the ownership, maintenance, operation, use, loading or unloading of

(i) any watercraft owned or operated by or rented or loaned to any **insured**, or

(ii) any other watercraft operated by any person in the course of his employment by any **insured**;

but this exclusion does not apply to watercraft while ashore on the **insured premises**; or

(4) arising out of, and in the course of the transportation of **mobile equipment** by an automobile owned or operated by or rented or loaned to any **insured**;

(b) to **bodily injury**

(1) included within the **completed operations hazard** or the **products hazard**;

(2) arising out of operations performed for the **named insured** by independent contractors other than (i) maintenance and repair of the **insured premises** or (ii) structural alterations at such premises which do not involve changing the size or moving buildings or other structures;

(3) resulting from the selling serving or giving of any alcoholic beverage (i) in violation of any statute, ordinance or regulation, (ii) to a minor, (iii) to a person under the influence of alcohol or (iv) which causes or contributes to the intoxication of any person, if the **named insured** is a person or organization engaged in the business of manufacturing, distributing, selling or serving alcoholic beverages or, if not so engaged, is an owner or lessor of premises used for such purposes, but only part (i) of this exclusion (b) (3) applies when the **named insured** is such an owner or lessor;

(4) included within the **war hazard**;

(c) to **bodily injury**

(1) to the **named insured**, any partner therein, any tenant or other person regularly residing on the **insured premises** or any employee of any of the foregoing if the **bodily injury** arises out of and in the course of his employment therewith;

(2) to any other tenant if the **bodily injury** occurs on that part of the **insured premises** rented from the **named insured** or to any employee of such a tenant if the **bodily injury** occurs on the tenant's part of the **insured premises**

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and arises out of and in the course of his employment for the tenant.

(3) to any person while engaged in maintenance and repair of the insured premises or alteration, demolition or new construction at such premises;

(4) to any person if any benefits for such bodily injury are payable or required to be provided under any workmen's compensation, unemployment compensation or disability benefits law, or under any similar law;

(5) to any person practicing, instructing or participating in any physical training, sport, athletic activity or contest;

(d) to any medical expenses for services by the named insured, any employee thereof or any person or organization under contract to the named insured to provide such services.

IV. PERSONS INSURED (Coverages A and B)

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

(a) the named insured and, if an individual, the spouse of such named insured if a resident of the same household;

(b) if the named insured is designated in the declarations as

(1) an individual, the person so designated but only with respect to the conduct of a business of which he is the sole proprietor, and the spouse of the named insured with respect to the conduct of such a business;

(2) a partnership or joint venture, the partnership or joint venture so designated and any partner or member thereof but only with respect to his liability as such;

(3) other than an individual, partnership or joint venture, the organization so designated and any executive officer, director or stockholder thereof while acting within the scope of his duties as such;

(c) any person (other than an employee of the named insured) or organization while acting as real estate manager for the named insured; and

(d) with respect to the operation, for the purpose of locomotion upon a public highway, of mobile equipment registered under any motor vehicle registration law,

(1) an employee of the named insured while operating any such equipment in the course of his employment, and

(2) any other person while operating with the permission of the named insured any such equipment registered in the name of the named insured and any person or organization legally responsible for such operation, but only if there is no other valid and collectible insurance available, either on a primary or excess basis, to such person or organization;

provided that no person or organization shall be an insured under this paragraph (d) with respect to:

(i) bodily injury to any fellow employee of such person injured in the course of his employment, or

(ii) property damage to property owned by, rented to, in charge of or occupied by the named insured or the employer of any person described in subparagraph (2).

This insurance does not apply to bodily injury or property damage arising out of the conduct of any partnership or joint venture of which the insured is a partner or member and which is not designated in this policy as a named insured.

V. LIMITS OF LIABILITY

Regardless of the number of (1) insureds under this policy, (2) persons or organizations who sustain bodily injury or property damage, (3) claims made or suits brought on account of bodily injury or property damage the company's liability is limited as follows:

COVERAGES A AND B

A. Divided Limits Plan

Coverage A — The total liability of the company for all damages, including damages for care and loss of services, because of bodily injury sustained by one or more persons as the result of any one occurrence shall not exceed the limit of bodily injury liability stated in the additional declarations as applicable to "each occurrence."

Subject to the above provisions respecting "each occurrence", the total liability of the company for all damages because of (1) all bodily injury included within the completed operations hazard and (2) all bodily injury included within the products hazard shall not exceed the limit of bodily injury liability stated in the additional declarations as "aggregate".

Coverage B — The total liability of the company for all damages because of all property damage sustained by one or more persons or organizations as the result of any one occurrence shall not exceed the limit of property damage liability stated in the additional declarations as applicable to "each occurrence".

Subject to the above provisions respecting "each occurrence", the total liability of the company for all damages because of all property damage to which the coverage applies and described in any of the numbered subparagraphs below shall not exceed the limit of property damage liability stated in the additional declarations as "aggregate".

(1) all property damage arising out of premises or operations rated on a remuneration basis or contractor's equipment rated on a receipts basis, including property damage for which liability is assumed under any incidental contract relating to such premises or operations, but excluding property damage included in subparagraph (2) below;

(2) all property damage arising out of and occurring in the course of operations performed for the named insured by independent contractors and general supervision thereof by the named insured, including any such property damage for which liability is assumed under any incidental contract relating to such operations, but this subparagraph (2) does not include property damage arising out of maintenance or repairs at premises owned by or rented to the named insured or structural alterations at such premises which do not involve changing the size of, or moving building or other structures;

(3) all property damage included within the products hazard and all property damage included within the completed operations hazard.

Such aggregate limit shall apply separately to the property damage described in subparagraphs (1), (2) and (3) above, and under subparagraphs (1) and (2), separately with respect to each project away from premises owned by or rented to the named insured.

Coverages A and B — For the purpose of determining the limit of the company's liability, all bodily injury and property damage arising out of continuous or repeated exposure to substantially the same general conditions shall be considered as arising out of one occurrence.

B. Combined Limits Plan

The limit of liability under the Combined Limits Plan, expressed in the schedule as applicable to "each occurrence", is the total limit of the company's liability under the bodily injury liability and property damage liability cover-

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ages combined for all damages as the result of any one occurrence provided:

(a) such limit of liability shall be the total limit of the company's liability during each annual policy period as the result of one or more than one **occurrence**, but said limit of liability shall apply separately to each project with respect to operations being performed away from premises owned by or rented to the **insured**;

(b) with respect to any **occurrence** for which the notice of this policy is given in lieu of security, or when this policy is certified as proof of financial responsibility under the provisions of the motor vehicle financial responsibility law of any state or province, such limit of liability shall be applied in accordance with the applicable terms of such law, except that the total limit of liability shall not be reduced.

For the purpose of determining the limit of the company's liability, all **bodily injury** and **property damage** arising out of continuous or repeated exposure to substantially the same general conditions shall be considered as arising out of one **occurrence**.

COVERAGE E

The limit of liability for Premises Medical Payments Coverage stated in the schedule as applicable to "each person" is the limit of the company's liability for all medical expense for **bodily injury** to any one person as the result of any one accident; but subject to the above provision respecting "each person", the total liability of the company under Premises Medical Payments Coverage for all medical expense for **bodily injury** to two or more persons as the result of any one accident shall not exceed the limit of liability stated in the schedule as applicable to "each accident".

When more than one medical payments coverage afforded by this policy applies to the loss, the company shall not be liable for more than the amount of the highest applicable limit of liability.

VI. POLICY TERRITORY

This insurance applies only to **bodily injury** or **property damage** which occurs: (1) for Coverages A and B, within the **policy territory**; (2) for Coverage E, within the United States of America, its territories or possessions, or Canada.

VII. DEFINITIONS

When used in this policy (including endorsements forming a part hereof):

"automobile" means a land motor vehicle, trailer or semitrailer designed for travel on public roads (including any machinery or apparatus attached thereto), but does not include **mobile equipment**;

"bailment" means a delivery of property by any person to the **insured** for purpose beneficial to either the **insured** or such person or both under a contract, express or implied, for the **insured** to carry out such purpose and to redeliver such property or otherwise dispose of its as provided;

"bodily injury" means **bodily injury**, sickness or disease sustained by any person which occurs during the policy period, including death at any time resulting therefrom;

"completed operations hazard" includes **bodily injury** and **property damage** arising out of operations or reliance upon a representation or warranty made at any time with respect thereto, but only if the **bodily injury** or **property damage** occurs after such operations have been completed or abandoned and occurs away from premises owned by or rented to the **named insured**. "Operations" include materials, parts or equipment furnished in connection therewith. Operations shall be deemed completed at the earliest of the following times:

(1) when all operations to be performed by or on behalf of the **named insured** under the contract have been completed;

(2) when all operations to be performed by or on behalf of the **named insured** at the site of the operations have been completed, or

(3) when the portion of the work out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.

Operations which may require further service or maintenance work, or correction, repair or replacement because of any defect or deficiency, but which are otherwise completed, shall be deemed completed.

The **completed operations hazard** does not include **bodily injury** or **property damage** arising out of

(a) operations in connection with the transportation of property, unless the **bodily injury** or **property damage** arises out of a condition in or on a vehicle created by the loading or unloading thereof;

(b) the existence of tools, uninstalled equipment or abandoned or unused materials, or

(c) operations for which the classification stated in the policy or in the company's manual specifies "including completed operations".

"domestic employee" means an employee of an insured performing duties not in connection with the insured's business;

"elevator" means any hoisting or lowering device to connect floors or landings, whether or not in service, and all appliances thereof including any car, platform, shaft, hoistway, stairway, runway, power equipment and machinery; but does not include an **automobile** servicing hoist, or a hoist without a platform outside a building if without mechanical power or if not attached to building walls, or a hod or material hoist used in alteration, construction or demolition operations, or an inclined conveyor used exclusively for carrying property or a dumbwaiter used exclusively for carrying property and having a compartment height not exceeding four feet, or hydraulic or mechanical hoists used for dumping materials from trucks;

"incidental contract" means any written (1) lease of premises, (2) easement agreement, except in connection with construction or demolition operations on or adjacent to a railroad, (3) undertaking to indemnify a municipality required by municipal ordinance, except in connection with work for the municipality, (4) sidetrack agreement, or (5) elevator maintenance agreement;

"insured" means any person or organization qualifying as an **insured** in the **"Persons Insured"** provision of the applicable insurance coverage. The insurance afforded applies separately to each **insured** against whom claim is made or suit is brought, except with respect to the limits of the company's liability;

"insured premises" means all premises owned by or rented to the **named insured** with respect to which the **named insured** is afforded coverage for **bodily injury** liability under this policy, and includes the ways immediately adjoining on land;

"loading or unloading", with respect to an **automobile**, means the handling of property after it is moved from the place where it is accepted for movement into or onto an **automobile** or while it is in or on an **automobile** or while it is being moved from an **automobile** to the place where it is finally delivered, but "loading or unloading" does not include the movement of property by means of a mechanical device (other than a hand truck) not attached to the **automobile**;

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"medical expense" means expenses for necessary medical, surgical, x-ray and dental services, including prosthetic devices, and necessary ambulance, hospital, professional nursing and funeral services;

"mobile equipment" means a land vehicle (including any machinery or apparatus attached thereto), whether or not self-propelled, (1) not subject to motor vehicle registration, or (2) maintained for use exclusively on premises owned by or rented to the named insured, including the ways immediately adjoining or (3) designed for use principally off public roads, or (4) designed or maintained for the sole purpose of affording mobility to equipment of the following types forming an integral part of or permanently attached to such vehicle; power cranes, shovels, loaders, diggers and drills; concrete mixers (other than the mix-in-transit type); graders, scrapers, rollers, and other road construction or repair equipment; air-compressors, pumps and generators, including spraying, welding and building cleaning equipment; and geophysical exploration and well servicing equipment;

"named insured" means the person or organization named in Item 1. of the declarations of this policy;

"named insured's products" means goods or products manufactured, sold, handled or distributed by the named insured or by others trading under his name, including any container thereof (other than a vehicle), but "named insured's products" shall not include a vending machine or any property other than such container, rented to or located for use of others but not sold;

"occurrence" means an accident, including continuous or repeated exposure to conditions, which results in bodily injury or property damage neither expected nor intended from the standpoint of the insured;

"policy territory" means anywhere in the world, provided, however, that: (1) resulting claims are originally asserted within the United States of America, its possessions, or Canada, and (2) it shall apply to suits and judgments for damages resulting therefrom only if suit is originally commenced in a court in the United States of America, its possessions or in Canada;

"products hazard" includes bodily injury and property damage arising out of the named insured's products or reliance upon a representation or warranty made at any time with respect thereto, but only if the bodily injury or property damage occurs away from premises owned by or rented to the named insured and after physical possession of such products has been relinquished to others;

"property damage" means (1) physical injury to or destruction of tangible property which occurs during the policy period, including the loss of use thereof at any time resulting therefrom, or (2) loss of use of tangible property which has not been physically injured or destroyed provided such loss of use is caused by an occurrence during the policy period.

"suit" includes an arbitration proceeding to which the insured is required to submit or to which the insured has submitted with the company's consent.

"war hazard" includes all bodily injury and property damage due to war whether or not declared, civil war, insurrection, rebellion or revolution or to any act or condition incident to any of the foregoing.

VIII. ADDITIONAL CONDITIONS

1. **Premium.** All premiums for this policy shall be computed in accordance with the Company's rules, rates, rating plans, premiums and minimum premiums applicable to the insurance afforded herein.

   Premium designated in this policy as "advance premium" is a deposit premium only which shall be credited to the amount of the earned premium due at the end of the policy period. At the close of each period (or part thereof terminating with the end of the policy period) designated in the declarations as the audit period, the earned premium shall be computed for such period and, upon notice thereof to the named insured, shall become due and payable. If the total earned premium for the policy period is less than the premium previously paid, the company shall return to the named insured the unearned portion paid by the named insured.

   If this policy is issued for a period in excess of one year with a specified expiration date and a premium is payable at each anniversary, such premium shall be determined annually on the basis of the rates in effect at the anniversary date.

   If this policy is issued for a period without a specified expiration date, it may be continued by payment of the required premium for the succeeding annual period. Such premium must be paid to the Company prior to each anniversary date; if not so paid, this policy shall expire on the first anniversary date that the said premium has not been received by the Company.

   The named insured shall maintain records of such information as is necessary for premium computation and shall send copies of such records to the company at the end of the policy period and at such times during the policy period as the company may direct.

2. **Inspection and Audit.** The company shall be permitted but not obligated to inspect the named insured's property and operations at any time. Neither the company's right to make inspections nor the making thereof nor any report thereon shall constitute an undertaking, on behalf of or for the benefit of the named insured or others, to determine or warrant that such property or operations are safe or healthful, or are in compliance with any law, rule or regulation.

   The company may examine and audit the named insured's books and records at any time during the policy period and extensions thereof and within three years after the final termination of this policy, as far as they relate to the subject matter of this insurance.

3. **Financial Responsibility Laws.** Such insurance as is afforded by this policy for bodily injury liability or for property damage liability shall comply with the provisions of any motor vehicle financial responsibility law to the extent of the coverage and limits of liability required by such law.

4. **Insured's Duties in the Event of Occurrence, Claim or Suit.**
   (a) In the event of an occurrence, written notice containing particulars sufficient to identify the insured and also reasonably obtainable information with respect to the time, place and circumstances thereof, and the names and addresses of the injured and of available witnesses, shall be given by or for the insured to the company or any of its authorized agents as soon as practicable.
   (b) If claim is made or suit is brought against the insured, the insured shall immediately forward to the company every demand, notice, summons or other process received by him or his representative.
   (c) The insured shall cooperate with the company and, upon the company's request, assist in making settlements, in the conduct of suits and in enforcing any right of contribution or indemnity against any person or organization who may be liable to the insured because of injury or damage with respect to which insurance is afforded under this policy; and the insured shall attend hearings and trials and assist in securing and giving evidence and obtaining the attendance of witnesses. The insured shall not, except at his own cost, voluntarily make any payment, assume

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any obligation or incur any expense other than for first aid to others at the time of accident.

5. **Action Against Company.** No action shall lie against the company unless, as a condition precedent thereto, there shall have been full compliance with all of the terms of this policy, nor until the amount of the insured's obligation to pay shall have been finally determined either by judgment against the insured after actual trial or by written agreement of the insured, the claimant and the company.

   Any person or organization or the legal representative thereof who has secured such judgment or written agreement shall thereafter be entitled to recover under this policy to the extent of the insurance afforded by this policy. No person or organization shall have any right under this policy to join the company as a party to any action against the insured to determine the insured's liability, nor shall the company be impleaded by the insured or his legal representative. Bankruptcy or insolvency of the insured or of the insured's estate shall not relieve the company of any of its obligations hereunder.

6. **Subrogation.** In the event of any payment under this policy, the company shall be subrogated to all the insured's rights of recovery therefor against any person or organization and the insured shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The insured shall do nothing after loss to prejudice such rights.

7. **Other Insurance.** The insurance afforded by this policy is primary insurance, except when stated to apply in excess of or contingent upon the absence of other insurance. When this insurance is primary and the insured has other insurance which is stated to be applicable to the loss on an excess or contingent basis, the amount of the company's liability under this policy shall not be reduced by the existence of such other insurance.

   When both this insurance and other insurance apply to the loss on the same basis, whether primary, excess or contingent, the company shall not be liable under this policy for a greater proportion of the loss than that stated in the applicable contribution provision below.

   (a) **Contribution by Equal Shares.** If all of such other valid and collectible insurance provides for contribution by equal shares, the company shall not be liable for a greater proportion of such loss than would be payable if each insurer contributes an equal share until the share of each insurer equals the lowest applicable limit of liability under any one policy or the full amount of the loss is paid, and with respect to any amount of loss not so paid the remaining insurers then continue to contribute equal shares of the remaining amount of the loss until each such insurer has paid its limit in full or the full amount of the loss is paid.

   (b) **Contribution by Limits.** If any of such other insurance does not provide for contribution by equal shares, the company shall not be liable for a greater proportion of such loss than the applicable limit of liability under this policy for such loss bears to the total applicable limit of liability of all valid and collectible insurance against such loss.

8. **Changes.** Notice to any agent or knowledge possessed by any agent or by any other person shall not effect a waiver or a change in any part of this policy or estop the company from asserting any right under the terms of this policy; nor shall the terms of this policy be waived or changed, except by endorsement issued to form a part of this policy.

9. **Assignment.** Assignment of interest under this policy shall not bind the company until its consent is endorsed hereon; if, however, the named insured shall die, such insurance as is afforded by this policy shall apply (1) to the named insured's legal representative, as the named insured, but only while acting within the scope of his duties as such, and (2) with respect to the property of the named insured, to the person having proper temporary custody thereof, as insured, but only until the appointment and qualification of the legal representative.

10. **Annual Aggregate.** If this policy is issued for a period of three years any limit of the company's liability stated in this policy as "aggregate" shall apply separately to each consecutive annual period thereof.

11. **Cancellation.** This policy may be cancelled by the named insured by surrender thereof to the Company or any of its authorized agents or by mailing to the Company written notice stating when thereafter the cancellation shall be effective. This policy may be cancelled by the Company by mailing to the named insured at the mailing address shown in the Declarations, written notice stating when not less than ten days thereafter such cancellation shall be effective. The mailing of notice as aforesaid shall be sufficient proof of notice. The time of surrender or the effective date and hour of cancellation stated in the notice shall become the end of the policy period. Delivery of such written notice either by the named insured or by the Company shall be equivalent to mailing.

    If the named insured cancels, the Company shall, upon demand and surrender of this policy, refund the excess of paid premium above the customary short rates for the expired time. If the Company cancels, earned premium shall be computed pro rata. Premium adjustment may be made either at the time cancellation is effected or as soon as practicable after cancellation becomes effective, but payment or tender or unearned premium is not a condition of cancellation.

12. **Liberalization Clause.** In the event any filing is submitted to the insurance supervisory authorities on behalf of the Company, and:

    (a) the filing is approved or accepted by the insurance authorities to be effective while this policy is in force or within 45 days prior to its inception; and

    (b) the filing includes insurance forms or other provisions that would extend or broaden this insurance by endorsement or substitution of form, without additional premium;

    the benefit of such extended or broadened insurance shall inure to the benefit of the insured as though the endorsement or substitution of form had been made.

13. **Insurance Under More Than One Coverage, Part or Endorsement.** In the event that more than one coverage, part or endorsement of this policy insures the same loss, damage or claim, the Company shall not be liable for more than the actual loss or damage sustained by the insured.

14. **Time of Inception.** To the extent that coverage in this policy replaces coverage in other policies terminating noon standard time on the inception date of this policy, coverage under this policy shall not become effective until such other coverage has terminated.

15. **Medical Reports; Proof and Payment of Claim.** As soon as practicable the injured person or someone on his behalf shall give to the company written proof of claim, under oath if required, and shall, after each request from the company, execute authorization to enable the company to obtain medical reports and copies of records. The injured person shall submit to physical examination by physicians selected by the company when and as often as the company may reasonably require. The company may pay the injured person

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or any person or organization rendering the services and the payment shall reduce the amount payable hereunder for such injury. Payment hereunder shall not constitute an admission of liability of any person or, except hereunder, of the company.

16. **Arbitration.** The company shall be entitled to exercise all of the insured's rights in the choice or arbitrators and in the conduct of any arbitration proceeding.

17. **Waiver or Change of Provisions.** The terms of this insurance shall not be waived, changed or modified except by endorsement issued to form a part of this policy.

18. **Nuclear Exclusion.**

I. This policy does not apply:

(a) Under any Liability Coverage, to **bodily injury** or **property damage**,

(1) with respect to which an **insured** under this policy is also an **insured** under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters or Nuclear Insurance Association of Canada, or would be an **insured** under any such policy but for its termination upon exhaustion of its limit of liability; or

(2) resulting from the **hazardous properties** of **nuclear material** and with respect to which (i) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or (ii) the **insured** is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.

(b) Under any Medical Payments Coverage, or under any Supplementary Payments provision relating to first aid to expenses incurred with respect to **bodily injury** resulting from the **hazardous properties** of **nuclear material** and arising out of the operation of a **nuclear facility** by any person or organization.

(c) Under any Liability Coverage, to **bodily injury** or **property damage** resulting from the **hazardous properties** of **nuclear material**, if

(1) the **nuclear material** (i) is at any **nuclear facility** owned by, or operated by or on behalf of an **insured** or (ii) has been discharged or dispersed therefrom;

(2) the **nuclear material** is contained in **spent fuel** or **waste** at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of an **insured**; or

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

II. As used in this exclusion

"**hazardous properties**" include radioactive, toxic or explosive properties;

"**nuclear material**" means **source material**, **special nuclear material** or **byproduct material**;

"**source material**", "**special nuclear material**", and "**byproduct material**" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof;

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

"**waste**" means any waste material (1) containing **byproduct material** other than the tailings or **wastes** produced by extraction or concentration of uranium or thorium from any ore processed primarily for its **source material** content, and (2) resulting from the operation by any person or organization of any **nuclear facility** included under the first two paragraphs of the definition of **nuclear facility**;

"**nuclear facility**" means

(a) any **nuclear reactor**,

(b) any equipment or device designed or used for (1) separating the isotopes of uranium or plutonium, (2) processing or utilizing **spent fuel**, or (3) handling, processing or packaging **waste**,

(c) any equipment or device used for the processing, fabricating or alloying of **special nuclear material** if at any time the total amount of such material in the custody of the **insured** at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235,

(d) any structure, basin, excavation, premises or place prepared or used for the storage or disposal of waste,

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations;

"**nuclear reactor**" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material;

"**property damage**" includes all forms of radioactive contamination of property.

19. **Special Definitions.** Wherever in any form attached the word "policy" appears it shall mean the section of this policy of which such form is a part, or the supplemental policy or policies to which such form applies.

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Blanket Additional Coverage Endorsement (Section II — Liability)

It is agreed that such insurance as is provided under the Blanket Liability Coverage Supplement is extended to include the following additional insurance:

I. FIRE LEGAL LIABILITY – REAL PROPERTY

The company will pay on behalf of the insured all sums which the insured shall become legally obligated to pay as damages because of property damage to structures or portions thereof rented to or leased to the named insured, including fixtures permanently attached thereto, if such property damage arises out of fire;

A. All of the exclusions of this policy, other than the Nuclear Energy Liability Exclusion (Broad Form), are deleted and replaced by the following:

This insurance does not apply to liability assumed by the insured under any contract or agreement.

B. The limit of property damage liability as respects this Fire Legal Liability Coverage – Real Property is $100,000.00 each occurrence unless otherwise stated in the Declarations.

II. INCIDENTAL MEDICAL MALPRACTICE LIABILITY COVERAGE

Such insurance as is provided under Coverage A — Bodily Injury, is amended to include Incidental Medical Malpractice Injury.

Incidental Medical Malpractice Injury means injury arising out of the rendering of or failure to render, during the policy period, the following services:

A. medical, surgical, dental, x-ray or nursing service or treatment or the furnishing of food or beverages in connection therewith; or

B. the furnishing or dispensing of drugs or medical, dental or surgical supplies or appliances.

This coverage does not apply to:

1. expenses incurred by the insured for first-aid to others at the time of an accident and the "Supplementary Payments" provision and the "Insured's Duties in the Event of Occurrence, Claim or Suit" Condition are amended accordingly; or

2. any insured engaged in the business or occupation of providing any of the services described under II (A) and (B) above;

3. injury caused by any indemnitee if such indemnitee is engaged in the business or occupation of providing any of the services described under II (A) and (B) above.

III. PERSONAL INJURY AND ADVERTISING INJURY LIABILITY COVERAGE

A. The company will pay on behalf of the insured all sums which the insured shall become legally obligated to pay as damages because of personal injury or advertising injury to which this insurance applies, sustained by any person or organization and arising out of the conduct of the named insured's business, within the policy territory, and the company shall have the right and duty to defend any suit against the insured seeking damages on account of such injury, even if any of the allegations of the suit are groundless, false or fraudulent, and may make such investigation and settlement of any claim or suit as it deems expedient, but the company shall not be obligated to pay any claim or judgment or to defend any suit after the applicable limit of the company's liability has been exhausted by payment of judgments or settlements.

B. This insurance does not apply:

1. to liability assumed by the insured under any contract or agreement;

2. to personal injury or advertising injury arising out of the wilful violation of a penal statute or ordinance committed by or with the knowledge or consent of the insured;

3. to personal injury or advertising injury arising out of a publication or utterance of a libel or slander, or a publication or utterance in violation of an individual's right of privacy, if the first injurious publication or utterance of the same or similar material by or on behalf of the named insured was made prior to the effective date of this insurance;

4. to personal injury or advertising injury arising out of libel or slander or the publication or utterance of defamatory or disparaging material concerning any person or organization or goods, products or services, or in violation of an individual's right of privacy, made by or at the direction of the insured with knowledge of the falsity thereof;

5. to personal injury or advertising injury arising out of the conduct of any partnership or joint venture of which the insured is a partner or member and which is not designated in the declarations of the policy as a named insured;

6. to advertising injury arising out of

a. failure of performance of contract, but this exclusion does not apply to the unauthorized appropriation of ideas based upon alleged breach of implied contract, or

b. infringement of trademark, service mark or trade name, other than titles or slogans, by use thereof on or in connection with goods, products or services sold, offered for sale or advertised, or

c. incorrect description or mistake in advertised price of goods, products or services sold, offered for sale or advertised;

7. with respect to advertising injury

a. to any insured in the business of advertising, broadcasting, publishing or telecasting, or

b. to any injury arising out of any act committed by the insured with actual malice.

C. Limits of Liability

Regardless of the number of (1) insureds hereunder, (2) persons or organizations who sustain injury or damage, or (3) claims made or suits brought on account of personal injury or advertising injury the total limit of the company's liability under this coverage for all damages shall not exceed the per occurrence bodily injury liability limit stated in the General Liability Schedule.

D. Additional Definitions

"Advertising Injury" means injury arising out of an offense committed during the policy period occurring in the course of the named insured's advertising activities, if such injury arises out of libel, slander, defamation, violation of right of privacy, piracy, unfair competition, or infringement of copyright, title or slogan.

"Personal Injury" means injury arising out of one or more of the following offenses committed during the policy period:

1. false arrest, detention, imprisonment, or malicious prosecution;

2. wrongful entry or eviction or other invasion of the right of private occupancy,

3. a publication or utterance

a. of a libel or slander or other defamatory or disparaging material, or

b. in violation of an individual's right of privacy;

except publications or utterances in the course of or related to advertising, broadcasting, publishing or telecasting activities conducted by or on behalf of the named insured shall not be deemed personal injury;

IV. BLANKET CONTRACTUAL LIABILITY COVERAGE

A. The definition of incidental contract is extended to include any contract or agreement relating to the conduct of the named insured's business.

B. The insurance afforded with respect to liability assumed under an incidental contract is subject to the following additional exclusions:

1. to bodily injury or property damage for which the insured has assumed liability under any incidental contract, if such injury or damage occurred prior to the execution of the incidental contract;

2. if the insured is an architect, engineer or surveyor, to bodily injury or property damage arising out of the rendering or failure to render professional services by such insured, including

a. the preparation or approval of maps, drawings, opinions, reports, surveys, change orders, designs or specifications, and

b. supervisory, inspection or engineering services;

3. if the indemnitee of the insured is an architect, engineer or surveyor, to the liability of the indemnitee, his agents or employees, arising out of

a. the preparation or approval or the failure to prepare or approve maps, drawings, opinions, reports, surveys, change orders, designs or specifications, or

b. the giving of or the failure to give directions or instructions by the indemnitee, his agent or employees, provided such giving or failure to give is the primary cause of the bodily injury or property damage;

4. to any obligation for which the insured may be held liable in an action on a contract by a third party beneficiary for bodily injury or property damage arising out of a project for a public authority; but this exclusion does not apply to an action by the public authority or any other person or organization engaged in the project;

5. to bodily injury or property damage arising out of operations, within 50 feet of any railroad property, affecting any railroad bridge or trestle, tracks, road beds, tunnel, underpass or crossing; but this exclusion does not apply to sidetrack agreements.

C. The following exclusion applicable to Coverages A (Bodily Injury) and B (Property Damage) does not apply to this Contractual Liability Coverage: (g).

To liability assumed by the insured under any contract or agreement except an incidental contract.

D. Exclusion (h) is replaced by the following:

V. ADDITIONAL PERSONS INSURED

As respects Coverage A (bodily injury) and B (property damage), an advertising injury and personal injury coverages, under the provisio . "Persons Insured," the following are added as insureds:

1. Spouse — Partnership — If the named insured is a partnership, the spouse of a partner but only with respect to the conduct of the business of the named insured.

2. Employee — Any employee of the named insured while acting within the scope of his duties as such, but the insurance afforded to such employee does not apply:

a. to bodily injury or personal injury to another employee of the named insured arising out of or in the course of his employment;

b. to personal injury or advertising injury to the named insured or, if the named insured is a partnership or joint venture, any partner or member thereof, or the spouse of any of the foregoing;

c. to property damage to property owned, occupied or used by, rented to, in the care, custody or control of or over which physical control is being excercised for any purpose by another employee of the named insured, or by the named insured or, if the named insured is a partnership or joint venture, any partner or member thereof or b the spouse of any of the foregoing.

VI. AMENDMENT OF DEFINITION OF OCCURRENCE

With respect to insurance for Coverage A, bodily injury and Coverage B, property damage, provided by this policy, the definition of occurrence includes any intentional act by or at the direction of the insured which results in bodily injury or property damage, if such injury or damage arises solely from the use of reasonable force for the purpose of protecting persons or property.

VII. AUTOMATIC COVERAGE — NEWLY ACQUIRED ORGANIZATIONS (90 DAYS)

The "Persons Insured" provision is amended by the deletion of:

"This insurance does not apply to bodily injury or property damage arising out of the conduct of any partnership or joint venture of which the insured is a partner or member and which is not designated in this policy as a named insured."

and the addition of:

d. any organization which is acquired or formed by the named insured and over which the named insured maintains ownership or majority interest, other than a joint venture, provided this insurance does not apply to bodily injury, property damage, personal injury and advertising injury with respect to which such new organization under this policy is also an insured under any other similar liability or indemnity policy or would be an insured under any such policy but for exhaustion of its limits of liability. The insurance afforded hereby shall terminate 90 days from the date any such organization is acquired or formed by the named insured.

This endorsement must be attached to the change endorsement when issued after the policy is written.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

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UNINSURED MOTORISTS INSURANCE—BODILY INJURY (CALIFORNIA)

A. WORDS AND PHRASES WITH SPECIAL MEANING

In addition to the WORDS AND PHRASES WITH SPECIAL MEANING in the policy, the following words and phrases have special meaning for UNINSURED MOTORISTS INSURANCE—BODILY INJURY (CALIFORNIA):

1. **"Family member"** means **your** spouse, whether or not a resident of **your** household, and any other person related to **you** by blood, marriage or adoption who is a resident of **your** household, including a ward or foster child.
2. **"Occupying"** means in, upon, getting in, on, out or off.
3. **"Uninsured motor vehicle"** means a land motor vehicle or trailer:
   a. For which no liability bond or policy at the time of an **accident** provides at least the amounts required by the applicable law where a covered **auto** is principally garaged, or
   b. Which is an underinsured motor vehicle. An underinsured motor vehicle is a motor vehicle or trailer for which the sum of all liability bonds or policies at the time of an **accident** provides at least the amounts required by the applicable law where a covered **auto** is principally garaged but that sum is less than the limit of liability for this insurance, or
   c. For which the insuring or bonding company denies coverage or refuses to admit coverage except conditionally or with reservation or becomes insolvent, or
   d. Which is a hit-and-run vehicle and neither the driver nor owner can be identified. The vehicle must make physical contact with an **insured**, a covered **auto** or a vehicle an **insured** is **occupying**.

   However, **"uninsured motor vehicle"** does not include any vehicle:
   a. Owned or operated by a self-insurer under any applicable motor vehicle law.
   b. Owned by a governmental unit or agency.
   c. Designed or modified for use primarily off public roads while not on public roads.

B. WE WILL PAY

1. We will pay all sums the **insured** is legally entitled to recover as damages from the owner or driver of an **uninsured motor vehicle**. The damages must result from **bodily injury** sustained by **the insured** caused by an **accident**. The owner's or driver's liability for these damages must result from the ownership, maintenance or use of the **uninsured motor vehicle**.
2. If this insurance provides a limit in excess of the amounts required by the applicable law where a covered **auto** is principally garaged, we will pay only after all liability bonds or policies have been exhausted by judgments or payments.
3. Any judgment for damages arising out of a suit brought without **our** written consent is not binding on us.

C. WE WILL NOT COVER—EXCLUSIONS

This insurance does not apply to:

1. Any claim settled without **our** consent.
2. The direct or indirect benefit of any insurer or self-insurer under any workers' compensation, disability or similar law to the direct benefit of the United States, a state or its political subdivisions.
3. **Bodily injury** sustained by **you** or any **family member** while **occupying** or struck by any vehicle owned by **you** or any **family member** which is not a covered **auto**.
4. Anyone using a vehicle without a reasonable belief that the person is entitled to do so.

D. WHO IS INSURED

1. **You** or any **family member**.
2. Anyone else **occupying** a covered **auto** or a temporary substitute for a covered **auto**. The covered **auto** must be out of service because of its breakdown, repair, servicing, loss or destruction.
3. Anyone for damages he is entitled to recover because of **bodily injury** sustained by another **insured**.

E. OUR LIMIT OF LIABILITY

1. Regardless of the number of covered **autos**, **insureds**, claims made or vehicles involved in the **accident**, the most we will pay for all damages resulting from any one **accident** is the limit of UNINSURED MOTORISTS INSURANCE shown in the declarations.
2. Except for a vehicle described in paragraph b. of the definition of **uninsured motor vehicle**, any

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loss payable under this insurance shall be reduced by:

a. All sums paid or payable under any workers' compensation law exclusive of non-occupational disability benefits, and

b. All sums paid by or for anyone who is legally responsible, including all sums paid under this policy's LIABILITY INSURANCE.

3. For a vehicle described in paragraph b. of the definition of **uninsured motor vehicle**, our limit of liability shall be reduced by all sums paid because of **bodily injury** by or for anyone who is legally responsible, including all sums paid or payable under this policy's LIABILITY INSURANCE.

CHANGES IN CONDITIONS

The Conditions of the policy are changed for UNINSURED MOTORISTS INSURANCE—BODILY INJURY (CALIFORNIA) as follows:

1. OTHER INSURANCE

a. For **bodily injury** sustained by an **insured** while **occupying** an **auto** he does not own, UNINSURED MOTORISTS INSURANCE does not apply if the owner of the **auto** has uninsured motorists insurance.

b. Except as provided in paragraph a., if an **insured** has other uninsured motorists insurance, the damages shall be deemed not to exceed the higher of the applicable limits of the respective coverages. **We** will pay only **our** share of these damages. **Our** share is the proportion that the limit of UNINSURED MOTORISTS INSURANCE bears to the total of the limits of all uninsured motorists insurance.

2. YOUR DUTIES AFTER ACCIDENT OR LOSS is changed by adding the following:

a. Promptly notify the police if a hit-and-run driver is involved, and

b. Promptly send **us** copies of the legal papers if a suit is brought. In addition, a person seeking coverage under paragraph b. of the definition of **uninsured motor vehicle** must:

(1) Provide us with a copy of the complaint by personal service or certified mail if the **insured** brings an action against the owner or operator of such **uninsured motor vehicle**.

(2) Within a reasonable time, make all pleadings and depositions available for copying by us or furnish us copies at our expense, and

(3) Provide us with proof that the limits of liability under any applicable liability bonds or policies have been exhausted by payment of judgments or settlements.

3. OUR RIGHT TO RECOVER FROM OTHERS is replaced by the following:

a. With respect to paragraphs a., c. and d. of the definition of **uninsured motor vehicle**, if we make any payment, we are entitled to recover what we paid from other parties. Any person to or for whom we make payment must transfer to us his or her rights of recovery against any other party. This person must do everything necessary to secure these rights and must do nothing that would jeopardize them.

b. With respect to paragraph b. of the definition of **uninsured motor vehicle**, if we make any payment and the **insured** recovers from another party, the **insured** shall hold the proceeds in trust for us and pay us back the amount we have paid.

4. LEGAL ACTION AGAINST US is changed to read:

No legal action may be brought against **us** until there has been full compliance with all the terms of this policy nor unless within one year from the date of the **accident**:

a. Suit for **bodily injury** has been filed against the uninsured motorist in a court of competent jurisdiction, or

b. Agreement as to the amount due under this insurance has been concluded, or

c. The **insured** has formally instituted legal proceedings.

5. The following Condition is added:

ARBITRATION

a. If we and an **insured** disagree whether the **insured** is legally entitled to recover damages from the owner or driver of an **uninsured motor vehicle** or do not agree as to the amount of damages, either party may make a written demand for arbitration. In this event the disagreement will be settled by a single neutral arbitrator. Each party will bear the expenses of the arbitrator equally.

b. Unless both parties agree otherwise, arbitration will take place in the county in which the **insured** lives. Local rules of law as to arbitration procedures and evidence will apply. The decision of the arbitrator will be binding.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

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CHANGES IN BUSINESS AUTO POLICY

The policy is changed as follows:

A. CHANGES IN LIABILITY INSURANCE

1. The exclusion relating to loading or unloading of property does not apply. The following two exclusions apply instead:

   This insurance does not apply to:

   Bodily injury or **property damage** resulting from the handling of property:

   a. Before it is moved from the place where it is accepted by the **insured** for movement into or onto the covered **auto**, or

   b. After it is moved from the covered **auto** to the place where it is finally delivered by the **insured**.

   Bodily injury or **property damage** resulting from the movement of property by a mechanical device (other than a hand truck) not attached to the covered **auto**.

2. WHO IS INSURED is changed to read:

   D. WHO IS INSURED

   1. **You** are an **insured** for any covered **auto**.
   2. Anyone else is an **insured** while using with **your** permission a covered **auto you** own, hire or borrow except:
      a. The owner of a covered **auto you** hire or borrow from one of **your** employees or a member of his or her household.
      b. Someone using a covered **auto** while he or she is working in a business of selling, servicing, repairing or parking **autos** unless that business is **yours**.
      c. Anyone other than **your** employees, a lessee or borrower or any of their employees, while moving property to or from a covered **auto**.
   3. Anyone is an **insured** for his or her liability because of acts or ommissions of an **insured** described above. However, the owner or anyone else from whom **you** hire or borrow a covered **auto** is an **insured** only if that **auto** is a **trailer** connected to a covered **auto you** own.

B. CHANGES IN PHYSICAL DAMAGE INSURANCE

The "GLASS BREAKAGE—HITTING A BIRD OR ANIMAL—FALLING OBJECTS OR MISSILES" provision is changed to read:

We will pay for glass breakage, loss caused by hitting a bird or animal or by falling objects or missiles under Comprehensive Coverage if **you** carry Comprehensive Coverage for the damaged covered **auto**. However, **you** have the option of having glass breakage caused by a covered **auto's** collision or overturn considered a loss under Collision Coverage.

C. CHANGE IN CONDITIONS

The following Condition is added:

TWO OR MORE POLICIES ISSUED BY US

If this policy and any other policy issued to **you** by **us** or any company affiliated with **us** apply to the same **accident**, the aggregate maximum limit of liability under all the policies shall not exceed the highest applicable limit of liability under any one policy. This condition does not apply to any policy issued by **us** or an affiliated company specifically to apply as excess insurance over this policy.

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Comprehensive Business Auto Insurance (Coverage Supplement)

In return for the payment of the premium and subject to all the terms of this policy, **we** agree with **you** as follows:

PART I — WORDS AND PHRASES WITH SPECIAL MEANING — READ THEM CAREFULLY

The following words and phrases have special meaning throughout this policy and appear in **boldface type** when used:

A. **"You"** and **"your"** mean the person or organization shown as the named insured in ITEM ONE of the Additional Declarations.

B. **"We"**, **"us"** and **"our"** mean the company providing the insurance.

C. **"Accident"** includes continuous or repeated exposure to the same condition resulting in **bodily injury** or **property damage** the **insured** neither expected nor intended.

D. **"Auto"** means a land motor vehicle, trailer or semi-trailer designed for travel on public roads but does not include **mobile equipment.**

E. **"Bodily injury"** means bodily injury, sickness or disease including death resulting from any of these.

F. **"Insured"** means any person or organization qualifying as an insured in the WHO IS INSURED section of the applicable insurance. Except with respect to **our** limit of liability, the insurance afforded applies separately to each insured who is seeking coverage or against whom a claim is made or suit is brought.

G. **"Loss"** means direct and accidental damage or loss.

H. **"Mobile equipment"** means any of the following type of land vehicles:

1. Specialized equipment such as: Bulldozers; Power shovels; Rollers, graders or scrapers; Farm machinery; Cranes; Street sweepers or other cleaners; Diggers; Forklifts; Pumps; Generators; Air Compressors; Drills; Other similar equipment.
2. Vehicles designed for use principally off public roads.
3. Vehicles maintained solely to provide mobility for such specialized equipment when permanently attached.
4. Vehicles not required to be licensed.
5. **Autos** maintained for use solely on **your** premises or that part of roads or other accesses that adjoin **your** premises.

I. **"Property damage"** means damage to or loss of use of tangible property.

J. **"Trailer"** includes semitrailer.

PART II — WHICH AUTOS ARE COVERED AUTOS

A. If a limit of liability is shown in the place provided in each of the coverages contained in Item 2. of the "Auto Declarations", the following types of vehicles are covered **autos:**

1. **LIABILITY INSURANCE**
   a. Any **auto;**
   b. **Trailers** with a load capacity of 2,000 pounds or less designed primarily for travel on public roads;
   c. **Mobile Equipment** while being carried or towed by a covered **auto.**
2. **NO-FAULT COVERAGES**
   Only those **autos you** own which are required to have No-Fault benefits in the state where they are licensed or principally garaged. This includes those **autos** whose ownership **you** acquire after the policy begins provided they are required to have No-Fault benefits in the state where they are licensed or principally garaged.
3. **AUTO MEDICAL PAYMENTS INSURANCE**
   Only those **autos** of the type indicated by [X] in the "Auto Declarations";
4. **UNINSURED MOTORISTS INSURANCE**
   Only those **autos** of the type indicated by [X] in the **Auto** Declarations;
5. **PHYSICAL DAMAGE INSURANCE**
   a. Only those **autos you** own which are described in the **Schedule of Autos;** this includes those **autos** whose ownership **you** acquire after the policy begins;
   b. If indicated in the "Schedule of Autos" by [X] or where a deductible amount is shown, those **autos you** lease, hire, rent or borrow are covered **autos;** this does not include any **auto** you lease, hire, rent or borrow from any of your employees or members of their households.

B. **OWNED AUTOS YOU ACQUIRE AFTER THE POLICY BEGINS.**
If a limit of liability is shown in the place provided in each of the coverages contained in Item 2 of the "Auto Declarations", then **you** already have coverage for **autos** of the type described until the policy ends.

PART III — WHERE AND WHEN THIS POLICY COVERS

We cover **accidents** or **losses** which occur during the policy period:

A. In the United States of America, its territories or possessions, Puerto Rico or Canada; or

B. While the covered **auto** is being transported between any of these places.

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PART IV — LIABILITY INSURANCE

A. WE WILL PAY

1. **We** will pay all sums the **insured** legally must pay as damages because of **bodily injury** or **property damage** to which this insurance applies, caused by an **accident** and resulting from the ownership, maintenance or use of a covered **auto.**
2. **We** have the right and duty to defend any suit asking for these damages. However, **we** have no duty to defend suits for **bodily injury** or **property damage** not covered by this policy. **We** may investigate and settle any claim or suit as **we** consider appropriate. **Our** payment of the LIABILITY INSURANCE limit ends **our** duty to defend or settle.

B. WE WILL ALSO PAY.

In addition to **our** limit of liability, **we** will pay for the **insured:**

1. Up to $250 for cost of bail bonds (including bonds for related traffic law violations) required because of an **accident we** cover. **We** do not have to furnish these bonds.
2. Premiums on appeal bonds in any suit **we** defend.
3. Premiums on bonds to release attachments in a suit **we** defend but only for bonds up to **our** limit of liability.
4. All costs taxed to the **insured** in a suit **we** defend.
5. All interest accruing after the entry of the judgment in a suit **we** defend. **Our** duty to pay interest ends when **we** pay or tender **our** limit of liability.
6. Up to $50 a day for loss of earnings (but not other income) because of attendance at hearings or trials at **our** request.
7. Other reasonable expenses incurred at **our** request.

C. WE WILL NOT COVER — EXCLUSIONS.

This insurance does not apply to:

1. Liability assumed under any contract or agreement.
2. Any obligation for which the **insured** or his or her insurer may be held liable under any workers' compensation or disability benefits law or under any similar law.
3. Any obligation of the **insured** to indemnify another for damages resulting from **bodily injury** to the **insured's** employee.
4. **Bodily injury** to any fellow employee of the **insured** arising out of and in the course of his or her employment.
5. **Bodily injury** to any employee of the **insured** arising out of and in the course of his or her employment by the **insured.** However, this exclusion does not apply to **bodily injury** to domestic employees not entitled to workers' compensation benefits.
6. **Property damage** to property owned or transported by the **insured** or in the **insured's** care, custody or control.
7. **Bodily injury** or **property damage** resulting from the handling of property:
   a. Before it is moved from the place where it is accepted by the **insured** for movement into or onto the covered **auto,** or
   b. After it is moved from the covered **auto** to the place where it is finally delivered by the **insured.**
8. **Bodily injury** or **property damage** resulting from the movement of property by a mechanical device (other than a hand truck) not attached to the covered **auto.**
9. **Bodily injury** or **property damage** caused by the dumping, discharge or escape of irritants, pollutants or contaminants. This exclusion does not apply if the discharge is sudden and accidental.

D. WHO IS INSURED.

1. **You** are an **insured** for any covered **auto.**
2. Anyone else is an **insured** while using with **your** permission a covered **auto you** own, hire or borrow except:
   a. The owner of a covered **auto you** hire or borrow from one of **your** employees or a member of his or her household.
   b. Someone using a covered **auto** while he or she is working in a business of selling, servicing, repairing or parking **autos** unless that business is **yours.**
   c. Anyone other than **your** employees, a lessee or borrower or any of their employees, while moving property to or from a covered **auto.**
3. Anyone liable for the conduct of an **insured** described above is an **insured** but only to the extent of that liability. However, the owner or anyone else from whom **you** hire or borrow a covered **auto** is an **insured** only if that **auto** is a **trailer** connected to a covered **auto you** own.

E. OUR LIMIT OF LIABILITY.

1. Regardless of the number of covered **autos, insureds,** claims made or vehicles involved in the **accident,** the most **we** will pay for all damages resulting from any one **accident** is the LIABILITY INSURANCE limit shown in the Additional Declarations.
2. All **bodily injury** and **property damage** resulting from continuous or repeated exposure to substantially the same conditions will be considered as resulting from one **accident.**

F. OUT OF STATE EXTENSIONS OF COVERAGE.

1. While a covered **auto** is away from the state where it is licensed **we** will:
   a. Increase this policy's liability limits to

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meet those specified by a compulsory or financial responsibility law in the jurisdiction where the covered **auto** is being used.

b. Provide the minimum amounts and types of other coverages, such as "No-Fault", required of out of state vehicles by the jurisdiction where the covered **auto** is being used.

2. **We** will not pay anyone more than once for the same elements of loss because of these extensions.

PART V — AUTO MEDICAL PAYMENTS INSURANCE

A. WORDS AND PHRASES WITH SPECIAL MEANING

In addition to the WORDS AND PHRASES WITH SPECIAL MEANING in the policy, the following words and phrases have special meaning for AUTO MEDICAL PAYMENTS INSURANCE:

1. **"Family menber"** means a person related to **you,** by blood, marriage or adoption who is a resident of **your** household, including a ward or foster child.
2. **"Occupying"** means in, upon, getting in, on, out or off.

B. WE WILL PAY

We will pay reasonable expenses incurred for necessary medical and funeral services to or for an **insured** who sustains **bodily injury** caused by **accident. We** will pay only those expenses incurred within three years from the date of the **accident.**

C. WE WILL NOT COVER — EXCLUSIONS

This insurance does not apply to:

1. **Bodily injury** sustained by an **insured** while **occupying** a vehicle located for use as a premises.
2. **Bodily injury** sustained by **you** or any **family member** while **occupying** or struck by any vehicle (other than a covered **auto**) owned by **you** or furnished or available for **your** regular use.

   If **you** are an individual, this exclusion does not apply to **Bodily injury** sustained by **you** or any **family member** while **occupying** or struck by any vehicle not owned by **you,** but furnished or available for **your** regular use.
3. **Bodily injury** sustained by any **family member** while **occupying** or struck by any vehicle (other than a covered **auto**) owned by **you** or furnished or available for the regular use of any **family member.**

   If **you** are an individual, this exclusion does not apply to **Bodily injury** sustained by any **family member** while **occupying** or struck by any vehicle not owned by a **family member,** but furnished or available for the regular use of any **family member.**
4. **Bodily injury** to **your** employee arising out of and in the course of employment by **you.** However, **we** will cover **bodily injury** to **your** domestic employees if not entitled to workers' compensation benefits.
5. **Bodily injury** to an **insured** while working in a business of selling, servicing, repairing or parking **autos** unless that business is yours.
6. **Bodily injury** caused by declared or undeclared war or insurrection or any of their consequences.
7. **Bodily injury** to anyone using a vehicle without a reasonable belief that the person is entitled to do so.

D. WHO IS INSURED

1. **You** or any **family member** while **occupying** or, while a pedestrian, when struck by any **auto.**
2. Anyone else **occupying** a covered **auto** or a temporary substitute for a covered **auto.** The covered **auto** must be out of service because of its breakdown, repair, servicing, **loss** or destruction.

E. OUR LIMIT OF LIABILITY

Regardless of the number of covered **autos, insureds,** claims made or vehicles involved in the **accident,** the most **we** will pay for **bodily injury** for each **insured** injured in any one **accident** is the limit of AUTO MEDICAL PAYMENTS shown in the Additional Declarations.

F. CHANGES IN CONDITIONS

The CONDITIONS of the policy are changed for AUTO MEDICAL PAYMENTS INSURANCE as follows:

1. OUR RIGHT TO RECOVER FROM OTHERS, does not apply.
2. The reference in OTHER INSURANCE to "other collectible insurance" applies only to other collectible auto medical payments insurance.

PART VI — PHYSICAL DAMAGE INSURANCE

A. WE WILL PAY.

1. **We** will pay for **loss** to a covered **auto** or its equipment under:

   a. **Comprehensive Coverage.** From any cause except the covered **auto's** collision with another object or its overturn.

   b. **Specified Perils Coverage.** Caused by:

      (1) Fire or explosion;
      (2) Theft;
      (3) Windstorm, hail or earthquake;
      (4) Flood;
      (5) Mischief or vandalism;
      (6) The sinking, burning, collision or

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derailment of any conveyance transporting the covered **auto.**

c. **Collision Coverage.** Caused by the covered **auto's** collision with another object or its overturn.

2. **Towing.**

We will pay up to $25 for towing and labor costs incurred each time a covered **auto** of the **private passenger type** is disabled. However, the labor must be performed at the place of disablement.

B. **WE WILL ALSO PAY.**

We will also pay up to $25 per day to a maximum of $300 for transportation expense incurred by **you** because of the total **loss** of a covered **auto** of the **private passenger type. We** will pay only for those covered **autos** for which **you** carry either Comprehensive or Specified Perils Coverage. **We** will pay for transportation expenses incurred during the period beginning 48 hours after the loss and ending, regardless of the policy's expiration, when the covered **auto** is returned to use or **we** pay for its **loss.**

C. **WE WILL NOT COVER — EXCLUSIONS.**

This insurance does not apply to:

1. Wear and tear, freezing, mechanical or electrical breakdown unless caused by other **loss** covered by this policy.
2. Blowouts, punctures or other road damage to tires unless caused by other **loss** covered by this policy.
3. **Loss** caused by declared or undeclared war or insurrection or any of their consequences.
4. **Loss** caused by the explosion of a nuclear weapon or its consequences.
5. **Loss** caused by radioactive contamination.
6. **Loss** to tape decks or other sound reproducing equipment not permanently installed in a covered **auto.**
7. **Loss** to tapes, records or other sound reproducing devices designed for use with sound reproducing equipment.
8. **Loss** to any sound receiving equipment designed for use as a citizens' band radio, two-way mobile radio or telephone or scanning monitor receiver, including its antennas and other accessories, unless permanently installed in the dash or console opening normally used by the **auto** manufacturer for the installation of a radio.

D. **HOW WE WILL PAY FOR LOSSES — THE MOST WE WILL PAY.**

1. At **our** option **we** may:
   a. Pay for, repair or replace damaged or stolen property; or
   b. Return the stolen property, at **our** expense. **We** will pay for any damage that results to the **auto** from the theft.
2. The most **we** will pay for **loss** is the smaller of the following amounts:
   a. The actual cash value of the damaged or stolen property at the time of **loss.**
   b. The cost of repairing or replacing the damaged or stolen property with other of like kind or quality.
3. For each covered **auto, our** obligation to pay for, repair, return or replace damaged or stolen property will be reduced by the applicable deductible shown in the declarations. Any Comprehensive Coverage deductible shown in the declarations does not apply to **loss** caused by fire or lightning.

E. **GLASS BREAKAGE — HITTING A BIRD OR ANIMAL — FALLING OBJECTS OR MISSILES.**

We will pay for glass breakage, **loss** caused by hitting a bird or animal or by falling objects or missiles under Comprehensive Coverage if **you** carry Comprehensive Coverage for the damaged covered **auto.** However, **you** have the option of having glass breakage caused by a covered **auto's** collision or overturn considered a **loss** under collision coverage.

PART VII — CONDITIONS

The insurance provided by this policy is subject to the following conditions:

A. **YOUR DUTIES AFTER ACCIDENT OR LOSS.**

1. **You** must promptly notify **us** or **our** agent of any **accident** or **loss. You** must tell **us** how, when and where the **accident** or **loss** happened. **You** must assist in obtaining the names and addresses of any injured persons and witnesses.
2. Additionally, **you** and other involved **insureds** must:
   a. Cooperate with **us** in the investigation, settlement or defense of any claim or suit. No **insured** shall, except at his or her own cost, voluntarily make any payment, assume any obligation or incur any expense.
   b. Immediately send **us** copies of any notices or legal papers received in connection with the **accident** or **loss.**
   c. Submit at **our** expense and as often as **we** require to physical examinations by physicians **we** select.
   d. Authorize **us** to obtain medical reports and other pertinent medical information.
3. Additionally, to recover for **loss** to a covered **auto** or its equipment **you** must do the following:
   a Permit **us** to inspect and appraise the damaged property before its repair or disposition.
   b. Do what is reasonably necessary after **loss** at **our** expense to protect the

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covered **auto** from further **loss.**

c. Submit a proof of **loss** when required by **us.**

d. Promptly notify the police if the covered **auto** or any of its equipment is stolen.

B. **OTHER INSURANCE.**

1. For any covered **auto you** own this policy provides primary insurance. For any covered **auto you** don't own, the insurance provided by this policy is excess over any other collectible insurance. However, while a covered **auto** which is a **trailer** is connected to another vehicle the liability coverage this policy provides for the **trailer:**

   a. Is excess while it is connected to a motor vehicle **you** don't own.

   b. Is primary while it is connected to a covered **auto you** own.

2. When two or more policies cover on the same basis, either excess or primary, **we** will pay only **our** share. **Our** share is the proportion that the limit of **our** policy bears to the total of the limits of all the policies covering on the same basis.

C. **OUR RIGHT TO RECOVER FROM OTHERS.**

If **we** make any payment, **we** are entitled to recover what **we** paid from other parties. Any person to or for whom **we** make payment must transfer to **us** his or her rights of recovery against any other party. This person must do everything necessary to secure these rights and must do nothing that would jeopardize them.

D. **CANCELLING THIS POLICY DURING THE POLICY PERIOD.**

1. **You** may cancel the policy by returning it to **us** or by giving **us** advance notice of the date cancellation is to take effect.
2. **We** may cancel the policy by mailing **you** at least 10 days notice at **your** last address known by **us. We** may deliver any notice instead of mailing it. Proof of mailing of any notice will be sufficient proof of notice.
3. The effective date of cancellation stated in the notice shall become the end of the policy period.
4. If this policy is cancelled, **you** may be entitled to a premium refund. If so, **we** will send **you** the refund. However, making or offering to make the refund is not a condition of cancellation. If **you** cancel, the refund, if any, will be computed in accordance with the customary short rate procedure. If **we** cancel, the refund, if any, will be computed pro rata.

E. **LEGAL ACTION AGAINST US.**

No legal action may be brought against **us** until there has been full compliance with all the terms of this policy. In addition, under LIABILITY INSURANCE, no legal action may be brought against **us** until **we** agree in writing that the **insured** has an obligation to pay or until the amount of that obligation has been finally determined by judgment after trial. No person or organization has any right under this policy to bring **us** into any action to determine the liability of the **insured.**

F. **INSPECTION.**

At **our** option **we** may inspect **your** property and operations at any time. These inspections are for **our** benefit only. By **our** right to inspect or by **our** making any inspection **we** make no representation that **your** property or operations are safe, not harmful to health or comply with any law, rule or regulation.

G. **CHANGES.**

This policy contains all the agreements between **you** and **us.** If a change requires a premium adjustment, **we** will adjust the premium as of the effective date of change. If **we** revise this policy form to provide more coverage without additional premium charge **your** policy will automatically provide the additional coverage as of the day the revision is effective in **your** state.

H. **TRANSFER OF YOUR INTEREST IN THIS POLICY.**

Your rights and duties under this policy may not be assigned without **our** written consent.

I. **NO BENEFIT TO BAILEE — PHYSICAL DAMAGE INSURANCE ONLY.**

We will not recognize any assignment or grant any coverage for the benefit of any person or organization holding, storing or transporting property for a fee regardless of any other provision of this policy.

J. **BANKRUPTCY.**

Bankruptcy or insolvency of the **insured** shall not relieve **us** of any obligations under this policy.

K. **APPRAISAL FOR PHYSICAL DAMAGE LOSSES.**

1. If **you** and **we** fail to agree as to the amount of **loss** either may demand an appraisal of the **loss.** In such event, **you** and **we** shall each select a competent appraiser, and the appraisers shall select a competent and disinterested umpire. The appraisers shall state separately the actual cash value and the amount of **loss,** and, failing to agree, shall submit their differences to the umpire. An award in writing of any two shall determine the amount of **loss. You** and **we** shall each pay the chosen appraiser and shall bear equally the other expenses of the appraisal and umpire.
2. **We** shall not be held to have waived any of **our** rights by any act relating to appraisal.

L. **TWO OR MORE POLICIES ISSUED BY US.**

If this policy and any other policy issued to **you** by **us** or any company affiliated with **us** apply to the same **accident,** the aggregate maximum limit of liability under all the policies shall not exceed the highest applicable limit of liability under any one policy. This condition does not apply to any policy issued by **us** or an affiliated company specifically to apply as excess insurance over this policy.

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PART VIII — INDIVIDUAL NAMED INSURED

If **you** are an individual, the policy is changed as follows:

A. **WORDS AND PHRASES WITH SPECIAL MEANING.**

1. The following phrase is added and appears in bold face type when used:

   "Family member" means a person related to **you** by blood, marriage or adoption who is a resident of **your** household, including a ward or foster child.

2. The words **"you"** and **"your"** include **your** spouse if a resident of the same household except for notice of cancellation.

3. When the phrase **"private passenger type"** appears in **bold face type** it includes any covered **auto you** own of the pick-up or van type not used for business purposes, other than farming or ranching.

B. **CHANGES IN LIABILITY INSURANCE.**

1. The exclusion relating to liability assumed under any contract or agreement does not apply to **your** liability under a share-the-expense car pool.

2. The exclusion relating to **bodily injury** to fellow employees of the **insured** does not apply to **bodily injury** to **your** or any **family member's** fellow employees.

3. The exclusion relating to property in the **insured's** care, custody or control does not apply to **property damage** to a residence or private garage. It also does not apply to any **private passenger type** covered **auto you** don't own while being used by **you** or by any **family member** except:

   (1) Any **auto** owned by any **family member.**

   (2) Any **auto** furnished or available for **your** or any **family member's** regular use.

   (3) Any **auto** which **you** or any **family member** uses while working in a business of selling, servicing, repairing or parking **autos** unless that business is yours.

4. **PERSONAL AUTO COVERAGE.**

   While any **auto you** own of the **private passenger type** is a covered **auto** under the LIABILITY INSURANCE:

   a. The following is added to WHO IS INSURED:

      Family members are **insureds** for any covered **auto you** own of the **private passenger type** and any other **auto** described in paragraph 4.b. of this PART VIII.

   b. Any **auto you** don't own is a covered **auto** while being used by **you** or by any **family member** except:

      (1) Any **auto** owned by any **family members.**

      (2) Any **auto** used by **you** or by any of **your family members** while working in a business of selling, servicing, repairing, or parking **autos** unless that business is yours.

      (3) Any **auto** other than an **auto** of the **private passenger type** used by **you** or by any of **your family members** while working in any other business or occupation.

   c. The exclusion relating to pollutants, irritants and contaminants and, if forming a part of the policy, the NUCLEAR ENERGY LIABILITY EXCLUSION (BROAD FORM), does not apply to any covered **auto** of the **private passenger type.**

   d. The following exclusion is added and applies only to **private passenger type** covered **autos:**

      This insurance does not apply to:

      Bodily injury or property damage for which an **insured** under the policy is also an **insured** under a nuclear energy liability policy or would be an **insured** but for its termination upon its exhaustion of its limit of liability. A nuclear energy liability policy is a policy issued by Nuclear Energy Liability Insurance Association. Mutual Atomic Energy Liability Underwriters or any of their successors. This exclusion does not apply to **autos** registered or principally garaged in New York.

C. **CHANGES IN PHYSICAL DAMAGE INSURANCE.**

1. The following exclusion is added and applies only to **private passenger type autos:**

   9. This insurance does not apply to **loss** to the following parts, equipment, furnishings or finishes, unless factory installed or manufactured:

      Furniture, fixtures, carpeting or equipment which is contained in the vehicle for sleeping, cooking, washing and/or housekeeping, custom-installed height-extending roofs, porthole, slides or bubble windows, colored privacy glass in windows, mag or wire wheels, side pipes, air scoops, interior custom upholstery, custom-paint, such as murals, graphics or other custom-applied designs and spoilers.

      This exclusion does not apply to a camper or motor home type vehicle.

2. The following is added to Section B. WE WILL ALSO PAY:

   If **Comprehensive Coverage** applies to **your private passenger type** covered **auto, we** will also pay for **loss** to (a) personal property owned by **you** or a **family member** while contained in **your** covered **auto,** up to a

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maximum of $200. This coverage does not apply to samples or merchandise for sale, animals, and tools, equipment or instruments relating to **your** occupation, or that of a **family member.** If the **loss** is due to theft, other than the entire theft of **your** covered **auto,** evidence of forcible entry must exist; (b) a **trailer** while being used by **you** or a **family member,** which is not used as a home, office, store, display or passenger trailer, up to a maximum of $500.

3. The following is added to Section 3.D. HOW WE WILL PAY FOR LOSSES — THE MOST WE WILL PAY:

   If **your private passenger type** covered **auto** is classified and rated according to the Personal Auto Manual, **we** will waive the **Collision Coverage** deductible shown in the "Schedule of Autos" if the **collision** involves another **auto** insured by **us,** or by another Company which is a member of Transamerica Insurance Group, unless such **auto** is classified and rated as a commercial **auto.**

D. **CONDITIONS.**

The following Condition is added.

DEATH OF THE INDIVIDUAL NAMED INSURED

If you die:

1. **Your** surviving spouse if a resident of the same household at the time of **your** death will continue as the named **insured** until the end of the policy.
2. **Your** legal representative will be the named **insured** but only while acting within the scope of his or her duties as such.
3. Until **your** legal representative has been appointed, the person having proper temporary custody of **your** property will be the named **insured** with respect to such property.

PART IX — THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT
(Broad Form) (ISO CA 0318)

It is agreed that:

A. The policy does not apply:

1. Under any Liability Coverage, to **bodily injury** or **property damage**
   a. with respect to which an **insured** under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters or Nuclear Insurance Association of Canada, or would be an **insured** under any such policy but for its termination upon exhaustion of its limit of liability; or
   b. resulting from the **hazardous properties** of **nuclear material** and with respect to which (1) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or (2) the **insured** is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.
2. Under any Medical Payments Coverage, or under any Supplementary Payments provision relating to first aid, to expenses incurred with respect to **bodily injury** resulting from the **hazardous properties** of **nuclear material** and arising out of the operation of a **nuclear facility** by any person or organization.
3. Under any Liability Coverage, to **bodily injury** or **property damage** resulting from the **hazardous properties** of **nuclear material,** if
   a. the **nuclear material** (1) is at any **nuclear facility** owned by, or operated by or on behalf of, an **insured** or (2) has been discharged or dispersed therefrom;
   b. the **nuclear material** is contained in **spent fuel** or **waste** at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of an **insured;** or
   c. the **bodily injury** or **property damage** arises out of the furnishing by an **insured** of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any **nuclear facility,** but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion c applies only to **property damage** to such **nuclear facility** and any property thereat.

B. As used in this endorsement:

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

"nuclear material" means **source material, special nuclear material** or **byproduct material;**

"source material", "special nuclear material", and **"byproduct material"** have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof;

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

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"**waste**" means any waste material (a) containing **byproduct material** and (b) resulting from the operation of any person or organization of a nuclear facility included within the definition of **nuclear facility** under paragraph 1 or 2 thereof;

"**nuclear facility**" means

1. any **nuclear reactor,**
2. any equipment or device designed or used for (a) separating the isotopes of uranium or plutonium, (b) processing or utilizing **spent fuel,** or (c) handling, processing or packaging **waste.**
3. any equipment or device used for the processing, fabricating or alloying of **special nuclear material** if at any time the total amount of such material in the custody of the **insured** at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235,
4. any structure, basin, excavation, premises or place prepared or used for the storage or disposal of **waste,**

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations;

"**nuclear reactor**" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material;

"**property damage**" includes all forms of radioactive contamination of property.

NEW YORK EXCEPTION: The "Nuclear Energy Liability Exclusion Endorsement (Broad Form)" does not apply to **Auto** Liability Insurance in New York.

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Transamerica Insurance Services

Transamerica Insurance Group

Your Business Auto Policy — Quick Reference

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IMPORTANT: This Quick Reference is *not* part of the Business Auto Policy and does *not* provide coverage. Refer to the Business Auto Policy itself for the actual contractual provisions.

PLEASE READ THE BUSINESS AUTO POLICY CAREFULLY.

THESE POLICY PROVISIONS WITH THE ADDITIONAL DECLARATIONS AND ENDORSEMENTS, IF ANY, ISSUED TO FORM A PART THEREOF, COMPLETE THIS POLICY.

Transamerica
Insurance Services

Transamerica Insurance Group

Mexico Coverage Endorsement

1. The insurance provided by this policy is extended to apply while your covered auto is used for occasional trips into the Republic of Mexico. Coverage is limited to 10 days travel at any one time.

2. Coverage provided by this endorsement applies only if your principal residence is in the United States of America, and if your covered auto is principally garaged, maintained and used in the United States of America.

3. When two or more policies cover on the same basis, either excess or primary, we will pay only our share. However if there is any other collectible insurance, any insurance we provide shall be excess.

4. We will pay you under PHYSICAL DAMAGE INSURANCE for loss to your covered auto while it is used in the Republic of Mexico but any amount payable under this coverage will be paid only in the United States of America. However the adjustment of claims for these repairs or replacement parts shall not exceed the cost for the same repairs or replacement parts at the nearest point in the United States of America where these repairs or replacement can be made.

5. If coverage is provided in your policy under UNINSURED MOTORISTS INSURANCE it will not be applicable to accidents occurring in the Republic of Mexico.

WARNING

UNLESS YOU HAVE AUTOMOBILE INSURANCE WRITTEN BY A MEXICAN INSURANCE COMPANY, YOU MAY SPEND MANY HOURS OR DAYS IN JAIL, IF YOU HAVE AN ACCIDENT IN MEXICO. INSURANCE COVERAGE SHOULD BE SECURED FROM A COMPANY LICENSED UNDER THE LAWS OF MEXICO TO WRITE SUCH INSURANCE IN ORDER TO AVOID COMPLICATIONS AND POSSIBLE PENALTIES INCLUDING IMPOUNDMENT OF YOUR AUTOMOBILE.

ALL OTHER TERMS AND CONDITIONS OF THIS POLICY REMAIN UNCHANGED.

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(Ed. 11 78)

INLAND MARINE DEDUCTIBLE CLAUSE ENDORSEMENT

Each claim for loss or damage (separately occurring) shall be adjusted separately and from the amount of each adjusted claim the sum of $ . .1000. . . . shall be deducted.

In the event of any recovery or salvage on a loss which has been or is being paid thereunder, such recovery or salvage shall accrue entirely to the benefit of the Company under this policy until the sum paid by them has been made up.

APPLICABLE TO PROCESSORS FLOATER

Transamerica Insurance Services

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Section I — Property Coverage

INSURED NAME	AGENT NAME
ADDRESS	ADDRESS
POLICY NUMBER 1935 21 91	SCHEDULE A

INSURANCE IS PROVIDED WITH RESPECT TO THE DESIGNATED PREMISES AND WITH RESPECT TO THOSE COVERAGES AND KINDS OF PROPERTY FOR WHICH A SPECIFIC LIMIT OF LIABILITY IS SHOWN; SUBJECT TO ALL THE TERMS OF THIS POLICY INCLUDING FORMS AND ENDORSEMENTS MADE A PART THEREOF.

Coverage		Building(s)	Personal Property of the Insured	~~Rental Value~~	Additional Coverages (Specify)	
Coinsurance Percentage Applicable		90%	~~Inventory~~ 90%	GROSS EARNINGS 50%	EXTRA EXPENSE 90%	
Limit of Liability						Occupancy
Loc. No.	Bldg. No.					
1&2	1	BLANKET 800,000	BLANKET 1,650,000	BLANKET 1,000,000	BLANKET 50,000	METAL PARTS MFG.
1	1		~~Property of others~~ 200,000			

Forms and Endorsements Applicable: MP0420(1-83),1239,MP1506(7-77),MP1590(7-77), F12833A(12-81),MP0013(10-83),MP0014(10-83),C11795B(9-80), C14211(10-82)

DEDUCTIBLE: $ ** each occurrence. $ _____ aggregate each occurrence. ** PER FORM
If no deductible state above, the deductible shall be $100 each occurrence, $1,000 aggregate each occurrence. 1239 ATTACHED

Mortgagee Name
Number and Street
City, State and Zip Code

Countersignature Date _____

COINSURANCE CONTRACT

SPECIAL MULTI-PERIL POLICY
SECTION I—SPECIAL BUILDING FORM

MP 00 13
(Ed. 10 83)

I. PROPERTY COVERED

BUILDING(S): Buildings(s) or structure(s) shall include attached additions and extensions; fixtures, machinery and equipment constituting a permanent part of and pertaining to the service of the building(s); materials and supplies intended for use in construction, alteration or repair of the building(s) or structure(s); yard fixtures; personal property of the insured used for the maintenance or service of the building(s), including fire extinguishing apparatus, outdoor furniture, floor coverings and appliances for refrigerating, ventilating, cooking, dishwashing and laundering (but not including other personal property in apartments or rooms furnished by the named insured as landlord); all while at the designated premises.

II. ADDITIONAL COVERAGE

COLLAPSE—This policy insures against risk of direct physical loss involving collapse of a building or any part of a building caused only by one or more of the following:

a. fire; lightning; windstorm; hail; explosion; smoke; aircraft; vehicles; riot; civil commotion; vandalism or malicious mischief; breakage of glass; falling objects; weight of snow, ice or sleet; water damage; all only as insured against in this policy;

b. hidden decay;

c. hidden insect or vermin damage;

d. weight of people or personal property;

e. weight of rain which collects on a roof;

f. use of defective material or methods in construction, remodeling or renovation if the collapse occurs during the course of the construction, remodeling or renovation.

This Company shall not be liable for loss to the following types of property under items b., c., d., e. and f. unless the loss is a direct result of the collapse of a building:

1. Outdoor radio or television antennas, including their lead-in wiring, masts or towers; awnings; gutters and downspouts; yard fixtures;

2. If specifically covered in this policy, outdoor swimming pools; fences; piers, wharves and docks; beach or diving platforms or appurtenances; retaining walls; walks, roadways and other paved surfaces.

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

This Additional Coverage does not increase the amount(s) of insurance provided in this policy.

III. PROPERTY NOT COVERED

This policy does not cover:

A. Outdoor swimming pools; fences; piers, wharves and docks; beach or diving platforms or appurtenances; retaining walls not constituting a part of a building; walks, roadways and other paved surfaces.

B. The cost of excavations, grading or filling; foundations of buildings, machinery, boilers or engines whose foundations are below the undersurface of the lowest basement floor, or where there is no basement, below the surface of the ground; pilings, piers, pipes, flues and drains which are underground; pilings which are below the low water mark.

C. Outdoor signs, whether or not attached to a building or structure.

D. Lawns; outdoor trees, shrubs and plants, except as provided in the Extensions of Coverage.

E. Property which is more specifically covered in whole or in part by this or any other contract of insurance, except for the amount of loss which is in excess of the amount due from such more specific insurance.

IV. PROPERTY SUBJECT TO LIMITATIONS

The following property is subject to these additional limitations:

A. Plumbing, heating, air conditioning or other equipment or appliances (except fire protective systems) are not covered against loss caused by or resulting from freezing while the designated buildings are vacant or unoccupied, unless the insured shall have exercised due diligence with respect to maintaining heat in the buildings or unless such equipment and appliances had been drained and the water supply shut off during such vacancy or unoccupancy.

B. Steam boilers, steam pipes, steam turbines or steam engines are not covered against loss caused by any condition or occurrence within such boilers, pipes, turbines or engines (except direct loss resulting from the explosion of accumulated gases or unconsumed fuel within the firebox, or combustion chamber, of any fired vessel or within the flues or passages which conduct the gases of combustion therefrom).

C. Hot water boilers or other equipment for heating water are not covered against loss caused by any condition or occurrence within such boilers or equipment, other than an explosion.

D. Glass is not covered against loss for more than $50 per plate, pane, multiple plate, insulating unit, radiant heating panel, jalousie, louver or shutter, nor for more than $250 in any one occurrence, unless caused by fire, lightning, windstorm, hail, aircraft, vehicles, discharge from fire protection or building service equipment, explosion, riot or civil commotion, and then the Company shall be liable only to the extent that such perils are insured against in this policy.

E. Fences, pavements, outdoor swimming pools and related equipment, retaining walls, bulkheads, piers, wharves or docks, when covered under this policy, are not covered against loss caused by freezing or thawing, impact of watercraft, or by the pressure or weight of ice or water whether driven by wind or not.

F. Metal smokestacks and, when outside of buildings, (1) awnings of fabric or slat construction, canopies of fabric or slat construction, including their supports, and (2) radio or television antennas, including their lead-in wiring, masts or towers are not covered against loss caused by ice, snow or sleet, nor by windstorm or hail.

G. The interior of buildings is not covered against loss caused by rain, snow, sand or dust, whether driven by wind or not, unless (1) the buildings shall first sustain an actual damage to roof or walls by the direct action of wind or hail, and then the Company shall be liable for loss to the interior of the buildings as may be caused by rain, snow, sand or dust entering the buildings through openings in the roof or walls made by direct action of wind or hail; or (2) such loss results from fire, lightning, aircraft, vehicles, explosion, riot or civil commotion, vandalism or malicious mischief, weight of ice, snow or sleet, to the extent that such perils are insured against in this policy.

H. Buildings or structures in process of construction, including materials and supplies therefor, when covered under this policy, are not covered against loss unless caused by fire, lightning, windstorm, hail, aircraft, vehicles, smoke, explosion, riot or civil commotion, vandalism or malicious mischief, and then the Company shall be liable only to the extent that such perils are insured against in this policy.

I. Property undergoing alterations, repairs, installations or servicing is not covered against loss if such loss is directly attributable to the operations or work being performed thereon, unless a peril not excluded by this policy ensues, and then the Company shall be liable for only loss caused by such ensuing peril.

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V. EXTENSIONS OF COVERAGE

Except with respect to Extension D. Replacement Cost:

(A) Each of the limits of liability specified for the following Extensions of Coverage applies as an additional amount of insurance.

(B) The Coinsurance Clause shall not apply to loss under the Extensions of Coverage.

The total amount recoverable under the Extensions of Coverage in this form and Extensions of Coverage in any other form made a part of this policy are not cumulative and shall not exceed the largest amount recoverable under any single form made a part of this policy.

When, in accordance with the Other Insurance condition, there is Contributing Insurance, the Company shall not be liable for more than its pro rata share of the limits set forth in the following Extensions of Coverage.

A. **Newly Acquired Property:** The insured may apply up to 25% of the limit of liability specified for Building(s), but not exceeding $100,000, to cover direct loss in any one occurrence by a peril not otherwise excluded to the following described property:

1. New buildings and new structures being constructed on the designated premises and intended for similar occupancy when not otherwise covered by insurance. This coverage shall cease 30 days from the date construction begins or on the date the values of new construction are reported to the Company, or on the expiration date of the policy, whichever occurs first.

2. Buildings acquired by the insured at any location, elsewhere than at the designated premises, within the territorial limits of this policy and used for similar occupancies or warehouse purposes. This coverage shall cease 30 days from the date of such acquisition or on the date values of the buildings are reported to the Company, or on the expiration date of the policy, whichever occurs first.

Additional premium shall be due and payable for values so reported from the date construction begins or the property is acquired.

B. **Off-Premises:** The insured may apply up to 2% of the limits of liability specified for Building(s), but not exceeding $5,000, at a described location to cover direct loss in any one occurrence by a peril not otherwise excluded to property covered under Building(s) while removed from designated premises for purposes of cleaning, repairing, reconstruction or restoration. This Extension of Coverage shall not apply to property in transit, nor to property on any premises owned, leased, operated or controlled by the insured.

C. **Outdoor Trees, Shrubs and Plants:** The insured may apply up to $1,000 to cover outdoor trees, shrubs and plants at the designated premises against direct loss in any one occurrence by the perils of fire, lightning, explosion, riot, civil commotion or aircraft, but only to the extent such perils are insured against herein. The Company shall not be liable for more than $250 on any one tree, shrub or plant, including expense incurred for removing debris thereof.

D. **Replacement Cost:** In the event of loss to a building structure covered under this policy, when the full cost of repair or replacement is less than $1,000, the coverage of this policy is extended to cover the full cost of repair or replacement (without deduction for depreciation). Coverage shall be applicable only to a building structure covered hereunder, but excluding outdoor furniture, outdoor equipment, floor coverings, awnings, and appliances for refrigerating, ventilating, cooking, dishwashing and laundering, all whether permanently attached to the building structure or not.

The Company shall not be liable under this Extension of Coverage unless the whole amount of insurance applicable to the building structure for which claim is made is equal to or in excess of the amount produced by multiplying the co-insurance percentage applicable (specified in the Declarations) by the actual cash value of such property at the time of the loss.

VI. PERILS INSURED AGAINST

This policy insures against risks of direct physical loss unless the loss is excluded in VII. Exclusions below, subject to the provisions and stipulations herein and in the policy of which this form is made a part.

VII. EXCLUSIONS

1. This policy does not insure against loss caused directly or indirectly by any of the following. Such loss is excluded regardless of any other cause or event contributing concurrently or in any sequence to the loss.

A. Loss occasioned directly or indirectly by enforcement of any ordinance or law regulating the use, construction, repair, or demolition of buildings or structures including debris removal expense.

B. Loss caused directly or indirectly by the interruption of power or other utility service furnished to the designated premises if the interruption takes place away from the designated premises. If a peril insured against ensues on the designated premises, this Company will pay only for loss caused by the ensuing peril.

C. Loss caused by, resulting from, contributed to or aggravated by any of the following:

1. earth movement, including but not limited to earthquake, landslide, mudflow, earth sinking, earth rising or shifting;

2. flood, surface water, waves, tidal water or tidal wave, overflow of streams or other bodies of water, or spray from any of the foregoing, all whether driven by wind or not;

3. water which backs up through sewers or drains; or

4. water below the surface of the ground including that which exerts pressure on or flows, seeps or leaks through sidewalks, driveways, foundations, walls, basement or other floors, or through doors, windows or any other openings in such sidewalks, driveways, foundations, walls or floors;

unless fire or explosion as insured against ensues, and then this Company shall be liable for only loss caused by the ensuing fire or explosion; but these exclusions shall not apply to loss arising from theft.

5. volcanic eruption unless direct loss by fire or breakage of glass or safety glazing material ensues. In this event, this Company shall be liable for only the direct loss to the property insured caused by the ensuing fire and if an insured peril, the ensuing breakage of glass or safety glazing material.

Volcanic eruption means the eruption, explosion or effusion of a volcano.

D. War Risk and Governmental Action Exclusion as contained in the SMP Policy Conditions and Definitions Form.

E. Nuclear Clause and Nuclear Exclusion as contained in the SMP Policy Conditions and Definitions Form.

2. This policy does not insure under this form against loss caused by:

A. wear and tear, deterioration, rust or corrosion, mould, wet or dry rot; inherent or latent defect; smog; smoke, vapor or gas from agricultural or industrial operations; mechanical breakdown, including rupture or bursting caused by centrifugal force; settling, cracking, shrinkage, bulging or expansion of pavements, foundations, walls, floors, roofs or ceilings, animals, birds, vermin, termites or other insects; unless loss by a peril not otherwise excluded ensues and then the Company shall be liable for only such ensuing loss;

If loss by water not otherwise excluded ensues, this policy shall also cover the cost of tearing out and replacing of any part of the building covered required to effect repairs to the plumbing, heating or air-conditioning system or domestic appliance from which the water escapes, but excluding loss to the system or appliance from which the water escapes;

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B. explosion of steam boilers, steam pipes, steam turbines or steam engines (except direct loss resulting from the explosion of accumulated gases or unconsumed fuel within the firebox, or combustion chamber, of any fired vessel or within the flues or passages which conduct the gases of combustion therefrom) if owned by, leased by or operated under the control of the insured, or for any ensuing loss except by fire or explosion not otherwise excluded, and then the Company shall be liable for only such ensuing loss;

C. vandalism, malicious mischief, theft or attempted theft, if the building had been vacant or unoccupied beyond a period of 30 consecutive days immediately preceding the loss, unless loss by a peril not excluded in this policy ensues, and then the Company shall be liable for only such ensuing loss; nor shall this exclusion be applicable to such unoccupancy as is usual or incidental to the described occupancy;

D. leakage or overflow from plumbing, heating, air conditioning or other equipment or appliances (except fire protective systems) caused by or resulting from freezing while the building is vacant or unoccupied, unless the insured shall have exercised due diligence with respect to maintaining heat in the buildings or unless such equipment and appliances had been drained and the water supply shut off during such vacancy or unoccupancy;

E. theft (including but not limited to burglary and robbery) of any property which at the time of loss is not installed or attached to and made a part of a building or structure (except direct loss by pillage and looting occurring during and at the immediate place of a riot or civil commotion), unless loss by a peril not excluded in this policy ensues from theft or attempted theft, and then the Company shall be liable for only such ensuing loss;

F. unexplained or mysterious disappearance of any property, or shortage disclosed on taking inventory, or caused by any willful or dishonest act or omission of the insured or any associate, employee or agent of any insured;

G. continuous or repeated seepage or leakage of water or steam from within a plumbing, heating or air conditioning system or from within a domestic appliance which occurs over a period of weeks, months or years;

H. collapse, except as provided above in the Collapse Additional Coverage. If a peril not otherwise excluded ensues on the described premises, this Company will pay only for loss caused by the ensuing peril.

3. This policy does not insure under this form against loss occasioned directly or indirectly by any electrical injury or disturbance to electrical appliances, devices, fixtures or wiring caused by electrical currents artificially generated unless fire as insured against ensues, and then this Company shall be liable only for loss caused by the ensuing fire.

4. This policy does not insure against loss caused by any of the following. However, any ensuing loss not excluded or excepted in this policy is covered.

A. Weather conditions. However, this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in paragraph 1. above to produce the loss;

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

C. Faulty, inadequate or defective:

1. planning, zoning, development, surveying, siting;

2. design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;

3. materials used in repair, construction, renovation or remodeling; or

4. maintenance;

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

VIII. VALUATION

The following bases are established for valuation of property:

All property at actual cash value at the time of loss, but not exceeding the amount which it would cost to repair or replace the property with material of like kind and quality within a reasonable time after such loss, nor in any event for more than the interest of the named insured.

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COINSURANCE CONTRACT

SPECIAL MULTI-PERIL POLICY
SECTION I—SPECIAL PERSONAL PROPERTY FORM

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(Ed. 10 83)

I. PROPERTY COVERED

PERSONAL PROPERTY OF THE INSURED: Business personal property owned by the insured and usual to the occupancy of the insured, including the insured's interest in personal property owned by others to the extent of the value of labor, materials and charges furnished, performed or incurred by the insured; all while (1) in or on the building(s), or (2) in the open (including within vehicles) on or within 100 feet of the designated premises.

This coverage shall also include Tenant's Improvements and Betterments, meaning the insured's use interest in fixtures, alterations, installations or additions constituting a part of the building(s) occupied but not owned by the insured and made or acquired at the expense of the insured exclusive of rent paid by the insured, but which are not legally subject to a removal by the insured.

PERSONAL PROPERTY OF OTHERS: This insurance shall cover for the account of the owner(s) (other than the named insured) personal property belonging to others in the care, custody or control of the insured, while (1) in or on the building(s), or (2) in the open (including within vehicles) on or within 100 feet of the designated premises.

Loss shall be adjusted with the named insured for the account of the owners of the property, except that the right to adjust any loss with the owners is reserved to the Company and the receipts of the owners in satisfaction thereof shall be in full satisfaction of any claim by the named insured for which payments have been made.

II. ADDITIONAL COVERAGE

COLLAPSE—This policy insures against risk of direct physical loss involving collapse of a building or any part of a building caused only by one or more of the following:

a. fire; lightning; windstorm; hail; explosion, smoke; aircraft; vehicles; riot; civil commotion; vandalism or malicious mischief; breakage of glass; falling objects; weight of snow, ice or sleet; water damage; all only as insured against in this policy.

b. hidden decay;

c. hidden insect or vermin damage;

d. weight of people or personal property;

e. weight of rain which collects on a roof;

f. use of defective material or methods in construction, remodeling or renovation if the collapse occurs during the course of the construction, remodeling or renovation.

This Company shall not be liable for loss to the following types of property, if otherwise covered in this policy, under items b., c., d., e. and f. unless the loss is a direct result of the collapse of a building:

outdoor radio or television antennas, including their lead-in wiring, masts or towers; awnings; gutters and downspouts; yard fixtures; outdoor swimming pools; fences; piers, wharves and docks; beach or diving platforms or appurtenances; retaining walls; walks, roadways and other paved surfaces.

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

This Additional Coverage does not increase the amount(s) of insurance provided in this policy.

III. PROPERTY NOT COVERED

This policy does not cover:

A. Property sold by the insured under conditional sale, trust agreement, installment payment or other deferred payment plan, after delivery to customers.

B. Aircraft, watercraft, including motors, equipment and accessories (except rowboats and canoes, while out of water and on the designated premises); and automobiles, trailers, semi-trailers or any self-propelled vehicles or machines, except such property not licensed for use on public thoroughfares and operated principally on the premises of the insured.

This provision does not apply to the following types of property when held for sale or sold but not delivered:

1. Watercraft (including motors, equipment and accessories) while not afloat;

2. Motorcycles, motorscooters and snowmobiles; or

3. Trailers designed for use with private passenger vehicles for general utility purposes or carrying boats.

This provision does not apply to the following types of property when manufactured, processed or warehoused by the insured:

1. Aircraft;

2. Watercraft, including motors, equipment and accessories, while not afloat; or

3. Automobiles, trailers, semi-trailers or any self-propelled vehicles or machines.

C. Personal property while waterborne.

D. Household and personal effects contained in living quarters occupied by the insured, any officer, director, stockholder or partner of the insured or relatives of any of the foregoing, except as provided in the Extensions of Coverage.

E. Accounts, bills, currency, deeds, evidences of debt, money and securities.

F. Outdoor signs, whether or not attached to a building or structure.

G. Growing crops and lawns.

H. Property which is more specifically covered in whole or in part by this or any other contract of insurance, except for the amount of loss which is in excess of the amount due from such more specific insurance.

IV. PROPERTY SUBJECT TO LIMITATIONS

The following property is subject to these additional limitations:

1. Except for loss caused by the "specified perils":

(a) Fur and fur garments are covered for not exceeding loss in the aggregate of $2,500 in any one occurrence for all contributing insurance.

(b) Jewelry and watches, watch movements, jewels, pearls, precious and semi-precious stones, bullion, gold, silver, platinum and other precious alloys or metals are covered for not exceeding loss in the aggregate of $2,500 in any one occurrence for all contributing insurance. This limitation shall not apply to jewelry and watches valued at $50 or less per item.

(c) Patterns, dies, molds, models and forms are covered for not exceeding loss in the aggregate of $2,500 in any one occurrence for all contributing insurance.

(d) Stamps, tickets and letters of credit are covered for not exceeding loss in aggregate of $250 in any one occurrence for all contributing insurance.

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2. Valuable papers and records meaning computer programs and books of account, manuscripts, abstracts, drawings, card index systems and other records including film, tape, disc, drum, cell and other magnetic recording or storage media for electronic data processing, are covered only against loss caused by the "specified perils".

3. Animals and pets are not covered, except when held for sale or sold but not delivered, and then only against death or destruction directly resulting from or made necessary by the "specified perils".

4. Outdoor trees, shrubs and plants are not covered, except: (a) when held for sale or sold but not delivered, and then only against direct loss by the "specified perils", or (b) as provided in the Extensions of Coverage.

5. Glass, glassware, statuary, marbles, bric-a-brac, porcelains and other articles of a fragile or brittle nature are covered against loss by breakage only if directly caused by the "specified perils". This limitation shall not apply to bottles or similar containers of property for sale, or sold but not delivered, nor to lenses of photographic or scientific instruments.

6. Steam boilers, steam pipes, steam turbines and steam engines are not covered against loss caused by bursting, rupture, cracking or explosion originating therein (other than explosion of accumulated gases or unconsumed fuel within a fire box or combustion chamber).

7. Machines and machinery are not covered against loss caused by rupture, bursting or disintegration of their rotating or moving parts resulting from centrifugal or reciprocating force.

The term "specified perils" shall mean direct loss by fire, lightning, aircraft, explosion, riot, civil commotion, smoke, vehicles, windstorm or hail to property contained in any building, vandalism and malicious mischief, leakage or accidental discharge from automatic fire protective systems.

V. EXTENSIONS OF COVERAGE

Each of the limits of liability specified or the following Extensions of Coverage applies as an additional amount of insurance. The Coinsurance Clause shall not apply to loss under the Extensions of Coverage.

The total amount recoverable under the Extensions of Coverage in this form and Extensions of Coverage in any other form made a part of this policy are not cumulative and shall not exceed the largest amount recoverable under any single form made a part of this policy.

When, in accordance with the Other Insurance condition, there is Contributing Insurance, the Company shall not be liable for more than its pro rata share of the limits set forth in the following Extensions of Coverage.

A. Property at Newly Acquired Locations: The insured may apply up to 10% of the limit of liability specified for Personal Property of the Insured, but not exceeding $10,000, to cover direct loss in any one occurrence by a peril not otherwise excluded to such property at any location (except fairs and exhibitions) acquired by the insured for similar occupancies or warehousing purposes, elsewhere than at the designated premises within the territorial limits of this policy. This coverage shall cease 30 days from the date of such acquisition or on the date values at such locations are reported to the Company, or on the expiration date of the policy, whichever occurs first. Additional premium shall be due and payable for values so reported from the date the property is acquired.

B. Personal Effects: The insured may apply up to $500 to cover direct loss in any one occurrence by the perils not otherwise excluded to personal effects while located on the designated premises, belonging to the insured, officers, partners or employees thereof, and limited to $100 on personal effects owned by any one individual. This Extension of Coverage does not apply if the loss is covered by any other insurance, whether collectible or not, or which would have been covered by such other insurance in the absence of this policy. At the option of the Company, loss under this Extension of Coverage may be adjusted with and payable to the insured.

C. Valuable Papers and Records: The insured may apply up to $500 to cover direct loss in any one occurrence by a peril not otherwise excluded to valuable papers and records consisting of computer programs and books of account, manuscripts, abstracts, drawings, card index systems, film, tape, disc, drum, cell and other magnetic recording or storage media for electronic data processing, and other records, all the property of the insured at designated premises. This Extension of Coverage covers only the cost of research and other expense necessarily incurred by the insured to reproduce, replace or restore such valuable papers and records. The total amount payable in any one occurrence under this Extension of Coverage shall not exceed the limit specified above, regardless of the number of premises designated in the Declarations.

D. Outdoor Trees, Shrubs and Plants: The insured may apply up to $1,000 to cover outdoor trees, shrubs and plants at the designated premises against direct loss in any one occurrence by the perils of fire, lightning, explosion, riot, civil commotion or aircraft, but only to the extent such perils are insured against herein. The Company shall not be liable for more than $250 on any one tree, shrub or plant, including expense incurred for removing debris thereof.

E. Extra Expense: The insured may apply up to $1,000 to cover the necessary extra expense incurred by the insured in order to continue as nearly as practicable the normal operations of the insured's business immediately following damage by a peril not otherwise excluded under this form to the buildings or personal property situated at the designated premises.

"Extra expense" means the excess of the total cost incurred during the period of restoration chargeable to the operations of the insured's business over and above the total cost that would normally have been incurred to conduct the business during the same period had no loss occurred. Any salvage value of property obtained for temporary use during the period of restoration, which remains after the resumption of normal operations, shall be taken into consideration in the adjustment of any loss hereunder.

"Period of restoration" means that period of time, commencing with the date of damage and not limited by the date of expiration of this policy, as would be required with the exercise of due diligence and dispatch to repair, rebuild or replace such part of said buildings or personal property as have been damaged.

The Company shall not be liable under this Extension of Coverage for:

1. loss of income;

2. the cost of repairing or replacing any of the described property, or the cost of research or other expense necessary to replace or restore computer programs and books of account, manuscripts, abstracts, drawings, card index systems, film, tape, disc, drum, cell and other magnetic recording or storage media for electronic data processing, and other records that have been damaged by a peril not otherwise excluded, except cost in excess of the normal cost of such repair, replacement or restoration necessarily incurred for the purpose of reducing the total amount of extra expense. In no event shall such excess exceed the amount by which the total extra expense otherwise payable under this Extension of Coverage is reduced; or

3. any other consequential or remote loss.

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F. **Damage to Buildings from Theft, Burglary or Robbery:** This policy includes loss (except by fires or explosion) to that part of the building occupied by the insured and containing property covered, and to equipment therein pertaining to the service of the building but not building property or equipment removed from premises, directly resulting from theft, burglary or robbery (including attempt thereat), provided the insured is the owner of such building or equipment or is liable for such damage, but in no event shall this coverage apply to glass (other than glass building blocks) or to any lettering or ornamentation thereon.

G. **Transportation:** The insured may apply up to $1,000 to cover insured personal property (other than property in the care, custody or control of salesmen) during transportation by motor vehicles owned, leased or operated by the insured for loss in any one occurrence caused by:

1. fire, lightning, windstorm and hail, explosion, smoke, riot, riot attending a strike and civil commotion, vandalism and malicious mischief; or

2. collision, overturning or upset of the vehicle; meaning thereby the violent and accidental contact of the vehicle conveying the property described herein with any other vehicle or object excluding any loss or damage done by coming in contact with any portion of the road bed or by means other than as expressly indicated; or

3. theft of an entire shipping bale, case or package from a vehicle while such property is contained in a fully enclosed and securely locked body or compartment and theft results from forcible entry, evidenced by visible marks upon such body or compartment.

H. **Non-Owned Personal Property:** The insured may apply at each location up to 2% of the limit of liability specified for Personal Property of the Insured at such location, but not exceeding $2,000, as an additional amount of insurance, to cover for the account of the owners thereof (other than the named insured) direct loss by a peril insured against to personal property, similar to that covered by this policy, belonging to others while in the care, custody or control of the named insured and all while (1) in or on the building(s), or (2) in the open (including within vehicles) on or within 100 feet of the designated premises.

Loss shall be adjusted with the named insured for the account of the owners of the property, except that the right to adjust any loss with the owners is reserved to the Company and the receipts of the owners in satisfaction thereof shall be in full satisfaction of any claim by the named insured for which payments have been made. As respects personal property belonging to others, this provision shall replace any loss payable provision of this policy.

I. **Off-Premises:** The insured may apply up to 2% of the limit of liability specified for Personal Property of the Insured, but not exceeding $5,000 nor less than $1,000, at a described location to cover direct loss in any one occurrence by a peril not otherwise excluded to the property covered under Personal Property of the Insured (other than merchandise or stock) while removed from designated premises. This Extension of Coverage shall not apply: (a) to loss by theft, (b) to property in transit nor (c) to property on any premises owned, leased, operated or controlled by the insured.

VI. PERILS INSURED AGAINST

This policy insures against risks of direct physical loss unless the loss is excluded in VII. Exclusions below, subject to the provisions and stipulations herein and in the policy of which this form is made a part.

VII. EXCLUSIONS

1. This policy does not insure against loss caused directly or indirectly by any of the following. Such loss is excluded regardless of any other cause or event contributing concurrently or in any sequence to the loss.

A. Loss occasioned directly or indirectly by enforcement of any ordinance or law regulating the use, construction, repair or demolition of property, including debris removal expense.

B. Loss caused directly or indirectly by the interruption of power or other utility service furnished to the designated premises if the interruption takes place away from the designated premises. If a peril insured against ensues on the designated premises, this Company will pay only for loss caused by the ensuing peril.

C. Loss caused by, resulting from, contributed to or aggravated by any of the following:

1. earth movement, including but not limited to earthquake, landslide, mudflow, earth sinking, earth rising or shifting;

2. flood, surface water, waves, tidal water or tidal waves, overflow of streams or other bodies of water, or spray from any of the foregoing, all whether driven by wind or not;

3. water which backs up through sewers or drains; or

4. water below the surface of the ground including that which exerts pressure on or flows, seeps or leaks through sidewalks, driveways, foundations, walls, basement or other floors, or through doors, windows or any other openings in such sidewalks, driveways, foundations, walls or floors;

unless fire or explosion as insured against ensues, and then this Company shall be liable for only loss caused by the ensuing fire or explosion; but these exclusions shall not apply to loss arising from theft.

5. volcanic eruption unless direct loss by fire or breakage of glass or safety glazing material ensues. In this event, this Company shall be liable for only the direct loss to the property insured caused by the ensuing fire and if an insured peril, the ensuing breakage of glass or safety glazing material.

Volcanic eruption means the eruption, explosion or effusion of a volcano.

D. War Risk and Governmental Action Exclusion as contained in the SMP Policy Conditions and Definitions Form.

E. Nuclear Clause and Nuclear Exclusion as contained in the SMP Policy Conditions and Definitions Form.

2. This policy does not insure under this form against loss caused by:

A. unexplained or mysterious disappearance of property, or shortage of property disclosed on taking inventory;

B. actual work upon, installation or testing of property covered, failure, breakdown or derangement of machines or machinery; unless loss by fire or explosion not otherwise excluded ensues and then the Company shall be liable for only such ensuing loss;

C. any electrical injury or disturbance to electrical appliances, devices, fixtures or wiring caused by electrical currents artificially generated unless fire as insured against ensues, and then this Company shall be liable for only loss caused by the ensuing fire;

D. leakage or overflow from plumbing, heating, air conditioning or other equipment or appliances (except fire protective systems) caused by or resulting from freezing while the described building is vacant or unoccupied, unless the insured shall have exercised due diligence with respect to maintaining heat in the buildings or unless such equipment and appliances had been drained and the water supply shut off during such vacancy or unoccupancy;

E. delay, loss of market, interruption of business, nor consequential loss of any nature;

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F. (a) wear and tear, marring or scratching;

(b) deterioration, inherent vice, latent defect;

(c) rust, mold, wet or dry rot, contamination;

(d) dampness or dryness of atmosphere, changes in or extremes of temperature;

(e) smog, smoke from agricultural smudging or industrial operations; or

(f) birds, vermin, rodents, insects or animals;

unless loss by fire, smoke (other than smoke from agricultural smudging or industrial operations), explosion, collapse of a building, glass breakage or water not otherwise excluded ensues, then this policy shall cover only such ensuing loss.

If loss by water not otherwise excluded ensues, this policy shall also cover the cost of tearing out and replacing of any part of the building covered required to effect repairs to the plumbing, heating or air conditioning system or domestic appliance but excluding loss to the system or appliance from which the water escapes;

G. explosion of steam boilers, steam pipes, steam turbines or steam engines (except direct loss resulting from the explosion of accumulated gases or unconsumed fuel within the firebox, or combustion chamber, of any fired vessel or within the flues or passages which conduct the gases of combustion therefrom) if owned by, leased by or operated under the control of the insured, or for any ensuing loss except by fire or explosion not otherwise excluded, and then the Company shall be liable for only such ensuing loss;

H. voluntary parting with title or possession of any property by the insured or others to whom the property may be entrusted if induced to do so by any fraudulent scheme, trick, device or false pretense;

I. any fraudulent, dishonest or criminal act done by or at the instigation of any insured, partner or joint adventurer in or of any insured, an officer, director or trustee of any insured; pilferage, appropriation or concealment of any property covered due to any fraudulent, dishonest or criminal act of any employee while working or otherwise, or agent of any insured, or any person to whom the property covered may be entrusted;

J. continuous or repeated seepage or leakage of water or steam from within a plumbing, heating or air conditioning system or from within a domestic appliance which occurs over a period of weeks, months or years;

K. rain, snow or sleet to property in the open; or

L. collapse, except as provided above in the Collapse Additional Coverage. If a peril not otherwise excluded ensues on the described premises, this Company will pay only for loss caused by the ensuing peril.

3. This policy does not insure against loss caused by any of the following. However, any ensuing loss not excluded or excepted in this policy is covered.

A. Weather conditions. However, this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in paragraph 1. above to produce the loss;

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

C. Faulty, inadequate or defective:

1. planning, zoning, development, surveying, siting;

2. design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;

3. materials used in repair, construction, renovation or remodeling; or

4. maintenance;

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

VIII. VALUATION

The following bases are established for valuation of property:

A. The value of all stock actually sold but not delivered shall be the price at which it was sold, less all discounts and unincurred expenses.

B. Tenants' Improvements and Betterments:

1. If repaired or replaced at the expense of the named insured within a reasonable time after loss, the actual cash value of the damaged or destroyed improvements and betterments.

2. If not repaired or replaced within a reasonable time after loss, that proportion of the original cost at time of installation of the damaged or destroyed property which the unexpired term of the lease or rental agreement, whether written or oral, in effect at the time of loss bears to the periods from the dates such improvements or betterments were made to the expiration date of the lease.

3. If repaired or replaced at the expense of others for the use of the named insured, there shall be no liability hereunder.

C. Valuable Papers and Records:

1. Books of account, manuscripts, abstracts, drawings, card index systems and other records (except film, tape, disc, drum, cell and other magnetic recording or storage media for electronic data processing) for not exceeding the cost of blank books, cards or other blank material plus the cost of labor incurred by the named insured for transcribing or copying such records.

2. Film, tape, disc, drum, cell and other magnetic recording or storage media for electronic data processing for not exceeding the cost of such media in unexposed or blank form.

3. Computer programs for not exceeding the cost of labor incurred by the named Insured for transcribing or copying such programs.

D. All other property at actual cash value at the time of loss, but not exceeding the amount which it would cost to repair or replace the property with material of like kind and quality within a reasonable time after such loss, nor in any event for more than the interest of the named insured.

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GENERAL CONDITIONS
(Applicable to Section I)

1. Premium. All premiums for this policy shall be computed in accordance with the Company's rules, rating plans, premiums and minimum premiums applicable to the insurance afforded herein.

If this policy is issued for a period in excess of one year with a specified expiration date and a premium is payable at each anniversary, such premium shall be determined annually on the basis of the rates in effect at the anniversary date.

If this policy is issued for a period without a specified expiration date, it may be continued by payment of the required premium for the succeeding annual period. Such premium must be paid to the Company prior to each anniversary date, if not so paid, this policy shall expire on the first anniversary date that the said premium has not been received by the Company.

2. Time of Inception. To the extent that coverage in this policy replaces coverage in other policies terminating noon standard time on the inception date of this policy, coverage under this policy shall not become effective until such other coverage has terminated.

3. Cancellation. This policy may be cancelled by the named insured by surrender thereof to the Company or any of its authorized agents or by mailing to the Company written notice stating when thereafter the cancellation shall be effective. This policy may be cancelled by the Company by mailing to the named insured at the mailing address shown in the Declarations, written notice stating when not less than ten days thereafter such cancellation shall be effective. The mailing of notice as aforesaid shall be sufficient proof of notice. The time of surrender or the effective date and hour of cancellation stated in the notice shall become the end of the policy period. Delivery of such written notice either by the named insured or by the Company shall be equivalent to mailing.

If the named insured cancels, the Company shall, upon demand and surrender of this policy, refund the excess of paid premium above the customary short rates for the expired time. If the Company cancels, earned premium shall be computed pro rata. Premium adjustment may be made either at the time cancellation is effected or as soon as practicable after cancellation becomes effective, but payment or tender of unearned premium is not a condition of cancellation.

Notice of cancellation addressed to the named insured and mailed to the mailing address shown in the Declaration shall be sufficient notice to effect cancellation of this policy.

4. Concealment or Fraud. This policy is void if any insured has intentionally concealed or misrepresented any material fact or circumstance relating to this insurance.

5. Assignment. Assignment of interest under this policy shall not bind the Company until its consent is endorsed hereon. However, if the named insured shall die, this insurance shall apply:

(a) to the named insured's legal representative, as the named insured, but only while acting within the scope of his duties as such; or,

(b) to the person having temporary custody of the property of the named insured but only until the appointment and qualification of the legal representative.

6. Subrogation.

(a) In the event of any payment under this policy, the Company shall be subrogated to all the insured's rights of recovery against any person or organization and the insured shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The insured shall do nothing after loss to prejudice such rights.

(b) The Company shall not be bound to pay any loss if the insured has impaired any right of recovery for loss; however, it is agreed that the insured may:

(1) as respects property while on the premises of the insured, release others in writing from liability for loss prior to loss, and such release shall not affect the right of the insured to recover hereunder, and

(2) as respects property in transit, accept such bills of lading, receipts or contracts of transportation as are ordinarily issued by carriers containing a limitation as to the value of such goods or merchandise.

7. Inspection and Audit. The Company shall be permitted but not obligated to inspect the named insured's property and operations at any time. Neither the Company's right to make inspections nor the making thereof nor any report thereon shall constitute an undertaking on behalf of or for the benefit of the named insured or others to determine or warrant that such propety or operations are safe or healthful or are in compliance with any law, rule or regulation.

The Company may examine and audit the named insured's books and records at any time during the policy period and extensions and within three years after the final termination of this policy, as far as they relate to the subject matter of this insurance.

8. Liberalization Clause. In the event any filing is submitted to the insurance supervisory authorities on behalf of the Company, and:

(a) the filing is approved or accepted by the insurance authorities to be effective while this policy is in force or within 45 days prior to its inception; and

(b) the filing includes insurance forms or other provisions that would extend or broaden this insurance by endorsement or substitution of form, without additional premium;

the benefit of such extended or broadened insurance shall inure to the benefit of the insured as though the endorsement or substitution of form had been made.

9. Insurance Under More Than One Coverage, Part or Endorsement. In the event that more than one coverage, part or endorsement of this policy insures the same loss, damage or claim, the Company shall not be liable for more than the actual loss or damage sustained by the insured.

10. Waiver or Change of Provisions. The terms of this insurance shall not be waived, changed or modified except by endorsement issued to form a part of this policy.

11. Special Definitions. Wherever in any form attached the word "policy" appears it shall mean the section of this policy of which such form is a part, or the supplemental policy or policies to which such form applies.

CONDITIONS APPLICABLE TO SECTION I

1. **Policy Period, Territory.** Section I of this policy applies only to loss to property during the policy period while such property is within or between the fifty states of the United States of America, the District of Columbia and Puerto Rico.

2. **Deductible.** Unless otherwise provided in the Declarations:

   (a) The sum of $100 shall be deducted from the amount of loss to property in any one occurrence. This deductible shall apply:

      (1) separately to each building, including personal property therein;

      (2) separately to personal property in each building if no coverage is provided on the containing building; and

      (3) separately to personal property in the open (including within vehicles).

   (b) The aggregate amount of this deductible in any one occurrence shall not exceed $1,000.

3. **Coinsurance Clause.** The Company shall not be liable for a greater proportion of any loss to property covered than the limit of liability under this policy for such property bears to the amount produced by multiplying the actual cash value of such property at the time of the loss by the coinsurance percentage stated in the Declarations.

In the event that the aggregate claim for any loss is both less than $10,000 and less than 5% of the limit of liability for all contributing insurance applicable to the property involved at the time such loss occurs, no special inventory or appraisement of the undamaged property shall be required providing that nothing herein shall be construed to waive the application of the first paragraph of this clause.

If insurance under Section I of this policy is divided into separate limits of liability, the foregoing shall apply separately to the property covered under each such limit of liability.

4. **Removal.** This policy covers loss by removal of the property covered hereunder from premises endangered by the perils insured against, and the amount of insurance applies pro rata for five days at each proper place to which such property shall necessarily be removed for preservation.

5. **Debris Removal.** This policy covers expense incurred in the removal of debris of the property covered which may be occasioned by loss by any of the perils insured against in this policy. The total amount recoverable under this policy for both loss to property and debris removal expense shall not exceed the limit of liability applying to the property. Cost of removal of debris shall not be considered in the determination of actual cash value when applying the Coinsurance Clause.

6. **War Risk And Governmental Action Exclusion.** This policy under Section I shall not apply to loss caused, directly or indirectly, by or due to any act or condition incident to the following:

   (a) hostile or warlike action in time of peace or war, including action in hindering, combating or defending against an actual, impending or expected attack (i) by any government or sovereign power (de jure or de facto), or by any authority maintaining or using military, naval or air forces; or (ii) by military, naval or air forces; or (iii) by an agent of any such government, power, authority or forces, it being understood that any discharge, explosion or use of any weapon of war employing nuclear fission or fusion shall be conclusively presumed to be such a hostile or warlike action by such a government, power, authority or forces;

   (b) insurrection, rebellion, revolution, civil war, usurped power, or action taken by governmental authority in hindering, combating or defending against such an occurrence; seizure or destruction under quarantine or custom's regulations, confiscation by order of any government or public authority, or risks of contraband or illegal transportation or trade.

7. **Nuclear Clause And Nuclear Exclusions.**

   (a) **Nuclear Clause** (Not applicable in New York) The word "fire" in this policy is not intended to and does not embrace nuclear reaction or nuclear radiation or radioactive contamination, all whether controlled or uncontrolled, and loss by nuclear reaction or nuclear radiation or radioactive contamination is not intended to be and is not insured against by this policy, whether such loss be direct or indirect, proximate or remote, or be in whole or in part caused by, contributed to, or aggravated by "fire" or any other perils insured against by this policy. However, subject to the foregoing and all provisions of this policy, direct loss by "fire" resulting from nuclear reactions or nuclear radiation or radioactive contamination is insured against by this policy.

   (b) **Nuclear Clause** (Applicable only in New York): This policy does not cover loss or damage caused by nuclear reaction or nuclear radiation or radioactive contamination, all whether directly or indirectly resulting from an insured peril under this policy.

   (c) **Nuclear Exclusion** (Not Applicable in New York): Loss by nuclear reaction or nuclear radiation or radioactive contamination, all whether controlled or uncontrolled, or due to any act or condition incident to any of the foregoing is not insured against by this policy, whether such loss be direct or indirect, proximate or remote, or be in whole or in part caused by, contributed to, or aggravated by any of the perils insured against by this policy; and nuclear reaction or nuclear radiation or radioactive contamination, all whether controlled or uncontrolled, is not "explosion" or "smoke". This clause applies to all perils insured against hereunder except the peril of fire, which is otherwise provided for in the nuclear clause above.

8. **Other Insurance.**

   (a) If at the time of loss there is other insurance written in the name of the insured upon the same plan, terms, conditions and provisions as contained in this policy, herein referred to as Contributing Insurance, the Company shall be liable for no greater proportion of any loss than the limit of liability under this policy bears to the whole amount of insurance covering such loss.

   (b) If at the time of loss there is other insurance other than that as described in (a) above, the Company shall not be liable for any loss hereunder until:

      (1) the Liability of such other insurance has been exhausted, and

      (2) then for only such amount as may exceed the amount due from such other insurance, whether collectible or not.

9. **Duties Of The Named Insured After A Loss.** In case of loss the named insured shall:

   (a) give immediate written notice of such loss to the Company;

   (b) protect the building and personal property from further damage, make reasonable temporary repairs required to protect the property, and keep an accurate record of repair expenditures;

(c) prepare an inventory of damaged personal property showing in detail, quantity, description, actual cash value and amount of loss. Attach to the inventory all bills, receipts and related documents that substantiate the figures in the inventory;

(d) exhibit the remains of the damaged property as often as may be reasonably required by the Company and submit to examination under oath;

(e) submit to the Company within 60 days after requested a signed, sworn statement of loss that sets forth to the best of the named insured's knowledge and belief:

(1) the time and cause of loss;

(2) interest of the insured and all others in the property involved and all encumbrances on the property;

(3) other policies of insurance that may cover the loss;

(4) changes in title or occupancy of the property during the term of the policy;

(5) specifications of any damaged building and detailed estimates for repair of the damages;

(6) an inventory of damaged personal property described in (2) above;

(f) give notice of such loss to the property police authority if loss is due to a violation of law.

10. Appraisal. If the named insured and the Company fail to agree on the amount of the loss, either can demand that the amount of loss be set by appraisal. If either party makes a written demand for appraisal, each shall select a competent independent appraiser. Each shall notify the other of the selected appraiser's identity within twenty (20) days of the receipt of the written demand.

The two appraisers shall select a competent, impartial umpire. If the appraisers are unable to agree upon an umpire within fifteen (15) days, the named insured or the Company may petition a judge of a Court of Record in the state where the insured premises is located to select an umpire.

The appraisers shall then set the amount of the loss. If the appraisers submit a written report of an agreement to the Company, the amount agreed upon shall be the amount of the loss. If the appraisers fail to agree within a reasonable time, they shall submit their differences to the umpire. Written agreement signed by any two of these three shall set the amount of loss.

Each appraiser shall be paid by the party selecting that appraiser. Other expenses of the appraisal and compensation of the umpire shall be paid equally by the named insured and the Company.

11. Company Options. If the Company gives notice within thirty (30) days after it has received a signed, sworn statement of loss, it shall have the option to take all or any part of the property damaged at an agreed value, or to repair, rebuild or replace it with equivalent property.

12. Abandonment Of Property. The Company need not accept any property abandoned by an insured.

13. Payment Of Loss. The Company will pay all adjusted claims within thirty (30) days after presentation and acceptance of the proof of loss.

14. Privilege To Adjust With Owner.

(a) Except as provided in (b) below, or unless another payee is specifically named in the policy, loss, if any, shall be adjusted with and payable to the named insured.

(b) In the event claim is made for damage to property of others held by the insured, the right to adjust such loss or damage with the owner or owners of the property is reserved to the Company and the receipt of payment by such owner or owners in satisfaction thereof shall be in full satisfaction of any claim of the insured for which such payment has been made.

If legal proceedings be taken to enforce a claim against the insured as respects any such loss or damage, the Company reserves the right at its option without expense to the insured to conduct and control the defense on behalf of and in the name of the insured. No action of the Company in such regard shall increase the liability of the Company under this policy, nor increase the limits of liability specified in the policy.

15. Suit. No suit shall be brought on this policy unless the insured has complied with all the policy provisions and has commenced the suit within one year after the loss occurs.

16. Permits And Use. Except as otherwise provided, permission is granted:

(a) to make alterations and repairs;

(b) in the event of loss hereunder, to make reasonable repairs, temporary or permanent, provided such repairs are confined solely to the protection of the property from further damage, and provided further that the insured shall keep an accurate record of such repair expenditures. The cost of any such repairs directly attributable to damage by any peril insured against shall be included in determining the amount of loss hereunder. Nothing herein contained is intended to modify the policy requirements applicable in case loss occurs, and in particular the requirement that, in case loss occurs, the insured shall protect the property from further damage.

17. Vacancy, Unoccupancy and Increase of Hazard

(a) This Company shall not be liable for loss occurring while a described building, whether intended for occupancy by owner or tenant is vacant beyond a period of sixty consecutive days. "Vacant" or "Vacancy" means containing no contents pertaining to operations or activities customary to occupancy of the building, but a building in process of construction shall not be deemed vacant.

(b) Permission is granted for unoccupancy.

(c) Unless otherwise provided in writing added hereto this Company shall not be liable for loss occurring while the hazard is increased by any means within the control or knowledge of the insured.

18. Protective Safeguards. It is a condition of this insurance that the insured shall maintain so far as is within his control such protective safeguards as are set forth by endorsement hereto.

Failure to maintain such protective safeguards shall suspend this insurance only as respects the location or situation affected for the time of such discontinuance.

19. Mortgage Clause — Applicable Only To Buildings. This clause is effective if a mortgagee is named in the Declarations. The word "mortgagee" includes "trustee". Loss to buildings shall be payable to the named mortgagees as interest may appear, under all present or future mortgages on the buildings described in the Declarations in order of precedence of mortgages on them.

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As it applies to the interest of any mortgagee designated in the Declarations, this insurance shall not be affected by any of the following:

(a) any act or neglect of the mortgagor or owner of the described building;

(b) any foreclosure or other proceedings or notice of sale relating to the property;

(c) any change in the title or ownership of the property;

(d) occupancy of the premises for purposes more hazardous than are permitted by this policy;

provided, that in case the mortgagor owner shall neglect to pay any premium due under this policy, the mortgagee shall, on demand, pay the premium.

The mortgagee shall notify the Company of any change of ownership or occupancy or increase of hazard which shall come to the knowledge of the mortgagee. Unless permitted by this policy, such change of ownership or occupancy or increase of hazard shall be noted on the policy and the mortgagee shall on demand pay the premium for the increased hazard for the term if existed under this policy. If such premium is not paid, this policy shall be null and void.

The Company reserves the right to cancel this policy at any time as provided by its terms. If so cancelled, this policy shall continue in force for the benefit only of the mortgagee for ten days after notice to the mortgagee of such cancellation and shall then cease. The Company shall have the right to cancel this agreement on ten days notice to the mortgagee.

When the Company shall pay the mortgagee any sum for loss under this policy, and shall claim that, as to the mortgagor or owner, no liability therefor existed, the Company shall, to the extent of such payment, be thereupon legally subrogated to all the rights of the mortgagee to whom such payment shall have been made, under the mortgage debt. In lieu of taking such subrogation, the Company may, at its option, pay to the mortgagee the whole principal due or to grow due on the mortgage, with interest accrued and shall thereupon receive a full assignment and transfer of the mortgage and of all such other securities. However, no subrogation shall impair the right of the mortgagee to recover the full amount of said mortgagee's claim.

20. Recoveries. In the event the Company has made a payment for loss under the policy and a subsequent recovery is made of the lost or damaged property, the insured shall be entitled to all recoveries in excess of the amount paid by the Company, less only the actual cost of effecting such recoveries.

21. Loss Clause. Any loss hereunder shall not reduce the amount of this insurance.

22. No Benefit To Bailee. This insurance shall not inure directly or indirectly to the benefit of any carrier or other bailee.

23. No Control. This insurance shall not be prejudiced:

(a) by any act or neglect of the owner of any building if the insured is not the owner thereof, or by any act or neglect of any occupant (other than the insured) of any building when such act or neglect of the owner or occupant is not within the control of the insured, or

(b) by failure of the insured to comply with any warranty or condition contained in any endorsement attached to this policy with regard to any portion of the premises over which the insured has no control.

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Transplan 7 Amendatory Endorsements

One or more of the following endorsements applies to your policy. The appropriate state amendatory endorsement(s) correspond(s) with the state(s) of the location(s) described in the Declarations.

CALIFORNIA AMENDATORY ENDORSEMENT

The Transplan 7 Policy is amended as follows:

I. Exclusion A in the General Building Form, General Personal Property Form and Special Building Form, and Exclusion A.1. in the Special Personal Property Form are deleted and replaced by the following:

Loss occasioned directly or indirectly by enforcement of any ordinance or law regulating the construction, repair or demolition of buildings or structures; or by order of any civil authority except acts of destruction at the time of and for the purpose of preventing the spread of fire, provided that such fire did not originate from any of the perils excluded by this policy.

II. The following is added to the Cancellation Provisions contained in the policy.

If the company cancels this policy for reasons other than nonpayment of the premium, notice of cancellation shall state that any return premium not already paid to the named insured will be refunded upon demand.

III. The following is added to the Mortgage Clause – Applicable only to Buildings – contained in the Transplan 7 Conditions – Section I:

If the insured does not submit a proof of loss, the mortgagee shall within sixty (60) days submit a proof of loss in accordance with conditons of submission of proof by the insured under the policy conditions and be subject to the conditions relating to appraisal time of payment and bringing of suit.

WYOMING AMENDATORY ENDORSEMENT

The Suit Condition contained in the Transplan 7 Conditions – Section I, is amended as follows:

No suit shall be brought on this policy unless the insured has complied with all the policy provisions and has commenced the suit within four (4) years after the loss occurs.

COINSURANCE CONTRACT

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REPLACEMENT COST COVERAGE ENDORSEMENT

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(Ed. 01 83)

1955 21 91

This endorsement applies only with respect to the premises described in the following Schedule and affords insurance on a replacement cost basis only on the property described below.

SCHEDULE

Location Of Premises Location No. Building No.	Property Covered on a Replacement Cost Basis (Specify Building or Personal Property of the Insured or both)
102 1	BOTH

1. Replacement Cost Clause: The provisions of Section I of this policy applicable to the property described as covered on a replacement cost basis are amended to substitute the term "replacement cost (without deduction for depreciation)" for the term "actual cash value" wherever it appears in this policy, and the Coinsurance Clause of this endorsement supersedes and replaces all other Coinsurance Clauses otherwise applicable, subject in all other respects to the provisions of this endorsement and of Section I of this policy.
2. This policy does not cover the following property on a replacement cost basis:
   (a) stock (raw, in process or finished) or merchandise, including materials and supplies in connection therewith;
   (b) property of others;
   (c) household furniture or residential contents;
   (d) manuscripts;
   (e) paintings, etchings, pictures, tapestries, statuary, marbles, bronzes, antique furniture, rare books, antique silver, porcelains, rare glassware and bric-a-brac, or other articles of art, rarity or antiquity.
3. The Company shall not be liable under this endorsement for any loss unless and until the damaged or destroyed property is actually repaired or replaced by the insured with due diligence and dispatch.
4. Coinsurance Clause: This Company shall not be liable for a greater proportion of any loss or damage to the property covered under this policy than the limit of liability under this policy for such property bears to the amount produced by multiplying the coinsurance percentage applicable (specified in this policy) by the total of (a) the replacement cost (without deduction for depreciation) of that part of said property which is specifically described as covered on a replacement cost basis and (b) the actual cash value of that part of said property which is covered on an actual cash value basis at the time of loss.

   In the event that the aggregate claim for any loss is both less than $10,000 and less than 5% of the limit of liability for all contributing insurance applicable to the property involved at the time such loss occurs, no special inventory or appraisement of the undamaged property shall be required, provided that nothing herein shall be construed to waive application of the first paragraph of this clause.

   If insurance under Section I of this policy is divided into separate limits of liability, the foregoing shall apply separately to the property covered under each such limit of liability.

   The value of property covered under Extensions of Coverage, and the cost of the removal of debris, shall not be considered in the determination of actual cash value or replacement cost when applying the Coinsurance Clause.
5. This Company's liability for loss on a replacement cost basis, shall not exceed the smallest of the following amounts:
   (a) the amount of this policy applicable to the damaged or destroyed property;
   (b) the replacement cost of the property or any part thereof identical with such property on the same premises and intended for the same occupancy and use; or
   (c) the amount actually and necessarily expended in repairing or replacing said property or any part thereof.
6. The insured may elect to make claim under this policy in accordance with its provisions, disregarding this endorsement, except that the foregoing Coinsurance Clause shall apply; and the insured may make further claim for any additional liability brought about by this endorsement in accordance with its provisions, provided the Company is notified in writing within 180 days after loss of the insured's intent to make such further claim.

This Endorsement must be attached to Change Endorsement when issued after the Policy is written.

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Transamerica Insurance Services

Transamerica Insurance Group

1939 21 91

Deductible Endorsement

	BUILDING		FIRE	ECE	VMM	AOP
Basis of Insurance	$ 800,000	Full Coverage Rate	VRS.	VRS.	VRS.	VRS.
Deductible Amount	$ 250	Credit for Deductible Amount	0 %	0 %	0 %	0 %
Limit of Liability	$ 799,750	Rate for Deductible Insurance after credit	VRS.	VRS.	VRS.	VRS.

1. Each claim for loss or damage (separately occurring) shall be adjusted separately and from each such adjusted claim the sum of the deductible specified above shall be deducted. In the event of any recovery and/or salvage on a loss which has been or is being or is about to be paid hereunder, such recovery and/or salvage shall accrue entirely to the benefit of this Company under this policy until the sum paid by them has been made up.
2. The deductible specified above shall apply separately to each:
   ☒ Occurrence
   ☐ Location
   ☐ Item
   } (Indicate one) except _____
3. It is a condition of this policy that the deductible amount specified shall be solely at the risk of the insured, and shall not be covered under any other policy of insurance, except as provided in Paragraph 4.
4. No additional insurance shall be permitted unless permission is granted by the completion of the following:
   A. Permission is granted to carry additional insurance in the amount of $_____ applying to property situated at _____ which shall be deemed to be concurrent insurance.
   B. When additional concurrent insurance is carried in accordance with Item A of this paragraph, the deductible amount specified herein shall apply to this policy, only to the extent of the pro rata proportion which this policy bears to the total permitted insurance.
   C. Additional insurance carried in accordance with the foregoing shall be added to the sum set forth in this policy as "Basis of Insurance" for the purposes of determining compliance with any coinsurance, contribution, average, or distribution clause.
   D. Additional insurance which is permitted by the terms of this endorsement shall not violate the conditions of Paragraph 3, whether or not such additional insurance contains a deductible clause.
   E. When additional insurance is not disclosed and permission granted hereunder, the full amount of the deductible shall apply to any losses apportioned to this policy.
5. In consideration of the reduced rate(s) at which this insurance is written, this company shall in no event be liable with respect to any one loss for an amount greater than its pro rata proportion of the sum set forth as "Limit of Liability," or if more than one location be insured hereunder with a specific "Limit of Liability" applicable to each location, in no event shall this company be liable with respect to any location for an amount greater than its pro rata proportion of the "Limit of Liability" applicable thereto.

6. It is a condition of this policy that any coinsurance, contribution, average or distribution clause, which may be a part hereof, shall apply to the full value of the property insured, without reduction for the amount of the deductible specified herein, and that such deductible shall apply after any penalty has been assessed by the application of such coinsurance, contribution, average or distribution clause. For the purpose of determining compliance with any such coinsurance, contribution, average or distribution clause, the sum set forth as "Basis of Insurance" shall be applied to the full value of the property as aforesaid.

Attached to and forming part of Policy No. _____

of the _____ Dated _____, 19____.
(NAME OF INSURANCE COMPANY)

SUPPLEMENT TO DEDUCTIBLE ENDORSEMENT

1. The term "Occurrence" as contained in the deductible clause of this policy, shall be held to mean a single incident or event. When, however, the term "Occurrence" shall apply to loss or losses from windstorm if insured hereunder, it shall be held to mean a period of 48 consecutive hours.

2. When at the election of the policyholder, the deductible amount is applied to each location, the term "Location" insofar as such property is insured hereunder, shall be held to mean:
   A. each building, including contents thereof, to the extent they are insured hereunder, or
   B. a number of buildings including their contents, in a single group, and designated as a single location in this policy or in the application for insurance.
   C. (if any other basis mutually agreed upon, indicate hereunder)

   _____

   _____

   _____

   _____

   In the case of a policy written to cover more than one location subject to a deductible such locations will be designated in the policy.

3. The term "Item" shall be held to mean the individual descriptions of the property insured and designated by the terms "Item 1", "Item 2", etc. on the form attached to this policy.

All other terms and conditions of the policy remain unchanged.

Attached to and forming part of Policy No. _____

of the _____ Dated _____, 19____.

_____ Agent

Transamerica Insurance Services

Transamerica Insurance Group

1933 21 91

Deductible Endorsement

CONTENTS

			FIRE	ECE	VMM	AOP
Basis of Insurance	$ 1,850,000	Full Coverage Rate	VRS.	VRS.	VRS.	VRS.
Deductible Amount	$ 250	Credit for Deductible Amount	0 %	0 %	0 %	0 %
Limit of Liability	$ 1,849,750	Rate for Deductible Insurance after credit	VRS.	VRS.	VRS.	VRS.

1. Each claim for loss or damage (separately occurring) shall be adjusted separately and from each such adjusted claim the sum of the deductible specified above shall be deducted. In the event of any recovery and/or salvage on a loss which has been or is being or is about to be paid hereunder, such recovery and/or salvage shall accrue entirely to the benefit of this Company under this policy until the sum paid by them has been made up.
2. The deductible specified above shall apply separately to each:
   ☒ Occurrence
   ☐ Location
   ☐ Item
   } (Indicate one) except _____
3. It is a condition of this policy that the deductible amount specified shall be solely at the risk of the insured, and shall not be covered under any other policy of insurance, except as provided in Paragraph 4.
4. No additional insurance shall be permitted unless permission is granted by the completion of the following:
   A. Permission is granted to carry additional insurance in the amount of $_____ applying to property situated at _____ which shall be deemed to be concurrent insurance.
   B. When additional concurrent insurance is carried in accordance with Item A of this paragraph, the deductible amount specified herein shall apply to this policy, only to the extent of the pro rata proportion which this policy bears to the total permitted insurance.
   C. Additional insurance carried in accordance with the foregoing shall be added to the sum set forth in this policy as "Basis of Insurance" for the purposes of determining compliance with any coinsurance, contribution, average, or distribution clause.
   D. Additional insurance which is permitted by the terms of this endorsement shall not violate the conditions of Paragraph 3. whether or not such additional insurance contains a deductible clause.
   E. When additional insurance is not disclosed and permission granted hereunder, the full amount of the deductible shall apply to any losses apportioned to this policy.
5. In consideration of the reduced rate(s) at which this insurance is written, this company shall in no event be liable with respect to any one loss for an amount greater than its pro rata proportion of the sum set forth as "Limit of Liability," or if more than one location be insured hereunder with a specific "Limit of Liability" applicable to each location, in no event shall this company be liable with respect to any location for an amount greater than its pro rata proportion of the "Limit of Liability" applicable thereto.

6. It is a condition of this policy that any coinsurance, contribution, average or distribution clause, which may be a part hereof, shall apply to the full value of the property insured, without reduction for the amount of the deductible specified herein, and that such deductible shall apply after any penalty has been assessed by the application of such coinsurance, contribution, average or distribution clause. For the purpose of determining compliance with any such coinsurance, contribution, average or distribution clause, the sum set forth as "Basis of Insurance" shall be applied to the full value of the property as aforesaid.

Attached to and forming part of Policy No. _____

of the _____ Dated _____, 19____.
(NAME OF INSURANCE COMPANY)

SUPPLEMENT TO DEDUCTIBLE ENDORSEMENT

1. The term "Occurrence" as contained in the deductible clause of this policy, shall be held to mean a single incident or event. When, however, the term "Occurrence" shall apply to loss or losses from windstorm if insured hereunder, it shall be held to mean a period of 48 consecutive hours.

2. When at the election of the policyholder, the deductible amount is applied to each location, the term "Location" insofar as such property is insured hereunder, shall be held to mean:
   A. each building, including contents thereof, to the extent they are insured hereunder, or
   B. a number of buildings including their contents, in a single group, and designated as a single location in this policy or in the application for insurance.
   C. (if any other basis mutually agreed upon, indicate hereunder)

   _____

   _____

   _____

   _____

   In the case of a policy written to cover more than one location subject to a deductible such locations will be designated in the policy.

3. The term "Item" shall be held to mean the individual descriptions of the property insured and designated by the terms "Item 1", "Item 2", etc. on the form attached to this policy.

All other terms and conditions of the policy remain unchanged.

Attached to and forming part of Policy No. _____

of the _____ Dated _____, 19____.

_____ Agent

000166

EXTRA EXPENSE ENDORSEMENT

MP 15 06
(Ed. 07 77)

1935 21 91

LOCATION OF PREMISES		SECTION I FORMS AND ENDORSEMENTS APPLICABLE	LIMIT OF LIABILITY
Loc. No.	Bldg. No.		
1 & 2	1	MP0014	50,000

1. Subject to all the provisions applicable to Section I of this policy, except the Coinsurance Clause and the Deductible Clause, this policy is extended to insure the necessary extra expense incurred by the insured in order to continue as nearly as practicable the normal operation of the insured's business following damage to or destruction of real or personal property, during the term of this policy, by the perils insured against at the premises described in this endorsement, subject to the limit of liability specified above for the premises at which the damage or destruction occurs. For the purposes of this insurance, "perils insured against" shall mean the perils, as defined and limited in the forms and endorsements listed above, for each premises specified and also subject to the provisions of this endorsement.

2. In the event of such damage or destruction, the Company shall be liable for such necessary extra expense incurred for the period of restoration commencing with the date of damage or destruction and not limited by the date of expiration of this policy.

3. The Company's liability under this endorsement shall not exceed the percentage stated below for the determined period of restoration multiplied by the applicable limit of liability under this endorsement for each premises. In no event shall the Company be liable for more than the actual loss sustained.
   40% when the period of restoration is not in excess of one month;
   80% when the period of restoration is in excess of one month but not in excess of two months;
   100% when the period of restoration is in excess of two months.

4. **Resumption of Operations:** It is a condition of this insurance that as soon as practicable the insured shall resume normal operations of the business and shall dispense with such extra expense.

5. **Definitions:**
   a. "extra expense" means the excess (if any) of the total cost incurred during the period of restoration chargeable to the operation of the insured's business, over and above the total cost that would normally have been incurred to conduct the business during the same period had no damage or destruction occurred. Any salvage value of property obtained for temporary use during the period of restoration which remains after the resumption of normal operations, shall be taken into consideration in the adjustment of any loss hereunder.
   b. "month" means 30 consecutive days.
   c. "normal" means the condition that would have existed had no loss occurred.
   d. "period of restoration" means such length of time, commencing with the date of damage and not limited by the date of expiration of this policy, as would be required with the exercise of due diligence and dispatch to repair, rebuild or replace such part of the property herein described as has been damaged or destroyed.

6. This policy is extended to include the actual loss sustained by the insured, resulting directly from an interruption of business as covered hereunder, during the length of time, not exceeding two consecutive weeks, when, as a direct result of damage to or destruction of property adjacent to the premises herein described by the peril(s) insured against, access to such described premises is specifically prohibited by order of civil authority.

7. **Alterations and New Buildings:** Permission granted to make alterations in or to construct additions to any building described herein and to construct new buildings on the described premises. This endorsement is extended to cover, subject to all its provisions, extra expense resulting from damage to or destruction of such alterations, additions or new buildings while in course of construction and when completed or occupied, provided that, in the event of damage to or destruction of such property (including building materials, supplies, machinery or equipment incident to such construction or occupancy while on the described premises or within 100 feet thereof) so as to delay commencement of business operations of the insured, the length of time for which the Company shall be liable shall be determined as otherwise provided herein but such determined length of time shall be applied and the loss hereunder calculated from the date that business operations would have begun had no damage or destruction occurred.

8. Additional Exclusions and Limitations:

a. The Company shall not be liable for any extra expense resulting from:

(1) enforcement of any local or state ordinance or law regulating construction, repair or demolition of buildings or structures,

(2) interference at the described premises by strikers or other persons with rebuilding, repairing or replacing the property or with the resumption or continuation of business,

(3) the suspension, lapse or cancellation of any lease or license, contract or order beyond the period of restoration.

b. The Company shall not be liable for:

(1) more than the amount set forth in the limits of liability above for each premises,

(2) loss of income,

(3) the cost of repairing or replacing any of the real or personal property herein described, or the cost of research or other expense necessary to replace or restore damaged or destroyed books of account, abstracts, drawings, card index systems or other records (including film, tape, disc, drum, cell or other magnetic recording or storage media for electronic data processing), that have been damaged or destroyed by the perils insured against, except cost in excess of the normal cost of such repair, replacement or restoration necessarily incurred for the purpose of reducing loss under this policy. In no event shall such excess cost exceed the amount by which the total extra expense loss otherwise payable under this policy is thereby reduced,

(4) loss resulting from theft of any property which at the time of loss is not an integral part of a building or structure (except direct loss by pillage and looting occurring during and at the immediate place of a riot or civil commotion), unless loss by a peril not excluded in this policy ensues from theft or attempted theft, and then this Company shall be liable for only such ensuing loss.

(5) any other consequential or remote loss.

9. Other Insurance: It is a condition of this insurance that if at the time of damage or destruction there are other kinds of insurance which cover in any manner extra expense as covered by this policy, then this insurance shall apply only as excess insurance and in no event as contributing insurance, and then only to the amount of extra expense over and above the amount due the insured under such other forms of insurance. In no event shall the liability hereunder exceed the amount of this policy nor a greater proportion of any loss than the insurance hereunder shall bear to all insurance of the same kind, whether collectible or not.

10. Requirements in Case Loss Occurs: The insured shall give immediate written notice to the Company of any extra expense as covered by this policy and protect the property from further damage that might result in extension of the period of restoration; and within 90 days following the date of damage to or destruction of the real or personal property described, unless such time is extended in writing by the Company, the insured shall render to the Company a proof of loss, signed and sworn to by the insured, stating the knowledge and belief of the insured as to the following:

a. the time and origin of the property damage or destruction causing the extra expense as covered by this endorsement,

b. the interest of the insured and of all others in the business,

c. all other contracts of insurance, whether valid or not, covering in any manner the loss insured against by this policy,

d. any changes in the title, nature, location, encumbrance or possession of said business since the issuing of this policy, and

e. by whom and for what purpose any building herein described and the several parts thereof were occupied at the time of damage or destruction,

and shall furnish a copy of all the descriptions and schedules in all policies, and the actual amount of extra expense loss claimed, accompanied by detailed exhibits of all values, costs and estimates upon which such amounts are based.

The insured, as often as may be reasonably required, shall exhibit to any person designated by the Company all that remains of any property herein described, and submit to examinations under oath by any person named by the Company, and subscribe the same; and, as often as may be reasonably required, shall produce for examination all books of account, bills, invoices and other vouchers, or certified copies thereof if originals be lost, at such reasonable time and place as may be designated by the Company or its representative, and shall permit extracts and copies thereof to be made.

This Endorsement must be attached to Change Endorsement when issued after the Policy is written.

GROSS EARNINGS ENDORSEMENT

MP 15 90
(Ed. 07 77)

1935 21 91

LOCATION OF PREMISES		SECTION I FORMS AND ENDORSEMENTS APPLICABLE	CONTRIBUTION CLAUSE PERCENTAGE	LIMIT OF LIABILITY
Loc. No.	Bldg. No.			
1 6 2	1	MP0013	50%	1,000,000

1. Subject to all the provisions applicable to Section I of this policy, except the Coinsurance Clause and the Deductible Clause, this policy is extended to insure against loss resulting directly from necessary interruption of business caused by the perils insured against damaging or destroying, during the policy period, real or personal property (except finished stock) at the premises described in this endorsement, subject to the limit of liability specified above for the premises at which the damage or destruction occurs. For the purposes of this insurance, "perils insured against" shall mean the perils, as defined and limited in the forms and endorsements listed above, for each premises specified and also subject to the provisions of this endorsement.

2. The Company shall be liable for:
   a. the actual loss sustained by the insured resulting directly from necessary interruption of business, but not exceeding the reduction in gross earnings less charges and expenses which do not necessarily continue during the interruption of business, for only such length of time as would be required with the exercise of due diligence and dispatch to rebuild, repair or replace such part of the property herein described as has been damaged or destroyed commencing with the date of such damage or destruction and not limited by the date of expiration of this policy. Due consideration shall be given to the continuation of normal charges and expenses, including payroll expense, to the extent necessary to resume operations of the insured with the same quality of service which existed immediately preceding the loss; and
   b. the actual loss sustained by the insured, resulting directly from an interruption of business as covered hereunder, during the length of time, not exceeding two consecutive weeks, when, as a direct result of damage to or destruction of property adjacent to the premises herein described by the peril(s) insured against, access to such described premises is specifically prohibited by order of civil authority; and
   c. loss resulting from damage to or destruction of media for, or programming records pertaining to, electronic data processing or electronically controlled equipment, including data thereon, by the perils insured against. The length of time for which this Company shall be liable hereunder shall not exceed:
      (1) 30 consecutive calendar days; or
      (2) the length of time that would be required to rebuild, repair or replace such other property herein described as has been damaged or destroyed;
      whichever is the greater length of time.
   d. such expenses as are necessarily incurred for the purpose of reducing loss under this endorsement (except expense incurred to extinguish a fire), and such expenses, in excess of normal, as would necessarily be incurred in replacing any finished stock used by the insured to reduce loss but in no event shall the aggregate of such expenses exceed the amount by which the loss under this endorsement is thereby reduced. Such expenses shall not be subject to the application of the Contribution Clause.

3. **Resumption of Operations:** It is a condition of this insurance that if the insured could reduce the loss resulting from the interruption of business:
   a. by complete or partial resumption of operation of the property herein described, whether damaged or not, or
   b. by making use of merchandise or other property at the locations described herein or elsewhere, or
   c. by making use of stock (raw, in process or finished) at the locations described herein or elsewhere, such reduction shall be taken into account in arriving at the amount of loss hereunder.

4. **Contribution Clause:** The Company shall not be liable for a greater proportion of any loss than the limit of liability specified above bears to the amount produced by multiplying the Contribution Clause Percentage specified above by the Gross Earnings that would have been earned (had no loss occurred) during the 12 months immediately following the date of damage to or destruction of the described property.

5. **Definitions:**
   a. For the purposes of this insurance, "gross earnings" are defined as the sum of:
      (1) total net sales value of production, and
      (2) total net sales of merchandise, and
      (3) other earnings derived from operations of the business,
      less the cost of:
      (4) raw stock from which such production is derived, and
      (5) supplies consisting of materials consumed directly in the conversion of such raw stock into finished stock or in supplying the services sold by the insured, and
      (6) merchandise sold, including packaging materials therefor, and
      (7) services purchased from outsiders (not employees of the insured) for resale which do not continue under contract.

      No other costs shall be deducted in determining gross earnings.
      In determining gross earnings, due consideration shall be given to the experience of the business before the date of damage or destruction and the probable experience thereafter had no loss occurred.
   b. The term "directly," as applied to loss under this endorsement, means loss, as limited and conditioned in this policy, resulting from direct loss to described property from the perils insured against.

c. "Normal": the condition that would have existed had no loss occurred.
d. "Raw stock": material in the state in which the insured receives it for conversion by the insured into finished stock.
e. "Stock in process": raw stock which has undergone any aging, seasoning, mechanical or other process of manufacture at the locations herein described but which has not become finished stock.
f. "Finished stock": stock manufactured by the insured which in the ordinary course of the insured's business is ready for packing, shipment or sale.
g. "Merchandise": goods kept for sale by the insured which are not the product of manufacturing operations conducted by the insured.

6. Alterations and New Buildings: Permission granted to make alterations in or to construct additions to any building described herein and to construct new buildings on the described premises. This endorsement is extended to cover, subject to all its provisions, loss resulting from damage to or destruction of such alterations, additions or new buildings while in course of construction and when completed or occupied, provided that, in the event of damage to or destruction of such property (including building materials, supplies, machinery or equipment incident to such construction or occupancy while on the described premises or within 100 feet thereof) so as to delay commencement of business operations of the insured, the length of time for which the Company shall be liable shall be determined as otherwise provided herein but such determined length of time shall be applied and the loss hereunder calculated from the date that business operations would have begun had no damage or destruction occurred.

7. Additional Exclusions and Limitations:

a. The Company shall not be liable for any increase of loss which may be occasioned by:
   (1) enforcement of any local or state ordinance or law regulating construction, repair or demolition of buildings or structures,
   (2) interference at the described premises by strikers or other persons with rebuilding, repairing or replacing the property or with the resumption or continuation of business,
   (3) the suspension, lapse or cancellation of any lease, license, contract or order unless such suspension, lapse or cancellation results directly from the interruption of business, and then the Company shall be liable for only such loss as affects the insured's earnings during, and limited to, the period of indemnity covered under this policy.

b. The Company shall not be liable for:
   (1) more than the limit of liability set forth above for each premises,
   (2) any other consequential or remote loss.

c. The Company shall not be liable for loss resulting from:
   (1) damage to or destruction of finished stock, nor for the time required to reproduce said finished stock,
   (2) theft of any property which at the time of loss is not an integral part of a building or structure (except direct loss by pillage and looting occurring during and at the immediate place of a riot or civil commotion), unless loss by a peril not excluded in this policy ensues from theft or attempted theft, and then this Company shall be liable for only such ensuing loss.

8. Requirements in Case Loss Occurs: The insured shall give immediate written notice to the Company of any business interruption loss as covered by this policy and protect the property from further damage that might result in extension of the period of interruption; and within 60 days following the date of damage to or destruction of the real or personal property described, unless such time is extended in writing by the Company, the insured shall render to the Company a proof of loss, signed and sworn to by the insured, stating the knowledge and belief of the insured as to the following:

a. the time and origin of the property damage or destruction causing the interruption of business,
b. the interest of the insured and of all others in the business,
c. all other contracts of insurance, whether valid or not, covering in any manner the loss insured against by this policy,
d. any changes in the title, nature, location, encumbrance or possession of said business since the issuing of this policy, and
e. by whom and for what purpose any building herein described and the several parts thereof were occupied at the time of damage or destruction,

and shall furnish a copy of all the descriptions and schedules in all policies, and the actual amount of business interruption value and loss claimed, accompanied by detailed exhibits of all values, costs and estimates upon which such amounts are based.

The insured, as often as may be reasonably required, shall exhibit to any person designated by the Company all that remains of any property herein described, and submit to examinations under oath by any person named by the Company, and subscribe the same; and, as often as may be reasonably required, shall produce for examination all books of account, bills, invoices and other vouchers, or certified copies thereof if originals be lost, at such reasonable time and place as may be designated by the Company or its representative, and shall permit extracts and copies thereof to be made.

This Endorsement must be attached to Change Endorsement when issued after the Policy is written.

Transamerica
Insurance Services

Transamerica Insurance Group

Protective Safeguards Endorsement (ISO IL 0014 Ed. 9-79)

1935 21 91

This Endorsement must be attached to Change Endorsement when issued after the Policy is written.

Failure to comply with the Protective Safeguard Clauses specified as applicable in the schedule below shall suspend this insurance in accordance with the Protective Safeguards provisions set forth in this policy of which this endorsement is made a part.

SCHEDULE

Item or Location Number	Building Number	Location (Street, Address, City & State)	Clause(s) Applicable
1	1	11862 BURKE ST. SANTA FE SPRINGS, CA.	'D'
2	1	11876 BURKE ST. SANTA FE SPRINGS, CA.	'D'

'D' CENTRAL STATION BURGLAR ALARM

(If Clause "D. Other Protective Safeguard Clause(s)" is applicable, describe system.)

A. AUTOMATIC SPRINKLER CLAUSE

In consideration of the premium at which this policy is written, based on the protection of the premises by the sprinkler system, it is a condition of this policy that the insured shall exercise due diligence in maintaining in complete working order all equipment and services pertaining to the operation of the sprinkler system, including supervisory service, which are under the control of the insured. The insured shall give immediate notice to this Company of any impairment in or suspension of the sprinkler system or services (within the knowledge of the insured). No unsprinklered additions or extensions shall be made to the building unless immediate notification is given to this Company. Permission is given in case of break, leakage, freezing conditions or the opening of sprinkler heads, to shut off the water from so much of the sprinkler system as may be imperatively necessary with immediate notification to this Company and the protection restored as promptly as possible.

B. AUTOMATIC FIRE ALARM CLAUSE

In consideration of the premium at which this policy is written, it is a condition of this policy that the entire building is equipped with an automatic fire alarm connected to a central station or reporting directly to a public or private fire alarm station and that, the insured shall exercise due diligence in maintaining in complete working order all equipment and services pertaining to the operation of this system which are under the control of the insured and shall give immediate notice of any impairment in or suspension of the automatic fire alarm equipment or service (within the knowledge of the insured) to this Company.

C. WATCHMAN SERVICE CLAUSE

In consideration of the premium at which this policy is written, it is a condition of this policy that the insured shall exercise due diligence in maintaining in complete working order all equipment of the watchman's service at such times as the premises are not in actual operation, insofar as the watchman's service is under the control of the insured and shall give immediate notice of any impairment in or suspension of the watchman's service (within the knowledge of the insured) to this Company.

D. OTHER PROTECTIVE SAFEGUARD CLAUSE(S)

In consideration of the premium at which this policy is written, based on the protection of the premises by the protective safeguard system described above, it is a condition of this policy that, the insured shall exercise due diligence in maintaining in complete working order all equipment and services pertaining to the system and the insured shall give immediate notice of any impairment in or suspension of such equipment or service (within the knowledge of the insured) to this Company.

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Transamerica Insurance Services

Policy No. 1935 21 91

Transamerica Insurance Group

Liability Schedule and Premium Recap.

Code No.	Description of Hazards	Premium Bases	Rates B.I.	Rates P.D.	Advance Premiums Bodily Injury	Advance Premiums Property Damage
	Premises – Operations					
34202 003	TOOL MFG. - HAND TYPE NOT POWERED	100,000	.564	.089	564.	89.
39996	MACHINE SHOPS - NOC	400,000	.866	.232	3,464.	928.
34203 999	TOOL MFG. HAND TYPE NOT POWERED	890,000	7.400	.608	6,586.	541.
39982	MACHINE SHOPS	1,200,000	5.345	2.128	6,414.	2,554.
	VENTORS - LIMITED FORM	IF ANY	.438	.319	TBD*	TBD*
99990	BLANKET ADDITIONAL COVERAGE				2,554.	617.
73920 999	EMPLOYEE BENEFIT LIABILITY	ONE			248.	

* TO BE DETERMINED AT AUDIT

Total Advance B.I. and P.D. Premiums	$ 19,830.	$ 4,729.
Total Advance Premium	$ 24,559.	

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9-80

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Transamerica Insurance Services

Transamerica Insurance Company

☐ _____

Endorsement

ATTACHED TO AND FORMING A PART OF POLICY NUMBER	ENDORSEMENT EFFECTIVE (Standard Time) Mo	Day	Yr	12:01 A.M.	1000	INSURED	PRODUCER AND CODE
1935 21 91	1	1	86	X		EARL MANUFACTURING, INC. ETAL	HENDERSONS, INC. 0645261

AIRCRAFT PRODUCTS EXCLUSION

IT IS AGREED THAT THIS POLICY SHALL NOT APPLY TO ANY LIABILITY ARISING OUT OF AIRCRAFT PRODUCTS OR RELIANCE UPON ANY REPRESENTATION OR WARRANTY MADE WITH RESPECT THERETO, OR TO ANY LIABILITY ARISING OUT OF THE GROUNDING OF ANY AIRCRAFT.

"AIRCRAFT PRODUCTS" MEANS AIRCRAFT (INCLUDING MISSILES OR SPACECRAFT) AND ANY OTHER GOODS OR PRODUCTS MANUFACTURED, SOLD, HANDLED OR DISTRIBUTED OR SERVICES PROVIDED OR RECOMMENDED BY THE INSURED OR BY OTHERS TRADING UNDER HIS NAME FOR USE IN THE MANUFACTURE, REPAIR, OPERATION, MAINTENANCE OR USE OF ANY AIRCRAFT.

"GROUNDING" SHALL MEAN THE WITHDRAWAL OF ONE OR MORE AIRCRAFT FROM FLIGHT OPERATIONS OR THE IMPOSITION OF SPEED, PASSENGER OR LOAD RESTRICTIONS ON SUCH CIRCRAFT, BY REASON OF THE EXISTENCE OF OR ALLEGED OR SUSPECTED EXISTENCE OF ANY DEFECT, FAULT OR CONDITION IN SUCH AIRCRAFT OR ANY PART THEREOF SOLD, BY ANY OTHER PERSON OR ORGANIZATION ACCORDING TO SPECIFICATION, PLANS, SUGGESTIONS, ORDERS OR DRAWINGS OF THE INSURED OR WITH TOOLS, MACHINERY OR OTHER EQUIPMENT FURNISHED TO SUCH PERSONS OR ORGANIZATIONS BY THE INSURED, WHETHER SUCH AIRCRAFT SO WITHDRAWN ARE OWNED OR OPERATED BY THE SAME OR DIFFERENT PERSONS OR ORGANIZATIONS.

ALL OTHER TERMS AND CONDITIONS OF THIS POLICY REMAIN UNCHANGED

_____ Authorized Representative

_____ Date

(The Attaching Clause [redacted]e completed only when this endorsement is issued subsequ[redacted] preparation of the policy.)

LIABILITY

GL 20 16 (Ed. 07 66)
G 114

L 9115a
(Ed. 7-66)

ADDITIONAL INSURED
(Vendors—Limited Form)

This endorsement modifies such insurance as is afforded by the provisions of the policy relating to the following:
COMPREHENSIVE GENERAL LIABILITY INSURANCE
COMPLETED OPERATIONS AND PRODUCTS LIABILITY INSURANCE

This endorsement, effective 1-1-86 (12:01 A. M., standard time), forms a part of policy No. 1935 21 91

issued to EARL MANUFACTURING, INC. ETAL

by TRANSAMERICA INSURANCE CO.

Authorized Representative

SCHEDULE HENDERSONS, INC. #643261

Name of Vendor(s)	Description of Product(s)
SNAP ON TOOLS CORPORATION KENOSHA, WI. 53141-1410	TO BE DETERMINED AT AUDIT

It is agreed that the "Persons Insured" provision is amended to include any person or organization designated above (herein referred to as "vendor"), as an insured, but only with respect to the distribution or sale in the regular course of the vendor's business of the named insured's products designated above subject to the following additional provisions:

1. The insurance with respect to the vendor does not apply to:
   (a) any express warranty, or any distribution or sale for a purpose, unauthorized by the named insured;
   (b) bodily injury or property damage arising out of
      (i) any act of the vendor which changes the condition of the products,
      (ii) any failure to maintain the product in merchantable condition,
      (iii) any failure to make such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products, or
      (iv) products which after distribution or sale by the named insured have been labeled or relabeled or used as a container, part or ingredient of any other thing or substance by or for the vendor;
   (c) bodily injury or property damage occurring within the vendor's premises.
2. The insurance does not apply to any person or organization, as insured, from whom the named insured has acquired such products or any ingredient, part or container, entering into, accompanying or containing such products.

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(The Attaching Clause [redacted] be completed only when this endorsement is issued subseq[redacted] preparation of the policy.)

LIABILITY

GL 20 16 (Ed. 07 66)
G 114

L 9115a
(Ed. 7-66)

ADDITIONAL INSURED
(Vendors—Limited Form)

This endorsement modifies such insurance as is afforded by the provisions of the policy relating to the following:
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issued to EARL MANUFACTURING, INC. ETAL

by TRANSAMERICA INSURANCE CO.

Authorized Representative

SCHEDULE HENDERSONS, INC. #645261

Name of Vendor(s)	Description of Product(s)
AUTOMOTIVE EQUIPMENT WAREHOUSE, INC. 286 BROADVIEW AVENUE WARRENTON, VA. 22186	TO BE DETERMINED AT AUDIT

It is agreed that the "Persons Insured" provision is amended to include any person or organization designated above (herein referred to as "vendor"), as an insured, but only with respect to the distribution or sale in the regular course of the vendor's business of the named insured's products designated above subject to the following additional provisions:

1. The insurance with respect to the vendor does not apply to:
   (a) any express warranty, or any distribution or sale for a purpose, unauthorized by the named insured;
   (b) bodily injury or property damage arising out of
      (i) any act of the vendor which changes the condition of the products,
      (ii) any failure to maintain the product in merchantable condition,
      (iii) any failure to make such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products, or
      (iv) products which after distribution or sale by the named insured have been labeled or relabeled or used as a container, part or ingredient of any other thing or substance by or for the vendor;
   (c) bodily injury or property damage occurring within the vendor's premises.
2. The insurance does not apply to any person or organization, as insured, from whom the named insured has acquired such products or any ingredient, part or container, entering into, accompanying or containing such products.

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(The Attaching Clause need be completed only when this endorsement is issued subsequent to preparation of the policy.)

LIABILITY

GL 20 16 (Ed. 07 66)
G 114

L 911Sa
(Ed. 7-66)

ADDITIONAL INSURED
(Vendors—Limited Form)

This endorsement modifies such insurance as is afforded by the provisions of the policy relating to the following:
COMPREHENSIVE GENERAL LIABILITY INSURANCE
COMPLETED OPERATIONS AND PRODUCTS LIABILITY INSURANCE

This endorsement, effective 1-1-86 (12:01 A. M., standard time), forms a part of policy No. 1935 21 91

issued to EARL MANUFACTURING, INC. ETAL

by TRANSAMERICA INSURANCE CO.

Authorized Representative
HENDERSONS, INC. 0645261

SCHEDULE

Name of Vendor(s)	Description of Product(s)
MAC TOOLS, INC. P.O. BOX 370 WASHINGTON COURT HOUSE, OHIO 43160 ATTN: MARILYN RAWLINGS	TO BE DETERMINED AT AUDIT

It is agreed that the "Persons Insured" provision is amended to include any person or organization designated above (herein referred to as "vendor"), as an insured, but only with respect to the distribution or sale in the regular course of the vendor's business of the named insured's products designated above subject to the following additional provisions:

1. The insurance with respect to the vendor does not apply to:
   (a) any express warranty, or any distribution or sale for a purpose, unauthorized by the named insured;
   (b) bodily injury or property damage arising out of
      (i) any act of the vendor which changes the condition of the products,
      (ii) any failure to maintain the product in merchantable condition,
      (iii) any failure to make such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products, or
      (iv) products which after distribution or sale by the named insured have been labeled or relabeled or used as a container, part or ingredient of any other thing or substance by or for the vendor;
   (c) bodily injury or property damage occurring within the vendor's premises.
2. The insurance does not apply to any person or organization, as insured, from whom the named insured has acquired such products or any ingredient, part or container, entering into, accompanying or containing such products.

AUTHENTIC

Transamerica Insurance Services

Transamerica Insurance Group

Employee Benefit Programs Liability Insurance (Coverage Supplement)

FOR ATTACHMENT TO POLICY NUMBER 1935 21 91 TO COMPLETE SAID POLICY.

SCHEDULE

NAMED INSURED		EFFECTIVE DATE
BARL MANUFACTURING, INC. ETAL		1-1-86
LIMIT OF LIABILITY-EACH CLAIM	**LIMIT OF LIABILITY-AGGREGATE**	**DEDUCTIBLE AMOUNT**
$ 1,000,000.	$ 1,000,000.	$ 1,000.

PREMIUM COMPUTATION

ESTIMATED NO. OF EMPLOYEES	RATE (PER EMPLOYEE)	ESTIMATED PREMIUM
FIRST 100		$ 248.
ANNUAL MINIMUM PREMIUM (FIRST 100 EMPLOYEES) $ 150.	FIRST 100 $ 150.	$
	OVER 100 $	TOTAL $ 248.

I. **COVERAGE.** To pay on behalf of the insured, all sums which the insured shall become legally obligated to pay as a result of damages sustained by an employee, former employee or the beneficiaries or legal representatives thereof and caused by any negligent act, error or omission of the insured, or any other person for whose acts the insured is legally liable in the administration of the Insured's Employee Benefit Programs as defined herein.

EXCLUSIONS

This insurance does not apply:

A. To any dishonest, fraudulent, criminal or malicious act, libel, slander, discrimination, or humiliation;

B. To bodily injury to, or sickness, disease, or death, of any person, or to injury to or destruction of any tangible property, including the loss of use thereof;

C. To any claim for failure of performance of contract by any insurer;

D. To any claim based upon the Insured's failure to comply with any law concerning Workmen's Compensation, Unemployment Insurance, Social Security or Disability Benefits;

E. To any claim based upon failure of stock to perform as represented by an insured;

F. To any claim based upon advice given by an insured to an employee of the named insured to participate or not to participate in stock subscription plans.

G. To any claim based upon any actual or alleged error or omission or breach of duty, committed or alleged to have been committed by a trustee, in the discharge of fiduciary duties, obligations or responsibilities imposed by the Federal Employee Retirement Income Security Act of 1974.

II. **DEDUCTIBLE AMOUNT.** It is agreed that the Deductible Amount, stated in the Schedule, shall be deducted from the amount of all claims arising out of the same negligent act, error or omission and the Company shall be liable for loss only in excess of that amount.

It is further understood and agreed that with respect to any claim, irrespective of amount, notice thereof shall be given by or on behalf of the Insured to the Company, or any of its authorized agents, in accordance with the terms of this coverage supplement and the Company may at its option, investigate, negotiate or settle any such claim, and the Insured agrees, (1) if the Company undertakes to settle within the amount to be deducted as herein provided to reimburse the Company for the entire amount of such claim if and when such claim is paid by the Company; or (2) if the Company undertakes to settle for an amount in excess of the amount to be deducted as herein provided, to reimburse the company for such deductible amount if and when such claim is paid by the Company.

III. **LIMITS OF LIABILITY.** The Limit of Liability stated in the Schedule as applicable to "each claim" is the limit of the company's liability for all damages incurred on account of any claim covered hereunder, the Limit of Liability stated in the Schedule as "aggregate" is, subject to the above provision respecting each claim, the total limit of the company's liability for all claims covered hereunder and occurring during each annual period. The inclusion herein of more than one insured shall not operate to increase the limits of the company's liability. Annual Period shall mean each consecutive period of one year commencing from the inception date of the policy to which this coverage supplement is attached. In the event the inception date of the policy and this supplement are not concurrent the period from the inception date of this supplement to the next anniversary date of the policy shall be considered an annual period.

IV. **DEFENSE, SETTLEMENT, SUPPLEMENTARY PAYMENTS.** As respects such insurance as is afforded by the other terms of this coverage supplement, the company shall:

A. Defend in his name and behalf any suit against the insured alleging such negligent act, error or omission and seeking damages on account thereof, even if such suit is groundless, false or fraudulent, but the company shall have the right to make such investigation and negotiation of any claim or suit as may be deemed expedient by the company. The company, however, shall not make settlement or compromise any claim or suit without the written consent of the insured;

(SEE REVERSE)

B. Pay all premiums on bonds to release attachments for an amount not in excess of the applicable Limit of Liability of this coverage supplement, all premiums on appeal bonds required in any such defended suit, but without any obligation to apply for or furnish such bonds, all costs taxed against the insured in any such suit, all expenses incurred by the company, all interest accruing after entry of judgment until the company has paid, tendered or deposited in court such part of such judgment as does not exceed the limit of the company's liability thereon;

C. Reimburse the insured for all reasonable expenses, other than loss of earnings, incurred at the company's request.

The company agrees to pay the amounts incurred under this paragraph, except settlement of claims and suits, in addition to the applicable Limit of Liability of this coverage supplement.

V. **COVERAGE PERIOD AND TERRITORY.** This supplement applies only to claims under the legal jurisdiction of a court of law or court of equity within the United States of America, its territories or possessions or the Dominion of Canada, resulting from negligent acts, errors or omissions of the insured or any person acting on behalf of the insured in the administration of Employee Benefit Programs provided such claim is brought against the named insured during the policy period and the named insured at the effective date of this coverage supplement had no knowledge of or could not have reasonably foreseen any circumstances which might result in such claim or suit.

VI. **DEFINITIONS.** When used in reference to this insurance:

"insured" – The unqualified word "insured", wherever used, includes not only the Named Insured, but also any partner, executive officer, director, stockholder or employee, provided such employee is authorized to act in the administration of the Insured's Employee Benefit Programs.

"Employee Benefit Programs" – The term "Employee Benefit Programs" shall mean group life insurance, group health insurance, profit sharing plans, pension plans, employee stock subscription plans, workmen's compensation, unemployment insurance, social security, disability benefits insurance, and travel, savings, or vacation plans. Should the insured, during the policy period, institute an additional Employee Benefit Program, coverage will apply, provided the company is notified of such additional program, or programs, within 30 days after the effective date of such program.

"administration" – The unqualified word "administration", wherever used, shall mean:

a. Giving counsel to employees with respect to the Employee Benefit Programs;
b. Interpreting the Employee Benefit Programs;
c. Handling of records in connection with the Employee Benefit Programs;
d. Effecting enrollment, termination or cancellation of employees under the Employee Benefit Programs; provided all such acts are authorized by the named insured.

VII. **CONDITIONS.** None of the conditions of the policy shall apply to this insurance except "Liberalization Clause", "Inspection and Audit", "Cancellation", "Deferred Premium Payment Plan", "Subrogation", "Conformity With Statute", and "Changes". This coverage supplement shall also be subject to the following additional conditions:

A. Insured's Duties in the Event of an Alleged Negligent Act, Error or Omission, Claim, or Suit. As soon as practicable notice must be given to the Company during the coverage period when the Named Insured:

a. Receives information as to an alleged negligent act, error or omission, with full particulars of any claim arising therefrom.
b. Has knowledge of or can reasonably foresee circumstances which might result in a claim.

If suit is brought the Named Insured must immediately forward to the Company every demand, summons, or other process received by him.

The insured shall cooperate with the company and, upon the company's request, assist in making settlements, in the conduct of suits and in enforcing any right of contribution or indemnity against any person or organization who may be liable to the insured because of damage with respect to which insurance is afforded under this coverage supplement and the insured shall attend hearings and trials and assist in securing and giving evidence and obtaining the attendance of witnesses. The insured shall not, except at his own cost, voluntarily make any payment, assume any obligation or incur any expense.

B. Action Against Company. No action shall lie against the company unless, as a condition precedent thereto, there shall have been full compliance with all of the terms of this coverage supplement, nor until the amount of the insured's obligation to pay shall have been finally determined either by judgment against the insured after actual trial or by written agreement of the insured, the claimant and the company.

Any person or organization or the legal representative thereof who has secured such judgment or written agreement shall thereafter be entitled to recover under this coverage supplement the extent of the insurance afforded by this coverage supplement. No person or organization shall have any right under this coverage supplement to join the company as a party to any action against the insured to determine the insured's liability, nor shall the company be impleaded by the insured or his legal representative. Bankruptcy or insolvency of the insured or of the insured's estate shall not relieve the company of any of its obligations hereunder.

C. Non-assignable. The interest of the insured under this coverage supplement shall not be assignable to any other interest.

D. Premium. The premium stated in the schedule is an estimated premium only. Upon termination of each annual period of the policy to which this supplement is attached the insured, on request, will furnish the company a statement of the total number of employees at the end of the period and the earned premium shall be computed on the average of the number of the employees at the beginning and the end of such period in accordance with the rates set forth in the schedule.

E. Other Insurance. If, applicable to the loss, there is any valid and collectible insurance, whether on a primary, excess or contingent basis, available to the insured (in this or any other carrier), there shall be no insurance afforded hereunder as respects such loss, except, that if the applicable limit of liability of this coverage supplement is in excess of the applicable limit of liability provided by the other insurance, this coverage supplement shall afford excess insurance over and above such other insurance in an amount sufficient to afford the insured a combined limit of liability equal to the applicable limit of liability afforded by this coverage supplement. Insurance under this policy shall not be construed to be concurrent or contributing with any other insurance which is available to the insured.

Transamerica Insurance Services

TRANSAMERICA INSURANCE GROUP

COMPREHENSIVE BUSINESS AUTO INSURANCE
(ADDITIONAL DECLARATIONS)
PAGE 1 OF 2
POLICY NUMBER: 19352191
SCHEDULE: A

ITEM ONE. Named Insured: EARL MANUFACTURING, INC., ETAL

This policy provides only those coverages where a limit is shown in the place provided in this schedule. The limit shown for each coverage is the most we will pay for any one accident or loss.

ITEM TWO. COVERAGES	LIMIT
COMPREHENSIVE AUTO LIABILITY (X) Liability Insurance	$ 1,000,000 per accident.
(X) AUTO MEDICAL PAYMENTS INSURANCE Designation of covered autos: (X) Any auto designated in the description of autos with medical payments. Designated Person Insured: NAMED INSURED	$ 2,000 per person.
(X) UNINSURED MOTORISTS /UNDERINSURED MOTORISTS INSURANCE (Endorsement specifies when Underinsured Motorists applies)	$ 500,000 per accident.
Uninsured Motorists Property Damage (Endorsement specifies when Uninsured Motorists Property Damage applies) Designation of covered autos: (X) Autos specified on Schedule.	Separately stated in the U.M.P.D. endorsement.
(X) PHYSICAL DAMAGE INSURANCE	As shown in Schedule of Autos attached.

ITEM THREE. Forms and Endorsements contained in this policy at its inception (Show Form No. and Edition Date)

1) A11798D	05/81	2) A12107A	10/79	3) A12699A	03/[illegible]
4) A867	01/80	5) A482A	10/81	6) A487	07/81
7) A12109A	10/84	8) A15010	07/81	9) A14937	12/81

A15002A

03/17/86

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The estimated total premium for this policy is based on the exposures you told us you would have when this policy began.

We will compute your final premium due when we determine your actual exposures. The estimated total premium will be credited against the final premium due and you will be billed for the balance, if any. If the estimated total premium exceeds the final premium due you will get a refund. To determine your final premium due we may examine your records at any time during the period of coverage and up to three years afterward. If this policy is issued for more than one year, the premium shall be computed annually based on our rates or premiums in effect at the beginning of each year of the policy.

Transamerica Insurance Services

TRANSAMERICA INSURANCE GROUP

ABBREVIATION KEY

ACV	(Actual Cash Value)
ADD	(Additional)
B	(Broadened)
BI	(Bodily Injury)
COLL	(Collision)
COMB	(Combination)
COMP	(Comprehensive)
COV	(Coverage)
DAM	(Damage)
DED	(Deductible)
ENDOR	(Endorsements)
F	(Fire)
FT	(Fire and Theft)
FPB	(First Party Benefits)
FTW	(Fire, Theft, and Windstorm)
INC	(Included)
L	(Limited)
LIAB	(Liability)
LSP	(Limited Specified Perils)
MED	(Medical)
PAY	(Payments)
PD	(Property Damage)
PIP	(Personal Injury Protection)
PPI	(Property Protection Insurance)
PREM	(Premium)
R	(Regular)
SP	(Specified Perils)
ST	(State)
TOW	(Towing)
UIM	(Underinsured Motorists)
UM	(Uninsured Motorist)
UMPD	(Uninsured Motorists Property Damage)
VEH	(Vehicle)

A1500JB (5-85)

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Transamerica Insurance Services

SCHEDULE OF AUTOS
PAGE 1
POLICY NUMBER: 19352191

TRANSAMERICA INSURANCE GROUP

Named Insured: EARL MANUFACTURING, INC., ETAL

Veh. No.	Year Body	Make, Model VIN/Ser. Number	Symbol or Cost New	St	Terr Code	Class	Limit of Liab
0001	1980	FORD 1/2 TON PICKUP J1824	7000	CA	005	01499	ACV
0002	1980	LINCOLN MARK 6 2746	18000	CA	058	7398	ACV
0003	1984	MERCURY TOPAZ 6375	9800	CA	005	7398	ACV
0004	1984	DATSUN 300 ZX 7868	15700	CA	005	7398	ACV
0005	1984	FORD F600 STAKE 3376	16325	CA	005	21499	ACV

C.A.I.D. 3-21-86

A15001B See Abbreviation Key - Attached (5-85)
03/17/86

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Transamerica Insurance Services

SCHEDULE OF AUTOS
PAGE 2
POLICY NUMBER: 1°352191

TRANSAMERICA INSURANCE GROUP

Named Insured: EARL MANUFACTURING INC. ETAL

SCHEDULE OF COVERAGES AND PREMIUMS

	Veh. No. 0001	Veh. No. 0002	Veh. No. 0003	Veh. No. 0004	Veh. No. 0005	Veh. No.	Total
PIP							0
Add PIP							0
PPI							0
FPB							0
Add/Comb FPB							0
Liab	1272	919	973	973	1335		5472
Med Pay	112	36	38	38	112		[illegible]
UM/UIM/UMPD*	31	26	31	31	31		150
Comp Ded	100	100	100	100	100		
Comp Prem	78	120	116	216	262		[illegible]
SP Cov							
SP Prem							0
Coll Ded	250	250	250	250	250		
Coll Prem	165	246	322	445	476		1651
Tow & Labor							0
Other Endor	15	15	15	15	15		75

3-21-86

*Endorsement will specify when Underinsured Motorists or Uninsured Motorists Property Damage apply.

A15001R See Abbreviation Key - Attached (5-85)
03/17/86

14283

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Transamerica Insurance Services

TRANSAMERICA INSURANCE GROUP

SCHEDULE OF AUTOS
PAGE 3
POLICY NUMBER: 19352[illegible]

Named Insured: EARL MANUFACTURING, INC., ETAL

HIRED OR BORROWED COVERED AUTOS - LIABILITY

STATE	ESTIMATED COST OF HIRE IF ANY	RATE PER $100 OF HIRE	PREMIUM
CA		1.331	.00
		Total Premium	$ .00

Cost of Hire means the total amount you incur for the hire of autos you don't own (not including autos you borrow or rent from your employees or their family members). Cost of Hire does not include charges for services performed by motor carriers of property or passengers.

SCHEDULE FOR NON-OWNERSHIP LIABILITY

	Estimated No. of Employees	PREMIUM
Rating basis - Number of Employees	[illegible]	.00

PREMIUM SUMMARY

Schedule of Coverages and Premiums - Owned Autos	$	8,478
Hired or Borrowed Covered Autos - Liability	$	.00
Hired or Borrowed Covered Autos - Physical Damage	$	
Non-Ownership Liability	$	.00
Other Endorsements	$	
TOTAL PREMIUMS	$	8,558

A150018 (5-85)

03/13/86

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Transamerica Insurance Services

TRANSAMERICA INSURANCE COMPANY

LOSS PAYABLE CLAUSE

POLICY NO. 1935219

Agency Code: 645961
Agent: HENDERSON'S, INC.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Effective Date: 01-01-86, 12:01 A.M. standard time.

Named Insured: EARL MANUFACTURING, INC., ETAL

Address: 11962 BURKE ST.
SANTA FE SPRINGS CA 90670

Loss Payee: FIRST INTERSTATE BANK

Address: 8737 E. WASHINGTON BLVD.
PICO RIVERA CA 90660

A. We will pay you and the loss payee named in the policy for a loss to a covered auto, as interest may appear.

B. The insurance covers the interest of the loss payee unless the loss results from fraudulent acts or omissions on your part.

C. We may cancel the policy as allowed by CANCELLING THIS POLICY DURING THE POLICY PERIOD. Cancellation ends this agreement as to the loss payee's interest. If we cancel the policy we will mail you and the loss payee the same advance notice.

D. If we make any payment to the loss payee, we will obtain his rights against any other party.

LIST OF VEHICLES AND SERIAL NUMBERS

VEH. NO.	YEAR	MAKE	SERIAL NUMBER
0004	1984	DATSUN	7868
0005	1984	FORD	3376

Authorized Representative

01-01-87/ANNUAL
A15010

(7-84)

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Transamerica Insurance Services

Transamerica Insurance Group

Additional Declarations

SECTION IV INLAND MARINE

SCHEDULE A

Policy No. 1935 21 91

This schedule is attached to, and forms a part of the policy specified above.
Schedule - Description of insured property and amount of insurance.
(Only those coverages are afforded which are indicated by a premium charge or the word "included" inserted opposite the coverage)

Form Attached	Description and Location of Insured Property	Limits of Liability	Rate	Premium
J10200(2-78), J10263(5-81) J10355(5-81) J10356(5-81) 13034(2-84)	MINICOMPUTER	VRS.	VRS.	150.
IM123(3-77)	ACCOUNTS RECEIVABLE	300,000	.067	201.
IM122(3-77)	VALUABLE PAPERS	50,000	.260	130.
GLO303(11-78)				
				481.
			Total Premium	

J107578-DR

BRANCH OFFICE COPY

(5-80)

000126

Transamerica
Insurance Services

Transamerica Insurance Group

Data Processing Coverage Combination Endorsement

If an [X] is placed in the box preceding any of the following clauses, the policy to which this endorsement is attached is extended subject to its terms and conditions, to insure in accordance with the provisions of designated clause(s).

☐ **COMBINED DEDUCTIBLE**

The deductible amounts appearing in any of the following forms which may be attached to this policy are superceded;

☐ Section I _____ Equipment Form
☐ Section II Media, Data, Computer Programs
☐ Section III Extra Expenses
☐ Section IV Business Interruption

and the following substituted:

This company shall not be liable for the first $_____ of any one loss and then only for the excess of such amount up to any applicable limit of liability.

☒ **BREAKDOWN COVERAGES**

This policy is extended to cover losses caused by or resulting from:

a. Damage due to mechanical failure, faulty construction or error in design of the property insured.
b. Short circuit, blow-out or other electrical disturbance, other than lightning, within electrical apparatus.
c. Data processing media failure or breakdown or malfunction of the data processing system including equipment and component parts when said media is being run through the system;

This company shall not be liable for the first $ 2,500. of any one loss and then only for the excess of such amount up to any applicable limit of liability.

The maximum liability of the Company for loss or damage insured under the terms and conditions of this endorsement shall in no event exceed the limit of liability specified above for any one loss, disaster, or casualty, including expenses and charges, or all combined.

☐ **EARTHQUAKE**

In consideration of an additional premium of $ INCLUDED this policy is extended to cover losses caused by or resulting from Earthquake, volcanic eruption, landslide or other earth movement.

This company shall not be liable for the first $ 1,000. of any one such loss and then only for the excess of such amount up to any applicable limit of liability.

The maximum liability of the Company for loss or damage caused by Earthquake as defined above shall in no event exceed $ 15,000. for any one loss, disaster, or casualty, including expenses and charges, or all combined.

☐ **FLOOD**

In consideration of an additional premium of $_____ this policy is extended to cover losses caused by or resulting from Flood, meaning a general and temporary condition of partial or complete inundation of normally dry land areas from (1) the overflow of inland or tidal waters, (2) the unusual and rapid accumulation or runoff of surface waters from any source or (3) mudslides which are caused or precipitated by accumulation of water, on or under the ground.

This company shall not be liable for the first $_____ of any one Flood loss and then only for the excess of such amount up to any applicable limit of liability.

The maximum liability of the Company for loss or damage caused by flood as defined above shall in no event exceed $_____ for any one loss, disaster, or casualty, including expenses and charges, or all combined.

ALL OTHER TERMS AND CONDITIONS REMAINING UNCHANGED

Attached to and forming part of Policy No. 1935 21 91 of the 6 TRANSAMERICA Insurance Company

EARL MANUFACTURING, INC. ETAL
Insured

_____
Agent

Transamerica Insurance Services

Transamerica Insurance Group

Minicomputer Coverage

(Use Only With The Inland Transit Policy or Special Conditions Endorsement)

DECLARATIONS

No insurance is afforded under any of the following coverages unless specific limits of liability are provided for in Section I.

SECTION I. EQUIPMENT as per schedule attached to this policy

A. on Property of the Insured in the amount of

(1) $ 10,000. located at 11076 BURKE, SANTA FE SPRINGS, CA.

(2) $ _____ located at _____

B. On Property leased, rented, or under control of the Insured in the amount of

(1) $ _____ located at _____

(2) $ _____ located at _____

C. $ 10,000. while in Transit and while temporarily within other premises

D. VALUATION

(1) ☐ Actual Cash Value with _____ % Coinsurance Clause

(2) ☐ Replacement Cost with _____ % Coinsurance Clause

SECTION II. DATA, MEDIA, COMPUTER PROGRAMS

A. On Property of the Insured consisting of Data, Media and Computer Programs for up to 25% of the amount of Insurance at each premises covered in Section I or $10,000 at each premises, whichever is least.

B. Data, Media, Computer Programs in excess of 25% or $10,000

	Extra Amount	Total Coverage	
(1)	$ _____	_____	located at _____
(2)	$ _____	_____	located at _____

C. $ 2,500. while in Transit and while temporarily within other premises

D. ARTICLES WHICH CANNOT BE REPLACED MUST BE INSURED FOR A SPECIFIC AMOUNT

Specified coverage on Data, Media, Computer Programs

LOCATION	SPECIFIC ITEMS	NO. OF ITEMS	VALUE OF ITEMS	TOTAL

E. DATA OR MEDIA NOT TO BE INSURED

SECTION III. EXTRA EXPENSE

A. EXTRA EXPENSE as defined in Section III of the Minicomputer Supplement is covered for an amount not to exceed 25% of the amount of insurance at each location or $10,000, whichever is least.

B. Extra Expense in excess of 25% or $10,000

	Extra Amount	Total Amount	
(1)	$ _____	$ _____	at _____
(2)	$ _____	$ _____	at _____

SECTION IV. DEDUCTIBLE

A. This company shall not be liable for the first $ _____ of any one Loss and then only for the excess of such amount up to any applicable limit of liability.

B. The deductible amount shall be $100 or the amount shown above, whichever is higher.

Forms and endorsements made part of this policy at the time of issue:

J10200C(2-78), J10263(5-81), J10355(5-81), J10356(5-81), 13034(2-84)

Attached to and forming part of Policy No. 1935 21 91 of the TRANSAMERICA Insurance Company

_____ Insured

_____ Agent

Transamerica Insurance Services

☐ Transamerica Insurance Company

☐ _____

Endorsement

ATTACHED TO AND FORMING A PART OF POLICY NUMBER	ENDORSEMENT EFFECTIVE (Standard Time) Mo.	Day	Yr	12:01 A.M.	2000	INSURED	PRODUCER AND CODE
1935 21 91	1	1	86	X		EARL MANUFACTURING, INC. ETAL	HENDERSONS, INC. 0645261

SCHEDULE OF PROPERTY

APPLE II MICRO-COMPUTER AND ALL PERIPHERALS

ALL OTHER TERMS AND CONDITIONS OF THIS POLICY REMAIN UNCHANGED

_____ Authorized Representative

_____ Date

INLAND MARINE

IL 00 66 (Ed. 03 77)
IAR 40 01 (Ed. 3-1-77)

IM 123 (Ed. 3-77)

ACCOUNTS RECEIVABLE FORM

Attached to and forming part of Policy No. 1933 21 91

issued

by (HEREIN CALLED THE COMPANY) at its Agency

located (CITY AND STATE) Date

Insured's Name and Address: (No., Street, Town, County, State)

Policy Period: (Mo. Day Yr.)
From 1-1-86 to 1-1-87 [X] 12:01 A.M. / [ ] noon, Standard Time

To the extent that coverage in this policy replaces coverage in other policies terminating noon standard time on the inception date of this policy, coverage under this policy shall not become effective until such other coverage has terminated.

$ 201. PROVISIONAL PREMIUM $ .067 RATE $300,000 PROVISIONAL AMOUNT $ N/A MINIMUM PREMIUM

If the policy period is more than one year and the premium is to be paid in installments, premium installments of $ N/A each are payable on the effective date of this policy and the first and second anniversaries thereof.

The insured is (CHECK INDIVIDUAL, CORPORATION OR PARTNERSHIP)
[ ] INDIVIDUAL [ ] CORPORATION [ ] PARTNERSHIP

In consideration of the stipulations herein named and of the provisional premium above specified, the company does insure the insured named above, herein called the insured, whose address is shown above, from the inception date and time shown above to the expiration date and time shown above at the address of the insured as stated above, herein called the Policy Period, on the following:

1. Subject of Insurance.
   (a) All sums due the insured from customers' provided the insured is unable to effect collection thereof as the direct result of loss of or damage to records of accounts receivable;
   (b) Interest charges on any loan to offset impaired collections pending repayment of such sums made uncollectible by such loss or damage;
   (c) Collection expense in excess of normal collection cost and made necessary because of such loss or damage;
   (d) Other expenses, when reasonably incurred by the insured in re-establishing records of accounts receivable following such loss or damage.

2. Perils Insured. All risks of loss of or damage to the insured's records of accounts receivable, occurring during the policy period, except as hereinafter provided.

3. Location and Occupancy of Premises. The insured occupies the following part: PORTION of the building located at: 11876 BURKE ST., SANTA FE SPRINGS, CA. and conducts therein the following business: PORTION

4. Protection of Records of Accounts Receivable. Insurance under this policy shall apply only while records of accounts receivable are contained in the premises described above, it being a condition precedent to any right of recovery hereunder that such records shall be kept in the following described receptacles at all times when the premises are not open for business, except while such records are in actual use or as stated in paragraph 5 below:

Kind	Name of Maker	"Class" or "Hour Exposure" of Label	Name of Issuer of Label
METAL FILE CABINETS			

5. Removal. Such insurance as is afforded by this policy applies while the records of accounts receivable are being removed to and while at a place of safety because of imminent danger of loss or damage and while being returned from such place, provided the insured gives written notice to the company of such removal within ten days thereafter.

6. Limit of Insurance. The company shall not be liable hereunder for an amount to exceed THREE HUNDRED THOUSAND AND NO/100 ---------- Dollars ($ 300,000.).

7. (a) During the last five years the insured has not sustained or received indemnity for any loss of the kind covered hereby, (b) During the last five years no insurer has canceled insurance issued to the insured against loss covered hereby, (c) No other insurance issued to the insured is in force which covers loss covered hereby, unless otherwise stated herein: (ENTER BELOW)

Form numbers of endorsements attached to policy at issue (ENTER BELOW)

By acceptance of this policy the insured agrees that any prior policy herein designated is canceled as of the time this policy becomes effective.

EXCLUSIONS

This policy does not apply:

(a) to loss due to any fraudulent, dishonest or criminal act by any insured, a partner therein, or an officer, director or trustee thereof, while working or otherwise and whether acting alone or in collusion with others;

(b) to loss due to bookkeeping, accounting or billing errors or omissions;

(c) to loss, the proof of which as to factual existence, is dependent upon an audit of records or an inventory computation; but this shall not preclude the use of such procedures in support of claim for loss which the insured can prove, through evidence wholly apart therefrom, is due solely to a risk of loss to records of accounts receivable not otherwise excluded hereunder;

(d) to loss due to alteration, falsification, manipulation, concealment, destruction or disposal of records of accounts receivable committed to conceal the wrongful giving, taking, obtaining or withholding of money, securities or other property but only to the extent of such wrongful giving, taking, obtaining or withholding;

(e) to loss due to electrical or magnetic injury, disturbance or erasure of electronic recordings, except by lightning;

(f) to loss due to nuclear reaction, nuclear radiation or radioactive contamination, or to any act or condition incident to any of the foregoing;

(g) to loss caused by or resulting from:

(1) hostile or warlike action in time of peace or war, including action in hindering, combating or defending against an actual, impending or expected attack, (a) by any government or sovereign power (de jure or de facto), or by any authority maintaining or using military, naval or air forces; or (b) by military, naval or air forces; or (c) by an agent of any such government, power, authority or forces;

(2) any weapon of war employing atomic fission or radioactive force whether in time of peace or war;

(3) insurrection, rebellion, revolution, civil war, usurped power, or action taken by governmental authority in hindering, combating or defending against such an occurrence, seizure or destruction under quarantine or customs regulations, confiscation by order of any government or public authority, or risks of contraband or illegal transportation or trade.

(over)

CONDITIONS

1. Definition: "Premises" means the interior of that portion of the building at the location designated in paragraph 3, "Location and Occupancy of Premises", which is occupied by the insured for the business purposes stated therein.

2. Premium: The insured shall, within twenty days after the end of each fiscal month during the policy period, furnish the company with a written statement of the total amount of accounts receivable, with deferred payments and charge accounts segregated, as of the last day of each such month.

The premium stated in this policy is provisional only. Upon each anniversary and upon termination of this policy, the sum of the monthly amounts of accounts receivable for the preceding twelve months shall be averaged and the earned premium shall be computed on such average at the rate stated in this policy, whether or not such average exceeds the applicable limit of insurance under this policy. If the earned premium thus computed exceeds the provisional premium paid, the insured shall pay the excess to the company; if less, the company shall return to the insured the unearned portion paid by the insured, but such premium shall not be less than any minimum premium stated in this policy. If this policy is issued for a period of three years, each such computation and adjustment shall be based on one-third of the rate, provisional premium and minimum premium.

3. Joint Insured: If more than one insured is named in this policy, the insured first named shall act for every insured for all purposes of this policy. Knowledge possessed or discovery made by any insured shall constitute knowledge possessed or discovery made by every insured.

4. Inspection and Audit: The company shall be permitted to inspect the premises and the receptacles in which the records of accounts receivable are kept by the insured, and to examine and audit the insured's books and records at any time during the policy period and any extension thereof and within three years after the final termination of this policy, as far as they relate to the premium basis or the subject matter of this insurance, and to verify the statements of any outstanding record of accounts receivable submitted by the insured and the amount of recoveries of accounts receivable on which the company has made any settlement.

5. Recoveries: After payment of loss all amounts recovered by the insured on accounts receivable for which the insured has been indemnified shall belong and be paid to the company by the insured up to the total amount of loss paid by the company; but all recoveries in excess of such amounts shall belong to the insured.

6. Insured's Duties When Loss Occurs: Upon the occurrence of any loss which may result in a claim hereunder, the insured shall:

(a) give notice thereof as soon as practicable to the company or any of its authorized agents and, if the loss is due to a violation of law, also to the police;

(b) file detailed proof of loss, duly sworn to, with the company promptly on expiration of ninety days from the date on which the records of accounts receivable were lost or damaged.

Upon the company's request, the insured shall submit to examination by the company, subscribe the same, under oath if required, and produce for the company's examination all pertinent records, all at such reasonable times and places as the company shall designate, and shall cooperate with the company in all matters pertaining to loss or claims with respect thereto, including rendering of all possible assistance to effect collection of outstanding accounts receivable.

7. Determination of Receivables; Deductions: When there is proof that a loss covered by this policy has occurred but the insured cannot accurately establish the total amount of accounts receivable outstanding as of the date of such loss, such amount shall be based on the insured's monthly statements and shall be computed as follows:

(a) determine the amount of all outstanding accounts receivable at the end of the same fiscal month in the year immediately preceding the year in which the loss occurs;

(b) calculate the percentage of increase or decrease in the average monthly total of accounts receivable for the twelve months immediately preceding the month in which the loss occurs, or such part thereof for which the insured has furnished monthly statements to the company, as compared with such average for the same months of the preceding year;

(c) the amount determined under (a) above, increased or decreased by the percentage calculated under (b) above, shall be the agreed total amount of accounts receivable as of the last day of the fiscal month in which said loss occurs;

(d) the amount determined under (c) above shall be increased or decreased in conformity with the normal fluctuations in the amount of accounts receivable during the fiscal month involved, due consideration being given to the experience of the business since the last day of the last fiscal month for which statement has been rendered.

There shall be deducted from the total amount of accounts receivable, however established, the amount of such accounts evidenced by records not lost or damaged, or otherwise established or collected by the insured, and an amount to allow for probable bad debts which would normally have been uncollectible by the insured. All unearned interest and service charges shall be deducted.

8. Other Insurance: If at the time of loss or damage there is available to a named or unnamed insured or any other interested party any other insurance which would apply in the absence of this policy, the insurance under this policy shall apply only as excess insurance over such other insurance.

9. Appraisal: If the insured and the company fail to agree as to the amount of loss, each shall, on the written demand of either, made within sixty days after receipt of proof of loss by the company, select a competent and disinterested appraiser, and the appraisal shall be made at a reasonable time and place. The appraisers shall first select a competent and disinterested umpire, and failing for fifteen days to agree upon such umpire, then, on the request of the insured or the company, such umpire shall be selected by a judge of a court of record in the State in which such appraisal is pending. The appraisers shall then appraise the loss, and failing to agree shall submit their differences to the umpire. An award in writing of any two shall determine the amount of loss. The insured and the company shall each pay his or its chosen appraiser and shall bear equally the expenses of the umpire and the other expenses of appraisal.

The company shall not be held to have waived any of its rights by any act relating to appraisal.

10. Settlement of Claims: All adjusted claims shall be paid or made good to the insured within thirty (30) days after presentation and acceptance of satisfactory proof of interest and loss at the office of the company. No loss shall be paid or made good if the insured has collected the same from others.

11. Action Against Company: No action shall lie against the company unless, as a condition precedent thereto, there shall have been full compliance with all the terms of this policy, nor at all unless commenced within two years after the discovery by the insured of the occurrence which gives rise to the loss. If this limitation of time is shorter than that prescribed by any statute controlling the construction of this policy, the shortest permissible statutory limitation in time shall govern and shall supersede the time limitation herein stated.

12. Misrepresentation and Fraud: This entire policy shall be void if, whether before or after a loss, the insured has concealed or misrepresented any material fact or circumstance concerning this insurance or the subject thereof, or the interest of the insured therein, or in case of any fraud or false swearing by the insured relating thereto.

13. Subrogation: In the event of any payment under this policy, the company shall be subrogated to all the insured's rights of recovery therefor against any person or organization and the insured shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The insured shall do nothing after loss to prejudice such rights.

14. Changes: Notice to any agent or knowledge possessed by any agent or by any other person shall not effect a waiver or a change in any part of this policy or estop the company from asserting any right under the terms of this policy; nor shall the terms of this policy be waived or changed, except by endorsement issued to form a part of this policy.

15. Assignment: Assignment of interest under this policy shall not bind the company until its consent is endorsed hereon; if, however, the insured shall die, or shall be adjudged bankrupt or insolvent and written notice is given to the company within sixty days after the date of such adjudication, this policy shall cover the insured's legal representative as insured; provided that notice of cancelation addressed to the insured named in this policy and mailed to the address shown in this policy shall be sufficient notice to effect cancelation of this policy.

16. Cancelation: This policy may be canceled by the insured by surrender thereof to the company or any of its authorized agents or by mailing to the company written notice stating when thereafter the cancelation shall be effective. This policy may be canceled by the company by mailing to the insured at the address shown in this policy written notice stating when not less than ten days thereafter such cancelation shall be effective. The mailing of notice as aforesaid shall be sufficient proof of notice. The time of the surrender or the effective date and hour of cancelation stated in the notice shall become the end of the policy period. Delivery of such written notice either by the insured or by the company shall be equivalent to mailing.

If the insured cancels, earned premium shall be computed in accordance with the customary short rate table and procedure. If the company cancels, earned premium shall be computed pro rata. Premium adjustment may be made at the time cancelation is effected and, if not then made, shall be made as soon as practicable after cancelation becomes effective. The company's check or the check of its representative mailed or delivered as aforesaid shall be sufficient tender of any refund of premium due to the insured.

17. Terms of Policy Conformed to Statute: Terms of this policy which are in conflict with the statutes of the State wherein this policy is issued are hereby amended to conform to such statutes.

The terms and conditions of this form are to be regarded as substituted for those of the policy to which it is attached, the latter being hereby waived.

AUTHENTIC

_____ Agent.

INLAND MARINE

IL 00 67 (Ed. 03 77)
IVP 39 01 (Ed. 3-1-77)

IM 122
(Ed. 3-77)

VALUABLE PAPERS AND RECORDS FORM

Attached to and forming part of Policy No. 1935 21 91
issued
by (HEREIN CALLED THE COMPANY) at its Agency

located (CITY AND STATE) Date

Insured's Name and Address: (No., Street, Town, County, State)

Policy Period: (Mo. Day Yr.)
From 1-1-86 to 1-1-87 ☒ 12:01 A.M. / ☐ noon, Standard Time
To the extent that coverage in this policy replaces coverage in other policies terminating noon standard time on the inception date of this policy, coverage under this policy shall not become effective until such other coverage has terminated.

$ 130. PREMIUM $ .260 RATE $ 50,000 AMOUNT

If the policy period is more than one year and the premium is to be paid in installments, premium installments of $ each are payable on the effective date of this policy and the first and second anniversaries thereof.

The insured is ☐ INDIVIDUAL ☐ CORPORATION ☐ PARTNERSHIP

In consideration of the stipulations herein named and of the premium above specified, the company does insure the insured named above, herein called the insured, whose address is shown above, from the inception date and time shown above to the expiration date and time shown above at the address of the insured as stated above, herein called the Policy Period, to an amount not exceeding the amount above specified.

	Limits of Insurance
1. **Property Covered.** On valuable papers and records, as follows:	
a. All valuable papers and records not specified in b. below.	$ 50,000.
b. Specified articles.	Value (each)
	$ $

2. **Perils Insured.** All risks of direct physical loss of the property covered, occurring during the policy period, except as hereinafter provided.

3. **Location and Occupancy of Premises.** The insured occupies the following part: PORTION of the building located at: 11876 BURKE ST., SANTA FE SPRINGS, CA.
and conducts therein the following business: METAL PARTS MFG.

4. **Protection of Valuable Papers and Records.** Insurance under this policy shall apply only while valuable papers and records are contained in the premises described above, it being a condition precedent to any right of recovery hereunder that such valuable papers and records shall be kept in the following described receptacles at all times when the premises are not open for business, except while such valuable papers and records are in actual use or as stated in paragraphs 5 and 6 below:

Kind	Name of Maker	"Class" or "Hour Exposure" of Label	Name of Issuer of Label
METAL FILE CABINETS			

5. **Automatic Extension.** Such insurance as is afforded by this policy applies while the valuable papers and records are being conveyed outside the premises and while temporarily within other premises, except for storage, provided the company's liability for loss shall not exceed 10% of the combined limits of insurance stated in paragraph 1, nor $5,000, whichever is less.

6. **Removal.** Such insurance as is afforded by this policy applies while the valuable papers and records are being removed to and while at a place of safety because of imminent danger of loss and while being returned from such place, provided the insured gives written notice to the company of such removal within ten days thereafter.

7. (a) During the last five years the insured has not sustained or received indemnity for any loss of the kind covered hereby, (b) During the last five years no insurer has canceled insurance issued to the insured against loss covered hereby, (c) No other insurance issued to the insured is in force which covers loss covered hereby, unless otherwise stated herein: (ENTER BELOW)

Form numbers of endorsements attached to policy at issue (ENTER BELOW)

By acceptance of this policy the insured agrees that any prior policy herein designated is canceled as of the time this policy becomes effective.

EXCLUSIONS

This policy does not apply:

(a) to loss due to any fraudulent, dishonest, or criminal act by any insured, a partner therein, or an officer, director or trustee thereof, while working or otherwise and whether acting alone or in collusion with others;

(b) to loss directly resulting from errors or omissions in processing or copying unless fire or explosion ensues and then only for direct loss caused by such ensuing fire or explosion;

(c) to loss due to wear and tear, gradual deterioration, vermin or inherent vice;

(d) to loss of property not specifically declared and described in section b. of paragraph 1, "Property Covered", if such property cannot be replaced with other of like kind and quality;

(e) to loss due to electrical or magnetic injury, disturbance or erasure of electronic recordings, except by lightning;

(f) to loss due to nuclear reaction, nuclear radiation or radioactive contamination, or to any act or condition incident to any of the foregoing;

(g) to loss caused by or resulting from:

(1) hostile or warlike action in time of peace or war, including action in hindering, combating or defending against an actual, impending or expected attack, (a) by any government or sovereign power (de jure or de facto), or by any authority maintaining or using military, naval or air forces; or (b) by military, naval or air forces; or (c) by an agent of any such government, power, authority or forces;

(2) any weapon of war employing atomic fission or radioactive force whether in time of peace or war;

(3) insurrection, rebellion, revolution, civil war, usurped power, or action taken by governmental authority in hindering, combating or defending against such an occurrence, seizure or destruction under quarantine or customs regulations, confiscation by order of any government or public authority, or risks of contraband or illegal transportation or trade;

(h) to loss of property held as samples or for sale or for delivery after sale.

(over)

CONDITIONS

1. Definitions: "Valuable Papers and Records" means written, printed or otherwise inscribed documents and records, including books, maps, films, drawings, abstracts, deeds, mortgages and manuscripts, but does not mean money or securities.

"Premises" means the interior of that portion of the building at the location designated in paragraph 3, "Location and Occupancy of Premises", which is occupied by the insured for the business purposes stated therein.

"Money" means currency, coins, bank notes and bullion; and travelers checks, register checks and money orders held for sale to the public.

"Securities" means all negotiable and non-negotiable instruments or contracts representing either money or other property and includes revenue and other stamps in current use, tokens and tickets, but does not include money.

"Loss" includes damage.

2. Ownership of Property; Interests Covered: The insured property may be owned by the insured or held by him in any capacity; provided, the insurance applies only to the interest of the insured in such property, including the insured's liability to others, and does not apply to the interest of any other person or organization in any of said property unless included in the insured's proof of loss.

3. Joint Insured: If more than one insured is named in this policy, the insured first named shall act for every insured for all purposes of this policy. Knowledge possessed or discovery made by any insured shall constitute knowledge possessed or discovery made by every insured.

4. Limits of Liability; Valuation; Settlement Options: The limit of the company's liability for loss shall not exceed the actual cash value of the property at time of loss nor what it would then cost to repair or replace the property with other of like kind and quality, nor the applicable limit of insurance stated in this policy; provided, as respects property specifically described in section b. of paragraph 1, "Property Covered", the amount per article specified therein is the agreed value thereof for the purpose of this insurance.

The company may pay for the loss in money or may repair or replace the property and may settle any claim for loss of the property either with the insured or the owner thereof. Any property so paid for or replaced shall become the property of the company. The insured or the company, upon recovery of any such property, shall give notice thereof as soon as practicable to the other and the insured shall be entitled to the property upon reimbursing the company for the amount so paid or the cost of replacement.

Application of the insurance to property of more than one person shall not operate to increase the applicable limit of insurance.

5. Insured's Duties When Loss Occurs: Upon the occurrence of any loss which may result in a claim hereunder, the insured shall:

(a) give notice thereof as soon as practicable to the company or any of its authorized agents and, if the loss is due to a violation of law, also to the police;

(b) file detailed proof of loss, duly sworn to, with the company within ninety days after the discovery of loss.

Upon the company's request, the insured and every claimant hereunder shall submit to examination by the company, subscribe the same, under oath if required, and produce for the company's examination all pertinent records, all at such reasonable times and places as the company shall designate, and shall cooperate with the company in all matters pertaining to loss or claims with respect thereto. The company shall, in addition to the applicable limit of insurance of this policy, reimburse the insured for all reasonable expenses, other than loss of earnings, incurred at the company's written request.

6. Other Insurance: If at the time of loss there is available to a named or unnamed insured or any other interested party any other insurance which would apply in the absence of this policy, the insurance under this policy shall apply only as excess insurance over such other insurance.

7. No Benefit to Bailee: This insurance shall in no wise inure directly or indirectly to the benefit of any carrier or other bailee.

8. Appraisal: If the insured and the company fail to agree as to the amount of loss, each shall, on the written demand of either, made within sixty days after receipt of proof of loss by the company, select a competent and disinterested appraiser, and the appraisal shall be made at a reasonable time and place. The appraisers shall first select a competent and disinterested umpire, and failing for fifteen days to agree upon such umpire, then, on the request of the insured or the company, such umpire shall be selected by a judge of a court of record in the State in which such appraisal is pending. The appraisers shall then appraise the loss, stating separately the actual cash value at time of loss and the amount of loss, and failing to agree shall submit their differences to the umpire. An award in writing of any two shall determine the amount of loss. The insured and the company shall each pay his or its chosen appraiser and shall bear equally the expenses of the umpire and the other expenses of appraisal.

The company shall not be held to have waived any of its rights by any act relating to appraisal.

9. Action Against Company: No action shall lie against the company unless, as a condition precedent thereto, there shall have been full compliance with all the terms of this policy, nor until thirty days after the required proofs of loss have been filed with the company, nor at all unless commenced within two years after the discovery by the insured of the occurrence which gives rise to the loss. If this limitation of time is shorter than that prescribed by any statute controlling the construction of this policy, the shortest permissible statutory limitation in time shall govern and shall supersede the time limitation herein stated.

10. Misrepresentation and Fraud: This entire policy shall be void if, whether before or after a loss, the insured has concealed or misrepresented any material fact or circumstance concerning this insurance or the subject thereof, or the interest of the insured therein, or in case of any fraud or false swearing by the insured relating thereto.

11. Subrogation: In the event of any payment under this policy, the company shall be subrogated to all the insured's rights of recovery therefor against any person or organization and the insured shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The insured shall do nothing after loss to prejudice such rights.

12. Changes: Notice to any agent or knowledge possessed by any agent or by any other person shall not effect a waiver or a change in any part of this policy or estop the company from asserting any right under the terms of this policy; nor shall the terms of this policy be waived or changed, except by endorsement issued to form a part of this policy.

13. Assignment: Assignment of interest under this policy shall not bind the company until its consent is endorsed hereon; if, however, the insured shall die, or shall be adjudged bankrupt or insolvent and written notice is given to the company within sixty days after the date of such adjudication, this policy shall cover the insured's legal representative as insured; provided that notice of cancelation addressed to the insured named in this policy and mailed to the address shown in this policy shall be sufficient notice to effect cancelation of this policy.

14. Cancelation: This policy may be canceled by the insured by surrender thereof to the company or any of its authorized agents or by mailing to the company written notice stating when thereafter the cancelation shall be effective. This policy may be canceled by the company by mailing to the insured at the address shown in this policy written notice stating when not less than ten days thereafter such cancelation shall be effective. The mailing of notice as aforesaid shall be sufficient proof of notice. The time of the surrender or the effective date and hour of cancelation stated in the notice shall become the end of the policy period. Delivery of such written notice either by the insured or by the company shall be equivalent to mailing.

If the insured cancels, earned premium shall be computed in accordance with the customary short rate table and procedure. If the company cancels, earned premium shall be computed pro rata. Premium adjustment may be made at the time cancelation is effected and, if not then made, shall be made as soon as practicable after cancelation becomes effective. The company's check or the check of its representative mailed or delivered as aforesaid shall be sufficient tender of any refund of premium due to the insured.

15. Terms of Policy Conformed to Statute: Terms of this policy which are in conflict with the statutes of the State wherein this policy is issued are hereby amended to conform to such statutes.

The terms and conditions of this form are to be regarded as substituted for those of the policy to which it is attached, the latter being hereby waived.

AUTHENTIC

_____ Agent.

1933 21 91

INLAND MARINE DEDUCTIBLE CLAUSE ENDORSEMENT

EACH CLAIM FOR LOSS OR DAMAGE (SEPARATELY OCCURRING) SHALL BE ADJUSTED SEPARATELY AND FROM THE AMOUNT OF EACH ADJUSTED CLAIM THE SUM OF $ 100 SHALL BE DEDUCTED.

IN THE EVENT OF ANY RECOVERY OR SALVAGE ON A LOSS WHICH HAS BEEN OR IS BEING PAID THEREUNDER, SUCH RECOVERY OR SALVAGE SHALL ACCRUE ENTIRELY TO THE BENEFIT OF THE COMPANY UNDER THIS POLICY UNTIL THE SUM PAID BY THEM HAS BEEN MADE UP.

IL 03 03
(ED. 11-78)

Transamerica
Insurance Services

Transamerica Insurance Group
of Companies

Policy No. 1955-24-91

Crime Policy Declarations - Form A

This consists of the Declarations Form, the Common Policy Conditions, the Crime General Provisions Form and the Coverage Forms indicated as applicable.

UPON THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS POLICY, WE AGREE WITH YOU TO PROVIDE THE INSURANCE STATED IN THIS POLICY.

POLICY PERIOD: From 1-1-87 to 1-1-88 (12:01 A.M. Standard Time at your mailing address shown below)

NAME OF INSURED AND MAILING ADDRESS:

EARL MANUFACTURING INC.
11862 BURKE STREET
SANTA FE SPRINGS, CA. 90670

COVERAGE, LIMITS OF INSURANCE AND DEDUCTIBLE
FOR ALL FORMS FORMING PART OF THIS POLICY

	LIMIT OF INSURANCE	DEDUCTIBLE AMOUNT
EMPLOYEE DISHONESTY	250,000	2,500
FORGERY	250,000	2,500

FORMS FORMING PART OF THIS POLICY WHEN ISSUED:

BR2900
SR 5862

CANCELLATION OF PRIOR INSURANCE

Upon acceptance of this Policy, you give us notice cancelling prior policy or bond number(s) SAME AS ABOVE, the cancellation to be effective at the time this Policy becomes effective.

6-1-86/87(A)
6-6-87/BP

COUNTERSIGNATURE

SIGNATURE OF AUTHORIZED REPRESENTATIVE DATE

Attached to incorrect policy S/B 1955 21 91

17730 0-88

CALIFORNIA PREMIUM RIDER

To be attached to and form part of Bond No. 1935 24 91

in favor of EARL MANUFACTURING

It is agreed that:

1. In compliance with the ruling of the Commissioner of Insurance of the State of California and the Opinion of the Attorney-General of that State requiring that the premium for all bonds or policies be endorsed thereon, the basic premium charged for the attached bond for the period

from 1-1-87

to 1-1-88

is ONE THOUSAND TWO HUNDRED & NINETY SEVEN ONLY. ——— Dollars ($ 1,297.00).

2. This rider is effective as of noon on 1-1-87

CALIFORNIA PREMIUM RIDER
FOR USE WITH ALL FORMS OF STANDARD BONDS TO COMPLY WITH RULINGS OF THE INSURANCE COMMISSIONER AND THE ATTORNEY-GENERAL
REVISED TO AUGUST, 1968

SR 5862 Printed in U S A

Transamerica Insurance Services

Transamerica Insurance Group

1935 24 91 Rider

Individual employee applications may be requested by the Company. Should the Company, in its sole discretion, decide to conduct a background investigation based on that application, the insured will be notified in writing. Absent such written notification a background investigation will not be conducted.

Any action undertaken by the Company in regard to the individual employee application is not intended nor should it be understood to be a representation on the fitness or lack of fitness of the applicant as an employee.

APPLICATION INVESTIGATION RIDER

FOR USE WITH ALL FORMS PROVIDING BLANKET FIDELITY COVERAGE TO SET FORTH COMPANY POLICY REGARDING INVESTIGATION OF INDIVIDUAL EMPLOYEE APPLICATIONS

CR 00 03 01 86

1935 24 91

FORGERY OR ALTERATION COVERAGE FORM

(Coverage Form B)

A. COVERAGE

We will pay for loss involving Covered Instruments resulting directly from the Covered Causes of Loss.

1. **Covered Instruments:** Checks, drafts, promissory notes, or similar written promises, orders or directions to pay a sum certain in "money" that are:

   a. Made or drawn by or drawn upon you;

   b. Made or drawn by one acting as your agent;

   or that are purported to have been so made or drawn.

2. **Covered Causes Of Loss:** Forgery or alteration of, on or in any Covered Instrument.

3. **Coverage Extension**

   Legal Expenses: If you are sued for refusing to pay any Covered Instrument on the basis that it has been forged or altered, and you have our written consent to defend against the suit, we will pay for any reasonable legal expenses that you incur and pay in that defense. The amount we will pay under this extension is in addition to the Limit of Insurance applicable to this insurance.

B. LIMIT OF INSURANCE

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

C. DEDUCTIBLE

We will not pay for loss in any one "occurrence" unless the amount of loss exceeds the Deductible Amount shown in the Declarations. We will then pay the amount of loss in excess of the Deductible Amount, up to the Limit of Insurance. This provision does not apply to legal expenses paid under the Coverage Extension.

D. ADDITIONAL EXCLUSION, CONDITIONS AND DEFINITION

In addition to the provisions in the Crime General Provisions Form, this Coverage Form is also subject to the following:

1. **Additional Exclusion**

   Acts of Employees, Directors, or Trustees: We will not pay for loss resulting from any dishonest or criminal act committed by any of your "employees", directors, or trustees:

   a. Whether acting alone or in collusion with other persons;

      or

   b. Whether while performing services for you or otherwise.

2. **Additional Conditions**

   a. **Facsimile Signatures:** We will treat mechanically reproduced facsimile signatures the same as handwritten signatures.

   b. **General Amendment:** As respects this Coverage Form, the words Covered Property in the Crime General Provisions Form mean Covered Instruments.

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

   d. **Territory:** We will cover loss you sustain anywhere in the world.

      The Territory General Condition does not apply to this Coverage Form.

3. **Additional Definition**

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

AUTHENTICATED

CC 282
(1-86)

POLICY NUMBER: 1935 24 91

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CR 10 02 01 86

EXCLUDE DESIGNATED PERSONS OR CLASSES OF PERSONS AS EMPLOYEES

This endorsement applies only to the EMPLOYEE DISHONESTY COVERAGE FORM A.

A. SCHEDULE

Persons or Classes of Persons
PRESIDENT

B. PROVISIONS

"Employee" does not include any person named or class of persons shown in the SCHEDULE.

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EMPLOYEE DISHONESTY COVERAGE FORM

(Coverage Form A—Blanket)

A. COVERAGE

We will pay for loss of, and loss from damage to, Covered Property resulting directly from the Covered Cause of Loss.

1. **Covered Property:** "Money", "securities", and "property other than money and securities".
2. **Covered Cause of Loss:** "Employee dishonesty".
3. **Coverage Extension**

   Employees Temporarily Outside Coverage Territory: We will pay for loss caused by any "employee" while temporarily outside the territory specified in the Territory General Condition for a period not more than 90 days.

B. LIMIT OF INSURANCE

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

C. DEDUCTIBLE

1. We will not pay for loss in any one "occurrence" unless the amount of loss exceeds the Deductible Amount shown in the Declarations. We will then pay the amount of loss in excess of the Deductible Amount, up to the Limit of Insurance.
2. You must:
   a. Give us notice as soon as possible of any loss of the type insured under this Coverage Form even though it falls entirely within the Deductible Amount.
   b. Upon our request, give us a statement describing the loss.

D. ADDITIONAL EXCLUSIONS, CONDITION AND DEFINITIONS: In addition to the provisions in the Crime General Provisions Form, this Coverage Form is subject to the following:

1. **Additional Exclusions:** We will not pay for loss as specified below:
   a. **Employee Cancelled Under Prior Insurance:** loss caused by any "employee" for whom similar prior insurance has been cancelled and not reinstated since the last such cancellation.
   b. **Inventory Shortages:** loss, or that part of any loss, the proof of which as to its existence or amount is dependent upon:
      (1) An inventory computation; or
      (2) A profit and loss computation.
2. **Additional Condition**

   Cancellation As To Any Employee: This insurance is cancelled as to any "employee":
   a. Immediately upon discovery by:
      (1) You; or
      (2) Any of your partners, officers or directors not in collusion with the "employee";

      of any dishonest act committed by that "employee" whether before or after becoming employed by you.
   b. On the date specified in a notice mailed to you. That date will be at least 30 days after the date of mailing.

      The mailing of notice to you at the last mailing address known to us will be sufficient proof of notice. Delivery of notice is the same as mailing.
3. **Additional Definitions**
   a. **"Employee Dishonesty"** in paragraph A.2. means only dishonest acts committed by an "employee", whether identified or not, acting alone or in collusion with other persons, except you or a partner, with the manifest intent to:
      (1) Cause you to sustain loss; and also
      (2) Obtain financial benefit (other than salaries, commissions, fees, bonuses, promotions, awards, profit sharing, pensions or other employee benefits earned in the normal course of employment) for:
         (a) The "employee"; or
         (b) Any person or organization intended by the "employee" to receive that benefit.
   b. **"Occurrence"** means all loss caused by, or involving, one or more "employees", whether the result of a single act or series of acts.

AUTHENTIC

Transamerica Insurance Services

Transamerica Insurance Group

Comprehensive Crime Coverage Endorsement — Crime Coverage

This endorsement shall be attached to Policy No. 1935 21 91 of the

Insurance Company.

(herein called Company) TRANSAMERICA

The Insuring Agreements, General Agreements, Conditions and Limitations and other terms of this endorsement shall apply only as specified herein and none of the provisions, stipulations and other terms of the policy to which this endorsement is attached shall apply to insurance hereunder unless so specified.

DECLARATIONS EARL MANUFACTURING CO., INC.

Item 1. Effective Period: from 12:01 a.m. 01-01-86 to 12:01 a.m. on the
(Month, Day, Year)

effective date of the cancellation or termination of the policy to which this endorsement is attached, standard time at the location of designated premises shown in the policy to which this endorsement is attached as to each of said dates, unless this endorsement is canceled or terminated as hereinafter provided or in any other manner.

Table of Limits of Liability

Insuring Agreement IA	Employee Dishonesty (Commercial Blanket) Coverage	$ 250,000.
Insuring Agreement IB	Employee Dishonesty (Blanket Position) Coverage	$ NONE
Insuring Agreement II	Loss Inside the Premises Coverage	$ NONE
Insuring Agreement III	Loss Outside the Premises Coverage	$ NONE
Insuring Agreement IV	Money Orders and Counterfeit Paper Currency Coverage	$ NONE
Insuring Agreement V	Depositors Forgery Coverage	$ 250,000.
If added by endorsement:		
Insuring Agreement	C12551A; C12555; C12546A; SR5862	$ NONE

Item 3. The liability of the Company is subject to the terms of the following endorsements attached hereto: B12900; C12672A;

Item 4. The Insured by the acceptance of this endorsement gives notice to the Company terminating or cancelling prior bond(s) or policy(ies) No.(s) 1913 48 04 such termination or cancellation to be effective as of the time this endorsement becomes effective.

The Company, in consideration of the payment of the premium, and subject to the Declarations made a part hereof, the General Agreements, Conditions and Limitations and other terms of this endorsement agrees with the Insured, in accordance with such of the Insuring Agreements hereof as are specifically designated by the insertion of an amount of insurance in the Table of Limits of Liability of this endorsement, to pay the Insured for:

INSURING AGREEMENTS

EMPLOYEE DISHONESTY COMMERCIAL BLANKET COVERAGE

IA. Loss of Money, Securities and other property which the Insured shall sustain, to an amount not exceeding in the aggregate the amount stated in the Table of Limits of Liability applicable to this Insuring Agreement IA, resulting directly from one or more fraudulent or dishonest acts committeed by an Employee, acting alone or in collusion with others.

Dishonest or fraudulent acts as used in this Insuring Agreement shall mean only dishonest or fraudulent acts committed by such Employee with the manifest intent:

(a) to cause the Insured to sustain such loss; and

(b) to obtain financial benefit for the Employee, or for any other person or organization intended by the Employee to receive such benefit, other than salaries, commissions, fees, bonuses, promotions, awards, profit sharing, pensions or other employee benefits earned in the normal course of employment.

EMPLOYEE DISHONESTY BLANKET POSITION COVERAGE

IB. Loss of Money, Securities and other property which the Insured shall sustain resulting directly from one or more fraudulent or dishonest acts committed by an Employee, acting alone or in collusion with others, the amount of insurance on each of the Employees being the amount stated in the Table of Limits of Liability applicable to this Insuring Agreement IB.

Dishonest or fraudulent acts as used in this Insuring Agreement shall mean only dishonest or fraudulent acts committed by such Employee with the manifest intent:

(a) to cause the Insured to sustain such loss; and

(b) to obtain financial benefit for the Employee, or for any other person or organization intended by the Employee to receive such benefit, other than salaries, commissions, fees, bonuses, promotions, awards, profit sharing, pensions of other employee benefits earned in the normal course of employment.

LOSS INSIDE THE PREMISES COVERAGE

II. Loss of Money and Securities by the actual destruction, disappearance or wrongful abstraction thereof within the Premises or within any Banking Premises or similar recognized places of safe deposit.

Loss of (a) other property by Safe Burglary or Robbery within the Premises or attempt thereat, and (b) a locked cash drawer, cash box or cash register by felonious entry into such container within the Premises or attempt thereat or by felonious abstraction of such container from within the Premises or attempt thereat.

Damage to the Premises by such Safe Burglary, Robbery or felonious abstraction, or by or following burglarious entry into the Premises or attempt thereat, provided with respect to damage to the Premises the Insured is the owner thereof or is liable for such damage.

LOSS OUTSIDE THE PREMISES COVERAGE

III. Loss of Money and Securities by the actual destruction, disappearance or wrongful abstraction thereof outside the Premises while being conveyed by a Messenger or any armored motor vehicle company, or while within the living quarters in the home of any Messenger.

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Loss of other property by Robbery or attempt thereat outside the Premises while being conveyed by a Messenger or any armored motor vehicle company, or by theft while within the living quarters in the home of any Messenger.

MONEY ORDERS AND COUNTERFEIT PAPER CURRENCY COVERAGE

IV. Loss due to the acceptance in good faith, in exchange for merchandise. Money or services, of any post office or express money order, issued or purporting to have been issued by any post office or express company, if such money order is not paid upon presentation, or due to the acceptance in good faith in the regular course of business of counterfeit United States or Canadian paper currency.

DEPOSITORS FORGERY COVERAGE

V. Loss which the Insured or any bank which is included in the Insured's proof of loss and in which the Insured carries a checking or savings account, as their respective interests may appear, shall sustain through forgery or alteration of, on or in any check, draft, promissory note, bill of exhange, or similar written promise, order or direction to pay a sum certain in money, made or drawn by or drawn upon the Insured, or made or drawn by one acting as agent of the Insured, or purporting to have been made or drawn as hereinbefore set forth, including

(a) any check or draft made or drawn in the name of the Insured, payable to a fictitious payee and endorsed in the name of such fictitious payee;

(b) any check or draft procured in a face to face transaction with the Insured, or with one acting as agent of the Insured, by anyone impersonating another and made or drawn payable to the one so impersonated and endorsed by anyone other than the one so impersonated; and

(c) any payroll check, payroll draft or payroll order made or drawn by the Insured, payable to bearer as well as to a named payee and endorsed by anyone other than the named payee without authority from such payee:

whether or not any endorsement mentioned in (a), (b) or (c) be a forgery within the law of the place controlling the construction thereof.

Mechanically reproduced facsimile signatures are treated the same as handwritten signatures.

The Insured shall be entitled to priority of payment over loss sustained by any bank aforesaid. Loss under this Insuring Agreement, whether sustained by the Insured of such bank, shall be paid directly to the Insured in its own name, except in cases where such bank shall have already fully reimbursed the Insured for such loss. The liability of the Company to such bank for such loss shall be a part of and not in addition to the amount of insurance applicable to the Insured's office to which such loss would have been allocated had such loss been sustained by the Insured.

If the Insured or such bank shall refuse to pay any of the foregoing instruments made or drawn as hereinbefore set forth, alleging that such instruments are forged or altered, and such refusal shall result in suit being brought against the Insured or such bank to enforce such payment and the Company shall give its written consent to the defense of such suit, then any reasonable attorneys' fees, court costs, or similar legal expenses incurred and paid by the Insured or such bank in such defense shall be construed to be a loss under this Insuring Agreement and the liability of the Company for such loss shall be in addition to any other liability under this Insuring Agreement.

GENERAL AGREEMENTS

CONSOLIDATION-MERGER

A. If, through consolidation or merger with or purchase of assets of, some other concern, any persons shall become Employees, the insurance afforded by this endorsement shall also apply as respects such Employees, provided the Insured shall give the Company written notice thereof within thirty days thereafter and shall pay the Company an additional premium computed pro rata from the date of such consolidation, merger or purchase to the end of the current premium period.

JOINT INSURED

B. If more than one Insured is covered under this endorsement, the Insured first named shall act for itself and for every other Insured for all purposes of this endorsement. Knowledge possessed or discovery made by any Insured or by any partner or officer thereof shall, for the purposes of Sections 7, 8 and 15, constitute knowledge possessed or discovery made by every Insured. Cancellation of the insurance hereunder as respects any Employee as provided in Section 15 shall apply to every insured, if, prior to the cancellation or termination of this endorsement, this endorsement or any Insuring Agreement hereof is canceled or terminated as to any Insured, there shall be no liability for any loss sustained by such Insured unless discovered within one year from the date of such cancellation or termination, or as respects Insuring Agreement IB, within two years therefrom. Payment by the Company to the Insured first named of any loss under this endorsement shall fully release the Company on account of such loss. If the Insured first named ceases for any reason to be covered under this endorsement, then the Insured next named shall thereafter be considered as the Insured first named for all purposes of this endorsement.

LOSS UNDER PRIOR BOND OR POLICY

C. If the coverage of an Insuring Agreement of this endorsement other than Insuring Agreement V, is substituted for any prior bond or policy of insurance carried by the Insured or by any predecessor in interest of the Insured, which prior bond or policy is terminated, canceled or allowed to expire as of the time of such substitution, the Company agrees that such Insuring Agreement applies to loss which is discovered as provided in Section 1 of the Conditions and Limitations and which would have been recoverable by the Insured or such predecessor under such prior bond or policy except for the fact that the time within which to discover loss thereunder had expired; provided:

(1) the insurance under this General Agreement C shall be a part of and not in addition to the amount of insurance afforded by the applicable Insuring Agreement of this endorsement;

(2) such loss would have been covered under such Insuring Agreement had such Insuring Agreement with its agreements, conditions and limitations as of the time of such substitution been in force when the acts or events causing such loss were committed or occurred; and

(3) recovery under such Insuring Agreement on Account of such loss shall in no event exceed the amount which would have been recoverable under such Insuring Agreement in the amount for which it is written as of the time of such substitution, had such Insuring Agreement been in force when such acts or events were committed or occurred, or the amount which would have been recoverable under such prior bond or policy had such prior bond or policy continued in force until the discovery of such loss, if the latter amount be smaller.

Insuring Agreement V shall also cover loss sustained by the Insured at any time before the termination or cancellation of Insuring Agreement V, which would have been recoverable under the coverage of some similar form of forgery insurance (exclusive of fidelity insurance) carried by the Insured or any predecessor in interest of the Insured, had such prior forgery insurance given all of the coverage afforded under Insuring Agreement V; provided, with respect to loss covered by this paragraph:

(a) the coverage of Insuring Agreement V is substituted on or after the date hereof for such prior forgery coverage and the

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Insured or such predecessor, as the case may be, carried such prior forgery coverage on the office at which such loss was sustained continuously from the time such loss was sustained to the date the coverage of Insuring Agreement V was substituted therefor;

(b) at the time of discovery of such loss, the period for discovery of loss under all such prior forgery insurance has expired; and

(c) if the amount of insurance carried under Insuring Agreement V applicable to the office at which such loss is sustained is larger than the amount applicable to such office under such prior forgery insurance and in force at the time such loss is sustained, then liability hereunder for such loss shall not exceed the smaller amount.

THE FOREGOING INSURING AGREEMENTS AND GENERAL AGREEMENTS ARE SUBJECT TO THE FOLLOWING CONDITIONS AND LIMITATIONS:

EFFECTIVE PERIOD, TERRITORY, DISCOVERY

Section 1. Loss is covered under Insuring Agreement IB of this endorsement only if discovered not later than two years from the end of the Effective Period of this endorsement. Except under Insuring Agreement IB, loss is covered under this endorsement only if discovered not later than one year from the end of such Effective Period.

Subject to General Agreement C:

(a) this endorsement, except under Insuring Agreement IA, IB and V, applies only to loss which occurs during the Effective Period of this endorsement within any of the States of the United States of America, the District of Columbia, Virgin Islands, Puerto Rico, Canal Zone or Canada;

(b) Insuring Agreements IA and IB apply only to loss sustained by the Insured through fraudulent or dishonest acts committed during the Effective Period of this endorsement by any of the Employees engaged in the regular service of the Insured within the territory designated above or while such Employees are elsewhere for a limited period;

(c) Insuring Agreement V applies only to loss sustained during the Effective Period of this endorsement.

EXCLUSIONS

Section 2. This endorsement does not apply:

(a) to loss due to any fraudulent, dishonest or criminal act by any Insured or a partner therein, whether acting alone or in collusion with others;

(b) to the defense of any legal proceeding brought against the Insured, or to fees, costs or expenses incurred or paid by the Insured in prosecuting or defending any legal proceeding whether or not such proceeding results or would result in a loss to the Insured covered by this Policy.

(c) under Insuring Agreement IA or IB, to loss, or to that part of any loss, as the case may be, the proof of which, either as to its factual existence or as to its amount, is dependent upon an inventory computation or a profit and loss computation;

(d) under Insuring Agreements II and III, to loss due to any fraudulent, dishonest or criminal act by any Employee, director, trustee or authorized representative of any Insured, while working or otherwise and whether acting alone or in collusion with others; provided, this Exclusion does not apply to Safe Burglary or Robbery or attempt thereat;

(e) under Insuring Agreements II and III, to loss due to war, whether or not declared, civil war, insurrection rebellion or revolution, or to any act or condition incident to any of the foregoing;

(f) under Insuring Agreements II and III, to loss (1) due to the giving or surrendering of Money or Securities in any exchange or purchase; (2) due to accounting or arithmetical errors or omissions; or (3) of manuscripts, books of account or records;

(g) under Insuring Agreement II, to loss of Money contained in coin operated amusement devices or vending machines, unless the amount of Money deposited within the device or machine is recorded by a continuous recording instrument therein;

(h) under Insuring Agreement III, to loss of insured property while in the custody of any armored motor vehicle company, unless such loss is in excess of the amount recovered or received by the Insured under (1) the Insured's contract with said armored motor vehicle company, (2) insurance carried by said armored motor vehicle company for the benefit of users of its service, and (3) all other insurance and indemnity in force in whatsoever form carried by or for the benefit of users of said armored motor vehicle company's service, and then this endorsement shall cover only such excess;

(i) under Insuring Agreement II, to loss, other than to money, securities, a safe or vault, by fire whether or not such fire is caused by, contributed to by, or arises out of the occurrence of a hazard insured against.

(j) under Insuring Agreements II and III, to loss due to nuclear reaction, nuclear radiation or radioactive contamination, or to any act or condition incident to any of the foregoing.

(k) to and the Company is not liable for:

(1) Potential income, including but not limited to interest and dividends, not realized by the Insured because of a loss covered under this Policy.

(2) All damages of any type for which the Insured is legally liable, except direct compensatory damages arising from a loss covered under this Policy.

(3) All costs, fees and other expenses incurred by the Insured in establishing the existence of or the amount of loss covered under this Policy.

DEFINITIONS

Section 3. The following terms, as used in this endorsement, shall have the respective meanings stated in this Section:

"Money" means currency, coins, bank notes and bullion; and travelers checks, register checks and money orders held for sale to the public.

"Securities" means all negotiable and non-negotiable instruments or contracts representing either Money or other property and includes revenue and other stamps in current use, tokens and tickets, but does not include Money.

"Employee" means any natural person (except a director or trustee of the Insured, if a corporation, who is not also an officer or employee thereof in some other capacity) while in the regular service of the Insured in the ordinary course of the Insured's business during the Effective Period of this endorsement and whom the Insured compensates by salary, wages or commissions and has the right to govern and direct in the performance of such service, but does not mean any broker, factor, commission merchant, consignee, contractor or other agent or representative of the same general character. As applied to loss under Insuring Agreement IA or IB the above words "while in the regular service of the Insured" shall include the first 30 days thereafter; subject, however, to Sections 15 or 16.

"Premises" means the interior of that portion of any building which is occupied by the Insured in conducting its business.

"Banking Premises" means the interior of that portion of any building which is occupied by a banking institution in conducting its business.

"Messenger" means the Insured or a partner of the Insured or any Employee who is duly authorized by the Insured to have the care and custody of the insured property outside the Premises.

"Custodian" means the Insured or a partner of the Insured or any Employee who is duly authorized by the Insured to have the care and custody of the insured property within the Premises, excluding any person while acting as a watchman, porter or janitor.

"Robbery" means the taking of insured property (1) by violence inflicted upon a Messenger or a Custodian; (2) by putting him in fear of violence; (3) by any other overt felonious act committed in his presence and of which he was actually cognizant, provided such other act is not committed by a partner of Employee of the Insured; (4) from the person or direct care and custody of a Messen-

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ger or Custodian who has been killed or rendered unconscious; or (5) under Insuring Agreement II, (a) from within the Premises by means of compelling a Messenger or Custodian by violence or threat of violence while outside the Premises to admit a person into the Premises or to furnish him with means of ingress into the Premises, or (b) from a showcase or show window within the Premises while regularly open for business by a person who has broken the glass thereof from outside the Premises.

"Safe Burglary" means (1) the felonious abstraction of insured property from within a vault or safe, the door of which is equipped with a combination lock, located within the Premises by a person making a felonious entry into such vault or such safe and any vault containing the safe, when all doors thereof are duly closed and locked by all combination locks thereon, provided such entry shall be made by actual force and violence, of which force and violence there are visible marks made by tools, explosives, electricity or chemicals upon the exterior of (a) all of said doors of such vault or such safe and any vault containing the safe, if entry is made through such doors, or (b) the top, bottom or walls of such vault or such safe and any vault containing the safe through which entry is made, if not made through such doors, or (2) the felonious abstraction of such safe from within the Premises.

"Loss" except under Insuring Agreements IA, IB and V, includes damage.

LOSS CAUSED BY UNIDENTIFIABLE EMPLOYEE

Section 4. If loss is alleged to have been caused by the fraud or dishonesty of any one or more of the Employees covered under Insuring Agreement IA or IB, as the case may be, and the Insured shall be unable to designate the specific Employee or Employees causing such loss, the Insured shall nevertheless have the benefit of such applicable Insuring Agreement subject to the provisions of Section 2 (b) of this endorsement provided that the evidence submitted reasonably proves that the loss was in fact due to the fraud or dishonesty of one or more of the said Employees, and provided, further, that the aggregate liability of the Company for any such loss shall not exceed the Limit of Liability applicable to such Insuring Agreement.

OWNERSHIP OF PROPERTY; INTERESTS COVERED

Section 5. The insured property may be owned by the Insured or held by the Insured in any capacity whether or not the Insured is liable for the loss thereof, or may be property as respects which the Insured is legally liable; provided, Insuring Agreements II, III and IV apply only to the interest of the Insured in such property, including the Insured's liability to others, and do not apply to the interest of any other person or organization in any of said property unless included in the Insured's proof of loss, in which event the third paragraph of Section 8 is applicable to them.

BOOKS AND RECORDS

Section 6. The Insured shall keep records of all the insured property in such manner that the Company can accurately determine therefrom the amount of loss.

PRIOR FRAUD, DISHONESTY OR CANCELLATION

Section 7. The coverage of Insuring Agreement IA or IB shall not apply to any Employee from and after the time that the Insured or any partner or officer thereof not in collusion with such Employee shall have knowledge or information that such Employee has committed any fraudulent or dishonest act in the service of the Insured or otherwise, whether such act be committed before or after the date of employment by the Insured.

If, prior to the issuance of this endorsement, any fidelity insurance in favor of the Insured or any predecessor in interest of the Insured and covering one or more of the Insured's Employees shall have been canceled as to any of such Employees by reason of the giving or written notice of cancellation by the insurer issuing such fidelity insurance whether the Company or not, and if such Employees shall not have been reinstated under the coverage of said fidelity insurance or superseding fidelity insurance, the Company shall not be liable on account of such Employees unless the Company shall agree in writing to include such Employees within the coverage of Insuring Agreement IA or IB, as the case may be.

LOSS; NOTICE; PROOF; ACTION AGAINST COMPANY

Section 8. Upon knowledge or discovery of loss or of an occurrence which may give rise to a claim for loss, the Insured shall: (a) give notice thereof as soon as practicable to the Company or any of its authorized agents and, except under Insuring Agreements IA or IB, and V, also to the police if the loss is due to a violation of law; (b) file detailed proof of loss, duly sworn to, with the Company within four months after the discovery of loss.

Proof of loss under Insuring Agreement V shall include the instrument which is the basis of claim for such loss, or if it shall be impossible to file such instrument, the affidavit of the Insured or the Insured's bank of deposit setting forth the amount and cause of loss shall be accepted in lieu thereof.

Upon the Company's request, the Insured shall submit to examination by the Company, subscribe the same, under oath if required, and produce for the Company's examination all pertinent records, all at such reasonable times and places as the Company shall designate, and shall cooperate with the Company in all matters pertaining to loss or claims with respect thereto.

No action shall lie against the Company unless, as a condition precedent thereto, there shall have been full compliance with all the terms of this endorsement nor until ninety days after the required proofs of loss have been filed with the Company, nor at all unless commenced within two years from the date when the Insured discovers the loss. If any limitation of time for notice of loss or any legal proceeding herein contained is shorter than that permitted to be fixed by agreement under any statute controlling the construction of this endorsement the shortest permissible statutory limitation of time shall govern and shall supersede the time limitation herein stated.

VALUATION; PAYMENT; REPLACEMENT

Section 9. In no event shall the Company be liable as respects Securities for more than the actual cash value thereof at the close of business on the business day next preceding the day on which the loss was discovered, nor as respects other property, for more than the actual cash value thereof at the time of loss; provided, however, the actual cash value of such other property held by the Insured as a pledge, or as collateral for an advance or a loan, shall be deemed not to exceed the value of the property as determined and recorded by the Insured when making the advance or loan, nor, in the absence of such record, the unpaid portion of the advance or loan plus accrued interest thereon at legal rates.

The Company may, with the consent of the Insured, settle any claim for loss of property with the owner thereof. Any property for which the Company has made indemnification shall become the property of the Company.

In case of damage to the Premises or loss of property other than Securities, the Company shall not be liable for more than the actual cash value of such property, or for more than the actual cost of repairing such Premises or property or of replacing same with property or material of like quality and value. The Company may, at its election, pay such actual cash value, or make such repairs or replacements. If the Company and the Insured cannot agree upon such cash value or such cost of repairs or replacements, such cash value or such cost shall be determined by arbitration.

RECOVERIES

Section 10. If the Insured shall sustain any loss covered by this endorsement which exceeds the applicable amount of insurance hereunder, the Insured shall be entitled to all recoveries (except from suretyship, insurance, reinsurance, security or indemnity taken by or for the benefit of the Company) by whomsoever made on account of such loss under this endorsement until fully reimbursed, less the actual cost of effecting the same; and remainder shall be applied to the reimbursement of the Company.

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LIMITS OF LIABILITY

Section 11. Payment of loss under Insuring Agreement IA, IB or V, shall not reduce the Company's liability for other losses under the applicable Insuring Agreement whenever sustained. The Company's total liability (a) under Insuring Agreement IA for all loss caused by any Employee or in which such Employees is concerned or implicated, (b) under Insuring Agreement IB as to each Employee or (c) under Insuring Agreement V for all loss by forgery or alteration committed by any person or in which such person is concerned or implicated, whether such forgery or alteration involves one or more instruments, is limited to the applicable amount of insurance specified in the Table of Limits of Liability or endorsement amendatory thereto. The liability of the Company for loss sustained by any or all of the Insured shall not exceed the amount for which the Company would be liable had all such loss been sustained by any one of the Insured.

Except under Insuring Agreements IA, IB and V the applicable limit of liability stated in the Table of Limits of Liability of this endorsement is the total limit of the Company's liability with respect to all loss of property of one or more persons or orgainzations arising out of any one occurrence. All loss incidental to an actual or attempted fraudulent, dishonest or criminal act or series of related acts at the Premises, whether committed by one or more persons, shall be deemed to arise out of one occurrence.

Regardless of the number of years this endorsement shall continue in force and the number of premiums which shall be payable or paid, the limit of the Company's liability as specified in the Table of Limits of Liability of this endorsement shall not be cumulative year to year or period to period.

LIMIT OF LIABILITY UNDER THIS ENDORSEMENT AND PRIOR INSURANCE

Section 12. This Section shall apply only to Insuring Agreements IA, IB and V.

With respect to loss caused by any person (whether one of the Employees or not) or in which such person is concerned or implicated or which is chargeable to any Employee as provided in Section 4 and which occurs partly during the Effective Period of this endorsement and partly during the period of other bonds or policies issued by the Company to the Insured or to any predecessor in interest of the Insured and terminated or canceled or allowed to expire and in which the period for discovery has not expired at the time any such loss thereunder is discovered, the total liability of the Company under this endorsement and under such other bonds or policies shall not exceed, in the aggregate, the amount carried under the applicable Insuring Agreement of this endorsement on such loss or the amount available to the Insured under such other bonds or policies, as limited by the terms and conditions thereof, for any such loss, if the latter amount be the larger.

OTHER INSURANCE

Section 13. If there is available to the Insured any other insurance or indemnity covering any loss covered by Insuring Agreement IA, IB or V the Company shall be liable hereunder only for that part of such loss which is in excess of the amount recoverable or recovered from such other insurance or indemnity, except that if such other insurance or indemnity is a bond or policy of fidelity insurance, any loss covered under both such fidelity insurance and Insuring Agreement V shall first be paid under Insuring Agreement V. Any loss covered under both Insuring Agreements IA and IB and also under Insuring Agreement V shall be first paid under Insuring Agreement V and the excess, if any, shall be paid under Insuring Agreement IA or IB, as the case may be. The company waives any right of contribution which it may have against any forgery insurance carried by any depository bank which is indemnified under Insuring Agreement V.

Under any other Insuring Agreement, if there is any other valid and collectible insurance which would apply in the absence of such Insuring Agreement, the Insurance under this endorsement shall apply only as excess insurance over such other insurance; provided, the insurance shall not apply (a) to property which is separately described and enumerated and specifically insured in whole or in part by any other insurance; or (b) to property otherwise insured unless such property is owned by the Insured.

SUBROGATION

Section 14. In the event of any payment under this policy, the Company shall be subrogated to all the insured's rights of recovery against any person or organization and the insured shall execute and deliver instrument and papers and do whatever else is necessary to secure such rights. The insured shall do nothing after loss to prejudice such rights.

CANCELLATION AS TO ANY EMPLOYEE

Section 15. Insuring Agreements IA or IB shall be deemed cancelled as to any Employee: (a) immediately upon discovery by the Insured, or by any partner or officer thereof not in collusion with such Employee, of any fraudulent or dishonest act on the part of such Employee; or (b) at 12:01 A.M., standard time as aforesaid, upon the effective, date specified in a written notice mailed to the Insured. Such date shall be not less than ten days after the date of mailing. The mailing by the Company of notice as aforesaid to the Insured at the mailing address shown in the policy to which this endorsement is attached shall be sufficient proof of notice. Delivery of such written notice by the Company shall be equivalent to mailing.

CANCELLATION OF ENDORSEMENT OR INSURING AGREEMENT

Section 16. This endorsement or any Insuring Agreement thereof may be cancelled by the Insured by mailing to the Company written notice stating when thereafter the cancellation shall be effective. This endorsement or any such Insuring Agreement may be cancelled by the Company by mailing to the Insured at the mailing address shown in this policy to which this endorsement is attached written notice stating when not less than ten days thereafter such cancellation shall be effective. The mailing of notice as aforesaid shall be sufficient proof of notice. The effective date of cancellation stated in the notice shall become the end of the Effective Period of this endorsement for any affected Insuring Agreement. Delivery of such written notice either by the Insured or by the Company shall be equivalent to mailing.

If the Insured cancels, earned premium shall be computed in accordance with the customary short rate table and procedure. If the Company cancels, earned premium shall be computed pro rata. Premium adjustment may be made either at the time cancellation is effected or as soon as practicable after cancellation becomes effective, but payment or tender of unearned premium is not a condition of cancellation.

NO BENEFIT TO BAILEE

Section 17. This Section shall apply only to Insuring Agreements II and III.

This insurance shall not inure directly or indirectly to the benefit of any carrier or other bailee.

ASSIGNMENT

Section 18. Assignment of interest under this policy shall not bind the Company until its consent is endorsed hereon. However, if the named insured shall die, this insurance shall apply:

(a) to the named insured's legal representative, as the named insured, but only while acting within the scope of his duties as such; or

(b) to the person having temporary custody of the property of the named insured but only until the appointment and qualification of the legal representative.

CHANGES

Section 19. The terms of this insurance shall not be waived, changed or modified except by endorsement issued to form a part of this policy.

This Endorsement must be attached to Change Endorsement when issued after the Policy is written.

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Individual employee applications may be requested by the Company. Should the Company, in its sole discretion, decide to conduct a background investigation based on that application, the insured will be notified in writing. Absent such written notification a background investigation will not be conducted.

Any action undertaken by the Company in regard to the individual employee application is not intended nor should it be understood to be a representation on the fitness or lack of fitness of the applicant as an employee.

APPLICATION INVESTIGATION RIDER

FOR USE WITH ALL FORMS PROVIDING BLANKET FIDELITY COVERAGE TO SET FORTH COMPANY POLICY REGARDING INVESTIGATION OF INDIVIDUAL EMPLOYEE APPLICATIONS

Transamerica Insurance Services

Transamerica Insurance Group

1935 21 91

Coverage for Specified Named Insureds

It is agreed that:

With respect to Transplan 7 Comprehensive Crime Coverage Endorsement Insuring Agreements IA, IB, and V or Transplan 7 Blanket Crime Endorsement Insuring Agreements I and V to which this endorsement is attached,

Coverage shall apply to the following named insured(s) only:

EARL MANUFACTURING CO., INC.

CALIFORNIA PREMIUM RIDER

To be attached to and form part of Bond No. 1935 21 91

in favor of EARL MANUFACTURING CO., INC.

It is agreed that:

1. In compliance with the ruling of the Commissioner of Insurance of the State of California and the Opinion of the Attorney-General of that State requiring that the premium for all bonds or policies be endorsed thereon, the basic premium charged for the attached bond for the period

from JANUARY 01, 1986

to JANUARY 01, 1987

is ONE THOUSAND THREE HUNDRED THIRTY TWO & NO/100 Dollars ($ 1,332.00).

2. This rider is effective as of noon on

JANUARY 01, 1986

CALIFORNIA PREMIUM RIDER
FOR USE WITH ALL FORMS OF STANDARD BONDS TO COMPLY WITH RULINGS OF THE INSURANCE COMMISSIONER AND THE ATTORNEY-GENERAL
REVISED TO AUGUST, 1968

SR 5862 Printed in U S A

Transamerica Insurance Services

Transamerica Insurance Group

1935 21 91

DEDUCTIBLE ON IA, II OR III

It is agreed that, with respect to Transplan 7 Comprehensive Crime Coverage Endorsement to which this endorsement is attached:

1. The Company shall not be liable under Insuring Agreement IA on account of loss through acts or defaults committed at any time, whether before or after this endorsement is effective, by any Employee or in which such Employee is concerned or implicated, unless the amount of such loss, after deducting the net amount of all reimbursement and recovery, including any cash deposit taken by the Insured, obtained or made by the Insured, other than from any bond or policy of insurance issued by a surety of insurance company and covering such loss, or by the Company on account thereof prior to payment by the Company of such loss, shall be in excess of

TWO THOUSAND FIVE HUNDRED AND NO/100 Dollars ($ 2,500.00)

and then for such excess only, but in no event for more than the amount of insurance carried under Insuring Agreement IA on such loss.

2. The Company shall not be liable under Insuring Agreement II on account of any loss, except to the extent such loss is in excess of N/A Dollars ($ N/A), with the insurance then applying to such excess only, subject otherwise to the applicable limit of the Company's liability.

3. The Company shall not be liable under Insuring Agreement III on account of any loss, except to the extent such loss is in excess of N/A Dollars ($ N/A), with the insurance then applying to such excess only, subject otherwise to the applicable limit of the Company's liability.

4. In no event shall the Company be liable under any Insuring Agreement, as modified by this endorsement, for more than the amount specified in the Table of Limits of Liability as applicable to such Insuring Agreement subject, however, to Section 11.

5. Section 10 is deleted and the following inserted:

> "Section 10. If the Insured shall sustain any loss covered by this endorsement to which a deductible amount applies and such loss exceeds the applicable amount of insurance hereunder plus such Deductible Amount, the Insured shall be entitled to all recoveries made after payment by the Company of loss covered by this endorsement (except from suretyship, insurance, reinsurance, security or indemnity taken by or for the benefit of the Company) by whomsoever made, less the actual cost of effecting such recoveries, until reimbursed for such excess loss; and any remainder, or, if there be no such excess loss, any such recoveries shall be applied first in reimbursement of the Company and thereafter in reimbursement of the Insured for that part of such loss within such Deductible Amount."

6. The Insured shall, within the time and in the manner prescribed in the said Transplan 7 Comprehensive Crime Coverage Endorsement, give the Company notice of any loss of the kind covered by Insuring Agreement IA whether or not the Company is liable therefor or for any part thereof, and upon the request of the Company shall file with it a brief statement giving the particulars concerning such loss.

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FORGERY DEDUCTIBLE ON V

It is agreed that, with respect to Transplan 7 Comprehensive Crime Coverage Endorsement to which this endorsement is attached:

1. The Company shall not be liable under Insuring Agreement V on account of any loss through forgery or alteration committed by any person or in which such person is concerned or implicated, whether such forgery or alteration involves one or more instruments, unless such loss shall exceed

TWO THOUSAND GIVE HUNDRED & NO/100 Dollars ($ 2,500.00)

and then for such excess only but in no event for more than the amount of insurance carried under Insuring Agreement V on such loss.

2. The Insured shall, within the time and in the manner prescribed in the Policy, give the Company notice of any loss of the kind covered by Insuring Agreement V whether or not the Company is liable therefor or for any part thereof, and upon the request of the Company shall file with it a brief statement giving the particulars concerning such loss.

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EMPLOYEE EXCLUSION ENDORSEMENT

It is agreed that:

With respect to Insuring Agreement IA or IB, whichever is in force under the Transplan 7 Comprehensive Crime Coverage Endorsement or to Insuring Agreement I under the Transplan 7 Blanket Crime Coverge Endorsement to which this endorsement is attached, "Employee" as defined in Section 3 does not mean any of the following:

PRESIDENT

IMPORTANT: This endorsement may not be used to exclude any Employees except the following:

(a) officers who own the majority of the capital stock of the Insured,

(b) relatives of such officers or of the partners of any Insured Partnership or of the proprietor of any Insured Proprietorship,

(c) outside salesmen, collectors, drivers, driver's helpers, chauffeurs, demonstrators, canvassers and other similar positions,

(d) store employees of any retail butcher or grocer, regardless of the number of stores operated, or store employees of any Insured if operating 6 or more stores,

(e) superintendents and janitors of buildings;

(f) Station Managers and Employees at Stations of Oil Companies selling at retail,

(g) Yard Managers, yard Superintendents and other yard Employees of Lumber Companies;

Provided, however, that whenever Employees of any class are excluded all Employees of such class must be excluded as an entirety.

This Endorsement must be attached to Change Endorsement when issued after the Policy is written.

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AGENCY CODE	COMM		
645261	20% 15%	AUTO UMBRELLA	HENDERSON WHITTIER

19134804 01/85 $31,470.00 NOTE NO. 5007780
PROD. 645261 BR. 24 ZONE 4 S/C
ADDL. POL.

Transamerica Insurance Services

JUN 3 1985

DV 6/6/85

RENEWAL CERTIFICATE
VALUABLE
ATTACH THIS CERTIFICATE TO YOUR POLICY

C.A.I.D. 6-24-85

ISSUED BY THE STOCK INSURANCE INDICATED BY "X" HEREIN

[X] Transamerica Insurance Co.

[ ] REPORTING FORM

RE-INSURANCE

DECLARATIONS

RENEWING POLICY NO. 1913 48 04

Item	
1.	Name of Insured and Mailing Address: (No., Street, Town or City, County, State & Zip No.) EARL MANUFACTURING, INC. AND WILLIAM E. EARL AND DOT A. EARL, H/W AS INDIVIDUALS 11862 BURKE STREET SANTA FE SPRINGS, CA. 90670
2.	Renewal Period: (Mo. Day Yr.) From 1-1-85 To 1-1-86
3.	The Named Insured is: [X] Individual [X] Corporation [ ] Partnership [ ] Joint Venture [ ] Other:
4.	Designated Premises (Enter "Same" if same location as above) 1. 11862 BURKE ST., SANTA FE SPRINGS, CA. 2. 11876 BURKE ST., SANTA FE SPRINGS, CA. 3.

Inspection Fee (Complete one block only)

AUDIT BASIS

NO AUDIT [ ]

AUDIT [X]

Occupancy of Premises: METAL PARTS MFG.

5.

SECTION	COVERAGE	Coinsurance Percentage Applicable	LIMIT OF LIABILITY Loc. No. Bldg. No.	Loc. No. Bldg. No.	Loc. No. Bldg. No.
I PROPERTY COVERAGE	Building(s) SEE FORM		$	$	$
	Personal Property C11794A		$	$	$
	Addl. Cov. (Specify)		$	$	$
	Deductible: $_____ each occurrence. $_____ aggregate each occurrence. If no deductible stated above, the deductible shall be $100 each occurrence, $1,000 aggregate each occurrence.				
	Addl. Cov. (Specify)		$	$	$

		AS PROVIDED UNDER SCHEDULE(S)
II LIABILITY	Liability	A
	Premises Medical Payments	A
III AUTOMOBILE	Liability	A
	Personal Injury Protection (or equivalent No-fault coverage)	
	Added Personal Injury Protection (or equivalent No-fault coverage)	
	Property Protection (Michigan only)	
	Medical Payments	A
	Uninsured Motorists	A
	Garagekeepers	
	Physical Damage	A
IV OPTIONAL COVERAGES	Crime	
	Inland Marine	A
	Glass J10356(5-81),J10200C(2-78),J102(5-81)	
V	Commercial Umbrella IM293(3-77),IM122(3-77),J10355(5-81),	A

RENEWED
By 1935 21 91
3-21-86

CODED
AUG 14 1985
7+934
LINDA LARSE
8-5920

6. Forms and Endorsements applying to this policy or certificate at time of renewal: (Insert Nos. and Ed. Dates) 4-26-85/CC/MK
C11794A(6-84),1239,MP1506(7-77),MP1590(7-77),MP0013(10-83),MP0014(10-83),14465(10-83),C11795B(9-80),C14211(10-82),L10609B(5-81),L11093C(3-84),L10501C(3-83),A865(1-78),A482A(10-84),A867(1-80),A11798D(5-81),A12107A(10-79),A12690A(3-82),A15010(7-84),L13090(9-80),L13091(9-80),13034(2-84),J10757B(8-80),IM123(5-77),

7. Mortgage Clause: Subject to the provisions of the mortgage clause, loss on building items shall be payable to: (Insert Name(s) of Mortgagee(s) and mailing address(es))

8. The total advance premium of this Renewal certificate is $ 31,470.

000152

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Insurance Services

Transamerica Insurance Group

Section I — Property Coverage

INSURED NAME	AGENT NAME
ADDRESS	ADDRESS
POLICY NUMBER	SCHEDULE

INSURANCE IS PROVIDED WITH RESPECT TO THE DESIGNATED PREMISES AND WITH RESPECT TO THOSE COVERAGES AND KINDS OF PROPERTY FOR WHICH A SPECIFIC LIMIT OF LIABILITY IS SHOWN; SUBJECT TO ALL THE TERMS OF THIS POLICY INCLUDING FORMS AND ENDORSEMENTS MADE A PART THEREOF.

Coverage		Building(s)	Personal Property of the Insured	Personal Property of Others	Additional Coverages (Specify)	
Coinsurance Percentage Applicable ➡						
Limit of Liability						Occupancy
Loc. No.	Bldg. No.					

Forms and Endorsements Applicable: _____

DEDUCTIBLE: $ _____ each occurrence, $ _____ aggregate each occurrence.
If no deductible state above, the deductible shall be $100 each occurrence, $1,000 aggregate each occurrence.

Mortgagee Name
Number and Street
City, State and Zip Code

Countersignature Date _____

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Deductible Endorsement

			FIRE	ECE	VMM	_____
Basis of Insurance	$ _____	**Full Coverage Rate**	_____	_____	_____	_____
Deductible Amount	$ _____	**Credit for Deductible Amount**	_____ %	_____ %	_____ %	_____ %
Limit of Liability	$ _____	**Rate for Deductible Insurance after credit**	_____	_____	_____	_____

1. Each claim for loss or damage (separately occurring) shall be adjusted separately and from each such adjusted claim the sum of the deductible specified above shall be deducted. In the event of any recovery and/or salvage on a loss which has been or is being or is about to be paid hereunder, such recovery and/or salvage shall accrue entirely to the benefit of this Company under this policy until the sum paid by them has been made up.
2. The deductible specified above shall apply separately to each:
   ☐ Occurrence
   ☐ Location
   ☐ Item
   } (Indicate one) except _____
3. It is a condition of this policy that the deductible amount specified shall be solely at the risk of the insured, and shall not be covered under any other policy of insurance, except as provided in Paragraph 4.
4. No additional insurance shall be permitted unless permission is granted by the completion of the following:
   A. Permission is granted to carry additional insurance in the amount of $_____ applying to property situated at _____ which shall be deemed to be concurrent insurance.
   B. When additional concurrent insurance is carried in accordance with Item A of this paragraph, the deductible amount specified herein shall apply to this policy, only to the extent of the pro rata proportion which this policy bears to the total permitted insurance.
   C. Additional insurance carried in accordance with the foregoing shall be added to the sum set forth in this policy as "Basis of Insurance" for the purposes of determining compliance with any coinsurance, contribution, average, or distribution clause.
   D. Additional insurance which is permitted by the terms of this endorsement shall not violate the conditions of Paragraph 3. whether or not such additional insurance contains a deductible clause.
   E. When additional insurance is not disclosed and permission granted hereunder, the full amount of the deductible shall apply to any losses apportioned to this policy.
5. In consideration of the reduced rate(s) at which this insurance is written, this company shall in no event be liable with respect to any one loss for an amount greater than its pro rata proportion of the sum set forth as "Limit of Liability," or if more than one location be insured hereunder with a specific "Limit of Liability" applicable to each location, in no event shall this company be liable with respect to any location for an amount greater than its pro rata proportion of the "Limit of Liability" applicable thereto.

000154

6. It is a condition of this policy that any coinsurance, contribution, average or distribution clause, which may be a part hereof, shall apply to the full value of the property insured, without reduction for the amount of the deductible specified herein, and that such deductible shall apply after any penalty has been assessed by the application of such coinsurance, contribution, average or distribution clause. For the purpose of determining compliance with any such coinsurance, contribution, average or distribution clause, the sum set forth as "Basis of Insurance" shall be applied to the full value of the property as aforesaid.

Attached to and forming part of Policy No. _____

of the _____ Dated _____, 19____.
(NAME OF INSURANCE COMPANY)

SUPPLEMENT TO DEDUCTIBLE ENDORSEMENT

1. The term "Occurrence" as contained in the deductible clause of this policy, shall be held to mean a single incident or event. When, however, the term "Occurrence" shall apply to loss or losses from windstorm if insured hereunder, it shall be held to mean a period of 48 consecutive hours.

2. When at the election of the policyholder, the deductible amount is applied to each location, the term "Location" insofar as such property is insured hereunder, shall be held to mean:
   A. each building, including contents thereof, to the extent they are insured hereunder, or
   B. a number of buildings including their contents, in a single group, and designated as a single location in this policy or in the application for insurance.
   C. (if any other basis mutually agreed upon, indicate hereunder)

_____

_____

_____

_____

In the case of a policy written to cover more than one location subject to a deductible such locations will be designated in the policy.

3. The term "Item" shall be held to mean the individual descriptions of the property insured and designated by the terms "Item 1", "Item 2", etc. on the form attached to this policy.

All other terms and conditions of the policy remain unchanged.

Attached to and forming part of Policy No. _____

of the _____ Dated _____, 19____.

_____ Agent

EXTRA EXPENSE ENDORSEMENT

MP 15 06
(Ed. 07 77)

LOCATION OF PREMISES		SECTION I FORMS AND ENDORSEMENTS APPLICABLE	LIMIT OF LIABILITY
Loc. No.	Bldg. No.		

1. Subject to all the provisions applicable to Section I of this policy, except the Coinsurance Clause and the Deductible Clause, this policy is extended to insure the necessary extra expense incurred by the insured in order to continue as nearly as practicable the normal operation of the insured's business following damage to or destruction of real or personal property, during the term of this policy, by the perils insured against at the premises described in this endorsement, subject to the limit of liability specified above for the premises at which the damage or destruction occurs. For the purposes of this insurance, "perils insured against" shall mean the perils, as defined and limited in the forms and endorsements listed above, for each premises specified and also subject to the provisions of this endorsement.

2. In the event of such damage or destruction, the Company shall be liable for such necessary extra expense incurred for the period of restoration commencing with the date of damage or destruction and not limited by the date of expiration of this policy.

3. The Company's liability under this endorsement shall not exceed the percentage stated below for the determined period of restoration multiplied by the applicable limit of liability under this endorsement for each premises. In no event shall the Company be liable for more than the actual loss sustained.
   40% when the period of restoration is not in excess of one month;
   80% when the period of restoration is in excess of one month but not in excess of two months;
   100% when the period of restoration is in excess of two months.

4. **Resumption of Operations:** It is a condition of this insurance that as soon as practicable the insured shall resume normal operations of the business and shall dispense with such extra expense.

5. **Definitions:**
   a. "extra expense" means the excess (if any) of the total cost incurred during the period of restoration chargeable to the operation of the insured's business, over and above the total cost that would normally have been incurred to conduct the business during the same period had no damage or destruction occurred. Any salvage value of property obtained for temporary use during the period of restoration which remains after the resumption of normal operations, shall be taken into consideration in the adjustment of any loss hereunder.
   b. "month" means 30 consecutive days.
   c. "normal" means the condition that would have existed had no loss occurred.
   d. "period of restoration" means such length of time, commencing with the date of damage and not limited by the date of expiration of this policy, as would be required with the exercise of due diligence and dispatch to repair, rebuild or replace such part of the property herein described as has been damaged or destroyed.

6. This policy is extended to include the actual loss sustained by the insured, resulting directly from an interruption of business as covered hereunder, during the length of time, not exceeding two consecutive weeks, when, as a direct result of damage to or destruction of property adjacent to the premises herein described by the peril(s) insured against, access to such described premises is specifically prohibited by order of civil authority.

7. **Alterations and New Buildings:** Permission granted to make alterations in or to construct additions to any building described herein and to construct new buildings on the described premises. This endorsement is extended to cover, subject to all its provisions, extra expense resulting from damage to or destruction of such alterations, additions or new buildings while in course of construction and when completed or occupied, provided that, in the event of damage to or destruction of such property (including building materials, supplies, machinery or equipment incident to such construction or occupancy while on the described premises or within 100 feet thereof) so as to delay commencement of business operations of the insured, the length of time for which the Company shall be liable shall be determined as otherwise provided herein but such determined length of time shall be applied and the loss hereunder calculated from the date that business operations would have begun had no damage or destruction occurred.

8. Additional Exclusions and Limitations:

a. The Company shall not be liable for any extra expense resulting from:

(1) enforcement of any local or state ordinance or law regulating construction, repair or demolition of buildings or structures,

(2) interference at the described premises by strikers or other persons with rebuilding, repairing or replacing the property or with the resumption or continuation of business,

(3) the suspension, lapse or cancellation of any lease or license, contract or order beyond the period of restoration.

b. The Company shall not be liable for:

(1) more than the amount set forth in the limits of liability above for each premises,

(2) loss of income,

(3) the cost of repairing or replacing any of the real or personal property herein described, or the cost of research or other expense necessary to replace or restore damaged or destroyed books of account, abstracts, drawings, card index systems or other records (including film, tape, disc, drum, cell or other magnetic recording or storage media for electronic data processing), that have been damaged or destroyed by the perils insured against, except cost in excess of the normal cost of such repair, replacement or restoration necessarily incurred for the purpose of reducing loss under this policy. In no event shall such excess cost exceed the amount by which the total extra expense loss otherwise payable under this policy is thereby reduced,

(4) loss resulting from theft of any property which at the time of loss is not an integral part of a building or structure (except direct loss by pillage and looting occurring during and at the immediate place of a riot or civil commotion), unless loss by a peril not excluded in this policy ensues from theft or attempted theft, and then this Company shall be liable for only such ensuing loss.

(5) any other consequential or remote loss.

9. Other Insurance: It is a condition of this insurance that if at the time of damage or destruction there are other kinds of insurance which cover in any manner extra expense as covered by this policy, then this insurance shall apply only as excess insurance and in no event as contributing insurance, and then only to the amount of extra expense over and above the amount due the insured under such other forms of insurance. In no event shall the liability hereunder exceed the amount of this policy nor a greater proportion of any loss than the insurance hereunder shall bear to all insurance of the same kind, whether collectible or not.

10. Requirements in Case Loss Occurs: The insured shall give immediate written notice to the Company of any extra expense as covered by this policy and protect the property from further damage that might result in extension of the period of restoration; and within 90 days following the date of damage to or destruction of the real or personal property described, unless such time is extended in writing by the Company, the insured shall render to the Company a proof of loss, signed and sworn to by the insured, stating the knowledge and belief of the insured as to the following:

a. the time and origin of the property damage or destruction causing the extra expense as covered by this endorsement,

b. the interest of the insured and of all others in the business,

c. all other contracts of insurance, whether valid or not, covering in any manner the loss insured against by this policy,

d. any changes in the title, nature, location, encumbrance or possession of said business since the issuing of this policy, and

e. by whom and for what purpose any building herein described and the several parts thereof were occupied at the time of damage or destruction,

and shall furnish a copy of all the descriptions and schedules in all policies, and the actual amount of extra expense loss claimed, accompanied by detailed exhibits of all values, costs and estimates upon which such amounts are based.

The insured, as often as may be reasonably required, shall exhibit to any person designated by the Company all that remains of any property herein described, and submit to examinations under oath by any person named by the Company, and subscribe the same; and, as often as may be reasonably required, shall produce for examination all books of account, bills, invoices and other vouchers, or certified copies thereof if originals be lost, at such reasonable time and place as may be designated by the Company or its representative, and shall permit extracts and copies thereof to be made.

This Endorsement must be attached to Change Endorsement when issued after the Policy is written.

Crum and Forster organizations

GROSS EARNINGS ENDORSEMENT

Form MP-1590 (ED. 07-77)

1. Subject to all the provisions applicable to Section I of this policy, except the Coinsurance Clause and the Deductible Clause, this policy is extended to insure against loss resulting directly from necessary interruption of business caused by the perils insured against damaging or destroying, during the policy period, real or personal property (except finished stock) at the premises described in this endorsement, subject to the limit of liability specified in the declaration page for the premises at which the damage or destruction occurs. For the purposes of this insurance, "perils insured against" shall mean the perils, as defined and limited in the forms and endorsements listed in the declaration page for each premises specified and also subject to the provisions of this endorsement.

2. The Company shall be liable for:
   a. the actual loss sustained by the insured resulting directly from necessary interruption of business, but not exceeding the reduction in gross earnings less charges and expenses which do not necessarily continue during the interruption of business, for only such length of time as would be required with the exercise of due diligence and dispatch to rebuild, repair or replace such part of the property herein described as has been damaged or destroyed commencing with the date of such damage or destruction and not limited by the date of expiration of this policy. Due consideration shall be given to the continuation of normal charges and expenses, including payroll expense, to the extent necessary to resume operations of the insured with the same quality of service which existed immediately preceding the loss; and
   b. the actual loss sustained by the insured, resulting directly from an interruption of business as covered hereunder, during the length of time, not exceeding two consecutive weeks, when, as a direct result of damage to or destruction of property adjacent to the premises herein described by the peril(s) insured against, access to such described premises is specifically prohibited by order of civil authority; and
   c. loss resulting from damage to or destruction of media for, or programming records pertaining to, electronic data processing or electronically controlled equipment, including data thereon, by the perils insured against. The length of time for which this Company shall be liable hereunder shall not exceed:
      (1) 30 consecutive calendar days; or
      (2) the length of time that would be required to rebuild, repair or replace such other property herein described as has been damaged or destroyed;
      whichever is the greater length of time.
   d. such expenses as are necessarily incurred for the purpose of reducing loss under this endorsement (except expense incurred to extinguish a fire), and such expenses, in excess of normal, as would necessarily be incurred in replacing any finished stock used by the insured to reduce loss but in no event shall the aggregate of such expenses exceed the amount by which the loss under this endorsement is thereby reduced. Such expenses shall not be subject to the application of the Contribution Clause.

3. **Resumption of Operations:** It is a condition of this insurance that if the insured could reduce the loss resulting from the interruption of business:
   a. by complete or partial resumption of operation of the property herein described, whether damaged or not, or
   b. by making use of merchandise or other property at the locations described herein or elsewhere, or
   c. by making use of stock (raw, in process or finished) at the locations described herein or elsewhere, such reduction shall be taken into account in arriving at the amount of loss hereunder.

4. **Contribution Clause:** The Company shall not be liable for a greater proportion of any loss than the limit of liability specified bears to the amount produced by multiplying the Contribution Clause Percentage specified by the Gross Earnings that would have been earned (had no loss occurred) during the 12 months immediately following the date of damage to or destruction of the described property.

5. **Definitions:**
   a. For the purposes of this insurance, "gross earnings" are defined as the sum of:
      (1) total net sales value of production, and
      (2) total net sales of merchandise, and
      (3) other earnings derived from operations of the business,
      less the cost of:
      (4) raw stock from which such production is derived, and
      (5) supplies consisting of materials consumed directly in the conversion of such raw stock into finished stock or in supplying the services sold by the insured, and
      (6) merchandise sold, including packaging materials therefor, and
      (7) services purchased from outsiders (not employees of the insured) for resale which do not continue under contract.

      No other costs shall be deducted in determining gross earnings.
      In determining gross earnings, due consideration shall be given to the experience of the business before the date of damage or destruction and the probable experience thereafter had no loss occurred.
   b. The term "directly," as applied to loss under this endorsement, means loss, as limited and conditioned in this policy, resulting from direct loss to described property from the perils insured against.
   c. "Normal": the condition that would have existed had no loss occurred.
   d. "Raw stock": material in the state in which the insured receives it for conversion by the insured into finished stock.
   e. "Stock in process": raw stock which has undergone any aging, seasoning, mechanical or other process of manufacture at the locations herein described but which has not become finished stock.
   f. "Finished stock": stock manufactured by the insured which in the ordinary course of the insured's business is ready for packing, shipment or sale.
   g. "Merchandise": goods kept for sale by the insured which are not the product of manufacturing operations conducted by the insured.

This Endorsement must be attached to Change Endorsement MP-1201 when issued after the Policy is written.

6. Alterations and New Buildings: Permission granted to make alterations in or to construct additions to any building described herein and to construct new buildings on the described premises. This endorsement is extended to cover, subject to all its provisions, loss resulting from damage to or destruction of such alterations, additions or new buildings while in course of construction and when completed or occupied, provided that, in the event of damage to or destruction of such property (including building materials, supplies, machinery or equipment incident to such construction or occupancy while on the described premises or within 100 feet thereof) so as to delay commencement of business operations of the insured, the length of time for which the Company shall be liable shall be determined as otherwise provided herein but such determined length of time shall be applied and the loss hereunder calculated from the date that business operations would have begun had no damage or destruction occurred.

7. Additional Exclusions and Limitations:

a. The Company shall not be liable for any increase of loss which may be occasioned by:
   (1) enforcement of any local or state ordinance or law regulating construction, repair or demolition of buildings or structures,
   (2) interference at the described premises by strikers or other persons with rebuilding, repairing or replacing the property or with the resumption or continuation of business,
   (3) the suspension, lapse or cancellation of any lease, license, contract or order unless such suspension, lapse or cancellation results directly from the interruption of business, and then the Company shall be liable for only such loss as affects the insured's earnings during, and limited to, the period of indemnity covered under this policy.

b. The Company shall not be liable for:
   (1) more than the limit of liability set forth for each premises,
   (2) any other consequential or remote loss.

c. The Company shall not be liable for loss resulting from:
   (1) damage to or destruction of finished stock, nor for the time required to reproduce said finished stock,
   (2) theft of any property which at the time of loss is not an integral part of a building or structure (except direct loss by pillage and looting occurring during and at the immediate place of a riot or civil commotion), unless loss by a peril not excluded in this policy ensues from theft or attempted theft, and then this Company shall be liable for only such ensuing loss.

8. Requirements in Case Loss Occurs: The insured shall give immediate written notice to the Company of any business interruption loss as covered by this policy and protect the property from further damage that might result in extension of the period of interruption; and within 60 days following the date of damage to or destruction of the real or personal property described, unless such time is extended in writing by the Company, the insured shall render to the Company a proof of loss, signed and sworn to by the insured, stating the knowledge and belief of the insured as to the following:

a. the time and origin of the property damage or destruction causing the interruption of business,
b. the interest of the insured and of all others in the business,
c. all other contracts of insurance, whether valid or not, covering in any manner the loss insured against by this policy,
d. any changes in the title, nature, location, encumbrance or possession of said business since the issuing of this policy, and
e. by whom and for what purpose any building herein described and the several parts thereof were occupied at the time of damage or destruction,

and shall furnish a copy of all the descriptions and schedules in all policies, and the actual amount of business interruption value and loss claimed, accompanied by detailed exhibits of all values, costs and estimates upon which such amounts are based.

The insured, as often as may be reasonably required, shall exhibit to any person designated by the Company all that remains of any property herein described, and submit to examinations under oath by any person named by the Company, and subscribe the same; and, as often as may be reasonably required, shall produce for examination all books of account, bills, invoices and other vouchers, or certified copies thereof if originals be lost, at such reasonable time and place as may be designated by the Company or its representative, and shall permit extracts and copies thereof to be made.

GROSS EARNINGS ENDORSEMENT 500-21-3275-2 MP 15 90

Rancour Machine Products, Inc. (Ed. 07 77)
and Oscar & Emma Rancour

LOCATION OF PREMISES		SECTION I FORMS AND ENDORSEMENTS APPLICABLE	CONTRIBUTION CLAUSE PERCENTAGE	LIMIT OF LIABILITY
Loc. No.	Bldg. No.			
1	1	MP0013	80%	$2,200,000.

1. Subject to all the provisions applicable to Section I of this policy, except the Coinsurance Clause and the Deductible Clause, this policy is extended to insure against loss resulting directly from necessary interruption of business caused by the perils insured against damaging or destroying, during the policy period, real or personal property (except finished stock) at the premises described in this endorsement, subject to the limit of liability specified above for the premises at which the damage or destruction occurs. For the purposes of this insurance, "perils insured against" shall mean the perils, as defined and limited in the forms and endorsements listed above, for each premises specified and also subject to the provisions of this endorsement.

2. The Company shall be liable for:
   a. the actual loss sustained by the insured resulting directly from necessary interruption of business, but not exceeding the reduction in gross earnings less charges and expenses which do not necessarily continue during the interruption of business, for only such length of time as would be required with the exercise of due diligence and dispatch to rebuild, repair or replace such part of the property herein described as has been damaged or destroyed commencing with the date of such damage or destruction and not limited by the date of expiration of this policy. Due consideration shall be given to the continuation of normal charges and expenses, including payroll expense, to the extent necessary to resume operations of the insured with the same quality of service which existed immediately preceding the loss; and
   b. the actual loss sustained by the insured, resulting directly from an interruption of business as covered hereunder, during the length of time, not exceeding two consecutive weeks, when, as a direct result of damage to or destruction of property adjacent to the premises herein described by the peril(s) insured against, access to such described premises is specifically prohibited by order of civil authority; and
   c. loss resulting from damage to or destruction of media for, or programming records pertaining to, electronic data processing or electronically controlled equipment, including data thereon, by the perils insured against. The length of time for which this Company shall be liable hereunder shall not exceed:
      (1) 30 consecutive calendar days; or
      (2) the length of time that would be required to rebuild, repair or replace such other property herein described as has been damaged or destroyed;
      whichever is the greater length of time.
   d. such expenses as are necessarily incurred for the purpose of reducing loss under this endorsement (except expense incurred to extinguish a fire), and such expenses, in excess of normal, as would necessarily be incurred in replacing any finished stock used by the insured to reduce loss but in no event shall the aggregate of such expenses exceed the amount by which the loss under this endorsement is thereby reduced. Such expenses shall not be subject to the application of the Contribution Clause.

3. **Resumption of Operations:** It is a condition of this insurance that if the insured could reduce the loss resulting from the interruption of business:
   a. by complete or partial resumption of operation of the property herein described, whether damaged or not, or
   b. by making use of merchandise or other property at the locations described herein or elsewhere, or
   c. by making use of stock (raw, in process or finished) at the locations described herein or elsewhere, such reduction shall be taken into account in arriving at the amount of loss hereunder.

4. **Contribution Clause:** The Company shall not be liable for a greater proportion of any loss than the limit of liability specified above bears to the amount produced by multiplying the Contribution Clause Percentage specified above by the Gross Earnings that would have been earned (had no loss occurred) during the 12 months immediately following the date of damage to or destruction of the described property.

5. Definitions:
   a. For the purposes of this insurance, "gross earnings" are defined as the sum of:
      (1) total net sales value of production, and
      (2) total net sales of merchandise, and
      (3) other earnings derived from operations of the business,
      less the cost of:
      (4) raw stock from which such production is derived, and
      (5) supplies consisting of materials consumed directly in the conversion of such raw stock into finished stock or in supplying the services sold by the insured, and
      (6) merchandise sold, including packaging materials therefor, and
      (7) services purchased from outsiders (not employees of the insured) for resale which do not continue under contract.

      No other costs shall be deducted in determining gross earnings.
      In determining gross earnings, due consideration shall be given to the experience of the business before the date of damage or destruction and the probable experience thereafter had no loss occurred.
   b. The term "directly," as applied to loss under this endorsement, means loss, as limited and conditioned in this policy, resulting from direct loss to described property from the perils insured against.

c. "Normal": the condition that would have existed had no loss occurred.
d. "Raw stock": material in the state in which the insured receives it for conversion by the insured into finished stock.
e. "Stock in process": raw stock which has undergone any aging, seasoning, mechanical or other process of manufacture at the locations herein described but which has not become finished stock.
f. "Finished stock": stock manufactured by the insured which in the ordinary course of the insured's business is ready for packing, shipment or sale.
g. "Merchandise': goods kept for sale by the insured which are not the product of manufacturing operations conducted by the insured.

6. Alterations and New Buildings: Permission granted to make alterations in or to construct additions to any building described herein and to construct new buildings on the described premises. This endorsement is extended to cover, subject to all its provisions, loss resulting from damage to or destruction of such alterations, additions or new buildings while in course of construction and when completed or occupied, provided that, in the event of damage to or destruction of such property (including building materials, supplies, machinery or equipment incident to such construction or occupancy while on the described premises or within 100 feet thereof) so as to delay commencement of business operations of the insured, the length of time for which the Company shall be liable shall be determined as otherwise provided herein but such determined length of time shall be applied and the loss hereunder calculated from the date that business operations would have begun had no damage or destruction occurred.

7. Additional Exclusions and Limitations:

a. The Company shall not be liable for any increase of loss which may be occasioned by:
   (1) enforcement of any local or state ordinance or law regulating construction, repair or demolition of buildings or structures,
   (2) interference at the described premises by strikers or other persons with rebuilding, repairing or replacing the property or with the resumption or continuation of business,
   (3) the suspension, lapse or cancellation of any lease, license, contract or order unless such suspension, lapse or cancellation results directly from the interruption of business, and then the Company shall be liable for only such loss as affects the insured's earnings during, and limited to, the period of indemnity covered under this policy.

b. The Company shall not be liable for:
   (1) more than the limit of liability set forth above for each premises,
   (2) any other consequential or remote loss.

c. The Company shall not be liable for loss resulting from:
   (1) damage to or destruction of finished stock, nor for the time required to reproduce said finished stock,
   (2) theft of any property which at the time of loss is not an integral part of a building or structure (except direct loss by pillage and looting occurring during and at the immediate place of a riot or civil commotion), unless loss by a peril not excluded in this policy ensues from theft or attempted theft, and then this Company shall be liable for only such ensuing loss.

8. Requirements in Case Loss Occurs: The insured shall give immediate written notice to the Company of any business interruption loss as covered by this policy and protect the property from further damage that might result in extension of the period of interruption; and within 60 days following the date of damage to or destruction of the real or personal property described, unless such time is extended in writing by the Company, the insured shall render to the Company a proof of loss, signed and sworn to by the insured, stating the knowledge and belief of the insured as to the following:

a. the time and origin of the property damage or destruction causing the interruption of business,
b. the interest of the insured and of all others in the business,
c. all other contracts of insurance, whether valid or not, covering in any manner the loss insured against by this policy,
d. any changes in the title, nature, location, encumbrance or possession of said business since the issuing of this policy, and
e. by whom and for what purpose any building herein described and the several parts thereof were occupied at the time of damage or destruction,

and shall furnish a copy of all the descriptions and schedules in all policies, and the actual amount of business interruption value and loss claimed, accompanied by detailed exhibits of all values, costs and estimates upon which such amounts are based.

The insured, as often as may be reasonably required, shall exhibit to any person designated by the Company all that remains of any property herein described, and submit to examinations under oath by any person named by the Company, and subscribe the same; and, as often as may be reasonably required, shall produce for examination all books of account, bills, invoices and other vouchers, or certified copies thereof if originals be lost, at such reasonable time and place as may be designated by the Company or its representative, and shall permit extracts and copies thereof to be made.

This Endorsement must be attached to Change Endorsement when issued after the Policy is written.

COINSURANCE CONTRACT

SPECIAL MULTI-PERIL POLICY
SECTION I—SPECIAL BUILDING FORM

MP 00 13
(Ed. 10 83)

I. PROPERTY COVERED

BUILDING(S): Buildings(s) or structure(s) shall include attached additions and extensions; fixtures, machinery and equipment constituting a permanent part of and pertaining to the service of the building(s); materials and supplies intended for use in construction, alteration or repair of the building(s) or structure(s); yard fixtures; personal property of the insured used for the maintenance or service of the building(s), including fire extinguishing apparatus, outdoor furniture, floor coverings and appliances for refrigerating, ventilating, cooking, dishwashing and laundering (but not including other personal property in apartments or rooms furnished by the named insured as landlord); all while at the designated premises.

II. ADDITIONAL COVERAGE

COLLAPSE—This policy insures against risk of direct physical loss involving collapse of a building or any part of a building caused only by one or more of the following:

a. fire; lightning; windstorm; hail; explosion; smoke; aircraft; vehicles; riot; civil commotion; vandalism or malicious mischief; breakage of glass; falling objects; weight of snow, ice or sleet; water damage; all only as insured against in this policy;

b. hidden decay;

c. hidden insect or vermin damage;

d. weight of people or personal property;

e. weight of rain which collects on a roof;

f. use of defective material or methods in construction, remodeling or renovation if the collapse occurs during the course of the construction, remodeling or renovation.

This Company shall not be liable for loss to the following types of property under items b., c., d., e. and f. unless the loss is a direct result of the collapse of a building:

1. Outdoor radio or television antennas, including their lead-in wiring, masts or towers; awnings; gutters and downspouts; yard fixtures;

2. If specifically covered in this policy, outdoor swimming pools; fences; piers, wharves and docks; beach or diving platforms or appurtenances; retaining walls; walks, roadways and other paved surfaces.

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

This Additional Coverage does not increase the amount(s) of insurance provided in this policy.

III. PROPERTY NOT COVERED

This policy does not cover:

A. Outdoor swimming pools; fences; piers, wharves and docks; beach or diving platforms or appurtenances; retaining walls not constituting a part of a building; walks, roadways and other paved surfaces.

B. The cost of excavations, grading or filling; foundations of buildings, machinery, boilers or engines whose foundations are below the undersurface of the lowest basement floor, or where there is no basement, below the surface of the ground; pilings, piers, pipes, flues and drains which are underground; pilings which are below the low water mark.

C. Outdoor signs, whether or not attached to a building or structure.

D. Lawns; outdoor trees, shrubs and plants, except as provided in the Extensions of Coverage.

E. Property which is more specifically covered in whole or in part by this or any other contract of insurance, except for the amount of loss which is in excess of the amount due from such more specific insurance.

IV. PROPERTY SUBJECT TO LIMITATIONS

The following property is subject to these additional limitations:

A. Plumbing, heating, air conditioning or other equipment or appliances (except fire protective systems) are not covered against loss caused by or resulting from freezing while the designated buildings are vacant or unoccupied, unless the insured shall have exercised due diligence with respect to maintaining heat in the buildings or unless such equipment and appliances had been drained and the water supply shut off during such vacancy or unoccupancy.

B. Steam boilers, steam pipes, steam turbines or steam engines are not covered against loss caused by any condition or occurrence within such boilers, pipes, turbines or engines (except direct loss resulting from the explosion of accumulated gases or unconsumed fuel within the firebox, or combustion chamber, of any fired vessel or within the flues or passages which conduct the gases of combustion therefrom).

C. Hot water boilers or other equipment for heating water are not covered against loss caused by any condition or occurrence within such boilers or equipment, other than an explosion.

D. Glass is not covered against loss for more than $50 per plate, pane, multiple plate, insulating unit, radiant heating panel, jalousie, louver or shutter, nor for more than $250 in any one occurrence, unless caused by fire, lightning, windstorm, hail, aircraft, vehicles, discharge from fire protection or building service equipment, explosion, riot or civil commotion, and then the Company shall be liable only to the extent that such perils are insured against in this policy.

E. Fences, pavements, outdoor swimming pools and related equipment, retaining walls, bulkheads, piers, wharves or docks, when covered under this policy, are not covered against loss caused by freezing or thawing, impact of watercraft, or by the pressure or weight of ice or water whether driven by wind or not.

F. Metal smokestacks and, when outside of buildings, (1) awnings of fabric or slat construction, canopies of fabric or slat construction, including their supports, and (2) radio or television antennas, including their lead-in wiring, masts or towers are not covered against loss caused by ice, snow or sleet, nor by windstorm or hail.

G. The interior of buildings is not covered against loss caused by rain, snow, sand or dust, whether driven by wind or not, unless (1) the buildings shall first sustain an actual damage to roof or walls by the direct action of wind or hail, and then the Company shall be liable for loss to the interior of the buildings as may be caused by rain, snow, sand or dust entering the buildings through openings in the roof or walls made by direct action of wind or hail; or (2) such loss results from fire, lightning, aircraft, vehicles, explosion, riot or civil commotion, vandalism or malicious mischief, weight of ice, snow or sleet, to the extent that such perils are insured against in this policy.

H. Buildings or structures in process of construction, including materials and supplies therefor, when covered under this policy, are not covered against loss unless caused by fire, lightning, windstorm, hail, aircraft, vehicles, smoke, explosion, riot or civil commotion, vandalism or malicious mischief, and then the Company shall be liable only to the extent that such perils are insured against in this policy.

I. Property undergoing alterations, repairs, installations or servicing is not covered against loss if such loss is directly attributable to the operations or work being performed thereon, unless a peril not excluded by this policy ensues, and then the Company shall be liable for only loss caused by such ensuing peril.

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V. EXTENSIONS OF COVERAGE

Except with respect to Extension D. Replacement Cost:

(A) Each of the limits of liability specified for the following Extensions of Coverage applies as an additional amount of insurance.

(B) The Coinsurance Clause shall not apply to loss under the Extensions of Coverage.

The total amount recoverable under the Extensions of Coverage in this form and Extensions of Coverage in any other form made a part of this policy are not cumulative and shall not exceed the largest amount recoverable under any single form made a part of this policy.

When, in accordance with the Other Insurance condition, there is Contributing Insurance, the Company shall not be liable for more than its pro rata share of the limits set forth in the following Extensions of Coverage.

A. **Newly Acquired Property:** The insured may apply up to 25% of the limit of liability specified for Building(s), but not exceeding $100,000, to cover direct loss in any one occurrence by a peril not otherwise excluded to the following described property:

1. New buildings and new structures being constructed on the designated premises and intended for similar occupancy when not otherwise covered by insurance. This coverage shall cease 30 days from the date construction begins or on the date the values of new construction are reported to the Company, or on the expiration date of the policy, whichever occurs first.

2. Buildings acquired by the insured at any location, elsewhere than at the designated premises, within the territorial limits of this policy and used for similar occupancies or warehouse purposes. This coverage shall cease 30 days from the date of such acquisition or on the date values of the buildings are reported to the Company, or on the expiration date of the policy, whichever occurs first.

Additional premium shall be due and payable for values so reported from the date construction begins or the property is acquired.

B. **Off-Premises:** The insured may apply up to 2% of the limits of liability specified for Building(s), but not exceeding $5,000, at a described location to cover direct loss in any one occurrence by a peril not otherwise excluded to property covered under Building(s) while removed from designated premises for purposes of cleaning, repairing, reconstruction or restoration. This Extension of Coverage shall not apply to property in transit, nor to property on any premises owned, leased, operated or controlled by the insured.

C. **Outdoor Trees, Shrubs and Plants:** The insured may apply up to $1,000 to cover outdoor trees, shrubs and plants at the designated premises against direct loss in any one occurrence by the perils of fire, lightning, explosion, riot, civil commotion or aircraft, but only to the extent such perils are insured against herein. The Company shall not be liable for more than $250 on any one tree, shrub or plant, including expense incurred for removing debris thereof.

D. **Replacement Cost:** In the event of loss to a building structure covered under this policy, when the full cost of repair or replacement is less than $1,000, the coverage of this policy is extended to cover the full cost of repair or replacement (without deduction for depreciation). Coverage shall be applicable only to a building structure covered hereunder, but excluding outdoor furniture, outdoor equipment, floor coverings, awnings, and appliances for refrigerating, ventilating, cooking, dishwashing and laundering, all whether permanently attached to the building structure or not.

The Company shall not be liable under this Extension of Coverage unless the whole amount of insurance applicable to the building structure for which claim is made is equal to or in excess of the amount produced by multiplying the co-insurance percentage applicable (specified in the Declarations) by the actual cash value of such property at the time of the loss.

VI. PERILS INSURED AGAINST

This policy insures against risks of direct physical loss unless the loss is excluded in VII. Exclusions below, subject to the provisions and stipulations herein and in the policy of which this form is made a part.

VII. EXCLUSIONS

1. This policy does not insure against loss caused directly or indirectly by any of the following. Such loss is excluded regardless of any other cause or event contributing concurrently or in any sequence to the loss.

A. Loss occasioned directly or indirectly by enforcement of any ordinance or law regulating the use, construction, repair, or demolition of buildings or structures including debris removal expense.

B. Loss caused directly or indirectly by the interruption of power or other utility service furnished to the designated premises if the interruption takes place away from the designated premises. If a peril insured against ensues on the designated premises, this Company will pay only for loss caused by the ensuing peril.

C. Loss caused by, resulting from, contributed to or aggravated by any of the following:

1. earth movement, including but not limited to earthquake, landslide, mudflow, earth sinking, earth rising or shifting;

2. flood, surface water, waves, tidal water or tidal wave, overflow of streams or other bodies of water, or spray from any of the foregoing, all whether driven by wind or not;

3. water which backs up through sewers or drains; or

4. water below the surface of the ground including that which exerts pressure on or flows, seeps or leaks through sidewalks, driveways, foundations, walls, basement or other floors, or through doors, windows or any other openings in such sidewalks, driveways, foundations, walls or floors;

unless fire or explosion as insured against ensues, and then this Company shall be liable for only loss caused by the ensuing fire or explosion; but these exclusions shall not apply to loss arising from theft.

5. volcanic eruption unless direct loss by fire or breakage of glass or safety glazing material ensues. In this event, this Company shall be liable for only the direct loss to the property insured caused by the ensuing fire and if an insured peril, the ensuing breakage of glass or safety glazing material.

Volcanic eruption means the eruption, explosion or effusion of a volcano.

D. War Risk and Governmental Action Exclusion as contained in the SMP Policy Conditions and Definitions Form.

E. Nuclear Clause and Nuclear Exclusion as contained in the SMP Policy Conditions and Definitions Form.

2. This policy does not insure under this form against loss caused by:

A. wear and tear, deterioration, rust or corrosion, mould, wet or dry rot; inherent or latent defect; smog; smoke, vapor or gas from agricultural or industrial operations; mechanical breakdown, including rupture or bursting caused by centrifugal force; settling, cracking, shrinkage, bulging or expansion of pavements, foundations, walls, floors, roofs or ceilings, animals, birds, vermin, termites or other insects; unless loss by a peril not otherwise excluded ensues and then the Company shall be liable for only such ensuing loss;

If loss by water not otherwise excluded ensues, this policy shall also cover the cost of tearing out and replacing of any part of the building covered required to effect repairs to the plumbing, heating or air-conditioning system or domestic appliance from which the water escapes, but excluding loss to the system or appliance from which the water escapes;

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B. explosion of steam boilers, steam pipes, steam turbines or steam engines (except direct loss resulting from the explosion of accumulated gases or unconsumed fuel within the firebox, or combustion chamber, of any fired vessel or within the flues or passages which conduct the gases of combustion therefrom) if owned by, leased by or operated under the control of the insured, or for any ensuing loss except by fire or explosion not otherwise excluded, and then the Company shall be liable for only such ensuing loss;

C. vandalism, malicious mischief, theft or attempted theft, if the building had been vacant or unoccupied beyond a period of 30 consecutive days immediately preceding the loss, unless loss by a peril not excluded in this policy ensues, and then the Company shall be liable for only such ensuing loss; nor shall this exclusion be applicable to such unoccupancy as is usual or incidental to the described occupancy;

D. leakage or overflow from plumbing, heating, air conditioning or other equipment or appliances (except fire protective systems) caused by or resulting from freezing while the building is vacant or unoccupied, unless the insured shall have exercised due diligence with respect to maintaining heat in the buildings or unless such equipment and appliances had been drained and the water supply shut off during such vacancy or unoccupancy;

E. theft (including but not limited to burglary and robbery) of any property which at the time of loss is not installed or attached to and made a part of a building or structure (except direct loss by pillage and looting occurring during and at the immediate place of a riot or civil commotion), unless loss by a peril not excluded in this policy ensues from theft or attempted theft, and then the Company shall be liable for only such ensuing loss;

F. unexplained or mysterious disappearance of any property, or shortage disclosed on taking inventory, or caused by any willful or dishonest act or omission of the insured or any associate, employee or agent of any insured;

G. continuous or repeated seepage or leakage of water or steam from within a plumbing, heating or air conditioning system or from within a domestic appliance which occurs over a period of weeks, months or years;

H. collapse, except as provided above in the Collapse Additional Coverage. If a peril not otherwise excluded ensues on the described premises, this Company will pay only for loss caused by the ensuing peril.

3. This policy does not insure under this form against loss occasioned directly or indirectly by any electrical injury or disturbance to electrical appliances, devices, fixtures or wiring caused by electrical currents artificially generated unless fire as insured against ensues, and then this Company shall be liable only for loss caused by the ensuing fire.

4. This policy does not insure against loss caused by any of the following. However, any ensuing loss not excluded or excepted in this policy is covered.

A. Weather conditions. However, this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in paragraph 1. above to produce the loss;

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

C. Faulty, inadequate or defective:

1. planning, zoning, development, surveying, siting;

2. design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;

3. materials used in repair, construction, renovation or remodeling; or

4. maintenance;

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

VIII. VALUATION

The following bases are established for valuation of property:

All property at actual cash value at the time of loss, but not exceeding the amount which it would cost to repair or replace the property with material of like kind and quality within a reasonable time after such loss, nor in any event for more than the interest of the named insured.

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COINSURANCE CONTRACT

SPECIAL MULTI-PERIL POLICY
SECTION I—SPECIAL PERSONAL PROPERTY FORM

MP 00 14
(Ed. 10 83)

I. PROPERTY COVERED

PERSONAL PROPERTY OF THE INSURED: Business personal property owned by the insured and usual to the occupancy of the insured, including the insured's interest in personal property owned by others to the extent of the value of labor, materials and charges furnished, performed or incurred by the insured; all while (1) in or on the building(s), or (2) in the open (including within vehicles) on or within 100 feet of the designated premises.

This coverage shall also include Tenant's Improvements and Betterments, meaning the insured's use interest in fixtures, alterations, installations or additions constituting a part of the building(s) occupied but not owned by the insured and made or acquired at the expense of the insured exclusive of rent paid by the insured, but which are not legally subject to a removal by the insured.

PERSONAL PROPERTY OF OTHERS: This insurance shall cover for the account of the owner(s) (other than the named insured) personal property belonging to others in the care, custody or control of the insured, while (1) in or on the building(s), or (2) in the open (including within vehicles) on or within 100 feet of the designated premises.

Loss shall be adjusted with the named insured for the account of the owners of the property, except that the right to adjust any loss with the owners is reserved to the Company and the receipts of the owners in satisfaction thereof shall be in full satisfaction of any claim by the named insured for which payments have been made.

II. ADDITIONAL COVERAGE

COLLAPSE—This policy insures against risk of direct physical loss involving collapse of a building or any part of a building caused only by one or more of the following:

a. fire; lightning; windstorm; hail; explosion, smoke; aircraft; vehicles; riot; civil commotion; vandalism or malicious mischief; breakage of glass; falling objects; weight of snow, ice or sleet; water damage; all only as insured against in this policy.

b. hidden decay;

c. hidden insect or vermin damage;

d. weight of people or personal property;

e. weight of rain which collects on a roof;

f. use of defective material or methods in construction, remodeling or renovation if the collapse occurs during the course of the construction, remodeling or renovation.

This Company shall not be liable for loss to the following types of property, if otherwise covered in this policy, under items b., c., d., e. and f. unless the loss is a direct result of the collapse of a building:

outdoor radio or television antennas, including their lead-in wiring, masts or towers; awnings; gutters and downspouts; yard fixtures; outdoor swimming pools; fences; piers, wharves and docks; beach or diving platforms or appurtenances; retaining walls; walks, roadways and other paved surfaces.

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

This Additional Coverage does not increase the amount(s) of insurance provided in this policy.

III. PROPERTY NOT COVERED

This policy does not cover:

A. Property sold by the insured under conditional sale, trust agreement, installment payment or other deferred payment plan, after delivery to customers.

B. Aircraft, watercraft, including motors, equipment and accessories (except rowboats and canoes, while out of water and on the designated premises); and automobiles, trailers, semi-trailers or any self-propelled vehicles or machines, except such property not licensed for use on public thoroughfares and operated principally on the premises of the insured.

This provision does not apply to the following types of property when held for sale or sold but not delivered:

1. Watercraft (including motors, equipment and accessories) while not afloat;
2. Motorcycles, motorscooters and snowmobiles; or
3. Trailers designed for use with private passenger vehicles for general utility purposes or carrying boats.

This provision does not apply to the following types of property when manufactured, processed or warehoused by the insured:

1. Aircraft;
2. Watercraft, including motors, equipment and accessories, while not afloat; or
3. Automobiles, trailers, semi-trailers or any self-propelled vehicles or machines.

C. Personal property while waterborne.

D. Household and personal effects contained in living quarters occupied by the insured, any officer, director, stockholder or partner of the insured or relatives of any of the foregoing, except as provided in the Extensions of Coverage.

E. Accounts, bills, currency, deeds, evidences of debt, money and securities.

F. Outdoor signs, whether or not attached to a building or structure.

G. Growing crops and lawns.

H. Property which is more specifically covered in whole or in part by this or any other contract of insurance, except for the amount of loss which is in excess of the amount due from such more specific insurance.

IV. PROPERTY SUBJECT TO LIMITATIONS

The following property is subject to these additional limitations:

1. Except for loss caused by the "specified perils":

(a) Fur and fur garments are covered for not exceeding loss in the aggregate of $2,500 in any one occurrence for all contributing insurance.

(b) Jewelry and watches, watch movements, jewels, pearls, precious and semi-precious stones, bullion, gold, silver, platinum and other precious alloys or metals are covered for not exceeding loss in the aggregate of $2,500 in any one occurrence for all contributing insurance. This limitation shall not apply to jewelry and watches valued at $50 or less per item.

(c) Patterns, dies, molds, models and forms are covered for not exceeding loss in the aggregate of $2,500 in any one occurrence for all contributing insurance.

(d) Stamps, tickets and letters of credit are covered for not exceeding loss in aggregate of $250 in any one occurrence for all contributing insurance.

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2. Valuable papers and records meaning computer programs and books of account, manuscripts, abstracts, drawings, card index systems and other records including film, tape, disc, drum, cell and other magnetic recording or storage media for electronic data processing, are covered only against loss caused by the "specified perils".

3. Animals and pets are not covered, except when held for sale or sold but not delivered, and then only against death or destruction directly resulting from or made necessary by the "specified perils".

4. Outdoor trees, shrubs and plants are not covered, except: (a) when held for sale or sold but not delivered, and then only against direct loss by the "specified perils", or (b) as provided in the Extensions of Coverage.

5. Glass, glassware, statuary, marbles, bric-a-brac, porcelains and other articles of a fragile or brittle nature are covered against loss by breakage only if directly caused by the "specified perils". This limitation shall not apply to bottles or similar containers of property for sale, or sold but not delivered, nor to lenses of photographic or scientific instruments.

6. Steam boilers, steam pipes, steam turbines and steam engines are not covered against loss caused by bursting, rupture, cracking or explosion originating therein (other than explosion of accumulated gases or unconsumed fuel within a fire box or combustion chamber).

7. Machines and machinery are not covered against loss caused by rupture, bursting or disintegration of their rotating or moving parts resulting from centrifugal or reciprocating force.

The term "specified perils" shall mean direct loss by fire, lightning, aircraft, explosion, riot, civil commotion, smoke, vehicles, windstorm or hail to property contained in any building, vandalism and malicious mischief, leakage or accidental discharge from automatic fire protective systems.

V. EXTENSIONS OF COVERAGE

Each of the limits of liability specified or the following Extensions of Coverage applies as an additional amount of insurance. The Coinsurance Clause shall not apply to loss under the Extensions of Coverage.

The total amount recoverable under the Extensions of Coverage in this form and Extensions of Coverage in any other form made a part of this policy are not cumulative and shall not exceed the largest amount recoverable under any single form made a part of this policy.

When, in accordance with the Other Insurance condition, there is Contributing Insurance, the Company shall not be liable for more than its pro rata share of the limits set forth in the following Extensions of Coverage.

A. Property at Newly Acquired Locations: The insured may apply up to 10% of the limit of liability specified for Personal Property of the Insured, but not exceeding $10,000, to cover direct loss in any one occurrence by a peril not otherwise excluded to such property at any location (except fairs and exhibitions) acquired by the insured for similar occupancies or warehousing purposes, elsewhere than at the designated premises within the territorial limits of this policy. This coverage shall cease 30 days from the date of such acquisition or on the date values at such locations are reported to the Company, or on the expiration date of the policy, whichever occurs first. Additional premium shall be due and payable for values so reported from the date the property is acquired.

B. Personal Effects: The insured may apply up to $500 to cover direct loss in any one occurrence by the perils not otherwise excluded to personal effects while located on the designated premises, belonging to the insured, officers, partners or employees thereof, and limited to $100 on personal effects owned by any one individual. This Extension of Coverage does not apply if the loss is covered by any other insurance, whether collectible or not, or which would have been covered by such other insurance in the absence of this policy. At the option of the Company, loss under this Extension of Coverage may be adjusted with and payable to the insured.

C. Valuable Papers and Records: The insured may apply up to $500 to cover direct loss in any one occurrence by a peril not otherwise excluded to valuable papers and records consisting of computer programs and books of account, manuscripts, abstracts, drawings, card index systems, film, tape, disc, drum, cell and other magnetic recording or storage media for electronic data processing, and other records, all the property of the insured at designated premises. This Extension of Coverage covers only the cost of research and other expense necessarily incurred by the insured to reproduce, replace or restore such valuable papers and records. The total amount payable in any one occurrence under this Extension of Coverage shall not exceed the limit specified above, regardless of the number of premises designated in the Declarations.

D. Outdoor Trees, Shrubs and Plants: The insured may apply up to $1,000 to cover outdoor trees, shrubs and plants at the designated premises against direct loss in any one occurrence by the perils of fire, lightning, explosion, riot, civil commotion or aircraft, but only to the extent such perils are insured against herein. The Company shall not be liable for more than $250 on any one tree, shrub or plant, including expense incurred for removing debris thereof.

E. Extra Expense: The insured may apply up to $1,000 to cover the necessary extra expense incurred by the insured in order to continue as nearly as practicable the normal operations of the insured's business immediately following damage by a peril not otherwise excluded under this form to the buildings or personal property situated at the designated premises.

"Extra expense" means the excess of the total cost incurred during the period of restoration chargeable to the operations of the insured's business over and above the total cost that would normally have been incurred to conduct the business during the same period had no loss occurred. Any salvage value of property obtained for temporary use during the period of restoration, which remains after the resumption of normal operations, shall be taken into consideration in the adjustment of any loss hereunder.

"Period of restoration" means that period of time, commencing with the date of damage and not limited by the date of expiration of this policy, as would be required with the exercise of due diligence and dispatch to repair, rebuild or replace such part of said buildings or personal property as have been damaged.

The Company shall not be liable under this Extension of Coverage for:

1. loss of income;

2. the cost of repairing or replacing any of the described property, or the cost of research or other expense necessary to replace or restore computer programs and books of account, manuscripts, abstracts, drawings, card index systems, film, tape, disc, drum, cell and other magnetic recording or storage media for electronic data processing, and other records that have been damaged by a peril not otherwise excluded, except cost in excess of the normal cost of such repair, replacement or restoration necessarily incurred for the purpose of reducing the total amount of extra expense. In no event shall such excess exceed the amount by which the total extra expense otherwise payable under this Extension of Coverage is reduced; or

3. any other consequential or remote loss.

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F. **Damage to Buildings from Theft, Burglary or Robbery:** This policy includes loss (except by fires or explosion) to that part of the building occupied by the insured and containing property covered, and to equipment therein pertaining to the service of the building but not building property or equipment removed from premises, directly resulting from theft, burglary or robbery (including attempt thereat), provided the insured is the owner of such building or equipment or is liable for such damage, but in no event shall this coverage apply to glass (other than glass building blocks) or to any lettering or ornamentation thereon.

G. **Transportation:** The insured may apply up to $1,000 to cover insured personal property (other than property in the care, custody or control of salesmen) during transportation by motor vehicles owned, leased or operated by the insured for loss in any one occurrence caused by:

1. fire, lightning, windstorm and hail, explosion, smoke, riot, riot attending a strike and civil commotion, vandalism and malicious mischief; or

2. collision, overturning or upset of the vehicle; meaning thereby the violent and accidental contact of the vehicle conveying the property described herein with any other vehicle or object excluding any loss or damage done by coming in contact with any portion of the road bed or by means other than as expressly indicated; or

3. theft of an entire shipping bale, case or package from a vehicle while such property is contained in a fully enclosed and securely locked body or compartment and theft results from forcible entry, evidenced by visible marks upon such body or compartment.

H. **Non-Owned Personal Property:** The insured may apply at each location up to 2% of the limit of liability specified for Personal Property of the Insured at such location, but not exceeding $2,000, as an additional amount of insurance, to cover for the account of the owners thereof (other than the named insured) direct loss by a peril insured against to personal property, similar to that covered by this policy, belonging to others while in the care, custody or control of the named insured and all while (1) in or on the building(s), or (2) in the open (including within vehicles) on or within 100 feet of the designated premises.

Loss shall be adjusted with the named insured for the account of the owners of the property, except that the right to adjust any loss with the owners is reserved to the Company and the receipts of the owners in satisfaction thereof shall be in full satisfaction of any claim by the named insured for which payments have been made. As respects personal property belonging to others, this provision shall replace any loss payable provision of this policy.

I. **Off-Premises:** The insured may apply up to 2% of the limit of liability specified for Personal Property of the Insured, but not exceeding $5,000 nor less than $1,000, at a described location to cover direct loss in any one occurrence by a peril not otherwise excluded to the property covered under Personal Property of the Insured (other than merchandise or stock) while removed from designated premises. This Extension of Coverage shall not apply: (a) to loss by theft, (b) to property in transit nor (c) to property on any premises owned, leased, operated or controlled by the insured.

VI. PERILS INSURED AGAINST

This policy insures against risks of direct physical loss unless the loss is excluded in VII. Exclusions below, subject to the provisions and stipulations herein and in the policy of which this form is made a part.

VII. EXCLUSIONS

1. This policy does not insure against loss caused directly or indirectly by any of the following. Such loss is excluded regardless of any other cause or event contributing concurrently or in any sequence to the loss.

A. Loss occasioned directly or indirectly by enforcement of any ordinance or law regulating the use, construction, repair or demolition of property, including debris removal expense.

B. Loss caused directly or indirectly by the interruption of power or other utility service furnished to the designated premises if the interruption takes place away from the designated premises. If a peril insured against ensues on the designated premises, this Company will pay only for loss caused by the ensuing peril.

C. Loss caused by, resulting from, contributed to or aggravated by any of the following:

1. earth movement, including but not limited to earthquake, landslide, mudflow, earth sinking, earth rising or shifting;

2. flood, surface water, waves, tidal water or tidal waves, overflow of streams or other bodies of water, or spray from any of the foregoing, all whether driven by wind or not;

3. water which backs up through sewers or drains; or

4. water below the surface of the ground including that which exerts pressure on or flows, seeps or leaks through sidewalks, driveways, foundations, walls, basement or other floors, or through doors, windows or any other openings in such sidewalks, driveways, foundations, walls or floors;

unless fire or explosion as insured against ensues, and then this Company shall be liable for only loss caused by the ensuing fire or explosion; but these exclusions shall not apply to loss arising from theft.

5. volcanic eruption unless direct loss by fire or breakage of glass or safety glazing material ensues. In this event, this Company shall be liable for only the direct loss to the property insured caused by the ensuing fire and if an insured peril, the ensuing breakage of glass or safety glazing material.

Volcanic eruption means the eruption, explosion or effusion of a volcano.

D. War Risk and Governmental Action Exclusion as contained in the SMP Policy Conditions and Definitions Form.

E. Nuclear Clause and Nuclear Exclusion as contained in the SMP Policy Conditions and Definitions Form.

2. This policy does not insure under this form against loss caused by:

A. unexplained or mysterious disappearance of property, or shortage of property disclosed on taking inventory;

B. actual work upon, installation or testing of property covered, failure, breakdown or derangement of machines or machinery; unless loss by fire or explosion not otherwise excluded ensues and then the Company shall be liable for only such ensuing loss;

C. any electrical injury or disturbance to electrical appliances, devices, fixtures or wiring caused by electrical currents artificially generated unless fire as insured against ensues, and then this Company shall be liable for only loss caused by the ensuing fire;

D. leakage or overflow from plumbing, heating, air conditioning or other equipment or appliances (except fire protective systems) caused by or resulting from freezing while the described building is vacant or unoccupied, unless the insured shall have exercised due diligence with respect to maintaining heat in the buildings or unless such equipment and appliances had been drained and the water supply shut off during such vacancy or unoccupancy;

E. delay, loss of market, interruption of business, nor consequential loss of any nature;

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F. (a) wear and tear, marring or scratching;

(b) deterioration, inherent vice, latent defect;

(c) rust, mold, wet or dry rot, contamination;

(d) dampness or dryness of atmosphere, changes in or extremes of temperature;

(e) smog, smoke from agricultural smudging or industrial operations; or

(f) birds, vermin, rodents, insects or animals;

unless loss by fire, smoke (other than smoke from agricultural smudging or industrial operations), explosion, collapse of a building, glass breakage or water not otherwise excluded ensues, then this policy shall cover only such ensuing loss.

If loss by water not otherwise excluded ensues, this policy shall also cover the cost of tearing out and replacing of any part of the building covered required to effect repairs to the plumbing, heating or air conditioning system or domestic appliance but excluding loss to the system or appliance from which the water escapes;

G. explosion of steam boilers, steam pipes, steam turbines or steam engines (except direct loss resulting from the explosion of accumulated gases or unconsumed fuel within the firebox, or combustion chamber, of any fired vessel or within the flues or passages which conduct the gases of combustion therefrom) if owned by, leased by or operated under the control of the insured, or for any ensuing loss except by fire or explosion not otherwise excluded, and then the Company shall be liable for only such ensuing loss;

H. voluntary parting with title or possession of any property by the insured or others to whom the property may be entrusted if induced to do so by any fraudulent scheme, trick, device or false pretense;

I. any fraudulent, dishonest or criminal act done by or at the instigation of any insured, partner or joint adventurer in or of any insured, an officer, director or trustee of any insured; pilferage, appropriation or concealment of any property covered due to any fraudulent, dishonest or criminal act of any employee while working or otherwise, or agent of any insured, or any person to whom the property covered may be entrusted;

J. continuous or repeated seepage or leakage of water or steam from within a plumbing, heating or air conditioning system or from within a domestic appliance which occurs over a period of weeks, months or years;

K. rain, snow or sleet to property in the open; or

L. collapse, except as provided above in the Collapse Additional Coverage. If a peril not otherwise excluded ensues on the described premises, this Company will pay only for loss caused by the ensuing peril.

3. This policy does not insure against loss caused by any of the following. However, any ensuing loss not excluded or excepted in this policy is covered.

A. Weather conditions. However, this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in paragraph 1. above to produce the loss;

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

C. Faulty, inadequate or defective:

1. planning, zoning, development, surveying, siting;

2. design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;

3. materials used in repair, construction, renovation or remodeling; or

4. maintenance;

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

VIII. VALUATION

The following bases are established for valuation of property:

A. The value of all stock actually sold but not delivered shall be the price at which it was sold, less all discounts and unincurred expenses.

B. Tenants' Improvements and Betterments:

1. If repaired or replaced at the expense of the named insured within a reasonable time after loss, the actual cash value of the damaged or destroyed improvements and betterments.

2. If not repaired or replaced within a reasonable time after loss, that proportion of the original cost at time of installation of the damaged or destroyed property which the unexpired term of the lease or rental agreement, whether written or oral, in effect at the time of loss bears to the periods from the dates such improvements or betterments were made to the expiration date of the lease.

3. If repaired or replaced at the expense of others for the use of the named insured, there shall be no liability hereunder.

C. Valuable Papers and Records:

1. Books of account, manuscripts, abstracts, drawings, card index systems and other records (except film, tape, disc, drum, cell and other magnetic recording or storage media for electronic data processing) for not exceeding the cost of blank books, cards or other blank material plus the cost of labor incurred by the named insured for transcribing or copying such records.

2. Film, tape, disc, drum, cell and other magnetic recording or storage media for electronic data processing for not exceeding the cost of such media in unexposed or blank form.

3. Computer programs for not exceeding the cost of labor incurred by the named Insured for transcribing or copying such programs.

D. All other property at actual cash value at the time of loss, but not exceeding the amount which it would cost to repair or replace the property with material of like kind and quality within a reasonable time after such loss, nor in any event for more than the interest of the named insured.

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Transamerica
Insurance Services

IMPORTANT

Special Notice to Policyholders

Dear Policyholder,

Your new policy contains a number of revisions that are intended to restate, more emphatically, that it provides no coverage for loss caused by such events as war, nuclear reaction, landslide or, unless separately purchased from us, earthquake or flood.

The following coverage changes are particularly noteworthy:

A. If you have a **Special Form** or **Special Coverage Endorsement**, please note that there are three new exclusions for **Weather conditions; Acts or decisions;** and **Faulty, inadequate or defective planning, construction or maintenance.** Please refer to examples 1. through 3. below for the kinds of situations that could involve these new exclusions.

B. **Collapse** is no longer treated as a Peril Insured Against on the **Optional Perils Endorsement.** It is also excluded on the **Special Form** and **Special Coverage Endorsement.** Collapse is now addressed under a new section called "Additional Coverage". We intend to provide collapse coverage under these forms, but only when the collapse is caused by specified perils. Please refer to examples 4. and 5. below.

THE FOLLOWING ARE A FEW EXAMPLES OF HOW YOUR INSURANCE WOULD APPLY IN CERTAIN FACTUAL SITUATIONS. YOU SHOULD READ YOUR ENTIRE POLICY CAREFULLY TO DETERMINE WHAT IS AND WHAT IS NOT COVERED. IN THE FOLLOWING EXAMPLES WHERE WE STATE WE WILL PAY FOR A LOSS, WE ASSUME THAT THERE ARE NO OTHER EXCLUSIONS INVOLVED AND THAT THERE HAS BEEN COMPLIANCE WITH POLICY CONDITIONS.

EXAMPLE #1

A rainstorm causes a river to overflow its banks. Flooding waters damage your property. We will not pay for this loss unless you have separately purchased flood coverage from us.

EXAMPLE #2

A w[illegible]storm damages your roof. We will pay for this loss.

EXAMPLE #3

[illegible]ractor inadequately installs electrical wiring in your building. We will not pay to correct this work. However, if due to this inadequate installation of wiring, a fire erupts that damages your property, we will pay for the loss caused by fire.

EXAMPLE #4

Some of our policies insure for loss involving collapse caused by certain perils. However, if an earthquake causes your building to collapse, we will not pay for the loss unless you have separately purchased earthquake coverage from us.

EXAMPLE #5

While your building is being built, it collapses because poor materials were used in building it. We will pay for this loss if your policy includes the **Collapse** Additional Coverage. However, we would not pay for this loss if your building collapsed after it was completed.

Should you have any questions, please contact your agent.

Transamerica Insurance Group

GENERAL CONDITIONS
(Applicable to Section I)

1. Premium. All premiums for this policy shall be computed in accordance with the Company's rules, rating plans, premiums and minimum premiums applicable to the insurance afforded herein.

If this policy is issued for a period in excess of one year with a specified expiration date and a premium is payable at each anniversary, such premium shall be determined annually on the basis of the rates in effect at the anniversary date.

If this policy is issued for a period without a specified expiration date, it may be continued by payment of the required premium for the succeeding annual period. Such premium must be paid to the Company prior to each anniversary date, if not so paid, this policy shall expire on the first anniversary date that the said premium has not been received by the Company.

2. Time of Inception. To the extent that coverage in this policy replaces coverage in other policies terminating noon standard time on the inception date of this policy, coverage under this policy shall not become effective until such other coverage has terminated.

3. Cancellation. This policy may be cancelled by the named insured by surrender thereof to the Company or any of its authorized agents or by mailing to the Company written notice stating when thereafter the cancellation shall be effective. This policy may be cancelled by the Company by mailing to the named insured at the mailing address shown in the Declarations, written notice stating when not less than ten days thereafter such cancellation shall be effective. The mailing of notice as aforesaid shall be sufficient proof of notice. The time of surrender or the effective date and hour of cancellation stated in the notice shall become the end of the policy period. Delivery of such written notice either by the named insured or by the Company shall be equivalent to mailing.

If the named insured cancels, the Company shall, upon demand and surrender of this policy, refund the excess of paid premium above the customary short rates for the expired time. If the Company cancels, earned premium shall be computed pro rata. Premium adjustment may be made either at the time cancellation is effected or as soon as practicable after cancellation becomes effective, but payment or tender of unearned premium is not a condition of cancellation.

Notice of cancellation addressed to the named insured and mailed to the mailing address shown in the Declaration shall be sufficient notice to effect cancellation of this policy.

4. Concealment or Fraud. This policy is void if any insured has intentionally concealed or misrepresented any material fact or circumstance relating to this insurance.

5. Assignment. Assignment of interest under this policy shall not bind the Company until its consent is endorsed hereon. However, if the named insured shall die, this insurance shall apply:

(a) to the named insured's legal representative, as the named insured, but only while acting within the scope of his duties as such; or,

(b) to the person having temporary custody of the property of the named insured but only until the appointment and qualification of the legal representative.

6. Subrogation.

(a) In the event of any payment under this policy, the Company shall be subrogated to all the insured's rights of recovery against any person or organization and the insured shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The insured shall do nothing after loss to prejudice such rights.

(b) The Company shall not be bound to pay any loss if the insured has impaired any right of recovery for loss; however, it is agreed that the insured may:

(1) as respects property while on the premises of the insured, release others in writing from liability for loss prior to loss, and such release shall not affect the right of the insured to recover hereunder, and

(2) as respects property in transit, accept such bills of lading, receipts or contracts of transportation as are ordinarily issued by carriers containing a limitation as to the value of such goods or merchandise.

7. Inspection and Audit. The Company shall be permitted but not obligated to inspect the named insured's property and operations at any time. Neither the Company's right to make inspections nor the making thereof nor any report thereon shall constitute an undertaking on behalf of or for the benefit of the named insured or others to determine or warrant that such propety or operations are safe or healthful or are in compliance with any law, rule or regulation.

The Company may examine and audit the named insured's books and records at any time during the policy period and extensions and within three years after the final termination of this policy, as far as they relate to the subject matter of this insurance.

8. Liberalization Clause. In the event any filing is submitted to the insurance supervisory authorities on behalf of the Company, and:

(a) the filing is approved or accepted by the insurance authorities to be effective while this policy is in force or within 45 days prior to its inception; and

(b) the filing includes insurance forms or other provisions that would extend or broaden this insurance by endorsement or substitution of form, without additional premium;

the benefit of such extended or broadened insurance shall inure to the benefit of the insured as though the endorsement or substitution of form had been made.

9. Insurance Under More Than One Coverage, Part or Endorsement. In the event that more than one coverage, part or endorsement of this policy insures the same loss, damage or claim, the Company shall not be liable for more than the actual loss or damage sustained by the insured.

10. Waiver or Change of Provisions. The terms of this insurance shall not be waived, changed or modified except by endorsement issued to form a part of this policy.

11. Special Definitions. Wherever in any form attached the word "policy" appears it shall mean the section of this policy of which such form is a part, or the supplemental policy or policies to which such form applies.

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CONDITIONS APPLICABLE TO SECTION I

1. **Policy Period, Territory.** Section I of this policy applies only to loss to property during the policy period while such property is within or between the fifty states of the United States of America, the District of Columbia and Puerto Rico.

2. **Deductible.** Unless otherwise provided in the Declarations:

   (a) The sum of $100 shall be deducted from the amount of loss to property in any one occurrence. This deductible shall apply:

      (1) separately to each building, including personal property therein;

      (2) separately to personal property in each building if no coverage is provided on the containing building; and

      (3) separately to personal property in the open (including within vehicles).

   (b) The aggregate amount of this deductible in any one occurrence shall not exceed $1,000.

3. **Coinsurance Clause.** The Company shall not be liable for a greater proportion of any loss to property covered than the limit of liability under this policy for such property bears to the amount produced by multiplying the actual cash value of such property at the time of the loss by the coinsurance percentage stated in the Declarations.

In the event that the aggregate claim for any loss is both less than $10,000 and less than 5% of the limit of liability for all contributing insurance applicable to the property involved at the time such loss occurs, no special inventory or appraisement of the undamaged property shall be required providing that nothing herein shall be construed to waive the application of the first paragraph of this clause.

If insurance under Section I of this policy is divided into separate limits of liability, the foregoing shall apply separately to the property covered under each such limit of liability.

4. **Removal.** This policy covers loss by removal of the property covered hereunder from premises endangered by the perils insured against, and the amount of insurance applies pro rata for five days at each proper place to which such property shall necessarily be removed for preservation.

5. **Debris Removal.** This policy covers expense incurred in the removal of debris of the property covered which may be occasioned by loss by any of the perils insured against in this policy. The total amount recoverable under this policy for both loss to property and debris removal expense shall not exceed the limit of liability applying to the property. Cost of removal of debris shall not be considered in the determination of actual cash value when applying the Coinsurance Clause.

6. **War Risk And Governmental Action Exclusion.** This policy under Section I shall not apply to loss caused, directly or indirectly, by or due to any act or condition incident to the following:

   (a) hostile or warlike action in time of peace or war, including action in hindering, combating or defending against an actual, impending or expected attack (i) by any government or sovereign power (de jure or de facto), or by any authority maintaining or using military, naval or air forces; or (ii) by military, naval or air forces; or (iii) by an agent of any such government, power, authority or forces, it being understood that any discharge, explosion or use of any weapon of war employing nuclear fission or fusion shall be conclusively presumed to be such a hostile or warlike action by such a government, power, authority or forces;

   (b) insurrection, rebellion, revolution, civil war, usurped power, or action taken by governmental authority in hindering, combating or defending against such an occurrence; seizure or destruction under quarantine or custom's regulations, confiscation by order of any government or public authority, or risks of contraband or illegal transportation or trade.

7. **Nuclear Clause And Nuclear Exclusions.**

   (a) **Nuclear Clause** (Not applicable in New York) The word "fire" in this policy is not intended to and does not embrace nuclear reaction or nuclear radiation or radioactive contamination, all whether controlled or uncontrolled, and loss by nuclear reaction or nuclear radiation or radioactive contamination is not intended to be and is not insured against by this policy, whether such loss be direct or indirect, proximate or remote, or be in whole or in part caused by, contributed to, or aggravated by "fire" or any other perils insured against by this policy. However, subject to the foregoing and all provisions of this policy, direct loss by "fire" resulting from nuclear reactions or nuclear radiation or radioactive contamination is insured against by this policy.

   (b) **Nuclear Clause** (Applicable only in New York): This policy does not cover loss or damage caused by nuclear reaction or nuclear radiation or radioactive contamination, all whether directly or indirectly resulting from an insured peril under this policy.

   (c) **Nuclear Exclusion** (Not Applicable in New York): Loss by nuclear reaction or nuclear radiation or radioactive contamination, all whether controlled or uncontrolled, or due to any act or condition incident to any of the foregoing is not insured against by this policy, whether such loss be direct or indirect, proximate or remote, or be in whole or in part caused by, contributed to, or aggravated by any of the perils insured against by this policy; and nuclear reaction or nuclear radiation or radioactive contamination, all whether controlled or uncontrolled, is not "explosion" or "smoke". This clause applies to all perils insured against hereunder except the peril of fire, which is otherwise provided for in the nuclear clause above.

8. **Other Insurance.**

   (a) If at the time of loss there is other insurance written in the name of the insured upon the same plan, terms, conditions and provisions as contained in this policy, herein referred to as Contributing Insurance, the Company shall be liable for no greater proportion of any loss than the limit of liability under this policy bears to the whole amount of insurance covering such loss.

   (b) If at the time of loss there is other insurance other than that as described in (a) above, the Company shall not be liable for any loss hereunder until:

      (1) the Liability of such other insurance has been exhausted, and

      (2) then for only such amount as may exceed the amount due from such other insurance, whether collectible or not.

9. **Duties Of The Named Insured After A Loss.** In case of loss the named insured shall:

   (a) give immediate written notice of such loss to the Company;

   (b) protect the building and personal property from further damage, make reasonable temporary repairs required to protect the property, and keep an accurate record of repair expenditures;

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(c) prepare an inventory of damaged personal property showing in detail, quantity, description, actual cash value and amount of loss. Attach to the inventory all bills, receipts and related documents that substantiate the figures in the inventory;

(d) exhibit the remains of the damaged property as often as may be reasonably required by the Company and submit to examination under oath;

(e) submit to the Company within 60 days after requested a signed, sworn statement of loss that sets forth to the best of the named insured's knowledge and belief:

(1) the time and cause of loss;

(2) interest of the insured and all others in the property involved and all encumbrances on the property;

(3) other policies of insurance that may cover the loss;

(4) changes in title or occupancy of the property during the term of the policy;

(5) specifications of any damaged building and detailed estimates for repair of the damages;

(6) an inventory of damaged personal property described in (2) above;

(f) give notice of such loss to the property police authority if loss is due to a violation of law.

10. Appraisal. If the named insured and the Company fail to agree on the amount of the loss, either can demand that the amount of loss be set by appraisal. If either party makes a written demand for appraisal, each shall select a competent independent appraiser. Each shall notify the other of the selected appraiser's identity within twenty (20) days of the receipt of the written demand.

The two appraisers shall select a competent, impartial umpire. If the appraisers are unable to agree upon an umpire within fifteen (15) days, the named insured or the Company may petition a judge of a Court of Record in the state where the insured premises is located to select an umpire.

The appraisers shall then set the amount of the loss. If the appraisers submit a written report of an agreement to the Company, the amount agreed upon shall be the amount of the loss. If the appraisers fail to agree within a reasonable time, they shall submit their differences to the umpire. Written agreement signed by any two of these three shall set the amount of loss.

Each appraiser shall be paid by the party selecting that appraiser. Other expenses of the appraisal and compensation of the umpire shall be paid equally by the named insured and the Company.

11. Company Options. If the Company gives notice within thirty (30) days after it has received a signed, sworn statement of loss, it shall have the option to take all or any part of the property damaged at an agreed value, or to repair, rebuild or replace it with equivalent property.

12. Abandonment Of Property. The Company need not accept any property abandoned by an insured.

13. Payment Of Loss. The Company will pay all adjusted claims within thirty (30) days after presentation and acceptance of the proof of loss.

14. Privilege To Adjust With Owner.

(a) Except as provided in (b) below, or unless another payee is specifically named in the policy, loss, if any, shall be adjusted with and payable to the named insured.

(b) In the event claim is made for damage to property of others held by the insured, the right to adjust such loss or damage with the owner or owners of the property is reserved to the Company and the receipt of payment by such owner or owners in satisfaction thereof shall be in full satisfaction of any claim of the insured for which such payment has been made.

If legal proceedings be taken to enforce a claim against the insured as respects any such loss or damage, the Company reserves the right at its option without expense to the insured to conduct and control the defense on behalf of and in the name of the insured. No action of the Company in such regard shall increase the liability of the Company under this policy, nor increase the limits of liability specified in the policy.

15. Suit. No suit shall be brought on this policy unless the insured has complied with all the policy provisions and has commenced the suit within one year after the loss occurs.

16. Permits And Use. Except as otherwise provided, permission is granted:

(a) to make alterations and repairs;

(b) in the event of loss hereunder, to make reasonable repairs, temporary or permanent, provided such repairs are confined solely to the protection of the property from further damage, and provided further that the insured shall keep an accurate record of such repair expenditures. The cost of any such repairs directly attributable to damage by any peril insured against shall be included in determining the amount of loss hereunder. Nothing herein contained is intended to modify the policy requirements applicable in case loss occurs, and in particular the requirement that, in case loss occurs, the insured shall protect the property from further damage.

17. Vacancy, Unoccupancy and Increase of Hazard

(a) This Company shall not be liable for loss occurring while a described building, whether intended for occupancy by owner or tenant is vacant beyond a period of sixty consecutive days. "Vacant" or "Vacancy" means containing no contents pertaining to operations or activities customary to occupancy of the building, but a building in process of construction shall not be deemed vacant.

(b) Permission is granted for unoccupancy.

(c) Unless otherwise provided in writing added hereto this Company shall not be liable for loss occurring while the hazard is increased by any means within the control or knowledge of the insured.

18. Protective Safeguards. It is a condition of this insurance that the insured shall maintain so far as is within his control such protective safeguards as are set forth by endorsement hereto.

Failure to maintain such protective safeguards shall suspend this insurance only as respects the location or situation affected for the time of such discontinuance.

19. Mortgage Clause -- Applicable Only To Buildings. This clause is effective if a mortgagee is named in the Declarations. The word "mortgagee" includes "trustee". Loss to buildings shall be payable to the named mortgagees as interest may appear, under all present or future mortgages on the buildings described in the Declarations in order of precedence of mortgages on them.

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As it applies to the interest of any mortgagee designated in the Declarations, this insurance shall not be affected by any of the following:

(a) any act or neglect of the mortgagor or owner of the described building;

(b) any foreclosure or other proceedings or notice of sale relating to the property;

(c) any change in the title or ownership of the property;

(d) occupancy of the premises for purposes more hazardous than are permitted by this policy;

provided, that in case the mortgagor owner shall neglect to pay any premium due under this policy, the mortgagee shall, on demand, pay the premium.

The mortgagee shall notify the Company of any change of ownership or occupancy or increase of hazard which shall come to the knowledge of the mortgagee. Unless permitted by this policy, such change of ownership or occupancy or increase of hazard shall be noted on the policy and the mortgagee shall on demand pay the premium for the increased hazard for the term if existed under this policy. If such premium is not paid, this policy shall be null and void.

The Company reserves the right to cancel this policy at any time as provided by its terms. If so cancelled, this policy shall continue in force for the benefit only of the mortgagee for ten days after notice to the mortgagee of such cancellation and shall then cease. The Company shall have the right to cancel this agreement on ten days notice to the mortgagee.

When the Company shall pay the mortgagee any sum for loss under this policy, and shall claim that, as to the mortgagor or owner, no liability therefor existed, the Company shall, to the extent of such payment, be thereupon legally subrogated to all the rights of the mortgagee to whom such payment shall have been made, under the mortgage debt. In lieu of taking such subrogation, the Company may, at its option, pay to the mortgagee the whole principal due or to grow due on the mortgage, with interest accrued and shall thereupon receive a full assignment and transfer of the mortgage and of all such other securities. However, no subrogation shall impair the right of the mortgagee to recover the full amount of said mortgagee's claim.

20. Recoveries. In the event the Company has made a payment for loss under the policy and a subsequent recovery is made of the lost or damaged property, the insured shall be entitled to all recoveries in excess of the amount paid by the Company, less only the actual cost of effecting such recoveries.

21. Loss Clause. Any loss hereunder shall not reduce the amount of this insurance.

22. No Benefit To Bailee. This insurance shall not inure directly or indirectly to the benefit of any carrier or other bailee.

23. No Control. This insurance shall not be prejudiced:

(a) by any act or neglect of the owner of any building if the insured is not the owner thereof, or by any act or neglect of any occupant (other than the insured) of any building when such act or neglect of the owner or occupant is not within the control of the insured, or

(b) by failure of the insured to comply with any warranty or condition contained in any endorsement attached to this policy with regard to any portion of the premises over which the insured has no control.

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Transamerica
Insurance Services

Transamerica Insurance Group

Transplan 7 Amendatory
Endorsements

One or more of the following endorsements applies to your policy. The appropriate state amendatory endorsement(s) correspond(s) with the state(s) of the location(s) described in the Declarations.

CALIFORNIA AMENDATORY ENDORSEMENT

The Transplan 7 Policy is amended as follows:

I. Exclusion A in the General Building Form, General Personal Property Form and Special Building Form, and Exclusion A.1. in the Special Personal Property Form are deleted and replaced by the following:

Loss occasioned directly or indirectly by enforcement of any ordinance or law regulating the construction, repair or demolition of buildings or structures; or by order of any civil authority except acts of destruction at the time of and for the purpose of preventing the spread of fire, provided that such fire did not originate from any of the perils excluded by this policy.

II. The following is added to the Cancellation Provisions contained in the policy.

If the company cancels this policy for reasons other than nonpayment of the premium, notice of cancellation shall state that any return premium not already paid to the named insured will be refunded upon demand.

III. The following is added to the Mortgage Clause – Applicable only to Buildings – contained in the Transplan 7 Conditions – Section I:

If the insured does not submit a proof of loss, the mortgagee shall within sixty (60) days submit a proof of loss in accordance with conditons of submission of proof by the insured under the policy conditions and be subject to the conditions relating to appraisal time of payment and bringing of suit.

WYOMING AMENDATORY ENDORSEMENT

The Suit Condition contained in the Transplan 7 Conditions – Section I, is amended as follows:

No suit shall be brought on this policy unless the insured has complied with all the policy provisions and has commenced the suit within four (4) years after the loss occurs.

Transaction 600 Blanket General Liability (Coverage Supplement)

I. COVERAGE A – BODILY INJURY COVERAGE B – PROPERTY DAMAGE

The company will pay on behalf of the insured all sums which the insured shall become legally obligated to pay as damages because of bodily injury or property damage to which this insurance applies, caused by an occurrence. The company shall have the right and duty to defend any suit against the insured seeking damages on account of such bodily injury or property damage, even if any of the allegations of the suit are groundless, false or fraudulent, and may make such investigation and settlement of any claim or suit as it deems expedient. The company shall not be obligated to pay any claim or judgment or to defend any suit after the applicable limit of the company's liability has been exhausted by payment of judgments or settlements.

Exclusions

This insurance does not apply:

(a) to bodily injury or property damage included within the war hazard with respect to liability assumed by the insured, under any contract or agreement or expenses for first aid under the Supplementary Payments provision;

(b) to any obligation for which the insured or any carrier as his insurer may be held liable under any workmen's compensation, unemployment compensation or disability benefits law, or under any similar law;

(c) to bodily injury to any employee of the insured arising out of and in the course of his employment by the insured or to any obligation of the insured to indemnify another because of damages arising out of such injury; but this exclusion does not apply to (1) any domestic employee, or (2) liability assumed by the insured under any contract;

(d) to property damage: (1) to property owned by the insured; (2) to property occupied by or rented to the insured, (3) to property under bailment to the insured (except injury to or destruction of such property arising out of the use of elevators or escalators or to liability assumed under sidetrack agreements); (4) to that particular part of any property (a) upon which operations are being performed by or on behalf of the insured, or (b) out of which such injury or destruction arises; (5) to premises alienated by the named insured arising out of such premises or any part thereof; (6) to the named insured's products arising out of such products or any part of such products; (7) to work performed by the named insured arising out of the work or any portion thereof, or out of materials, parts or equipment furnished in connection therewith;

(e) to loss of use of tangible property which has not been physically injured or destroyed resulting from

(1) a delay in or lack of performance by or on behalf of the named insured of any contract or agreement, or

(2) The failure of the named insured's products or work performed by or on behalf of the named insured to meet the level of performance, quality, fitness or durability warranted or represented by the named insured;

but this exclusion does not apply to loss of use of other tangible property resulting from the sudden and accidental physical injury to or destruction of the named insured's products or work performed by or on behalf of the named insured after such products or work have been put to use by any person or organization other than an insured;

(f) to damages claimed for the withdrawal, inspection, repair, replacement, or loss of use of the named insured's products or work completed by or for the named insured or of any property of which such products or work form a part, if such products, work or property are withdrawn from the market or from use because of any known or suspected defect or deficiency therein;

(g) to bodily injury or property damage arising out of the ownership, maintenance, operation, use, loading or unloading of

(1) any automobile or aircraft owned or operated by or rented or loaned to any insured, or

(2) any other automobile or aircraft operated by any person in the course of his employment by any insured;

but this exclusion does not apply to the parking of an automobile on premises owned by, rented to or controlled by the named insured or the ways immediately adjoining, if such automobile is not owned by or rented or loaned to any insured;

(h) to bodily injury or property damage with respect to liability assumed by the insured under any contract or agreement not in writing;

(i) to bodily injury or property damage arising out of (1) the ownership, maintenance, operation, use, loading or unloading of any mobile equipment while being used in any prearranged or organized racing, speed or demolition contest or in any stunting activity or in practice or preparation for any such contest or activity or (2) the operation or use of any snowmobile or trailer designed for use therewith;

(j) to bodily injury or property damage arising out of the discharge, dispersal, release or escape of smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids or gases, waste materials or other irritants, contaminants or pollutants into or upon land, the atmosphere or any water course or body of water; but this exclusion does not apply if such discharge, dispersal, release or escape is sudden and accidental;

(k) to bodily injury or property damage arising out of and in the course of the transportation of mobile equipment by an automobile owned or operated by or rented or loaned to any insured.

II. SUPPLEMENTARY PAYMENTS

The company will pay, in addition to the applicable limit of liability:

(a) all expenses incurred by the company, all costs taxed against the insured in any suit defended by the company and all interest on the entire amount of any judgment therein which accrues after entry of the judgment and before the company has paid or tendered or deposited in court that part of the judgment which does not exceed the limit of the company's liability thereon;

(b) premiums on appeal bonds required in any such suit, premiums on bonds to release attachments in any such suit for an amount not in excess of the applicable limit of liability of this policy, and the cost of bail bonds required of the insured not to exceed $250 per bail bond, but the company shall have no

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obligation to apply for or furnish any such bonds;

(c) expenses incurred by the insured for first aid to others at the time of an occurrence, for bodily injury to which this policy applies;

(d) reasonable expenses incurred by the insured at the company's request in assisting the company in the investigation or defense of any claim or suit, including actual loss of earnings not to exceed $25 per day.

III. COVERAGE E – PREMISES MEDICAL PAYMENTS

The company will pay to or for each person who sustains bodily injury caused by accident all reasonable medical expense incurred within one year from the date of the accident on account of such bodily injury, provided such bodily injury arises out of (a) a condition in the insured premises or (b) operations with respect to which the named insured is afforded coverage for bodily injury liability under this policy.

Exclusions

This insurance does not apply

(a) to bodily injury

(1) arising out of the ownership, maintenance, operation, use, loading or unloading of

(i) any automobile or aircraft owned or operated by or rented or loaned to any insured, or

(iii) any other automobile or aircraft operated by any person in the course of his employment by any insured;

but this exclusion does not apply to the parking of an automobile on the insured premises, if such automobile is not owned by or rented or loaned to any insured;

(2) arising out of (i) the ownership, maintenance, operation, use, loading or unloading of any mobile equipment while being used in any prearranged or organized racing, speed or demolition contest or in any stunting activity or in practice or preparation for any such contest or activity or (ii) the operation or use of any snowmobile or trailer designed for use therewith;

(3) arising out of the ownership, maintenance, operation, use, loading or unloading of

(i) any watercraft owned or operated by or rented or loaned to any insured, or

(ii) any other watercraft operated by any person in the course of his employment by any insured;

but this exclusion does not apply to watercraft while ashore on the insured premises; or

(4) arising out of and in the course of the transportation of mobile equipment by an automobile owned or operated by or rented or loaned to any insured;

(b) to bodily injury

(1) included within the completed operations hazard or the products hazard;

(2) arising out of operations performed for the named insured by independent contractors other than (i) maintenance and repair of the insured premises or (ii) structural alterations at such premises which do not involve changing the size or moving buildings or other structures;

(3) resulting from the selling serving or giving of any alcoholic beverage (i) in violation of any statute, ordinance or regulation, (ii) to a minor, (iii) to a person under the influence of alcohol or (iv) which causes or contributes to the intoxication of any person, if the named insured is a person or organization engaged in the business of manufacturing, distributing, selling or serving alcoholic beverages or, if not so engaged, is an owner or lessor of premises used for such purposes, but only part (i) of this exclusion (b) (3) applies when the named insured is such an owner or lessor;

(4) included within the war hazard;

(c) to bodily injury

(1) to the named insured, any partner therein, any tenant or other person regularly residing on the insured premises or any employee of any of the foregoing if the bodily injury arises out of and in the course of his employment therewith;

(2) to any other tenant if the bodily injury occurs on that part of the insured premises rented from the named insured or to any employee of such a tenant if the bodily injury occurs on the tenant's part of the insured premises and arises out of and in the course of his employment for the tenant.

(3) to any person while engaged in maintenance and repair of the insured premises or alteration, demolition or new construction at such premises;

(4) to any person if any benefits for such bodily injury are payable or required to be provided under any workmen's compensation, unemployment compensation or disability benefits law, or under any similar law;

(5) to any person practicing, instructing or participating in any physical training, sport, athletic activity or contest;

(d) to any medical expenses for services by the named insured, any employee thereof or any person or organization under contract to the named insured to provide such services.

IV. PERSONS INSURED (Coverages A and B)

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

(a) the named insured and, if an individual, the spouse of such named insured if a resident of the same household;

(b) if the named insured is designated in the declarations as

(1) an individual, the person so designated but only with respect to the conduct of a business of which he is the sole proprietor, and the spouse of the named insured with respect to the conduct of such a business;

(2) a partnership or joint venture, the partnership or joint venture so designated and any partner or member thereof but only with respect to his liability as such;

(3) other than an individual, partnership or joint venture, the organization so designated and any executive officer, director or stockholder thereof while acting within the scope of his duties as such;

(c) any person (other than an employee of the named insured) or organization while acting as real estate manager for the named insured; and

(d) with respect to the operation, for the purpose of locomotion upon a public highway, of mobile equipment registered under any motor vehicle registration law,

(1) an employee of the named insured while operating any such equipment in the course of his employment, and

(2) any other person while operating with the permission of the named insured any such equipment registered in the name of the named insured and any person or organization legally responsible for such operation, but only if

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there is no other valid and collectible insurance available, either on a primary or excess basis, to such person or organization;

provided that no person or organization shall be an insured under this paragraph (d) with respect to:

(i) bodily injury to any fellow employee of such person injured in the course of his employment, or

(ii) property damage to property owned by, rented to, in charge of or occupied by the named insured or the employer of any person described in subparagraph (2).

This insurance does not apply to bodily injury or property damage arising out of the conduct of any partnership or joint venture of which the insured is a partner or member and which is not designated in this policy as a named insured.

V. LIMITS OF LIABILITY

Regardless of the number of (1) insureds under this policy, (2) persons or organizations who sustain bodily injury or property damage, (3) claims made or suits brought on account of bodily injury or property damage the company's liability is limited as follows:

COVERAGES A AND B

A. Divided Limits Plan

Coverage A – The total liability of the company for all damages, including damages for care and loss of services, because of bodily injury sustained by one or more persons as the result of any one occurrence shall not exceed the limit of bodily injury liability stated in the additional declarations as applicable to "each occurrence."

Subject to the above provisions respecting "each occurrence", the total liability of the company for all damages because of (1) all bodily injury included within the completed operations hazard and (2) all bodily injury included within the products hazard shall not exceed the limit of bodily injury liability stated in the additional declarations as "aggregate".

Coverage B – The total liability of the company for all damages because of all property damage sustained by one or more persons or organizations as the result of any one occurrence shall not exceed the limit of property damage liability stated in the additional declarations as applicable to "each occurrence".

Subject to the above provisions respecting "each occurrence", the total liability of the company for all damages because of all property damage to which the coverage applies and described in any of the numbered subparagraphs below shall not exceed the limit of property damage liability stated in the additional declarations as "aggregate".

(1) all property damage arising out of premises or operations rated on a remuneration basis or contractor's equipment rated on a receipts basis, including property damage for which liability is assumed under any incidental contract relating to such premises or operations, but excluding property damage included in subparagraph (2) below;

(2) all property damage arising out of and occurring in the course of operations performed for the named insured by independent contractors and general supervision thereof by the named insured, including any such property damage for which liability is assumed under any incidental contract relating to such operations, but this subparagraph (2) does not include property damage arising out of maintenance or repairs at premises owned by or rented to the named insured or structural alterations at such premises which do not involve changing the size of or moving building or other structures;

(3) all property damage included within the products hazard and all property damage included within the completed operations hazard.

Such aggregate limit shall apply separately to the property damage described in subparagraphs (1), (2) and (3) above, and under subparagraphs (1) and (2), separately with respect to each project away from premises owned by or rented to the named insured.

Coverages A and B – For the purpose of determining the limit of the company's liability, all bodily injury and property damage arising out of continuous or repeated exposure to substantially the same general conditions shall be considered as arising out of one occurrence.

B. Combined Limits Plan

The limit of liability under the Combined Limits Plan expressed in the schedule as applicable to "each occurrence" is the total limit of the company's liability under the bodily injury liability and property damage liability coverages combined for all damages as the result of any one occurrence provided:

(a) such limit of liability shall be the total limit of the company's liability during each annual policy period as the result of one or more than one occurrence, but said limit of liability shall apply separately to each project with respect to operations being performed away from premises owned by or rented to the insured;

(b) with respect to any occurrence for which the notice of this policy is given in lieu of security, or when this policy is certified as proof of financial responsibility under the provisions of the motor vehicle financial responsibility law of any state or province, such limit of liability shall be applied in accordance with the applicable terms of such law, except that the total limit of liability shall not be reduced.

For the purpose of determining the limit of the company's liability, all bodily injury and property damage arising out of continuous or repeated exposure to substantially the same general conditions shall be considered as arising out of one occurrence.

COVERAGE E

The limit of liability for Premises Medical Payments Coverage stated in the schedule as applicable to "each person" is the limit of the company's liability for all medical expense for bodily injury to any one person as the result of any one accident; but subject to the above provision respecting "each person", the total liability of the company under Premises Medical Payments Coverage for all medical expense for bodily injury to two or more persons as the result of any one accident shall not exceed the limit of liability stated in the schedule as applicable to "each accident".

When more than one medical payments coverage afforded by this policy applies to the loss, the company shall not be liable for more than the amount of the highest applicable limit of liability.

VI. POLICY TERRITORY

This insurance applies only to bodily injury or property damage which occurs: (1) for Coverages A and B, within the policy territory; (2) for Coverage E, within the United States of America, its territories or possessions, or Canada.

VII. DEFINITIONS

When used in this policy (including endorsements forming a part hereof):

"automobile" means a land motor vehicle, trailer or semitrailer designed for travel on public roads (including any machinery or

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apparatus attached thereto), but does not include mobile equipment;

"bailment" means a delivery of property by any person to the insured for purpose beneficial to either the insured or such person or both under a contract, express or implied, for the insured to carry out such purpose and to redeliver such property or otherwise dispose of its as provided;

"bodily injury" means bodily injury, sickness or disease sustained by any person which occurs during the policy period, including death at any time resulting therefrom;

"completed operations hazard" includes bodily injury and property damage arising out of operations or reliance upon a representation or warranty made at any time with respect thereto, but only if the bodily injury or property damage occurs after such operations have been completed or abandoned and occurs away from premises owned by or rented to the named insured. "Operations" include materials, parts or equipment furnished in connection therewith. Operations shall be deemed completed at the earliest of the following times:

(1) when all operations to be performed by or on behalf of the named insured under the contract have been completed;

(2) when all operations to be performed by or on behalf of the named insured at the site of the operations have been completed, or

(3) when the portion of the work out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.

Operations which may require further service or maintenance work, or correction, repair or replacement because of any defect or deficiency, but which are otherwise completed, shall be deemed completed.

The completed operations hazard does not include bodily injury or property damage arising out of

(a) operations in connection with the transportation of property, unless the bodily injury or property damage arises out of a condition in or on a vehicle created by the loading or unloading thereof;

(b) the existence of tools, uninstalled equipment or abandoned or unused materials, or

(c) operations for which the classification stated in the policy or in the company's manual specifies "including completed operations";

"domestic employee" means an employee of an insured performing duties not in connection with the insured's business;

"elevator" means any hoisting or lowering device to connect floors or landings, whether or not in service, and all appliances thereof including any car, platform, shaft, hoistway, stairway, runway, power equipment and machinery; but does not include an automobile servicing hoist, or a hoist without a platform outside a building if without mechanical power or if not attached to building walls, or a hod or material hoist used in alteration, construction or demolition operations, or an inclined conveyor used exclusively for carrying property or a dumbwaiter used exclusively for carrying property and having a compartment height not exceeding four feet, or hydraulic or mechanical hoists used for dumping materials from trucks;

"incidental contract" means any written (1) lease of premises, (2) easement agreement, except in connection with construction or demolition operations on or adjacent to a railroad, (3) undertaking to indemnify a municipality required by municipal ordinance, except in connection with work for the municipality, (4) sidetrack agreement, or (5) elevator maintenance agreement;

"insured" means any person or organization qualifying as an insured in the "Persons Insured" provision of the applicable insurance coverage. The insurance afforded applies separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the company's liability;

"insured premises" means all premises owned by or rented to the named insured with respect to which the named insured is afforded coverage for bodily injury liability under this policy, and includes the ways immediately adjoining on land;

"loading or unloading", with respect to an automobile, means the handling of property after it is moved from the place where it is accepted for movement into or onto an automobile or while it is in or on an automobile or while it is being moved from an automobile to the place where it is finally delivered, but "loading or unloading" does not include the movement of property by means of a mechanical device (other than a hand truck) not attached to the automobile;

"medical expense" means expenses for necessary medical, surgical, x-ray and dental services, including prosthetic devices, and necessary ambulance, hospital, professional nursing and funeral services;

"mobile equipment" means a land vehicle (including any machinery or apparatus attached thereto), whether or not self-propelled, (1) not subject to motor vehicle registration, or (2) maintained for use exclusively on premises owned by or rented to the named insured, including the ways immediately adjoining or (3) designed for use principally off public roads, or (4) designed or maintained for the sole purpose of affording mobility to equipment of the following types forming an integral part of or permanently attached to such vehicle: power cranes, shovels, loaders, diggers and drills; concrete mixers (other than the mix-in-transit type); graders, scrapers, rollers, and other road construction or repair equipment; air-compressors, pumps and generators, including spraying, welding and building cleaning equipment; and geophysical exploration and well servicing equipment;

"named insured" means the person or organization named in Item 1. of the declarations of this policy;

"named insured's products" means goods or products manufactured, sold, handled or distributed by the named insured or by others trading under his name, including any container thereof (other than a vehicle), but "named insured's products" shall not include a vending machine or any property other than such container, rented to or located for use of others but not sold;

"occurrence" means an accident, including continuous or repeated exposure to conditions, which results in bodily injury or property damage neither expected nor intended from the standpoint of the insured;

"policy territory" means anywhere in the world, provided, however, that: (1) resulting claims are originally asserted within the United States of America, its possessions, or Canada, and (2) it shall apply to suits and judgments for damages resulting therefrom only if suit is originally commenced in a court in the United States of America, its possessions or in Canada;

"products hazard" includes bodily injury and property damage arising out of the named insured's products or reliance upon a representation or warranty made at any time with respect thereto, but only if the bodily injury or property damage occurs away from premises owned by or rented to the named insured and after physical possession of such products has been relinquished to others;

"property damage" means (1) physical injury to or destruction of tangible property which occurs during the policy period, including the loss of use thereof at any time resulting therefrom, or (2) loss of use of tangible property which has not been physically injured or destroyed provided such loss of use is caused by an occurrence during the policy period.

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"suit" includes an arbitration proceeding to which the insured is required to submit or to which the insured has su ted with the company's consent.

"war hazard" includes all bodily injury and property damage due to war whether or not declared, civil war, insurrection, rebellion or revolution or to any act or condition incident to any of the foregoing.

VIII. ADDITIONAL CONDITIONS

1. **Premium.** All premiums for this policy shall be computed in accordance with the Company's rules, rates, rating plans, premiums and minimum premiums applicable to the insurance afforded herein.

   Premium designated in this policy as "advance premium" is a deposit premium only which shall be credited to the amount of the earned premium due at the end of the policy period. At the close of each period (or part thereof terminating with the end of the policy period) designated in the declarations as the audit period the earned premium shall be computed for such period and, upon notice thereof to the named insured, shall become due and payable. If the total earned premium for the policy period is less than the premium previously paid, the company shall return to the named insured the unearned portion paid by the named insured.

   If this policy is issued for a period in excess of one year with a specified expiration date and a premium is payable at each anniversary, such premium shall be determined annually on the basis of the rates in effect at the anniversary date.

   If this policy is issued for a period without a specified expiration date, it may be continued by payment of the required premium for the succeeding annual period. Such premium must be paid to the Company prior to each anniversary date; if not so paid, this policy shall expire on the first anniversary date that the said premium has not been received by the Company.

   The named insured shall maintain records of such information as is necessary for premium computation and shall send copies of such records to the company at the end of the policy period and at such times during the policy period as the company may direct.

2. **Inspection and Audit.** The company shall be permitted but not obligated to inspect the named insured's property and operations at any time. Neither the company's right to make inspections nor the making thereof nor any report thereon shall constitute an undertaking, on behalf of or for the benefit of the named insured or others, to determine or warrant that such property or operations are safe or healthful, or are in compliance with any law, rule or regulation.

   The company may examine and audit the named insured's books and records at any time during the policy period and extensions thereof and within three years after the final termination of this policy, as far as they relate to the subject matter of this insurance.

3. **Financial Responsibility Laws.** Such insurance as is afforded by this policy for bodily injury liability or for property damage liability shall comply with the provisions of any motor vehicle financial responsibility law to the extent of the coverage and limits of liability required by such law.

4. **Insured's Duties in the Event of Occurrence, Claim or Suit.**

   (a) In the event of an occurrence, written notice containing particulars sufficient to identify the insured and also reasonably obtainable information with respect to the time, place and circumstances thereof, and the names and addresses of the injured of available witnesses, shall be given by or for the insured to the company or any of its authorized agents as soon as practicable.

   (b) If claim is made or suit is brought against the insured, the insured shall immediately forward to the company every demand, notice, summons or other process received by him or his representative.

   (c) The insured shall cooperate with the company and, upon the company's request, assist in making settlements, in the conduct of suits and in enforcing any right of contribution or indemnity against any person or organization who may be liable to the insured because of injury or damage with respect to which insurance is afforded under this policy; and the insured shall attend hearings and trials and assist in securing and giving evidence and obtaining the attendance of witnesses. The insured shall not, except at his own cost, voluntarily make any payment, assume any obligation or incur any expense other than for first aid to others at the time of accident.

5. **Action Against Company.** No action shall lie against the company unless, as a condition precedent thereto, there shall have been full compliance with all of the terms of this policy, nor until the amount of the insured's obligation to pay shall have been finally determined either by judgment against the insured after actual trial or by written agreement of the insured, the claimant and the company.

   Any person or organization or the legal representative thereof who has secured such judgment or written agreement shall thereafter be entitled to recover under this policy to the extent of the insurance afforded by this policy. No person or organization shall have any right under this policy to join the company as a party to any action against the insured to determine the insured's liability, nor shall the company be impleaded by the insured or his legal representative. Bankruptcy or insolvency of the insured or of the insured's estate shall not relieve the company of any of its obligations hereunder.

6. **Subrogation.** In the event of any payment under this policy, the company shall be subrogated to all the insured's rights of recovery therefor against any person or organization and the insured shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The insured shall do nothing after loss to prejudice such rights.

7. **Other Insurance.** If, applicable to the loss, there is any valid and collectible insurance, whether on a primary, excess or contingent basis, available to the insured (in this or any other carrier), except, that if the applicable limit of liability of this policy is in excess of the applicable limit of liability provided by the other insurance, this policy shall afford excess insurance over and above such other insurance in an amount sufficient to afford the insured a combined limit of liability equal to the applicable limit of liability afforded by this policy. Insurance under this policy shall not be construed to be concurrent or contributing with any other insurance which is available to the insured.

8. **Changes.** Notice to any agent or knowledge possessed by any agent or by any other person shall not effect a waiver or a change in any part of this policy or estop the company from asserting any right under the terms of this policy; nor shall the terms of this policy be waived or changed, except by endorsement issued to form a part of this policy.

9. **Assignment.** Assignment of interest under this policy shall not bind the company until its consent is endorsed hereon; if, however, the named insured shall die, such insurance as is afforded by this policy shall apply (1) to the named insured's legal representative, as the named insured, but only while

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acting within the scope of his duties as such, and (2) with respect to the property of the named insured to the person having proper temporary custody thereof, as insured, but only until the appointment and qualification of the legal representative.

10. **Annual Aggregate.** If this policy is issued for a period of three years any limit of the company's liability stated in this policy as "aggregate" shall apply separately to each consecutive annual period thereof.

11. **Cancellation.** This policy may be cancelled by the named insured by surrender thereof to the Company or any of its authorized agents or by mailing to the Company written notice stating when thereafter the cancellation shall be effective. This policy may be cancelled by the Company by mailing to the named insured at the mailing address shown in the Declarations, written notice stating when not less than ten days thereafter such cancellation shall be effective. The mailing of notice as aforesaid shall be sufficient proof of notice. The time of surrender or the effective date and hour of cancellation stated in the notice shall become the end of the policy period. Delivery of such written notice either by the named insured or by the Company shall be equivalent to mailing.

    If the named insured cancels, the Company shall, upon demand and surrender of this policy, refund the excess of paid premium above the customary short rates for the expired time. If the Company cancels, earned premium shall be computed pro rata. Premium adjustment may be made either at the time cancellation is effected or as soon as practicable after cancellation becomes effective, but payment or tender of unearned premium is not a condition of cancellation.

12. **Liberalization Clause.** In the event any filing is submitted to the insurance supervisory authorities on behalf of the Company, and:

    (a) the filing is approved or accepted by the insurance authorities to be effective while this policy is in force or within 45 days prior to its inception; and

    (b) the filing includes insurance forms or other provisions that would extend or broaden this insurance by endorsement or substitution of form, without additional premium;

    the benefit of such extended or broadened insurance shall inure to the benefit of the insured as though the endorsement or substitution of form had been made.

13. **Insurance Under More Than One Coverage, Part or Endorsement.** In the event that more than one coverage, part or endorsement of this policy insures the same loss, damage or claim, the Company shall not be liable for more than the actual loss or damage sustained by the insured.

14. **Time of Inception.** To the extent that coverage in this policy replaces coverage in other policies terminating noon standard time on the inception date of this policy, coverage under this policy shall not become effective until such other coverage has terminated.

15. **Medical Reports; Proof and Payment of Claim.** As soon as practicable the injured person or someone on his behalf shall give to the company written proof of claim, under oath if required, and shall, after each request from the company, execute authorization to enable the company to obtain medical reports and copies of records. The injured person shall submit to physical examination by physicians selected by the company when and as often as the company may reasonably require. The company may pay the injured person or any person or organization rendering the services and the payment shall reduce the amount payable hereunder for such injury. Payment hereunder shall not constitute an admission of liability of any person or, except hereunder, of the company.

16. **Arbitration.** The company shall be entitled to exercise all of the insured's rights in the choice of arbitrators and in the conduct of any arbitration proceeding.

17. **Waiver or Change of Provisions.** The terms of this insurance shall not be waived, changed or modified except by endorsement issued to form a part of this policy.

18. **Nuclear Exclusion.**

    1. This policy does not apply:

        (a) Under any Liability Coverage, to bodily injury or property damage,

            (1) with respect to which an insured under this policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters or Nuclear Insurance Association of Canada, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or

            (2) resulting from the hazardous properties of nuclear material and with respect to which (i) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or (ii) the insured is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.

        (b) Under any Medical Payments Coverage, or under any Supplementary Payments provision relating to first aid to expenses incurred with respect to bodily injury resulting from the hazardous properties of nuclear material and arising out of the operation of a nuclear facility by any person or organization.

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

            (1) the nuclear material (i) is at any nuclear facility owned by, or operated by or on behalf of an insured or (ii) has been discharged or dispersed therefrom;

            (2) the nuclear material is contained in spent fuel or waste at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of an insured; or

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

    II. As used in this exclusion

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

        "nuclear material" means source material, special nuclear material or byproduct material;

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

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

"waste" means any waste material (1) containing byproduct material and (2) resulting from the operation by any person or organization of any nuclear facility included within the definition of nuclear facility under paragraph (a) or (b) thereof;

"nuclear facility" means

(a) any nuclear reactor,

(b) any equipment or device designed or used for (1) separating the isotopes of uranium or plutonium, (2) processing or utilizing spent fuel, or (3) handling, processing or packaging waste,

(c) any equipment or device used for the processing, fabricating or alloying of special nuclear material if at any time the total amount of such material in the custody of the insured at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235,

(d) any structure, basin, excavation, premises or place prepared or used for the storage or disposal of waste,

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations;

"nuclear reactor" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material;

"property damage" includes all forms of radioactive contamination of property.

19. Special Definitions. Wherever in any form attached the word "policy" appears it shall mean the section of this policy of which such form is a part, or the supplemental policy or policies to which such form applies.

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Transamerica
Insurance Services

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Blanket Additional Coverage Endorsement (Section II — Liability)

It is agreed that such insurance as is provided under the Blanket Liability Coverage Supplement is extended to include the following additional insurance:

I. FIRE LEGAL LIABILITY — REAL PROPERTY

The company will pay on behalf of the insured all sums which the insured shall become legally obligated to pay as damages because of property damage to structures or portions thereof rented to or leased to the named insured, including fixtures permanently attached thereto, if such property damage arises out of fire;

A. All of the exclusions of this policy, other than the Nuclear Energy Liability Exclusion (Broad Form), are deleted and replaced by the following:

This insurance does not apply to liability assumed by the insured under any contract or agreement.

B. The limit of property damage liability as respects this Fire Legal Liability Coverage — Real Property is $100,000.00 each occurrence unless otherwise stated in the Declarations.

II. INCIDENTAL MEDICAL MALPRACTICE LIABILITY COVERAGE

Such insurance as is provided under Coverage A — Bodily Injury, is amended to include Incidental Medical Malpractice Injury.

Incidental Medical Malpractice Injury means injury arising out of the rendering of or failure to render, during the policy period, the following services:

A. medical, surgical, dental, x-ray or nursing service or treatment or the furnishing of food or beverages in connection therewith; or

B. the furnishing or dispensing of drugs or medical, dental or surgical supplies or appliances.

This coverage does not apply to:

1. expenses incurred by the insured for first-aid to others at the time of an accident and the "Supplementary Payments" provision and the "Insured's Duties in the Event of Occurrence, Claim or Suit" Condition are amended accordingly; or

2. any insured engaged in the business or occupation of providing any of the services described under II (A) and (B) above;

3. injury caused by any indemnitee if such indemnitee is engaged in the business or occupation of providing any of the services described under II (A) and (B) above.

III. PERSONAL INJURY AND ADVERTISING INJURY LIABILITY COVERAGE

A. The company will pay on behalf of the insured all sums which the insured shall become legally obligated to pay as damages because of personal injury or advertising injury to which this insurance applies, sustained by any person or organization and arising out of the conduct of the named insured's business, within the policy territory, and the company shall have the right and duty to defend any suit against the insured seeking damages on account of such injury, even if any of the allegations of the suit are groundless, false or fraudulent, and may make such investigation and settlement of any claim or suit as it deems expedient, but the company shall not be obligated to pay any claim or judgment or to defend any suit after the applicable limit of the company's liability has been exhausted by payment of judgments or settlements.

B. This insurance does not apply:

1. to liability assumed by the insured under any contract or agreement;

2. to personal injury or advertising injury arising out of the wilful violation of a penal statute or ordinance committed by or with the knowledge or consent of the insured;

3. to personal injury or advertising injury arising out of a publication or utterance of a libel or slander, or a publication or utterance in violation of an individual's right of privacy, if the first injurious publication or utterance of the same or similar material by or on behalf of the named insured was made prior to the effective date of this insurance;

4. to personal injury or advertising injury arising out of libel or slander or the publication or utterance of defamatory or disparaging material concerning any person or organization or goods, products or services, or in violation of an individual's right of privacy, made by or at the direction of the insured with knowledge of the falsity thereof;

5. to personal injury or advertising injury arising out of the conduct of any partnership or joint venture of which the insured is a partner or member and which is not designated in the declarations of the policy as a named insured;

6. to advertising injury arising out of

a. failure of performance of contract, but this exclusion does not apply to the unauthorized appropriation of ideas based upon alleged breach of implied contract, or

b. infringement of trademark, service mark or trade name, other than titles or slogans, by use thereof on or in connection with goods, products or services sold, offered for sale or advertised, or

c. incorrect description or mistake in advertised price of goods, products or services sold, offered for sale or advertised;

7. with respect to advertising injury

a. to any insured in the business of advertising, broadcasting, publishing or telecasting, or

b. to any injury arising out of any act committed by the insured with actual malice.

C. Limits of Liability

Regardless of the number of (1) insureds hereunder, (2) persons or organizations who sustain injury or damage, or (3) claims made or suits brought on account of personal injury or advertising injury the total limit of the company's liability under this coverage for all damages shall not exceed the per occurrence bodily injury liability limit stated in the General Liability Schedule.

D. Additional Definitions

"Advertising Injury" means injury arising out of an offense committed during the policy period occurring in the course of the named insured's advertising activities, if such injury arises out of libel, slander, defamation, violation of right of privacy, piracy, unfair competition, or infringement of copyright, title or slogan.

"Personal Injury" means injury arising out of one or more of the following offenses committed during the policy period:

1. false arrest, detention, imprisonment, or malicious prosecution;

2. wrongful entry or eviction or other invasion of the right of private occupancy,

3. a publication or utterance

a. of a libel or slander or other defamatory or disparaging material, or

b. in violation of an individual's right of privacy, except publications or utterances in the course of or related to advertising, broadcasting, publishing or telecasting activities conducted by or on behalf of the named insured shall not be deemed personal injury;

4. racial or religious discrimination (unless coverage is prohibited by law) not committed by or at the direction of the named insured or any executive officer, director, or partner thereof, but only with respect to the liability other than fines and penalties imposed by law.

IV. BLANKET CONTRACTUAL LIABILITY COVERAGE

A. The definition of incidental contract is extended to include any contract or agreement relating to the conduct of the named insured's business.

B. The insurance afforded with respect to liability assumed under an incidental contract is subject to the following additional exclusions:

1. to bodily injury or property damage for which the insured has assumed liability under any incidental contract, if such injury or damage occurred prior to the execution of the incidental contract;

2. if the insured is an architect, engineer or surveyor, to bodily injury or property damage arising out of the rendering or failure to render professional services by such insured, including

a. the preparation or approval of maps, drawings, opinions, reports, surveys, change orders, designs or specifications, and

b. supervisory, inspection or engineering services;

3. if the indemnitee of the insured is an architect, engineer or surveyor, to the liability of the indemnitee, his agents or employees, arising out of

a. the preparation or approval or the failure to prepare or approve maps, drawings, opinions, reports, surveys, change orders, designs or specifications, or

b. the giving of or the failure to give directions or instructions by the indemnitee, his agent or employees, provided such giving or failure to give is the primary cause of the bodily injury or property damage;

4. to any obligation for which the insured may be held liable in an action on a contract by a third party beneficiary for bodily injury or property damage arising out of a project for a public authority; but this exclusion does not apply to an action by the public authority or any other person or organization engaged in the project;

5. to bodily injury or property damage arising out of operations, within 50 feet of any railroad property, affecting any railroad bridge or trestle, tracks, road beds, tunnel, underpass or crossing; but this exclusion does not apply to sidetrack agreements.

C. The following exclusion applicable to Coverages A (Bodily Injury) and B (Property Damage) does not apply to this Contractual Liability Coverage: (g).

D. Exclusion (h) is replaced by the following:

To liability assumed by the insured under any contract or agreement except an incidental contract.

V. ADDITIONAL PERSONS INSURED

As respects Coverage A (bodily injury) and B (property damage), and advertising injury and personal injury coverages, under the provision "Persons Insured," the following are added as insureds:

1. Spouse — Partnership — If the named insured is a partnership, the spouse of a partner but only with respect to the conduct of the business of the named insured.

2. Employee — Any employee of the named insured while acting within the scope of his duties as such, but the insurance afforded to such employee does not apply:

a. to bodily injury or personal injury to another employee of the named insured arising out of or in the course of his employment;

b. to personal injury or advertising injury to the named insured or, if the named insured is a partnership or joint venture, any partner or member thereof, or the spouse of any of the foregoing;

c. to property damage to property owned, occupied or used by, rented to, in the care, custody or control of or over which physical control is being excercised for any purpose by another employee of the named insured, or by the named insured or, if the named insured is a partnership or joint venture, any partner or member thereof or by the spouse of any of the foregoing.

VI. AMENDMENT OF DEFINITION OF OCCURRENCE

With respect to insurance for Coverage A, bodily injury and Coverage B, property damage, provided by this policy, the definition of occurrence includes any intentional act by or at the direction of the insured which results in bodily injury or property damage, if such injury or damage arises solely from the use of reasonable force for the purpose of protecting persons or property.

VII. AUTOMATIC COVERAGE — NEWLY ACQUIRED ORGANIZATIONS (90 DAYS)

The "Persons Insured" provision is amended by the deletion of:

"This insurance does not apply to bodily injury or property damage arising out of the conduct of any partnership or joint venture of which the insured is a partner or member and which is not designated in this policy as a named insured."

and the addition of:

d. any organization which is acquired or formed by the named insured and over which the named insured maintains ownership or majority interest, other than a joint venture, provided this insurance does not apply to bodily injury, property damage, personal injury and advertising injury with respect to which such new organization under this policy is also an insured under any other similar liability or indemnity policy or would be an insured under any such policy but for exhaustion of its limits of liability. The insurance afforded hereby shall terminate 90 days from the date any such organization is acquired or formed by the named insured.

This endorsement must be attached to the change endorsement when issued after the policy is written.

Transamerica Insurance Services

Transamerica Insurance Group

Employee Benefit Programs Liability Insurance (Coverage Supplement)

FOR ATTACHMENT TO POLICY NUMBER _____ TO COMPLETE SAID POLICY.

SCHEDULE

NAMED INSURED		EFFECTIVE DATE
LIMIT OF LIABILITY-EACH CLAIM	**LIMIT OF LIABILITY-AGGREGATE**	**DEDUCTIBLE AMOUNT**
$	$	$

PREMIUM COMPUTATION

ESTIMATED NO. OF EMPLOYEES	RATE (PER EMPLOYEE)	ESTIMATED PREMIUM
		$
ANNUAL MINIMUM PREMIUM (FIRST 100 EMPLOYEES) $	FIRST 100 $	$
	OVER 100 $	TOTAL $

I. **COVERAGE.** To pay on behalf of the insured, all sums which the insured shall become legally obligated to pay as a result of damages sustained by an employee, former employee or the beneficiaries or legal representatives thereof and caused by any negligent act, error or omission of the insured, or any other person for whose acts the insured is legally liable in the administration of the Insured's Employee Benefit Programs as defined herein.

EXCLUSIONS

This insurance does not apply:

A. To any dishonest, fraudulent, criminal or malicious act, libel, slander, discrimination, or humiliation;

B. To bodily injury to, or sickness, disease, or death, of any person, or to injury to or destruction of any tangible property, including the loss of use thereof;

C. To any claim for failure of performance of contract by any Insurer;

D. To any claim based upon the Insured's failure to comply with any law concerning Workmen's Compensation, Unemployment Insurance, Social Security or Disability Benefits;

E. To any claim based upon failure of stock to perform as represented by an insured;

F. To any claim based upon advice given by an insured to an employee of the named insured to participate or not to participate in stock subscription plans.

G. To any claim based upon any actual or alleged error or omission or breach of duty, committed or alleged to have been committed by a trustee, in the discharge of fiduciary duties, obligations or responsibilities imposed by the Federal Employee Retirement Income Security Act of 1974.

II. **DEDUCTIBLE AMOUNT.** It is agreed that the Deductible Amount, stated in the Schedule, shall be deducted from the amount of all claims arising out of the same negligent act, error or omission and the Company shall be liable for loss only in excess of that amount.

It is further understood and agreed that with respect to any claim, irrespective of amount, notice thereof shall be given by or on behalf of the Insured to the Company, or any of its authorized agents, in accordance with the terms of this coverage supplement and the Company may at its option, investigate, negotiate or settle any such claim, and the Insured agrees, (1) if the Company undertakes to settle within the amount to be deducted as herein provided to reimburse the Company for the entire amount of such claim if and when such claim is paid by the Company; or (2) if the Company undertakes to settle for an amount in excess of the amount to be deducted as herein provided, to reimburse the company for such deductible amount if and when such claim is paid by the Company.

III. **LIMITS OF LIABILITY.** The Limit of Liability stated in the Schedule as applicable to "each claim" is the limit of the company's liability for all damages incurred on account of any claim covered hereunder, the Limit of Liability stated in the Schedule as "aggregate" is, subject to the above provision respecting each claim, the total limit of the company's liability for all claims covered hereunder and occurring during each annual period. The inclusion herein of more than one insured shall not operate to increase the limits of the company's liability. Annual Period shall mean each consecutive period of one year commencing from the inception date of the policy to which this coverage supplement is attached. In the event the inception date of the policy and this supplement are not concurrent the period from the inception date of this supplement to the next anniversary date of the policy shall be considered an annual period.

IV. **DEFENSE, SETTLEMENT, SUPPLEMENTARY PAYMENTS.** As respects such insurance as is afforded by the other terms of this coverage supplement, the company shall:

A. Defend in his name and behalf any suit against the insured alleging such negligent act, error or omission and seeking damages on account thereof, even if such suit is groundless, false or fraudulent, but the company shall have the right to make such investigation and negotiation of any claim or suit as may be deemed expedient by the company. The company, however, shall not make settlement or compromise any claim or suit without the written consent of the insured;

(SEE REVERSE)

B. Pay all premiums on bonds to release attachments for an amount not in excess of the applicable Limit of Liability of this coverage supplement, all premiums on appeal bonds required in any such defended suit, but without any obligation to apply for or furnish such bonds, all costs taxed against the insured in any such suit, all expenses incurred by the company, all interest accruing after entry of judgment until the company has paid, tendered or deposited in court such part of such judgment as does not exceed the limit of the company's liability thereon;

C. Reimburse the insured for all reasonable expenses, other than loss of earnings, incurred at the company's request.

The company agrees to pay the amounts incurred under this paragraph, except settlement of claims and suits, in addition to the applicable Limit of Liability of this coverage supplement.

V. **COVERAGE PERIOD AND TERRITORY.** This supplement applies only to claims under the legal jurisdiction of a court of law or court of equity within the United States of America, its territories or possessions or the Dominion of Canada, resulting from negligent acts, errors or omissions of the insured or any person acting on behalf of the insured in the administration of Employee Benefit Programs provided such claim is brought against the named insured during the policy period and the named insured at the effective date of this coverage supplement had no knowledge of or could not have reasonably foreseen any circumstances which might result in such claim or suit.

VI. **DEFINITIONS.** When used in reference to this insurance:

"insured" — The unqualified word "insured", wherever used, includes not only the Named Insured, but also any partner, executive officer, director, stockholder or employee, provided such employee is authorized to act in the administration of the Insured's Employee Benefit Programs.

"Employee Benefit Programs" — The term "Employee Benefit Programs" shall mean group life insurance, group health insurance, profit sharing plans, pension plans, employee stock subscription plans, workmen's compensation, unemployment insurance, social security, disability benefits insurance, and travel, savings, or vacation plans. Should the insured, during the policy period, institute an additional Employee Benefit Program, coverage will apply, provided the company is notified of such additional program, or programs, within 30 days after the effective date of such program.

"administration" — The unqualified word "administration", wherever used, shall mean:

a. Giving counsel to employees with respect to the Employee Benefit Programs;
b. Interpreting the Employee Benefit Programs;
c. Handling of records in connection with the Employee Benefit Programs;
d. Effecting enrollment, termination or cancellation of employees under the Employee Benefit Programs; provided all such acts are authorized by the named insured.

VII. **CONDITIONS.** None of the conditions of the policy shall apply to this insurance except "Liberalization Clause", "Inspection and Audit", "Cancellation", "Deferred Premium Payment Plan", "Subrogation", "Conformity With Statute", and "Changes". This coverage supplement shall also be subject to the following additional conditions:

A. **Insured's Duties in the Event of an Alleged Negligent Act, Error or Omission, Claim, or Suit.** As soon as practicable notice must be given to the Company during the coverage period when the Named Insured:

a. Receives information as to an alleged negligent act, error or omission, with full particulars of any claim arising therefrom.
b. Has knowledge of or can reasonably foresee circumstances which might result in a claim.

If suit is brought the Named Insured must immediately forward to the Company every demand, summons, or other process received by him.

The insured shall cooperate with the company and, upon the company's request, assist in making settlements, in the conduct of suits and in enforcing any right of contribution or indemnity against any person or organization who may be liable to the insured because of damage with respect to which insurance is afforded under this coverage supplement and the insured shall attend hearings and trials and assist in securing and giving evidence and obtaining the attendance of witnesses. The insured shall not, except at his own cost, voluntarily make any payment, assume any obligation or incur any expense.

B. **Action Against Company.** No action shall lie against the company unless, as a condition precedent thereto, there shall have been full compliance with all of the terms of this coverage supplement, nor until the amount of the insured's obligation to pay shall have been finally determined either by judgment against the insured after actual trial or by written agreement of the insured, the claimant and the company.

Any person or organization or the legal representative thereof who has secured such judgment or written agreement shall thereafter be entitled to recover under this coverage supplement the extent of the insurance afforded by this coverage supplement. No person or organization shall have any right under this coverage supplement to join the company as a party to any action against the insured to determine the insured's liability, nor shall the company be impleaded by the insured or his legal representative. Bankruptcy or insolvency of the insured or of the insured's estate shall not relieve the company of any of its obligations hereunder.

C. **Non-assignable.** The interest of the insured under this coverage supplement shall not be assignable to any other interest.

D. **Premium.** The premium stated in the schedule is an estimated premium only. Upon termination of each annual period of the policy to which this supplement is attached the insured, on request, will furnish the company a statement of the total number of employees at the end of the period and the earned premium shall be computed on the average of the number of the employees at the beginning and the end of such period in accordance with the rates set forth in the schedule.

E. **Other Insurance.** If, applicable to the loss, there is any valid and collectible insurance, whether on a primary, excess or contingent basis, available to the insured (in this or any other carrier), there shall be no insurance afforded hereunder as respects such loss, except, that if the applicable limit of liability of this coverage supplement is in excess of the applicable limit of liability provided by the other insurance, this coverage supplement shall afford excess insurance over and above such other insurance in an amount sufficient to afford the insured a combined limit of liability equal to the applicable limit of liability afforded by this coverage supplement. Insurance under this policy shall not be construed to be concurrent or contributing with any other insurance which is available to the insured.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CA 00 18 (Ed. 01 80)

CHANGES IN BUSINESS AUTO POLICY

The policy is changed as follows:

A. CHANGES IN LIABILITY INSURANCE

1. The exclusion relating to loading or unloading of property does not apply. The following two exclusions apply instead:

   This insurance does not apply to:

   Bodily injury or **property damage** resulting from the handling of property:

   a. Before it is moved from the place where it is accepted by the **insured** for movement into or onto the covered **auto**, or

   b. After it is moved from the covered **auto** to the place where it is finally delivered by the **insured**.

   Bodily injury or **property damage** resulting from the movement of property by a mechanical device (other than a hand truck) not attached to the covered **auto**.

2. WHO IS INSURED is changed to read:

   D. WHO IS INSURED

   1. **You** are an **insured** for any covered **auto**.
   2. Anyone else is an **insured** while using with **your** permission a covered **auto you** own, hire or borrow except:
      a. The owner of a covered **auto you** hire or borrow from one of **your** employees or a member of his or her household.
      b. Someone using a covered **auto** while he or she is working in a business of selling, servicing, repairing or parking **autos** unless that business is **yours**.
      c. Anyone other than **your** employees, a lessee or borrower or any of their employees, while moving property to or from a covered **auto**.
   3. Anyone is an **insured** for his or her liability because of acts or ommissions of an **insured** described above. However, the owner or anyone else from whom **you** hire or borrow a covered **auto** is an **insured** only if that **auto** is a **trailer** connected to a covered **auto you** own.

B. CHANGES IN PHYSICAL DAMAGE INSURANCE

The "GLASS BREAKAGE—HITTING A BIRD OR ANIMAL—FALLING OBJECTS OR MISSILES" provision is changed to read:

We will pay for glass breakage, loss caused by hitting a bird or animal or by falling objects or missiles under Comprehensive Coverage if **you** carry Comprehensive Coverage for the damaged covered **auto**. However, **you** have the option of having glass breakage caused by a covered **auto's** collision or overturn considered a **loss** under Collision Coverage.

C. CHANGE IN CONDITIONS

The following Condition is added:

TWO OR MORE POLICIES ISSUED BY US

If this policy and any other policy issued to **you** by **us** or any company affiliated with **us** apply to the same **accident**, the aggregate maximum limit of liability under all the policies shall not exceed the highest applicable limit of liability under any one policy. This condition does not apply to any policy issued by **us** or an affiliated company specifically to apply as excess insurance over this policy.

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Transamerica
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Transamerica Insurance Group

Comprehensive Business Auto Insurance (Coverage Supplement)

In return for the payment of the premium and subject to all the terms of this policy, **we** agree with **you** as follows:

PART I — WORDS AND PHRASES WITH SPECIAL MEANING — READ THEM CAREFULLY

The following words and phrases have special meaning throughout this policy and appear in **boldface type** when used:

A. **"You"** and **"your"** mean the person or organization shown as the named insured in ITEM ONE of the Additional Declarations.

B. **"We"**, **"us"** and **"our"** mean the company providing the insurance.

C. **"Accident"** includes continuous or repeated exposure to the same condition resulting in **bodily injury** or **property damage** the **insured** neither expected nor intended.

D. **"Auto"** means a land motor vehicle, trailer or semi-trailer designed for travel on public roads but does not include **mobile equipment.**

E. **"Bodily injury"** means bodily injury, sickness or disease including death resulting from any of these.

F. **"Insured"** means any person or organization qualifying as an insured in the WHO IS INSURED section of the applicable insurance. Except with respect to **our** limit of liability, the insurance afforded applies separately to each insured who is seeking coverage or against whom a claim is made or suit is brought.

G. **"Loss"** means direct and accidental damage or loss.

H. **"Mobile equipment"** means any of the following type of land vehicles:

1. Specialized equipment such as: Bulldozers; Power shovels; Rollers, graders or scrapers; Farm machinery; Cranes; Street sweepers or other cleaners; Diggers; Forklifts; Pumps; Generators; Air Compressors; Drills; Other similar equipment.
2. Vehicles designed for use principally off public roads.
3. Vehicles maintained solely to provide mobility for such specialized equipment when permanently attached.
4. Vehicles not required to be licensed.
5. **Autos** maintained for use solely on **your** premises or that part of roads or other accesses that adjoin **your** premises.

I. **"Property damage"** means damage to or loss of use of tangible property.

J. **"Trailer"** includes semitrailer.

PART II — WHICH AUTOS ARE COVERED AUTOS

A. If a limit of liability is shown in the place provided in each of the coverages contained in Item 2. of the "Auto Declarations", the following types of vehicles are covered **autos:**

1. **LIABILITY INSURANCE**
   a. Any **auto;**
   b. **Trailers** with a load capacity of 2,000 pounds or less designed primarily for travel on public roads;
   c. **Mobile Equipment** while being carried or towed by a covered **auto.**
2. **NO-FAULT COVERAGES**
   Only those **autos you** own which are required to have No-Fault benefits in the state where they are licensed or principally garaged. This includes those **autos** whose ownership **you** acquire after the policy begins provided they are required to have No-Fault benefits in the state where they are licensed or principally garaged.
3. **AUTO MEDICAL PAYMENTS INSURANCE**
   Only those **autos** of the type indicated by [X] in the "Auto Declarations";
4. **UNINSURED MOTORISTS INSURANCE**
   Only those **autos** of the type indicated by [X] in the **Auto** Declarations;
5. **PHYSICAL DAMAGE INSURANCE**
   a. Only those **autos you** own which are described in the **Schedule of Autos;** this includes those **autos** whose ownership **you** acquire after the policy begins;
   b. If indicated in the "Schedule of Autos" by [X] or where a deductible amount is shown, those **autos you** lease, hire, rent or borrow are covered **autos;** this does not include any **auto** you lease, hire, rent or borrow from any of your employees or members of their households.

B. **OWNED AUTOS YOU ACQUIRE AFTER THE POLICY BEGINS.**
If a limit of liability is shown in the place provided in each of the coverages contained in Item 2 of the "Auto Declarations", then **you** already have coverage for **autos** of the type described until the policy ends.

PART III — WHERE AND WHEN THIS POLICY COVERS

We cover **accidents** or **losses** which occur during the policy period:

A. In the United States of America, its territories or possessions, Puerto Rico or Canada; or

B. While the covered **auto** is being transported between any of these places.

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PART IV — LIABILITY INSURANCE

A. WE WILL PAY

1. **We** will pay all sums the **insured** legally must pay as damages because of **bodily injury** or **property damage** to which this insurance applies, caused by an **accident** and resulting from the ownership, maintenance or use of a covered **auto.**
2. **We** have the right and duty to defend any suit asking for these damages. However, **we** have no duty to defend suits for **bodily injury** or **property damage** not covered by this policy. **We** may investigate and settle any claim or suit as **we** consider appropriate. **Our** payment of the LIABILITY INSURANCE limit ends **our** duty to defend or settle.

B. WE WILL ALSO PAY.

In addition to **our** limit of liability, **we** will pay for the **insured:**

1. Up to $250 for cost of bail bonds (including bonds for related traffic law violations) required because of an **accident we** cover. **We** do not have to furnish these bonds.
2. Premiums on appeal bonds in any suit **we** defend.
3. Premiums on bonds to release attachments in a suit **we** defend but only for bonds up to **our** limit of liability.
4. All costs taxed to the **insured** in a suit **we** defend.
5. All interest accruing after the entry of the judgment in a suit **we** defend. **Our** duty to pay interest ends when **we** pay or tender **our** limit of liability.
6. Up to $50 a day for loss of earnings (but not other income) because of attendance at hearings or trials at **our** request.
7. Other reasonable expenses incurred at **our** request.

C. WE WILL NOT COVER — EXCLUSIONS.

This insurance does not apply to:

1. Liability assumed under any contract or agreement.
2. Any obligation for which the **insured** or his or her insurer may be held liable under any workers' compensation or disability benefits law or under any similar law.
3. Any obligation of the **insured** to indemnify another for damages resulting from **bodily injury** to the **insured's** employee.
4. **Bodily injury** to any fellow employee of the **insured** arising out of and in the course of his or her employment.
5. **Bodily injury** to any employee of the **insured** arising out of and in the course of his or her employment by the **insured.** However, this exclusion does not apply to **bodily injury** to domestic employees not entitled to workers' compensation benefits.
6. **Property damage** to property owned or transported by the **insured** or in the **insured's** care, custody or control.
7. **Bodily injury** or **property damage** resulting from the handling of property:
   a. Before it is moved from the place where it is accepted by the **insured** for movement into or onto the covered **auto,** or
   b. After it is moved from the covered **auto** to the place where it is finally delivered by the **insured.**
8. **Bodily injury** or **property damage** resulting from the movement of property by a mechanical device (other than a hand truck) not attached to the covered **auto.**
9. **Bodily injury** or **property damage** caused by the dumping, discharge or escape of irritants, pollutants or contaminants. This exclusion does not apply if the discharge is sudden and accidental.

D. WHO IS INSURED.

1. **You** are an **insured** for any covered **auto.**
2. Anyone else is an **insured** while using with **your** permission a covered **auto you** own, hire or borrow except:
   a. The owner of a covered **auto you** hire or borrow from one of **your** employees or a member of his or her household.
   b. Someone using a covered **auto** while he or she is working in a business of selling, servicing, repairing or parking **autos** unless that business is **yours.**
   c. Anyone other than **your** employees, a lessee or borrower or any of their employees, while moving property to or from a covered **auto.**
3. Anyone liable for the conduct of an **insured** described above is an **insured** but only to the extent of that liability. However, the owner or anyone else from whom **you** hire or borrow a covered **auto** is an **insured** only if that **auto** is a **trailer** connected to a covered **auto you** own.

E. OUR LIMIT OF LIABILITY.

1. Regardless of the number of covered **autos, insureds,** claims made or vehicles involved in the **accident,** the most **we** will pay for all damages resulting from any one **accident** is the LIABILITY INSURANCE limit shown in the Additional Declarations.
2. All **bodily injury** and **property damage** resulting from continuous or repeated exposure to substantially the same conditions will be considered as resulting from one **accident.**

F. OUT OF STATE EXTENSIONS OF COVERAGE.

1. While a covered **auto** is away from the state where it is licensed **we** will:
   a. Increase this policy's liability limits to

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meet those specified by a compulsory or financial responsibility law in the jurisdiction where the covered **auto** is being used.

b. Provide the minimum amounts and types of other coverages, such as "No-Fault", required of out of state vehicles by the jurisdiction where the covered **auto** is being used.

2. **We** will not pay anyone more than once for the same elements of loss because of these extensions.

PART V — AUTO MEDICAL PAYMENTS INSURANCE

A. **WORDS AND PHRASES WITH SPECIAL MEANING**

In addition to the WORDS AND PHRASES WITH SPECIAL MEANING in the policy, the following words and phrases have special meaning for AUTO MEDICAL PAYMENTS INSURANCE:

1. **"Family member"** means a person related to **you,** by blood, marriage or adoption who is a resident of **your** household, including a ward or foster child.
2. **"Occupying"** means in, upon, getting in, on, out or off.

B. **WE WILL PAY**

We will pay reasonable expenses incurred for necessary medical and funeral services to or for an **insured** who sustains **bodily injury** caused by **accident. We** will pay only those expenses incurred within three years from the date of the **accident.**

C. **WE WILL NOT COVER — EXCLUSIONS**

This insurance does not apply to:

1. **Bodily injury** sustained by an **insured** while **occupying** a vehicle located for use as a premises.
2. **Bodily injury** sustained by **you** or any **family member** while **occupying** or struck by any vehicle (other than a covered **auto**) owned by **you** or furnished or available for **your** regular use.

   If **you** are an individual, this exclusion does not apply to **Bodily injury** sustained by **you** or any **family member** while **occupying** or struck by any vehicle not owned by **you,** but furnished or available for **your** regular use.
3. **Bodily injury** sustained by any **family member** while **occupying** or struck by any vehicle (other than a covered **auto**) owned by **you** or furnished or available for the regular use of any **family member.**

   If **you** are an individual, this exclusion does not apply to **Bodily injury** sustained by any **family member** while **occupying** or struck by any vehicle not owned by a **family member,** but furnished or available for the regular use of any **family member.**
4. **Bodily injury** to **your** employee arising out of and in the course of employment by **you.** However, **we** will cover **bodily injury** to **your** domestic employees if not entitled to workers' compensation benefits.
5. **Bodily injury** to an **insured** while working in a business of selling, servicing, repairing or parking **autos** unless that business is yours.
6. **Bodily injury** caused by declared or undeclared war or insurrection or any of their consequences.
7. **Bodily injury** to anyone using a vehicle without a reasonable belief that the person is entitled to do so.

D. **WHO IS INSURED**

1. **You** or any **family member** while **occupying** or, while a pedestrian, when struck by any **auto.**
2. Anyone else **occupying** a covered **auto** or a temporary substitute for a covered **auto.** The covered **auto** must be out of service because of its breakdown, repair, servicing, **loss** or destruction.

E. **OUR LIMIT OF LIABILITY**

Regardless of the number of covered **autos; insureds,** claims made or vehicles involved in the **accident,** the most **we** will pay for **bodily injury** for each **insured** injured in any one **accident** is the limit of AUTO MEDICAL PAYMENTS shown in the Additional Declarations.

F. **CHANGES IN CONDITIONS**

The CONDITIONS of the policy are changed for AUTO MEDICAL PAYMENTS INSURANCE as follows:

1. OUR RIGHT TO RECOVER FROM OTHERS, does not apply.
2. The reference in OTHER INSURANCE to "other collectible insurance" applies only to other collectible auto medical payments insurance.

PART VI — PHYSICAL DAMAGE INSURANCE

A. **WE WILL PAY.**

1. **We** will pay for **loss** to a covered **auto** or its equipment under:

   a. **Comprehensive Coverage.** From any cause except the covered **auto's** collision with another object or its overturn.

   b. **Specified Perils Coverage.** Caused by:

      (1) Fire or explosion;
      (2) Theft;
      (3) Windstorm, hail or earthquake;
      (4) Flood;
      (5) Mischief or vandalism;
      (6) The sinking, burning, collision or

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derailment of any conveyance transporting the covered **auto.**

c. **Collision Coverage.** Caused by the covered **auto's** collision with another object or its overturn.

2. **Towing.**

We will pay up to $25 for towing and labor costs incurred each time a covered **auto** of the **private passenger type** is disabled. However, the labor must be performed at the place of disablement.

B. **WE WILL ALSO PAY.**

We will also pay up to $25 per day to a maximum of $300 for transportation expense incurred by **you** because of the total **loss** of a covered **auto** of the **private passenger type. We** will pay only for those covered **autos** for which **you** carry either Comprehensive or Specified Perils Coverage. **We** will pay for transportation expenses incurred during the period beginning 48 hours after the loss and ending, regardless of the policy's expiration, when the covered **auto** is returned to use or **we** pay for its **loss.**

C. **WE WILL NOT COVER — EXCLUSIONS.**

This insurance does not apply to:

1. Wear and tear, freezing, mechanical or electrical breakdown unless caused by other **loss** covered by this policy.
2. Blowouts, punctures or other road damage to tires unless caused by other **loss** covered by this policy.
3. **Loss** caused by declared or undeclared war or insurrection or any of their consequences.
4. **Loss** caused by the explosion of a nuclear weapon or its consequences.
5. **Loss** caused by radioactive contamination.
6. **Loss** to tape decks or other sound reproducing equipment not permanently installed in a covered **auto.**
7. **Loss** to tapes, records or other sound reproducing devices designed for use with sound reproducing equipment.
8. **Loss** to any sound receiving equipment designed for use as a citizens' band radio, two-way mobile radio or telephone or scanning monitor receiver, including its antennas and other accessories, unless permanently installed in the dash or console opening normally used by the **auto** manufacturer for the installation of a radio.

D. **HOW WE WILL PAY FOR LOSSES — THE MOST WE WILL PAY.**

1. At **our** option **we** may:
   a. Pay for, repair or replace damaged or stolen property; or
   b. Return the stolen property, at **our** expense. **We** will pay for any damage that results to the **auto** from the theft.
2. The most **we** will pay for **loss** is the smaller of the following amounts:
   a. The actual cash value of the damaged or stolen property at the time of **loss.**
   b. The cost of repairing or replacing the damaged or stolen property with other of like kind or quality.
3. For each covered **auto, our** obligation to pay for, repair, return or replace damaged or stolen property will be reduced by the applicable deductible shown in the declarations. Any Comprehensive Coverage deductible shown in the declarations does not apply to **loss** caused by fire or lightning.

E. **GLASS BREAKAGE — HITTING A BIRD OR ANIMAL — FALLING OBJECTS OR MISSILES.**

We will pay for glass breakage, **loss** caused by hitting a bird or animal or by falling objects or missiles under Comprehensive Coverage if **you** carry Comprehensive Coverage for the damaged covered **auto.** However, **you** have the option of having glass breakage caused by a covered **auto's** collision or overturn considered a **loss** under collision coverage.

PART VII — CONDITIONS

The insurance provided by this policy is subject to the following conditions:

A. **YOUR DUTIES AFTER ACCIDENT OR LOSS.**

1. **You** must promptly notify **us** or **our** agent of any **accident** or **loss. You** must tell **us** how, when and where the **accident** or **loss** happened. **You** must assist in obtaining the names and addresses of any injured persons and witnesses.
2. Additionally, **you** and other involved **insureds** must:
   a. Cooperate with **us** in the investigation, settlement or defense of any claim or suit. No **insured** shall, except at his or her own cost, voluntarily make any payment, assume any obligation or incur any expense.
   b. Immediately send **us** copies of any notices or legal papers received in connection with the **accident** or **loss.**
   c. Submit at **our** expense and as often as **we** require to physical examinations by physicians **we** select.
   d. Authorize **us** to obtain medical reports and other pertinent medical information.
3. Additionally, to recover for **loss** to a covered **auto** or its equipment **you** must do the following:
   a Permit **us** to inspect and appraise the damaged property before its repair or disposition.
   b. Do what is reasonably necessary after **loss** at **our** expense to protect the

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covered **auto** from further **loss.**

c. Submit a proof of **loss** when required by **us.**

d. Promptly notify the police if the covered **auto** or any of its equipment is stolen.

B. **OTHER INSURANCE.**

1. For any covered **auto you** own this policy provides primary insurance. For any covered **auto you** don't own, the insurance provided by this policy is excess over any other collectible insurance. However, while a covered **auto** which is a **trailer** is connected to another vehicle the liability coverage this policy provides for the **trailer:**

   a. Is excess while it is connected to a motor vehicle **you** don't own.

   b. Is primary while it is connected to a covered **auto you** own.

2. When two or more policies cover on the same basis, either excess or primary, **we** will pay only **our** share. **Our** share is the proportion that the limit of **our** policy bears to the total of the limits of all the policies covering on the same basis.

C. **OUR RIGHT TO RECOVER FROM OTHERS.**

If **we** make any payment, **we** are entitled to recover what **we** paid from other parties. Any person to or for whom **we** make payment must transfer to **us** his or her rights of recovery against any other party. This person must do everything necessary to secure these rights and must do nothing that would jeopardize them.

D. **CANCELLING THIS POLICY DURING THE POLICY PERIOD.**

1. **You** may cancel the policy by returning it to **us** or by giving **us** advance notice of the date cancellation is to take effect.
2. **We** may cancel the policy by mailing **you** at least 10 days notice at **your** last address known by **us. We** may deliver any notice instead of mailing it. Proof of mailing of any notice will be sufficient proof of notice.
3. The effective date of cancellation stated in the notice shall become the end of the policy period.
4. If this policy is cancelled, **you** may be entitled to a premium refund. If so, **we** will send **you** the refund. However, making or offering to make the refund is not a condition of cancellation. If **you** cancel, the refund, if any, will be computed in accordance with the customary short rate procedure. If **we** cancel, the refund, if any, will be computed pro rata.

E. **LEGAL ACTION AGAINST US.**

No legal action may be brought against **us** until there has been full compliance with all the terms of this policy. In addition, under LIABILITY INSURANCE, no legal action may be brought against **us** until **we** agree in writing that the **insured** has an obligation to pay or until the amount of that obligation has been finally determined by judgment after trial. No person or organization has any right under this policy to bring **us** into any action to determine the liability of the **insured.**

F. **INSPECTION.**

At **our** option **we** may inspect **your** property and operations at any time. These inspections are for **our** benefit only. By **our** right to inspect or by **our** making any inspection **we** make no representation that **your** property or operations are safe, not harmful to health or comply with any law, rule or regulation.

G. **CHANGES.**

This policy contains all the agreements between **you** and **us.** If a change requires a premium adjustment, **we** will adjust the premium as of the effective date of change. If **we** revise this policy form to provide more coverage without additional premium charge **your** policy will automatically provide the additional coverage as of the day the revision is effective in **your** state.

H. **TRANSFER OF YOUR INTEREST IN THIS POLICY.**

Your rights and duties under this policy may not be assigned without **our** written consent.

I. **NO BENEFIT TO BAILEE — PHYSICAL DAMAGE INSURANCE ONLY.**

We will not recognize any assignment or grant any coverage for the benefit of any person or organization holding, storing or transporting property for a fee regardless of any other provision of this policy.

J. **BANKRUPTCY.**

Bankruptcy or insolvency of the **insured** shall not relieve **us** of any obligations under this policy.

K. **APPRAISAL FOR PHYSICAL DAMAGE LOSSES.**

1. If **you** and **we** fail to agree as to the amount of **loss** either may demand an appraisal of the **loss.** In such event, **you** and **we** shall each select a competent appraiser, and the appraisers shall select a competent and disinterested umpire. The appraisers shall state separately the actual cash value and the amount of **loss,** and, failing to agree, shall submit their differences to the umpire. An award in writing of any two shall determine the amount of **loss. You** and **we** shall each pay the chosen appraiser and shall bear equally the other expenses of the appraisal and umpire.
2. **We** shall not be held to have waived any of **our** rights by any act relating to appraisal.

L. **TWO OR MORE POLICIES ISSUED BY US.**

If this policy and any other policy issued to **you** by **us** or any company affiliated with **us** apply to the same **accident,** the aggregate maximum limit of liability under all the policies shall not exceed the highest applicable limit of liability under any one policy. This condition does not apply to any policy issued by **us** or an affiliated company specifically to apply as excess insurance over this policy.

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PART VIII — INDIVIDUAL NAMED INSURED

If **you** are an individual, the policy is changed as follows:

A. **WORDS AND PHRASES WITH SPECIAL MEANING.**

1. The following phrase is added and appears in bold face type when used:

   "Family member" means a person related to **you** by blood, marriage or adoption who is a resident of **your** household, including a ward or foster child.

2. The words **"you"** and **"your"** include **your** spouse if a resident of the same household except for notice of cancellation.

3. When the phrase **"private passenger type"** appears in **bold face type** it includes any covered **auto you** own of the pick-up or van type not used for business purposes, other than farming or ranching.

B. **CHANGES IN LIABILITY INSURANCE.**

1. The exclusion relating to liability assumed under any contract or agreement does not apply to **your** liability under a share-the-expense car pool.

2. The exclusion relating to **bodily injury** to fellow employees of the **insured** does not apply to **bodily injury** to **your** or any **family member's** fellow employees.

3. The exclusion relating to property in the **insured's** care, custody or control does not apply to **property damage** to a residence or private garage. It also does not apply to any **private passenger type** covered **auto you** don't own while being used by **you** or by any **family member** except:

   (1) Any **auto** owned by any **family member.**

   (2) Any **auto** furnished or available for **your** or any **family member's** regular use.

   (3) Any **auto** which **you** or any **family member** uses while working in a business of selling, servicing, repairing or parking **autos** unless that business is yours.

4. **PERSONAL AUTO COVERAGE.**

   While any **auto you** own of the **private passenger type** is a covered **auto** under the LIABILITY INSURANCE:

   a. The following is added to WHO IS INSURED:

      Family members are **insureds** for any covered **auto you** own of the **private passenger type** and any other **auto** described in paragraph 4.b. of this PART VIII.

   b. Any **auto you** don't own is a covered **auto** while being used by **you** or by any **family member** except:

      (1) Any **auto** owned by any **family members.**

      (2) Any **auto** used by **you** or by any of **your family members** while working in a business of selling, servicing, repairing, or parking **autos** unless that business is yours.

      (3) Any **auto** other than an **auto** of the **private passenger type** used by **you** or by any of **your family members** while working in any other business or occupation.

   c. The exclusion relating to pollutants, irritants and contaminants and, if forming a part of the policy, the NUCLEAR ENERGY LIABILITY EXCLUSION (BROAD FORM), does not apply to any covered **auto** of the **private passenger type.**

   d. The following exclusion is added and applies only to **private passenger type** covered **autos:**

      This insurance does not apply to:

      Bodily injury or property damage for which an **insured** under the policy is also an **insured** under a nuclear energy liability policy or would be an **insured** but for its termination upon its exhaustion of its limit of liability. A nuclear energy liability policy is a policy issued by Nuclear Energy Liability Insurance Association. Mutual Atomic Energy Liability Underwriters or any of their successors. This exclusion does not apply to **autos** registered or principally garaged in New York.

C. **CHANGES IN PHYSICAL DAMAGE INSURANCE.**

1. The following exclusion is added and applies only to **private passenger type autos:**

   9. This insurance does not apply to **loss** to the following parts, equipment, furnishings or finishes, unless factory installed or manufactured:

      Furniture, fixtures, carpeting or equipment which is contained in the vehicle for sleeping, cooking, washing and/or housekeeping, custom-installed height-extending roofs, porthole, slides or bubble windows, colored privacy glass in windows, mag or wire wheels, side pipes, air scoops, interior custom upholstery, custom-paint, such as murals, graphics or other custom-applied designs and spoilers.

      This exclusion does not apply to a camper or motor home type vehicle.

2. The following is added to Section B. WE WILL ALSO PAY:

   If **Comprehensive Coverage** applies to **your private passenger type** covered **auto, we** will also pay for **loss** to (a) personal property owned by **you** or a **family member** while contained in **your** covered **auto,** up to a

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maximum of $200. This coverage does not apply to samples or merchandise for sale, animals, and tools, equipment or instruments relating to **your** occupation, or that of a **family member.** If the **loss** is due to theft, other than the entire theft of **your** covered **auto,** evidence of forcible entry must exist; (b) a **trailer** while being used by **you** or a **family member,** which is not used as a home, office, store, display or passenger trailer, up to a maximum of $500.

3. The following is added to Section 3.D. HOW WE WILL PAY FOR LOSSES — THE MOST WE WILL PAY:

   If **your private passenger type** covered **auto** is classified and rated according to the Personal Auto Manual, **we** will waive the **Collision Coverage** deductible shown in the "Schedule of Autos" if the **collision** involves another **auto** insured by **us,** or by another Company which is a member of Transamerica Insurance Group, unless such **auto** is classified and rated as a commercial **auto.**

D. **CONDITIONS.**

The following Condition is added.

DEATH OF THE INDIVIDUAL NAMED INSURED

If you die:

1. **Your** surviving spouse if a resident of the same household at the time of **your** death will continue as the named **insured** until the end of the policy.
2. **Your** legal representative will be the named **insured** but only while acting within the scope of his or her duties as such.
3. Until **your** legal representative has been appointed, the person having proper temporary custody of **your** property will be the named **insured** with respect to such property.

PART IX — THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT
(Broad Form) (ISO CA 0318)

It is agreed that:

A. The policy does not apply:

1. Under any Liability Coverage, to **bodily injury** or **property damage**
   a. with respect to which an **insured** under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters or Nuclear Insurance Association of Canada, or would be an **insured** under any such policy but for its termination upon exhaustion of its limit of liability; or
   b. resulting from the **hazardous properties** of **nuclear material** and with respect to which (1) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or (2) the **insured** is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.
2. Under any Medical Payments Coverage, or under any Supplementary Payments provision relating to first aid, to expenses incurred with respect to **bodily injury** resulting from the **hazardous properties** of **nuclear material** and arising out of the operation of a **nuclear facility** by any person or organization.
3. Under any Liability Coverage, to **bodily injury** or **property damage** resulting from the **hazardous properties** of **nuclear material,** if
   a. the **nuclear material** (1) is at any **nuclear facility** owned by, or operated by or on behalf of, an **insured** or (2) has been discharged or dispersed therefrom;
   b. the **nuclear material** is contained in **spent fuel** or **waste** at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of an **insured;** or
   c. the **bodily injury** or **property damage** arises out of the furnishing by an **insured** of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any **nuclear facility,** but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion c applies only to **property damage** to such **nuclear facility** and any property thereat.

B. As used in this endorsement:

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

"nuclear material" means **source material, special nuclear material** or **byproduct material;**

"source material", "special nuclear material", and **"byproduct material"** have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof;

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

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"**waste**" means any waste material (a) containing **byproduct material** and (b) resulting from the operation of any person or organization of a nuclear facility included within the definition of **nuclear facility** under paragraph 1 or 2 thereof;

"**nuclear facility**" means

1. any **nuclear reactor,**
2. any equipment or device designed or used for (a) separating the isotopes of uranium or plutonium, (b) processing or utilizing **spent fuel,** or (c) handling, processing or packaging **waste.**
3. any equipment or device used for the processing, fabricating or alloying of **special nuclear material** if at any time the total amount of such material in the custody of the **insured** at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235,
4. any structure, basin, excavation, premises or place prepared or used for the storage or disposal of **waste,**

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations;

"**nuclear reactor**" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material;

"**property damage**" includes all forms of radioactive contamination of property.

NEW YORK EXCEPTION: The "Nuclear Energy Liability Exclusion Endorsement (Broad Form)" does not apply to **Auto** Liability Insurance in New York.

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Transamerica Insurance Services

Transamerica Insurance Group

Your Business Auto Policy — Quick Reference

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IMPORTANT: This Quick Reference is *not* part of the Business Auto Policy and does *not* provide coverage. Refer to the Business Auto Policy itself for the actual contractual provisions.

PLEASE READ THE BUSINESS AUTO POLICY CAREFULLY.

THESE POLICY PROVISIONS WITH THE ADDITIONAL DECLARATIONS AND ENDORSEMENTS, IF ANY, ISSUED TO FORM A PART THEREOF, COMPLETE THIS POLICY.

Transamerica
Insurance Services

Transamerica Insurance Group

Mexico Coverage Endorsement

1. The insurance provided by this policy is extended to apply while your covered auto is used for occasional trips into the Republic of Mexico. Coverage is limited to 10 days travel at any one time.

2. Coverage provided by this endorsement applies only if your principal residence is in the United States of America, and if your covered auto is principally garaged, maintained and used in the United States of America.

3. When two or more policies cover on the same basis, either excess or primary, we will pay only our share. However if there is any other collectible insurance, any insurance we provide shall be excess.

4. We will pay you under PHYSICAL DAMAGE INSURANCE for loss to your covered auto while it is used in the Republic of Mexico but any amount payable under this coverage will be paid only in the United States of America. However the adjustment of claims for these repairs or replacement parts shall not exceed the cost for the same repairs or replacement parts at the nearest point in the United States of America where these repairs or replacement can be made.

5. If coverage is provided in your policy under UNINSURED MOTORISTS INSURANCE it will not be applicable to accidents occurring in the Republic of Mexico.

WARNING

UNLESS YOU HAVE AUTOMOBILE INSURANCE WRITTEN BY A MEXICAN INSURANCE COMPANY, YOU MAY SPEND MANY HOURS OR DAYS IN JAIL, IF YOU HAVE AN ACCIDENT IN MEXICO. INSURANCE COVERAGE SHOULD BE SECURED FROM A COMPANY LICENSED UNDER THE LAWS OF MEXICO TO WRITE SUCH INSURANCE IN ORDER TO AVOID COMPLICATIONS AND POSSIBLE PENALTIES INCLUDING IMPOUNDMENT OF YOUR AUTOMOBILE.

ALL OTHER TERMS AND CONDITIONS OF THIS POLICY REMAIN UNCHANGED.

24671 TO REMOVE CARBONS — HOLD ABOVE LINE Uniform

BRANCH CODE	AGENCY CODE	COMM.

AGENT AND AGENCY AT:

Transamerica Insurance Services

Transamerica Insurance Company
A Stock Company / Home Office: Los Angeles, California

Transaction 660
Commercial Umbrella Policy Declarations

POLICY NO. U

REPLACING NO.

Item 1. Name of Insured and Address: (No., Street, Town or City, County, State)

IF ITEM 1. AND 3. ARE NOT COMPLETED, THIS POLICY AND ALL THE ENDORSEMENTS ATTACHED THERETO FORM A SUPPLEMENT TO POLICY NO._____ EFFECTIVE ON THE INCEPTION DATE OF SAID POLICY UNLESS ANOTHER DATE IS GIVEN ON A GENERAL CHANGE ENDORSEMENT ATTACHED TO THIS POLICY.

Item 2. Limits of Liability
(a) Each Occurrence $_____
(b) Annual Aggregate (where applicable) $_____
(c) Retained Limit $_____

Item 3. Policy Period From: _____ to _____ } 12:01 A.M., Standard Time, at the address of the named insured as stated herein.

Item 4. Premium Computation:

Estimated Annual Rate per	
Estimated Annual Premium	$
Annual Minimum Premium	$
Advance Premium	$

In the event of cancellation by the named insured, the company shall receive and retain not less than $ _____ as the minimum premium.

If the premium is to be paid in installments, a premium of $ _____ is payable on the effective date of this policy and premiums of $ _____ are payable on the first and second anniversaries thereof.

Schedule of Underlying Insurance

Carrier, Policy Number and Period	Type of Policy	Applicable Limits

DATE _____

_____
Authorized Representative

L 13090

9-80

000197

In Witness Whereof, this Company has executed and attested these presents, but this policy shall not be valid unless countersigned by the duly authorized Agent of this Company at the agency hereinbefore mentioned.

Transamerica Insurance Company

Secretary

President

BRANCH CODE	AGENCY CODE	COMM.

AGENT AND AGENCY AT:

Transamerica Insurance Services

Transamerica Insurance Company
A Stock Company / Home Office: Los Angeles, California

Transaction 660
Commercial Umbrella Policy Declarations

POLICY NO. U

REPLACING NO.

Item 1. Name of Insured and Address: (No., Street, Town or City, County, State)

IF ITEM 1. AND 3. ARE NOT COMPLETED, THIS POLICY AND ALL THE ENDORSEMENTS ATTACHED THERETO FORM A SUPPLEMENT TO POLICY NO. _____ EFFECTIVE ON THE INCEPTION DATE OF SAID POLICY UNLESS ANOTHER DATE IS GIVEN ON A GENERAL CHANGE ENDORSEMENT ATTACHED TO THIS POLICY.

Item 2. Limits of Liability

(a) Each Occurrence $ _____
(b) Annual Aggregate (where applicable) $ _____
(c) Retained Limit $ _____

Item 3. Policy Period From: _____ to _____ } 12:01 A.M., Standard Time, at the address of the named insured as stated herein.

Item 4. Premium Computation:

Estimated Annual Rate per	
Estimated Annual Premium	$
Annual Minimum Premium	$
Advance Premium	$

In the event of cancellation by the named insured, the company shall receive and retain not less than $ _____ as the minimum premium.

If the premium is to be paid in installments, a premium of $ _____ is payable on the effective date of this policy and premiums of $ _____ are payable on the first and second anniversaries thereof.

Schedule of Underlying Insurance

Carrier, Policy Number and Period	Type of Policy	Applicable Limits

000199

DATE _____

_____
Authorized Representative

BRANCH CODE	AGENCY CODE	COMM.

AGENT AND AGENCY AT:

Transamerica Insurance Services

Transamerica Insurance Company
A Stock Company / Home Office: Los Angeles, California

Transaction 660
Commercial Umbrella Policy Declarations

POLICY NO. U

REPLACING NO.

Item 1. Name of Insured and Address: (No., Street, Town or City, County, State)

IF ITEM 1. AND 3. ARE NOT COMPLETED, THIS POLICY AND ALL THE ENDORSEMENTS ATTACHED THERETO FORM A SUPPLEMENT TO POLICY NO._____ EFFECTIVE ON THE INCEPTION DATE OF SAID POLICY UNLESS ANOTHER DATE IS GIVEN ON A GENERAL CHANGE ENDORSEMENT ATTACHED TO THIS POLICY.

Item 2. Limits of Liability

(a) Each Occurrence $_____
(b) Annual Aggregate (where applicable) $_____
(c) Retained Limit $_____

Item 3. Policy Period From: _____ to _____ } 12:01 A.M., Standard Time, at the address of the named insured as stated herein.

Item 4. Premium Computation:

Estimated Annual Rate per	
Estimated Annual Premium	$
Annual Minimum Premium	$
Advance Premium	$

In the event of cancellation by the named insured, the company shall receive and retain not less than $ _____ as the minimum premium.

If the premium is to be paid in installments, a premium of $ _____ is payable on the effective date of this policy and premiums of $ _____ *are payable on the first and second anniversaries thereof.*

Schedule of Underlying Insurance

Carrier, Policy Number and Period	Type of Policy	Applicable Limits

000200

DATE _____

_____
Authorized Representative

BRANCH CODE	AGENCY CODE	COMM.

AGENT AND AGENCY AT:

Transamerica Insurance Services

Transamerica Insurance Company
A Stock Company / Home Office: Los Angeles, California

Transaction 660
Commercial Umbrella Policy Declarations

POLICY NO. U

REPLACING NO.

Item 1. Name of Insured and Address: (No., Street, Town or City, County, State)

IF ITEM 1. AND 3. ARE NOT COMPLETED, THIS POLICY AND ALL THE ENDORSEMENTS ATTACHED THERETO FORM A SUPPLEMENT TO POLICY NO._____ EFFECTIVE ON THE INCEPTION DATE OF SAID POLICY UNLESS ANOTHER DATE IS GIVEN ON A GENERAL CHANGE ENDORSEMENT ATTACHED TO THIS POLICY.

Item 2. Limits of Liability

(a) Each Occurrence	$_____
(b) Annual Aggregate (where applicable)	$_____
(c) Retained Limit	$_____

Item 3. Policy Period From: _____ to _____ } 12:01 A.M., Standard Time, at the address of the named insured as stated herein.

Item 4. Premium Computation:

Estimated Annual Rate per	
Estimated Annual Premium	$
Annual Minimum Premium	$
Advance Premium	$

In the event of cancellation by the named insured, the company shall receive and retain not less than $ _____ as the minimum premium.

If the premium is to be paid in installments, a premium of $ _____ is payable on the effective date of this policy and premiums of $ _____ are payable on the first and second anniversaries thereof.

Schedule of Underlying Insurance

Carrier, Policy Number and Period	Type of Policy	Applicable Limits

000201

DATE _____

_____
Authorized Representative

24671

TO REMOVE CARBONS — HOLD ABOVE LINE

Uniform

BRANCH CODE	AGENCY CODE	COMM.

AGENT AND AGENCY AT:

Transamerica Insurance Services

Transamerica Insurance Company
A Stock Company / Home Office: Los Angeles, California

Transaction 660
Commercial Umbrella Policy Declarations

POLICY NO. U

REPLACING NO.

Item 1. Name of Insured and Address: (No., Street, Town or City, County, State)

IF ITEM 1. AND 3. ARE NOT COMPLETED, THIS POLICY AND ALL THE ENDORSEMENTS ATTACHED THERETO FORM A SUPPLEMENT TO POLICY NO._____ EFFECTIVE ON THE INCEPTION DATE OF SAID POLICY UNLESS ANOTHER DATE IS GIVEN ON A GENERAL CHANGE ENDORSEMENT ATTACHED TO THIS POLICY.

Item 2. Limits of Liability

(a) Each Occurrence $_____

(b) Annual Aggregate (where applicable) $_____

(c) Retained Limit $_____

Item 3. Policy Period From: _____ to _____ } 12:01 A.M., Standard Time, at the address of the named insured as stated herein.

Item 4. Premium Computation:

Estimated Annual Rate per	
Estimated Annual Premium	$
Annual Minimum Premium	$
Advance Premium	$

In the event of cancellation by the named insured, the company shall receive and retain not less than $ _____ as the minimum premium.

If the premium is to be paid in installments, a premium of $ _____ is payable on the effective date of this policy and premiums of $ _____ are payable on the first and second anniversaries thereof.

Schedule of Underlying Insurance

Carrier, Policy Number and Period	Type of Policy	Applicable Limits

DATE_____

_____
Authorized Representative

000202

L 13090

9-80

COPY

In Witness Whereof, this Company has executed and attested these presents, but this policy shall not be valid unless countersigned by the duly authorized Agent of this Company at the agency hereinbefore mentioned.

Transamerica Insurance Company

Secretary

President

Transamerica Insurance Services

☒ Transamerica Insurance Company

☐ _____

Endorsement

ATTACHED TO AND FORMING A PART OF POLICY NUMBER	ENDORSEMENT EFFECTIVE (standard time) Mo	Day	Yr	12:01 A.M.	00%	INSURED	PRODUCER AND CODE

Section II - General Liability
Form L10609C

POLLUTION EXCLUSION

It is agreed that the exclusion relating to the discharge, dispersal, release or escape of smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids or gases, waste materials or other irritants, contaminants or pollutants is replaced by the following:

(1) to bodily injury or property damage arising out of the actual, alleged or threatened discharge, dispersal, release or escape of pollutants:

(a) at or from premises owned, rented or occupied by the named insured;

(b) at or from any site or location used by or for the named insured or others for the handling, storage, disposal, processing or treatment of waste;

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

(d) at or from any site or location on which the named insured or any contractors or subcontractors working directly or indirectly on behalf of the named insured are performing operations:

(i) if the pollutants are brought on or to the site or location in connection with such operations; or

(ii) if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize the pollutants.

(2) to any loss, cost or expense arising out of any governmental direction or request that the named insured test for, monitor, clean up, remove, contain, treat, detoxify or neutralize pollutants.

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

This endorsement forms a part of the policy to which attached, effective on the inception date of the policy unless otherwise stated herein.

ALL OTHER TERMS AND CONDITIONS OF THIS POLICY REMAIN UNCHANGED

_____ _____

Authorized Representative Date

13034 2-84

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Transamerica Insurance Services

Transamerica Insurance Group

Additional Declarations

SECTION _____ INLAND MARINE

SCHEDULE _____

Policy No.

This schedule is attached to, and forms a part of the policy specified above.

Schedule - Description of insured property and amount of insurance.

(Only those coverages are afforded which are indicated by a premium charge or the word "included" inserted opposite the coverage)

Form Attached	Description and Location of Insured Property	Limits of Liability	Rate	Premium

Total Premium _____

CONDITIONS

1. **MISREPRESENTATION AND FRAUD.** This entire policy shall be void if, whether before or after a loss, the Insured has concealed or misrepresented any material fact or circumstance concerning this insurance or the subject thereof, or the interest of the Insured therein, or in case of any fraud or false swearing by the Insured relating thereto.

2. **NOTICE OF LOSS.** The Insured shall as soon as practicable report in writing to the Company or its agent every loss, damage or occurrence which may give rise to a claim under this policy and shall also file with the Company or its agent within ninety (90) days from date of discovery of such loss, damage or occurrence, a detailed sworn proof of loss.

3. **EXAMINATION UNDER OATH.** The Insured, as often as may be reasonably required, shall exhibit to any person designated by the Company all that remains of any property herein described, and shall submit, and in so far as is within his or their power cause his or their employees, members of the household and others to submit to examinations under oath by any person named by the Company and subscribe the same; and, as often as may be reasonably required, shall produce for examination all writings, books of account, bills, invoices and other vouchers, or certified copies thereof if originals be lost, at such reasonable time and place as may be designated by the Company or its representative, and shall permit extracts and copies thereof to be made. No such examination under oath or examination of books or documents, nor any other act of the Company or any of its employees or representatives in connection with the investigation of any loss or claim hereunder, shall be deemed a waiver of any defense which the Company might otherwise have with respect to any loss or claim, but all such examinations and acts shall be deemed to have been made or done without prejudice to the Company's liability.

4. **VALUATION.** The Company shall not be liable beyond the actual cash value of the property at the time any loss or damage occurs and the loss or damage shall be ascertained or estimated according to such actual cash value with proper deduction for depreciation, however caused, and shall in no event exceed what it would then cost to repair or replace the same with material of like kind and quality.

PAIR, SET OR PARTS. In the event of loss of or damage to:

(a) any article or articles which are a part of a pair or set, the measure of loss of or damage to such article or articles shall be a reasonable and fair proportion of the total value of the pair or set, giving consideration to the importance of said article or articles, but in no event shall such loss or damage be construed to mean total loss of the pair or set; or

(b) any part of property covered consisting, when complete for use, of several parts, the Company shall only be liable for the value of the part lost or damaged.

THE PROVISIONS PRINTED ON THE BACK OF THIS FORM ARE HEREBY REFERRED TO AND MADE A PART HEREOF.

5. SETTLEMENT OF LOSS. All adjusted claims shall be paid or made good to the Insured within sixty (60) days after presentation and acceptance of satisfactory proof of interest and loss at the office of the Company. No loss shall be paid or made good if the Insured has collected the same from others.

6. NO BENEFIT TO BAILEE. This insurance shall in nowise inure directly or indirectly to the benefit of any carrier or other bailee.

7. LOSS CLAUSE. Any loss hereunder shall not reduce the amount of this policy, except in the event of payment of claim for total loss of an item specifically scheduled hereon. If claim is paid for total loss of one or more scheduled items, the unearned premium applicable to such items will be refunded to the Insured or applied to the premium due on item(s) replacing those on which the claim was paid.

8. SUBROGATION OR LOAN. If in the event of loss or damage the Insured shall acquire any right of action against any individual, firm or corporation for loss of, or damage to, property covered hereunder, the Insured will, if requested by the Company, assign and transfer such claim or right of action to the Company or, at the Company's option, execute and deliver to the Company the customary form of loan receipt upon receiving an advance of funds in respect of the loss or damage; and will subrogate the Company to, or will hold in trust for the Company, all such rights of action to the extent of the amount paid or advanced, and will permit suit to be brought in the Insured's name under the direction of and at the expense of the Company.

9. PROTECTION OF PROPERTY. In case of loss, it shall be lawful and necessary for the Insured, his or their factors, servants and assigns, to sue, labor, and travel for, in and about the defense, safeguard and recovery of the property insured hereunder, or any part thereof, without prejudice to this insurance, nor shall the acts of the Insured or the Company, in recovering, saving and preserving the property insured in case of loss be considered a waiver or an acceptance of abandonment. The expenses so incurred shall be borne by the Insured and the Company proportionately to the extent of their respective interests.

10. SUIT. No suit, action or proceeding for the recovery of any claim under this policy shall be sustainable in any court of law or equity unless the same be commenced within twelve (12) months next after discovery by the Insured of the occurrence which gives rise to the claim, provided however, that if by the laws of the State within which this policy is issued such limitation is invalid, then any such claims shall be void unless such action, suit or proceeding be commenced within the shortest limit of time permitted by the laws of such State.

11. APPRAISAL. If the Insured and the Company fail to agree as to the amount of loss, each shall, on the written demand of either, made within sixty (60) days after receipt of proof of loss by the Company, select a competent and disinterested appraiser, and the appraisal shall be made at a reasonable time and place. The appraisers shall first select a competent and disinterested umpire, and failing for fifteen (15) days to agree upon such umpire, then, on the request of the Insured or the Company, such umpire shall be selected by a judge of a court of record in the State in which such appraisal is pending. The appraisers shall then appraise the loss, stating separately the actual cash value at the time of loss and the amount of loss, and failing to agree shall submit their differences to the umpire. An award in writing of any two shall determine the amount of loss. The Insured and the Company shall each pay his or its chosen appraiser and shall bear equally the other expenses of the appraisal and umpire. The Company shall not be held to have waived any of its rights by any act relating to appraisal.

12. CANCELATION. This policy may be canceled by the Insured by surrender thereof to the Company or any of its authorized agents or by mailing to the Company written notice stating when thereafter such cancelation shall be effective. This policy may be canceled by the Company by mailing to the Insured at the address shown in this policy or last known address written notice stating when, not less than Ten (10) days thereafter, such cancelation shall be effective. The mailing of notice as aforesaid shall be sufficient proof of notice. The time of surrender or the effective date of the cancelation stated in the notice shall become the end of the policy period. Delivery of such written notice either by the Insured or by the Company shall be equivalent to mailing.

If the Insured cancels, earned premiums shall be computed in accordance with the customary short rate table and procedure. If the Company cancels, earned premium shall be computed pro rata. Premium adjustment may be made at the time cancelation is effected and, if not then made, shall be made, as soon as practicable after cancelation becomes effective. The Company's check or the check of its representative mailed or delivered as aforesaid shall be a sufficient tender of any refund of premium due to the Insured.

13. CHANGES. Notice to any agent or knowledge possessed by any agent or by any other person shall not effect a waiver or a change in any part of this policy or estop the Company from asserting any right under the terms of this policy, nor shall the terms of this policy be waived or changed, except by endorsement issued to form a part of this policy.

14. CONFORMITY TO STATUTE. Terms of this policy which are in conflict with the statutes of the State wherein this policy is issued are hereby amended to conform to such statutes.

Transamerica Insurance Services

Transamerica Insurance Group

Section II — General Liability
Additional Declarations

Policy Number _____ Schedule A

Insurance is provided only for those coverages for which limits of liability are stated in the place provided in this schedule. The limit of the company's liability on account of each such coverage shall be as stated herein, subject to all of the forms of the policy and coverage supplement attached having reference thereto.

COVERAGES	LIMITS OF LIABILITY	
Divided Limits Plan	Each Occurrence	Aggregate
A. Bodily Injury Liability	$,000	$,000
B. Property Damage Liability	$,000	$,000
Combined Limits Plan		
A. and B. Combined Bodily Injury and Property Damage Liability	$,000	Each Occurrence
E - Premises Medical Payments	Each Person $	Each Accident $,000

F[illegible] attached hereto [illegible] Form Number and Edition Date.)

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Transamerica
Insurance Services

Transamerica Insurance Group

Blanket Additional Coverage Endorsement
(Section II — Liability)

It is agreed that such insurance as is provided under the Blanket Liability Coverage Supplement is extended to include the following additional insurance:

I. FIRE LEGAL LIABILITY — REAL PROPERTY

The company will pay on behalf of the insured all sums which the insured shall become legally obligated to pay as damages because of property damage to structures or portions thereof rented to or leased to the named insured, including fixtures permanently attached thereto, if such property damage arises out of fire;

A. All of the exclusions of this policy, other than the Nuclear Energy Liability Exclusion (Broad Form), are deleted and replaced by the following:

This insurance does not apply to liability assumed by the insured under any contract or agreement.

B. The limit of property damage liability as respects this Fire Legal Liability Coverage — Real Property is $100,000.00 each occurrence unless otherwise stated in the Declarations.

II. INCIDENTAL MEDICAL MALPRACTICE LIABILITY COVERAGE

Such insurance as is provided under Coverage A — Bodily Injury, is amended to include Incidental Medical Malpractice Injury.

Incidental Medical Malpractice Injury means injury arising out of the rendering of or failure to render, during the policy period, the following services:

A. medical, surgical, dental, x-ray or nursing service or treatment or the furnishing of food or beverages in connection therewith; or

B. the furnishing or dispensing of drugs or medical, dental or surgical supplies or appliances.

This coverage does not apply to:

1. expenses incurred by the insured for first-aid to others at the time of an accident and the "Supplementary Payments" provision and the "Insured's Duties in the Event of Occurrence, Claim or Suit" Condition are amended accordingly; or

2. any insured engaged in the business or occupation of providing any of the services described under II (A) and (B) above;

3. injury caused by any indemnitee if such indemnitee is engaged in the business or occupation of providing any of the services described under II (A) and (B) above.

III. PERSONAL INJURY AND ADVERTISING INJURY LIABILITY COVERAGE

A. The company will pay on behalf of the insured all sums which the insured shall become legally obligated to pay as damages because of personal injury or advertising injury to which this insurance applies, sustained by any person or organization and arising out of the conduct of the named insured's business, within the policy territory, and the company shall have the right and duty to defend any suit against the insured seeking damages on account of such injury, even if any of the allegations of the suit are groundless, false or fraudulent, and may make such investigation and settlement of any claim or suit as it deems expedient, but the company shall not be obligated to pay any claim or judgment or to defend any suit after the applicable limit of the company's liability has been exhausted by payment of judgments or settlements.

B. This insurance does not apply:

1. to liability assumed by the insured under any contract or agreement;

2. to personal injury or advertising injury arising out of the wilful violation of a penal statute or ordinance committed by or with the knowledge or consent of the insured;

3. to personal injury or advertising injury arising out of a publication or utterance of a libel or slander, or a publication or utterance in violation of an individual's right of privacy, if the first injurious publication or utterance of the same or similar material by or on behalf of the named insured was made prior to the effective date of this insurance;

4. to personal injury or advertising injury arising out of libel or slander or the publication or utterance of defamatory or disparaging material concerning any person or organization or goods, products or services, or in violation of an individual's right of privacy, made by or at the direction of the insured with knowledge of the falsity thereof;

5. to personal injury or advertising injury arising out of the conduct of any partnership or joint venture of which the insured is a partner or member and which is not designated in the declarations of the policy as a named insured;

6. to advertising injury arising out of

a. failure of performance of contract, but this exclusion does not apply to the unauthorized appropriation of ideas based upon alleged breach of implied contract, or

b. infringement of trademark, service mark or trade name, other than titles or slogans, by use thereof on or in connection with goods, products or services sold, offered for sale or advertised, or

c. incorrect description or mistake in advertised price of goods, products or services sold, offered for sale or advertised;

7. with respect to advertising injury

a. to any insured in the business of advertising, broadcasting, publishing or telecasting, or

b. to any injury arising out of any act committed by the insured with actual malice.

C. Limits of Liability

Regardless of the number of (1) insureds hereunder, (2) persons or organizations who sustain injury or damage, or (3) claims made or suits brought on account of personal injury or advertising injury the total limit of the company's liability under this coverage for all damages shall not exceed the per occurrence bodily injury liability limit stated in the General Liability Schedule.

D. Additional Definitions

"Advertising Injury" means injury arising out of an offense committed during the policy period occurring in the course of the named insured's advertising activities, if such injury arises out of libel, slander, defamation, violation of right of privacy, piracy, unfair competition, or infringement of copyright, title or slogan.

"Personal Injury" means injury arising out of one or more of the following offenses committed during the policy period:

1. false arrest, detention, imprisonment, or malicious prosecution;

(continued on reverse side)

000208

2. wrongful entry or eviction or other invasion of the right of private occupancy,

3. a publication or utterance

a. of a libel or slander or other defamatory or disparaging material, or

b. in violation of an individual's right of privacy, except publications or utterances in the course of or related to advertising, broadcasting, publishing or telecasting activities conducted by or on behalf of the named insured shall not be deemed personal injury;

4. racial or religious discrimination (unless coverage is prohibited by law) not committed by or at the direction of the named insured or any executive officer, director, or partner thereof, but only with respect to the liability other than fines and penalties imposed by law.

IV. BLANKET CONTRACTUAL LIABILITY COVERAGE

A. The definition of incidental contract is extended to include any contract or agreement relating to the conduct of the named insured's business.

B. The insurance afforded with respect to liability assumed under an incidental contract is subject to the following additional exclusions:

1. to bodily injury or property damage for which the insured has assumed liability under any incidental contract, if such injury or damage occurred prior to the execution of the incidental contract;

2. if the insured is an architect, engineer or surveyor, to bodily injury or property damage arising out of the rendering or failure to render professional services by such insured, including

a. the preparation or approval of maps, drawings, opinions, reports, surveys, change orders, designs or specifications, and

b. supervisory, inspection or engineering services;

3. if the indemnitee of the insured is an architect, engineer or surveyor, to the liability of the indemnitee, his agents or employees, arising out of

a. the preparation or approval or the failure to prepare or approve maps, drawings, opinions, reports, surveys, change orders, designs or specifications, or

b. the giving of or the failure to give directions or instructions by the indemnitee, his agent or employees, provided such giving or failure to give is the primary cause of the bodily injury or property damage;

4. to any obligation for which the insured may be held liable in an action on a contract by a third party beneficiary for bodily injury or property damage arising out of a project for a public authority; but this exclusion does not apply to an action by the public authority or any other person or organization engaged in the project;

5. to bodily injury or property damage arising out of operations, within 50 feet of any railroad property, affecting any railroad bridge or trestle, tracks, road beds, tunnel, underpass or crossing; but this exclusion does not apply to sidetrack agreements.

C. The following exclusion applicable to Coverages A (Bodily Injury) and B (Property Damage) does not apply to this Contractual Liability Coverage: (g).

To liability assumed by the insured under any contract or agreement except an incidental contract; but this exclusion does not apply to a warranty of fitness or quality of the named insured's products or a warranty that work performed by or on behalf of the named insured will be done in a workmanlike manner.

D. Exclusion (h) is replaced by the following:

V. ADDITIONAL PERSONS INSURED

As respects Coverage A (bodily injury) and B (property damage), and advertising injury and personal injury coverages, under the provision "Persons Insured," the following are added as insureds:

1. Spouse — Partnership — If the named insured is a partnership, the spouse of a partner but only with respect to the conduct of the business of the named insured.

2. Employee — Any employee of the named insured while acting within the scope of his duties as such, but the insurance afforded to such employee does not apply:

a. to bodily injury or personal injury to another employee of the named insured arising out of or in the course of his employment;

b. to personal injury or advertising injury to the named insured or, if the named insured is a partnership or joint venture, any partner or member thereof, or the spouse of any of the foregoing;

c. to property damage to property owned, occupied or used by, rented to, in the care, custody or control of or over which physical control is being excercised for any purpose by another employee of the named insured, or by the named insured or, if the named insured is a partnership or joint venture, any partner or member thereof or by the spouse of any of the foregoing.

VI. AMENDMENT OF DEFINITION OF OCCURRENCE

With respect to insurance for Coverage A; bodily injury and Coverage B, property damage, provided by this policy, the definition of occurrence includes any intentional act by or at the direction of the insured which results in bodily injury or property damage, if such injury or damage arises solely from the use of reasonable force for the purpose of protecting persons or property.

VII. AUTOMATIC COVERAGE — NEWLY ACQUIRED ORGANIZATIONS (90 DAYS)

Paragraph A. 2. of the "Persons Insured" provision is amended by the deletion of:

"This insurance does not apply to bodily injury or property damage arising out of the conduct of any partnership or joint venture of which the insured is a partner or member and which is not designated in this policy as a named insured."

and the addition of:

d. any organization which is acquired or formed by the named insured and over which the named insured maintains ownership or majority interest, other than a joint venture, provided this insurance does not apply to bodily injury, property damage, personal injury and advertising injury with respect to which such new organization under this policy is also an insured under any other similar liability or indemnity policy or would be an insured under any such policy but for exhaustion of its limits of liability. The insurance afforded hereby shall terminate 90 days from the date any such organization is acquired or formed by the named insured.

This endorsement must be attached to the Change Endorsement when issued after the policy is written.

LOSS PAYABLE CLAUSE

CF 12 18
(Ed. 05 77)

COMPANY	POLICY NO.	AGENCY

Loss, if any, shall be adjusted with the Insured and shall be payable to the Insured and _____ as their interests may appear.

This Endorsement must be attached to Change Endorsement when issued after the Policy is written.

Transamerica Insurance Services

Transamerica Insurance Group

Section II — General Liability
Additional Declarations

Policy Number 1913 48 04 Schedule A

Insurance is provided only for those coverages for which limits of liability are stated in the place provided in this schedule. The limit of the company's liability on account of each such coverage shall be as stated herein, subject to all of the forms of the policy and coverage supplement attached having reference thereto.

COVERAGES	LIMITS OF LIABILITY	
Divided Limits Plan	Each Occurrence	Aggregate
A. Bodily Injury Liability	$,000	$,000
B. Property Damage Liability	$,000	$,000
Combined Limits Plan		
A. and B. Combined Bodily Injury and Property Damage Liability	$ 500 ,000 Each Occurrence	
	Each Person	Each Accident
E - Premises Medical Payments	$ 1,000	$ 500 ,000

Forms and Endorsements attached hereto: (Insert Form Number and Edition Date.)

L10609B(5-81), L11093C(3-84), L10501C(8-83)

L 11315 B

BRANCH OFFICE COPY

11-81

000211

BRANCH CODE	AGENCY CODE	COMM
SCRO	645261	15%

AGENT AND AGENCY AT:
HENDERSON'S INC.
WHITTIER, CA.

Transamerica Insurance Services

Transamerica Insurance Company
A Stock Company / Home Office: Los Angeles, California

Transaction 660
Commercial Umbrella Policy Declarations

POLICY NO. U 1913 48 04

REPLACING NO. U 1913 48 04

Item 1. Name of Insured and Address: (No., Street, Town or City, County, State)

EARL MANUFACTURING, INC. AND
WILLIAM E. EARL AND DOT A. EARL
HUSBAND AND WIFE AS INDIVIDUALS
11862 BURKE STREET
SANTA ANA, CALIFORNIA 90670

IF ITEM 1. AND 3. ARE NOT COMPLETED, THIS POLICY AND ALL THE ENDORSEMENTS ATTACHED THERETO FORM A SUPPLEMENT TO POLICY NO. _____ EFFECTIVE ON THE INCEPTION DATE OF SAID POLICY UNLESS ANOTHER DATE IS GIVEN ON A GENERAL CHANGE ENDORSEMENT ATTACHED TO THIS POLICY.

Item 2. Limits of Liability

(a) Each Occurrence	$	1,000,000.
(b) Annual Aggregate (where applicable)	$	1,000,000.
(c) Retained Limit	$	10,000.

Item 3. Policy Period From: 1-1-85 to 1-1-86 } 12:01 A.M., Standard Time, at the address of the named insured as stated herein.

Item 4. Premium Computation:

Estimated Annual Rate per		$1,000 GROSS RECEIPTS
2.355 Estimated Annual Premium	$	5,180.
Annual Minimum Premium	$	500.
Advance Premium	$	5,180.

In the event of cancellation by the named insured, the company shall receive and retain not less than $ 400. as the minimum premium.

If the premium is to be paid in installments, a premium of $ _____ is payable on the effective date of this policy and premiums of $ _____ are payable on the first and second anniversaries thereof.

Schedule of Underlying Insurance

Carrier, Policy Number and Period	Type of Policy	Applicable Limits
PER UNDERLYING POLICY TO WHICH THIS UMBRELLA FORMS A PART		

HENDERSON'S INC. 645261
WHITTIER, CA.

DATE 4-26-85/CC/MK

000212

Authorized Representative

L 13090 BRANCH OFFICE COPY 9-80

BRANCH CODE	AGENCY CODE	COMM.
SCBO	645261	20%

AGENT AND AGENCY AT:
HENDERSON'S INC.
WHITTIER, CALIFORNIA

Transamerica Insurance Services

PREMIUM FINANCED

Transamerica Insurance Company
A STOCK COMPANY/HOME OFFICE: LOS ANGELES, CALIFORNIA

Policy No. 1913 48 04

Declarations

BY AFCO

Policy No. 19134804 ACCT # 41-18353-5

DDP

REPLACING NO. NEW

Item 1. Name of Insured and Mailing Address: (No., Street, City, County, State, and Zip No.)

EARL MANUFACTURING, INC. AND
WILLIAM E. EARL AND DOT A. EARL, H/W AS INDIVIDUALS
11862 BURKE STREET
SANTA FE SPRINGS, CALIFORNIA 90670

REPORTING FORM
RE-INSURANCE

Business of Named Insured is: METAL PARTS MFG.

The Named Insured is [X] Individual [X] Corp. [ ] Partnership [ ] Joint Venture [ ] Other _____

Item 2. Policy Period: ONE Years
From: 1-1-84 To: 1-1-85
12:01 a.m. Standard Time at location of designated premises.

Item 3. The insurance afforded shall only apply in accordance with the schedule or schedules attached hereto, and only with respect to the insurance specifically designated in such schedule or schedules.

SECTION	COVERAGE	AS PROVIDED UNDER SCHEDULE(S)
I PROPERTY COVERAGE	Designated premises: (Enter "same" if same location as above)	
	1. SAME	A
	2. 11876 BURKE AVE., SANTA FE SPRINGS, CA.	A
	3.	
	4.	
II LIABILITY	Liability	A
	Premises Medical Payments	A
III AUTOMOBILE	Liability	A
	Medical Payments	A
	Uninsured Motorists	A
	Physical Damage	A
IV OPTIONAL COVERAGES	Crime BOND	A
	Inland Marine	A
	Glass	
V	Commercial Umbrella	A

3-1-84/TLB/JFB

Item 4. Audit Period: Annual, unless otherwise stated:

Item 5. The total Advance Premium is $ 17,000. and is payable $ _____ at inception and $ _____ at each anniversary.

WHITTIER, CALIFORNIA HENDERSON'S INC. #645261

Countersignature _____ _____
City and Date Agent

C11799 (9-80)

BRANCH OFFICE COPY

000213

Transamerica Insurance Services

Official Insurer of the 1984 Olympics

Transamerica Insurance

Transamerica Insurance Group

Section II – General Liability
Additional Declarations

Policy Number 1913 48 04

Schedule A

Insurance is provided only for those coverages for which limits of liability are stated in the place provided in this schedule. The limit of the company's liability on account of each such coverage shall be as stated herein, subject to all of the forms of the policy and coverage supplement attached having reference thereto.

COVERAGES	LIMITS OF LIABILITY	
Divided Limits Plan	Each Occurrence	Aggregate
A. Bodily Injury Liability	$,000	$,000
B. Property Damage Liability	$,000	$,000
Combined Limits Plan		
A. and B. Combined Bodily Injury and Property Damage Liability	$ 500 ,000 Each Occurrence	
	Each Person	Each Accident
E - Premises Medical Payments	$ 1,000	$ 500 ,000

Forms and Endorsements attached hereto: (Insert Form Number and Edition Date.)

L 11315B(11-81), L 10609B(5-81), L 11093B(4-78), L 10501C(8-83)

BRANCH CODE	AGENCY CODE	COMM.
SCBO	645261	15%

AGENT AND AGENCY AT:
HENDERSON'S, INC.
WHITTIER, CALIFORNIA

Transamerica Insurance Services

Transamerica Insurance Company
A Stock Company / Home Office: Los Angeles, California

Transaction 660
Commercial Umbrella Policy Declaration

POLICY NO. U 1913 48 04

REPLACING NO. NEW

Item 1. Name of Insured and Address: (No., Street, Town or City, County, State)
EARL MANUFACTURING, INC. AND
WILLIAM E. EARL AND DOT A. EARL
HUSBAND AND WIFE AS INDIVIDUALS
11862 BURKE STREET
SANTA ANA, CALIFORNIA 90670

IF ITEM 1. AND 3. ARE NOT COMPLETED, THIS POLICY AND ALL THE ENDORSEMENTS ATTACHED THERETO FORM A SUPPLEMENT TO POLICY NO. _____ EFFECTIVE ON THE INCEPTION DATE OF SAID POLICY UNLESS ANOTHER DATE IS GIVEN ON A GENERAL CHANGE ENDORSEMENT ATTACHED TO THIS POLICY.

Item 2. Limits of Liability

(a) Each Occurrence	$	1,000,000.
(b) Annual Aggregate (where applicable)	$	1,000,000.
(c) Retained Limit	$	10,000.

Item 3. Policy Period From: 1-1-84 to 1-1-85 } 12:01 A.M., Standard Time, at the address of the named insured as stated herein.

Item 4. Premium Computation:

Estimated Annual Rate per		
Estimated Annual Premium	$	1,017.
Annual Minimum Premium	$	300.
Advance Premium	$	1,017.

In the event of cancellation by the named insured, the company shall receive and retain not less than $ 300. as the minimum premium.

If the premium is to be paid in installments, a premium of $ _____ is payable on the effective date of this policy and premiums of $ _____ are payable on the first and second anniversaries thereof.

Schedule of Underlying Insurance

Carrier, Policy Number and Period	Type of Policy	Applicable Limits
PER UNDERLYING POLICY TO WHICH THIS UMBRELLA FORMS A PART		

13034(9-80)

HENERSON'S INC. #645261
WHITTIER, CALIFORNIA

DATE 3-1-84/KP/JEB

Authorized Representative

000215

U13090 BRANCH OFFICE COPY (9-80)

Transamerica Insurance Services

Official Insurer of the 1984 Olympics

Transamerica Insurance

Transamerica Insurance Company

Endorsement

ATTACHED TO AND FORMING A PART OF POLICY NUMBER	ENDORSEMENT EFFECTIVE (Standard Time) Mo.	Day	Yr.	12:01 A.M.	NOON	INSURED	PRODUCER AND CODE
1913 48 04	1	1	84	X		EARL MANUFACTURING, INC. & WILLIAM E. EARL & DOT A. EARL,	HENDERSON'S INC. #645261

IN CONSIDERATION OF ADDITIONAL PREMIUM OF $386 THE UMBRELLA LIMITS ARE INCREASED TO $2,000,000.

1-184/85 (A)
5-1-84 KB/BW
ENDT. #2

ALL OTHER TERMS AND CONDITIONS OF THIS POLICY REMAINED UNCHANGED

Authorized Representative

Date

13034

COPY

(9-80)

000216

Transamerica
Insurance Services

[X] Transamerica Insurance Company

[ ] _____

Endorsement

ATTACHED TO AND FORMING A PART OF POLICY NUMBER	ENDORSEMENT EFFECTIVE (Standard Time) Mo.	Day	Yr.	12:01 A.M.	NOON	INSURED	PRODUCER AND CODE
1913 48 04	7	1	85	X		EARL MANUFACTURING INC., ETAL	HENDERSON'S INC.#645261

IT IS HEREBY AGREED THAT UNDER SECTION V, COMMERCIAL UMBRELLA COVERAGE, ITEM 2, LIMITS OF LIABILITY IS AMENDED TO READ:

(A) EACH OCCURRENCE $2,000,000

(B) ANNUAL AGGREGATE (WHERE APPLICABLE) $2,000,000

Revis to show AP of 3.5.97

1-1-85/86(A)
8-8-85/CC/MF
ENDT. #16

ALL OTHER TERMS AND CONDITIONS OF THIS POLICY REMAIN UNCHANGED

Authorized Representative

Date

13034

2-84

000217

COMPANY COPY

Transamerica
Insurance Services

☒ Transamerica Insurance Company

☐ _____

Endorsement

ATTACHED TO AND FORMING A PART OF POLICY NUMBER	ENDORSEMENT EFFECTIVE (Standard Time) Mo	Day	Yr.	12:01 A.M.	NOON	INSURED	PRODUCER AND CODE
1913 48 04	8	27	85	X		EARL MANUFACTURING, INC. ETAL	HENDERSONS, INC. #645261

IT IS HEREBY AGREED THAT THE DRIVER EXCLUSION, FORM A 11670(1-81), FOR JOHN RIVERA IS DELETED FROM THIS POLICY.

12-2-85/JFB
1-1-85/86 (A)
ENDT. #21

ALL OTHER TERMS AND CONDITIONS OF THIS POLICY REMAIN UNCHANGED

_____ Authorized Representative

_____ Date

000218

13034

2-84

COPY

(The Attaching Cla[illegible]d be completed only when this endorsement is issued subs[illegible]to preparation of the policy.)

LIABILITY

GL 20 15 (Ed. 07 66)
G 113

L 9114a
(Ed. 7-66)

ADDITIONAL INSURED

(Vendors—Broad Form)

This endorsement modifies such insurance as is afforded by the provisions of the policy relating to the following:
COMPREHENSIVE GENERAL LIABILITY INSURANCE
COMPLETED OPERATIONS AND PRODUCTS LIABILITY INSURANCE

This endorsement, effective 9-24-85 (12:01 A. M., standard time), forms a part of policy No. 1913 48 04

issued to DBA: WUDEL MFG., ET AL

by TRANSAMERICA INSURANCE COMPANY

Authorized Representative
HENDERSONS, INC. #645261

SCHEDULE

Name of Vendor(s)
CALIFORNIA TOOL COMPANY
1929 SOUTH FIGUEROA STREET
LOS ANGELES, CA. 90007

It is agreed that the "Persons Insured" provision is amended to include any person or organization designated above (herein referred to as "vendor"), as an **insured**, but only with respect to the distribution or sale in the regular course of the vendor's business of the **named insured's products** subject to the following additional provisions:

1. The insurance with respect to the vendor does not apply to:
   (a) any express warranty unauthorized by the **named insured**;
   (b) **bodily injury** or **property damage** arising out of
      (i) any physical or chemical change in the form of the product made intentionally by the vendor,
      (ii) repacking, unless unpacked solely for the purpose of inspection, demonstration, testing or the substitution of parts under instruction from the manufacturer and then repacked in the original container,
      (iii) demonstration, installation, servicing or repair operations, except such operations performed at the vendor's premises in connection with the sale of the product, or
      (iv) products which after distribution or sale by the **named insured** have been labeled or relabeled or used as a container, part or ingredient of any other thing or substance by or for the vendor.
2. The insurance does not apply to any person or organization, as **insured**, from whom the **named insured** has acquired such products or any ingredient, part or container, entering into, accompanying or containing such products.

AUTHENTIC

10-7-85/JF/JFB
1-1-85/86 (A)
ENDT. #20

Transamerica
Insurance Services

☒ samerica Insurance Company

☐ _____

Endorsement

ATTACHED TO AND FORMING A PART OF POLICY NUMBER	ENDORSEMENT EFFECTIVE (Standard Time) Mo	Day	Yr	12:01 A.M.	NOON	INSURED	PRODUCER AND CODE
1913 48 04	7	1	85	X		EARL MANUFACTURING INC. ET AL	HENDERSON'S INC. #645261

IT IS HEREBY AGREED THAT AN ADDITIONAL, PREMIUM OF $1,028. WILL BE CHARGED FOR ENDORSEMENT #16.

10-1-85/JF/JFB
1-1-85/86 (A)
ENDT. #19

ALL OTHER TERMS AND CONDITIONS OF THIS POLICY REMAIN UNCHANGED

Authorized Representative _____ Date _____

LOSS PAYABLE CLAUSE

CF 12 18
(Ed. 05 77)

EARL MANUFACTURING, INC., ETAL

COMPANY	POLICY NO.	AGENCY
TRANSAMERICA INSURANCE CO.	1913 48 04	HENDERSON'S INC.#645261

Loss, if any, shall be adjusted with the Insured and shall be payable to the Insured and ~~FIRST INTERSTATE BANK~~ 8737 EAST WASHINGTON BLVD., PICO RIVERA, CA.90660 as their interests may appear.

LOAN #0178217097

This Endorsement must be attached to Change Endorsement when issued after the Policy is written.

RE: 1505 COORDINATE MEASURING MACHINE
SPECIAL PACKAGE CONSISTING OF #58002532
MP MEASUREMENT PROCESSOR, ETC.

1-1-83/86(A)
9-23-85/JK/MF
ENDT. #18

CF 12 18 (Ed. 05 77)

000221

Transamerica Insurance Services

Transamerica Insurance Group

Transplan 7 Change Endorsement

Endorsement Number 17

Applicable to Section 1

This endorsement is made a part of Policy No. 1913 48 04 of the TRANSAMERICA INSURANCE CO and becomes effective on 9-12-85 at 12:01 A.M. standard time at the address shown on this policy.

Name of Insured: EARL MANUFACTURING, INC., ETAL

It is agreed that:

(a) The policy is amended as follows: INCREASING BLANKET CONTENTS LIMIT TO READ $1,642,000 AND ATTACHING LOSS PAYEE. SEE CF1218(5-77) ATTACHED.

PREMIUM ADJUSTED AS FOLLOWS:

(b) With respect to those coverages and kinds of property for which a specific limit of liability is shown, the limit of the Company's liability shall be changed to read as stated in the new Limits of Liability columns herein. Such limits are in lieu of the Limits of Liability stated in the policy and not in addition thereto.

Schedule	Item	Coverage	New Limits of Liability	Old Premium	New Premium	☒ Additional ☐ Return
		BLANKET CONTENTS	1,642,000	4,218.	4,302.	84.

P/R .304

TOTAL $ 84.

PREMIUM RECAPITULATION

Cash Due at Endorsement Effective Date:

Additional Premium $ 25.

Return Premium $

Premium Adjustment if the Premium is Payable in Annual Installments:

Dates Due	Original Installments	Increase	Decrease	Revised Installments

Reduction in Policy Limits acknowledged by Insured:

1-1-85/86(A)
9-23-85/JK/MF
ENDT. 817
C 1486

HENDERSON'S, INC. 8645261

Agency

1-78

000222

(The Attaching Clause need be comp[illegible]nly when this endorsement is issued subsequent to prepara[illegible]the policy.)

LIABILITY

GL 20 16 (Ed. 07 66)
G 114

L 9115a
(Ed. 7-66)

ADDITIONAL INSURED
(Vendors—Limited Form)

This endorsement modifies such insurance as is afforded by the provisions of the policy relating to the following:
COMPREHENSIVE GENERAL LIABILITY INSURANCE
COMPLETED OPERATIONS AND PRODUCTS LIABILITY INSURANCE

This endorsement, effective 6-12-85 (12:01 A. M., standard time), forms a part of policy No. 1913 48 04

issued to EARL MANUFACTURING, INC., ETAL

by TRANSAMERICA INSURANCE COMPANY

HENDERSON'S INC. #645261

Authorized Representative

SCHEDULE

Name of Vendor(s)	Description of Product(s)	RATES	PREMIUM
CORNWELL QUALITY TOOLS COMPANY 667 SEVILLE ROAD WADSWORTH, OHIO 44281	BI PD	BI .321 PD .077	BI *TBD PD *TBD

It is agreed that the "Persons Insured" provision is amended to include any person or organization designated above (herein referred to as "vendor"), as an **insured,** but only with respect to the distribution or sale in the regular course of the vendor's business of the **named insured's products** designated above subject to the following additional provisions:

1. The insurance with respect to the vendor does not apply to:
   (a) any express warranty, or any distribution or sale for a purpose, unauthorized by the **named insured;**
   (b) **bodily injury** or **property damage** arising out of
      (i) any act of the vendor which changes the condition of the products,
      (ii) any failure to maintain the product in merchantable condition,
      (iii) any failure to make such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products, or
      (iv) products which after distribution or sale by the **named insured** have been labeled or relabeled or used as a container, part or ingredient of any other thing or substance by or for the vendor;
   (c) **bodily injury** or **property damage** occurring within the vendor's premises.
2. The insurance does not apply to any person or organization, as **insured,** from whom the **named insured** has acquired such products or any ingredient, part or container, entering into, accompanying or containing such products.

1-1-85/86(A)
AUTHENTIC 8-8-85/CC/MF
ENDT. #15

*TO BE DETERMINED AT AUDIT

Transamerica
Insurance Services

TRANSPLAN 7 CHANGE ENDORSEMENT

Endorsement Number 14

Applicable to Section II

This endorsement is made a part of Policy No. 1913 48 04 of the TRANSAMERICA INSURANCE CO and becomes effective on 1-1-85 at 12:01 A.M. standard time at the address shown on this policy.

Name of Insured: EARL MANUFACTURING, INC., ETAL

It is agreed that

(a) The policy is amended as follows PREMIUMS ARE AMENDED TO REFLECT CHANGE IN RATES.

CLASSIFICATION & CODE	PREMIUM BASE	RATES BI	RATES PD	NEW ANNUALS BI	NEW ANNUALS PD	OLD ANNUALS BI	OLD ANNUALS PD	ADDITIONAL RETURN PREMIUM BI	ADDITIONAL RETURN PREMIUM PD
PREMISES/OPERATIONS									
35606 INDUSTRIAL 003 MACHINERY & EQUIPMENT MFG	100,000	.310	.067	310	67	336	72	26	5
39996 MACHINE SHOPS 003	450,000	.621	.093	2795	419	3024	455	229	36
PRODUCTS/COMPLETED OPERATIONS									
39982 MACHINE SHOPS 999	1,100,000	2.725	1.031	2998	1134	3245	1228	247	94
35992S MACHINERY OR 999 PARTS MFG.	1,100,000	2.140	.516	2354	568	2549	614	195	46
ADDITIONAL INSURED VENDOR	IF ANY	.321	.077	*TBD	*TBD	*TBD	*TBD		
99990-BACE	15%			1252	326	1373	355	121	29

Cash Due at Endorsement Effective Date:

Additional Premium $

Return Premium $ 1,028

* TO BE DETERMINED AT AUDIT

Premium Adjustment if the Premium is Payable in Annual Installments:

Dates Due	Original Installments	Increase	Decrease	Revised Installments

Reduction in Policy Limits acknowledged by Insured.

1-1-85/86(A)
8-8-85/CC/MF
ENDT. #14
SCBO #8 A

HENDERSON'S INC. #645261

Agency

1488 (12-84)

000224

(The Attaching Clause need be completed only when this endorsement is issued subsequent to preparation of the policy.)

LIABILITY

GL 20 16 (Ed. 07 66)
G 114

L 9115a
(Ed. 7-66)

ADDITIONAL INSURED
(Vendors—Limited Form)

This endorsement modifies such insurance as is afforded by the provisions of the policy relating to the following:
COMPREHENSIVE GENERAL LIABILITY INSURANCE
COMPLETED OPERATIONS AND PRODUCTS LIABILITY INSURANCE

This endorsement, effective 6-3-85 (12:01 A. M., standard time), forms a part of policy No. 1913 48 04.

issued to DBA: WUDEL MFG., VIXEN, FULL-A-STEM

by TRANSAMERICA INSURANCE COMPANY

HENDERSON, INC. #645261

Authorized Representative

SCHEDULE

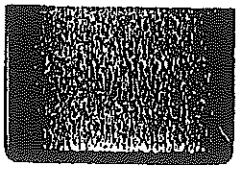
Name of Vendor(s)	Description of Product(s)
AUTOMOTIVE EQUIPMENT WAREHOUSE, INC. 286 BROADVIEW AVENUE WARRENTON, VA. 22186	TO BE DETERMINED AT AUDIT

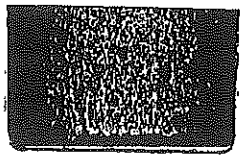
It is agreed that the "Persons Insured" provision is amended to include any person or organization designated above (herein referred to as "vendor"), as an **insured**, but only with respect to the distribution or sale in the regular course of the vendor's business of the **named insured's products** designated above subject to the following additional provisions:

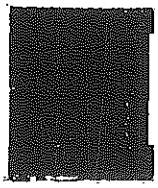
1. The insurance with respect to the vendor does not apply to:
   (a) any express warranty, or any distribution or sale for a purpose, unauthorized by the **named insured**;
   (b) **bodily injury** or **property damage** arising out of
      (i) any act of the vendor which changes the condition of the products,
      (ii) any failure to maintain the product in merchantable condition,
      (iii) any failure to make such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products, or
      (iv) products which after distribution or sale by the **named insured** have been labeled or relabeled or used as a container, part or ingredient of any other thing or substance by or for the vendor;
   (c) **bodily injury** or **property damage** occurring within the vendor's premises.
2. The insurance does not apply to any person or organization, as **insured**, from whom the **named insured** has acquired such products or any ingredient, part or container, entering into, accompanying or containing such products.

[]AUTHENTIC[]

6-3-85/JFB
1-1-85/86 (A)
ENDT. #13







Transamerica Insurance Services

Transamerica Insurance Company

Auto Change Endorsement

It is agreed that the policy is amended as indicated by the following items designated by an "X"

ADD'D DELETE CHANGE	POLICY NUMBER	EFFECTIVE DATE 12:01 A.M. STANDARD TIME	EXPIRATION DATE 12:01 A.M. STANDARD TIME	TERM	CLASS	TERR.	OTHER
	1913 48 04	4-25-85	1-1-86				

NAMED INSURED: EARL MANUFACTURING INC., ETAL

ADDRESS: 11862 BURKE STREET

SANTA FE SPRINGS, CA. 90670

AGENCY & CODE: HENDERSONS INC. #645261

CAR #	Yr. of Model	Trade Name	Body Type, Model Truck Size, Load or Gallonage Capacity/ Bus Seating Capacity	No. of Cylinders	H.P.	Identification (I) Serial (S) Motor (M)	Original Cost New	Class, Sub-Class & Rating Symbol	Age Group Symbol	Rating Territory
X	3 -	1978 TOYOTA	CELICA			#1765	7000	7398	6	005

LOSS PAYEE

ADDITIONAL INTEREST

COVERAGES	LIMIT THE MOST WE WILL PAY FOR ANY ONE ACCIDENT OR LOSS	ANNUAL PREMIUM (1)	(2)	(3)	ADDITIONAL PREMIUM (1)	(2)	(3)	RETURN PREMIUM (1)	(2)	(3)
Bodily Injury Liability and Property Damage Liability Combined Single Limit	$ 500,000			305.						209.
Bodily Injury Liability Insurance	$									
Property Damage Liability Insurance	$									
Property Protection Insurance (Michigan)	Separately Stated In Each P.P.I. Endorsement Minus $ Ded.								245-	
Auto Medical Payments Insurance	$ 2,000			22.						15.
Uninsured Motorists Insurance	$ 500,000			31.						21.
Personal Injury Protection (P.I.P.)	Separately Stated In The P.I.P. Endorsement Minus $ Ded. For Each Accident									
Added P.I.P.	Separately Stated In Each Added P.I.P. Endorsement									
PHYSICAL DAMAGE INSURANCE — Comprehensive Coverage	Actual Cash Value or Cost of Repairs, Whichever Is Less Minus $ 100 Deductible For Each Covered Auto For All Loss Except Fire or Lightning			37.						25.
PHYSICAL DAMAGE INSURANCE — Specified Perils Coverage	Actual Cash Value or Cost of Repairs, Whichever Is Less Minus $25 Deductible For Each Covered Auto For Loss Caused By Mischief or Vandalism								113-	
PHYSICAL DAMAGE INSURANCE — Collision Coverage	Actual Cash Value or Cost of Repairs, Whichever Is Less Minus $ 250 Deductible For Each Covered Auto			117.						80.
PHYSICAL DAMAGE INSURANCE — Towing and Labor (Not Avail. in Calif.)	$25 for each disablement of a private passenger Auto									
RENTAL REIMB.	COMP.			4.						3.
	COLL.			7.						5.

Explanation of change not otherwise specified

DELETE VEH. #3

1-1-85/86 (A)
5-15-85/MS/BF

First Payment	Second Payment	Third Payment	Fourth Payment
$ Due:	$ Due:	$ Due:	$ Due:

TOTAL ADDITIONAL PREMIUM	TOTAL RETURN PREMIUM	PRO-RATA FACTOR
$	$ 358.	.688

Not valid unless signed by a duly authorized representative of the Company

Date END. #11

Authorized Representative:

A 13181 A

BRANCH OFFICE COPY

8-83

000226

Transamerica Insurance Services

Transamerica Insurance Group

EFF: 1-1-85/86

Premium Summary Endorsement

Policy Number	Insured
1913 48 04	

This policy is issued in consideration of premiums due and payable as follows:

SECTION	COVERAGE	ESTIMATED PREMIUMS
I PROPERTY		8,110.
II LIABILITY		13,493.
III AUTOMOBILE		4,230.
IV OPTIONAL COVERAGES	INLAND MARINE	457.
V COMMERCIAL UMBRELLA		5,180.
	TOTAL ONE YEAR PREMIUM	$ 31,470.

If premium is payable Three-year Prepaid,

Amount due at inception is $ _____*

If premium is payable at each anniversary,

1. Amount due at inception is $ _____

2. Amount due each subsequent Anniversary $ _____*

*PLUS AUTOMOBILE PREMIUMS FOR EACH SUBSEQUENT ANNIVERSARY

ANY PREMIUMS SUBJECT TO AUDIT WILL BE ADJUSTED AS PROVIDED IN THE POLICY

C11802

BRANCH OFFICE COPY

08/80

000227

Transamerica Insurance Services

Transamerica Insurance Group

Section I — Property Coverage

INSURED NAME	AGENT NAME
ADDRESS	ADDRESS
POLICY NUMBER 1913 48 04	SCHEDULE A

INSURANCE IS PROVIDED WITH RESPECT TO THE DESIGNATED PREMISES AND WITH RESPECT TO THOSE COVERAGES AND KINDS OF PROPERTY FOR WHICH A SPECIFIC LIMIT OF LIABILITY IS SHOWN; SUBJECT TO ALL THE TERMS OF THIS POLICY INCLUDING FORMS AND ENDORSEMENTS MADE A PART THEREOF.

Coverage		Building(s)	Personal Property of the Insured	~~Personal Property~~ XX XXXX	Additional Coverages (Specify)	
Coinsurance Percentage Applicable ➡		90%	90%	GROSS EARNINGS 50%	EXTRA EXPENSE	
Limit of Liability						Occupancy
Loc. No.	Bldg. No.					
1&2	1	BLANKET 772,000	BLANKET ~~1,610,000~~ 1642000	BLANKET 1,000,000	BLANKET 50,000	METAL PARTS MFG.
1	1		200,000			

Forms and Endorsements Applicable: 1239, MP1508(7-77), MP1590(7-77), MP0013(10-83), MP0014(10-83), C11795B(9-80), C14211(10-82) CF1218

DEDUCTIBLE: $ * each occurrence. $ _____ aggregate each occurrence* AS PER FORM 1239 ATTACHED
If no deductible state above, the deductible shall be $100 each occurrence, $1,000 aggregate each occurrence.

Mortgagee Name
Number and Street
City, State and Zip Code NAMED INSURED

Countersignature Date _____

I. COVERAGE A – BODILY INJURY COVERAGE B – PROPERTY DAMAGE

The company will pay on behalf of the insured all sums which the insured shall become legally obligated to pay as damages because of bodily injury or property damage to which this insurance applies, caused by an occurrence. The company shall have the right and duty to defend any suit against the insured seeking damages on account of such bodily injury or property damage, even if any of the allegations of the suit are groundless, false or fraudulent, and may make such investigation and settlement of any claim or suit as it deems expedient. The company shall not be obligated to pay any claim or judgment or to defend any suit after the applicable limit of the company's liability has been exhausted by payment of judgments or settlements.

Exclusions

This insurance does not apply:

(a) to bodily injury or property damage included within the war hazard with respect to liability assumed by the insured, under any contract or agreement or expenses for first aid under the Supplementary Payments provision;

(b) to any obligation for which the insured or any carrier as his insurer may be held liable under any workmen's compensation, unemployment compensation or disability benefits law, or under any similar law;

(c) to bodily injury to any employee of the insured arising out of and in the course of his employment by the insured or to any obligation of the insured to indemnify another because of damages arising out of such injury; but this exclusion does not apply to (1) any domestic employee, or (2) liability assumed by the insured under any contract;

(d) to property damage: (1) to property owned by the insured; (2) to property occupied by or rented to the insured, (3) to property under bailment to the insured (except injury to or destruction of such property arising out of the use of elevators or escalators or to liability assumed under sidetrack agreements); (4) to that particular part of any property (a) upon which operations are being performed by or on behalf of the insured, or (b) out of which such injury or destruction arises; (5) to premises alienated by the named insured arising out of such premises or any part thereof; (6) to the named insured's products arising out of such products or any part of such products; (7) to work performed by the named insured arising out of the work or any portion thereof, or out of materials, parts or equipment furnished in connection therewith;

(e) to loss of use of tangible property which has not been physically injured or destroyed resulting from

(1) a delay in or lack of performance by or on behalf of the named insured of any contract or agreement, or

(2) The failure of the named insured's products or work performed by or on behalf of the named insured to meet the level of performance, quality, fitness or durability warranted or represented by the named insured;

but this exclusion does not apply to loss of use of other tangible property resulting from the sudden and accidental physical injury to or destruction of the named insured's products or work performed by or on behalf of the named insured after such products or work have been put to use by any person or organization other than an insured;

(f) to damages claimed for the withdrawal, inspection, repair, replacement, or loss of use of the named insured's products or work completed by or for the named insured or of any property of which such products or work form a part, if such products, work or property are withdrawn from the market or from use because of any known or suspected defect or deficiency therein;

(g) to bodily injury or property damage arising out of the ownership, maintenance, operation, use, loading or unloading of

(1) any automobile or aircraft owned or operated by or rented or loaned to any insured, or

(2) any other automobile or aircraft operated by any person in the course of his employment by any insured;

but this exclusion does not apply to the parking of an automobile on premises owned by, rented to or controlled by the named insured or the ways immediately adjoining, if such automobile is not owned by or rented or loaned to any insured;

(h) to bodily injury or property damage with respect to liability assumed by the insured under any contract or agreement not in writing;

(i) to bodily injury or property damage arising out of (1) the ownership, maintenance, operation, use, loading or unloading of any mobile equipment while being used in any prearranged or organized racing, speed or demolition contest or in any stunting activity or in practice or preparation for any such contest or activity or (2) the operation or use of any snowmobile or trailer designed for use therewith;

(j) to bodily injury or property damage arising out of the discharge, dispersal, release or escape of smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids or gases, waste materials or other irritants, contaminants or pollutants into or upon land, the atmosphere or any water course or body of water; but this exclusion does not apply if such discharge, dispersal, release or escape is sudden and accidental;

(k) to bodily injury or property damage arising out of and in the course of the transportation of mobile equipment by an automobile owned or operated by or rented or loaned to any insured.

II. SUPPLEMENTARY PAYMENTS

The company will pay, in addition to the applicable limit of liability:

(a) all expenses incurred by the company, all costs taxed against the insured in any suit defended by the company and all interest on the entire amount of any judgment therein which accrues after entry of the judgment and before the company has paid or tendered or deposited in court that part of the judgment which does not exceed the limit of the company's liability thereon;

(b) premiums on appeal bonds required in any such suit, premiums on bonds to release attachments in any such suit for an amount not in excess of the applicable limit of liability of this policy, and the cost of bail bonds required of the insured not to exceed $250 per bail bond, but the company shall have no

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obligation to apply for or furnish any such bonds;

(c) expenses incurred by the insured for first aid to others at the time of an occurrence, for bodily injury to which this policy applies;

(d) reasonable expenses incurred by the insured at the company's request in assisting the company in the investigation or defense of any claim or suit, including actual loss of earnings not to exceed $25 per day.

III. COVERAGE E – PREMISES MEDICAL PAYMENTS

The company will pay to or for each person who sustains bodily injury caused by accident all reasonable medical expense incurred within one year from the date of the accident on account of such bodily injury, provided such bodily injury arises out of (a) a condition in the insured premises or (b) operations with respect to which the named insured is afforded coverage for bodily injury liability under this policy.

Exclusions

This insurance does not apply

(a) to bodily injury

(1) arising out of the ownership, maintenance, operation, use, loading or unloading of

(i) any automobile or aircraft owned or operated by or rented or loaned to any insured, or

(iii) any other automobile or aircraft operated by any person in the course of his employment by any insured;

but this exclusion does not apply to the parking of an automobile on the insured premises, if such automobile is not owned by or rented or loaned to any insured;

(2) arising out of (i) the ownership, maintenance, operation, use, loading or unloading of any mobile equipment while being used in any prearranged or organized racing, speed or demolition contest or in any stunting activity or in practice or preparation for any such contest or activity or (ii) the operation or use of any snowmobile or trailer designed for use therewith;

(3) arising out of the ownership, maintenance, operation, use, loading or unloading of

(i) any watercraft owned or operated by or rented or loaned to any insured, or

(ii) any other watercraft operated by any person in the course of his employment by any insured;

but this exclusion does not apply to watercraft while ashore on the insured premises; or

(4) arising out of and in the course of the transportation of mobile equipment by an automobile owned or operated by or rented or loaned to any insured;

(b) to bodily injury

(1) included within the completed operations hazard or the products hazard;

(2) arising out of operations performed for the named insured by independent contractors other than (i) maintenance and repair of the insured premises or (ii) structural alterations at such premises which do not involve changing the size or moving buildings or other structures;

(3) resulting from the selling serving or giving of any alcoholic beverage (i) in violation of any statute, ordinance or regulation, (ii) to a minor, (iii) to a person under the influence of alcohol or (iv) which causes or contributes to the intoxication of any person, if the named insured is a person or organization engaged in the business of manufacturing, distributing, selling or serving alcoholic beverages or, if not so engaged, is an owner or lessor of premises used for such purposes, but only part (i) of this exclusion (b) (3) applies when the named insured is such an owner or lessor;

(4) included within the war hazard;

(c) to bodily injury

(1) to the named insured, any partner therein, any tenant or other person regularly residing on the insured premises or any employee of any of the foregoing if the bodily injury arises out of and in the course of his employment therewith;

(2) to any other tenant if the bodily injury occurs on that part of the insured premises rented from the named insured or to any employee of such a tenant if the bodily injury occurs on the tenant's part of the insured premises and arises out of and in the course of his employment for the tenant.

(3) to any person while engaged in maintenance and repair of the insured premises or alteration, demolition or new construction at such premises;

(4) to any person if any benefits for such bodily injury are payable or required to be provided under any workmen's compensation, unemployment compensation or disability benefits law, or under any similar law;

(5) to any person practicing, instructing or participating in any physical training, sport, athletic activity or contest;

(d) to any medical expenses for services by the named insured, any employee thereof or any person or organization under contract to the named insured to provide such services.

IV. PERSONS INSURED (Coverages A and B)

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

(a) the named insured and, if an individual, the spouse of such named insured if a resident of the same household;

(b) if the named insured is designated in the declarations as

(1) an individual, the person so designated but only with respect to the conduct of a business of which he is the sole proprietor, and the spouse of the named insured with respect to the conduct of such a business;

(2) a partnership or joint venture, the partnership or joint venture so designated and any partner or member thereof but only with respect to his liability as such;

(3) other than an individual, partnership or joint venture, the organization so designated and any executive officer, director or stockholder thereof while acting within the scope of his duties as such;

(c) any person (other than an employee of the named insured) or organization while acting as real estate manager for the named insured; and

(d) with respect to the operation, for the purpose of locomotion upon a public highway, of mobile equipment registered under any motor vehicle registration law,

(1) an employee of the named insured while operating any such equipment in the course of his employment, and

(2) any other person while operating with the permission of the named insured any such equipment registered in the name of the named insured and any person or organization legally responsible for such operation, but only if

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there is no other valid and collectible insurance available, either on a primary or excess basis, to such person or organization;

provided that no person or organization shall be an insured under this paragraph (d) with respect to:

(i) bodily injury to any fellow employee of such person injured in the course of his employment, or

(ii) property damage to property owned by, rented to, in charge of or occupied by the named insured or the employer of any person described in subparagraph (2).

This insurance does not apply to bodily injury or property damage arising out of the conduct of any partnership or joint venture of which the insured is a partner or member and which is not designated in this policy as a named insured.

V. LIMITS OF LIABILITY

Regardless of the number of (1) insureds under this policy, (2) persons or organizations who sustain bodily injury or property damage, (3) claims made or suits brought on account of bodily injury or property damage the company's liability is limited as follows:

COVERAGES A AND B

A. Divided Limits Plan

Coverage A – The total liability of the company for all damages, including damages for care and loss of services, because of bodily injury sustained by one or more persons as the result of any one occurrence shall not exceed the limit of bodily injury liability stated in the additional declarations as applicable to "each occurrence."

Subject to the above provisions respecting "each occurrence", the total liability of the company for all damages because of (1) all bodily injury included within the completed operations hazard and (2) all bodily injury included within the products hazard shall not exceed the limit of bodily injury liability stated in the additional declarations as "aggregate".

Coverage B – The total liability of the company for all damages because of all property damage sustained by one or more persons or organizations as the result of any one occurrence shall not exceed the limit of property damage liability stated in the additional declarations as applicable to "each occurrence".

Subject to the above provisions respecting "each occurrence", the total liability of the company for all damages because of all property damage to which the coverage applies and described in any of the numbered subparagraphs below shall not exceed the limit of property damage liability stated in the additional declarations as "aggregate".

(1) all property damage arising out of premises or operations rated on a remuneration basis or contractor's equipment rated on a receipts basis, including property damage for which liability is assumed under any incidental contract relating to such premises or operations, but excluding property damage included in subparagraph (2) below;

(2) all property damage arising out of and occurring in the course of operations performed for the named insured by independent contractors and general supervision thereof by the named insured, including any such property damage for which liability is assumed under any incidental contract relating to such operations, but this subparagraph (2) does not include property damage arising out of maintenance or repairs at premises owned by or rented to the named insured or structural alterations at such premises which do not involve changing the size of or moving building or other structures;

(3) all property damage included within the products hazard and all property damage included within the completed operations hazard.

Such aggregate limit shall apply separately to the property damage described in subparagraphs (1), (2) and (3) above, and under subparagraphs (1) and (2), separately with respect to each project away from premises owned by or rented to the named insured.

Coverages A and B – For the purpose of determining the limit of the company's liability, all bodily injury and property damage arising out of continuous or repeated exposure to substantially the same general conditions shall be considered as arising out of one occurrence.

B. Combined Limits Plan

The limit of liability under the Combined Limits Plan expressed in the schedule as applicable to "each occurrence" is the total limit of the company's liability under the bodily injury liability and property damage liability coverages combined for all damages as the result of any one occurrence provided:

(a) such limit of liability shall be the total limit of the company's liability during each annual policy period as the result of one or more than one occurrence, but said limit of liability shall apply separately to each project with respect to operations being performed away from premises owned by or rented to the insured;

(b) with respect to any occurrence for which the notice of this policy is given in lieu of security, or when this policy is certified as proof of financial responsibility under the provisions of the motor vehicle financial responsibility law of any state or province, such limit of liability shall be applied in accordance with the applicable terms of such law, except that the total limit of liability shall not be reduced.

For the purpose of determining the limit of the company's liability, all bodily injury and property damage arising out of continuous or repeated exposure to substantially the same general conditions shall be considered as arising out of one occurrence.

COVERAGE E

The limit of liability for Premises Medical Payments Coverage stated in the schedule as applicable to "each person" is the limit of the company's liability for all medical expense for bodily injury to any one person as the result of any one accident; but subject to the above provision respecting "each person", the total liability of the company under Premises Medical Payments Coverage for all medical expense for bodily injury to two or more persons as the result of any one accident shall not exceed the limit of liability stated in the schedule as applicable to "each accident".

When more than one medical payments coverage afforded by this policy applies to the loss, the company shall not be liable for more than the amount of the highest applicable limit of liability.

VI. POLICY TERRITORY

This insurance applies only to bodily injury or property damage which occurs: (1) for Coverages A and B, within the policy territory; (2) for Coverage E, within the United States of America, its territories or possessions, or Canada.

VII. DEFINITIONS

When used in this policy (including endorsements forming a part hereof):

"automobile" means a land motor vehicle, trailer or semitrailer designed for travel on public roads (including any machinery or

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apparatus attached thereto), but does not include mobile equipment;

"bailment" means a delivery of property by any person to the insured for purpose beneficial to either the insured or such person or both under a contract, express or implied, for the insured to carry out such purpose and to redeliver such property or otherwise dispose of its as provided;

"bodily injury" means bodily injury, sickness or disease sustained by any person which occurs during the policy period, including death at any time resulting therefrom;

"completed operations hazard" includes bodily injury and property damage arising out of operations or reliance upon a representation or warranty made at any time with respect thereto, but only if the bodily injury or property damage occurs after such operations have been completed or abandoned and occurs away from premises owned by or rented to the named insured. "Operations" include materials, parts or equipment furnished in connection therewith. Operations shall be deemed completed at the earliest of the following times:

(1) when all operations to be performed by or on behalf of the named insured under the contract have been completed;

(2) when all operations to be performed by or on behalf of the named insured at the site of the operations have been completed, or

(3) when the portion of the work out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.

Operations which may require further service or maintenance work, or correction, repair or replacement because of any defect or deficiency, but which are otherwise completed, shall be deemed completed.

The completed operations hazard does not include bodily injury or property damage arising out of

(a) operations in connection with the transportation of property, unless the bodily injury or property damage arises out of a condition in or on a vehicle created by the loading or unloading thereof;

(b) the existence of tools, uninstalled equipment or abandoned or unused materials, or

(c) operations for which the classification stated in the policy or in the company's manual specifies "including completed operations";

"domestic employee" means an employee of an insured performing duties not in connection with the insured's business;

"elevator" means any hoisting or lowering device to connect floors or landings, whether or not in service, and all appliances thereof including any car, platform, shaft, hoistway, stairway, runway, power equipment and machinery; but does not include an automobile servicing hoist, or a hoist without a platform outside a building if without mechanical power or if not attached to building walls, or a hod or material hoist used in alteration, construction or demolition operations, or an inclined conveyor used exclusively for carrying property or a dumbwaiter used exclusively for carrying property and having a compartment height not exceeding four feet, or hydraulic or mechanical hoists used for dumping materials from trucks;

"incidental contract" means any written (1) lease of premises, (2) easement agreement, except in connection with construction or demolition operations on or adjacent to a railroad, (3) undertaking to indemnify a municipality required by municipal ordinance, except in connection with work for the municipality, (4) sidetrack agreement, or (5) elevator maintenance agreement;

"insured" means any person or organization qualifying as an insured in the "Persons Insured" provision of the applicable insurance coverage. The insurance afforded applies separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the company's liability;

"insured premises" means all premises owned by or rented to the named insured with respect to which the named insured is afforded coverage for bodily injury liability under this policy, and includes the ways immediately adjoining on land;

"loading or unloading", with respect to an automobile, means the handling of property after it is moved from the place where it is accepted for movement into or onto an automobile or while it is in or on an automobile or while it is being moved from an automobile to the place where it is finally delivered, but "loading or unloading" does not include the movement of property by means of a mechanical device (other than a hand truck) not attached to the automobile;

"medical expense" means expenses for necessary medical, surgical, x-ray and dental services, including prosthetic devices, and necessary ambulance, hospital, professional nursing and funeral services;

"mobile equipment" means a land vehicle (including any machinery or apparatus attached thereto), whether or not self-propelled, (1) not subject to motor vehicle registration, or (2) maintained for use exclusively on premises owned by or rented to the named insured, including the ways immediately adjoining or (3) designed for use principally off public roads, or (4) designed or maintained for the sole purpose of affording mobility to equipment of the following types forming an integral part of or permanently attached to such vehicle: power cranes, shovels, loaders, diggers and drills; concrete mixers (other than the mix-in-transit type); graders, scrapers, rollers, and other road construction or repair equipment; air-compressors, pumps and generators, including spraying, welding and building cleaning equipment; and geophysical exploration and well servicing equipment;

"named insured" means the person or organization named in Item 1. of the declarations of this policy;

"named insured's products" means goods or products manufactured, sold, handled or distributed by the named insured or by others trading under his name, including any container thereof (other than a vehicle), but "named insured's products" shall not include a vending machine or any property other than such container, rented to or located for use of others but not sold;

"occurrence" means an accident, including continuous or repeated exposure to conditions, which results in bodily injury or property damage neither expected nor intended from the standpoint of the insured;

"policy territory" means anywhere in the world, provided, however, that: (1) resulting claims are originally asserted within the United States of America, its possessions, or Canada, and (2) it shall apply to suits and judgments for damages resulting therefrom only if suit is originally commenced in a court in the United States of America, its possessions or in Canada;

"products hazard" includes bodily injury and property damage arising out of the named insured's products or reliance upon a representation or warranty made at any time with respect thereto, but only if the bodily injury or property damage occurs away from premises owned by or rented to the named insured and after physical possession of such products has been relinquished to others;

"property damage" means (1) physical injury to or destruction of tangible property which occurs during the policy period, including the loss of use thereof at any time resulting therefrom, or (2) loss of use of tangible property which has not been physically injured or destroyed provided such loss of use is caused by an occurrence during the policy period.

"suit" includes an arbitration proceeding to which the insured is required to submit or to which the insured has su ted with the company's consent.

"war hazard" includes all bodily injury and property damage due to war whether or not declared, civil war, insurrection, rebellion or revolution or to any act or condition incident to any of the foregoing.

VIII. ADDITIONAL CONDITIONS

1. **Premium.** All premiums for this policy shall be computed in accordance with the Company's rules, rates, rating plans, premiums and minimum premiums applicable to the insurance afforded herein.

   Premium designated in this policy as "advance premium" is a deposit premium only which shall be credited to the amount of the earned premium due at the end of the policy period. At the close of each period (or part thereof terminating with the end of the policy period) designated in the declarations as the audit period the earned premium shall be computed for such period and, upon notice thereof to the named insured, shall become due and payable. If the total earned premium for the policy period is less than the premium previously paid, the company shall return to the named insured the unearned portion paid by the named insured.

   If this policy is issued for a period in excess of one year with a specified expiration date and a premium is payable at each anniversary, such premium shall be determined annually on the basis of the rates in effect at the anniversary date.

   If this policy is issued for a period without a specified expiration date, it may be continued by payment of the required premium for the succeeding annual period. Such premium must be paid to the Company prior to each anniversary date; if not so paid, this policy shall expire on the first anniversary date that the said premium has not been received by the Company.

   The named insured shall maintain records of such information as is necessary for premium computation and shall send copies of such records to the company at the end of the policy period and at such times during the policy period as the company may direct.

2. **Inspection and Audit.** The company shall be permitted but not obligated to inspect the named insured's property and operations at any time. Neither the company's right to make inspections nor the making thereof nor any report thereon shall constitute an undertaking, on behalf of or for the benefit of the named insured or others, to determine or warrant that such property or operations are safe or healthful, or are in compliance with any law, rule or regulation.

   The company may examine and audit the named insured's books and records at any time during the policy period and extensions thereof and within three years after the final termination of this policy, as far as they relate to the subject matter of this insurance.

3. **Financial Responsibility Laws.** Such insurance as is afforded by this policy for bodily injury liability or for property damage liability shall comply with the provisions of any motor vehicle financial responsibility law to the extent of the coverage and limits of liability required by such law.

4. **Insured's Duties in the Event of Occurrence, Claim or Suit.**

   (a) In the event of an occurrence, written notice containing particulars sufficient to identify the insured and also reasonably obtainable information with respect to the time, place and circumstances thereof, and the names and addresses of the injured of available witnesses, shall be given by or for the insured to the company or any of its authorized agents as soon as practicable.

   (b) If claim is made or suit is brought against the insured, the insured shall immediately forward to the company every demand, notice, summons or other process received by him or his representative.

   (c) The insured shall cooperate with the company and, upon the company's request, assist in making settlements, in the conduct of suits and in enforcing any right of contribution or indemnity against any person or organization who may be liable to the insured because of injury or damage with respect to which insurance is afforded under this policy; and the insured shall attend hearings and trials and assist in securing and giving evidence and obtaining the attendance of witnesses. The insured shall not, except at his own cost, voluntarily make any payment, assume any obligation or incur any expense other than for first aid to others at the time of accident.

5. **Action Against Company.** No action shall lie against the company unless, as a condition precedent thereto, there shall have been full compliance with all of the terms of this policy, nor until the amount of the insured's obligation to pay shall have been finally determined either by judgment against the insured after actual trial or by written agreement of the insured, the claimant and the company.

   Any person or organization or the legal representative thereof who has secured such judgment or written agreement shall thereafter be entitled to recover under this policy to the extent of the insurance afforded by this policy. No person or organization shall have any right under this policy to join the company as a party to any action against the insured to determine the insured's liability, nor shall the company be impleaded by the insured or his legal representative. Bankruptcy or insolvency of the insured or of the insured's estate shall not relieve the company of any of its obligations hereunder.

6. **Subrogation.** In the event of any payment under this policy, the company shall be subrogated to all the insured's rights of recovery therefor against any person or organization and the insured shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The insured shall do nothing after loss to prejudice such rights.

7. **Other Insurance.** If, applicable to the loss, there is any valid and collectible insurance, whether on a primary, excess or contingent basis, available to the insured (in this or any other carrier), except, that if the applicable limit of liability of this policy is in excess of the applicable limit of liability provided by the other insurance, this policy shall afford excess insurance over and above such other insurance in an amount sufficient to afford the insured a combined limit of liability equal to the applicable limit of liability afforded by this policy. Insurance under this policy shall not be construed to be concurrent or contributing with any other insurance which is available to the insured.

8. **Changes.** Notice to any agent or knowledge possessed by any agent or by any other person shall not effect a waiver or a change in any part of this policy or estop the company from asserting any right under the terms of this policy; nor shall the terms of this policy be waived or changed, except by endorsement issued to form a part of this policy.

9. **Assignment.** Assignment of interest under this policy shall not bind the company until its consent is endorsed hereon; if, however, the named insured shall die, such insurance as is afforded by this policy shall apply (1) to the named insured's legal representative, as the named insured, but only while

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acting within the scope of his duties as such, and (2) with respect to the property of the named insur[illegible] to the person having proper temporary custody thereof, a[illegible]ured, but only until the appointment and qualification of the legal representative.

10. **Annual Aggregate.** If this policy is issued for a period of three years any limit of the company's liability stated in this policy as "aggregate" shall apply separately to each consecutive annual period thereof.

11. **Cancellation.** This policy may be cancelled by the named insured by surrender thereof to the Company or any of its authorized agents or by mailing to the Company written notice stating when thereafter the cancellation shall be effective. This policy may be cancelled by the Company by mailing to the named insured at the mailing address shown in the Declarations, written notice stating when not less than ten days thereafter such cancellation shall be effective. The mailing of notice as aforesaid shall be sufficient proof of notice. The time of surrender or the effective date and hour of cancellation stated in the notice shall become the end of the policy period. Delivery of such written notice either by the named insured or by the Company shall be equivalent to mailing.

    If the named insured cancels, the Company shall, upon demand and surrender of this policy, refund the excess of paid premium above the customary short rates for the expired time. If the Company cancels, earned premium shall be computed pro rata. Premium adjustment may be made either at the time cancellation is effected or as soon as practicable after cancellation becomes effective, but payment or tender of unearned premium is not a condition of cancellation.

12. **Liberalization Clause.** In the event any filing is submitted to the insurance supervisory authorities on behalf of the Company, and:

    (a) the filing is approved or accepted by the insurance authorities to be effective while this policy is in force or within 45 days prior to its inception; and

    (b) the filing includes insurance forms or other provisions that would extend or broaden this insurance by endorsement or substitution of form, without additional premium;

    the benefit of such extended or broadened insurance shall inure to the benefit of the insured as though the endorsement or substitution of form had been made.

13. **Insurance Under More Than One Coverage, Part or Endorsement.** In the event that more than one coverage, part or endorsement of this policy insures the same loss, damage or claim, the Company shall not be liable for more than the actual loss or damage sustained by the insured.

14. **Time of Inception.** To the extent that coverage in this policy replaces coverage in other policies terminating noon standard time on the inception date of this policy, coverage under this policy shall not become effective until such other coverage has terminated.

15. **Medical Reports; Proof and Payment of Claim.** As soon as practicable the injured person or someone on his behalf shall give to the company written proof of claim, under oath if required, and shall, after each request from the company, execute authorization to enable the company to obtain medical reports and copies of records. The injured person shall submit to physical examination by physicians selected by the company when and as often as the company may reasonably require. The company may pay the injured person or any person or organization rendering the services and the payment shall reduce the amount payable hereunder for such injury. Payment hereunder shall not constitute an admission of liability of any person or, except hereunder, of the company.

16. **Arbitration.** The company [illegible]ll be entitled to exercise all of the insured's rights in the choice of arbitrators and in the conduct of any arbitration proceeding.

17. **Waiver or Change of Provisions.** The terms of this insurance shall not be waived, changed or modified except by endorsement issued to form a part of this policy.

18. **Nuclear Exclusion.**

    I. This policy does not apply:

    (a) Under any Liability Coverage, to bodily injury or property damage,

        (1) with respect to which an insured under this policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters or Nuclear Insurance Association of Canada, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or

        (2) resulting from the hazardous properties of nuclear material and with respect to which (i) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or (ii) the insured is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.

    (b) Under any Medical Payments Coverage, or under any Supplementary Payments provision relating to first aid to expenses incurred with respect to bodily injury resulting from the hazardous properties of nuclear material and arising out of the operation of a nuclear facility by any person or organization.

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

        (1) the nuclear material (i) is at any nuclear facility owned by, or operated by or on behalf of an insured or (ii) has been discharged or dispersed therefrom;

        (2) the nuclear material is contained in spent fuel or waste at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of an insured; or

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

    II. As used in this exclusion

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

    "nuclear material" means source material, special nuclear material or byproduct material;

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

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

"waste" means any waste material (1) containing byproduct material and (2) resulting from the operation by any person or organization of any nuclear facility included within the definition of nuclear facility under paragraph (a) or (b) thereof;

"nuclear facility" means

(a) any nuclear reactor,

(b) any equipment or device designed or used for (1) separating the isotopes of uranium or plutonium, (2) processing or utilizing spent fuel, or (3) handling, processing or packaging waste,

(c) any equipment or device used for the processing, fabricating or alloying of special nuclear material if at any time the total amount of such material in the custody of the insured at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235,

(d) any structure, basin, excavation, premises or place prepared or used for the storage or disposal of waste,

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations;

"nuclear reactor" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material;

"property damage" includes all forms of radioactive contamination of property.

19. Special Definitions. Wherever in any form attached the word "policy" appears it shall mean the section of this policy of which such form is a part, or the supplemental policy or policies to which such form applies.

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Transamerica
Insurance Services

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Blanket Additional Coverage Endorsement (Section II — Liability)

It is agreed that such insurance as is provided under the Blanket Liability Coverage Supplement is extended to include the following additional insurance:

I. FIRE LEGAL LIABILITY — REAL PROPERTY

The company will pay on behalf of the insured all sums which the insured shall become legally obligated to pay as damages because of property damage to structures or portions thereof rented to or leased to the named insured, including fixtures permanently attached thereto, if such property damage arises out of fire;

A. All of the exclusions of this policy, other than the Nuclear Energy Liability Exclusion (Broad Form), are deleted and replaced by the following:

This insurance does not apply to liability assumed by the insured under any contract or agreement.

B. The limit of property damage liability as respects this Fire Legal Liability Coverage — Real Property is $100,000.00 each occurrence unless otherwise stated in the Declarations.

II. INCIDENTAL MEDICAL MALPRACTICE LIABILITY COVERAGE

Such insurance as is provided under Coverage A — Bodily Injury, is amended to include Incidental Medical Malpractice Injury.

Incidental Medical Malpractice Injury means injury arising out of the rendering of or failure to render, during the policy period, the following services:

A. medical, surgical, dental, x-ray or nursing service or treatment or the furnishing of food or beverages in connection therewith; or

B. the furnishing or dispensing of drugs or medical, dental or surgical supplies or appliances.

This coverage does not apply to:

1. expenses incurred by the insured for first-aid to others at the time of an accident and the "Supplementary Payments" provision and the "Insured's Duties in the Event of Occurrence, Claim or Suit" Condition are amended accordingly; or

2. any insured engaged in the business or occupation of providing any of the services described under II (A) and (B) above;

3. injury caused by any indemnitee if such indemnitee is engaged in the business or occupation of providing any of the services described under II (A) and (B) above.

III. PERSONAL INJURY AND ADVERTISING INJURY LIABILITY COVERAGE

A. The company will pay on behalf of the insured all sums which the insured shall become legally obligated to pay as damages because of personal injury or advertising injury to which this insurance applies, sustained by any person or organization and arising out of the conduct of the named insured's business, within the policy territory, and the company shall have the right and duty to defend any suit against the insured seeking damages on account of such injury, even if any of the allegations of the suit are groundless, false or fraudulent; and may make such investigation and settlement of any claim or suit as it deems expedient, but the company shall not be obligated to pay any claim or judgment or to defend any suit after the applicable limit of the company's liability has been exhausted by payment of judgments or settlements.

B. This insurance does not apply:

1. to liability assumed by the insured under any contract or agreement;

2. to personal injury or advertising injury arising out of the wilful violation of a penal statute or ordinance committed by or with the knowledge or consent of the insured;

3. to personal injury or advertising injury arising out of a publication or utterance of a libel or slander, or a publication or utterance in violation of an individual's right of privacy, if the first injurious publication or utterance of the same or similar material by or on behalf of the named insured was made prior to the effective date of this insurance;

4. to personal injury or advertising injury arising out of libel or slander or the publication or utterance of defamatory or disparaging material concerning any person or organization or goods, products or services, or in violation of an individual's right of privacy, made by or at the direction of the insured with knowledge of the falsity thereof;

5. to personal injury or advertising injury arising out of the conduct of any partnership or joint venture of which the insured is a partner or member and which is not designated in the declarations of the policy as a named insured;

6. to advertising injury arising out of

a. failure of performance of contract, but this exclusion does not apply to the unauthorized appropriation of ideas based upon alleged breach of implied contract, or

b. infringement of trademark, service mark or trade name, other than titles or slogans, by use thereof on or in connection with goods, products or services sold, offered for sale or advertised, or

c. incorrect description or mistake in advertised price of goods, products or services sold, offered for sale or advertised;

7. with respect to advertising injury

a. to any insured in the business of advertising, broadcasting, publishing or telecasting, or

b. to any injury arising out of any act committed by the insured with actual malice.

C. Limits of Liability

Regardless of the number of (1) insureds hereunder, (2) persons or organizations who sustain injury or damage, or (3) claims made or suits brought on account of personal injury or advertising injury the total limit of the company's liability under this coverage for all damages shall not exceed the per occurrence bodily injury liability limit stated in the General Liability Schedule.

D. Additional Definitions

"Advertising Injury" means injury arising out of an offense committed during the policy period occurring in the course of the named insured's advertising activities, if such injury arises out of libel, slander, defamation, violation of right of privacy, piracy, unfair competition, or infringement of copyright, title or slogan.

"Personal Injury" means injury arising out of one or more of the following offenses committed during the policy period:

1. false arrest, detention, imprisonment, or malicious prosecution;

2. wrongful entry or eviction or other invasion of the right of private occupancy,

3. a publication or utterance

a. of a libel or slander or other defamatory or disparaging material, or

b. in violation of an individual's right of privacy, except publications or utterances in the course of or related to advertising, broadcasting, publishing or telecasting activities conducted by or on behalf of the named insured shall not be deemed personal injury;

4. racial or religious discrimination (unless coverage is prohibited by law) not committed by or at the direction of the named insured or any executive officer, director, or partner thereof, but only with respect to the liability other than fines and penalties imposed by law.

IV. BLANKET CONTRACTUAL LIABILITY COVERAGE

A. The definition of incidental contract is extended to include any contract or agreement relating to the conduct of the named insured's business.

B. The insurance afforded with respect to liability assumed under an incidental contract is subject to the following additional exclusions:

1. to bodily injury or property damage for which the insured has assumed liability under any incidental contract, if such injury or damage occurred prior to the execution of the incidental contract;

2. if the insured is an architect, engineer or surveyor, to bodily injury or property damage arising out of the rendering or failure to render professional services by such insured, including

a. the preparation or approval of maps, drawings, opinions, reports, surveys, change orders, designs or specifications, and

b. supervisory, inspection or engineering services;

3. if the indemnitee of the insured is an architect, engineer or surveyor, to the liability of the indemnitee, his agents or employees, arising out of

a. the preparation or approval or the failure to prepare or approve maps, drawings, opinions, reports, surveys, change orders, designs or specifications, or

b. the giving of or the failure to give directions or instructions by the indemnitee, his agent or employees, provided such giving or failure to give is the primary cause of the bodily injury or property damage;

4. to any obligation for which the insured may be held liable in an action on a contract by a third party beneficiary for bodily injury or property damage arising out of a project for a public authority; but this exclusion does not apply to an action by the public authority or any other person or organization engaged in the project;

5. to bodily injury or property damage arising out of operations, within 50 feet of any railroad property, affecting any railroad bridge or trestle, tracks, road beds, tunnel, underpass or crossing; but this exclusion does not apply to sidetrack agreements.

C. The following exclusion applicable to Coverages A (Bodily Injury) and B (Property Damage) does not apply to this Contractual Liability Coverage: (g).

D. Exclusion (h) is replaced by the following:

To liability assumed by the insured under any contract or agreement except an incidental contract.

V. ADDITIONAL PERSONS INSURED

As respects Coverage A (bodily injury) and B (property damage), and advertising injury and personal injury coverages, under the provision "Persons Insured," the following are added as insureds:

1. Spouse – Partnership – If the named insured is a partnership, the spouse of a partner but only with respect to the conduct of the business of the named insured.

2. Employee – Any employee of the named insured while acting within the scope of his duties as such, but the insurance afforded to such employee does not apply:

a. to bodily injury or personal injury to another employee of the named insured arising out of or in the course of his employment;

b. to personal injury or advertising injury to the named insured or, if the named insured is a partnership or joint venture, any partner or member thereof, or the spouse of any of the foregoing;

c. to property damage to property owned, occupied or used by, rented to, in the care, custody or control of or over which physical control is being excercised for any purpose by another employee of the named insured, or by the named insured or, if the named insured is a partnership or joint venture, any partner or member thereof or by the spouse of any of the foregoing.

VI. AMENDMENT OF DEFINITION OF OCCURRENCE

With respect to insurance for Coverage A, bodily injury and Coverage B, property damage, provided by this policy, the definition of occurrence includes any intentional act by or at the direction of the insured which results in bodily injury or property damage, if such injury or damage arises solely from the use of reasonable force for the purpose of protecting persons or property.

VII. AUTOMATIC COVERAGE – NEWLY ACQUIRED ORGANIZATIONS (90 DAYS)

The "Persons Insured" provision is amended by the deletion of:

"This insurance does not apply to bodily injury or property damage arising out of the conduct of any partnership or joint venture of which the insured is a partner or member and which is not designated in this policy as a named insured."

and the addition of:

d. any organization which is acquired or formed by the named insured and over which the named insured maintains ownership or majority interest, other than a joint venture, provided this insurance does not apply to bodily injury, property damage, personal injury and advertising injury with respect to which such new organization under this policy is also an insured under any other similar liability or indemnity policy or would be an insured under any such policy but for exhaustion of its limits of liability. The insurance afforded hereby shall terminate 90 days from the date any such organization is acquired or formed by the named insured.

This endorsement must be attached to the change endorsement when issued after the policy is written.

Transamerica Insurance Services

Transamerica Insurance Group

Employee Benefit Programs Liability Insurance (Coverage Supplement)

FOR ATTACHMENT TO POLICY NUMBER _____ TO COMPLETE SAID POLICY.

SCHEDULE

NAMED INSURED		EFFECTIVE DATE
LIMIT OF LIABILITY-EACH CLAIM	**LIMIT OF LIABILITY-AGGREGATE**	**DEDUCTIBLE AMOUNT**
$	$	$

PREMIUM COMPUTATION

ESTIMATED NO. OF EMPLOYEES	RATE (PER EMPLOYEE)	ESTIMATED PREMIUM
		$
ANNUAL MINIMUM PREMIUM (FIRST 100 EMPLOYEES) $	FIRST 100 $	$
	OVER 100 $	TOTAL $

I. **COVERAGE.** To pay on behalf of the insured, all sums which the insured shall become legally obligated to pay as a result of damages sustained by an employee, former employee or the beneficiaries or legal representatives thereof and caused by any negligent act, error or omission of the insured, or any other person for whose acts the insured is legally liable in the administration of the Insured's Employee Benefit Programs as defined herein.

EXCLUSIONS

This insurance does not apply:

A. To any dishonest, fraudulent, criminal or malicious act, libel, slander, discrimination, or humiliation;

B. To bodily injury to, or sickness, disease, or death, of any person, or to injury to or destruction of any tangible property, including the loss of use thereof;

C. To any claim for failure of performance of contract by any insurer;

D. To any claim based upon the Insured's failure to comply with any law concerning Workmen's Compensation, Unemployment Insurance, Social Security or Disability Benefits;

E. To any claim based upon failure of stock to perform as represented by an insured;

F. To any claim based upon advice given by an insured to an employee of the named insured to participate or not to participate in stock subscription plans.

G. To any claim based upon any actual or alleged error or omission or breach of duty, committed or alleged to have been committed by a trustee, in the discharge of fiduciary duties, obligations or responsibilities imposed by the Federal Employee Retirement Income Security Act of 1974.

II. **DEDUCTIBLE AMOUNT.** It is agreed that the Deductible Amount, stated in the Schedule, shall be deducted from the amount of all claims arising out of the same negligent act, error or omission and the Company shall be liable for loss only in excess of that amount.

It is further understood and agreed that with respect to any claim, irrespective of amount, notice thereof shall be given by or on behalf of the Insured to the Company, or any of its authorized agents, in accordance with the terms of this coverage supplement and the Company may at its option, investigate, negotiate or settle any such claim, and the Insured agrees, (1) if the Company undertakes to settle within the amount to be deducted as herein provided to reimburse the Company for the entire amount of such claim if and when such claim is paid by the Company; or (2) if the Company undertakes to settle for an amount in excess of the amount to be deducted as herein provided, to reimburse the company for such deductible amount if and when such claim is paid by the Company.

III. **LIMITS OF LIABILITY.** The Limit of Liability stated in the Schedule as applicable to "each claim" is the limit of the company's liability for all damages incurred on account of any claim covered hereunder, the Limit of Liability stated in the Schedule as "aggregate" is, subject to the above provision respecting each claim, the total limit of the company's liability for all claims covered hereunder and occurring during each annual period. The inclusion herein of more than one insured shall not operate to increase the limits of the company's liability. Annual Period shall mean each consecutive period of one year commencing from the inception date of the policy to which this coverage supplement is attached. In the event the inception date of the policy and this supplement are not concurrent the period from the inception date of this supplement to the next anniversary date of the policy shall be considered an annual period.

IV. **DEFENSE, SETTLEMENT, SUPPLEMENTARY PAYMENTS.** As respects such insurance as is afforded by the other terms of this coverage supplement, the company shall:

A. Defend in his name and behalf any suit against the insured alleging such negligent act, error or omission and seeking damages on account thereof, even if such suit is groundless, false or fraudulent, but the company shall have the right to make such investigation and negotiation of any claim or suit as may be deemed expedient by the company. The company, however, shall not make settlement or compromise any claim or suit without the written consent of the insured;

B. Pay all premiums on bonds to release attachments for an amount not in excess of the applicable Limit of Liability of this coverage supplement, all premiums on appeal bonds required in any such defended suit, but without any obligation to apply for or furnish such bonds, all costs taxed against the insured in any such suit, all expenses incurred by the company, all interest accruing after entry of judgment until the company has paid, tendered or deposited in court such part of such judgment as does not exceed the limit of the company's liability thereon;

C. Reimburse the insured for all reasonable expenses, other than loss of earnings, incurred at the company's request.

The company agrees to pay the amounts incurred under this paragraph, except settlement of claims and suits, in addition to the applicable Limit of Liability of this coverage supplement.

V. **COVERAGE PERIOD AND TERRITORY.** This supplement applies only to claims under the legal jurisdiction of a court of law or court of equity within the United States of America, its territories or possessions or the Dominion of Canada, resulting from negligent acts, errors or omissions of the insured or any person acting on behalf of the insured in the administration of Employee Benefit Programs provided such claim is brought against the named insured during the policy period and the named insured at the effective date of this coverage supplement had no knowledge of or could not have reasonably foreseen any circumstances which might result in such claim or suit.

VI. **DEFINITIONS.** When used in reference to this insurance:

"Insured" – The unqualified word "insured", wherever used, includes not only the Named Insured, but also any partner, executive officer, director, stockholder or employee, provided such employee is authorized to act in the administration of the Insured's Employee Benefit Programs.

"Employee Benefit Programs" – The term "Employee Benefit Programs" shall mean group life insurance, group health insurance, profit sharing plans, pension plans, employee stock subscription plans, workmen's compensation, unemployment insurance, social security, disability benefits insurance, and travel, savings, or vacation plans. Should the insured, during the policy period, institute an additional Employee Benefit Program, coverage will apply, provided the company is notified of such additional program, or programs, within 30 days after the effective date of such program.

"administration" – The unqualified word "administration", wherever used, shall mean:

a. Giving counsel to employees with respect to the Employee Benefit Programs;
b. Interpreting the Employee Benefit Programs;
c. Handling of records in connection with the Employee Benefit Programs;
d. Effecting enrollment, termination or cancellation of employees under the Employee Benefit Programs; provided all such acts are authorized by the named insured.

VII. **CONDITIONS.** None of the conditions of the policy shall apply to this insurance except "Liberalization Clause", "Inspection and Audit", "Cancellation", "Deferred Premium Payment Plan", "Subrogation", "Conformity With Statute", and "Changes". This coverage supplement shall also be subject to the following additional conditions:

A. **Insured's Duties in the Event of an Alleged Negligent Act, Error or Omission, Claim, or Suit.** As soon as practicable notice must be given to the Company during the coverage period when the Named Insured:

a. Receives information as to an alleged negligent act, error or omission, with full particulars of any claim arising therefrom.
b. Has knowledge of or can reasonably foresee circumstances which might result in a claim.

If suit is brought the Named Insured must immediately forward to the Company every demand, summons, or other process received by him.

The insured shall cooperate with the company and, upon the company's request, assist in making settlements, in the conduct of suits and in enforcing any right of contribution or indemnity against any person or organization who may be liable to the insured because of damage with respect to which insurance is afforded under this coverage supplement and the insured shall attend hearings and trials and assist in securing and giving evidence and obtaining the attendance of witnesses. The insured shall not, except at his own cost, voluntarily make any payment, assume any obligation or incur any expense.

B. **Action Against Company.** No action shall lie against the company unless, as a condition precedent thereto, there shall have been full compliance with all of the terms of this coverage supplement, nor until the amount of the insured's obligation to pay shall have been finally determined either by judgment against the insured after actual trial or by written agreement of the insured, the claimant and the company.

Any person or organization or the legal representative thereof who has secured such judgment or written agreement shall thereafter be entitled to recover under this coverage supplement the extent of the insurance afforded by this coverage supplement. No person or organization shall have any right under this coverage supplement to join the company as a party to any action against the insured to determine the insured's liability, nor shall the company be impleaded by the insured or his legal representative. Bankruptcy or insolvency of the insured or of the insured's estate shall not relieve the company of any of its obligations hereunder.

C. **Non-assignable.** The interest of the insured under this coverage supplement shall not be assignable to any other interest.

D. **Premium.** The premium stated in the schedule is an estimated premium only. Upon termination of each annual period of the policy to which this supplement is attached the insured, on request, will furnish the company a statement of the total number of employees at the end of the period and the earned premium shall be computed on the average of the number of the employees at the beginning and the end of such period in accordance with the rates set forth in the schedule.

E. **Other Insurance.** If, applicable to the loss, there is any valid and collectible insurance, whether on a primary, excess or contingent basis, available to the insured (in this or any other carrier), there shall be no insurance afforded hereunder as respects such loss, except, that if the applicable limit of liability of this coverage supplement is in excess of the applicable limit of liability provided by the other insurance, this coverage supplement shall afford excess insurance over and above such other insurance in an amount sufficient to afford the insured a combined limit of liability equal to the applicable limit of liability afforded by this coverage supplement. Insurance under this policy shall not be construed to be concurrent or contributing with any other insurance which is available to the insured.

Transamerica Insurance Services

Transamerica Insurance Group

Policy No. 1913 48 04

Liability Schedule and Premium Recap.

Code No.	Description of Hazards	Premium Bases	Rates B.I.	Rates P.D.	Advance Premiums Bodily Injury	Advance Premiums Property Damage
Premises – Operations						
35606 003	INDUSTRIAL MACHINERY AND EQUIPMENT MFG - NOC	100,000	.336	.072	336.	72.
39996 003	MACHINE SHOPS - NOC	450,000	.672	.101	3,024.	455.
39982 999	PRODUCTS/COMPLETED OPERATIONS MACHINE SHOPS	1,100,000	2.950	1.116	3,245.	1,228.
35992S 999	MACHINERY OR MACHINERY PARTS MFG.	1,100,000	2.317	.558	2,549.	614.
	VENTORS - LIMITED FORM	IF ANY	.347	.084	TBD*	TBD*
99990	BLANKET ADDITIONAL COVERAGE	15%			1,373.	355.
73920 999	EMPLOYEE BENEFIT LIABILITY	ONE	241.50		242.MP	

* TO BE DETERMINED AT AUDIT

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Total Advance B.I. and P.D. Premiums	$ 10,769.	$ 2,724.
Total Advance Premium	$ 13,493.	

Transamerica Insurance Services

Transamerica Insurance Group

Additional Declarations

SECTION IV INLAND MARINE

SCHEDULE A

Policy No. 1913 48 04

This schedule is attached to, and forms a part of the policy specified above.
(Schedule - Description of insured property and amount of insurance.
(Only those coverages are afforded which are indicated by a premium charge or the word "included" inserted opposite the coverage)

Form Attached	Description and Location of Insured Property	Limits of Liability	Rate	Premium
IM123(3-77)	ACCOUNTS RECEIVABLE	300,000	.067	201.
IM293(3-77)				
IM122(3-77)	VALUABLE PAPERS	50,000	.258	129.
J10355(5-81)	MINICOMPUTER COVERAGE	VRS.	VRS.	127.
J10356(5-81)				
J10200C(2-78)				
J10263(5-81)				
13034(9-80)				
				457.
			Total Premium	

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J10757B-DR (8-80)

BRANCH OFFICE COPY

Transamerica
Insurance Services

Transamerica Insurance Company

Endorsement

ATTACHED TO AND FORMING A PART OF POLICY NUMBER	ENDORSEMENT EFFECTIVE (Standard Time) Mo.	Day	Yr	12:01 A.M.	NOON	INSURED	PRODUCER AND CODE
U 1913 48 04							

ERISA EXCLUSION

IT IS AGREED THAT THIS POLICY SHALL NOT APPLY TO ANY LIABILITY ARISING OUT OF ANY VIOLATION OF ANY PROVISION OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, PUBLIC LAW 93-406 (OR ANY AMENDMENT OR ADDITION THERETO), OR ANY STATE STATUTE OR COMMON LAW RULE WHICH IMPOSES FIDUCIARY DUTIES AND RESPONSIBILITIES WITH RESPECT TO EMPLOYEE BENEFIT PROGRAMS.

000242

ALL OTHER TERMS AND CONDITIONS OF THIS POLICY REMAIN UNCHANGED

Authorized Representative

Date

Transamerica Insurance Services

Transamerica Insurance Group

1913 48 04

Deductible on IA, II or III

It is agreed that, with respect to Transplan 7 Comprehensive Crime Coverage Endorsement to which this endorsement is attached:

1. The Company shall not be liable under Insuring Agreement IA on account of loss through acts or defaults committed at any time, whether before or after this endorsement is effective, by any Employee or in which such Employee is concerned or implicated, unless the amount of such loss, after deducting the net amount of all reimbursement and recovery, including any cash deposit taken by the Insured, obtained or made by the Insured, other than from any bond or policy of insurance issued by a surety of insurance company and covering such loss, or by the Company on account thereof prior to payment by the Company of such loss, shall be in excess of

ONE THOUSAND AND NO/100 ---------- Dollars ($ 1,000.00)

and then for such excess only, but in no event for more than the amount of insurance carried under Insuring Agreement IA on such loss.

2. The Company shall not be liable under Insuring Agreement II on account of any loss, except to the extent such loss is in excess of N/A Dollars ($ N/A), with the insurance then applying to such excess only, subject otherwise to the applicable limit of the Company's liability.

3. The Company shall not be liable under Insuring Agreement III on account of any loss, except to the extent such loss is in excess of N/A Dollars ($ N/A), with the insurance then applying to such excess only, subject otherwise to the applicable limit of the Company's liability.

4. In no event shall the Company be liable under any Insuring Agreement, as modified by this endorsement, for more than the amount specified in the Table of Limits of Liability as applicable to such Insuring Agreement subject, however, to Section 11.

5. Section 10 is deleted and the following inserted:

> "Section 10. If the Insured shall sustain any loss covered by this endorsement to which a deductible amount applies and such loss exceeds the applicable amount of insurance hereunder plus such Deductible Amount, the Insured shall be entitled to all recoveries made after payment by the Company of loss covered by this endorsement (except from suretyship, insurance, reinsurance, security or indemnity taken by or for the benefit of the Company) by whomsoever made, less the actual cost of effecting such recoveries, until reimbursed for such excess loss; and any remainder, or, if there be no such excess loss, any such recoveries shall be applied first in reimbursement of the Company and thereafter in reimbursement of the Insured for that part of such loss within such Deductible Amount."

6. The Insured shall, within the time and in the manner prescribed in the said Transplan 7 Comprehensive Crime Coverage Endorsement, give the Company notice of any loss of the kind covered by Insuring Agreement IA whether or not the Company is liable therefor or for any part thereof, and upon the request of the Company shall file with it a brief statement giving the particulars concerning such loss.

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FORGERY DEDUCTIBLE ON V

(For use with Form C10762A only)

It is agreed that, with respect to Transplan 7 Comprehensive Crime Coverage Endorsement, Form C10762A, to which this endorsement is attached:

1. The Company shall not be liable under Insuring Agreement V on account of any loss through forgery or alteration committed by any person or in which such person is concerned or implicated, whether such forgery or alteration involves one or more instruments, unless such loss shall exceed

ONE THOUSAND AND NO/100 ---------- Dollars ($ 1,000.00)

and then for such excess only but in no event for more than the amount of insurance carried under Insuring Agreement V on such loss.

2. The Insured shall, within the time and in the manner prescribed in the Policy, give the Company notice of any loss of the kind covered by Insuring Agreement V whether or not the Company is liable therefor or for any part thereof, and upon the request of the Company shall file with it a brief statement giving the particulars concerning such loss.

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EMPLOYEE EXCLUSION ENDORSEMENT

It is agreed that:

With respect to Insuring Agreement 1A or 1B, whichever is in force under the Transplan 7 Comprehensive Crime Coverage Endorsement or to Insuring Agreement 1 under the Transplan 7 Blanket Crime Coverge Endorsement to which this endorsement is attached, "Employee" as defined in Section 3 does not mean any of the following:

PRESIDENT

IMPORTANT: This endorsement may not be used to exclude any Employees except the following:

(a) officers who own the majority of the capital stock of the Insured,

(b) relatives of such officers or of the partners of any Insured Partnership or of the proprietor of any Insured Proprietorship,

(c) outside salesmen, collectors, drivers, driver's helpers, chauffeurs, demonstrators, canvassers and other similar positions,

(d) store employees of any retail butcher or grocer, regardless of the number of stores operated, or store employees of any Insured if operating 6 or more stores,

(e) superintendents and janitors of buildings;

(f) Station Managers and Employees at Stations of Oil Companies selling at retail,

(g) Yard Managers, yard Superintendents and other yard Employees of Lumber Companies;

Provided, however, that whenever Employees of any class are excluded all Employees of such class must be excluded as an entirety.

This Endorsement must be attached to Change Endorsement when issued after the Policy is written.

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RIDER

To be attached to and form part of Bond No. 1913 48 04

in favor of SEE NAMED INSURED RIDER

It is agreed that:

1. The Deductible Amount applicable under the attached bond to loss sustained through acts or defaults committed by Employees shall not apply to loss sustained by any Employee Welfare Benefit Plan or Employee Pension Benefit Plan covered under such bond through acts or defaults committed by any Employee of any such Plan.

2. This rider is effective as of noon on JANUARY 1, 1985

RIDER

FOR USE WITH ALL FORMS OF STANDARD BONDS SUBJECT TO AN UNDERWRITING DEDUCTIBLE AND UNDER WHICH ONE OR MORE EMPLOYEE WELFARE BENEFIT PLANS OR EMPLOYEE PENSION BENEFIT PLANS ARE COVERED, TO PROVIDE THAT THE DEDUCTIBLE APPLICABLE TO ACTS OR DEFAULTS OF EMPLOYEES DOES NOT APPLY TO ANY SUCH PLANS.

REVISED TO JULY, 1964.

NOTE: This rider is to be used only when the bond to which it is attached is subject to an Underwriting Deductible, i. e. one in the amount of $1,000 or less.

SR 5817a Printed in U.S.A.

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Insurance Services

Transamerica Insurance Group

1913 48 04

Coverage for Specified Named Insureds

It is agreed that:

With respect to Transplan 7 Comprehensive Crime Coverage Endorsement Insuring Agreements IA, IB, and V or Transplan 7 Blanket Crime Endorsement Insuring Agreements I and V to which this endorsement is attached,

Coverage shall apply to the following named insured(s) only:

EARL MANUFACTURING, INC.

EARL MFG. CO. INC. PENSION PLAN

EARL MFG. CO. INC. MEDICAL PLAN

1913 48 04 Rider

Individual employee applications may be requested by the Company. Should the Company, in its sole discretion, decide to conduct a background investigation based on that application, the insured will be notified in writing. Absent such written notification a background investigation will not be conducted.

Any action undertaken by the Company in regard to the individual employee application is not intended nor should it be understood to be a representation on the fitness or lack of fitness of the applicant as an employee.

APPLICATION INVESTIGATION RIDER

FOR USE WITH ALL FORMS PROVIDING BLANKET FIDELITY COVERAGE TO SET FORTH COMPANY POLICY REGARDING INVESTIGATION OF INDIVIDUAL EMPLOYEE APPLICATIONS.

Transamerica Insurance Services

Transamerica Insurance Group

1913 48 04

Extortion Exclusion Endorsement

It is agreed that:

With respect to Transplan 7 Comprehensive Crime Coverage Endorsement or Transplan 7 Blanket Crime Coverage Endorsement to which this endorsement is attached:

1. The policy does not apply to loss due to the surrender of money, securities or other property away from the premises as a result of a threat to do

   (a) bodily harm to any person, or

   (b) damage to the Premises or property owned by the Insured or held by the Insured in any capacity;

provided, however, these exclusions do not apply:

(1) to Insuring Agreement IA or IB of Transplan 7 Comprehensive Crime Coverage Endorsement if coverage is afforded thereunder, or Insuring Agreement I of Transplan 7 Blanket Crime Coverage Endorsement, or

(2) under Insuring Agreement III of Transplan 7 Comprehensive Crime Coverage Endorsement if coverage is afforded thereunder, or Insuring Agreement III of Transplan 7 Blanket Crime Coverage Endorsement, to loss of Money, Securities or other property while being conveyed by a Messenger when there was no knowlwdge by the Insured of any such threat at the time the conveyance was initiated.

This Endorsement must be attached to Change Endorsement when issued after the Policy is written.

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RIDER

To be attached to and form part of Bond No. 1913 48 04

in favor of

It is agreed that:

1. The word Employee, as used in the attached bond, shall also include any natural person who is a director or trustee of the Insured while such director or trustee is engaged in handling funds or other property of any Employee Welfare or Pension Benefit Plan owned, controlled or operated by the Insured or any natural person who is a trustee, manager, officer or employee of any such Plan.

2. This rider is effective as of noon on JANUARY 1, 1985

WELFARE AND PENSION PLAN RIDER

FOR USE WITH ALL FORMS OF STANDARD BONDS TO COVER DIRECTORS OR TRUSTEES OF THE INSURED WHILE HANDLING FUNDS OR OTHER PROPERTY OF THE INSURED'S WELFARE OR PENSION PLANS AND TO COVER TRUSTEES, MANAGERS, OFFICERS AND EMPLOYEES OF SUCH PLANS.

REVISED TO JANUARY, 1963.

SR 5137b Printed in U.S.A.

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1913 48 04

INDIVIDUAL AS NAMED INSURED

IT IS AGREED THAT IF ANY NAMED INSURED DESIGNATED IN THE DECLARATIONS IS AN INDIVIDUAL, COVERAGE UNDER THE COMMERCIAL UMBRELLA SECTION FOR SUCH INDIVIDUAL NAMED INSURED SHALL APPLY ONLY WITH RESPECT TO THE CONDUCT OF A BUSINESS OF WHICH HE/SHE IS THE SOLE PROPRIETOR AND THE BUSINESS NAMED IN THE DECLARATIONS OF THIS POLICY.

THE TERM "BUSINESS" INCLUDES TRADE, PROFESSION OR OCCUPATION AND THE OWNERSHIP, MAINTENANCE OR USE OF FARMS, AND OF PROPERTY RENTED IN WHOLE OR IN PART TO OTHERS, OR HELD FOR SUCH RENTAL, BY THE NAMED INSURED.

THE FOLLOWING USE OF THE INDIVIDUAL NAMED INSURED'S PROPERTY SHALL NOT CONSTITUTE BUSINESS:

(1) OCCASIONAL RENTAL OF THE INDIVIDUAL NAMED INSURED'S RESIDENCE.

(2) RENTAL IN WHOLE OR IN PART TO OTHERS OF A ONE OR TWO FAMILY DWELLING USUALLY OCCUPIED IN PART BY THE INDIVIDUAL NAMED INSURED AS A RESIDENCE, UNLESS SUCH RENTAL IS FOR THE ACCOMMODATION OF MORE THAN TWO ROOMERS OR BOARDERS.

(3) RENTAL OF SPACE IN THE INDIVIDUAL NAMED INSURED'S RESIDENCE FOR OFFICE, SCHOOL, OR STUDIO, OCCUPANCY.

(4) RENTAL OR HOLDING FOR RENTAL NOT MORE THAN THREE CAR SPACES OR STALLS IN GARAGES OR STABLES.

1913 48 04

PROPERTY DAMAGE LIMITATION

REAL PROPERTY

IT IS AGREED THAT THIS POLICY SHALL NOT APPLY TO ANY LIABILITY FOR PROPERTY DAMAGE TO REAL PROPERTY

(1) OWNED OR OCCUPIED BY OR RENTED TO THE INSURED,

(2) USED BY THE INSURED, OR

(3) IN THE CARE, CUSTODY OF CONTROL OF THE INSURED OR AS TO WHICH THE INSURED IS FOR ANY PURPOSE EXERCISING PHYSICAL CONTROL;

UNLESS SUCH LIABILITY IS COVERED BY VALID AND COLLECTIBLE UNDERLYING INSURANCE AS LISTED IN THE SCHEDULE OF UNDERLYING INSURANCE, FOR THE FULL LIMITS SHOWN THEREIN, AND THEN ONLY FOR SUCH HAZARDS FOR WHICH COVERAGE IS AFFORDED UNDER SAID UNDERLYING INSURANCE.

Transamerica Insurance Services

Transamerica Insurance Group

Comprehensive Crime Coverage Endorsement — Crime Coverage

This endorsement shall be attached to Policy No. 1913 48 04 of the

Insurance Company.

(herein called Company) TRANSAMERICA

The Insuring Agreements, General Agreements, Conditions and Limitations and other terms of this endorsement shall apply only as specified herein and none of the provisions, stipulations and other terms of the policy to which this endorsement is attached shall apply to insurance hereunder unless so specified.

DECLARATIONS EARL MANUFACTURING, INC. & ET AL

Item 1. Effective Period: from 12:01 a.m. 1-1-85 to 12:01 a.m. on the
(Month, Day, Year)

effective date of the cancellation or termination of the policy to which this endorsement is attached, standard time at the location of designated premises shown in the policy to which this endorsement is attached as to each of said dates, unless this endorsement is canceled or terminated as hereinafter provided or in any other manner.

Table of Limits of Liability

Insuring Agreement IA	Employee Dishonesty (Commercial Blanket) Coverage	$ 250,000
Insuring Agreement IB	Employee Dishonesty (Blanket Position) Coverage	$ NONE
Insuring Agreement II	Loss Inside the Premises Coverage	$ NONE
Insuring Agreement III	Loss Outside the Premises Coverage	$ NONE
Insuring Agreement IV	Money Orders and Counterfeit Paper Currency Coverage	$ NONE
Insuring Agreement V	Depositors Forgery Coverage	$ 250,000
If added by endorsement: Insuring Agreement	SR5137B,SR5817A,C12546A B12900,C12557,SR5211B,C12551A,C12555,	$ NONE

Item 3. The liability of the Company is subject to the terms of the following endorsements attached hereto: SR5862,C12672,

Item 4. The Insured by the acceptance of this endorsement gives notice to the Company terminating or cancelling prior bond(s) or policy(ies) No.(s) N/A such termination or cancellation to be effective as of the time this endorsement becomes effective.

The Company, in consideration of the payment of the premium, and subject to the Declarations made a part hereof, the General Agreements, Conditions and Limitations and other terms of this endorsement agrees with the Insured, in accordance with such of the Insuring Agreements hereof as are specifically designated by the insertion of an amount of insurance in the Table of Limits of Liability of this endorsement, to pay the Insured for:

INSURING AGREEMENTS

EMPLOYEE DISHONESTY COMMERCIAL BLANKET COVERAGE

IA. Loss of Money, Securities and other property which the Insured shall sustain, to an amount not exceeding in the aggregate the amount stated in the Table of Limits of Liability applicable to this Insuring Agreement IA, resulting directly from one or more fraudulent or dishonest acts committeed by an Employee, acting alone or in collusion with others.

Dishonest or fraudulent acts as used in this Insuring Agreement shall mean only dishonest or fraudulent acts committed by such Employee with the manifest intent:

(a) to cause the Insured to sustain such loss; and

(b) to obtain financial benefit for the Employee, or for any other person or organization intended by the Employee to receive such benefit, other than salaries, commissions, fees, bonuses, promotions, awards, profit sharing, pensions or other employee benefits earned in the normal course of employment.

EMPLOYEE DISHONESTY BLANKET POSITION COVERAGE

IB. Loss of Money, Securities and other property which the Insured shall sustain resulting directly from one or more fraudulent or dishonest acts committed by an Employee, acting alone or in collusion with others, the amount of insurance on each of the Employees being the amount stated in the Table of Limits of Liability applicable to this Insuring Agreement IB.

Dishonest or fraudulent acts as used in this Insuring Agreement shall mean only dishonest or fraudulent acts committed by such Employee with the manifest intent:

(a) to cause the Insured to sustain such loss; and

(b) to obtain financial benefit for the Employee, or for any other person or organization intended by the Employee to receive such benefit, other than salaries, commissions, fees, bonuses, promotions, awards, profit sharing, pensions of other employee benefits earned in the normal course of employment.

LOSS INSIDE THE PREMISES COVERAGE

II. Loss of Money and Securities by the actual destruction, disappearance or wrongful abstraction thereof within the Premises or within any Banking Premises or similar recognized places of safe deposit.

Loss of (a) other property by Safe Burglary or Robbery within the Premises or attempt thereat, and (b) a locked cash drawer, cash box or cash register by felonious entry into such container within the Premises or attempt thereat or by felonious abstraction of such container from within the Premises or attempt thereat.

Damage to the Premises by such Safe Burglary, Robbery or felonious abstraction, or by or following burglarious entry into the Premises or attempt thereat, provided with respect to damage to the Premises the Insured is the owner thereof or is liable for such damage.

LOSS OUTSIDE THE PREMISES COVERAGE

III. Loss of Money and Securities by the actual destruction, disappearance or wrongful abstraction thereof outside the Premises while being conveyed by a Messenger or any armored motor vehicle company, or while within the living quarters in the home of any Messenger.

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Loss of other property by Robbery or attempt thereat outside the Premises while being conveyed by a Messenger or any armored motor vehicle company, or by theft while within the living quarters in the home of any Messenger.

MONEY ORDERS AND COUNTERFEIT PAPER CURRENCY COVERAGE

IV. Loss due to the acceptance in good faith, in exchange for merchandise. Money or services, of any post office or express money order, issued or purporting to have been issued by any post office or express company, if such money order is not paid upon presentation, or due to the acceptance in good faith in the regular course of business of counterfeit United States or Canadian paper currency.

DEPOSITORS FORGERY COVERAGE

V. Loss which the Insured or any bank which is included in the Insured's proof of loss and in which the Insured carries a checking or savings account, as their respective interests may appear, shall sustain through forgery or alteration of, on or in any check, draft, promissory note, bill of exhange, or similar written promise, order or direction to pay a sum certain in money, made or drawn by or drawn upon the Insured, or made or drawn by one acting as agent of the Insured, or purporting to have been made or drawn as hereinbefore set forth, including

(a) any check or draft made or drawn in the name of the Insured, payable to a fictitious payee and endorsed in the name of such fictitious payee;

(b) any check or draft procured in a face to face transaction with the Insured, or with one acting as agent of the Insured, by anyone impersonating another and made or drawn payable to the one so impersonated and endorsed by anyone other than the one so impersonated; and

(c) any payroll check, payroll draft or payroll order made or drawn by the Insured, payable to bearer as well as to a named payee and endorsed by anyone other than the named payee without authority from such payee:

whether or not any endorsement mentioned in (a), (b) or (c) be a forgery within the law of the place controlling the construction thereof.

Mechanically reproduced facsimile signatures are treated the same as handwritten signatures.

The Insured shall be entitled to priority of payment over loss sustained by any bank aforesaid. Loss under this Insuring Agreement, whether sustained by the Insured of such bank, shall be paid directly to the Insured in its own name, except in cases where such bank shall have already fully reimbursed the Insured for such loss. The liability of the Company to such bank for such loss shall be a part of and not in addition to the amount of insurance applicable to the Insured's office to which such loss would have been allocated had such loss been sustained by the Insured.

If the Insured or such bank shall refuse to pay any of the foregoing instruments made or drawn as hereinbefore set forth, alleging that such instruments are forged or altered, and such refusal shall result in suit being brought against the Insured or such bank to enforce such payment and the Company shall give its written consent to the defense of such suit, then any reasonable attorneys' fees, court costs, or similar legal expenses incurred and paid by the Insured or such bank in such defense shall be construed to be a loss under this Insuring Agreement and the liability of the Company for such loss shall be in addition to any other liability under this Insuring Agreement.

GENERAL AGREEMENTS

CONSOLIDATION-MERGER

A. If, through consolidation or merger with or purchase of assets of, some other concern, any persons shall become Employees, the insurance afforded by this endorsement shall also apply as respects such Employees, provided the Insured shall give the Company written notice thereof within thirty days thereafter and shall pay the Company an additional premium computed pro rata from the date of such consolidation, merger or purchase to the end of the current premium period.

JOINT INSURED

B. If more than one Insured is covered under this endorsement, the Insured first named shall act for itself and for every other Insured for all purposes of this endorsement. Knowledge possessed or discovery made by any Insured or by any partner or officer thereof shall, for the purposes of Sections 7, 8 and 15, constitute knowledge possessed or discovery made by every Insured. Cancellation of the insurance hereunder as respects any Employee as provided in Section 15 shall apply to every insured, if, prior to the cancellation or termination of this endorsement, this endorsement or any Insuring Agreement hereof is canceled or terminated as to any Insured, there shall be no liability for any loss sustained by such Insured unless discovered within one year from the date of such cancellation or termination, or as respects Insuring Agreement IB, within two years therefrom. Payment by the Company to the Insured first named of any loss under this endorsement shall fully release the Company on account of such loss. If the Insured first named ceases for any reason to be covered under this endorsement, then the Insured next named shall thereafter be considered as the Insured first named for all purposes of this endorsement.

LOSS UNDER PRIOR BOND OR POLICY

C. If the coverage of an Insuring Agreement of this endorsement other than Insuring Agreement V, is substituted for any prior bond or policy of insurance carried by the Insured or by any predecessor in interest of the Insured, which prior bond or policy is terminated, canceled or allowed to expire as of the time of such substitution, the Company agrees that such Insuring Agreement applies to loss which is discovered as provided in Section 1 of the Conditions and Limitations and which would have been recoverable by the Insured or such predecessor under such prior bond or policy except for the fact that the time within which to discover loss thereunder had expired; provided:

(1) the insurance under this General Agreement C shall be a part of and not in addition to the amount of insurance afforded by the applicable Insuring Agreement of this endorsement;

(2) such loss would have been covered under such Insuring Agreement had such Insuring Agreement with its agreements, conditions and limitations as of the time of such substitution been in force when the acts or events causing such loss were committed or occurred; and

(3) recovery under such Insuring Agreement on Account of such loss shall in no event exceed the amount which would have been recoverable under such Insuring Agreement in the amount for which it is written as of the time of such substitution, had such Insuring Agreement been in force when such acts or events were committed or occurred, or the amount which would have been recoverable under such prior bond or policy had such prior bond or policy continued in force until the discovery of such loss, if the latter amount be smaller.

Insuring Agreement V shall also cover loss sustained by the Insured at any time before the termination or cancellation of Insuring Agreement V, which would have been recoverable under the coverage of some similar form of forgery insurance (exclusive of fidelity insurance) carried by the Insured or any predecessor in interest of the Insured, had such prior forgery insurance given all of the coverage afforded under Insuring Agreement V; provided, with respect to loss covered by this paragraph:

(a) the coverage of Insuring Agreement V is substituted on or after the date hereof for such prior forgery coverage and the

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Insured or such predecessor, as the) may be, carried such prior forgery coverage on the offic... which such loss was sustained continuously from the time such loss was sustained to the date the coverage of Insuring Agreement V was substituted therefor;

(b) at the time of discovery of such loss, the period for discovery of loss under all such prior forgery insurance has expired; and

(c) if the amount c... rance carried under Insuring Agreement V applicable to the ... at which such loss is sustained is larger than the amount applicable to such office under such prior forgery insurance and in force at the time such loss is sustained, then liability hereunder for such loss shall not exceed the smaller amount.

THE FOREGOING INSURING AGREEMENTS AND GENERAL AGREEMENTS ARE SUBJECT TO THE FOLLOWING CONDITIONS AND LIMITATIONS:

EFFECTIVE PERIOD, TERRITORY, DISCOVERY

Section 1. Loss is covered under Insuring Agreement IB of this endorsement only if discovered not later than two years from the end of the Effective Period of this endorsement. Except under Insuring Agreement IB, loss is covered under this endorsement only if discovered not later than one year from the end of such Effective Period.

Subject to General Agreement C:

(a) this endorsement, except under Insuring Agreement IA, IB and V, applies only to loss which occurs during the Effective Period of this endorsement within any of the States of the United States of America, the District of Columbia, Virgin Islands, Puerto Rico, Canal Zone or Canada;

(b) Insuring Agreements IA and IB apply only to loss sustained by the Insured through fraudulent or dishonest acts committed during the Effective Period of this endorsement by any of the Employees engaged in the regular service of the Insured within the territory designated above or while such Employees are elsewhere for a limited period;

(c) Insuring Agreement V applies only to loss sustained during the Effective Period of this endorsement.

EXCLUSIONS

Section 2. This endorsement does not apply:

(a) to loss due to any fraudulent, dishonest or criminal act by any Insured or a partner therein, whether acting alone or in collusion with others;

(b) to the defense of any legal proceeding brought against the Insured, or to fees, costs or expenses incurred or paid by the Insured in prosecuting or defending any legal proceeding whether or not such proceeding results or would result in a loss to the Insured covered by this Policy.

(c) under Insuring Agreement IA or IB, to loss, or to that part of any loss, as the case may be, the proof of which, either as to its factual existence or as to its amount, is dependent upon an inventory computation or a profit and loss computation;

(d) under Insuring Agreements II and III, to loss due to any fraudulent, dishonest or criminal act by any Employee, director, trustee or authorized representative of any Insured, while working or otherwise and whether acting alone or in collusion with others; provided, this Exclusion does not apply to Safe Burglary or Robbery or attempt thereat;

(e) under Insuring Agreements II and III, to loss due to war, whether or not declared, civil war, insurrection rebellion or revolution, or to any act or condition incident to any of the foregoing;

(f) under Insuring Agreements II and III, to loss (1) due to the giving or surrendering of Money or Securities in any exchange or purchase; (2) due to accounting or arithmetical errors or omissions; or (3) of manuscripts, books of account or records;

(g) under Insuring Agreement II, to loss of Money contained in coin operated amusement devices or vending machines, unless the amount of Money deposited within the device or machine is recorded by a continuous recording instrument therein;

(h) under Insuring Agreement III, to loss of insured property while in the custody of any armored motor vehicle company, unless such loss is in excess of the amount recovered or received by the Insured under (1) the Insured's contract with said armored motor vehicle company, (2) insurance carried by said armored motor vehicle company for the benefit of users of its service, and (3) all other insurance and indemnity in force in whatsoever form carried by or for the benefit of users of said armored motor vehicle company's service, and then this endorsement shall cover only such excess;

(i) under Insuring Agreement II, to loss, other than to money, securities, a safe or vault, by fire whether or not such fire is caused by, contributed to by, or arises out of the occurrence of a hazard insured against.

(j) under Insuring Agreements II and III, to loss due to nuclear reaction, nuclear radiation or radioactive contamination, or to any act or condition incident to any of the foregoing.

(k) to and the Company is not liable for:

(1) Potential income, including but not limited to interest and dividends, not realized by the Insured because of a loss covered under this Policy.

(2) All damages of any type for which the Insured is legally liable, except direct compensatory damages arising from a loss covered under this Policy.

(3) All costs, fees and other expenses incurred by the Insured in establishing the existence of or the amount of loss covered under this Policy.

DEFINITIONS

Section 3. The following terms, as used in this endorsement, shall have the respective meanings stated in this Section:

"Money" means currency, coins, bank notes and bullion; and travelers checks, register checks and money orders held for sale to the public.

"Securities" means all negotiable and non-negotiable instruments or contracts representing either Money or other property and includes revenue and other stamps in current use, tokens and tickets, but does not include Money.

"Employee" means any natural person (except a director or trustee of the Insured, if a corporation, who is not also an officer or employee thereof in some other capacity) while in the regular service of the Insured in the ordinary course of the Insured's business during the Effective Period of this endorsement and whom the Insured compensates by salary, wages or commissions and has the right to govern and direct in the performance of such service, but does not mean any broker, factor, commission merchant, consignee, contractor or other agent or representative of the same general character. As applied to loss under Insuring Agreement IA or IB the above words "while in the regular service of the Insured" shall include the first 30 days thereafter; subject, however, to Sections 15 or 16.

"Premises" means the interior of that portion of any building which is occupied by the Insured in conducting its business.

"Banking Premises" means the interior of that portion of any building which is occupied by a banking institution in conducting its business.

"Messenger" means the Insured or a partner of the Insured or any Employee who is duly authorized by the Insured to have the care and custody of the insured property outside the Premises.

"Custodian" means the Insured or a partner of the Insured or any Employee who is duly authorized by the Insured to have the care and custody of the insured property within the Premises, excluding any person while acting as a watchman, porter or janitor.

"Robbery" means the taking of insured property (1) by violence inflicted upon a Messenger or a Custodian; (2) by putting him in fear of violence; (3) by any other overt felonious act committed in his presence and of which he was actually cognizant, provided such other act is not committed by a partner of Employee of the Insured; (4) from the person or direct care and custody of a Messen-

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ger or Custodian who has been killed or rendered unconscious; or (5) under Insuring Agreement II, (a) from within the Premises by means of compelling a Messenger or Custodian by violence or threat of violence while outside the Premises to admit a person into the Premises or to furnish him with means of ingress into the Premises, or (b) from a showcase or show window within the Premises while regularly open for business by a person who has broken the glass thereof from outside the Premises.

"Safe Burglary" means (1) the felonious abstraction of insured property from within a vault or safe, the door of which is equipped with a combination lock, located within the Premises by a person making a felonious entry into such vault or such safe and any vault containing the safe, when all doors thereof are duly closed and locked by all combination locks thereon, provided such entry shall be made by actual force and violence, of which force and violence there are visible marks made by tools, explosives, electricity or chemicals upon the exterior of (a) all of said doors of such vault or such safe and any vault containing the safe, if entry is made through such doors, or (b) the top, bottom or walls of such vault or such safe and any vault containing the safe through which entry is made, if not made through such doors, or (2) the felonious abstraction of such safe from within the Premises.

"Loss" except under Insuring Agreements IA, IB and V, includes damage.

LOSS CAUSED BY UNIDENTIFIABLE EMPLOYEE

Section 4. If loss is alleged to have been caused by the fraud or dishonesty of any one or more of the Employees covered under Insuring Agreement IA or IB, as the case may be, and the Insured shall be unable to designate the specific Employee or Employees causing such loss, the Insured shall nevertheless have the benefit of such applicable Insuring Agreement subject to the provisions of Section 2 (b) of this endorsement provided that the evidence submitted reasonably proves that the loss was in fact due to the fraud or dishonesty of one or more of the said Employees, and provided, further, that the aggregate liability of the Company for any such loss shall not exceed the Limit of Liability applicable to such Insuring Agreement.

OWNERSHIP OF PROPERTY; INTERESTS COVERED

Section 5. The insured property may be owned by the Insured or held by the Insured in any capacity whether or not the Insured is liable for the loss thereof, or may be property as respects which the Insured is legally liable; provided, Insuring Agreements II, III and IV apply only to the interest of the Insured in such property, including the Insured's liability to others, and do not apply to the interest of any other person or organization in any of said property unless included in the Insured's proof of loss, in which event the third paragraph of Section 8 is applicable to them.

BOOKS AND RECORDS

Section 6. The Insured shall keep records of all the insured property in such manner that the Company can accurately determine therefrom the amount of loss.

PRIOR FRAUD, DISHONESTY OR CANCELLATION

Section 7. The coverage of Insuring Agreement IA or IB shall not apply to any Employee from and after the time that the Insured or any partner or officer thereof not in collusion with such Employee shall have knowledge or information that such Employee has committed any fraudulent or dishonest act in the service of the Insured or otherwise, whether such act be committed before or after the date of employment by the Insured.

If, prior to the issuance of this endorsement, any fidelity insurance in favor of the Insured or any predecessor in interest of the Insured and covering one or more of the Insured's Employees shall have been canceled as to any of such Employees by reason of the giving or written notice of cancellation by the insurer issuing such fidelity insurance whether the Company or not, and if such Employees shall not have been reinstated under the coverage of said fidelity insurance or superseding fidelity insurance, the Company shall not be liable on account of such Employees unless the Company shall agree in writing to include such Employees within the coverage of Insuring Agreement IA or IB, as the case may be.

LOSS; NOTICE; PROOF; ACTION AGAINST COMPANY

Section 8. Upon knowledge or discovery of loss or of an occurrence which may give rise to a claim for loss, the Insured shall: (a) give notice thereof as soon as practicable to the Company or any of its authorized agents and, except under Insuring Agreements IA or IB, and V, also to the police if the loss is due to a violation of law; (b) file detailed proof of loss, duly sworn to, with the Company within four months after the discovery of loss.

Proof of loss under Insuring Agreement V shall include the instrument which is the basis of claim for such loss, or if it shall be impossible to file such instrument, the affidavit of the Insured or the Insured's bank of deposit setting forth the amount and cause of loss shall be accepted in lieu thereof.

Upon the Company's request, the Insured shall submit to examination by the Company, subscribe the same, under oath if required, and produce for the Company's examination all pertinent records, all at such reasonable times and places as the Company shall designate, and shall cooperate with the Company in all matters pertaining to loss or claims with respect thereto.

No action shall lie against the Company unless, as a condition precedent thereto, there shall have been full compliance with all the terms of this endorsement nor until ninety days after the required proofs of loss have been filed with the Company, nor at all unless commenced within two years from the date when the Insured discovers the loss. If any limitation of time for notice of loss or any legal proceeding herein contained is shorter than that permitted to be fixed by agreement under any statute controlling the construction of this endorsement the shortest permissible statutory limitation of time shall govern and shall supersede the time limitation herein stated.

VALUATION; PAYMENT; REPLACEMENT

Section 9. In no event shall the Company be liable as respects Securities for more than the actual cash value thereof at the close of business on the business day next preceding the day on which the loss was discovered, nor as respects other property, for more than the actual cash value thereof at the time of loss; provided, however, the actual cash value of such other property held by the Insured as a pledge, or as collateral for an advance or a loan, shall be deemed not to exceed the value of the property as determined and recorded by the Insured when making the advance or loan, nor, in the absence of such record, the unpaid portion of the advance or loan plus accrued interest thereon at legal rates.

The Company may, with the consent of the Insured, settle any claim for loss of property with the owner thereof. Any property for which the Company has made indemnification shall become the property of the Company.

In case of damage to the Premises or loss of property other than Securities, the Company shall not be liable for more than the actual cash value of such property, or for more than the actual cost of repairing such Premises or property or of replacing same with property or material of like quality and value. The Company may, at its election, pay such actual cash value, or make such repairs or replacements. If the Company and the Insured cannot agree upon such cash value or such cost of repairs or replacements, such cash value or such cost shall be determined by arbitration.

RECOVERIES

Section 10. If the Insured shall sustain any loss covered by this endorsement which exceeds the applicable amount of insurance hereunder, the Insured shall be entitled to all recoveries (except from suretyship, insurance, reinsurance, security or indemnity taken by or for the benefit of the Company) by whomsoever made on account of such loss under this endorsement until fully reimbursed, less the actual cost of effecting the same; and remainder shall be applied to the reimbursement of the Company.

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LIMITS OF LIABILITY

Section 11. Payment of loss under Insuring Agreement IA, IB or V, shall not reduce the Company's liability for other losses under the applicable Insuring Agreement whenever sustained. The Company's total liability (a) under Insuring Agreement IA for all loss caused by any Employee or in which such Employees is concerned or implicated, (b) under Insuring Agreement IB as to each Employee or (c) under Insuring Agreement V for all loss by forgery or alteration committed by any person or in which such person is concerned or implicated, whether such forgery or alteration involves one or more instruments, is limited to the applicable amount of insurance specified in the Table of Limits of Liability or endorsement amendatory thereto. The liability of the Company for loss sustained by any or all of the Insured shall not exceed the amount for which the Company would be liable had all such loss been sustained by any one of the Insured.

Except under Insuring Agreements IA, IB and V the applicable limit of liability stated in the Table of Limits of Liability of this endorsement is the total limit of the Company's liability with respect to all loss of property of one or more persons or orgainzations arising out of any one occurrence. All loss incidental to an actual or attempted fraudulent, dishonest or criminal act or series of related acts at the Premises, whether committed by one or more persons, shall be deemed to arise out of one occurrence.

Regardless of the number of years this endorsement shall continue in force and the number of premiums which shall be payable or paid, the limit of the Company's liability as specified in the Table of Limits of Liability of this endorsement shall not be cumulative year to year or period to period.

LIMIT OF LIABILITY UNDER THIS ENDORSEMENT AND PRIOR INSURANCE

Section 12. This Section shall apply only to Insuring Agreements IA, IB and V.

With respect to loss caused by any person (whether one of the Employees or not) or in which such person is concerned or implicated or which is chargeable to any Employee as provided in Section 4 and which occurs partly during the Effective Period of this endorsement and partly during the period of other bonds or policies issued by the Company to the Insured or to any predecessor in interest of the Insured and terminated or canceled or allowed to expire and in which the period for discovery has not expired at the time any such loss thereunder is discovered, the total liability of the Company under this endorsement and under such other bonds or policies shall not exceed, in the aggregate, the amount carried under the applicable Insuring Agreement of this endorsement on such loss or the amount available to the Insured under such other bonds or policies, as limited by the terms and conditions thereof, for any such loss, if the latter amount be the larger.

OTHER INSURANCE

Section 13. If there is available to the Insured any other insurance or indemnity covering any loss covered by Insuring Agreement IA, IB or V the Company shall be liable hereunder only for that part of such loss which is in excess of the amount recoverable or recovered from such other insurance or indemnity, except that if such other insurance or indemnity is a bond or policy of fidelity insurance, any loss covered under both such fidelity insurance and Insuring Agreement V shall first be paid under Insuring Agreement V. Any loss covered under both Insuring Agreements IA and IB and also under Insuring Agreement V shall be first paid under Insuring Agreement V and the excess, if any, shall be paid under Insuring Agreement IA or IB, as the case may be. The company waives any right of contribution which it may have against any forgery insurance carried by any depository bank which is indemnified under Insuring Agreement V.

Under any other Insuring Agreement, if there is any other valid and collectible insurance which would apply in the absence of such Insuring Agreement, the Insurance under this endorsement shall apply only as excess insurance over such other insurance; provided, the insurance shall not apply (a) to property which is separately described and enumerated and specifically insured in whole or in part by any other insurance; or (b) to property otherwise insured unless such property is owned by the Insured.

SUBROGATION

Section 14. In the event of any payment under this policy, the Company shall be subrogated to all the insured's rights of recovery against any person or organization and the insured shall execute and deliver instrument and papers and do whatever else is necessary to secure such rights. The insured shall do nothing after loss to prejudice such rights.

CANCELLATION AS TO ANY EMPLOYEE

Section 15. Insuring Agreements IA or IB shall be deemed cancelled as to any Employee: (a) immediately upon discovery by the Insured, or by any partner or officer thereof not in collusion with such Employee, of any fraudulent or dishonest act on the part of such Employee; or (b) at 12:01 A.M., standard time as aforesaid, upon the effective, date specified in a written notice mailed to the Insured. Such date shall be not less than ten days after the date of mailing. The mailing by the Company of notice as aforesaid to the Insured at the mailing address shown in the policy to which this endorsement is attached shall be sufficient proof of notice. Delivery of such written notice by the Company shall be equivalent to mailing.

CANCELLATION OF ENDORSEMENT OR INSURING AGREEMENT

Section 16. This endorsement or any Insuring Agreement thereof may be cancelled by the Insured by mailing to the Company written notice stating when thereafter the cancellation shall be effective. This endorsement or any such Insuring Agreement may be cancelled by the Company by mailing to the Insured at the mailing address shown in this policy to which this endorsement is attached written notice stating when not less than ten days thereafter such cancellation shall be effective. The mailing of notice as aforesaid shall be sufficient proof of notice. The effective date of cancellation stated in the notice shall become the end of the Effective Period of this endorsement for any affected Insuring Agreement. Delivery of such written notice either by the Insured or by the Company shall be equivalent to mailing.

If the Insured cancels, earned premium shall be computed in accordance with the customary short rate table and procedure. If the Company cancels, earned premium shall be computed pro rata. Premium adjustment may be made either at the time cancellation is effected or as soon as practicable after cancellation becomes effective, but payment or tender of unearned premium is not a condition of cancellation.

NO BENEFIT TO BAILEE

Section 17. This Section shall apply only to Insuring Agreements II and III.

This insurance shall not inure directly or indirectly to the benefit of any carrier or other bailee.

ASSIGNMENT

Section 18. Assignment of interest under this policy shall not bind the Company until its consent is endorsed hereon. However, if the named insured shall die, this insurance shall apply:

(a) to the named insured's legal representative, as the named insured, but only while acting within the scope of his duties as such; or

(b) to the person having temporary custody of the property of the named insured but only until the appointment and qualification of the legal representative.

CHANGES

Section 19. The terms of this insurance shall not be waived, changed or modified except by endorsement issued to form a part of this policy.

This Endorsement must be attached to Change Endorsement when issued after the Policy is written.

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ENDORSEMENT 32

Revised to October, 1979

To be attached to and form part of Policy No. 1913 48 04

issued to SEE NAMED INSURED RIDER

It is agreed that:

1. Insuring Agreement I does not apply to any loss resulting directly or indirectly from trading, whether in the name of the Insured or in a genuine or fictitious account.

2. This endorsement is effective as of 12:01 a.m. on JANUARY 01, 1985 standard time as specified in the Policy.

Accepted:

COMPREHENSIVE 3-D—BLANKET CRIME POLICIES
WHEN ISSUED TO ANY COMMODITY BROKERAGE HOUSE, OR ANY MUTUAL FUND OR ITS SALES REPRESENTATIVE, OR ANY OTHER ORGANIZATION ENGAGED IN TRADING ACTIVITY, TO EXCLUDE TRADING LOSSES.

SR 5211b Printed in U.S.A.

SG3000

CALIFORNIA PREMIUM RIDER

To be attached to and form part of Bond No. 1913 48 04

in favor of SEE NAMED INSURED RIDER

It is agreed that:

1. In compliance with the ruling of the Commissioner of Insurance of the State of California and the Opinion of the Attorney-General of that State requiring that the premium for all bonds or policies be endorsed thereon, the basic premium charged for the attached bond for the period

from JANUARY 01, 1985

to JANUARY 01, 1986

is NINE HUNDRED THIRTY FOUR & NO/100------- Dollars ($ 934.00).

2. This rider is effective as of noon on JANUARY 01, 1985

CALIFORNIA PREMIUM RIDER
FOR USE WITH ALL FORMS OF STANDARD BONDS, TO COMPLY WITH RULINGS OF THE INSURANCE COMMISSIONER AND THE ATTORNEY-GENERAL.
REVISED TO AUGUST, 1968.

SR-5862 Printed in U.S.A.

0002359

Transamerica Insurance Services

AUTO CHANGE ENDORSEMENT
POLICY NO. 1913480
Page 1
Endorsement No. 11

TRANSAMERICA INSURANCE COMPANY

Agency Code: 645261
Agent: HENDERSON'S, INC.
Endorsement Effective: 04-25-84, 12:01 A.M. standard time.

CODE A = Add D = Delete C = Change

NAMED INSURED EARL MANUFACTURING, INC., ETAL
ADDRESS 11862 BURKE ST.
SANTA FE SPRINGS CA 90670

	Veh. No.	Year, Make Model Body, VIN/Ser. Number	Symbol or Cost New	St	Terr Code	Class	Limit of Liab
(D)	0003	1978 TOYOTA CELICA 1765	7000	CA	005	7390	ACV

VEH #0003

	COVERAGES	LIMITS	ANNUAL PREM	CHANGE PREM
(D)	LIAB	500,000	305	209-
(D)	MED PAY	2,000	22	15-
(D)	UM	500,000	31	21-
(D)	COMP	$100 Ded.	37	25-
(D)	COLL	$250 Ded.	117	80-
(D)	OTHER		11	8-

Pro Rate Factor: .686 Vehicle Coverages (Change Amount) $ 358.00-

Explanation of change not otherwise specified: DELETE VEHICLE #3
#0003-DELETE VEHICLE #3

Return Premium $ 368.00-

A15015 (10-82)

02/04/85

01/01/85

ENDT. #11
1-1-84/85(A)
4-26-85/CC/MK

000260

14283 11-83

Transamerica Insurance Services

Transamerica Insurance Group

Loss Payable Clause

INSURED NAME AND ADDRESS	PRODUCER AND CODE
EARL MANUFACTURING, INC., ET AL	HENDERSON'S INC. #645261
11862 BURKE STREET	EFFECTIVE 9-5-84
SANTA FE SPRINGS, CA. 90670	POLICY NUMBER 1913 48 04

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

A. We will pay you and the loss payee named in the policy for loss to a covered auto, as interest may appear.

B. The insurance covers the interest of the loss payee unless the loss results from fraudulent acts or omissions on your part.

C. We may cancel the policy as allowed by CANCELLING THIS POLICY DURING THE POLICY PERIOD. Cancellation ends this agreement as to the loss payee's interest. If we cancel the policy we will mail you and the loss payee the same advance notice.

D. If we make any payment to the loss payee, we will obtain his rights against any other party.

LOSS PAYEE

1ST INTERSTATE BANK
8737 E. WASHINGTON BLVD.
PICO RIVERA, CA. 90660

LIST OF VEHICLES AND SERIAL NUMBERS

#9) 1984 FORD F600 STAKE #3376

9-21-84/DC/JFB
1-1-84/85 (CA)
ENDT. #10

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A 13369

000261

12-80

BRANCH OFFICE COPY

Transamerica Insurance Services

AUTO CHANGE ENDORSEMENT
POLICY NO. 1[illegible]4004

Endorsement No.9

TRANSAMERICA INSURANCE COMPANY

Agency Code: 645261
Agent: HENDERSON'S, INC.
Endorsement Effective: 04-05-84, 12:01 A.M. standard time

CODE A = Add D = Delete C = Change
NAMED INSURED EARL MANUFACTURING, INC., ETAL
ADDRESS 11362 BURKE ST.
SANTA FE SPRINGS CA 90670

	Veh. No.	Year, Make Model Body, VIN/Ser. Number	Symbol or Cost New	St	Terr Code	Class	Limit of Liab
(A)	0009	1984 FORD F600 STAKE 33Y6	18326	CA	005	21499	ACV

VEH #0009 -

COVERAGES	LIMITS	ANNUAL PREM	CHANGE PREM
(A) LIAB	500,000	496	160
(A) MED PAY	2,000	46	15
(A) UM	500,000	31	10
(A) COMP	$100 Ded.	151	49
(A) COLL	$250 Ded.	294	95

Pro Rate Factor: .322 Vehicle Coverages (Change Amount) $ 329.00

Explanation of change not otherwise specified:
#0009-ADD

Additional Premium $ 329.00

A15015 (10 82)

04/20/84

01/01/85

4-21-84/DC/JFB
1-1-84/85 (A)
END. # 9

14283

000262

(The Attaching Clause need be compli[illegible]ly when this endorsement is issued subsequent to preparati[illegible]e policy.)

LIABILITY

GL 20 16 (Ed. 07 66)
G 114

L 9115a
(Ed. 7-66)

ADDITIONAL INSURED
(Vendors—Limited Form)

This endorsement modifies such insurance as is afforded by the provisions of the policy relating to the following:
COMPREHENSIVE GENERAL LIABILITY INSURANCE
COMPLETED OPERATIONS AND PRODUCTS LIABILITY INSURANCE

This endorsement, effective 6-8-84 (12:01 A. M., standard time), forms a part of policy No. 1913 48 04

issued to EARL MANUFACTURING, INC., ET AL

by TRANSAMERICA INSURANCE COMPANY

Authorized Representative
HENDERSON'S INSURANCE #645261

SCHEDULE

Name of Vendor(s)	Description of Product(s)
O. E. PLACE TOOL CO., INC. 45 WORTHINGTON ROAD CRANSTON, RHODE ISLAND 02920 ATTN: PHILIP W. PLACE	METAL PARTS MFG.

It is agreed that the "Persons Insured" provision is amended to include any person or organization designated above (herein referred to as "vendor"), as an **insured**, but only with respect to the distribution or sale in the regular course of the vendor's business of the **named insured's products** designated above subject to the following additional provisions:

1. The insurance with respect to the vendor does not apply to:
   (a) any express warranty, or any distribution or sale for a purpose, unauthorized by the **named insured**;
   (b) **bodily injury** or **property damage** arising out of
      (i) any act of the vendor which changes the condition of the products,
      (ii) any failure to maintain the product in merchantable condition,
      (iii) any failure to make such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products, or
      (iv) products which after distribution or sale by the **named insured** have been labeled or relabeled or used as a container, part or ingredient of any other thing or substance by or for the vendor;
   (c) **bodily injury** or **property damage** occurring within the vendor's premises.
2. The insurance does not apply to any person or organization, as **insured**, from whom the **named insured** has acquired such products or any ingredient, part or container, entering into, accompanying or containing such products.

AUTHENTIC

6-19-84/KP/JFB
1-1-84/85 (A)
ENDT. #8

000263

Transamerica Insurance Services

Official Insurer of the 1984 Olympics

Transamerica Insurance Group

Loss Payable Clause

INSURED NAME AND ADDRESS	PRODUCER AND CODE
EARL MANUFACTURING, INC., ET AL	HENDERSON'S INC. #645261
11862 BURKE STREET	EFFECTIVE 6-11-84
SANTA FE SPRINGS, CALIFORNIA 90670	POLICY NUMBER 1913 48 04

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

A. We will pay you and the loss payee named in the policy for loss to a covered auto, as interest may appear.

B. The insurance covers the interest of the loss payee unless the loss results from fraudulent acts or omissions on your part.

C. We may cancel the policy as allowed by CANCELLING THIS POLICY DURING THE POLICY PERIOD. Cancellation ends this agreement as to the loss payee's interest. If we cancel the policy we will mail you and the loss payee the same advance notice.

D. If we make any payment to the loss payee, we will obtain his rights against any other party.

LOSS PAYEE	LIST OF VEHICLES AND SERIAL NUMBERS
FIRST INTERSTATE 8737 WASHINGTON BLVD. PICO RIVERA, CA. 90660	#4) ~~1980 OLDSMOBILE TORONADO #9473~~ 1984 Datsun 300ZX 7868

6-19-84/KP/JFB
1-1-84/85 (A)
ENDT. #7

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000264

Transamerica Insurance Services

AUTO CHANGE ENDORSEMENT

POLICY NO. 19134804

TRANSAMERICA INSURANCE GROUP Endorsement No. 6

Producer Number: 645261 Endorsement Effective 04-26-84

Producer Name: HENDERSON'S, INC.

CODE A = Add D = Delete C = Change

NAMED INSURED EARL MANUFACTURING, INC., ETAL

ADDRESS 11862 BURKE ST.
SANTA FE SPRINGS CA 90670

	Veh. No.	Year, Make Model Body, VIN/Ser. Number	Symbol or Cost New	St	Terr Code	Class	Limit of Liab
(D)	0004	1980 OLDSMOBILE TORONADO 9423	14000	CA	005	7398	ACV

COVERAGES	LIMITS	VEH #0004 ANNUAL PREM	CHANGE PREM
(D) LIAB	500,000	305	208-
(D) MED PAY	2,000	22	15-
(D) UM	500,000	31	21-
(D) COMP	$100 Ded.	81	55-
(D) COLL	$250 Ded.	206	141-
(D) OTHER		11	8-

Pro Rate Factor: .683 Vehicle Coverages (Change Amount) $ 448-

Explanation of change not otherwise specified:
#0004-DELETE

Return Premium $ 448-

A15015 (10-82)

06/18/84

01/01/85

6-19-84/KP/JFB
1-1-84/85 (A)
ENDT. #6

000265

14283

M-83

Transamerica
Insurance Services

AUTO CHANGE ENDORSEMENT
POLICY NO. 19134804
Page 1 OF 1
TRANSAMERICA INSURANCE GROUP Endorsement No. 5
Producer Number: 645261 Endorsement Effective 04-26-84

Producer Name: HENDERSON'S, INC.

CODE A = Add D = Delete C = Change
NAMED INSURED EARL MANUFACTURING, INC., ETAL
ADDRESS 11862 BURKE ST.
SANTA FE SPRINGS CA 90670

	Veh. No.	Year, Make Model Body, VIN/Ser: Number	Symbol or Cost New	St	Terr Code	Class	Limit of Liab
(A)	0008	1984 DATSUN 300 ZX 7868	15/00	CA	005	7398	ACV

COVERAGES	LIMITS	VEH #0008 ANNUAL PREM	CHANGE PREM
(A) LIAB	500,000	305	208
(A) MED PAY	2,000	22	15
(A) UM	500,000	31	21
(A) COMP	$100 Ded.	150	102
(A) COLL	$250 Ded.	352	240

1984 Datsun 300ZX 7868

Pro Rate Factor: .683 Vehicle Coverages (Change Amount) $ 586

Additional Premium $ 586

A15015 (10-82)

05/22/84

01/01/85

1-1-84/85 (A)
5-23-84/BF
END.#5

000260

14283

Transamerica
Insurance Services

AUTO CHANGE ENDORSEMENT
POLICY NO. 19134804
Page 1 OF 1

TRANSAMERICA INSURANCE GROUP
Producer Number: 645261

Endorsement No. 4
Endorsement Effective 03-02-84

Producer Name: HENDERSON'S, INC.

CODE \ A = Add D = Delete C = Change

NAMED INSURED EARL MANUFACTURING, INC., ETAL
ADDRESS 11862 BURKE ST.
SANTA FE SPRINGS CA 90670

	Veh. No.	Year, Body,	Make Model VIN/Ser. Number	Symbol or Cost New	Terr St	Code	Class	Limit of Liab
(A)	0007	1984 6375	MERCURY TOPAZ	9800	CA	005	7398	ACV

COVERAGES	LIMITS	VEH #0007 ANNUAL PREM	CHANGE PREM
(A) LIAB	500,000	305	254
(A) MED PAY	2,000	22	18
(A) UM	500,000	31	26
(A) COMP	$100 Ded.	78	69
(A) COLL	$250 Ded.	249	203

'84 Datsun 300ZX 2868

Pro Rate Factor: .833 Vehicle Coverages (Change Amount) $ 570

Additional Premium $ 570

A15015 (10-82)

05/22/84

01/01/85

1-1-84/85 (A)
5-23-84/BF
END.#4

14283

00026

Transamerica
Insurance Services

AUTO CHANGE ENDORSEMENT
POLICY NO. 19134804
Page 1 OF 1
TRANSAMERICA INSURANCE GROUP Endorsement No. 3
Producer Number: 645261 Endorsement Effective 01-01-84

Producer Name: HENDERSON'S, INC.

CODE A = Add D = Delete C = Change
NAMED INSURED EARL MANUFACTURING, INC., ETAL
ADDRESS 11862 BURKE ST.
SANTA FE SPRINGS CA 90670

	Veh No.	Year, Make Model Body, VIN/Ser. Number	Symbol or Cost New	St	Terr Code	Class	Limit of Liab
(D)	0005	1975 SPEED BOAT TRAILER 144350	2000	CA	005	69499	ACV

	COVERAGES	LIMITS	VEH #0005 ANNUAL PREM	CHANGE PREM
(D)	LIAB	500,000	0	0
(D)	COMP	$100 Ded.	9	9-
(D)	COLL	$250 Ded.	25	25-

Pro Rate Factor: 1.000 Vehicle Coverages (Change Amount) $ 34-

Return Premium $ 34-

A15015 (10-82)

05/22/84

01/01/85

1-1-84/85 (A)
5-23-84/BF
END.#3

000268

14283

(The Attaching Clause needs completed only when this endorsement is issued subsequent to preparation of the policy.)

LIABILITY

GL 20 16 (Ed. 07 66)
G 114

L 9115a
(Ed. 7-66)

ADDITIONAL INSURED
(Vendors—Limited Form)

This endorsement modifies such insurance as is afforded by the provisions of the policy relating to the following:
COMPREHENSIVE GENERAL LIABILITY INSURANCE
COMPLETED OPERATIONS AND PRODUCTS LIABILITY INSURANCE

This endorsement, effective 1-1-84 (12:01 A. M., standard time), forms a part of policy No. 1913 48 04

issued to EARL MANUFACTURING, INC., ET AL

by TRANSAMERICA HENDERSON'S INC. #645261

Authorized Representative

SCHEDULE

Name of Vendor(s)	Description of Product(s)
MATCO TOOLS CORP TALLMADGE, OHIO 44278	PREMIUM TO BE DETERMINED AT AUDIT

It is agreed that the "Persons Insured" provision is amended to include any person or organization designated above (herein referred to as "vendor"), as an **insured**, but only with respect to the distribution or sale in the regular course of the vendor's business of the **named insured's products** designated above subject to the following additional provisions:

1. The insurance with respect to the vendor does not apply to:
   (a) any express warranty, or any distribution or sale for a purpose, unauthorized by the **named insured**;
   (b) **bodily injury** or **property damage** arising out of
      (i) any act of the vendor which changes the condition of the products,
      (ii) any failure to maintain the product in merchantable condition,
      (iii) any failure to make such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products, or
      (iv) products which after distribution or sale by the **named insured** have been labeled or relabeled or used as a container, part or ingredient of any other thing or substance by or for the vendor;
   (c) **bodily injury** or **property damage** occurring within the vendor's premises.
2. The insurance does not apply to any person or organization, as **insured**, from whom the **named insured** has acquired such products or any ingredient, part or container, entering into, accompanying or containing such products.

AUTHENTIC

1/1/84/85 (A)
5-1-84 MJ/BW
ENDT. #1

Transamerica Insurance Services

ansamerica Insurance Group

Premium Summary Endorsement

Policy Number	Insured
1913 48 04	EARL MANUFACTURING, INC., ET AL

This policy is issued in consideration of premiums due and payable as follows:

SECTION	COVERAGE	ESTIMATED PREMIUMS
I PROPERTY		6,692.
II LIABILITY		4,856.
III AUTOMOBILE		3,163.
IV OPTIONAL COVERAGES	BOND MINI-COMPUTER VALUABLE PAPERS ACCOUNTS RECEIVABLE	914. 127. 90. 141.
V COMMERCIAL UMBRELLA		1,017.
	TOTAL ONE YEAR PREMIUM	$ 17,000.

If premium is payable Three-year Prepaid,

Amount due at inception is $ _____

If premium is payable at each anniversary,

1. Amount due at inception is $ _____

2. Amount due each subsequent Anniversary $ _____*

*PLUS AUTOMOBILE PREMIUMS FOR EACH SUBSEQUENT ANNIVERSARY

ANY PREMIUMS SUBJECT TO AUDIT WILL BE ADJUSTED AS PROVIDED IN THE POLICY

C11802

BRANCH OFFICE COPY

000270

(8/80)

Transamerica Insurance Group

Transamerica Insurance Services

Section I — Property Coverage

Policy Number 1913 48 04 Schedule A

INSURANCE IS PROVIDED WITH RESPECT TO THE DESIGNATED PREMISES AND WITH RESPECT TO THOSE COVERAGES AND KINDS OF PROPERTY FOR WHICH A SPECIFIC LIMIT OF LIABILITY IS SHOWN; SUBJECT TO ALL THE TERMS OF THIS POLICY INCLUDING FORMS AND ENDORSEMENTS MADE A PART THEREOF.

Coverage		Building(s)	Personal Property of the Insured	Personal Property of Others	Additional Coverages (Specify)	
Coinsurance Percentage Applicable ➡		90%	90%			
Limit of Liability						Occupancy
Loc. No.	Bldg. No.					
1&2	1	BLANKET 728,000.	BLANKET 1,520,000.		BLANKET GROSS EARNINGS 900,000.	METAL PARTS MFG.
1	1		200,000. →		EXTRA EXPENSE 50,000.	

Forms and Endorsements Applicable: C 11795B(9-80), C 14211(10-82), MP 0013(10-83), MP 0014(10-83), MP 0420(7-83), MP 1590(7-77), MP 1506(7-77), 1239, F 12833A(12-81), 14465(10-83)

DEDUCTIBLE: $ ** each occurrence. $ ** aggregate each occurrence. **AS PER 1239 ATTACHED

If no deductible stated above, the deductible shall be $100 each occurrence, $1,000 aggregate each occurrence.

Mortgagee Name
Number and Street
City, State and Zip Code

NAMED INSURED

IN CONSIDERATION OF THIS PREMIUM, INSURANCE IS PROVIDED THE NAMED INSURED WITH RESPECT TO THE DESIGNATED PREMISES SHOWN IN ITEM 3 OF THE DECLARATIONS AND WITH RESPECT TO THOSE COVERAGES AND KINDS OF PROPERTY FOR WHICH A SPECIFIC LIMIT OF LIABILITY IS SHOWN, SUBJECT TO ALL OF THE TERMS OF THIS POLICY INCLUDING FORMS AND ENDORSEMENTS MADE A PART HEREOF.

COINSURANCE CONTRACT

© 1982

REPLACEMENT COST COVERAGE ENDORSEMENT

MP 04 20
(Ed. 01 83)

1913 48 04

This endorsement applies only with respect to the premises described in the following Schedule and affords insurance on a replacement cost basis only on the property described below.

SCHEDULE

Location Of Premises Location No. Building No.	Property Covered on a Replacement Cost Basis (Specify Building or Personal Property of the Insured or both)
1 6 2 1	BOTH

1. Replacement Cost Clause: The provisions of Section I of this policy applicable to the property described as covered on a replacement cost basis are amended to substitute the term "replacement cost (without deduction for depreciation)" for the term "actual cash value" wherever it appears in this policy, and the Coinsurance Clause of this endorsement supersedes and replaces all other Coinsurance Clauses otherwise applicable, subject in all other respects to the provisions of this endorsement and of Section I of this policy.
2. This policy does not cover the following property on a replacement cost basis:
   (a) stock (raw, in process or finished) or merchandise, including materials and supplies in connection therewith;
   (b) property of others;
   (c) household furniture or residential contents;
   (d) manuscripts;
   (e) paintings, etchings, pictures, tapestries, statuary, marbles, bronzes, antique furniture, rare books, antique silver, porcelains, rare glassware and bric-a-brac, or other articles of art, rarity or antiquity.
3. The Company shall not be liable under this endorsement for any loss unless and until the damaged or destroyed property is actually repaired or replaced by the insured with due diligence and dispatch.
4. Coinsurance Clause: This Company shall not be liable for a greater proportion of any loss or damage to the property covered under this policy than the limit of liability under this policy for such property bears to the amount produced by multiplying the coinsurance percentage applicable (specified in this policy) by the total of (a) the replacement cost (without deduction for depreciation) of that part of said property which is specifically described as covered on a replacement cost basis and (b) the actual cash value of that part of said property which is covered on an actual cash value basis at the time of loss.

   In the event that the aggregate claim for any loss is both less than $10,000 and less than 5% of the limit of liability for all contributing insurance applicable to the property involved at the time such loss occurs, no special inventory or appraisement of the undamaged property shall be required, provided that nothing herein shall be construed to waive application of the first paragraph of this clause.

   If insurance under Section I of this policy is divided into separate limits of liability, the foregoing shall apply separately to the property covered under each such limit of liability.

   The value of property covered under Extensions of Coverage, and the cost of the removal of debris, shall not be considered in the determination of actual cash value or replacement cost when applying the Coinsurance Clause.
5. This Company's liability for loss on a replacement cost basis, shall not exceed the smallest of the following amounts:
   (a) the amount of this policy applicable to the damaged or destroyed property;
   (b) the replacement cost of the property or any part thereof identical with such property on the same premises and intended for the same occupancy and use; or
   (c) the amount actually and necessarily expended in repairing or replacing said property or any part thereof.
6. The insured may elect to make claim under this policy in accordance with its provisions, disregarding this endorsement, except that the foregoing Coinsurance Clause shall apply; and the insured may make further claim for any additional liability brought about by this endorsement in accordance with its provisions, provided the Company is notified in writing within 180 days after loss of the insured's intent to make such further claim.

This Endorsement must be attached to Change Endorsement when issued after the Policy is written.

GROSS EARNINGS ENDORSEMENT

MP 15 90 (Ed. 07 77)

P. N. 1913 48 04

LOCATION OF PREMISES		SECTION I FORMS AND ENDORSEMENTS APPLICABLE	CONTRIBUTION CLAUSE PERCENTAGE	LIMIT OF LIABILITY
Loc. No.	Bldg. No.			
162	1	MP 0013(10-83)	50%	$900,000.

1. Subject to all the provisions applicable to Section I of this policy, except the Coinsurance Clause and the Deductible Clause, this policy is extended to insure against loss resulting directly from necessary interruption of business caused by the perils insured against damaging or destroying, during the policy period, real or personal property (except finished stock) at the premises described in this endorsement, subject to the limit of liability specified above for the premises at which the damage or destruction occurs. For the purposes of this insurance, "perils insured against" shall mean the perils, as defined and limited in the forms and endorsements listed above, for each premises specified and also subject to the provisions of this endorsement.

2. The Company shall be liable for:

   a. the actual loss sustained by the insured resulting directly from necessary interruption of business, but not exceeding the reduction in gross earnings less charges and expenses which do not necessarily continue during the interruption of business, for only such length of time as would be required with the exercise of due diligence and dispatch to rebuild, repair or replace such part of the property herein described as has been damaged or destroyed commencing with the date of such damage or destruction and not limited by the date of expiration of this policy. Due consideration shall be given to the continuation of normal charges and expenses, including payroll expense, to the extent necessary to resume operations of the insured with the same quality of service which existed immediately preceding the loss; and

   b. the actual loss sustained by the insured, resulting directly from an interruption of business as covered hereunder, during the length of time, not exceeding two consecutive weeks, when, as a direct result of damage to or destruction of property adjacent to the premises herein described by the peril(s) insured against, access to such described premises is specifically prohibited by order of civil authority, and

   c. loss resulting from damage to or destruction of media for, or programming records pertaining to, electronic data processing or electronically controlled equipment, including data thereon, by the perils insured against. The length of time for which this Company shall be liable hereunder shall not exceed:
   (1) 30 consecutive calendar days; or
   (2) the length of time that would be required to rebuild, repair or replace such other property herein described as has been damaged or destroyed;
   whichever is the greater length of time.

   d. such expenses as are necessarily incurred for the purpose of reducing loss under this endorsement (except expense incurred to extinguish a fire), and such expenses, in excess of normal, as would necessarily be incurred in replacing any finished stock used by the insured to reduce loss but in no event shall the aggregate of such expenses exceed the amount by which the loss under this endorsement is thereby reduced. Such expenses shall not be subject to the application of the Contribution Clause.

3. **Resumption of Operations:** It is a condition of this insurance that if the insured could reduce the loss resulting from the interruption of business:

   a. by complete or partial resumption of operation of the property herein described, whether damaged or not, or

   b. by making use of merchandise or other property at the locations described herein or elsewhere, or

   c. by making use of stock (raw, in process or finished) at the locations described herein or elsewhere, such reduction shall be taken into account in arriving at the amount of loss hereunder.

4. **Contribution Clause:** The Company shall not be liable for a greater proportion of any loss than the limit of liability specified above bears to the amount produced by multiplying the Contribution Clause Percentage specified above by the Gross Earnings that would have been earned (had no loss occurred) during the 12 months immediately following the date of damage to or destruction of the described property.

5. **Definitions:**

   a. For the purposes of this insurance, "gross earnings" are defined as the sum of:
   (1) total net sales value of production, and
   (2) total net sales of merchandise, and
   (3) other earnings derived from operations of the business,
   less the cost of:
   (4) raw stock from which such production is derived, and
   (5) supplies consisting of materials consumed directly in the conversion of such raw stock into finished stock or in supplying the services sold by the insured, and
   (6) merchandise sold, including packaging materials therefor, and
   (7) services purchased from outsiders (not employees of the insured) for resale which do not continue under contract.

   No other costs shall be deducted in determining gross earnings.
   In determining gross earnings, due consideration shall be given to the experience of the business before the date of damage or destruction and the probable experience thereafter had no loss occurred.

   b. The term "directly," as applied to loss under this endorsement, means loss, as limited and conditioned in this policy, resulting from direct loss to described property from the perils insured against.

c. "Normal": the condition that would have existed had no loss occurred.
d. "Raw stock": material in the state in which the insured receives it for conversion by the insured into finished stock.
e. "Stock in process": raw stock which has undergone any aging, seasoning, mechanical or other process of manufacture at the locations herein described but which has not become finished stock.
f. "Finished stock": stock manufactured by the insured which in the ordinary course of the insured's business is ready for packing, shipment or sale.
g. "Merchandise": goods kept for sale by the insured which are not the product of manufacturing operations conducted by the insured."

6. Alterations and New Buildings: Permission granted to make alterations in or to construct additions to any building described herein and to construct new buildings on the described premises. This endorsement is extended to cover, subject to all its provisions, loss resulting from damage to or destruction of such alterations, additions or new buildings while in course of construction and when completed or occupied, provided that, in the event of damage to or destruction of such property (including building materials, supplies, machinery or equipment incident to such construction or occupancy while on the described premises or within 100 feet thereof) so as to delay commencement of business operations of the insured, the length of time for which the Company shall be liable shall be determined as otherwise provided herein but such determined length of time shall be applied and the loss hereunder calculated from the date that business operations would have begun had no damage or destruction occurred.

7. Additional Exclusions and Limitations:

a. The Company shall not be liable for any increase of loss which may be occasioned by:
   (1) enforcement of any local or state ordinance or law regulating construction, repair or demolition of buildings or structures,
   (2) interference at the described premises by strikers or other persons with rebuilding, repairing or replacing the property or with the resumption or continuation of business,
   (3) the suspension, lapse or cancellation of any lease, license, contract or order unless such suspension, lapse or cancellation results directly from the interruption of business, and then the Company shall be liable for only such loss as affects the insured's earnings during, and limited to, the period of indemnity covered under this policy.

b. The Company shall not be liable for:
   (1) more than the limit of liability set forth above for each premises,
   (2) any other consequential or remote loss.

c. The Company shall not be liable for loss resulting from:
   (1) damage to or destruction of finished stock, nor for the time required to reproduce said finished stock,
   (2) theft of any property which at the time of loss is not an integral part of a building or structure (except direct loss by pillage and looting occurring during and at the immediate place of a riot or civil commotion), unless loss by a peril not excluded in this policy ensues from theft or attempted theft, and then this Company shall be liable for only such ensuing loss.

8. Requirements in Case Loss Occurs: The insured shall give immediate written notice to the Company of any business interruption loss as covered by this policy and protect the property from further damage that might result in extension of the period of interruption; and within 60 days following the date of damage to or destruction of the real or personal property described, unless such time is extended in writing by the Company, the insured shall render to the Company a proof of loss, signed and sworn to by the insured, stating the knowledge and belief of the insured as to the following:

a. the time and origin of the property damage or destruction causing the interruption of business,
b. the interest of the insured and of all others in the business,
c. all other contracts of insurance, whether valid or not, covering in any manner the loss insured against by this policy,
d. any changes in the title, nature, location, encumbrance or possession of said business since the issuing of this policy, and
e. by whom and for what purpose any building herein described and the several parts thereof were occupied at the time of damage or destruction,

and shall furnish a copy of all the descriptions and schedules in all policies, and the actual amount of business interruption value and loss claimed, accompanied by detailed exhibits of all values, costs and estimates upon which such amounts are based.

The insured, as often as may be reasonably required, shall exhibit to any person designated by the Company all that remains of any property herein described, and submit to examinations under oath by any person named by the Company, and subscribe the same; and, as often as may be reasonably required, shall produce for examination all books of account, bills, invoices and other vouchers, or certified copies thereof if originals be lost, at such reasonable time and place as may be designated by the Company or its representative, and shall permit extracts and copies thereof to be made.

This Endorsement must be attached to Change Endorsement when issued after the Policy is written.

EXTRA EXPENSE ENDORSEMENT

MP 15 06
(Ed. 07 77)

1913 48 04

LOCATION OF PREMISES		SECTION I FORMS AND ENDORSEMENTS APPLICABLE	LIMIT OF LIABILITY
Loc. No.	Bldg. No.		
162	1	MP 0013(10-83)	$50,000.

1. Subject to all the provisions applicable to Section I of this policy, except the Coinsurance Clause and the Deductible Clause, this policy is extended to insure the necessary extra expense incurred by the insured in order to continue as nearly as practicable the normal operation of the insured's business following damage to or destruction of real or personal property, during the term of this policy, by the perils insured against at the premises described in this endorsement, subject to the limit of liability specified above for the premises at which the damage or destruction occurs. For the purposes of this insurance, "perils insured against" shall mean the perils, as defined and limited in the forms and endorsements listed above, for each premises specified and also subject to the provisions of this endorsement.

2. In the event of such damage or destruction, the Company shall be liable for such necessary extra expense incurred for the period of restoration commencing with the date of damage or destruction and not limited by the date of expiration of this policy.

3. The Company's liability under this endorsement shall not exceed the percentage stated below for the determined period of restoration multiplied by the applicable limit of liability under this endorsement for each premises. In no event shall the Company be liable for more than the actual loss sustained.
   40% when the period of restoration is not in excess of one month;
   80% when the period of restoration is in excess of one month but not in excess of two months;
   100% when the period of restoration is in excess of two months.

4. **Resumption of Operations:** It is a condition of this insurance that as soon as practicable the insured shall resume normal operations of the business and shall dispense with such extra expense.

5. **Definitions:**
   a. "extra expense" means the excess (if any) of the total cost incurred during the period of restoration chargeable to the operation of the insured's business, over and above the total cost that would normally have been incurred to conduct the business during the same period had no damage or destruction occurred. Any salvage value of property obtained for temporary use during the period of restoration which remains after the resumption of normal operations, shall be taken into consideration in the adjustment of any loss hereunder.
   b. "month" means 30 consecutive days.
   c. "normal" means the condition that would have existed had no loss occurred.
   d. "period of restoration" means such length of time, commencing with the date of damage and not limited by the date of expiration of this policy, as would be required with the exercise of due diligence and dispatch to repair, rebuild or replace such part of the property herein described as has been damaged or destroyed.

6. This policy is extended to include the actual loss sustained by the insured, resulting directly from an interruption of business as covered hereunder, during the length of time, not exceeding two consecutive weeks, when, as a direct result of damage to or destruction of property adjacent to the premises herein described by the peril(s) insured against, access to such described premises is specifically prohibited by order of civil authority.

7. **Alterations and New Buildings:** Permission granted to make alterations in or to construct additions to any building described herein and to construct new buildings on the described premises. This endorsement is extended to cover, subject to all its provisions, extra expense resulting from damage to or destruction of such alterations, additions or new buildings while in course of construction and when completed or occupied, provided that, in the event of damage to or destruction of such property (including building materials, supplies, machinery or equipment incident to such construction or occupancy while on the described premises or within 100 feet thereof) so as to delay commencement of business operations of the insured, the length of time for which the Company shall be liable shall be determined as otherwise provided herein but such determined length of time shall be applied and the loss hereunder calculated from the date that business operations would have begun had no damage or destruction occurred.

8. Additional Exclusions and Limitations:

a. The Company shall not be liable for any extra expense resulting from:

(1) enforcement of any local or state ordinance or law regulating construction, repair or demolition of buildings or structures;

(2) interference at the described premises by strikers or other persons with rebuilding, repairing or replacing the property or with the resumption or continuation of business,

(3) the suspension, lapse or cancellation of any lease or license, contract or order beyond the period of restoration.

b. The Company shall not be liable for:

(1) more than the amount set forth in the limits of liability above for each premises,

(2) loss of income,

(3) the cost of repairing or replacing any of the real or personal property herein described, or the cost of research or other expense necessary to replace or restore damaged or destroyed books of account, abstracts, drawings, card index systems or other records (including film, tape, disc, drum, cell or other magnetic recording or storage media for electronic data processing), that have been damaged or destroyed by the perils insured against, except cost in excess of the normal cost of such repair, replacement or restoration necessarily incurred for the purpose of reducing loss under this policy. In no event shall such excess cost exceed the amount by which the total extra expense loss otherwise payable under this policy is thereby reduced,

(4) loss resulting from theft of any property which at the time of loss is not an integral part of a building or structure (except direct loss by pillage and looting occurring during and at the immediate place of a riot or civil commotion), unless loss by a peril not excluded in this policy ensues from theft or attempted theft, and then this Company shall be liable for only such ensuing loss.

(5) any other consequential or remote loss.

9. Other Insurance: It is a condition of this insurance that if at the time of damage or destruction there are other kinds of insurance which cover in any manner extra expense as covered by this policy, then this insurance shall apply only as excess insurance and in no event as contributing insurance, and then only to the amount of extra expense over and above the amount due the insured under such other forms of insurance. In no event shall the liability hereunder exceed the amount of this policy nor a greater proportion of any loss than the insurance hereunder shall bear to all insurance of the same kind, whether collectible or not.

10. Requirements in Case Loss Occurs: The insured shall give immediate written notice to the Company of any extra expense as covered by this policy and protect the property from further damage that might result in extension of the period of restoration, and within 90 days following the date of damage to or destruction of the real or personal property described, unless such time is extended in writing by the Company, the insured shall render to the Company a proof of loss, signed and sworn to by the insured, stating the knowledge and belief of the insured as to the following:

a. the time and origin of the property damage or destruction causing the extra expense as covered by this endorsement,

b. the interest of the insured and of all others in the business,

c. all other contracts of insurance, whether valid or not, covering in any manner the loss insured against by this policy,

d. any changes in the title, nature, location, encumbrance or possession of said business since the issuing of this policy, and

e. by whom and for what purpose any building herein described and the several parts thereof were occupied at the time of damage or destruction,

and shall furnish a copy of all the descriptions and schedules in all policies, and the actual amount of extra expense loss claimed, accompanied by detailed exhibits of all values, costs and estimates upon which such amounts are based.

The insured, as often as may be reasonably required, shall exhibit to any person designated by the Company all that remains of any property herein described, and submit to examinations under oath by any person named by the Company, and subscribe the same; and, as often as may be reasonably required, shall produce for examination all books of account, bills, invoices and other vouchers, or certified copies thereof if originals be lost, at such reasonable time and place as may be designated by the Company or its representative, and shall permit extracts and copies thereof to be made.

This Endorsement must be attached to Change Endorsement when issued after the Policy is written.

Transamerica Insurance Services

Transamerica Insurance Group

1913 48 04

Deductible Endorsement

			FIRE	ECE	VMM	AOP
Basis of Insurance	$ 2,448,000.	**Full Coverage Rate**	VRS.	VRS.	VRS.	VRS.
Deductible Amount	$ 250.	**Credit for Deductible Amount**	8 %	8 %	8 %	8 %
Limit of Liability	$ 2,447,750.	**Rate for Deductible Insurance after credit**	VRS.	VRS.	VRS.	VRS.

1. Each claim for loss or damage (separately occurring) shall be adjusted separately and from each such adjusted claim the sum of the deductible specified above shall be deducted. In the event of any recovery and/or salvage on a loss which has been or is being or is about to be paid hereunder, such recovery and/or salvage shall accrue entirely to the benefit of this Company under this policy until the sum paid by them has been made up.
2. The deductible specified above shall apply separately to each:
   - ☒ Occurrence
   - ☐ Location
   - ☐ Item

   (Indicate one) except _____
3. It is a condition of this policy that the deductible amount specified shall be solely at the risk of the insured, and shall not be covered under any other policy of insurance, except as provided in Paragraph 4.
4. No additional insurance shall be permitted unless permission is granted by the completion of the following:
   A. Permission is granted to carry additional insurance in the amount of $_____ applying to property situated at _____ which shall be deemed to be concurrent insurance.
   B. When additional concurrent insurance is carried in accordance with Item A of this paragraph, the deductible amount specified herein shall apply to this policy, only to the extent of the pro rata proportion which this policy bears to the total permitted insurance.
   C. Additional insurance carried in accordance with the foregoing shall be added to the sum set forth in this policy as "Basis of Insurance" for the purposes of determining compliance with any coinsurance, contribution, average, or distribution clause.
   D. Additional insurance which is permitted by the terms of this endorsement shall not violate the conditions of Paragraph 3. whether or not such additional insurance contains a deductible clause.
   E. When additional insurance is not disclosed and permission granted hereunder, the full amount of the deductible shall apply to any losses apportioned to this policy.
5. In consideration of the reduced rate(s) at which this insurance is written, this company shall in no event be liable with respect to any one loss for an amount greater than its pro rata proportion of the sum set forth as "Limit of Liability," or if more than one location be insured hereunder with a specific "Limit of Liability" applicable to each location, in no event shall this company be liable with respect to any location for an amount greater than its pro rata proportion of the "Limit of Liability" applicable thereto.

6. It is a condition of this policy that coinsurance, contribution, average or distribution clause, which may be a part hereof, shall apply to the full value of the property insured, without reduction for the amount of the deductible specified herein, and that such deductible shall apply after any penalty has been assessed by the application of such coinsurance, contribution, average or distribution clause. For the purpose of determining compliance with any such coinsurance, contribution, average or distribution clause, the sum set forth as "Basis of Insurance" shall be applied to the full value of the property as aforesaid.

Attached to and forming part of Policy No. _____

of the _____ Dated _____, 19____.
(NAME OF INSURANCE COMPANY)

SUPPLEMENT TO DEDUCTIBLE ENDORSEMENT

1. The term "Occurrence" as contained in the deductible clause of this policy, shall be held to mean a single incident or event. When, however, the term "Occurrence" shall apply to loss or losses from windstorm if insured hereunder, it shall be held to mean a period of 48 consecutive hours.

2. When at the election of the policyholder, the deductible amount is applied to each location, the term "Location" insofar as such property is insured hereunder, shall be held to mean:
   A. each building, including contents thereof, to the extent they are insured hereunder, or
   B. a number of buildings including their contents, in a single group, and designated as a single location in this policy or in the application for insurance.
   C. (if any other basis mutually agreed upon, indicate hereunder)

_____

_____

_____

_____

In the case of a policy written to cover more than one location subject to a deductible such locations will be designated in the policy.

3. The term "Item" shall be held to mean the individual descriptions of the property insured and designated by the terms "Item 1", "Item 2", etc. on the form attached to this policy.

All other terms and conditions of the policy remain unchanged.

Attached to and forming part of Policy No. _____

of the _____ Dated _____, 19____.

_____ Agent

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Protective Safeguards Endorsement (ISO IL 0014 Ed. 9-79)

1913 48 04

This Endorsement must be attached to Change Endorsement when issued after the Policy is written.

Failure to comply with the Protective Safeguard Clauses specified as applicable in the schedule below shall suspend this insurance in accordance with the Protective Safeguards provisions set forth in this policy of which this endorsement is made a part.

SCHEDULE

Item or Location Number	Building Number	Location (Street, Address, City & State)	Clause(s) Applicable
1	1	11862 BURKE AVE. SANTA FE SPRINGS, CA.	'D'

'D' CENTRAL STATION BURGLAR ALARM

(If Clause "D. Other Protective Safeguard Clause(s)" is applicable, describe system.)

A. AUTOMATIC SPRINKLER CLAUSE

In consideration of the premium at which this policy is written, based on the protection of the premises by the sprinkler system, it is a condition of this policy that the insured shall exercise due diligence in maintaining in complete working order all equipment and services pertaining to the operation of the sprinkler system, including supervisory service, which are under the control of the insured. The insured shall give immediate notice to this Company of any impairment in or suspension of the sprinkler system or services (within the knowledge of the insured). No unsprinklered additions or extensions shall be made to the building unless immediate notification is given to this Company. Permission is given in case of break, leakage, freezing conditions or the opening of sprinkler heads, to shut off the water from so much of the sprinkler system as may be imperatively necessary with immediate notification to this Company and the protection restored as promptly as possible.

B. AUTOMATIC FIRE ALARM CLAUSE

In consideration of the premium at which this policy is written, it is a condition of this policy that the entire building is equipped with an automatic fire alarm connected to a central station or reporting directly to a public or private fire alarm station and that, the insured shall exercise due diligence in maintaining in complete working order all equipment and services pertaining to the operation of this system which are under the control of the insured and shall give immediate notice of any impairment in or suspension of the automatic fire alarm equipment or service (within the knowledge of the insured) to this Company.

C. WATCHMAN SERVICE CLAUSE

In consideration of the premium at which this policy is written, it is a condition of this policy that the insured shall exercise due diligence in maintaining in complete working order all equipment of the watchman's service at such times as the premises are not in actual operation, insofar as the watchman's service is under the control of the insured and shall give immediate notice of any impairment in or suspension of the watchman's service (within the knowledge of the insured) to this Company.

D. OTHER PROTECTIVE SAFEGUARD CLAUSE(S)

In consideration of the premium at which this policy is written, based on the protection of the premises by the protective safeguard system described above, it is a condition of this policy that, the insured shall exercise due diligence in maintaining in complete working order all equipment and services pertaining to the system and the insured shall give immediate notice of any impairment in or suspension of such equipment or service (within the knowledge of the insured) to this Company.

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Liability Schedule and Premium Recap.

Policy No. 1913 48 04

Code No.	Description of Hazards	Premium Bases	Rates B.I.	Rates P.D.	Advance Premiums Bodily Injury	Advance Premiums Property Damage
Premises – Operations						
35606 003	INDUSTRIAL MACHINERY AND EQUIPMENT MFG.- N.O.C.	400,000	.108	.025	432.	100.
PRODUCTS & COMP. OPERATIONS						
34904S 999	INDUSTRIAL MACHINERY AND EQUIPMENT MFG.N.O.C.	1,250,000	1.146	.136	1,433.	170.
35992S 999	MACHINERY OR MACHINERY PARTS MFG.	1,250,000	1.375	.273	1,719.	341.
99990	BLANKET ADDITIONAL COVERAGE	10%			358.	61.
73920 999	EMPLOYEE BENEFITS 250,000	ONE			242. FLAT CHG.	

VENDORS LIMITED.

Total Advance B.I. and P.D. Premiums	$ 4,184.	$ 672.
Total Advance Premium	$ 4,856.	

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Employee Benefit Programs Liability Insurance (Coverage Supplement)

FOR ATTACHMENT TO POLICY NUMBER 1913 48 04 TO COMPLETE SAID POLICY.

SCHEDULE

NAMED INSURED		EFFECTIVE DATE
EARL MANUFACTURING, INC., ET AL		1-1-84
LIMIT OF LIABILITY-EACH CLAIM	**LIMIT OF LIABILITY-AGGREGATE**	**DEDUCTIBLE AMOUNT**
$ 500,000.	$ ~~250,000.~~ 500,000	$ 1,000.

PREMIUM COMPUTATION

ESTIMATED NO. OF EMPLOYEES	RATE (PER EMPLOYEE)	ESTIMATED PREMIUM
FIRST 100		$ 242.
ANNUAL MINIMUM PREMIUM (FIRST 100 EMPLOYEES) $ 150.	FIRST 100 $ 150	$
	OVER 100 $	TOTAL $ 242. FLAT CHG.

I. **COVERAGE.** To pay on behalf of the **insured**, all sums which the **insured** shall become legally obligated to pay as a result of damages sustained by an employee, former employee or the beneficiaries or legal representatives thereof and caused by any negligent act, error or omission of the **insured**, or any other person for whose acts the **insured** is legally liable in the administration of the **Insured's Employee Benefit Programs** as defined herein.

EXCLUSIONS

This insurance does not apply:

A. To any dishonest, fraudulent, criminal or malicious act, libel, slander, discrimination, or humiliation;

B. To bodily injury to, or sickness, disease, or death, of any person, or to injury to or destruction of any tangible property, including the loss of use thereof;

C. To any claim for failure of performance of contract by any Insurer;

D. To any claim based upon the **Insured's** failure to comply with any law concerning Workmen's Compensation, Unemployment Insurance, Social Security or Disability Benefits;

E. To any claim based upon failure of stock to perform as represented by an **insured**;

F. To any claim based upon advice given by an **insured** to an employee of the named insured to participate or not to participate in stock subscription plans.

G. To any claim based upon any actual or alleged error or omission or breach of duty, committed or alleged to have been committed by a trustee, in the discharge of fiduciary duties, obligations or responsibilities imposed by the Federal Employee Retirement Income Security Act of 1974.

II. **DEDUCTIBLE AMOUNT.** It is agreed that the Deductible Amount, stated in the Schedule, shall be deducted from the amount of all claims arising out of the same negligent act, error or omission and the Company shall be liable for loss only in excess of that amount.

It is further understood and agreed that with respect to any claim, irrespective of amount, notice thereof shall be given by or on behalf of the **Insured** to the Company, or any of its authorized agents, in accordance with the terms of this coverage supplement and the Company may at its option, investigate, negotiate or settle any such claim, and the **Insured** agrees, (1) if the Company undertakes to settle within the amount to be deducted as herein provided to reimburse the Company for the entire amount of such claim if and when such claim is paid by the Company; or (2) if the Company undertakes to settle for an amount in excess of the amount to be deducted as herein provided, to reimburse the company for such deductible amount if and when such claim is paid by the Company.

III. **LIMITS OF LIABILITY.** The Limit of Liability stated in the Schedule as applicable to "each claim" is the limit of the company's liability for all damages incurred on account of any claim covered hereunder, the Limit of Liability stated in the Schedule as "aggregate" is, subject to the above provision respecting each claim, the total limit of the company's liability for all claims covered hereunder and occurring during each annual period. The inclusion herein of more than one **insured** shall not operate to increase the limits of the company's liability. Annual Period shall mean each consecutive period of one year commencing from the inception date of the policy to which this coverage supplement is attached. In the event the inception date of the policy and this supplement are not concurrent the period from the inception date of this supplement to the next anniversary date of the policy shall be considered an annual period.

IV. **DEFENSE, SETTLEMENT, SUPPLEMENTARY PAYMENTS.** As respects such insurance as is afforded by the other terms of this coverage supplement, the company shall:

A. Defend in his name and behalf any suit against the **insured** alleging such negligent act, error or omission and seeking damages on account thereof, even if such suit is groundless, false or fraudulent, but the company shall have the right to make such investigation and negotiation of any claim or suit as may be deemed expedient by the company. The company, however, shall not make settlement or compromise any claim or suit without the written consent of the **insured**;

B. Pay all premiums on bonds to release attachments for an amount not in excess of the applicable Limit of Liability of this coverage supplement, all premiums on appeal bonds required in any such defended suit, but without any obligation to apply for or furnish such bonds, all costs taxed against the **insured** in any such suit, all expenses incurred by the company, all interest accruing after entry of judgment until the company has paid, tendered or deposited in court such part of such judgment as does not exceed the limit of the company's liability thereon;

C. Reimburse the **insured** for all reasonable expenses, other than loss of earnings, incurred at the company's request.

The company agrees to pay the amounts incurred under this paragraph, except settlement of claims and suits, in addition to the applicable Limit of Liability of this coverage supplement.

V. **COVERAGE PERIOD AND TERRITORY.** This supplement applies only to claims under the legal jurisdiction of a court of law or court of equity within the United States of America, its territories or possessions or the Dominion of Canada, resulting from negligent acts, errors or omissions of the **insured** or any person acting on behalf of the **insured** in the administration of **Employee Benefit Programs** provided such claim is brought against the named insured during the policy period and the named insured at the effective date of this coverage supplement had no knowledge of or could not have reasonably foreseen any circumstances which might result in such claim or suit.

VI. **DEFINITIONS.** When used in reference to this insurance:

"insured" – The unqualified word **"insured"**, wherever used, includes not only the Named Insured, but also any partner, executive officer, director, stockholder or employee, provided such employee is authorized to act in the administration of the **Insured's Employee Benefit Programs.**

"Employee Benefit Programs" – The term **"Employee Benefit Programs"** shall mean group life insurance, group health insurance, profit sharing plans, pension plans, employee stock subscription plans, workmen's compensation, unemployment insurance, social security, disability benefits insurance, and travel, savings, or vacation plans. Should the **insured**, during the policy period, institute an additional **Employee Benefit Program**, coverage will apply, provided the company is notified of such additional program, or programs, within 30 days after the effective date of such program.

"administration" – The unqualified word **"administration"**, wherever used, shall mean:

a. Giving counsel to employees with respect to the **Employee Benefit Programs;**
b. Interpreting the **Employee Benefit Programs;**
c. Handling of records in connection with the **Employee Benefit Programs;**
d. Effecting enrollment, termination or cancellation of employees under the **Employee Benefit Programs;** provided all such acts are authorized by the named insured.

VII. **CONDITIONS.** None of the conditions of the policy shall apply to this insurance except "Liberalization Clause", "Inspection and Audit", "Cancellation", "Deferred Premium Payment Plan", "Subrogation", "Conformity With Statute", and "Changes". This coverage supplement shall also be subject to the following additional conditions:

A. **Insured's Duties in the Event of an Alleged Negligent Act, Error or Omission, Claim, or Suit.** As soon as practicable notice must be given to the Company during the coverage period when the Named Insured:

a. Receives information as to an alleged negligent act, error or omission, with full particulars of any claim arising therefrom.
b. Has knowledge of or can reasonably foresee circumstances which might result in a claim.

If suit is brought the Named Insured must immediately forward to the Company every demand, summons, or other process received by him.

The insured shall cooperate with the company and, upon the company's request, assist in making settlements, in the conduct of suits and in enforcing any right of contribution or indemnity against any person or organization who may be liable to the **insured** because of damage with respect to which insurance is afforded under this coverage supplement and the **insured** shall attend hearings and trials and assist in securing and giving evidence and obtaining the attendance of witnesses. The insured shall not, except at his own cost, voluntarily make any payment, assume any obligation or incur any expense.

B. **Action Against Company.** No action shall lie against the company unless, as a condition precedent thereto, there shall have been full compliance with all of the terms of this coverage supplement, nor until the amount of the **insured's** obligation to pay shall have been finally determined either by judgment against the **insured** after actual trial or by written agreement of the **insured**, the claimant and the company.

Any person or organization or the legal representative thereof who has secured such judgment or written agreement shall thereafter be entitled to recover under this coverage supplement the extent of the insurance afforded by this coverage supplement. No person or organization shall have any right under this coverage supplement to join the company as a party to any action against the **insured** to determine the **insured's** liability, nor shall the company be impleaded by the **insured** or his legal representative. Bankruptcy or insolvency of the **insured** or of the **insured's** estate shall not relieve the company of any of its obligations hereunder.

C. **Non-assignable.** The interest of the **insured** under this coverage supplement shall not be assignable to any other interest.

D. **Premium.** The premium stated in the schedule is an estimated premium only. Upon termination of each annual period of the policy to which this supplement is attached the **insured**, on request, will furnish the company a statement of the total number of employees at the end of the period and the earned premium shall be computed on the average of the number of the employees at the beginning and the end of such period in accordance with the rates set forth in the schedule.

E. **Other Insurance.** If, applicable to the loss, there is any valid and collectible insurance, whether on a primary, excess or contingent basis, available to the **insured** (in this or any other carrier), there shall be no insurance afforded hereunder as respects such loss, except, that if the applicable limit of liability of this coverage supplement is in excess of the applicable limit of liability provided by the other insurance, this coverage supplement shall afford excess insurance over and above such other insurance in an amount sufficient to afford the **insured** a combined limit of liability equal to the applicable limit of liability afforded by this coverage supplement. Insurance under this policy shall not be construed to be concurrent or contributing with any other insurance which is available to the **insured.**

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[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
7.	1984 MERCURY TOPAZ #6375	~~8~~ 9800	501	7398 ~~811820~~	
8.	1984 DATSON 300 2X #7868	15,700	501	~~811820~~	

SCHEDULE OF COVERAGES AND PREMIUMS

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]			[illegible]	[illegible]	[illegible]	[illegible]	[illegible]			[illegible]	[illegible]	
[illegible]			[illegible]	[illegible]	[illegible]	[illegible]	[illegible]			[illegible]	[illegible]	
~~[illegible]~~			~~[illegible]~~	~~[illegible]~~	~~[illegible]~~	~~[illegible]~~	~~[illegible]~~			~~[illegible]~~	~~[illegible]~~	
~~[illegible]~~			~~[illegible]~~	~~[illegible]~~	~~[illegible]~~	~~[illegible]~~	~~[illegible]~~			~~[illegible]~~	~~[illegible]~~	
~~[illegible]~~						~~[illegible]~~	~~[illegible]~~			~~[illegible]~~	~~[illegible]~~	
[illegible]			[illegible]	[illegible]	[illegible]	[illegible]	[illegible]			[illegible]	[illegible]	
TOTALS	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]		[illegible]		[illegible]		[illegible]	[illegible]

[illegible]

[illegible]

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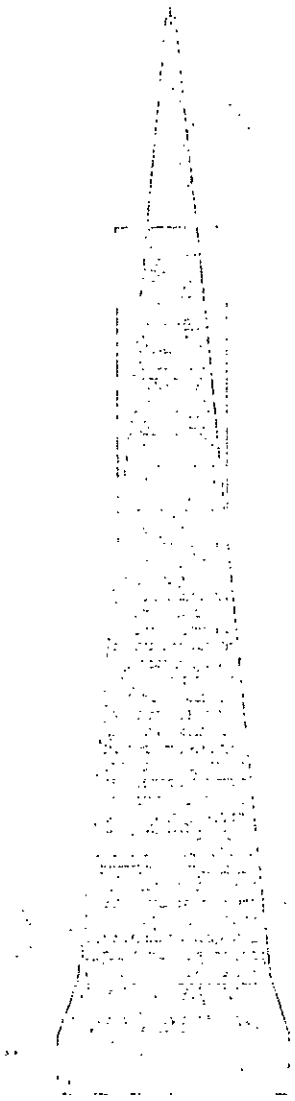
9- 1984 FORD F600 STAKE #3376



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HIRED OR BORROWED COVERED AUTOS - LIABILITY

STATE	ESTIMATED COST OF HIRE	RATE PER $100 OF HIRE	PREMIUM
CA		[illegible]	[illegible]
		Total Premium	[illegible]

Cost of Hire means the total amount you incur for the hire of autos you don't own (not including autos you borrow or rent from your employees or their family members). Cost of Hire does not include charges for services performed by motor carriers of property or passengers.

SCHEDULE FOR NON-OWNERSHIP LIABILITY

	Estimated No. of Employees	PREMIUM
Rating basis - Number of Employees	[illegible]	[illegible]

7. 1984 [illegible] - OPAZ [illegible] PREMIUM TOTALS 501 [illegible]

8. 1984 [illegible] 501 [illegible]

+ 7518

Schedule of Coverages and Premiums - Owned Autos	$	[illegible]
Hired or Borrowed Covered Auto - Liability	$	[illegible]
Hired or Borrowed Covered Autos - Physical Damage	$	
Non-Ownership Liability	$	
Other Endorsements	$	
TOTAL PREMIUMS	$	[illegible]

[illegible] - attached

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ABBREVIATIONS USED

ACV	(Actual Cash Value)
ADD	(Additional)
B	(Broad)
BI	(Bodily Injury)
COLL	(Collision)
COMP	(Comprehensive)
CONT	(Contents)
DAM	(Damage)
DED	(Deductible)
ENDOR	(Endorsements)
F	(Fire)
FT	(Fire and Theft)
FTW	(Fire, Theft, and Windstorm)
INCL	(Included)
L	(Limited)
LIAB	(Liability)
LSP	(Limited Specified Perils)
MED	(Medical)
PERS	(Personal)
PD	(Property Damage)
PIP	(Personal Injury Protection)
PPI	(Property Protection Insurance)
PREM	(Premium)
S	(Special)
SP	(Specified Perils)
ST	(State)
UNDL	(Underlying)
UM	(Uninsured Motorist)
VEH	(Vehicle)

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1913 48 04 CHANGES IN POLICY — WHICH AUTOS ARE COVERED AUTOS

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

The following are **not** covered **autos** under this Policy:

☒ Physical damage to any auto you lease, hire, rent or borrow. This includes any auto you lease, hire, rent or borrow from any of your employees or members of their households.

☐ **Autos** shown below:

☐ 1) All **autos** you lease, hire, rent or borrow. This does not include any **auto you** lease, hire, rent or borrow from any of **your** employees or members of their households.

☐ 2) All **autos you** do not own, lease, hire, rent or borrow used in connection with **your** business. This includes **autos** owned by **your** employees or members of their households but only while used in **your** business or **your** personal affairs.

3) WHICH AUTOS ARE COVERED AUTOS — LIABILITY INSURANCE — is changed for 1. and 2. above to read:

The following types of vehicles are covered **autos** for liability insurance:

a. Only the **autos you** own and any **auto you** do not own while used as a temporary substitute for any other covered **auto** described in this policy which is out of normal use because of its breakdown, repair, servicing, loss or destruction. This includes those **autos** whose ownership **you** acquire after the policy begins.

b. **Trailers** with a load capacity of 2,000 pounds or less designed primarily for travel on public roads.

c. **Mobile Equipment** while being carried or towed by a covered auto.

AUTHENTIC

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(Ed. 1-78)

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CA 99 23 (Ed. 01 78)

RENTAL REIMBURSEMENT COVERAGE

This endorsement changes the policy effective on the inception date of the policy unless a different date is indicated below.

(The following need be completed only when this endorsement is issued subsequent to preparation of the policy.)

This endorsement, effective on (DATE) at 12:01 A.M. standard time, forms a part of

policy No. 1913 48 04 of the (NAME OF INSURANCE COMPANY)

issued to:

Agency at

Authorized Representative
HENDERSON'S INC. #645261

This endorsement provides only those coverages where a charge is shown in the premium column below. It applies only to a covered **auto** described or designated in this endorsement.

SCHEDULE

Coverages	Auto No.	Designation or Description of Covered **Autos** to which this insurance applies	Maximum Payment Each Covered **Auto**			Premium
			Any One Day	No. of Days	Any One Period	
Comprehensive	X2	1980 LINC. MARK VI #2746	$ 15.	30	$ 450	$
	X3	1978 TOYOTA CELICA #1765	$ INCL	INCL	$ INCL	$
	X4	1980 OLDS.TORONADO #1473	$ INCL	INCL	$ INCL	$
	X6	1977 DATSUN 280Z #2685	$ INCL	INCL	$ INCL	$
Collision	X2	1980 LINC. MARK VI #2746	$ INCL	INCL	$ INCL	$
	X3	1978 TOYOTA CELICA #1765	$ INCL	INCL	$ INCL	$
	X4	1980 OLDS.TORONADO #1473	$ INCL	INCL	$ INCL	$
	X6	1977 DATSUN 280Z #2685	$ INCL	INCL	$ INCL	$
Specified Perils	1		$		$	$
	2		$		$	$
	3		$		$	$
	4		$		$	$
					Total Premium	$ INCL

A. **We** will pay for rental reimbursement expenses incurred by **you** for the rental of an **auto** because of **loss** to a covered **auto**. Payment applies in addition to the otherwise applicable amount of each coverage **you** have on a covered **auto**. No deductibles apply to this coverage.

B. **We** will pay only for those expenses incurred during the policy period beginning 24 hours after the **loss** and ending, regardless of the policy's expiration, with the lesser of the following number of days:

1. The number of days reasonably required to repair or replace the covered **auto**. If **loss** is caused by theft, this number of days is added to the number of days it takes to locate the covered **auto** and return it to **you**.

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2. The number of days in the schedule.

C. **Our** payment is limited to the lesser of the following amounts:

1. Necessary and actual expenses incurred.

2. The maximum payment stated in the schedule applicable to "any one day" or "any one period".

D. This coverage does not apply while there are spare or reserve **autos** available to **you** for **your** operations.

E. **If loss** results from the total theft of a covered **auto** of the private passenger type, **we** will pay under this coverage only that amount of **your** rental reimbursement expenses which is not already provided for under PHYSICAL DAMAGE INSURANCE WE WILL ALSO PAY.

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Additional Declarations

SECTION IV INLAND MARINE

SCHEDULE A

Policy No. 1913 48 04

This schedule is attached to, and forms a part of the policy specified above.
Schedule - Description of insured property and amount of insurance.
(Only those coverages are afforded which are indicated by a premium charge or the word "included" inserted opposite the coverage)

Form Attached	Description and Location of Insured Property	Limits of Liability	Rate	Premium
J 10263(5-81)	MINI-COMPUTER	VRS.	VRS.	127.
J 10355(5-81)				
J 10356(5-81)				
13034(9-80)				
IM 123(3-77)	ACCOUNTS RECEIVABLE	300,000.	.047	141.
IM 122(3-77)	VALUABLE PAPERS	50,000.	.180	90.
IL 03 03(11-78)				
			Total Premium	INCL.

J10757B-DR

000294

(8-80)

BRANCH OFFICE COPY

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1913 48 04

INLAND MARINE DEDUCTIBLE CLAUSE ENDORSEMENT

100.00

EACH CLAIM FOR LOSS OR DAMAGE (SEPARATELY OCCURRING) SHALL BE ADJUSTED SEPARATELY AND FROM THE AMOUNT OF EACH ADJUSTED CLAIM THE SUM OF $_____ SHALL BE DEDUCTED.

IN THE EVENT OF ANY RECOVERY OR SALVAGE ON A LOSS WHICH HAS BEEN OR IS BEING PAID THEREUNDER, SUCH RECOVERY OR SALVAGE SHALL ACCRUE ENTIRELY TO THE BENEFIT OF THE COMPANY UNDER THIS POLICY UNTIL THE SUM PAID BY THEM HAS BEEN MADE UP.

IL 03 03
(ED. 11-78)

INLAND MARINE

IL 00 67 (Ed. 03 77)
IVP 39 01 (Ed. 3-1-77)

IM 122
(Ed. 3-77)

VALUABLE PAPERS AND RECORDS FORM

Attached to and forming part of Policy No. IM 1913 48 04
issued
by (HEREIN CALLED THE COMPANY) at its Agency

located (CITY AND STATE) Date

Insured's Name and Address: (No., Street, Town, County, State)

Policy Period: (Mo. Day Yr.)
From to ☐ 12:01 A.M. / ☐ noon, Standard Time

To the extent that coverage in this policy replaces coverage in other policies terminating noon standard time on the inception date of this policy, coverage under this policy shall not become effective until such other coverage has terminated.

$ 90. PREMIUM $ .180 RATE $ 50,000. AMOUNT N/A

If the policy period is more than one year and the premium is to be paid in installments, premium installments of $ each are payable on the effective date of this policy and the first and second anniversaries thereof.

The insured is ☐ INDIVIDUAL ☐ CORPORATION ☐ PARTNERSHIP

In consideration of the stipulations herein named and of the premium above specified, the company does insure the insured named above, herein called the insured, whose address is shown above, from the inception date and time shown above to the expiration date and time shown above at the address of the insured as stated above, herein called the Policy Period, to an amount not exceeding the amount above specified.

1. **Property Covered.** On valuable papers and records, as follows:

	Limits of Insurance
a. All valuable papers and records not specified in b. below.	$ 50,000.
b. Specified articles.	Value (each)
	$ $

2. **Perils Insured.** All risks of direct physical loss of the property covered, occurring during the policy period, except as hereinafter provided.

3. **Location and Occupancy of Premises.** The insured occupies the following part: PORTION of the building located at: 11876 BURKE ST., SANTA FE SPRINGS, CA.
and conducts therein the following business: METAL PARTS MFG.

4. **Protection of Valuable Papers and Records.** Insurance under this policy shall apply only while valuable papers and records are contained in the premises described above, it being a condition precedent to any right of recovery hereunder that such valuable papers and records shall be kept in the following described receptacles at all times when the premises are not open for business, except while such valuable papers and records are in actual use or as stated in paragraphs 5 and 6 below:

Kind	Name of Maker	"Class" or "Hour Exposure" of Label	Name of Issuer of Label
METAL FILE CABINETS			

5. **Automatic Extension.** Such insurance as is afforded by this policy applies while the valuable papers and records are being conveyed outside the premises and while temporarily within other premises, except for storage, provided the company's liability for loss shall not exceed 10% of the combined limits of insurance stated in paragraph 1, nor $5,000, whichever is less.

6. **Removal.** Such insurance as is afforded by this policy applies while the valuable papers and records are being removed to and while at a place of safety because of imminent danger of loss and while being returned from such place, provided the insured gives written notice to the company of such removal within ten days thereafter.

7. (a) During the last five years the insured has not sustained or received indemnity for any loss of the kind covered hereby, (b) During the last five years no insurer has canceled insurance issued to the insured against loss covered hereby, (c) No other insurance issued to the insured is in force which covers loss covered hereby, unless otherwise stated herein: (ENTER BELOW)

Form numbers of endorsements attached to policy at issue (ENTER BELOW)

By acceptance of this policy the insured agrees that any prior policy herein designated is canceled as of the time this policy becomes effective.

EXCLUSIONS

This policy does not apply:

(a) to loss due to any fraudulent, dishonest, or criminal act by any insured, a partner therein, or an officer, director or trustee thereof, while working or otherwise and whether acting alone or in collusion with others;

(b) to loss directly resulting from errors or omissions in processing or copying unless fire or explosion ensues and then only for direct loss caused by such ensuing fire or explosion;

(c) to loss due to wear and tear, gradual deterioration, vermin or inherent vice;

(d) to loss of property not specifically declared and described in section b. of paragraph 1, "Property Covered", if such property cannot be replaced with other of like kind and quality;

(e) to loss due to electrical or magnetic injury, disturbance or erasure of electronic recordings, except by lightning;

(f) to loss due to nuclear reaction, nuclear radiation or radioactive contamination, or to any act or condition incident to any of the foregoing;

(g) to loss caused by or resulting from:

(1) hostile or warlike action in time of peace or war, including action in hindering, combating or defending against an actual, impending or expected attack, (a) by any government or sovereign power (de jure or de facto), or by any authority maintaining or using military, naval or air forces; or (b) by military, naval or air forces; or (c) by an agent of any such government, power, authority or forces;

(2) any weapon of war employing atomic fission or radioactive force whether in time of peace or war;

(3) insurrection, rebellion, revolution, civil war, usurped power, or action taken by governmental authority in hindering, combating or defending against such an occurrence, seizure or destruction under quarantine or customs regulations, confiscation by order of any government or public authority, or risks of contraband or illegal transportation or trade;

(h) to loss of property held as samples or for sale or for delivery after sale.

(over)

CONDITIONS

1. Definitions: **"Valuable Papers and Records"** means written, printed or otherwise inscribed documents and records, including books, maps, films, drawings, abstracts, deeds, mortgages and manuscripts, but does not mean money or securities.

"Premises" means the interior of that portion of the building at the location designated in paragraph 3, "Location and Occupancy of Premises", which is occupied by the insured for the business purposes stated therein.

"Money" means currency, coins, bank notes and bullion; and travelers checks, register checks and money orders held for sale to the public.

"Securities" means all negotiable and non-negotiable instruments or contracts representing either money or other property and includes revenue and other stamps in current use, tokens and tickets, but does not include money.

"Loss" includes damage.

2. Ownership of Property; Interests Covered: The insured property may be owned by the insured or held by him in any capacity; provided, the insurance applies only to the interest of the insured in such property, including the insured's liability to others, and does not apply to the interest of any other person or organization in any of said property unless included in the insured's proof of loss.

3. Joint Insured: If more than one insured is named in this policy, the insured first named shall act for every insured for all purposes of this policy. Knowledge possessed or discovery made by any insured shall constitute knowledge possessed or discovery made by every insured.

4. Limits of Liability; Valuation; Settlement Options: The limit of the company's liability for loss shall not exceed the actual cash value of the property at time of loss nor what it would then cost to repair or replace the property with other of like kind and quality, nor the applicable limit of insurance stated in this policy; provided, as respects property specifically described in section b. of paragraph 1, "Property Covered", the amount per article specified therein is the agreed value thereof for the purpose of this insurance.

The company may pay for the loss in money or may repair or replace the property and may settle any claim for loss of the property either with the insured or the owner thereof. Any property so paid for or replaced shall become the property of the company. The insured or the company, upon recovery of any such property, shall give notice thereof as soon as practicable to the other and the insured shall be entitled to the property upon reimbursing the company for the amount so paid or the cost of replacement.

Application of the insurance to property of more than one person shall not operate to increase the applicable limit of insurance.

5. Insured's Duties When Loss Occurs: Upon the occurrence of any loss which may result in a claim hereunder, the insured shall:

(a) give notice thereof as soon as practicable to the company or any of its authorized agents and, if the loss is due to a violation of law, also to the police;

(b) file detailed proof of loss, duly sworn to, with the company within ninety days after the discovery of loss.

Upon the company's request, the insured and every claimant hereunder shall submit to examination by the company, subscribe the same, under oath if required, and produce for the company's examination all pertinent records, all at such reasonable times and places as the company shall designate, and shall cooperate with the company in all matters pertaining to loss or claims with respect thereto. The company shall, in addition to the applicable limit of insurance of this policy, reimburse the insured for all reasonable expenses, other than loss of earnings, incurred at the company's written request.

6. Other Insurance: If at the time of loss there is available to a named or unnamed insured or any other interested party any other insurance which would apply in the absence of this policy, the insurance under this policy shall apply only as excess insurance over such other insurance.

7. No Benefit to Bailee: This insurance shall in no wise inure directly or indirectly to the benefit of any carrier or other bailee.

8. Appraisal: If the insured and the company fail to agree as to the amount of loss, each shall, on the written demand of either, made within sixty days after receipt of proof of loss by the company, select a competent and disinterested appraiser, and the appraisal shall be made at a reasonable time and place. The appraisers shall first select a competent and disinterested umpire, and failing for fifteen days to agree upon such umpire, then, on the request of the insured or the company, such umpire shall be selected by a judge of a court of record in the State in which such appraisal is pending. The appraisers shall then appraise the loss, stating separately the actual cash value at time of loss and the amount of loss, and failing to agree shall submit their differences to the umpire. An award in writing of any two shall determine the amount of loss. The insured and the company shall each pay his or its chosen appraiser and shall bear equally the expenses of the umpire and the other expenses of appraisal.

The company shall not be held to have waived any of its rights by any act relating to appraisal.

9. Action Against Company: No action shall lie against the company unless, as a condition precedent thereto, there shall have been full compliance with all the terms of this policy, nor until thirty days after the required proofs of loss have been filed with the company, nor at all unless commenced within two years after the discovery by the insured of the occurrence which gives rise to the loss. If this limitation of time is shorter than that prescribed by any statute controlling the construction of this policy, the shortest permissible statutory limitation in time shall govern and shall supersede the time limitation herein stated.

10. Misrepresentation and Fraud: This entire policy shall be void if, whether before or after a loss, the insured has concealed or misrepresented any material fact or circumstance concerning this insurance or the subject thereof, or the interest of the insured therein, or in case of any fraud or false swearing by the insured relating thereto.

11. Subrogation: In the event of any payment under this policy, the company shall be subrogated to all the insured's rights of recovery therefor against any person or organization and the insured shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The insured shall do nothing after loss to prejudice such rights.

12. Changes: Notice to any agent or knowledge possessed by any agent or by any other person shall not effect a waiver or a change in any part of this policy or estop the company from asserting any right under the terms of this policy; nor shall the terms of this policy be waived or changed, except by endorsement issued to form a part of this policy.

13. Assignment: Assignment of interest under this policy shall not bind the company until its consent is endorsed hereon; if, however, the insured shall die, or shall be adjudged bankrupt or insolvent and written notice is given to the company within sixty days after the date of such adjudication, this policy shall cover the insured's legal representative as insured; provided that notice of cancelation addressed to the insured named in this policy and mailed to the address shown in this policy shall be sufficient notice to effect cancelation of this policy.

14. Cancelation: This policy may be canceled by the insured by surrender thereof to the company or any of its authorized agents or by mailing to the company written notice stating when thereafter the cancelation shall be effective. This policy may be canceled by the company by mailing to the insured at the address shown in this policy written notice stating when not less than ten days thereafter such cancelation shall be effective. The mailing of notice as aforesaid shall be sufficient proof of notice. The time of the surrender or the effective date and hour of cancelation stated in the notice shall become the end of the policy period. Delivery of such written notice either by the insured or by the company shall be equivalent to mailing.

If the insured cancels, earned premium shall be computed in accordance with the customary short rate table and procedure. If the company cancels, earned premium shall be computed pro rata. Premium adjustment may be made at the time cancelation is effected and, if not then made, shall be made as soon as practicable after cancelation becomes effective. The company's check or the check of its representative mailed or delivered as aforesaid shall be sufficient tender of any refund of premium due to the insured.

15. Terms of Policy Conformed to Statute: Terms of this policy which are in conflict with the statutes of the State wherein this policy is issued are hereby amended to conform to such statutes.

The terms and conditions of this form are to be regarded as substituted for those of the policy to which it is attached, the latter being hereby waived.

AUTHENTIC

_____ Agent.

000298

INLAND MARINE

IL 00 66 (Ed. 03 77)
IAR 40 01 (Ed. 3-1-77)

IM 123
(Ed. 3-77)

ACCOUNTS RECEIVABLE FORM

Attached to and forming part of Policy No. IM 1913 48 04
issued
by (HEREIN CALLED THE COMPANY) at its Agency

located (CITY AND STATE) Date

Insured's Name and Address: (No., Street, Town, County, State)

Policy Period: (Mo. Day Yr.)
From to ☐ 12:01 A.M. / ☐ noon, Standard Time

To the extent that coverage in this policy replaces coverage in other policies terminating noon standard time on the inception date of this policy, coverage under this policy shall not become effective until such other coverage has terminated.

$ 141. PROVISIONAL PREMIUM $ .047 RATE $300,000. PROVISIONAL AMOUNT $ N/A MINIMUM PREMIUM

If the policy period is more than one year and the premium is to be paid in installments, premium installments of $ N/A each are payable on the effective date of this policy and the first and second anniversaries thereof.

The insured is (CHECK INDIVIDUAL, CORPORATION OR PARTNERSHIP)
☐ INDIVIDUAL ☐ CORPORATION ☐ PARTNERSHIP

In consideration of the stipulations herein named and of the provisional premium above specified, the company does insure the insured named above, herein called the insured, whose address is shown above, from the inception date and time shown above to the expiration date and time shown above at the address of the insured as stated above, herein called the Policy Period, on the following:

1. **Subject of Insurance.**
   (a) All sums due the insured from customers' provided the insured is unable to effect collection thereof as the direct result of loss of or damage to records of accounts receivable;
   (b) Interest charges on any loan to offset impaired collections pending repayment of such sums made uncollectible by such loss or damage;
   (c) Collection expense in excess of normal collection cost and made necessary because of such loss or damage;
   (d) Other expenses, when reasonably incurred by the insured in re-establishing records of accounts receivable following such loss or damage.

2. **Perils Insured.** All risks of loss of or damage to the insured's records of accounts receivable, occurring during the policy period, except as hereinafter provided.

3. **Location and Occupancy of Premises.** The insured occupies the following part: PORTION of the building located at: 11876 BURKE ST., SANTA FE SPRINGS, CA.
and conducts therein the following business: PORTION

4. **Protection of Records of Accounts Receivable.** Insurance under this policy shall apply only while records of accounts receivable are contained in the premises described above, it being a condition precedent to any right of recovery hereunder that such records shall be kept in the following described receptacles at all times when the premises are not open for business, except while such records are in actual use or as stated in paragraph 5 below:

Kind	Name of Maker	"Class" or "Hour Exposure" of Label	Name of Issuer of Label
METAL FILE CABINETS			

5. **Removal.** Such insurance as is afforded by this policy applies while the records of accounts receivable are being removed to and while at a place of safety because of imminent danger of loss or damage and while being returned from such place, provided the insured gives written notice to the company of such removal within ten days thereafter.

6. **Limit of Insurance.** The company shall not be liable hereunder for an amount to exceed
THREE HUNDRED THOUSAND AND NO/100---------- Dollars ($ 300,000.).

7. (a) During the last five years the insured has not sustained or received indemnity for any loss of the kind covered hereby, (b) During the last five years no insurer has canceled insurance issued to the insured against loss covered hereby, (c) No other insurance issued to the insured is in force which covers loss covered hereby, unless otherwise stated herein: (ENTER BELOW)

Form numbers of endorsements attached to policy at issue (ENTER BELOW)

By acceptance of this policy the insured agrees that any prior policy herein designated is canceled as of the time this policy becomes effective.

EXCLUSIONS

This policy does not apply:

(a) to loss due to any fraudulent, dishonest or criminal act by any insured, a partner therein, or an officer, director or trustee thereof, while working or otherwise and whether acting alone or in collusion with others;

(b) to loss due to bookkeeping, accounting or billing errors or omissions;

(c) to loss, the proof of which as to factual existence, is dependent upon an audit of records or an inventory computation; but this shall not preclude the use of such procedures in support of claim for loss which the insured can prove, through evidence wholly apart therefrom, is due solely to a risk of loss to records of accounts receivable not otherwise excluded hereunder;

(d) to loss due to alteration, falsification, manipulation, concealment, destruction or disposal of records of accounts receivable committed to conceal the wrongful giving, taking, obtaining or withholding of money, securities or other property but only to the extent of such wrongful giving, taking, obtaining or withholding;

(e) to loss due to electrical or magnetic injury, disturbance or erasure of electronic recordings, except by lightning;

(f) to loss due to nuclear reaction, nuclear radiation or radioactive contamination, or to any act or condition incident to any of the foregoing;

(g) to loss caused by or resulting from:

(1) hostile or warlike action in time of peace or war, including action in hindering, combating or defending against an actual, impending or expected attack, (a) by any government or sovereign power (de jure or de facto), or by any authority maintaining or using military, naval or air forces; or (b) by military, naval or air forces; or (c) by an agent of any such government, power, authority or forces;

(2) any weapon of war employing atomic fission or radioactive force whether in time of peace or war;

(3) insurrection, rebellion, revolution, civil war, usurped power, or action taken by governmental authority in hindering, combating or defending against such an occurrence, seizure or destruction under quarantine or customs regulations, confiscation by order of any government or public authority, or risks of contraband or illegal transportation or trade.

(over)

CONDITIONS

1. Definition: "Premises" means the interior of that portion of the building at the location designated in paragraph 3, "Location and Occupancy of Premises", which is occupied by the insured for the business purposes stated therein.

2. Premium: The insured shall, within twenty days after the end of each fiscal month during the policy period, furnish the company with a written statement of the total amount of accounts receivable, with deferred payments and charge accounts segregated, as of the last day of each such month.

The premium stated in this policy is provisional only. Upon each anniversary and upon termination of this policy, the sum of the monthly amounts of accounts receivable for the preceding twelve months shall be averaged and the earned premium shall be computed on such average at the rate stated in this policy, whether or not such average exceeds the applicable limit of insurance under this policy. If the earned premium thus computed exceeds the provisional premium paid, the insured shall pay the excess to the company; if less, the company shall return to the insured the unearned portion paid by the insured, but such premium shall not be less than any minimum premium stated in this policy. If this policy is issued for a period of three years, each such computation and adjustment shall be based on one-third of the rate, provisional premium and minimum premium.

3. Joint Insured: If more than one insured is named in this policy, the insured first named shall act for every insured for all purposes of this policy. Knowledge possessed or discovery made by any insured shall constitute knowledge possessed or discovery made by every insured.

4. Inspection and Audit: The company shall be permitted to inspect the premises and the receptacles in which the records of accounts receivable are kept by the insured, and to examine and audit the insured's books and records at any time during the policy period and any extension thereof and within three years after the final termination of this policy, as far as they relate to the premium basis or the subject matter of this insurance, and to verify the statements of any outstanding record of accounts receivable submitted by the insured and the amount of recoveries of accounts receivable on which the company has made any settlement.

5. Recoveries: After payment of loss all amounts recovered by the insured on accounts receivable for which the insured has been indemnified shall belong and be paid to the company by the insured up to the total amount of loss paid by the company; but all recoveries in excess of such amounts shall belong to the insured.

6. Insured's Duties When Loss Occurs: Upon the occurrence of any loss which may result in a claim hereunder, the insured shall:

(a) give notice thereof as soon as practicable to the company or any of its authorized agents and, if the loss is due to a violation of law, also to the police;

(b) file detailed proof of loss, duly sworn to, with the company promptly on expiration of ninety days from the date on which the records of accounts receivable were lost or damaged.

Upon the company's request, the insured shall submit to examination by the company, subscribe the same, under oath if required, and produce for the company's examination all pertinent records, all at such reasonable times and places as the company shall designate, and shall cooperate with the company in all matters pertaining to loss or claims with respect thereto, including rendering of all possible assistance to effect collection of outstanding accounts receivable.

7. Determination of Receivables; Deductions: When there is proof that a loss covered by this policy has occurred but the insured cannot accurately establish the total amount of accounts receivable outstanding as of the date of such loss, such amount shall be based on the insured's monthly statements and shall be computed as follows:

(a) determine the amount of all outstanding accounts receivable at the end of the same fiscal month in the year immediately preceding the year in which the loss occurs;

(b) calculate the percentage of increase or decrease in the average monthly total of accounts receivable for the twelve months immediately preceding the month in which the loss occurs, or such part thereof for which the insured has furnished monthly statements to the company, as compared with such average for the same months of the preceding year;

(c) the amount determined under (a) above, increased or decreased by the percentage calculated under (b) above, shall be the agreed total amount of accounts receivable as of the last day of the fiscal month in which said loss occurs;

(d) the amount determined under (c) above shall be increased or decreased in conformity with the normal fluctuations in the amount of accounts receivable during the fiscal month involved, due consideration being given to the experience of the business since the last day of the last fiscal month for which statement has been rendered.

There shall be deducted from the total amount of accounts receivable, however established, the amount of such accounts evidenced by records not lost or damaged, or otherwise established or collected by the insured, and an amount to allow for probable bad debts which would normally have been uncollectible by the insured. All unearned interest and service charges shall be deducted.

8. Other Insurance: If at the time of loss or damage there is available to a named or unnamed insured or any other interested party any other insurance which would apply in the absence of this policy, the insurance under this policy shall apply only as excess insurance over such other insurance.

9. Appraisal: If the insured and the company fail to agree as to the amount of loss, each shall, on the written demand of either, made within sixty days after receipt of proof of loss by the company, select a competent and disinterested appraiser, and the appraisal shall be made at a reasonable time and place. The appraisers shall first select a competent and disinterested umpire, and failing for fifteen days to agree upon such umpire, then, on the request of the insured or the company, such umpire shall be selected by a judge of a court of record in the State in which such appraisal is pending. The appraisers shall then appraise the loss, and failing to agree shall submit their differences to the umpire. An award in writing of any two shall determine the amount of loss. The insured and the company shall each pay his or its chosen appraiser and shall bear equally the expenses of the umpire and the other expenses of appraisal.

The company shall not be held to have waived any of its rights by any act relating to appraisal.

10. Settlement of Claims: All adjusted claims shall be paid or made good to the insured within thirty (30) days after presentation and acceptance of satisfactory proof of interest and loss at the office of the company. No loss shall be paid or made good if the insured has collected the same from others.

11. Action Against Company: No action shall lie against the company unless, as a condition precedent thereto, there shall have been full compliance with all the terms of this policy, nor at all unless commenced within two years after the discovery by the insured of the occurrence which gives rise to the loss. If this limitation of time is shorter than that prescribed by any statute controlling the construction of this policy, the shortest permissible statutory limitation in time shall govern and shall supersede the time limitation herein stated.

12. Misrepresentation and Fraud: This entire policy shall be void if, whether before or after a loss, the insured has concealed or misrepresented any material fact or circumstance concerning this insurance or the subject thereof, or the interest of the insured therein, or in case of any fraud or false swearing by the insured relating thereto.

13. Subrogation: In the event of any payment under this policy, the company shall be subrogated to all the insured's rights of recovery therefor against any person or organization and the insured shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The insured shall do nothing after loss to prejudice such rights.

14. Changes: Notice to any agent or knowledge possessed by any agent or by any other person shall not effect a waiver or a change in any part of this policy or estop the company from asserting any right under the terms of this policy; nor shall the terms of this policy be waived or changed, except by endorsement issued to form a part of this policy.

15. Assignment: Assignment of interest under this policy shall not bind the company until its consent is endorsed hereon; if, however, the insured shall die, or shall be adjudged bankrupt or insolvent and written notice is given to the company within sixty days after the date of such adjudication, this policy shall cover the insured's legal representative as insured; provided that notice of cancelation addressed to the insured named in this policy and mailed to the address shown in this policy shall be sufficient notice to effect cancelation of this policy.

16. Cancelation: This policy may be canceled by the insured by surrender thereof to the company or any of its authorized agents or by mailing to the company written notice stating when thereafter the cancelation shall be effective. This policy may be canceled by the company by mailing to the insured at the address shown in this policy written notice stating when not less than ten days thereafter such cancelation shall be effective. The mailing of notice as aforesaid shall be sufficient proof of notice. The time of the surrender or the effective date and hour of cancelation stated in the notice shall become the end of the policy period. Delivery of such written notice either by the insured or by the company shall be equivalent to mailing.

If the insured cancels, earned premium shall be computed in accordance with the customary short rate table and procedure. If the company cancels, earned premium shall be computed pro rata. Premium adjustment may be made at the time cancelation is effected and, if not then made, shall be made as soon as practicable after cancelation becomes effective. The company's check or the check of its representative mailed or delivered as aforesaid shall be sufficient tender of any refund of premium due to the insured.

17. Terms of Policy Conformed to Statute: Terms of this policy which are in conflict with the statutes of the State wherein this policy is issued are hereby amended to conform to such statutes.

The terms and conditions of this form are to be regarded as substituted for those of the policy to which it is attached, the latter being hereby waived.

AUTHENTIC

_____ Agent.

000300

Transamerica Insurance Services

Official Insurer of the 1984 Olympics

Transamerica Insurance Company

Endorsement

ATTACHED TO AND FORMING A PART OF POLICY NUMBER	ENDORSEMENT EFFECTIVE (Standard Time) Mo.	Day	Yr.	12:01 A.M.	NOON	INSURED	PRODUCER AND CODE
IM 1913 48 04							

SCHEDULE OF PROPERTY

APPLE II MICRO-COMPUTER AND ALL PERIPHERALS

ALL OTHER TERMS AND CONDITIONS OF THIS POLICY REMAINED UNCHANGED

Authorized Representative

Date

Transamerica Insurance Services

Transamerica Insurance Group

Minicomputer Coverage

(Use Only With The Inland Transit Policy or Special Conditions Endorsement)

DECLARATIONS

No insurance is afforded under any of the following coverages unless specific limits of liability are provided for in Section I.

SECTION I. EQUIPMENT as per schedule attached to this policy

A. on Property of the Insured in the amount of
   (1) $ 10,000. located at 11876 BURKE, SANTA FE SPRINGS, CA.
   (2) $ _____ located at _____

B. On Property leased, rented, or under control of the Insured in the amount of
   (1) $ _____ located at _____
   (2) $ _____ located at _____

C. $ 10,000. while in Transit and while temporarily within other premises

D. VALUATION
   (1) ☐ Actual Cash Value with _____ % Coinsurance Clause
   (2) ☒ Replacement Cost with 90 % Coinsurance Clause

SECTION II. DATA, MEDIA, COMPUTER PROGRAMS

A. On Property of the Insured consisting of Data, Media and Computer Programs for up to 25% of the amount of Insurance at each premises covered in Section I or $10,000 at each premises, whichever is least.

B. Data, Media, Computer Programs in excess of 25% or $10,000

	Extra Amount	Total Coverage	
(1)	$ _____	_____	located at _____
(2)	$ _____	_____	located at _____

C. $ 2,500. while in Transit and while temporarily within other premises

D. ARTICLES WHICH CANNOT BE REPLACED MUST BE INSURED FOR A SPECIFIC AMOUNT

Specified coverage on Data, Media, Computer Programs

LOCATION	SPECIFIC ITEMS	NO. OF ITEMS	VALUE OF ITEMS	TOTAL

E. DATA OR MEDIA NOT TO BE INSURED

SECTION III. EXTRA EXPENSE

A. EXTRA EXPENSE as defined in Section III of the Minicomputer Supplement is covered for an amount not to exceed 25% of the amount of insurance at each location or $10,000, whichever is least.

B. Extra Expense in excess of 25% or $10,000

	Extra Amount	Total Amount	
(1)	$ _____	$ _____	at _____
(2)	$ _____	$ _____	at _____

SECTION IV. DEDUCTIBLE

A. This company shall not be liable for the first $ _____ of any one Loss and then only for the excess of such amount up to any applicable limit of liability.

B. The deductible amount shall be $100 or the amount shown above, whichever is higher.

Forms and endorsements made part of this policy at the time of issue:

IM

Attached to and forming part of Policy No. 1913 4804 of the TRANSAMERICA Insurance Company

EARL MANUFACTURING, INC. ETAL
Insured

HENDERSON'S INC. #645261 Agent

J 10355

000302

5-81

Transamerica Insurance Services

Transamerica Insurance Group

Data Processing Coverage
Combination Endorsement

If an ☒ is placed in the box preceding any of the following clauses, the policy to which this endorsement is attached is extended subject to its terms and conditions, to insure in accordance with the provisions of designated clause(s).

☐ COMBINED DEDUCTIBLE

The deductible amounts appearing in any of the following forms which may be attached to this policy are superceded;

☐ Section I _____ Equipment Form
☐ Section II Media, Data, Computer Programs
☐ Section III Extra Expenses
☐ Section IV Business Interruption

and the following substituted:

This company shall not be liable for the first $_____ of any one loss and then only for the excess of such amount up to any applicable limit of liability.

☒ BREAKDOWN COVERAGES

This policy is extended to cover losses caused by or resulting from:

a. Damage due to mechanical failure, faulty construction or error in design of the property insured.
b. Short circuit, blow-out or other electrical disturbance, other than lightning, within electrical apparatus.
c. Data processing media failure or breakdown or malfunction of the data processing system including equipment and component parts when said media is being run through the system;

This company shall not be liable for the first $ 2,500. of any one loss and then only for the excess of such amount up to any applicable limit of liability.

The maximum liability of the Company for loss or damage insured under the terms and conditions of this endorsement shall in no event exceed the limit of liability specified above for any one loss, disaster, or casualty, including expenses and charges, or all combined.

☒ EARTHQUAKE

In consideration of an additional premium of $ INCLUDED this policy is extended to cover losses caused by or resulting from Earthquake, volcanic eruption, landslide or other earth movement.

This company shall not be liable for the first $ 1,000. of any one such loss and then only for the excess of such amount up to any applicable limit of liability.

The maximum liability of the Company for loss or damage caused by Earthquake as defined above shall in no event exceed $ 15,000. for any one loss, disaster, or casualty, including expenses and charges, or all combined.

☐ FLOOD

In consideration of an additional premium of $_____ this policy is extended to cover losses caused by or resulting from Flood, meaning a general and temporary condition of partial or complete inundation of normally dry land areas from (1) the overflow of inland or tidal waters, (2) the unusual and rapid accumulation or runoff of surface waters from any source or (3) mudslides which are caused or precipitated by accumulation of water, on or under the ground.

This company shall not be liable for the first $_____ of any one Flood loss and then only for the excess of such amount up to any applicable limit of liability.

The maximum liability of the Company for loss or damage caused by flood as defined above shall in no event exceed $_____ for any one loss, disaster, or casualty, including expenses and charges, or all combined.

ALL OTHER TERMS AND CONDITIONS REMAINING UNCHANGED

Attached to and forming part of Policy No. IM 1913 48 04 of the TRANSAMERICA Insurance Company

EARL MANUFACTURING, INC. ETAL
Insured

HENDERSON'S INC. #645261
Agent

J 10263

000303

5-81

Transamerica Insurance Services

Transamerica Insurance Group

Transplan 7 Comprehensive Crime Coverage Endorsement — Crime Coverage —

This endorsement shall be attached to Policy No. 1913 48 04 of the

(herein called Company) TRANSAMERICA Insurance Company.

The Insuring Agreements, General Agreements, Conditions and Limitations and other terms of this endorsement shall apply only as specified herein and none of the provisions, stipulations and other terms of the policy to which this endorsement is attached shall apply to insurance hereunder unless so specified.

DECLARATIONS EARL MANUFACTURING, INC. ET AL

Item 1. Effective Period: from 12:01 a.m. JANUARY 1, 1984 to 12:01 a.m. on the
(Month, Day, Year)
effective date of the cancellation or termination of the policy to which this endorsement is attached, standard time at the location of designated premises shown in the policy to which this endorsement is attached as to each of said dates, unless this endorsement is canceled or terminated as hereinafter provided or in any other manner.

Table of Limits of Liability

Insuring Agreement IA	Employee Dishonesty (Commercial Blanket) Coverage	$ 250,000.00
Insuring Agreement IB	Employee Dishonesty (Blanket Position) Coverage	$ NONE
Insuring Agreement II	Loss Inside the Premises Coverage	$ NONE
Insuring Agreement III	Loss Outside the Premises Coverage	$ NONE
Insuring Agreement IV	Money Orders and Counterfeit Paper Currency Coverage	$ NONE
Insuring Agreement V	Depositors Forgery Coverage	$ 250,000.00
If added by endorsement: Insuring Agreement		$ NONE

Item 3. The liability of the Company is subject to the terms of the following endorsements attached hereto: SR5862, C12672, B12700 C12557, SR5211B, SR4817A, C12551A, C12555, SR5157B

Item 4. The Insured by the acceptance of this endorsement gives notice to the Company terminating or cancelling prior bond(s) or policy(ies) No.(s) N/A such termination or cancellation to be effective as of the time this endorsement becomes effective.

The Company, in consideration of the payment of the premium, and subject to the Declarations made a part hereof, the General Agreements, Conditions and Limitations and other terms of this endorsement agrees with the Insured, in accordance with such of the Insuring Agreements hereof as are specifically designated by the insertion of an amount of insurance in the Table of Limits of Liability of this endorsement, to pay the Insured for:

INSURING AGREEMENTS

EMPLOYEE DISHONESTY COMMERCIAL BLANKET COVERAGE

IA. Loss of Money, Securities and other property which the Insured shall sustain, to an amount not exceeding in the aggregate the amount stated in the Table of Limits of Liability applicable to this Insuring Agreement IA, resulting directly from one or more fraudulent or dishonest acts committeed by an Employee, acting alone or in collusion with others.

Dishonest or fraudulent acts as used in this Insuring Agreement shall mean only dishonest or fraudulent acts committed by such Employee with the manifest intent:

(a) to cause the Insured to sustain such loss; and

(b) to obtain financial benefit for the Employee, or for any other person or organization intended by the Employee to receive such benefit, other than salaries, commissions, fees, bonuses, promotions, awards, profit sharing, pensions or other employee benefits earned in the normal course of employment.

EMPLOYEE DISHONESTY BLANKET POSITION COVERAGE

IB. Loss of Money, Securities and other property which the Insured shall sustain resulting directly from one or more fraudulent or dishonest acts committed by an Employee, acting alone or in collusion with others, the amount of insurance on each of the Employees being the amount stated in the Table of Limits of Liability applicable to this Insuring Agreement IB.

Dishonest or fraudulent acts as used in this Insuring Agreement shall mean only dishonest or fraudulent acts committed by such Employee with the manifest intent:

(a) to cause the Insured to sustain such loss; and

(b) to obtain financial benefit for the Employee, or for any other person or organization intended by the Employee to receive such benefit, other than salaries, commissions, fees, bonuses, promotions, awards, profit sharing, pensions of other employee benefits earned in the normal course of employment.

LOSS INSIDE THE PREMISES COVERAGE

II. Loss of Money and Securities by the actual destruction, disappearance or wrongful abstraction thereof within the Premises or within any Banking Premises or similar recognized places of safe deposit.

Loss of (a) other property by Safe Burglary or Robbery within the Premises or attempt thereat, and (b) a locked cash drawer, cash box or cash register by felonious entry into such container within the Premises or attempt thereat or by felonious abstraction of such container from within the Premises or attempt thereat.

Damage to the Premises by such Safe Burglary, Robbery or felonious abstraction, or by or following burglarious entry into the Premises or attempt thereat, provided with respect to damage to the Premises the Insured is the owner thereof or is liable for such damage.

LOSS OUTSIDE THE PREMISES COVERAGE

III. Loss of Money and Securities by the actual destruction, disappearance or wrongful abstraction thereof outside the Premises while being conveyed by a Messenger or any armored motor vehicle company, or while within the living quarters in the home of any Messenger.

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Loss of other property by Robbery or attempt thereat outside the Premises while being conveyed by a Messenger or any armored motor vehicle company, or by theft while within the living quarters in the home of any Messenger.

MONEY ORDERS AND COUNTERFEIT PAPER CURRENCY COVERAGE

IV. Loss due to the acceptance in good faith, in exchange for merchandise. Money or services, of any post office or express money order, issued or purporting to have been issued by any post office or express company, if such money order is not paid upon presentation, or due to the acceptance in good faith in the regular course of business of counterfeit United States or Canadian paper currency.

DEPOSITORS FORGERY COVERAGE

V. Loss which the Insured or any bank which is included in the Insured's proof of loss and in which the Insured carries a checking or savings account, as their respective interests may appear, shall sustain through forgery or alteration of, on or in any check, draft, promissory note, bill of exhange, or similar written promise, order or direction to pay a sum certain in money, made or drawn by or drawn upon the Insured, or made or drawn by one acting as agent of the Insured, or purporting to have been made or drawn as hereinbefore set forth, including

(a) any check or draft made or drawn in the name of the Insured, payable to a fictitious payee and endorsed in the name of such fictitious payee;

(b) any check or draft procured in a face to face transaction with the Insured, or with one acting as agent of the Insured, by anyone impersonating another and made or drawn payable to the one so impersonated and endorsed by anyone other than the one so impersonated; and

(c) any payroll check, payroll draft or payroll order made or drawn by the Insured, payable to bearer as well as to a named payee and endorsed by anyone other than the named payee without authority from such payee:

whether or not any endorsement mentioned in (a), (b) or (c) be a forgery within the law of the place controlling the construction thereof.

Mechanically reproduced facsimile signatures are treated the same as handwritten signatures.

The Insured shall be entitled to priority of payment over loss sustained by any bank aforesaid. Loss under this Insuring Agreement, whether sustained by the Insured of such bank, shall be paid directly to the Insured in its own name, except in cases where such bank shall have already fully reimbursed the Insured for such loss. The liability of the Company to such bank for such loss shall be a part of and not in addition to the amount of insurance applicable to the Insured's office to which such loss would have been allocated had such loss been sustained by the Insured.

If the Insured or such bank shall refuse to pay any of the foregoing instruments made or drawn as hereinbefore set forth, alleging that such instruments are forged or altered, and such refusal shall result in suit being brought against the Insured or such bank to enforce such payment and the Company shall give its written consent to the defense of such suit, then any reasonable attorneys' fees, court costs, or similar legal expenses incurred and paid by the Insured or such bank in such defense shall be construed to be a loss under this Insuring Agreement and the liability of the Company for such loss shall be in addition to any other liability under this Insuring Agreement.

GENERAL AGREEMENTS

CONSOLIDATION-MERGER

A. If, through consolidation or merger with or purchase of assets of, some other concern, any persons shall become Employees, the insurance afforded by this endorsement shall also apply as respects such Employees, provided the Insured shall give the Company written notice thereof within thirty days thereafter and shall pay the Company an additional premium computed pro rata from the date of such consolidation, merger or purchase to the end of the current premium period.

JOINT INSURED

B. If more than one Insured is covered under this endorsement, the Insured first named shall act for itself and for every other Insured for all purposes of this endorsement. Knowledge possessed or discovery made by any Insured or by any partner or officer thereof shall, for the purposes of Sections 7, 8 and 15, constitute knowledge possessed or discovery made by every Insured. Cancellation of the insurance hereunder as respects any Employee as provided in Section 15 shall apply to every insured, if, prior to the cancellation or termination of this endorsement, this endorsement or any Insuring Agreement hereof is canceled or terminated as to any Insured, there shall be no liability for any loss sustained by such Insured unless discovered within one year from the date of such cancellation or termination, or as respects Insuring Agreement IB, within two years therefrom. Payment by the Company to the Insured first named of any loss under this endorsement shall fully release the Company on account of such loss. If the Insured first named ceases for any reason to be covered under this endorsement, then the Insured next named shall thereafter be considered as the Insured first named for all purposes of this endorsement.

LOSS UNDER PRIOR BOND OR POLICY

C. If the coverage of an Insuring Agreement of this endorsement other than Insuring Agreement V, is substituted for any prior bond or policy of insurance carried by the Insured or by any predecessor in interest of the Insured, which prior bond or policy is terminated, canceled or allowed to expire as of the time of such substitution, the Company agrees that such Insuring Agreement applies to loss which is discovered as provided in Section 1 of the Conditions and Limitations and which would have been recoverable by the Insured or such predecessor under such prior bond or policy except for the fact that the time within which to discover loss thereunder had expired; provided:

(1) the insurance under this General Agreement C shall be a part of and not in addition to the amount of insurance afforded by the applicable Insuring Agreement of this endorsement;

(2) such loss would have been covered under such Insuring Agreement had such Insuring Agreement with its agreements, conditions and limitations as of the time of such substitution been in force when the acts or events causing such loss were committed or occurred; and

(3) recovery under such Insuring Agreement on Account of such loss shall in no event exceed the amount which would have been recoverable under such Insuring Agreement in the amount for which it is written as of the time of such substitution, had such Insuring Agreement been in force when such acts or events were committed or occurred, or the amount which would have been recoverable under such prior bond or policy had such prior bond or policy continued in force until the discovery of such loss, if the latter amount be smaller.

Insuring Agreement V shall also cover loss sustained by the Insured at any time before the termination or cancellation of Insuring Agreement V, which would have been recoverable under the coverage of some similar form of forgery insurance (exclusive of fidelity insurance) carried by the Insured or any predecessor in interest of the Insured, had such prior forgery insurance given all of the coverage afforded under Insuring Agreement V; provided, with respect to loss covered by this paragraph:

(a) the coverage of Insuring Agreement V is substituted on or after the date hereof for such prior forgery coverage and the

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Insured or such predecessor, as the case may be, carried such prior forgery coverage on the office at which such loss was sustained continuously from the time such loss was sustained to the date the coverage of Insuring Agreement V was substituted therefor;

(b) at the time of discovery of such loss, the period for discovery of loss under all such prior forgery insurance has expired; and

(c) if the amount of insurance carried under Insuring Agreement V applicable to the office at which such loss is sustained is larger than the amount applicable to such office under such prior forgery insurance and in force at the time such loss is sustained, then liability hereunder for such loss shall not exceed the smaller amount.

THE FOREGOING INSURING AGREEMENTS AND GENERAL AGREEMENTS ARE SUBJECT TO THE FOLLOWING CONDITIONS AND LIMITATIONS:

EFFECTIVE PERIOD, TERRITORY, DISCOVERY

Section 1. Loss is covered under Insuring Agreement IB of this endorsement only if discovered not later than two years from the end of the Effective Period of this endorsement. Except under Insuring Agreement IB, loss is covered under this endorsement only if discovered not later than one year from the end of such Effective Period.

Subject to General Agreement C:

(a) this endorsement, except under Insuring Agreement IA, IB and V, applies only to loss which occurs during the Effective Period of this endorsement within any of the States of the United States of America, the District of Columbia, Virgin Islands, Puerto Rico, Canal Zone or Canada;

(b) Insuring Agreements IA and IB apply only to loss sustained by the Insured through fraudulent or dishonest acts committed during the Effective Period of this endorsement by any of the Employees engaged in the regular service of the Insured within the territory designated above or while such Employees are elsewhere for a limited period;

(c) Insuring Agreement V applies only to loss sustained during the Effective Period of this endorsement.

EXCLUSIONS

Section 2. This endorsement does not apply:

(a) to loss due to any fraudulent, dishonest or criminal act by any Insured or a partner therein, whether acting alone or in collusion with others;

(b) to the defense of any legal proceeding brought against the Insured, or to fees, costs or expenses incurred or paid by the Insured in prosecuting or defending any legal proceeding whether or not such proceeding results or would result in a loss to the Insured covered by this Policy.

(c) under Insuring Agreement IA or IB, to loss, or to that part of any loss, as the case may be, the proof of which, either as to its factual existence or as to its amount, is dependent upon an inventory computation or a profit and loss computation;

(d) under Insuring Agreements II and III, to loss due to any fraudulent, dishonest or criminal act by any Employee, director, trustee or authorized representative of any Insured, while working or otherwise and whether acting alone or in collusion with others; provided, this Exclusion does not apply to Safe Burglary or Robbery or attempt thereat;

(e) under Insuring Agreements II and III, to loss due to war, whether or not declared, civil war, insurrection rebellion or revolution, or to any act or condition incident to any of the foregoing;

(f) under Insuring Agreements II and III, to loss (1) due to the giving or surrendering of Money or Securities in any exchange or purchase; (2) due to accounting or arithmetical errors or omissions; or (3) of manuscripts, books of account or records;

(g) under Insuring Agreement II, to loss of Money contained in coin operated amusement devices or vending machines, unless the amount of Money deposited within the device or machine is recorded by a continuous recording instrument therein;

(h) under Insuring Agreement III, to loss of insured property while in the custody of any armored motor vehicle company, unless such loss is in excess of the amount recovered or received by the Insured under (1) the Insured's contract with said armored motor vehicle company, (2) insurance carried by said armored motor vehicle company for the benefit of users of its service, and (3) all other insurance and indemnity in force in whatsoever form carried by or for the benefit of users of said armored motor vehicle company's service, and then this endorsement shall cover only such excess;

(i) under Insuring Agreement II, to loss, other than to money, securities, a safe or vault, by fire whether or not such fire is caused by, contributed to by, or arises out of the occurrence of a hazard insured against.

(j) under Insuring Agreements II and III, to loss due to nuclear reaction, nuclear radiation or radioactive contamination, or to any act or condition incident to any of the foregoing.

(k) to and the Company is not liable for:

(1) Potential income, including but not limited to interest and dividends, not realized by the Insured because of a loss covered under this Policy.

(2) All damages of any type for which the Insured is legally liable, except direct compensatory damages arising from a loss covered under this Policy.

(3) All costs, fees and other expenses incurred by the Insured in establishing the existence of or the amount of loss covered under this Policy.

DEFINITIONS

Section 3. The following terms, as used in this endorsement, shall have the respective meanings stated in this Section:

"Money" means currency, coins, bank notes and bullion; and travelers checks, register checks and money orders held for sale to the public.

"Securities" means all negotiable and non-negotiable instruments or contracts representing either Money or other property and includes revenue and other stamps in current use, tokens and tickets, but does not include Money.

"Employee" means any natural person (except a director or trustee of the Insured, if a corporation, who is not also an officer or employee thereof in some other capacity) while in the regular service of the Insured in the ordinary course of the Insured's business during the Effective Period of this endorsement and whom the Insured compensates by salary, wages or commissions and has the right to govern and direct in the performance of such service, but does not mean any broker, factor, commission merchant, consignee, contractor or other agent or representative of the same general character. As applied to loss under Insuring Agreement IA or IB the above words "while in the regular service of the Insured" shall include the first 30 days thereafter; subject, however, to Sections 15 or 16.

"Premises" means the interior of that portion of any building which is occupied by the Insured in conducting its business.

"Banking Premises" means the interior of that portion of any building which is occupied by a banking institution in conducting its business.

"Messenger" means the Insured or a partner of the Insured or any Employee who is duly authorized by the Insured to have the care and custody of the insured property outside the Premises.

"Custodian" means the Insured or a partner of the Insured or any Employee who is duly authorized by the Insured to have the care and custody of the insured property within the Premises, excluding any person while acting as a watchman, porter or janitor.

"Robbery" means the taking of insured property (1) by violence inflicted upon a Messenger or a Custodian; (2) by putting him in fear of violence; (3) by any other overt felonious act committed in his presence and of which he was actually cognizant, provided such other act is not committed by a partner of Employee of the Insured; (4) from the person or direct care and custody of a Messen-

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ger or Custodian who has been killed or rendered unconscious; or (5) under Insuring Agreement II, (a) from within the Premises by means of compelling a Messenger or Custodian by violence or threat of violence while outside the Premises to admit a person into the Premises or to furnish him with means of ingress into the Premises, or (b) from a showcase or show window within the Premises while regularly open for business by a person who has broken the glass thereof from outside the Premises.

"Safe Burglary" means (1) the felonious abstraction of insured property from within a vault or safe, the door of which is equipped with a combination lock, located within the Premises by a person making a felonious entry into such vault or such safe and any vault containing the safe, when all doors thereof are duly closed and locked by all combination locks thereon, provided such entry shall be made by actual force and violence, of which force and violence there are visible marks made by tools, explosives, electricity or chemicals upon the exterior of (a) all of said doors of such vault or such safe and any vault containing the safe, if entry is made through such doors, or (b) the top, bottom or walls of such vault or such safe and any vault containing the safe through which entry is made, if not made through such doors, or (2) the felonious abstraction of such safe from within the Premises.

"Loss" except under Insuring Agreements IA, IB and V, includes damage.

LOSS CAUSED BY UNIDENTIFIABLE EMPLOYEE

Section 4. If loss is alleged to have been caused by the fraud or dishonesty of any one or more of the Employees covered under Insuring Agreement IA or IB, as the case may be, and the Insured shall be unable to designate the specific Employee or Employees causing such loss, the Insured shall nevertheless have the benefit of such applicable Insuring Agreement subject to the provisions of Section 2 (b) of this endorsement provided that the evidence submitted reasonably proves that the loss was in fact due to the fraud or dishonesty of one or more of the said Employees, and provided, further, that the aggregate liability of the Company for any such loss shall not exceed the Limit of Liability applicable to such Insuring Agreement.

OWNERSHIP OF PROPERTY; INTERESTS COVERED

Section 5. The insured property may be owned by the Insured or held by the Insured in any capacity whether or not the Insured is liable for the loss thereof, or may be property as respects which the Insured is legally liable; provided, Insuring Agreements II, III and IV apply only to the interest of the Insured in such property, including the Insured's liability to others, and do not apply to the interest of any other person or organization in any of said property unless included in the Insured's proof of loss, in which event the third paragraph of Section 8 is applicable to them.

BOOKS AND RECORDS

Section 6. The Insured shall keep records of all the insured property in such manner that the Company can accurately determine therefrom the amount of loss.

PRIOR FRAUD, DISHONESTY OR CANCELLATION

Section 7. The coverage of Insuring Agreement IA or IB shall not apply to any Employee from and after the time that the Insured or any partner or officer thereof not in collusion with such Employee shall have knowledge or information that such Employee has committed any fraudulent or dishonest act in the service of the Insured or otherwise, whether such act be committed before or after the date of employment by the Insured.

If, prior to the issuance of this endorsement, any fidelity insurance in favor of the Insured or any predecessor in interest of the Insured and covering one or more of the Insured's Employees shall have been canceled as to any of such Employees by reason of the giving or written notice of cancellation by the insurer issuing such fidelity insurance whether the Company or not, and if such Employees shall not have been reinstated under the coverage of said fidelity insurance or superseding fidelity insurance, the Company shall not be liable on account of such Employees unless the Company shall agree in writing to include such Employees within the coverage of Insuring Agreement IA or IB, as the case may be.

LOSS; NOTICE; PROOF; ACTION AGAINST COMPANY

Section 8. Upon knowledge or discovery of loss or of an occurrence which may give rise to a claim for loss, the Insured shall: (a) give notice thereof as soon as practicable to the Company or any of its authorized agents and, except under Insuring Agreements IA or IB, and V, also to the police if the loss is due to a violation of law; (b) file detailed proof of loss, duly sworn to, with the Company within four months after the discovery of loss.

Proof of loss under Insuring Agreement V shall include the instrument which is the basis of claim for such loss, or if it shall be impossible to file such instrument, the affidavit of the Insured or the Insured's bank of deposit setting forth the amount and cause of loss shall be accepted in lieu thereof.

Upon the Company's request, the Insured shall submit to examination by the Company, subscribe the same, under oath if required, and produce for the Company's examination all pertinent records, all at such reasonable times and places as the Company shall designate, and shall cooperate with the Company in all matters pertaining to loss or claims with respect thereto.

No action shall lie against the Company unless, as a condition precedent thereto, there shall have been full compliance with all the terms of this endorsement nor until ninety days after the required proofs of loss have been filed with the Company, nor at all unless commenced within two years from the date when the Insured discovers the loss. If any limitation of time for notice of loss or any legal proceeding herein contained is shorter than that permitted to be fixed by agreement under any statute controlling the construction of this endorsement the shortest permissible statutory limitation of time shall govern and shall supersede the time limitation herein stated.

VALUATION; PAYMENT; REPLACEMENT

Section 9. In no event shall the Company be liable as respects Securities for more than the actual cash value thereof at the close of business on the business day next preceding the day on which the loss was discovered, nor as respects other property, for more than the actual cash value thereof at the time of loss; provided, however, the actual cash value of such other property held by the Insured as a pledge, or as collateral for an advance or a loan, shall be deemed not to exceed the value of the property as determined and recorded by the Insured when making the advance or loan, nor, in the absence of such record, the unpaid portion of the advance or loan plus accrued interest thereon at legal rates.

The Company may, with the consent of the Insured, settle any claim for loss of property with the owner thereof. Any property for which the Company has made indemnification shall become the property of the Company.

In case of damage to the Premises or loss of property other than Securities, the Company shall not be liable for more than the actual cash value of such property, or for more than the actual cost of repairing such Premises or property or of replacing same with property or material of like quality and value. The Company may, at its election, pay such actual cash value, or make such repairs or replacements. If the Company and the Insured cannot agree upon such cash value or such cost of repairs or replacements, such cash value or such cost shall be determined by arbitration.

RECOVERIES

Section 10. If the Insured shall sustain any loss covered by this endorsement which exceeds the applicable amount of insurance hereunder, the Insured shall be entitled to all recoveries (except from suretyship, insurance, reinsurance, security or indemnity taken by or for the benefit of the Company) by whomsoever made on account of such loss under this endorsement until fully reimbursed, less the actual cost of effecting the same; and remainder shall be applied to the reimbursement of the Company.

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LIMITS OF LIABILITY

Section 11. Payment of loss under Insuring Agreement IA, IB or V, shall not reduce the Company's liability for other losses under the applicable Insuring Agreement whenever sustained. The Company's total liability (a) under Insuring Agreement IA for all loss caused by any Employee or in which such Employees is concerned or implicated, (b) under Insuring Agreement IB as to each Employee or (c) under Insuring Agreement V for all loss by forgery or alteration committed by any person or in which such person is concerned or implicated, whether such forgery or alteration involves one or more instruments, is limited to the applicable amount of insurance specified in the Table of Limits of Liability or endorsement amendatory thereto. The liability of the Company for loss sustained by any or all of the Insured shall not exceed the amount for which the Company would be liable had all such loss been sustained by any one of the Insured.

Except under Insuring Agreements IA, IB and V the applicable limit of liability stated in the Table of Limits of Liability of this endorsement is the total limit of the Company's liability with respect to all loss of property of one or more persons or orgainzations arising out of any one occurrence. All loss incidental to an actual or attempted fraudulent, dishonest or criminal act or series of related acts at the Premises, whether committed by one or more persons, shall be deemed to arise out of one occurrence.

Regardless of the number of years this endorsement shall continue in force and the number of premiums which shall be payable or paid, the limit of the Company's liability as specified in the Table of Limits of Liability of this endorsement shall not be cumulative year to year or period to period.

LIMIT OF LIABILITY UNDER THIS ENDORSEMENT AND PRIOR INSURANCE

Section 12. This Section shall apply only to Insuring Agreements IA, IB and V.

With respect to loss caused by any person (whether one of the Employees or not) or in which such person is concerned or implicated or which is chargeable to any Employee as provided in Section 4 and which occurs partly during the Effective Period of this endorsement and partly during the period of other bonds or policies issued by the Company to the Insured or to any predecessor in interest of the Insured and terminated or canceled or allowed to expire and in which the period for discovery has not expired at the time any such loss thereunder is discovered, the total liability of the Company under this endorsement and under such other bonds or policies shall not exceed, in the aggregate, the amount carried under the applicable Insuring Agreement of this endorsement on such loss or the amount available to the Insured under such other bonds or policies, as limited by the terms and conditions thereof, for any such loss, if the latter amount be the larger.

OTHER INSURANCE

Section 13. If there is available to the Insured any other insurance or indemnity covering any loss covered by Insuring Agreement IA, IB or V the Company shall be liable hereunder only for that part of such loss which is in excess of the amount recoverable or recovered from such other insurance or indemnity, except that if such other insurance or indemnity is a bond or policy of fidelity insurance, any loss covered under both such fidelity insurance and Insuring Agreement V shall first be paid under Insuring Agreement V. Any loss covered under both Insuring Agreements IA and IB and also under Insuring Agreement V shall be first paid under Insuring Agreement V and the excess, if any, shall be paid under Insuring Agreement IA or IB, as the case may be. The company waives any right of contribution which it may have against any forgery insurance carried by any depository bank which is indemnified under Insuring Agreement V.

Under any other Insuring Agreement, if there is any other valid and collectible insurance which would apply in the absence of such Insuring Agreement, the Insurance under this endorsement shall apply only as excess insurance over such other insurance; provided, the insurance shall apply (a) to property which is separately described and enumerated and specifically insured in whole or in part by any other insurance; or (b) to property otherwise insured unless such property is owned by the Insured.

SUBROGATION

Section 14. In the event of any payment under this policy, the Company shall be subrogated to all the insured's rights of recovery against any person or organization and the insured shall execute and deliver instrument and papers and do whatever else is necessary to secure such rights. The insured shall do nothing after loss to prejudice such rights.

CANCELLATION AS TO ANY EMPLOYEE

Section 15. Insuring Agreements IA or IB shall be deemed cancelled as to any Employee: (a) immediately upon discovery by the Insured, or by any partner or officer thereof not in collusion with such Employee, of any fraudulent or dishonest act on the part of such Employee; or (b) at 12:01 A.M., standard time as aforesaid, upon the effective, date specified in a written notice mailed to the Insured. Such date shall be not less than ten days after the date of mailing. The mailing by the Company of notice as aforesaid to the Insured at the mailing address shown in the policy to which this endorsement is attached shall be sufficient proof of notice. Delivery of such written notice by the Company shall be equivalent to mailing.

CANCELLATION OF ENDORSEMENT OR INSURING AGREEMENT

Section 16. This endorsement or any Insuring Agreement thereof may be cancelled by the Insured by mailing to the Company written notice stating when thereafter the cancellation shall be effective. This endorsement or any such Insuring Agreement may be cancelled by the Company by mailing to the Insured at the mailing address shown in this policy to which this endorsement is attached written notice stating when not less than ten days thereafter such cancellation shall be effective. The mailing of notice as aforesaid shall be sufficient proof of notice. The effective date of cancellation stated in the notice shall become the end of the Effective Period of this endorsement for any affected Insuring Agreement. Delivery of such written notice either by the Insured or by the Company shall be equivalent to mailing.

If the Insured cancels, earned premium shall be computed in accordance with the customary short rate table and procedure. If the Company cancels, earned premium shall be computed pro rata. Premium adjustment may be made either at the time cancellation is effected or as soon as practicable after cancellation becomes effective, but payment or tender of unearned premium is not a condition of cancellation.

NO BENEFIT TO BAILEE

Section 17. This Section shall apply only to Insuring Agreements II and III.

This insurance shall not inure directly or indirectly to the benefit of any carrier or other bailee.

ASSIGNMENT

Section 18. Assignment of interest under this policy shall not bind the Company until its consent is endorsed hereon. However, if the named insured shall die, this insurance shall apply:

(a) to the named insured's legal representative, as the named insured, but only while acting within the scope of his duties as such; or

(b) to the person having temporary custody of the property of the named insured but only until the appointment and qualification of the legal representative.

CHANGES

Section 19. The terms of this insurance shall not be waived, changed or modified except by endorsement issued to form a part of this policy.

This Endorsement must be attached to Change Endorsement when issued after the Policy is written.

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CALIFORNIA PREMIUM RIDER

To be attached to and form part of Bond No. 1913 48 04

in favor of SEE NAMED INSURED RIDER

It is agreed that:

1. In compliance with the ruling of the Commissioner of Insurance of the State of California and the Opinion of the Attorney-General of that State requiring that the premium for all bonds or policies be endorsed thereon, the basic premium charged for the attached bond for the period

from JANUARY 1, 1984

to JANUARY 1, 1985

is NINE HUNDRED FOURTEEN AND NO/100----------Dollars ($914.00------).

2. This rider is effective as of noon on JANUARY 1, 1984

CALIFORNIA PREMIUM RIDER
FOR USE WITH ALL FORMS OF STANDARD BONDS, TO COMPLY WITH RULINGS OF THE INSURANCE COMMISSIONER AND THE ATTORNEY-GENERAL.
REVISED TO AUGUST, 1968.
SR 5862 Printed in U.S.A.

ENDORSEMENT 32

Revised to October, 1979

To be attached to and form part of Policy No. 1913 48 04

issued to SEE NAMED INSURED RIDER

It is agreed that:

1. Insuring Agreement I does not apply to any loss resulting directly or indirectly from trading, whether in the name of the Insured or in a genuine or fictitious account.

2. This endorsement is effective as of 12:01 a.m. on JANUARY 1, 1984 standard time as specified in the Policy.

Accepted:

COMPREHENSIVE 3-D—BLANKET CRIME POLICIES
WHEN ISSUED TO ANY COMMODITY BROKERAGE HOUSE, OR ANY MUTUAL FUND OR ITS SALES REPRESENTATIVE, OR ANY OTHER ORGANIZATION ENGAGED IN TRADING ACTIVITY, TO EXCLUDE TRADING LOSSES.

SR 5211b Printed in U.S.A.

013000

RIDER

To be attached to and form part of Bond No. 1913 48 04

in favor of SEE NAMED INSURED RIDER

It is agreed that:

1. The Deductible Amount applicable under the attached bond to loss sustained through acts or defaults committed by Employees shall not apply to loss sustained by any Employee Welfare Benefit Plan or Employee Pension Benefit Plan covered under such bond through acts or defaults committed by any Employee of any such Plan.

2. This rider is effective as of noon on JANUARY 1, 1984

RIDER

FOR USE WITH ALL FORMS OF STANDARD BONDS SUBJECT TO AN UNDERWRITING DEDUCTIBLE AND UNDER WHICH ONE OR MORE EMPLOYEE WELFARE BENEFIT PLANS OR EMPLOYEE PENSION BENEFIT PLANS ARE COVERED, TO PROVIDE THAT THE DEDUCTIBLE APPLICABLE TO ACTS OR DEFAULTS OF EMPLOYEES DOES NOT APPLY TO ANY SUCH PLANS.

REVISED TO JULY, 1964.

NOTE: This rider is to be used only when the bond to which it is attached is subject to an Underwriting Deductible, i. e. one in the amount of $1,000 or less.

SR 5817a Printed in U.S.A.

RIDER

To be attached to and form part of Bond No. 1913 48 04

in favor of SEE NAMED INSURED RIDER

It is agreed that:

1. The word Employee, as used in the attached bond, shall also include any natural person who is a director or trustee of the Insured while such director or trustee is engaged in handling funds or other property of any Employee Welfare or Pension Benefit Plan owned, controlled or operated by the Insured or any natural person who is a trustee, manager, officer or employee of any such Plan.

2. This rider is effective as of noon on JANUARY 1, 1984

WELFARE AND PENSION PLAN RIDER
FOR USE WITH ALL FORMS OF STANDARD BONDS TO COVER DIRECTORS OR TRUSTEES OF THE INSURED WHILE HANDLING FUNDS OR OTHER PROPERTY OF THE INSURED'S WELFARE OR PENSION PLANS AND TO COVER TRUSTEES, MANAGERS, OFFICERS AND EMPLOYEES OF SUCH PLANS.
REVISED TO JANUARY, 1963.

SR 5137b Printed in U.S.A.

Transamerica Insurance Services

Transamerica Insurance Group

1913 48 04

Coverage for Specified Named Insureds

It is agreed that:

With respect to Transplan 7 Comprehensive Crime Coverage Endorsement Insuring Agreements IA, IB, and V or Transplan 7 Blanket Crime Endorsement Insuring Agreements I and V to which this endorsement is attached,

Coverage shall apply to the following named insured(s) only:

EARL MANUFACTURING, INC.

EARL MFG. CO. INC. PENSION PLAN

EARL MFG. CO. INC. MEDICAL PLAN

Transamerica Insurance Services

Transamerica Insurance Group

1913 48 04

RIDER

Individual employee applications may be requested by the Company. Should the Company, in its sole discretion, decide to conduct a background investigation based on that application, the insured will be notified in writing. Absent such written notification a background investigation will not be conducted.

Any action undertaken by the Company in regard to the individual employee application is not intended nor should it be understood to be a representation on the fitness or lack of fitness of the applicant as an employee,

APPLICATION INVESTIGATION RIDER

FOR USE WITH ALL FORMS PROVIDING BLANKET FIDELITY COVERAGE TO SET FORTH COMPANY POLICY REGARDING INVESTIGATION OF INDIVIDUAL EMPLOYEE APPLICATIONS.

1913 48 04

Extortion Exclusion Endorsement

It is agreed that:

With respect to Transplan 7 Comprehensive Crime Coverage Endorsement or Transplan 7 Blanket Crime Coverage Endorsement to which this endorsement is attached:

1. The policy does not apply to loss due to the surrender of money, securities or other property away from the premises as a result of a threat to do
   (a) bodily harm to any person, or
   (b) damage to the Premises or property owned by the Insured or held by the Insured in any capacity;

provided, however, these exclusions do not apply:

(1) to Insuring Agreement IA or IB of Transplan 7 Comprehensive Crime Coverage Endorsement if coverage is afforded thereunder, or Insuring Agreement I of Transplan 7 Blanket Crime Coverage Endorsement, or

(2) under Insuring Agreement III of Transplan 7 Comprehensive Crime Coverage Endorsement if coverage is afforded thereunder, or Insuring Agreement III of Transplan 7 Blanket Crime Coverage Endorsement, to loss of Money, Securities or other property while being conveyed by a Messenger when there was no knowledge by the Insured of any such threat at the time the conveyance was initiated.

This Endorsement must be attached to Change Endorsement when issued after the Policy is written.

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DEDUCTIBLE ON IA, II OR III

It is agreed that, with respect to Transplan 7 Comprehensive Crime Coverage Endorsement to which this endorsement is attached:

1. The Company shall not be liable under Insuring Agreement IA on account of loss through acts or defaults committed at any time, whether before or after this endorsement is effective, by any Employee or in which such Employee is concerned or implicated, unless the amount of such loss, after deducting the net amount of all reimbursement and recovery, including any cash deposit taken by the Insured, obtained or made by the Insured, other than from any bond or policy of insurance issued by a surety of insurance company and covering such loss, or by the Company on account thereof prior to payment by the Company of such loss, shall be in excess of ONE THOUSAND AND NO/100---------- Dollars ($ 1,000.00----) and then for such excess only, but in no event for more than the amount of insurance carried under Insuring Agreement IA on such loss.

2. The Company shall not be liable under Insuring Agreement II on account of any loss, except to the extent such loss is in excess of N/A Dollars ($ N/A), with the insurance then applying to such excess only, subject otherwise to the applicable limit of the Company's liability.

3. The Company shall not be liable under Insuring Agreement III on account of any loss, except to the extent such loss is in excess of N/A Dollars ($ N/A), with the insurance then applying to such excess only, subject otherwise to the applicable limit of the Company's liability.

4. In no event shall the Company be liable under any Insuring Agreement, as modified by this endorsement, for more than the amount specified in the Table of Limits of Liability as applicable to such Insuring Agreement subject, however, to Section 11.

5. Section 10 is deleted and the following inserted:

> "Section 10. If the Insured shall sustain any loss covered by this endorsement to which a deductible amount applies and such loss exceeds the applicable amount of insurance hereunder plus such Deductible Amount, the Insured shall be entitled to all recoveries made after payment by the Company of loss covered by this endorsement (except from suretyship, insurance, reinsurance, security or indemnity taken by or for the benefit of the Company) by whomsoever made, less the actual cost of effecting such recoveries, until reimbursed for such excess loss; and any remainder, or, if there be no such excess loss, any such recoveries shall be applied first in reimbursement of the Company and thereafter in reimbursement of the Insured for that part of such loss within such Deductible Amount."

6. The Insured shall, within the time and in the manner prescribed in the said Transplan 7 Comprehensive Crime Coverage Endorsement, give the Company notice of any loss of the kind covered by Insuring Agreement IA whether or not the Company is liable therefor or for any part thereof, and upon the request of the Company shall file with it a brief statement giving the particulars concerning such loss.

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FORGERY DEDUCTIBLE ON V

(For use with Form C10762A only)

It is agreed that, with respect to Transplan 7 Comprehensive Crime Coverage Endorsement, Form C10762A, to which this endorsement is attached:

1. The Company shall not be liable under Insuring Agreement V on account of any loss through forgery or alteration committed by any person or in which such person is concerned or implicated, whether such forgery or alteration involves one or more instruments, unless such loss shall exceed

ONE THOUSAND AND NO/100---------- Dollars ($ 1,000.00-----)

and then for such excess only but in no event for more than the amount of insurance carried under Insuring Agreement V on such loss.

2. The Insured shall, within the time and in the manner prescribed in the Policy, give the Company notice of any loss of the kind covered by Insuring Agreement V whether or not the Company is liable therefor or for any part thereof, and upon the request of the Company shall file with it a brief statement giving the particulars concerning such loss.

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INDIVIDUAL AS NAMED INSURED

IT IS AGREED THAT IF ANY NAMED INSURED DESIGNATED IN THE DECLARATIONS IS AN INDIVIDUAL, COVERAGE UNDER THE COMMERCIAL UMBRELLA SECTION FOR SUCH INDIVIDUAL NAMED INSURED SHALL APPLY ONLY WITH RESPECT TO THE CONDUCT OF A BUSINESS OF WHICH HE/SHE IS THE SOLE PROPRIETOR AND THE BUSINESS NAMED IN THE DECLARATIONS OF THIS POLICY.

THE TERM "BUSINESS" INCLUDES TRADE, PROFESSION OR OCCUPATION AND THE OWNERSHIP, MAINTENANCE OR USE OF FARMS, AND OF PROPERTY RENTED IN WHOLE OR IN PART TO OTHERS, OR HELD FOR SUCH RENTAL, BY THE NAMED INSURED.

THE FOLLOWING USE OF THE INDIVIDUAL NAMED INSURED'S PROPERTY SHALL NOT CONSTITUTE BUSINESS:

(1) OCCASIONAL RENTAL OF THE INDIVIDUAL NAMED INSURED'S RESIDENCE.

(2) RENTAL IN WHOLE OR IN PART TO OTHERS OF A ONE OR TWO FAMILY DWELLING USUALLY OCCUPIED IN PART BY THE INDIVIDUAL NAMED INSURED AS A RESIDENCE, UNLESS SUCH RENTAL IS FOR THE ACCOMMODATION OF MORE THAN TWO ROOMERS OR BOARDERS.

(3) RENTAL OF SPACE IN THE INDIVIDUAL NAMED INSURED'S RESIDENCE FOR OFFICE, SCHOOL, OR STUDIO, OCCUPANCY.

(4) RENTAL OR HOLDING FOR RENTAL NOT MORE THAN THREE CAR SPACES OR STALLS IN GARAGES OR STABLES.

Transamerica
Insurance Services

ISSUED BY THE INSURANCE COMPANY
INDICATED BY AN "X"

☒ Transamerica Insurance Company
Home Office: Los Angeles, California

☐

Policy No. 30215191
Replacement No.
1935 21 91

Common Policy - Declarations

NAMED INSURED AND ADDRESS:
EARL MANUFACTURING INC. AND WILLIAM E. EARL
AND DOT A. EARL, H/W AS INDIVIDUALS
11862 BURKE STREET, SANTA FE SPRINGS, CA. 90670

POLICY PERIOD: From 1-1-88 to 1-1-89
at 12:01 a.m. Standard Time at your mailing address shown above.

BUSINESS DESCRIPTION: METAL PARTS MFG.

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

This policy consists of the following coverage parts and separate policies for which a premium is indicated. This premium may be subject to adjustment.

	PREMIUM
Commercial Property Coverage Part	$ 7,669.00
Commercial General Liability Coverage Part	$ 21,412.00
Commercial Inland Marine Coverage Part	$ 433.00
Commercial Crime Coverage Part	$
Commercial Auto Coverage Part	$ 8,777.00
Umbrella Policy	$
	$
	$
	$
	$
	$
Minimum Premium	$ 500.00
TOTAL PREMIUM	$ 38,656.36 INCL.

MANDATORY CIGA SURCHARGE
AUTO: 70.22
OTHER: 295.14

FORMS APPLICABLE TO ALL COVERAGE PARTS: IL 00 17 11 85 ✓
IL 02 70 3 87 ✓

1-22-88/BF

HENDERSONS INC. #645261

COUNTERSIGNED _____ by _____
DATE AUTHORIZED REPRESENTATIVE

619000

IN WITNESS WHEREOF, the Company has caused this policy to be signed by its president and secretary and countersigned on the declarations page by a duly authorized representative of the company.

Transamerica Insurance Company

SECRETARY

PRESIDENT

Transamerica Premier Insurance Company

SECRETARY

PRESIDENT

Transamerica Insurance Corporation of America

SECRETARY

PRESIDENT

Transamerica Indemnity Company

SECRETARY

PRESIDENT

Transamerica Insurance Company of New York

SECRETARY

PRESIDENT

Transamerica Insurance Company of Michigan

SECRETARY

PRESIDENT

Transamerica Insurance Company of Texas

SECRETARY

PRESIDENT

MEMO FROM HENDERSONS, INC. INSURANCE BROKERS

P.O. BOX 9017
WHITTIER, CALIFORNIA 90608
TELEPHONE: (213) 698-9644
BOB HENDERSON, PRESIDENT

X23

To TRANSAMERICA INSURANCE

Date 02-01-88

Subject EARL MANUFACTURING, INC.

3021 51 91

Attention STEVE ANDY/DON McCUNE

WE ARE RETURNING THE ABOVE CAPTIONED POLICY FOR FLAT CANCELLATION.

BECAUSE WE DID NOT HAVE THE POLICY PRIOR TO JANUARY 1, 1988 INSURED REPLACED THE COVERAGE WITH ANOTHER AGENT.

THANK YOU.

HENDERSONS, INC.
Joyce Johnson

OK TO FLAT ¢
EFF 1/1/88

STEVEN M ANDY
FEB 4 1988

000321

Policy Source

Iron Mountain: LAX04100983

Ranger Insurance: _____

CFI _____

ASI LJ8763

New England Documents: _____

_____

CD Dept: _____

Latent Dept: _____

Counsel: _____

Insured: _____

Coverage Volume: _____

Historical Volume: _____

Claim File: _____

Producer: _____

Affiliate: _____

Other: _____

THERE MAY BE ONE OR MORE POOR QUALITY DOCUMENTS WITHIN THIS FOLDER

Transamerica Insurance Services

Transamerica Insurance Company

☐ _____

Endorsement

ATTACHED TO AND FORMING A PART OF POLICY NUMBER	ENDORSEMENT EFFECTIVE (Standard time) Mo	Day	Yr	12:01 A.M.	P.M.	INSURED	PRODUCER AND CODE

Section II - General Liability
Form L10609C

POLLUTION EXCLUSION

It is agreed that the exclusion relating to the discharge, dispersal, release or escape of smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids or gases, waste materials or other irritants, contaminants or pollutants is replaced by the following:

(1) to bodily injury or property damage arising out of the actual, alleged or threatened discharge, dispersal, release or escape of pollutants:

(a) at or from premises owned, rented or occupied by the named insured;

(b) at or from any site or location used by or for the named insured or others for the handling, storage, disposal, processing or treatment of waste;

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

(d) at or from any site or location on which the named insured or any contractors or subcontractors working directly or indirectly on behalf of the named insured are performing operations:

(i) if the pollutants are brought on or to the site or location in connection with such operations; or

(ii) if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize the pollutants.

(2) to any loss, cost or expense arising out of any governmental direction or request that the named insured test for, monitor, clean up, remove, contain, treat, detoxify or neutralize pollutants.

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

This endorsement forms a part of the policy to which attached, effective on the inception date of the policy unless otherwise stated herein.

ALL OTHER TERMS AND CONDITIONS OF THIS POLICY REMAIN UNCHANGED

_____ Authorized Representative

_____ Date

13034 2-84

000324

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

"Nuclear facility" means:

(a) Any "nuclear reactor;"

(b) Any equipment or device designed or used for (1) separating the isotopes of uranium or plutonium, (2) processing or utilizing "spent fuel," or (3) handling, processing or packaging "waste;"

(c) Any equipment or device used for the processing, fabricating or alloying of "special nuclear material" if at any time the total amount of such material in the custody of the "insured" at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;

(d) Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of "waste;"

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations;

"Nuclear reactor" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material;

"Property damage" includes all forms of radioactive contamination of property.

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Mandatory California Premium Surcharge

All insurance companies issuing property and casualty insurance policies in California are required to participate in the California Insurance Guarantee Association.

If an insurance company is declared insolvent the Guarantee Association settles unpaid claims and assesses each member insurer for its fair share of any claim payments.

California law requires all insurers to surcharge policies to recover these assessments. The amount that your policy has been surcharged appears on your policy declarations page as "Mandatory CIGA Surcharge."

Should you desire further information please contact your Transamerica agent.

Transamerica
Insurance Services

Home Office: Los Angeles, CA 90015

OFFICE CODE	AGENCY CODE	COMM.
SCRO	645261	15% - A 20% - O

AGENT AND AGENCY AT:
HENDERSONS INC.
WHITTIER, CA.

Transamerica
Insurance Services

ISSUED BY THE INSURANCE COMPANY INDICATED BY AN "X"

☒ Transamerica Insurance Company
Home Office: Los Angeles, California

☐

Policy No. 30215191
Replacement No.
1935 21 91

RE-INSURANCE

Common Policy - Declarations

NAMED INSURED AND ADDRESS:
EARL MANUFACTURING INC. AND WILLIAM E. EARL
AND DOT A. EARL, H/W AS INDIVIDUALS
11862 BURKE STREET, SANTA FE SPRINGS, CA. 90670

Cancelled 1-1-88

POLICY PERIOD: From 1-1-88 to 1-1-89
at 12:01 a.m. Standard Time at your mailing address shown above.

BUSINESS DESCRIPTION: METAL PARTS MFG.

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

This policy consists of the following coverage parts and separate policies for which a premium is indicated. This premium may be subject to adjustment.

Insurance Basis (Complete one block only)	
AUDIT BASIS	
NO AUDIT	☐
AUDIT	☑

	PREMIUM
Commercial Property Coverage Part	$ 7,669.00
Commercial General Liability Coverage Part	$ 21,412.00
Commercial Inland Marine Coverage Part	$ 433.00
Commercial Crime Coverage Part	$
Commercial Auto Coverage Part	$ 8,777.00
Umbrella Policy	$
	$
	$
	$
	$
	$
Minimum Premium	$ 500.00
TOTAL PREMIUM	$ 38,656.36 INCL.

MANDATORY CIGA SURCHARGE
AUTO: 70.22
OTHER: 295.14

FORMS APPLICABLE TO ALL COVERAGE PARTS: IL 00 17 11 85
IL 02 70 3 87

1-22-88/BF

HENDERSONS INC. #645261

ZC 17333 DATE _____ by _____ AUTHORIZED REPRESENTATIVE 1-86

REGIONAL OFFICE COPY

000327

POLICY NUMBER: 3021 51 91 COMMERCIAL PROPERTY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PROTECTIVE SAFEGUARDS

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART

SCHEDULE*

Prem. No.	Bldg. No.	Protective Safeguards Symbols Applicable
1	1	P-9
2	1	

Describe any "P-9":

CENTRAL STATION BURGLAR ALARM

A. This insurance will be automatically suspended at the involved location if you fail to notify us immediately when you:

1. Know of any suspension or impairment in the protective safeguards; or
2. Fail to maintain the protective safeguards over which you have control in complete working order.

If part of an Automatic Sprinkler System is shut off due to breakage, leakage, freezing conditions or opening of sprinkler heads, notification to us will not be necessary if you can restore full protection within 48 hours.

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

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

Automatic Sprinkler System means:

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

b. When supplied from an automatic fire protective system:
   (1) Non-automatic fire protective systems; and
   (2) Hydrants, standpipes and outlets.

"P-2" Automatic Fire Alarm, protecting the entire building, that is:

a. Connected to a central station; or
b. Reporting to a public or private fire alarm station.

"P-3" Security Service, with a recording system or watch clock, making hourly rounds covering the entire building, when the premises are not in actual operation.

"P-4" Service Contract with a privately owned fire department providing fire protection service to the described premises.

"P-9" The protective system described in the Schedule.

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

Copyright, ISO Commercial Risk Services, Inc., 1983

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT
(Broad Form)

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS POLICY
COMMERCIAL AUTO COVERAGE PART
COMMERCIAL GENERAL LIABILITY COVERAGE PART
FARM COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
RAILROAD PROTECTIVE LIABILITY COVERAGE PART
SPECIAL PROTECTIVE AND HIGHWAY LIABILITY POLICY NEW YORK DEPARTMENT OF TRANSPORTATION

1. The insurance does not apply:

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

(1) With respect to which an "insured" under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or

(2) Resulting from the "hazardous properties" of "nuclear material" and with respect to which (a) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or (b) the "insured" is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.

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

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

(1) The "nuclear material" (a) is at any "nuclear facility" owned by, or operated by or on behalf of, an "insured" or (b) has been discharged or dispersed therefrom;

(2) The "nuclear material" is contained in "spent fuel" or "waste " at any time possessed, handled, used, processed, stored, transported or disposed of, by or on behalf of an "insured;" or

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

2. As used in this endorsement:

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

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

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

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

 Copyright, Insurance Services Office, Inc., 1983, 1984

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CALCULATION OF PREMIUM

This endorsement modifies insurance provided under the following:

BOILER AND MACHINERY COVERAGE PART
BUSINESS AUTO COVERAGE PART
COMMERCIAL CRIME COVERAGE PART
COMMERCIAL GENERAL LIABILITY COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
FARM COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
RAILROAD PROTECTIVE LIABILITY COVERAGE PART
SPECIAL PROTECTIVE AND HIGHWAY LIABILITY POLICY—NEW YORK

The following is added:

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

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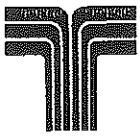
NEW
Commercial General Liability Policy

from



Transamerica
Insurance Services

This pamphlet is not a policy. It merely describes some of the major features ot the new Commercial General Liability policy. ***Read The Policy Carefully*** *to determine rights, duties, and what is and is not covered. Only the provisions of the policy determine the scope of the insurance protection.*

Policies providing general liability coverage have been revised. They are printed in a new format, and they contain some coverage changes.

There are now two versions of the new Commercial General Liability (CGL) policy: "occurrence" **(CG 00 01)** and "claims-made" **(CG 00 02)**. The differences between the two versions and some other major features of the new CGL policies are highlighted in this pamphlet.

SOME MAJOR CHANGES INTRODUCED BY THE NEW POLICY — BOTH "OCCURRENCE" AND "CLAIMS-MADE" VERSIONS — INCLUDE:

Scope of Coverage. The new policy incorporates the coverage most commonly sought in the marketplace. Previously, many of these coverages were provided only by special forms and endorsements. Now they are built right into the basic policy.

Limits of Insurance. Aggregate limits are now placed over all coverages to fix the absolute maximum we will pay under the policy for total damages and medical expenses. One aggregate limit applies to coverage for your products and completed work, and a second aggregate limit applies to all the other coverages. (Previously, aggregate limits applied to several individual coverages, but not to the entire scope of coverage.) Beneath these aggregates are "per occurrence" limits and several other sublimits. See Section III of the policy for details.

Pollution Liability. The new policies do not cover this liability if the pollutants escape from your premises or a waste disposal or treatment facility. (The exclusion in the previous policy did not apply to "sudden and accidental" emissions of pollutants; the new exclusion does not have this exception.) Certain pollution expenses away from your premises — including many that arise out of your products or your work — are covered regardless of whether the emission was "sudden" or not. See exclusion f. under Coverage A. for details.

"OCCURRENCE" VS. "CLAIMS-MADE"

Whether the policy you have purchased is the new "occurrence" version or the new "claims-made" version, there is no difference in the kinds of injury and damage covered. Claims for damages may be assigned to different policy periods, however, depending on which version of the policy you have purchased.

Coverage A in the "occurrence" version provides coverage for liability because of *bodily injury and property damage that occurs during the policy period,* no matter when the claim is made, just like the previous policy.

Coverage A in the "claims-made" version provides coverage for liability because of *bodily injury and property damage if the claim for damages is first made during the policy period.* The claim must be a demand for damages by an injured party but it does not have to be in writing. Under most circumstances, a claim is considered made when it is received and recorded by you or by us; but sometimes, a claim may be deemed made at an earlier time. This can happen when another claim for the same injury or damage has already been made, or when the claim is received and recorded during an extended reporting period as described below. See paragraph 1.b of **Section I** and **Section V** for details.

There is no difference between the two versions of the new CGL policy in the way personal injury and advertising injury liability (Coverage B) and medical payments (Coverage C) are provided. In both versions, claims for personal injury and advertising injury under Coverage B will be assigned to the policy period during which the offense that caused the injury was committed. In both versions, medical expenses under Coverage C will be assigned to the policy period during which the accident that caused the injury took place.

SPECIAL "CLAIMS-MADE" PROVISIONS (Applicable only to "claims-made" version of new policy)

Two concepts relating to continuity of coverage under the "claims-made" policy — and the pertinent policy provisions — are especially important to understand. These involve the Retroactive Date and the Extended Reporting Periods.

Retroactive Date

For the "claims-made" version of the CGL policy, a Retroactive Date may be entered on the Declarations page. *There is no coverage for bodily injury or property damage that occurred before the Retroactive Date, even if the claim is first made during the policy period.*

On the other hand, if the word "none" is entered in the Retroactive Date block on the Declarations page, the policy will respond to claims first made during the policy period for covered injury or damage, no matter when the injury or damage occurred. But if previous "occurrence" type insurance also applies to the injury or damage, your "claims-made" policy will be excess — that is, it will apply only after that previous insurance is used up.

If there is a Retroactive Date, it cannot be moved ahead in time except under certain circumstances — and then only with your written consent. It is important to understand how the "claims-made" policy's Extended Reporting Periods guarantee continuity of coverage if you are offered a renewal or replacement policy with a later Retroactive Date than the one in your current policy.

Extended Reporting Periods or "Tails"

When applicable, the Extended Reporting Periods provided in **Section V** of the "claims-made" policy will increase the time within which a claim may be eligible for the policy's coverage. Some people call these Extended Reporting Periods "tails."

A claim first received and recorded during a "tail" period is considered made on the last day of the expiring policy's period, so the provisions of that policy apply to determine coverage. But remember — under no circumstances does your "claims-made" policy apply to injury or damage that occurs before the Retroactive Date or after the end of the policy period.

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"Tails" may apply if your "claims-made" policy is cancelled or not renewed — by you or by us. They may also apply if your original Retroactive Date is moved forward in a renewal or replacement policy. Finally, "tails" may apply if you switch from "claims-made" to occurrence on renewal or replacement.

Your "claims-made" policy contains a basic "tail" that is activated automatically in these cases. The basic "tail" has two parts. One lasts for five years and applies only if we received notice of the occurrence that caused the injury or damage within 60 days after the end of the policy period. (You must see to it that we are notified of occurrences that may give rise to claims. See **Section IV**, Condition 2. for details.) The other part of the basic "tail" lasts for sixty days and applies if the claim is made before notice could be given. (The basic "tail" does not apply, however, if you get a new policy that responds to the claims.)

The "claims-made" policy also gives you the option to buy a supplemental "tail" for an additional premium. This "tail" applies to claims first received and recorded at any time after the basic "tail" period ends, as set forth in **Section V**, paragraph 3. (Coverage will be excess over any other insurance then in force that also applies to these claims.)

If you buy the Supplemental Extended Reporting Period, it will provide new aggregate limits equal to those provided under your expiring policy. These new limits apply only to claims covered by the supplemental "tail." Your policy's "per occurrence" and other sublimits continue to apply as set forth in **Section III.**

The premium for the supplemental "tail" may not be more than 200% of the annual premium for your expiring policy.

The "claims-made" form entitles you to claim and occurrence information that may help you when deciding whether to purchase the Supplemental Extended Reporting Period or when shopping for replacement insurance. See **Section IV., Condition 9. for details.**

"CLAIMS-MADE" RATING

Our rates for CGL coverage on a "claims-made" basis may be lower than our rates for the same scope of coverage on an "occurrence" basis. Over time, as you renew your "claims-made" policy, this rate difference or discount for "claims-made" will narrow.

The reason for this difference is that the "occurrence" form has a "tail" built into every policy. The form is designed to respond to injury or damage which occurs during the policy period, even if the resulting claim is first made after the policy period. The "claims-made" form, on the other hand, does not respond to claims first made after its policy period, unless one of the Extended Reporting Periods comes into play. But otherwise, since the "claims-made" policy in effect when the claim is first made will respond, "tails" are not needed on every policy.

Of course, when the "tails" do come into play, you may want to consider buying the Supplemental Extended Reporting Period at an additional premium. If you have no need for a longer "tail" than those automatically provided in the last claims-made policy, you will, in effect, have received a permanent reduction in the price of your liability insurance through the accumulated discounts. But in general, the "claims-made" discounts can be viewed as a kind of deposit against the day when purchase of the supplemental "tail" may be necessary.

OTHER SPECIAL "CLAIMS-MADE" ENDORSEMENTS

Your "claims-made" form, when issued, may have attached to it endorsement **CG 27 02**, excluding coverage for injury or damage arising out of specific accident(s), products, work or location(s). We may not, however, attach this endorsement to a renewal unless we amend our expiring policy to provide Extended Reporting Periods for any of the injury and damage that the expiring policy did not also exclude. You will receive, at no extra charge, the Basic 60 day and 5-year Extended Reporting Period, just like that described above, for the newly excluded injury and damage. Also, you will have the right to buy a Supplemental Extended Reporting Period Endorsement, without time limit, for all that injury and damage.

GENERAL LIABILITY POLICY REVISION

HIGHLIGHTS OF CURRENT AND REVISED CONTRACTS

The brief descriptive statements in the chart only highlight the respective subject items. They are not a substitute for the policy provisions. Only the provisions of the policy determine the scope of the insurance protection. **Refer to policies for details.**

SUBJECT	CURRENT "OCCURRENCE" POLICY	NEW "OCCURRENCE" POLICY	NEW "CLAIMS-MADE" POLICY
1. *Coverages*	Bodily Injury Liability, Property Damage Liability, Supplementary Payments. Blanket Additional Coverage Endorsement provides broadened contractual liability, as well as Personal Injury and Advertising Injury, Fire Legal Liability, Incidental Medical Malpractice, Additional Persons Insured, Extended Bodily Injury, and Automatic Coverage for Newly Acquired Organizations.	All coverage of current policy and Blanket Additional Coverage Endorsement integrated into basic policy form, with extensions and restrictions described below. Presentation of coverage is consolidated and simplified.	Same as new "occurrence" policy.
2. *Limits of Liability*	Divided limits or combined limits available. Under divided limits, each occurrence limit applies separately to bodily injury and property damage. Aggregate limits apply to products-completed operation. Under combined limits, each occurrence limit applies to bodily injury and property damage combined and there is a policy aggregate. Under both plans, there is an each person and each accident limit on medical payments. The Blanket Additional Coverage Endorsement imposes an each occurrence limit on fire legal liability and an aggregate limit on personal and advertising injury.	"Per occurrence" limit applies to bodily injury and property damage combined. Separate aggregate limits apply to products-completed operations hazard and all other coverages combined. Separate sublimits apply per person to Personal and Advertising Injury, per person to medical payments, and per fire to Fire Damage Legal Liability.	Same as new "occurrence" policy.
3. *Contractual Liability*	Blanket Additional Coverage Endorsement extends coverage of basic form to any oral contract relating to the named insured's business, with specific exclusions. Auto exclusion does not apply to this coverage.	Coverage for liabilities assumed under leases of premises, sidetrack agreements, and other specific kinds of contracts. Coverage also extends to all other contracts relating to named insured's business, but only for tort liabilities assumed. Same exclusions applicable as in current "occurrence" policy, but auto exclusion also applies. Auto contractual coverage will be available under the Business Auto Policy.	Same as new "occurrence" policy.
4. *Alcoholic Beverages Exclusion*	No exclusion.	Applies to named insureds in the liquor business. Statutory liability of premises owner not excluded. Host liquor coverage automatically included.	Same as new "occurrence" policy.
5. *Workers Compensation Employers Liability*	Exclusions eliminate coverage that is provided in the Workers Compensation Policy.	Exclusions eliminate coverage for dual capacity suits and consequential bodily injury to family members. These coverages have been explicitly included in the new Workers Comp policy.	Same as new "occurrence" policy.

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SUBJECT	CURRENT "OCCURRENCE" POLICY	NEW "OCCURRENCE" POLICY	NEW "CLAIMS-MADE" POLICY
6. *Pollution Liability*	Excluded unless due to sudden and accidental emissions. No exception ofr products-completed operations hazard.	Excluded if emission originates on named insured's premises or a waste disposal or treatment facility. Off-site emissions covered unless pollutants are waste or unless the pollutants are brought to jobsite in connection with insured's or subcontractor's operations. No coverage for costs or liabilities arising out of clean-up or monitoring operations done at governmental request or direction. Resulting coverage embraces products-completed operations exposure for both sudden and gradual emissions.	Same as new "occurrence" policy.
7. *Auto, Aircraft*	Ownership, maintenance, use, operations, loading and unloading excluded with certain exceptions. Exclusions do not apply to contractual coverage.	Exclusions have been consolidated. No change in scope of exclusion or exceptions to it, except for elimination of contractual coverage for auto use, which will now be covered under the Business Auto Policy (see 3, above). New language specifically excludes coverage for liability arising out of the entrustment of autos to others. Coverage is also provided for the operation of machinery or equipment attached to certain vehicles defined as "autos."	Same as new "occurrence" policy.
8. *Mobile Equipment*	Covered except when being transported by an auto. Definitions of auto (excluded) and mobile equipment (covered) are intended to be mutually exclusive. No distinction made between road and operational use.	No change in scope of coverage. New definition defines as "Auto" certain vehicles which have machinery or equipment attached but are essentially road vehicles. A new provision in the auto exclusion assumes coverage for the operations of the attached equipment. On-the-road coverage will come from the Business Auto Policy.	Same as new "occurrence" policy.
9. *Property Damage*	Various exclusions address property damage to the insured's products, work and property in the insured's custody. Care, custody and control coverage in provided for parts of property other than that on which the insured is actually working at the time of the damage. Faulty workmanship to other parts of work in progress and damage caused by a subcontractor's work after the insured's operations are completed is covered. Loss of use is covered if due to physical injury inflicted on other property by the insured's product or work resulting from sudden and accidental physical injury to product or work after being put to use. Recall or withdrawal is excluded.	Exclusions have been completely rewritten and clarified with no change in overall scope of coverage. The "Blanket Additional Coverage" has been incorporated in the new provisions. Real property is specifically eliminated from the definition of "your product," so that coverage for work and completed operations clearly applies. Care, custody, or control exclusion has been restricted to personal property to clarify further the application of these provisions. A new definition of "impaired property" clarifies the application of the "failure to perform" and recall/withdrawal exclusions (m and n).	Same as new "occurrence" policy.

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SUBJECT	CURRENT "OCCURRENCE" POLICY	NEW "OCCURRENCE" POLICY	NEW "CLAIMS-MADE" POLICY
10. *Alienated Premises*	Excluded unconditionally.	Exclusion does not apply to premises built and held for sale by named insured, providing coverage for contractors who build on speculation.	Same as new "occurrence" policy.
11. *Personal and Advertising Injury*	Coverage provided Blanket Additional Coverage Endorsement.	Coverage in basic policy, simplified with no change in scope. Coverage triggered, as in current policy, by offense committed during policy period.	Same as new "occurrence" policy.
12. *Medical Payments*	Coverage provided basic policy.	Coverage in basic policy, simplified with no change in scope. Payments for first aid, currently provided under Supplementary Payments, have been moved to Medical Payments section.	Same as new "occurrence" policy.
13. *Supplementary Payments*	Defense Costs provided in addition to policy limits.	No change. Pre-judgment interest included in Supplementary Payments in addition to policy limits. Maximum payment for expenses incurred by insured increased from $25 to $100 per day.	Same as new "occurrence" policy.
14. *Persons Insured*	Named insured, spouses of individual proprietors, partners, members, executive officers, directors, stockholders, real estate managers, and operators of mobile equipment included in basic form. Legal representatives and property custodians included through Assignment condition if named insured dies. Spouses of partners and employees other than executives included by Blanket Additional Coverage Endorsement, with additional exclusions for employees. Endorsement also provides limited, automatic coverage for newly acquired organizations.	Separate, consolidated section lists all persons insured under current policy. Coverage for newly acquired organizations applies only to injury, damage, and civil offenses occurring after the acquisition. Exclusions for unnamed partnerships and joint ventures extended to include past, as well as present, enterprises.	Same as new "occurrence" policy.
15. *Other Insurance*	Coverage is contingent for newly acquired organizations and those responsible for operators of mobile equipment who are not employed by the named insured. Contribution is by equal shares unless prohibited by one or more of the other policies in which case, contribution is pro-rata.	Same as current policy.	Same as new "occurrence" policy, but coverage is also excess over any applicable prior insurance, if no Retroactive Date is used or there was "occurrence" coverage after the Retroactive Date.
16. *Severability*	Contract applies separately to each insured against who claim is made or suit is brought except with respect to limits.	New provision also states that contract applies as if each named insured were the only named insured.	Same as new "occurrence" policy.

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SUBJECT	CURRENT "OCCURRENCE" POLICY	NEW "OCCURRENCE" POLICY	NEW "CLAIMS-MADE" POLICY
17. *Extended Reporting Periods*	Not applicable.	Not applicable.	Provides automatic basic "tail" period. Basic "tail" period is 5 years for claims arising out of occurrences reported to the company not later than 60 days after the end of the policy period. Basic "tail" period is 60 days for all other claims. Basic "tail" does not apply to claims covered by subsequent insurance. First named insured may buy supplemental "tail" period, without time limit, beginning when basic "tail" period ends. Supplemental aggregate limits, equal to those provided in the expiring policy, apply to the supplemental "tail." Coverage will be excess over any other insurance then in force that also applies. Claims first received and recorded during a "tail" period will be considered made on the last day of the policy period, provided the injury or damage occurred before the end of the policy period (but not before any applicable Retroactive Date).
18. *Limited Worldwide Products Coverage*	Applies to injury and damage anywhere in world, if original suit is brought in U.S., its territories or possessions, or Canada.	Coverage expanded to products made or sold in U.S., its territories or possessions, or Canada, regardless of place of intended use. The term "original suit" is replaced by "suit on the merits" for clarity.	Same as new "occurrence" policy.

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Transamerica
Insurance Services

Transamerica Insurance Group
of Companies

QUICK REFERENCE
COMMERCIAL GENERAL LIABILITY COVERAGE PART

Please read your policy carefully.

DECLARATIONS PAGES

Named Insured and Mailing Address
Policy Period
Description of Business and Location
Coverages and Limits of Insurance

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COMMERCIAL GENERAL LIABILITY COVERAGE FORM

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

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

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

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

SECTION I—COVERAGES

COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY

1. **Insuring Agreement.**

   a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury" or "property damage" to which this insurance applies. No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under SUPPLEMENTARY PAYMENTS—COVERAGES A AND B. This insurance applies only to "bodily injury" and "property damage" which occurs during the policy period. The "bodily injury" or "property damage" must be caused by an "occurrence". The "occurrence" must take place in the "coverage territory". We will have the right and duty to defend any "suit" seeking those damages. But:

      (1) The amount we will pay for damages is limited as described in SECTION III—LIMITS OF INSURANCE;

      (2) We may investigate and settle any claim or "suit" at our discretion; and

      (3) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B or medical expenses under Coverage C.

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

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

2. **Exclusions.**

   This insurance does not apply to:

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

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

      (1) Assumed in a contract or agreement that is an "insured contract"; or

      (2) That the insured would have in the absence of the contract or agreement.

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

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

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

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

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

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

   e. "Bodily injury" to:

      (1) An employee of the insured arising out of and in the course of employment by the insured; or

      (2) The spouse, child, parent, brother or sister of that employee as a consequence of (1) above.

      This exclusion applies:

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

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

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

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f. (1) "Bodily injury" or "property damage" arising out of the actual ...ged or threatened discharge, dispersal, release or escape of pollutants:

(a) At or from premises you own, rent or occupy;

(b) At or from any site or location used by or for you or others for the handling, storage, disposal, processing or treatment of waste;

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

(d) At or from any site or location on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations:

(i) if the pollutants are brought on or to the site or location in connection with such operations; or

(ii) if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize the pollutants.

(2) Any loss, cost, or expense arising out of any governmental direction or request that you test for, monitor, clean up, remove, contain, treat, detoxify or neutralize pollutants.

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

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

This exclusion does not apply to:

(1) A watercraft while ashore on premises you own or rent;

(2) A watercraft you do not own that is:

(a) Less than 26 feet long; and

(b) Not being used to carry persons or property for a charge;

(3) Parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the insured;

(4) Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft or watercraft; or

(5) "Bodily injury" or "property damage" arising ou... the operation of any of the equipment listed in paragraph f.(2) or f.(3) of the definition of "mobile equipment" (Section V.8).

h. "Bodily injury" or "property damage" arising out of:

(1) The transportation of "mobile equipment" by an "auto" owned or operated by or rented or loaned to any insured; or

(2) The use of "mobile equipment" in, or while in practice or preparation for, a prearranged racing, speed or demolition contest or in any stunting activity.

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

j. "Property damage" to:

(1) Property you own, rent, or occupy;

(2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;

(3) Property loaned to you;

(4) Personal property in your care, custody or control;

(5) That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the "property damage" arises out of those operations; or

(6) That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

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

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

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

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

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

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

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

(1) A defect, deficiency, inadequacy or dangerous condition in "your product" or "your work"; or

(2) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

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

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

(1) "Your product";

(2) "Your work"; or

(3) "Impaired property";

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

Exclusions c. through n. do not apply to damage by fire to premises rented to you. A separate limit of insurance applies to this coverage as described in SECTION III—LIMITS OF INSURANCE.

COVERAGE B. PERSONAL AND ADVERTISING INJURY LIABILITY

1. **Insuring Agreement.**

a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "personal injury" or "advertising injury" to which this insurance applies. No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under SUPPLEMENTARY PAYMENTS—COVERAGES A AND B. We will have the right and duty to defend any "suit" seeking those damages. But:

(1) The amount we will pay for damages is limited as described in SECTION III—LIMITS OF INSURANCE;

(2) We may investigate and settle any claim or "suit" at our discretion; and

(3) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B or medical expenses under Coverage C.

b. This insurance applies to "personal injury" only if caused by an offense:

(1) Committed in the "coverage territory" during the policy period; and

(2) Arising out of the conduct of your business, excluding advertising, publishing, broadcasting or telecasting done by or for you.

c. This insurance applies to "advertising injury" only if caused by an offense committed:

(1) In the "coverage territory" during the policy period; and

(2) In the course of advertising your goods, products or services.

2. **Exclusions.**

This insurance does not apply to:

a. "Personal injury" or "advertising injury":

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

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

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

(4) For which the insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement.

b. "Advertising injury" arising out of:

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

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

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

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

COVERAGE C. MEDICAL PAYMENTS

1. **Insuring Agreement.**

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

(1) On premises you own or rent;

(2) On ways next to premises you own or rent; or

(3) Because of your operations;

provided that:

(1) The accident takes place in the "coverage territory" and during the policy period;

(2) The expenses are incurred and reported to us within one year of the date of the accident; and

(3) The injured person submits to examination,

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at our expense, by physicians of our choice as often as we reasonably require.

b. We will make these payments regardless of fault. These payments will not exceed the applicable limit of insurance. We will pay reasonable expenses for:

(1) First aid at the time of an accident;

(2) Necessary medical, surgical, x-ray and dental services, including prosthetic devices; and

(3) Necessary ambulance, hospital, professional nursing and funeral services.

2. **Exclusions.**

We will not pay expenses for "bodily injury":

a. To any insured.

b. To a person hired to do work for or on behalf of any insured or a tenant of any insured.

c. To a person injured on that part of premises you own or rent that the person normally occupies.

d. To a person, whether or not an employee of any insured, if benefits for the "bodily injury" are payable or must be provided under a workers compensation or disability benefits law or a similar law.

e. To a person injured while taking part in athletics.

f. Included within the "products-completed operations hazard".

g. Excluded under Coverage A.

h. Due to war, whether or not declared, or any act or condition incident to war. War includes civil war, insurrection, rebellion or revolution.

SUPPLEMENTARY PAYMENTS—COVERAGES A AND B

We will pay, with respect to any claim or "suit" we defend:

1. All expenses we incur.
2. Up to $250 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the Bodily Injury Liability Coverage applies. We do not have to furnish these bonds.
3. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.
4. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to $100 a day because of time off from work.
5. All costs taxed against the insured in the "suit".
6. Pre-judgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any pre-judgment interest based on that period of time after the offer.
7. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

These payments will not reduce the limits of insurance.

SECTION II—WHO IS AN INSURED

1. If you are designated in the Declarations as:

a. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.

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

c. An organization other than a partnership or joint venture, you are an insured. Your executive officers and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.

2. Each of the following is also an insured:

a. Your employees, other than your executive officers, but only for acts within the scope of their employment by you. However, none of these employees is an insured for:

(1) "Bodily injury" or "personal injury" to you or to a co-employee while in the course of his or her employment; or

(2) "Bodily injury" or "personal injury" arising out of his or her providing or failing to provide professional health care services; or

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

b. Any person (other than your employee), or any organization while acting as your real estate manager.

c. Any person or organization having proper temporary custody of your property if you die, but only:

(1) With respect to liability arising out of the maintenance or use of that property; and

(2) Until your legal representative has been appointed.

d. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Coverage Part.

3. With respect to "mobile equipment" registered in your name under any motor vehicle registration law, any person is an insured while driving such equipment along a public highway with your permission.

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Any other person or organization responsible for the conduct of such person is also an insured, but only with respect to liability arising out of the operation of the equipment, and only if no other insurance of any kind is available to that person or organization for this liability. However, no person or organization is an insured with respect to:

a. "Bodily injury" to a co-employee of the person driving the equipment; or

b. "Property damage" to property owned by, rented to, in the charge of or occupied by you or the employer of any person who is an insured under this provision.

4. Any organization you newly acquire or form, other than a partnership or joint venture, and over which you maintain ownership or majority interest, will be deemed to be a Named Insured if there is no other similar insurance available to that organization. However:

a. Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or, the end of the policy period, whichever is earlier;

b. Coverage A does not apply to "bodily injury" or "property damage" that occurred before you acquired or formed the organization; and

c. Coverage B does not apply to "personal injury" or "advertising injury" arising out of an offense committed before you acquired or formed the organization.

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

SECTION III—LIMITS OF INSURANCE

1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:

a. Insureds;

b. Claims made or "suits" brought; or

c. Persons or organizations making claims or bringing "suits".

2. The General Aggregate Limit is the most we will pay for the sum of:

a. Medical expenses under Coverage C; and

b. Damages under Coverage A and Coverage B, except damages because of injury and damage included in the "products-completed operations hazard".

3. The Products-Completed Operations Aggregate Limit is the most we will pay under Coverage A for damages because of injury and damage included in the "products-completed operations hazard".

4. Subject to 2. above, the Personal and Advertising Injury Limit is the most we will pay under Coverage B for the sum of all damages because of all "personal injury" and all "advertising injury" sustained by any one person or organization.

5. Subject to 2. or 3. above, whichever applies, the Each Occurrence Limit is the most we will pay for the sum of:

a. Damages under Coverage A; and

b. Medical expenses under Coverage C

because of all "bodily injury" and "property damage" arising out of any one "occurrence".

6. Subject to 5. above, the Fire Damage Limit is the most we will pay under Coverage A for damages because of "property damage" to premises rented to you arising out of any one fire.

7. Subject to 5. above, the Medical Expense Limit is the most we will pay under Coverage C for all medical expenses because of "bodily injury" sustained by any one person.

The limits of this Coverage Part apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

SECTION IV—COMMERCIAL GENERAL LIABILITY CONDITIONS

1. **Bankruptcy.**

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this Coverage Part.

2. **Duties In The Event Of Occurrence, Claim Or Suit.**

a. You must see to it that we are notified promptly of an "occurrence" which may result in a claim. Notice should include:

(1) How, when and where the "occurrence" took place; and

(2) The names and addresses of any injured persons and witnesses.

b. If a claim is made or "suit" is brought against any insured, you must see to it that we receive prompt written notice of the claim or "suit".

c. You and any other involved insured must:

(1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";

(2) Authorize us to obtain records and other information;

(3) Cooperate with us in the investigation, settlement or defense of the claim or "suit"; and

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(4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury or damage to which this insurance may also apply.

d. No insureds will, except at their own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

3. **Legal Action Against Us.**

No person or organization has a right under this Coverage Part:

a. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or

b. To sue us on this Coverage Part unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured obtained after an actual trial; but we will not be liable for damages that are not payable under the terms of this Coverage Part or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

4. **Other Insurance.**

If other valid and collectible insurance is available to the insured for a loss we cover under Coverages A or B of this Coverage Part, our obligations are limited as follows:

a. Primary Insurance

This insurance is primary except when b. below applies. If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in c. below.

b. Excess Insurance

This insurance is excess over any of the other insurance, whether primary, excess, contingent or on any other basis:

(1) That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for "your work";

(2) That is Fire insurance for premises rented to you; or

(3) If the loss arises out of the maintenance or use of aircraft, "autos" or watercraft to the extent not subject to Exclusion g. of Coverage A (Section I).

When this insurance is excess, we will have no duty under Coverage A or B to defend any claim or "suit" that any other insurer has a duty to defend. If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

(1) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and

(2) The total of all deductible and self-insured amounts under all that other insurance.

We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Coverage Part.

c. Method of Sharing

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

5. **Premium Audit.**

a. We will compute all premiums for this Coverage Part in accordance with our rules and rates.

b. Premium shown in this Coverage Part as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period. Audit premiums are due and payable on notice to the first Named Insured. If the sum of the advance and audit premiums paid for the policy term is greater than the earned premium, we will return the excess to the first Named Insured.

c. The first Named Insured must keep records of the information we need for premium computation, and send us copies at such times as we may request.

6. **Representations.**

By accepting this policy, you agree:

a. The statements in the Declarations are accurate and complete;

b. Those statements are based upon representations you made to us; and

c. We have issued this policy in reliance upon your representations.

7. **Separation Of Insureds.**

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this Coverage Part to the first Named Insured, this insurance applies:

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a. As if each Named Insured were the only Named Insured; and

b. Separately to each insured against whom claim is made or "suit" is brought.

8. **Transfer Of Rights Of Recovery Against Others To Us.**

If the insured has rights to recover all or part of any payment we have made under this Coverage Part, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them.

SECTION V—DEFINITIONS

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

a. Oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;

b. Oral or written publication of material that violates a person's right of privacy;

c. Misappropriation of advertising ideas or style of doing business; or

d. Infringement of copyright, title or slogan.

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

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

4. "Coverage territory" means:

a. The United States of America (including its territories and possessions), Puerto Rico and Canada;

b. International waters or airspace, provided the injury or damage does not occur in the course of travel or transportation to or from any place not included in a. above; or

c. All parts of the world if:

(1) The injury or damage arises out of:

(a) Goods or products made or sold by you in the territory described in a. above; or

(b) The activities of a person whose home is in the territory described in a. above, but is away for a short time on your business; and

(2) The insured's responsibility to pay damages is determined in a "suit" on the merits, in the territory described in a. above or in a settlement we agree to.

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

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

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

if such property can be restored to use by:

a. The repair, replacement, adjustment or removal of "your product" or "your work"; or

b. Your fulfilling the terms of the contract or agreement.

6. "Insured contract" means:

a. A lease of premises;

b. A sidetrack agreement;

c. An easement or license agreement in connection with vehicle or pedestrian private railroad crossings at grade;

d. Any other easement agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;

e. An indemnification of a municipality as required by ordinance, except in connection with work for a municipality;

f. An elevator maintenance agreement; or

g. That part of any other contract or agreement pertaining to your business under which you assume the tort liability of another to pay damages because of "bodily injury" or "property damage" to a third person or organization, if the contract or agreement is made prior to the "bodily injury" or "property damage". Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

An "insured contract" does not include that part of any contract or agreement:

a. That indemnifies an architect, engineer or surveyor for injury or damage arising out of:

(1) Preparing, approving or failing to prepare or approve maps, drawings, opinions, reports, surveys, change orders, designs or specifications; or

(2) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage;

b. 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 a. above and supervisory, inspection or engineering services; or

c. That indemnifies any person or organization for damage by fire to premises rented or loaned to you.

7. "Loading or unloading" means the handling of property:

a. After it is moved from the place where it is

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accepted for movement into or onto an aircraft, watercraft or "auto";

b. While it is in or on an aircraft, watercraft or "auto"; or

c. While it is being moved from an aircraft, watercraft or "auto" to the place where it is finally delivered;

but "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or "auto".

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

a. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;

b. Vehicles maintained for use solely on or next to premises you own or rent;

c. Vehicles that travel on crawler treads;

d. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:

(1) Power cranes, shovels, loaders, diggers or drills; or

(2) Road construction or resurfacing equipment such as graders, scrapers or rollers;

e. Vehicles not described in a., b., c. or d. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:

(1) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or

(2) Cherry pickers and similar devices used to raise or lower workers;

f. Vehicles not described in a., b., c. or d. above maintained primarily for purposes other than the transportation of persons or cargo.

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

(1) Equipment designed primarily for:

(a) Snow removal;

(b) Road maintenance, but not construction or resurfacing;

(c) Street cleaning;

(2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and

(3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

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

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

a. False arrest, detention or imprisonment;

b. Malicious prosecution;

c. Wrongful entry into, or eviction of a person from, a room, dwelling or premises that the person occupies;

d. Oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services; or

e. Oral or written publication of material that violates a person's right of privacy.

11. a. "Products-completed operations hazard" includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:

(1) Products that are still in your physical possession; or

(2) Work that has not yet been completed or abandoned.

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

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

(2) When all of the work to be done at the site has been completed if your contract calls for work at more than one site.

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

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

c. This hazard does not include "bodily injury" or "property damage" arising out of:

(1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle created by the "loading or unloading" of it;

(2) The existence of tools, uninstalled equipment or abandoned or unused materials;

(3) Products or operations for which the classification in this Coverage Part or in our man-

ual of rules includes products or completed operations.

12. "Property damage" means:

    a. Physical injury to tangible property, including all resulting loss of use of that property; or

    b. Loss of use of tangible property that is not physically injured.

13. "Suit" means a civil proceeding in which damages because of "bodily injury", "property damage", "personal injury" or "advertising injury" to which this insurance applies are alleged. "Suit" includes an arbitration proceeding alleging such damages to which you must submit or submit with our consent.

14. "Your product" means:

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

        (1) You;

        (2) Others trading under your name; or

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

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

    "Your product" includes warranties or representations made at any time with respect to the fitness, quality, durability or performance of any of the items included in a. and b. above.

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

15. "Your work" means:

    a. Work or operations performed by you or on your behalf; and

    b. Materials, parts or equipment furnished in connection with such work or operations.

    "Your work" includes warranties or representations made at any time with respect to the fitness, quality, durability or performance of any of the items included in a. or b. above.

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COMMON POLICY CONDITIONS

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

A. CANCELLATION

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

B. CHANGES

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

C. EXAMINATION OF YOUR BOOKS AND RECORDS

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

D. INSPECTIONS AND SURVEYS

We have the right but are not obligated to:

1. Make inspections and surveys at any time;
2. Give you reports on the conditions we find; and
3. Recommend changes.

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

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

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

E. PREMIUMS

The first named insured shown in the Declarations:

1. Is responsible for the payment of all premiums; and
2. Will be the payee for any return premiums we pay.

F. TRANSFER OF YOUR RIGHTS AND DUTIES UNDER THIS POLICY

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

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

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Mt. Airy Insurance Company
An Indiana Corporation
Home Office: Indianapolis, Indiana

United States Fire Insurance Company
A New York Corporation
Home Office: New York, N.Y.

International Insurance Company
An Illinois Corporation
Home Office: Chicago, Illinois

Westchester Fire Insurance Company
A New York Corporation
Home Office: New York, N.Y.

The North River Insurance Company
A New Jersey Corporation
Home Office: Township of Morris, N.J.

Crum & Forster Commercial Insurance

(Each a Capital Stock Company)

We have properly issued this policy, but it will not be valid unless countersigned on the General Declarations page by one of our authorized representatives.

Antoinette C. Bentley
Secretary

Robert J. Vairo
Vice Chairman of the Board

FM 101.0.867 (8-85)

TRANSAMERICA
INSURANCE GROUP

LIABILITY SCHEDULE AND PREMIUM RECAP.

POLICY NUMBER

LOC. NO.	*DESCRIPTION SUBLINE — CLASS CODE	**PREMIUM BASE ACT. EXPOSURE	RATES	PREMIUMS
			TOTAL PREMIUMS	$

*SUBLINE KEY
332 — Liquor Liability
334 — Premises/Operations
335 — Owners/Contractors Protective or Principals Protective
336 — Products/Completed Operations
350 — Pollution Liability
or type in subline

**PREMIUM/EXPOSURE BASE KEY
A — Area (per 1,000 square feet)
C — Total Cost (per $1,000)
M — Admissions (per 1,000)
P — Payroll (per $1,000)
S — Gross Sales (per $1,000)
U — Units (per unit)
or type in base

LB11486

COMMERCIAL GENERAL LIABILITY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AMENDMENT OF POLLUTION EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

The following is added to exclusion f. of COVERAGE A (Section I):

Subparagraphs (a) and (d)(i) of paragraph (1) of this exclusion do not apply to "bodily injury" or "property damage" caused by heat, smoke or fumes from a hostile fire. As used in this exclusion, a hostile fire means one which becomes uncontrollable or breaks out from where it was intended to be.

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EMPLOYEE BENEFIT PROGRAMS LIABILITY COVERAGE FORM

This form provides Claims Made coverage.
Please read the entire form carefully.

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

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

The word "insured" means any person or organization qualifying as such under WHO IS AN INSURED (Section II).

Other words and phrases that appear in quotation marks have special meaning. Refer to DEFINITIONS (Section VI).

SECTION I - COVERAGE

1. Insuring Agreement

a. We will pay those sums that the insured becomes legally obligated to pay as damages to an employee, former employee or heirs because of negligent acts or omissions in the "administration" of the insured's "employee benefit programs" to which this insurance applies. We will have the right and duty to defend any "suit" seeking those damages. We may at our discretion investigate any "occurrence" and settle any claim or "suit" that may result. But:

(1) The amount we will pay for damages is limited as described in LIMITS OF INSURANCE (Section III); and

(2) Our right and duty to defend end when we have used up the applicable Limits of Insurance in the payment of judgments or settlements under this coverage.

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

b. This insurance applies to negligent acts or omissions in the "administration" of the insured's "employee benefit programs" only if:

(1) The negligent acts or omissions are caused by an "occurrence" that takes place in the "coverage territory";

(2) The negligent acts or omissions did not occur before the Retroactive Date, if any, shown in the Declarations or after the end of the policy period; and

(3) A claim for damages because of the negligent acts or omissions is first made against the insured, in accordance with paragraph c. below, during the policy period or any Extended Reporting Period we provide under EXTENDED REPORTING PERIODS (Section V).

c. A claim by a person seeking damages will be deemed to have been made at the earlier of the following times:

(1) When notice of such claim is received and recorded by any insured or by us, whichever comes first; or

(2) When we make a settlement in accordance with paragraph 1.a. above.

All claims for damages to the same person, including resulting damages claimed by others at any time, will be deemed to have been made at the time the first of those claims is made against any insured.

d. Damages include prejudgment interest awarded against the insured.

2. Exclusions

This insurance does not apply to:

a. Any responsibilities, obligations or duties imposed by the Employee Retirement Income Security Act of 1974 (ERISA), or any amendment of the act.

b. Damage, destruction, loss or loss of use of any tangible or intangible property owned by or in the care, custody or control of the insured or anyone for whom the insured is responsible.

c. Damages based on errors or omissions in giving or failing to give opinions, statements or advice on participating or not participating in investment plans.

d. Damages because of discrimination.

e. Damages because of failure to comply with worker's compensation, unemployment compensation, disability benefits, social security laws or any similar law.

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f. Damages for which the insured is obligated to pay by reason of any obligation or duty required of the insured under any contract or by reason of any liability assumed by the insured under a contract of indemnity.

g. Damages because of failure to effect or maintain bonds or insurance.

h. Damages because of any investment, investment program or individual security or for failure of them to perform as represented.

i. Any dishonest, fraudulent or criminal act.

SUPPLEMENTARY PAYMENTS

We will pay, with respect to any claim or "suit" we defend:

1. All expenses we incur.
2. The cost of bonds to release attachments, but only for bond amounts within the applicable Limits of Insurance. We do not have to furnish these bonds.
3. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to $100 a day because of time off from work.
4. All costs taxed against the insured in the "suit".
5. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable Limits of Insurance.

These payments will not reduce the Limits of Insurance.

SECTION II - WHO IS AN INSURED

1. The Named Insured for negligent acts or omissions in the "administration" of "employee benefit programs".
2. Any executive officers, directors or employees performing within the scope of their employment by you in the "administration" of "employee benefit programs".
3. Any organization you newly acquire or form, other than a partnership or joint venture, and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:
   a. Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or end of the policy period, whichever is earlier; and
   b. Coverage does not apply to any negligent acts or omissions in the "administration" of "employee benefit programs" that occurred before you acquired or formed the organization.

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

SECTION III - LIMITS OF INSURANCE

1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
   a. Insureds;
   b. Claims made or "suits" brought; or
   c. Persons making claims or bringing "suits".
2. The Aggregate Limit is the most we will pay for the sum of all damages because of all negligent acts or omissions in the "administration" of the insured's "employee benefit programs".

   Each payment we make reduces, by the amount of the payment, the Aggregate Limit. This reduced limit will then be the amount of insurance available for further damages.
3. Subject to the Aggregate Limit above, the most we will pay for the sum of all damages arising out of any one "occurrence" to the same employee will be the lesser of:
   a. The Each Occurrence Limit, reduced by the deductible amount, if any, shown in the Declarations; or
   b. The sum of those damages minus any such deductible amount.
4. The deductible amount applies to every claim or "suit" separately covered by this insurance as the result of any one "occurrence".

   We may, or will if required by law, pay part or all of the deductible amount, if applicable, to effect settlement of any claim or "suit". Upon notice of our payment of a deductible amount, you shall promptly reimburse us for that part of the deductible amount we paid.

The limits of this Coverage Part apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

SECTION IV – CONDITIONS

1. **Bankruptcy.**

   Bankruptcy or insolvency of the insured or the insured's estate will not relieve us of our obligations under this Coverage Part.

2. **Duties in the Event of Occurrence, Claim or Suit.**

   a. You must see to it that we are notified as soon as practicable of an "occurrence" which may result in a claim. To the extent possible, notice should include:

      (1) How, when and where the "occurrence" took place;

      (2) The names and address of any injured persons and witnesses; and

      (3) The nature and location of any injury or damage arising out of the "occurrence".

      Notice of an "occurrence" is not notice of a claim.

   b. If a claim is received by any insured, you must:

      (1) Immediately record the specifics of the claim or "suit" and the date received; and

      (2) Notify us as soon as practicable.

      You must see to it that we receive written notice of the claim or "suit" as soon as practicable.

   c. You and any other involved insured must:

      (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";

      (2) Authorize us to obtain records and other information;

      (3) Cooperate with us in the investigation, settlement or defense of the claim or "suit"; and

      (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury or damage to which this insurance may also apply.

   d. No insured will, except at their own cost, voluntarily make a payment, assume any obligation or incur any expense without our consent.

3. **Legal Action Against Us.**

   No person or organization has a right under this Coverage Part:

   a. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or

   b. To sue us on this Coverage Part unless all of its terms have been fully complied with.

   A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured obtained after an actual trial; but we will not be liable for damages that are not payable under the terms of this Coverage Part or that are in excess of the applicable Limits of Insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

4. **Other Insurance.**

   If other valid and collectible insurance is available to the insured for a loss we cover under this Coverage Part, our obligations are limited as follows:

   a. Primary Insurance

      This insurance is primary except when b. below applies. When this insurance is primary our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in c. below.

   b. Excess Insurance

      This insurance is excess over any other insurance whether primary, excess, contingent or on any other basis that is effective prior to the beginning of the policy period shown in the Declarations of this insurance and applies to "employee benefit programs" on other than a claims made basis, if:

      (1) No Retroactive Date is shown in the Declarations of this insurance; or

      (2) The other insurance has a policy period which continues after the Retroactive Date shown in the Declarations of this insurance.

      When this insurance is excess, we will have no duty under this insurance to defend any claim or "suit" that any other insurer has a duty to defend. If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

      When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

      (1) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and

      (2) The total of all deductible and self-insured amounts under all that other insurance.

      We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Coverage Part.

c. Method of Sharing

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable Limits of Insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable Limits of Insurance to the total applicable Limits of Insurance of all insurers.

5. **Premium Audit.**

a. We will compute all premiums for this Coverage Part in accordance with our rules and rates.

b. Premium shown in this Coverage Part as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period.

Audit premiums are due and payable on notice to the first Named Insured. If the sum of the advance and audit premiums paid for the policy term is greater than the earned premium, we will return the excess to the first Named Insured.

c. The first Named Insured must keep records of the information we need for premium computation, and send us copies at such time as we request.

6. **Representation.**

By accepting this policy, you agree:

a. The statements in the Declarations are accurate and complete;

b. Those statements are based upon representations you made to us; and

c. We have issued this policy in reliance upon your representations.

7. **Separation of Insureds.**

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

a. As if each Named Insured were the only Named Insured; and

b. Separately to each insured against whom claim is made or "suit" is brought.

8. **Transfer of Rights of Recovery Against Others to Us.**

If the insured has rights to recover all or part of any payment we have made under this Coverage Part, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them.

9. **When We Do Not Renew.**

If we decide not to renew this Coverage Part, we will mail or deliver to the first Named Insured shown in the Declarations written notice of the nonrenewal not less than 30 days before the expiration date.

If notice is mailed, proof of mailing will be sufficient proof of notice.

10. **Your Right to Claim and "Occurrence" Information.**

We will provide the first Named Insured shown in the Declarations the following information relating to this and any preceding employee benefit programs liability claims-made Coverage Part we have issued to you during the previous three years:

a. A list or other record of each "occurrence" not previously reported to any other insurer, or which we were notified in accordance with paragraph 2.a. of this Section. We will include the date and brief description of the "occurrence" if that information was in the notice we received.

b. A summary by policy year, of payments made and amounts reserved, stated separately, under any applicable Aggregate Limit.

You must not disclose this information to any claimant or any claimant's representative without our consent.

Amounts reserved are based on our judgment. They are subject to change and should not be regarded as ultimate settlement values.

We will provide this information if we receive a written request from the first Named Insured within 60 days after the end of the policy period. We will provide this information within 45 days of receipt of the request.

We compile claim and "occurrence" information for our own business purposes and exercise reasonable care in doing so. In providing this information to the first Named Insured, we make no representations or warranties to insureds, insurers, or others to whom this information is furnished by or on behalf of any insured. Cancellation or nonrenewal will be effective even if we inadvertently provide inaccurate information.

SECTION V – EXTENDED REPORTING PERIODS

1. We will provide one or more Extended Reporting Periods, as described below, if:
   a. This Coverage Part is cancelled or not renewed; or
   b. We renew or replace this Coverage Part with insurance that:
      (1) Has a Retroactive Date later than the date shown in the Declarations of this Coverage Part; or
      (2) Does not apply to negligent acts or omissions in the "administration" of the insured's "employee benefit programs" on a claims-made basis.
2. Extended Reporting Periods do not extend the policy period or change the scope of coverage provided. They apply only to claims for damages that occur before the end of the policy period but not before the Retroactive Date, if any, shown in the Declarations.

   Once in effect, Extended Reporting Periods may not be cancelled.
3. A Basic Extended Reporting Period is automatically provided without additional charge. This period started with the end of the policy period and lasts for:
   a. Five years for claims because of negligent acts or omissions in the "administration" of the insured's "employee benefit programs" arising out of an "occurrence" reported to us, not later than 60 days after the end of the policy period, in accordance with paragraph 2.a. of CONDITIONS (Section IV); or
   b. Sixty days for all other claims.

   The Basic Extended Reporting Period does not apply to claims that are covered under any subsequent insurance you purchase, or that would be covered but for exhaustion of the amount of insurance applicable to such claims.
4. A Supplemental Extended Reporting Period is available, but only by an endorsement and for an extra charge. This supplemental period starts when the Basic Extended Reporting Period, as set forth in paragraph 3. above, ends.

   The first Named Insured must give us a written request for the endorsement within 60 days after the end of the policy period. The Supplemental Extended Reporting Period will not go into effect unless the first Named Insured pays the additional premium promptly when due.

   We will determine the additional premium in accordance with our rules and rates. In doing so, we may take into account the following:
   a. The exposures insured;
   b. Previous types and amounts of insurance;
   c. Limits of Insurance available under this Coverage Part for future payments of damages; and
   d. Other related factors.

   The additional premium will not exceed 200% of the annual premium for this Coverage Part.

   This endorsement shall set forth the terms, not inconsistent with this Section, applicable to the Supplemental Extended Reporting Period, including a provision to the effect that the insurance afforded for claims first received during such period is excess over any other valid and collectible insurance available under policies in force after the Supplemental Extended Reporting Period starts.
5. The Basic Extended Reporting Period does not reinstate or increase the Limits of Insurance.
6. If the Supplemental Extended Reporting Period is in effect, we will provide the separate aggregate Limits of Insurance described below, but only for claims first received and recorded during the Supplemental Extended Reporting Period.

   The separate aggregate Limits of Insurance will be equal to the dollar amount shown in the Declarations in effect at the end of the policy period for the Aggregate Limit.

   Paragraph 2. of LIMITS OF INSURANCE (Section III) will be amended accordingly. The Each Occurrence Limit and the deductible amount shown in the Declarations will then continue to apply, as set forth in paragraphs 3. and 4. of that Section.

SECTION VI – DEFINITIONS

1. "Administration" means the following which are authorized by the Named Insured with respect to "employee benefit programs":
   a. Counseling of employees with respect to eligibility in "employee benefit programs";
   b. Interpretation of programs;
   c. Record keeping; and
   d. Enrollment, termination or cancellation of employees in the "employee benefit programs".
2. "Coverage Territory" means the United States of America (including its territories and possessions), Puerto Rico and Canada.
3. "Employee Benefit Programs" means group life insurance, group health insurance, profit sharing, pension, employee stock subscription, travel, savings,

vacation, unemployment insurance (not provided by a state) and disability benefit plans.

4. "Occurrence" means any negligent act or omission together with all related negligent acts or omissions, including resulting damages claimed by others, in the "administration" of "employee benefit programs" to any one employee shall be considered one occurrence.

5. "Suit" means a civil proceeding in which damages because of negligent acts or omissions in the "administration" of "employee benefit programs" to which this insurance applies are alleged. "Suit" includes an arbitration proceeding or other dispute resolution proceedings at which such damages are claimed and to which you submit with our expressed consent.

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Transamerica Insurance Services

Transamerica Insurance Group
of Companies

Policy No.
Replacement No.

Employee Benefit Programs
Liability — Declarations

NAMED INSURED AND ADDRESS:

RETROACTIVE DATE: Section I of this insurance does not apply to negligent acts or omissions which occur before the following Retroactive Date (if any):

LIMITS OF INSURANCE

Aggregate Limit $ _____

Each Occurrence Limit $ _____

DEDUCTIBLE

The deductible is $ _____ . This reduces the Limit of Liability shown as applicable to Each Occurrence Limit.

PREMIUM

Advance Premium for this Coverage Part is $ _____ .

ENDORSEMENTS ATTACHED TO THIS COVERAGE PART:

Transamerica Insurance Services

Transamerica Insurance Group of Companies

Commercial Property Coverage Part — Declarations

Policy No. 3021 51 91
Replacement No. 1939 21 91
NAMED INSURED AND ADDRESS:
EARL MANUFACTURING INC., ETAL

EFFECTIVE DATE: 1-1-88
☐ "X" if Supplemental Declarations is attached.

DESCRIPTION OF PREMISES

PREM. NO.	BLDG. NO.	LOCATION, CONSTRUCTION AND OCCUPANCY
1	1	11862 BURKE STREET, SANTA FE SPRINGS, CA.
2	1	11876 BURKE STREET, SANTA FE SPRINGS, CA.
		JOISTED MASONRY BUILDINGS OCCUPIED AS METAL PARTS MFG.

COVERAGES PROVIDED *Insurance at the described premises applies only for coverages for which a Limit of Insurance is shown.*

PREM. NO.	BLDG. NO.	COVERAGE	LIMIT OF INSURANCE	COVERED CAUSES OF LOSS	COINSURANCE*	RATES
162	1	BLANKET BUILDING	840,000	SPECIAL	90%	
162	1	BLANKET PERSONAL PROPERTY	1,650,000	SPECIAL	90%	
2	1	PERSONAL PROPERTY OF OTHERS	200,000	SPECIAL	90%	
162	1	BLANKET BUSINESS INCOME	400,000	SPECIAL	50%	

* *If Extra Expense Coverage, limits on Loss Payment*

OPTIONAL COVERAGES *Applicable only when entries are made in the schedule below.*

PREM. NO.	BLDG. NO.	AGREED VALUE: EXPIRATION DATE	AGREED VALUE: COVERAGE	AGREED VALUE: AMOUNT	REPLACEMENT COST (X): BUILDING	REPLACEMENT COST (X): PERSONAL PROPERTY	REPLACEMENT COST (X): INCLUDING "STOCK"
1	1				X	X	
2	1				X	X	

INFLATION GUARD (%): BUILDING	INFLATION GUARD (%): PERSONAL PROPERTY	*MONTHLY LIMIT OF INDEMNITY (Fraction)	*MAXIMUM PERIOD OF INDEMNITY (X)	*EXTENDED PERIOD OF INDEMNITY (Days)

* *Applies to business income only.*

MORTGAGE HOLDERS

PREM. NO.	BLDG. NO.	MORTGAGE HOLDER NAME AND MAILING ADDRESS

DEDUCTIBLE
The deductible is $250. *Exceptions:*

located 7/88

FORMS APPLICABLE TO ALL COVERAGES: AND LOCATIONS CP 00 10 11 85; CP 00 90 11 85; CP 02 99 11 85; CP 01 86 4 86; CP 1030 11 85; CP 00 30 11 85; CP 12 10 11 85

FORMS APPLICABLE TO SPECIFIC PREMISES / COVERAGES: located 10/90

PREM. NO.	BLDG. NO.	COVERAGES	FORM NUMBER

Common Policy Conditions

IL 00 17 11 85

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

A. **Cancellation**

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

B. **Changes**

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

C. **Examination Of Your Books And Records**

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

D. **Inspections And Surveys**

We have the right but are not obligated to:

1. Make inspections and surveys at any time;
2. Give you reports on the conditions we find; and
3. Recommend changes.

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

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

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

E. **Premiums**

The first Named Insured shown in the Declarations:

1. Is responsible for the payment of all premiums; and
2. Will be the payee for any return premiums we pay.

F. **Transfer Of Your Rights And Duties Under This Policy**

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

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

COMMON POLICY CONDITIONS

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

A. CANCELLATION

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

B. CHANGES

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

C. EXAMINATION OF YOUR BOOKS AND RECORDS

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

D. INSPECTIONS AND SURVEYS

We have the right but are not obligated to:

1. Make inspections and surveys at any time;
2. Give you reports on the conditions we find; and
3. Recommend changes

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

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

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

E. PREMIUMS

The first Named Insured shown in the Declarations:

1. Is responsible for the payment of all premiums; and
2. Will be the payee for any return premiums we pay.

F. TRANSFER OF YOUR RIGHTS AND DUTIES UNDER THIS POLICY

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

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

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CALIFORNIA CHANGES - CANCELLATION AND NONRENEWAL

This endorsement modifies insurance provided under the following:

BOILER AND MACHINERY COVERAGE PART
BUSINESSOWNERS POLICY
COMMERCIAL AUTO COVERAGE PART
COMMERCIAL CRIME COVERAGE PART - EXCEPT COVERAGE FORMS A AND B
COMMERCIAL GENERAL LIABILITY COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
FARM COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

A. The following is added to the CANCELLATION Common Policy Condition:

7. POLICIES IN EFFECT FOR MORE THAN 60 DAYS

a. If this policy has been in effect for more than 60 days, or is a renewal of a policy we issued, we may cancel this policy only upon the occurrence, after the effective date of the policy, of one or more of the following:

(1) Nonpayment of premium, including payment due on a prior policy we issued and due during the current policy term covering the same risks.

(2) Discovery of fraud or material misrepresentation by:

(a) Any insured or his or her representative in obtaining this insurance; or

(b) You or your representative in pursuing a claim under this policy.

(3) A judgment by a court or an administrative tribunal that you have violated a California or Federal law, having as one of its necessary elements an act which materially increases any of the risks insured against.

(4) Discovery of willful or grossly negligent acts or omissions, or of any violations of state laws or regulations establishing safety standards, by you or your representative, which materially increase any of the risks insured against.

(5) Failure by you or your representative to implement reasonable loss control requirements, agreed to by you as a condition of policy issuance, or which were conditions precedent to our use of a particular rate or rating plan, if that failure materially increases any of the risks insured against.

(6) A determination by the Commissioner of Insurance that the:

(a) Loss of, or changes in, our reinsurance covering all or part of the risk would threaten our financial integrity or solvency; or

(b) Continuation of the policy coverage would:

i Place us in violation of California law or the laws of the state where we are domiciled; or

ii Threaten our solvency.

(7) A change by you or your representative in the activities or property of the commercial or industrial enterprise, which results in a materially added, increased or changed risk, unless the added, increased or changed risk is included in the policy.

b. We will mail or deliver advance written notice of cancellation, stating the reason for cancellation, to the first Named Insured, and to the producer of record, at least:

(1) 10 days before the effective date of cancellation if we cancel for a reason listed in paragraph 7.a.(1) or (2).

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(2) 30 days before the effective date of cancellation if we cancel for any other reason listed in paragraph 7.a.

B. The following is added and supersedes any provisions to the contrary:

NONRENEWAL

1. If we decide not to renew this policy, we will mail or deliver written notice stating the reason for nonrenewal to the first Named Insured shown in the Declarations and to the producer of record, at least:
   a. 45 days, but not more than 120 days, before the expiration or anniversary date, if the aggregate policy premium is more than $10,000; or
   b. 60 days, but not more than 120 days, before the expiration or anniversary date, if the aggregate policy premium is $10,000 or less.
2. We will mail or deliver our notice to the first Named Insured, and to the producer of record, at the mailing address shown in the policy.
3. We are not required to send notice of nonrenewal in the following situations:
   a. If the transfer or renewal of a policy, without any changes in terms, conditions, or rates, is between us and a member of our insurance group.
   b. If the policy has been extended for 90 days or less, provided that notice has been given in accordance with paragraph B.1.
   c. If you have obtained replacement coverage, or if the first Named Insured has agreed, in writing, within 60 days of the termination of the policy, to obtain that coverage.
   d. If the policy is for a period of no more than 60 days and you are notified at the time of issuance that it will not be renewed.
   e. If the first Named Insured requests a change in the terms or conditions or risks covered by the policy within 60 days of the end of the policy period.
   f. If we have made an offer to the first Named Insured, in accordance with the timeframes shown in paragraph B.1, to renew the policy under changed terms or conditions or at a changed premium rate.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CANCELLATION CHANGES

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART

The following is added to the CANCELLATION Common Policy Condition:

If any one of the following conditions exists at any building that is Covered Property in this policy, we may cancel this Coverage Part by mailing or delivering to the first Named Insured written notice of cancellation at least 5 days before the effective date of cancellation.

A. The building has been vacant or unoccupied 60 or more consecutive days. This does not apply to:
   1. Seasonal unoccupancy;
   2. Buildings in the course of construction, renovation or addition; or
   3. Buildings to which the Vacancy Permit endorsement applies.

   Buildings with 65% or more of the rental units or floor area vacant or unoccupied are considered unoccupied under this provision.

B. After damage by a covered cause of loss, permanent repairs to the building:
   1. Have not started, and
   2. Have not been contracted for,

   within 30 days of initial payment of loss.

C. The building has:
   1. An outstanding order to vacate;
   2. An outstanding demolition order;
   3. Been declared unsafe by governmental authority.

D. Fixed and salvageable items have been or are being removed from the building and are not being replaced. This does not apply to such removal that is necessary or incidental to any renovation or remodeling.

E. Failure to:
   1. Furnish necessary heat, water, sewer service or electricity for 30 consecutive days or more, except during a period of seasonal unoccupancy; or
   2. Pay property taxes that are owing and have been outstanding for more than one year following the date due, except that this provision will not apply where you are in a bona fide dispute with the taxing authority regarding payment of such taxes.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CHANGES - POLLUTANTS

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART

A. The changes below apply to the following forms:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM

CONDOMINIUM ASSOCIATION COVERAGE FORM

CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM

BUILDERS' RISK COVERAGE FORM

TOBACCO SALES WAREHOUSES COVERAGE FORM

1. Under PROPERTY NOT COVERED, the following is added:

Covered Property does not include water.

2. The DEBRIS REMOVAL Additional Coverage is replaced by the following:

Debris Removal

a. We will pay your expense to remove debris of Covered Property caused by or resulting from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us within 180 days of the earlier of:

(1) The date of direct physical loss or damage; or

(2) The end of the policy period.

b. The most we will pay under this Additional Coverage is 25% of:

(1) The amount we pay for the direct loss or damage; plus

(2) The deductible in this policy applicable to that loss or damage.

But this limitation does not apply to any additional debris removal limit provided in the Limit of Insurance section.

c. This Additional Coverage does not apply to costs to:

(1) Extract "pollutants" from land or water; or

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

3. The following Additional Coverage is added:

Pollutant Clean Up and Removal

We will pay your expense to extract "pollutants" from land or water at the described premises if the release, discharge or dispersal of the "pollutants" is caused by or results from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us within 180 days of the earlier of:

a. The date of direct physical loss or damage; or

b. The end of the policy period.

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

4. Paragraph 2. of the LIMITS OF INSURANCE Section is replaced by the following:

2. Debris Removal; but if:

a. The sum of loss or damage and debris removal expense exceeds the Limit of Insurance; or

b. The debris removal expense exceeds the amount payable under the 25% Debris Removal coverage limitation in paragraph 2.b. above;

we will pay up to an additional $5,000 for each location in any one occurrence under the Debris Removal Additional Coverage.

5. The following DEFINITION is added:

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

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B. The PERIOD OF RESTORATION definition is revised to include the following in the:

BUSINESS INCOME COVERAGE FORM

EXTRA EXPENSE COVERAGE FORM

BUSINESS INCOME FROM DEPENDENT PROPERTIES - BROAD FORM

BUSINESS INCOME FROM DEPENDENT PROPERTIES - LIMITED FORM

EXTRA EXPENSE FROM DEPENDENT PROPERTIES FORM

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

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

(2) Regulates the prevention, control, repair, clean-up or restoration of environmental damage.

C. The CAUSES OF LOSS - SPECIAL FORM is revised as follows:

1. The exclusion of, "Release, discharge or dispersal of contaminants or pollutants" in paragraph B.2.d.(4) is deleted.

2. The following Exclusion is added:

We will not pay for loss or damage caused by or resulting from the release, discharge or dispersal of "pollutants" unless the release, discharge or dispersal is itself caused by any of the "specified causes of loss". But if loss or damage by the "specified causes of loss" results, we will pay for the resulting damage caused by the "specified cause of loss".

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CAUSES OF LOSS - SPECIAL FORM

Words and phrases that appear in quotation marks have special meaning. Refer to Section F. - Definitions.

A. COVERED CAUSES OF LOSS

When Special is shown in the Declarations, Covered Causes of Loss means RISKS OF DIRECT PHYSICAL LOSS unless the loss is:

1. Excluded in Section B., Exclusions; or
2. Limited in Section C., Limitations;

that follow.

B. EXCLUSIONS

1. We will not pay for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

   a. Ordinance or Law

   The enforcement of any ordinance or law:

   (1) Regulating the construction, use or repair of any property; or

   (2) Requiring the tearing down of any property, including the cost of removing its debris.

   b. Earth Movement

   (1) Any earth movement (other than sinkhole collapse), such as an earthquake, landslide, mine subsidence or earth sinking, rising or shifting. But if loss or damage by fire or explosion results, we will pay for that resulting loss or damage.

   (2) Volcanic eruption, explosion or effusion. But if loss or damage by fire, building glass breakage or volcanic action results, we will pay for that resulting loss or damage.

   Volcanic action means direct loss or damage resulting from the eruption of a volcano when the loss or damage is caused by:

   (a) Airborne volcanic blast or airborne shock waves;

   (b) Ash, dust or particulate matter; or

   (c) Lava flow.

   All volcanic eruptions that occur within any 168 hour period will constitute a single occurrence.

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

   c. Governmental Action

   Seizure or destruction of property by order of governmental authority.

   But we will pay for acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread, if the fire would be covered under this Coverage Part.

   d. Nuclear Hazard

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

   But if loss or damage by fire results, we will pay for that resulting loss or damage.

   e. Power Failure

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

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

   f. War And Military Action

   (1) War, including undeclared or civil war;

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

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

   g. Water

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

   (2) Mudslide or mudflow;

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(3) Water that backs up from a sewer or drain; or

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

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

(b) Basements, whether paved or not; or

(c) Doors, windows or other openings.

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

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

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

But if loss or damage by fire results, we will pay for that resulting loss or damage.

b. Delay, loss of use or loss of market.

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

d. (1) Wear and tear;

(2) Rust, corrosion, fungus, decay, deterioration, hidden or latent defect or any quality in property that causes it to damage or destroy itself;

(3) Smog;

(4) Settling, cracking, shrinking or expansion;

(5) Insects, birds, rodents or other animals;

(6) Mechanical breakdown, including rupture or bursting caused by centrifugal force. However, this does not apply to any resulting loss or damage caused by elevator collision;

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

(a) Dampness or dryness of atmosphere;

(b) Changes in or extremes of temperature; or

(c) Marring or scratching.

But if loss or damage by the "specified causes of loss" or building glass breakage results, we will pay for that resulting loss or damage.

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

f. Continuous or repeated seepage or leakage of water that occurs over a period of 14 days or more.

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

(1) You do your best to maintain heat in the building or structure; or

(2) You drain the equipment and shut off the supply if the heat is not maintained.

h. Dishonest or criminal act by you, any of your partners, employees, directors, trustees, authorized representatives or anyone to whom you entrust the property for any purpose:

(1) Acting alone or in collusion with others; or

(2) Whether or not occurring during the hours of employment.

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

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

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

k. Collapse, except as provided below in the Additional Coverage for Collapse. But if loss or damage by a Covered Cause of Loss results at the described premises, we will pay for that resulting loss or damage.

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l. Discharge, dispersal, seepage, migration, release or escape of "pollutants" unless the discharge, dispersal, seepage, migration, release or escape is itself caused by any of the "specified causes of loss." But if loss or damage by the "specified causes of loss" results, we will pay for the resulting damage caused by the "specified cause of loss."

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

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

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

   c. Faulty, inadequate or defective:

      (1) Planning, zoning, development, surveying, siting;

      (2) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;

      (3) Materials used in repair, construction, renovation or remodeling; or

      (4) Maintenance;

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

4. **Special Exclusions**

   The following provisions apply only to the specified Coverage Forms.

   a. **Business Income (And Extra Expense) Coverage Form, Business Income (Without Extra Expense) Coverage Form, or Extra Expense Coverage Form**

      We will not pay for:

      (1) Any loss caused by or resulting from:

         (a) Damage or destruction of "finished stock;" or

         (b) The time required to reproduce "finished stock."

         This exclusion does not apply to Extra Expense.

      (2) Any loss caused by or resulting from direct physical loss or damage to radio or television antennas, including their lead-in wiring, masts or towers.

      (3) Any increase of loss caused by or resulting from:

         (a) Delay in rebuilding, repairing or replacing the property or resuming "operations," due to interference at the location of the rebuilding, repair or replacement by strikers or other persons; or

         (b) Suspension, lapse or cancellation of any license, lease or contract. But if the suspension, lapse or cancellation is directly caused by the suspension of "operations," we will cover such loss that affects your Business Income during the "period of restoration."

      (4) Any Extra Expense caused by or resulting from suspension, lapse or cancellation of any license, lease or contract beyond the "period of restoration."

      (5) Any other consequential loss.

   b. **Leasehold Interest Coverage Form**

      (1) Paragraph B.1.a. Ordinance or Law, does not apply to insurance under this Coverage Form.

      (2) We will not pay for any loss caused by:

         (a) Your cancelling the lease;

         (b) The suspension, lapse or cancellation of any license; or

         (c) Any other consequential loss.

   c. **Legal Liability Coverage Form**

      (1) The following Exclusions do not apply to insurance under this Coverage Form:

         (a) Paragraph B.1.a., Ordinance or Law;

         (b) Paragraph B.1.c., Governmental Action;

         (c) Paragraph B.1.d., Nuclear Hazard;

         (d) Paragraph B.1.e., Power Failure; and

         (e) Paragraph B.1.f., War and Military Action.

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(2) **Contractual Liability**

We will not defend any claim or "suit," or pay damages that you are legally liable to pay, solely by reason of your assumption of liability in a contract or agreement.

(3) **Nuclear Hazard**

We will not defend any claim or "suit," or pay any damages, loss, expense or obligation, resulting from nuclear reaction or radiation, or radioactive contamination, however caused.

C. LIMITATIONS

1. We will not pay for loss of or damage to:
   a. Steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment. But we will pay for loss of or damage to such equipment caused by or resulting from an explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.
   b. Hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment, other than an explosion.
   c. The interior of any building or structure caused by or resulting from rain, snow, sleet, ice, sand or dust, whether driven by wind or not, unless:
      (1) The building or structure first sustains damage by a Covered Cause of Loss to its roof or walls through which the rain, snow, sleet, ice, sand or dust enters; or
      (2) The loss or damage is caused by or results from thawing of snow, sleet or ice on the building or structure.
   d. Building materials and supplies not attached as part of the building or structure, unless held for sale by you, caused by or resulting from theft, except as provided in C.5.a. below.
   e. Property that is missing, where the only evidence of the loss or damage is a shortage disclosed on taking inventory, or other instances where there is no physical evidence to show what happened to the property.
   f. Gutters and downspouts caused by or resulting from weight of snow, ice or sleet.
   g. Property that has been transferred to a person or to a place outside the described premises on the basis of unauthorized instructions.
2. We will not pay more for loss of or damage to glass that is part of a building or structure than $100 for each plate, pane, multiple plate insulating unit, radiant or solar heating panel, jalousie, louver or shutter. We will not pay more than $500 for all loss of or damage to building glass that occurs at any one time.

   This Limitation does not apply to loss or damage by the "specified causes of loss," except vandalism.
3. We will not pay for loss of or damage to the following types of property unless caused by the "specified causes of loss" or building glass breakage:
   a. Valuable papers and records, such as books of account, manuscripts, abstracts, drawings, card index systems, film, tape, disc, drum, cell or other data processing, recording or storage media, and other records.
   b. Animals, and then only if they are killed or their destruction is made necessary.
   c. Fragile articles such as glassware, statuary, marbles, chinaware and porcelains, if broken. This restriction does not apply to:
      (1) Glass that is part of a building or structure;
      (2) Containers of property held for sale; or
      (3) Photographic or scientific instrument lenses.
   d. Builders' machinery, tools, and equipment you own or that are entrusted to you, while away from the premises described in the Declarations, except as provided in paragraph C.5.b. below.
4. For loss or damage by theft, the following types of property are covered only up to the limits shown:
   a. $2,500 for furs, fur garments and garments trimmed with fur.

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b. $2,500 for jewelry, watches, watch movements, jewels, pearls, precious and semi-precious stones, bullion, gold, silver, platinum and other precious alloys or metals. This limit does not apply to jewelry and watches worth $100 or less per item.

c. $2,500 for patterns, dies, molds and forms.

d. $250 for stamps, tickets and letters of credit.

5. **Builders' Risk Coverage Form Limitations**

The following provisions apply only to the Builders' Risk Coverage Form.

a. Limitation 1.d. is replaced by the following:

d. Building materials and supplies not attached as part of the building or structure caused by or resulting from theft.

b. Limitation 3.d. is replaced by the following:

d. Builders' machinery, tools and equipment you own or that are entrusted to you.

D. ADDITIONAL COVERAGE - COLLAPSE

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

1. The "specified causes of loss" or breakage of building glass, all only as insured against in this Coverage Part;
2. Hidden decay;
3. Hidden insect or vermin damage;
4. Weight of people or personal property;
5. Weight of rain that collects on a roof;
6. Use of defective material or methods in construction, remodeling or renovation if the collapse occurs during the course of the construction, remodeling or renovation.

We will not pay for loss or damage to the following types of property, if otherwise covered in this Coverage Part, under items 2., 3., 4., 5. and 6. unless the loss or damage is a direct result of the collapse of a building:

outdoor radio or television antennas, including their lead-in wiring, masts or towers; awnings, gutters and downspouts; yard fixtures; outdoor swimming pools; fences; piers, wharves and docks; beach or diving platforms or appurtenances; retaining walls; walks, roadways and other paved surfaces.

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

This Additional Coverage will not increase the Limits of Insurance provided in this Coverage Part.

E. ADDITIONAL COVERAGE EXTENSIONS

1. **Property in Transit.** This Extension applies only to your personal property to which this form applies.

a. You may extend the insurance provided by this Coverage Part to apply to your personal property (other than property in the care, custody or control of your salespersons) in transit more than 100 feet from the described premises. Property must be in or on a motor vehicle you own, lease or operate while between points in the coverage territory.

b. Loss or damage must be caused by or result from one of the following causes of loss:

(1) Fire, lightning, explosion, windstorm or hail, riot or civil commotion, or vandalism.

(2) Vehicle collision, upset or overturn. Collision means accidental contact of your vehicle with another vehicle or object. It does not mean your vehicle's contact with the road bed.

(3) Theft of an entire bale, case or package by forced entry into a securely locked body or compartment of the vehicle. There must be visible marks of the forced entry.

c. The most we will pay for loss or damage under this Extension is $1000.

This Coverage Extension is additional insurance. The Additional Condition, Coinsurance, does not apply to this Extension.

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

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We will not pay the cost to repair any defect that caused the loss or damage; but we will pay the cost to repair or replace damaged parts of fire extinguishing equipment if the damage:

a. Results in discharge of any substance from an automatic fire protection system; or

b. Is directly caused by freezing.

F. **DEFINITIONS**

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

1. Sinkhole collapse means the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite. This cause of loss does not include:

   a. The cost of filling sinkholes; or

   b. Sinking or collapse of land into man-made underground cavities.

2. Falling objects does not include loss or damage to:

   a. Personal property in the open; or

   b. The interior of a building or structure, or property inside a building or structure, unless the roof or an outside wall of the building or structure is first damaged by a falling object.

3. Water damage means accidental discharge or leakage of water or steam as the direct result of the breaking or cracking of any part of a system or appliance containing water or steam.

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BUILDING AND PERSONAL PROPERTY COVERAGE FORM

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

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

Other words and phrases that appear in quotation marks have special meaning. Refer to SECTION H - DEFINITIONS.

A. COVERAGE

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

1. Covered Property

Covered Property, as used in this Coverage Part, means the following types of property for which a Limit of Insurance is shown in the Declarations:

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

(1) Completed additions;

(2) Permanently installed:

(a) Fixtures;

(b) Machinery; and

(c) Equipment;

(3) Outdoor fixtures;

(4) Personal property owned by you that is used to maintain or service the building or structure or its premises, including:

(a) Fire extinguishing equipment;

(b) Outdoor furniture;

(c) Floor coverings; and

(d) Appliances used for refrigerating, ventilating, cooking, dishwashing or laundering;

(5) If not covered by other insurance:

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

(b) Materials, equipment, supplies and temporary structures, on or within 100 feet of the described premises, used for making additions, alterations or repairs to the building or structure.

b. **Your Business Personal Property** located in or on the building described in the Declarations or in the open (or in a vehicle) within 100 feet of the described premises, consisting of the following unless otherwise specified in the Declarations or on the Your Business Personal Property - Separation of Coverage form:

(1) Furniture and fixtures;

(2) Machinery and equipment;

(3) "Stock";

(4) All other personal property owned by you and used in your business;

(5) Labor, materials or services furnished or arranged by you on personal property of others; and

(6) Your use interest as tenant in improvements and betterments. Improvements and betterments are fixtures, alterations, installations or additions:

(a) Made a part of the building or structure you occupy but do not own; and

(b) You acquired or made at your expense but cannot legally remove.

c. **Personal Property of Others** that is:

(1) In your care, custody or control; and

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(2) Located in or on the building described in the Declarations or in the open (or in a vehicle) within 100 feet of the described premises.

However, our payment for loss of or damage to personal property of others will only be for the account of the owner of the property.

2. Property Not Covered

Covered Property does not include:

a. Accounts, bills, currency, deeds, evidences of debt, money, notes or securities;

b. Animals, unless owned by others and boarded by you, or if owned by you, only as "stock" while inside of buildings;

c. Automobiles held for sale;

d. Bridges, roadways, walks, patios or other paved surfaces;

e. Contraband, or property in the course of illegal transportation or trade;

f. The cost of excavations, grading, backfilling or filling;

g. Foundations of buildings, structures, machinery or boilers if their foundations are below:

(1) The lowest basement floor; or

(2) The surface of the ground, if there is no basement;

h. Land (including land on which the property is located), water, growing crops or lawns;

i. Personal property while airborne or waterborne;

j. Pilings, piers, wharves or docks;

k. Property that is covered under another coverage form of this or any other policy in which it is more specifically described, except for the excess of the amount due (whether you can collect on it or not) from that other insurance;

l. Retaining walls that are not part of the building described in the Declarations;

m. Underground pipes, flues or drains;

n. The cost to research, replace or restore the information on valuable papers and records, including those which exist on electronic or magnetic media, except as provided in the Coverage Extensions;

o. Vehicles or self-propelled machines (including aircraft or watercraft) that:

(1) Are licensed for use on public roads; or

(2) Are operated principally away from the described premises.

This paragraph does not apply to:

(a) Vehicles or self-propelled machines or autos you manufacture, process or warehouse;

(b) Vehicles or self-propelled machines, other than autos, you hold for sale; or

(c) Rowboats or canoes out of water at the described premises;

p. The following property while outside of buildings:

(1) Grain, hay, straw or other crops;

(2) Fences, radio or television antennas, including their lead-in wiring, masts or towers, signs (other than signs attached to buildings), trees, shrubs or plants, all except as provided in the Coverage Extensions.

3. Covered Causes Of Loss

See applicable Causes of Loss Form as shown in the Declarations.

4. Additional Coverages

a. Debris Removal

(1) We will pay your expense to remove debris of Covered Property caused by or resulting from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the earlier of:

(a) The date of direct physical loss or damage; or

(b) The end of the policy period.

(2) The most we will pay under this Additional Coverage is 25% of:

(a) The amount we pay for the direct physical loss of or damage to Covered Property; plus

(b) The deductible in this policy applicable to that loss or damage.

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But this limitation does not apply to any additional debris removal limit provided in the Limits of Insurance section.

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

(a) Extract "pollutants" from land or water; or

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

b. Preservation of Property

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

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

(2) Only if the loss or damage occurs within 10 days after the property is first moved.

c. Fire Department Service Charge

When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay up to $1,000 for your liability for fire department service charges:

(1) Assumed by contract or agreement prior to loss; or

(2) Required by local ordinance.

No Deductible applies to this Additional Coverage.

d. Pollutant Clean Up and Removal

We will pay your expense to extract "pollutants" from land or water at the described premises if the release, discharge or dispersal of the "pollutants" is caused by or results from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the earlier of:

(1) The date of direct physical loss or damage; or

(2) The end of the policy period.

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

5. Coverage Extensions

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

If a Coinsurance percentage of 80% or more or, a Value Reporting period symbol, is shown in the Declarations, you may extend the insurance provided by this Coverage Part as follows:

a. Newly Acquired or Constructed Property

(1) You may extend the insurance that applies to Building to apply to:

(a) Your new buildings while being built on the described premises; and

(b) Buildings you acquire at locations, other than the described premises, intended for:

(i) Similar use as the building described in the Declarations; or

(ii) Use as a warehouse.

The most we will pay for loss or damage under this Extension is 25% of the Limit of Insurance for Building shown in the Declarations, but not more than $250,000 at each building.

(2) You may extend the insurance that applies to Your Business Personal Property to apply to that property at any location you acquire other than at fairs or exhibitions.

The most we will pay for loss or damage under this Extension is 10% of the Limit of Insurance for Your Business Personal Property shown in the Declarations, but not more than $100,000 at each building.

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

(a) This policy expires.

(b) 30 days expire after you acquire or begin to construct the property; or

(c) You report values to us.

We will charge you additional premium for values reported from the date construction begins or you acquire the property.

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b. Personal Effects and Property of Others.

You may extend the insurance that applies to Your Business Personal Property to apply to:

(1) Personal effects owned by you, your officers, your partners or your employees. This extension does not apply to loss or damage by theft.

(2) Personal property of others in your care, custody or control.

The most we will pay for loss or damage under this Extension is $2,500 at each described premises. Our payment for loss of or damage to personal property of others will only be for the account of the owner of the property.

c. Valuable Papers and Records - Cost of Research.

You may extend the insurance that applies to Your Business Personal Property to apply to your costs to research, replace or restore the lost information on lost or damaged valuable papers and records, including those which exist on electronic or magnetic media, for which duplicates do not exist. The most we will pay under this Extension is $1,000 at each described premises.

d. Property Off-Premises

You may extend the insurance provided by this Coverage Form to apply to your Covered Property, other than "stock", that is temporarily at a location you do not own, lease or operate. This Extension does not apply to Covered Property:

(1) In or on a vehicle;

(2) In the care, custody or control of your salespersons; or

(3) At any fair or exhibition.

The most we will pay for loss or damage under this Extension is $5,000.

e. Outdoor Property

You may extend the insurance provided by this Coverage Form to apply to your outdoor fences, radio and television antennas, signs (other than signs attached to buildings), trees, shrubs and plants, including debris removal expense, caused by or resulting from any of the following causes of loss if they are Covered Causes of Loss:

(1) Fire;

(2) Lightning;

(3) Explosion;

(4) Riot or Civil Commotion; or

(5) Aircraft.

The most we will pay for loss or damage under this Extension is $1,000, but not more than $250 for any one tree, shrub or plant.

Each of these Extensions is additional insurance. The Additional Condition, Coinsurance, does not apply to these Extensions.

B. EXCLUSIONS

See applicable Causes of Loss Form as shown in the Declarations.

C. LIMITS OF INSURANCE

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

The most we will pay for loss or damage to outdoor signs attached to buildings is $1,000 per sign in any one occurrence.

The limits applicable to the Coverage Extensions and the Fire Department Service Charge and Pollutant Clean Up and Removal Additional Coverages are in addition to the Limits of Insurance.

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

1. Preservation of Property; or
2. Debris Removal; but if:

a. The sum of direct physical loss or damage and debris removal expense exceeds the Limit of Insurance; or

b. The debris removal expense exceeds the amount payable under the 25% limitation in the Debris Removal Additional Coverage;

we will pay up to an additional $5,000 for each location in any one occurrence under the Debris Removal Additional Coverage.

D. DEDUCTIBLE

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

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E. LOSS CONDITIONS

The following conditions apply in addition to the Common Policy Conditions and the Commercial Property Conditions.

1. Abandonment

There can be no abandonment of any property to us.

2. Appraisal

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

a. Pay its chosen appraiser; and

b. Bear the other expenses of the appraisal and umpire equally.

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

3. Duties In The Event Of Loss Or Damage

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

a. Notify the police if a law may have been broken.

b. Give us prompt notice of the loss or damage. Include a description of the property involved.

c. As soon as possible, give us a description of how, when and where the loss or damage occurred.

d. Take all reasonable steps to protect the Covered Property from further damage by a Covered Cause of Loss. If feasible, set the damaged property aside and in the best possible order for examination. Also keep a record of your expenses for emergency and temporary repairs, for consideration in the settlement of the claim. This will not increase the Limit of Insurance.

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

f. Permit us to inspect the property and records proving the loss or damage.

Also permit us to take samples of damaged property for inspection, testing and analysis.

g. If requested, permit us to question you under oath at such times as may be reasonably required about any matter relating to this insurance or your claim, including your books and records. In such event, your answers must be signed.

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

i. Cooperate with us in the investigation or settlement of the claim.

4. Loss Payment

a. In the event of loss or damage covered by this Coverage Form, at our option, we will either:

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

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

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

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

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

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

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

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

f. We will pay for covered loss or damage within 30 days after we receive the sworn statement of loss, if:

(1) You have complied with all of the terms of this Coverage Part; and

(2)(a) We have reached agreement with you on the amount of loss; or

(b) An appraisal award has been made.

5. Recovered Property

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

6. Vacancy

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

a. Not pay for any loss or damage caused by any of the following even if they are Covered Causes of Loss:

(1) Vandalism;

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

(3) Building glass breakage;

(4) Water damage;

(5) Theft; or

(6) Attempted theft.

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

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

Buildings under construction are not considered vacant.

7. Valuation

We will determine the value of Covered Property in the event of loss or damage as follows:

a. At actual cash value as of the time of loss or damage, except as provided in b., c., d., e. and f. below.

b. If the Limit of Insurance for Building satisfies the Additional Condition, Coinsurance, and the cost to repair or replace the damaged building property is $2,500 or less, we will pay the cost of building repairs or replacement.

This provision does not apply to the following even when attached to the building:

(1) Awnings or floor coverings;

(2) Appliances for refrigerating, ventilating, cooking, dishwashing or laundering; or

(3) Outdoor equipment or furniture.

c. "Stock" you have sold but not delivered at the selling price less discounts and expenses you otherwise would have had.

d. Glass at the cost of replacement with safety glazing material if required by law.

e. Tenant's Improvements and Betterments at:

(1) Actual cash value of the lost or damaged property if you make repairs promptly.

(2) A proportion of your original cost if you do not make repairs promptly. We will determine the proportionate value as follows:

(a) Multiply the original cost by the number of days from the loss or damage to the expiration of the lease; and

(b) Divide the amount determined in (a) above by the number of days from the installation of improvements to the expiration of the lease.

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

(3) Nothing if others pay for repairs or replacement.

f. Valuable Papers and Records, including those which exist on electronic or magnetic media (other than prepackaged software programs), at the cost of:

(1) Blank materials for reproducing the records; and

(2) Labor to transcribe or copy the records when there is a duplicate.

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F. ADDITIONAL CONDITIONS

The following conditions apply in addition to the Common Policy Conditions and the Commercial Property Conditions.

1. Coinsurance

If a Coinsurance percentage is shown in the Declarations, the following condition applies.

a. We will not pay the full amount of any loss if the value of Covered Property at the time of loss times the Coinsurance percentage shown for it in the Declarations is greater than the Limit of Insurance for the property.

Instead, we will determine the most we will pay using the following steps:

(1) Multiply the value of Covered Property at the time of loss by the Coinsurance percentage;

(2) Divide the Limit of Insurance of the property by the figure determined in step (1);

(3) Multiply the total amount of the covered loss, before the application of any deductible, by the figure determined in step (2); and

(4) Subtract the deductible from the figure determined in step (3).

The amount determined in step (4) is the most we will pay. For the remainder, you will either have to rely on other insurance or absorb the loss yourself.

Example No. 1 (Underinsurance):
When:

The value of the property is	$250,000
The Coinsurance percentage for it is	80%
The Limit of Insurance for it is	$100,000
The Deductible is	$250
The amount of loss is	$ 40,000

Step (1): $250,000 x 80% = $200,000 (the minimum amount of insurance to meet your Coinsurance requirements)

Step (2): $100,000 ÷ $200,000 = .50

Step (3): $ 40,000 x .50 = $20,000

Step (4): $ 20,000 - $250 = $19,750

We will pay no more than $19,750. The remaining $20,250 is not covered.

Example No. 2 (Adequate Insurance):
When:

The value of the property is	$250,000
The Coinsurance percentage for it is	80%
The Limit of Insurance for it is	$200,000
The Deductible is	$250
The amount of loss is	$ 40,000

Step (1): $250,000 x 80% = $200,000 (the minimum amount of insurance to meet your Coinsurance requirements)

Step (2): $200,000 ÷ $200,000 = 1.00

Step (3): $ 40,000 x 1.00 = $ 40,000

Step (4): $ 40,000 - $250 = $ 39,750

We will cover the $39,750 loss in excess of the Deductible. No penalty applies.

b. If one Limit of Insurance applies to two or more separate items, this condition will apply to the total of all property to which the limit applies.

Example No. 3:
When:

The value of property is:	
Bldg. at Location No. 1	$75,000
Bldg. at Location No. 2	100,000
Personal Property at Location No. 2	75,000
	$250,000
The Coinsurance percentage for it is	90%
The Limit of Insurance for Buildings and Personal Property at Location Nos. 1 and 2 is	$180,000
The Deductible is	$1,000
The amount of loss is Bldg. at Location No. 2	$30,000
Personal Property at Location No. 2.	20,000
	$50,000

Step (1): $250,000 x 90% = $225,000 (the minimum amount of insurance to meet your Coinsurance requirements and to avoid the penalty shown below)

Step (2): $180,000 ÷ $225,000 = .80

Step (3): $ 50,000 x .80 = $40,000.

Step (4): $ 40,000 - $1,000 = $39,000.

We will pay no more than $39,000. The remaining $11,000 is not covered.

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2. **Mortgage Holders**

a. The term "mortgage holder" includes trustee.

b. We will pay for covered loss of or damage to buildings or structures to each mortgage holder shown in the Declarations in their order of precedence, as interests may appear.

c. The mortgage holder has the right to receive loss payment even if the mortgage holder has started foreclosure or similar action on the building or structure.

d. If we deny your claim because of your acts or because you have failed to comply with the terms of this Coverage Part, the mortgage holder will still have the right to receive loss payment if the mortgage holder:

(1) Pays any premium due under this Coverage Part at our request if you have failed to do so;

(2) Submits a signed, sworn statement of loss within 60 days after receiving notice from us of your failure to do so; and

(3) Has notified us of any change in ownership, occupancy or substantial change in risk known to the mortgage holder.

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

e. If we pay the mortgage holder for any loss or damage and deny payment to you because of your acts or because you have failed to comply with the terms of this Coverage Part:

(1) The mortgage holder's rights under the mortgage will be transferred to us to the extent of the amount we pay; and

(2) The mortgage holder's right to recover the full amount of the mortgage holder's claim will not be impaired.

At our option, we may pay to the mortgage holder the whole principal on the mortgage plus any accrued interest. In this event, your mortgage and note will be transferred to us and you will pay your remaining mortgage debt to us.

f. If we cancel this policy, we will give written notice to the mortgage holder at least:

(1) 10 days before the effective date of cancellation if we cancel for your nonpayment of premium; or

(2) 30 days before the effective date of cancellation if we cancel for any other reason.

g. If we elect not to renew this policy, we will give written notice to the mortgage holder at least 10 days before the expiration date of this policy.

G. OPTIONAL COVERAGES

If shown in the Declarations, the following Optional Coverages apply separately to each item.

1. **Agreed Value**

a. The Additional Condition, Coinsurance, does not apply to Covered Property to which this Optional Coverage applies. We will pay no more for loss of or damage to that property than the proportion that the Limit of Insurance under this Coverage Part for the property bears to the Agreed Value shown for it in the Declarations.

b. If the expiration date for this Optional Coverage shown in the Declarations is not extended, the Additional Condition, Coinsurance, is reinstated and this Optional Coverage expires.

c. The terms of this Optional Coverage apply only to loss or damage that occurs:

(1) On or after the effective date of this Optional Coverage; and

(2) Before the Agreed Value expiration date shown in the Declarations or the policy expiration date, whichever occurs first.

2. **Inflation Guard**

a. The Limit of Insurance for property to which this Optional Coverage applied will automatically increase by the annual percentage shown in the Declarations.

b. The amount of increase will be:

(1) The Limit of Insurance that applied on the most recent of the policy inception date, the policy anniversary date, or any other policy change amending the Limit of Insurance, times

(2) The percentage of annual increase shown in the Declarations, expressed as a decimal (example: 8% is .08), times

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(3) The number of days since the beginning of the current policy year or the effective date of the most recent policy change amending the Limit of Insurance, divided by 365.

Example:
If:

The applicable Limit of Insurance is	$100,000
The annual percentage increase is	8%
The number of days since the beginning of the policy year (or last policy change) is	146
The amount of increase is $100,000 x .08 x 146 ÷ 365 =	$3,200

3. **Replacement Cost**

a. Replacement Cost (without deduction for depreciation) replaces Actual Cash Value in the Loss Condition, Valuation, of this Coverage Form.

b. This Optional Coverage does not apply to:

(1) Property of others;

(2) Contents of a residence;

(3) Manuscripts;

(4) Works of art, antiques or rare articles, including etchings, pictures, statuary, marbles, bronzes, porcelains and bric-a-brac; or

(5) "Stock," unless the Including "Stock" option is shown in the Declarations.

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

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

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

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

e. We will not pay more for loss or damage on a replacement cost basis than the least of:

(1) The Limit of Insurance applicable to the lost or damaged property;

(2) The cost to replace, on the same premises, the lost or damaged property with other property:

(a) Of comparable material and quality; and

(b) Used for the same purpose; or

(3) The amount you actually spend that is necessary to repair or replace the lost or damaged property.

H. DEFINITIONS

1. **"Pollutants"** means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

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

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COMMERCIAL PROPERTY CONDITIONS

Coverage Part is subject to the following conditions, the Common Policy Conditions and applicable Loss ..tions and Additional Conditions in Commercial Property Coverage Forms.

A. CONCEALMENT, MISREPRESENTATION OR FRAUD

This Coverage Part is void in any case of fraud by you relating to it. It is also void if you intentionally conceal or misrepresent a material fact concerning:

1. This Coverage Part;
2. The Covered Property; or
3. Your interest in the Covered Property.

B. CONTROL OF PROPERTY

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

If you violate a condition of this Coverage Part, we will not pay for loss or damage at the involved location. But your coverage will continue for other locations at which the violation does not apply.

C. INSURANCE UNDER TWO OR MORE COVERAGES

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

D. LEGAL ACTION AGAINST US

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

1. There has been full compliance with all of the terms of this Coverage Part; and
2. The action is brought within 2 years after the date on which the direct physical loss or damage occurred.

E. LIBERALIZATION

If we adopt any revision that would broaden the coverage under this Coverage Part without additional premium within 45 days prior to or during the policy period, the broadened coverage will immediately apply to this Coverage Part.

F. NO BENEFIT TO BAILEE

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

G. OTHER INSURANCE

1. You may have other insurance subject to the same plan, terms, conditions and provisions as the insurance under this Coverage Part. If you do, we will pay our share of the covered loss or damage. Our share is the proportion that the applicable Limit of Insurance under this Coverage Part bears to the Limits of Insurance of all insurance covering on the same basis.
2. If there is other insurance covering the same loss or damage, other than that described in 1. above, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not. But we will not pay more than the applicable Limit of Insurance.

H. POLICY PERIOD, COVERAGE TERRITORY

Under this Coverage Part:

1. We cover loss or damage commencing:
   a. During the policy period shown in the Declarations; and
   b. Within the coverage territory.
2. The coverage territory is:
   a. The United States of America;
   b. Puerto Rico; and
   c. Canada.

I. TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

If any person or organization to or for whom we make payment under this Coverage Part has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair them. But you may waive your rights against another party in writing:

1. Prior to a loss to your Covered Property or Covered Income.
2. After a loss to your Covered Property or Covered Income only if, at time of loss, that party is one of the following:
   a. Someone insured by this insurance;
   b. A business firm:
      (1) Owned or controlled by you; or
      (2) That owns or controls you; or
   c. Your tenant.

This will not restrict your insurance.

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Transamerica Insurance Services

Transamerica Insurance Group of Companies

Policy No. 3021 51 91
Replacement No. 1933 21 91

Commercial General Liability — Declarations

NAMED INSURED AND ADDRESS:

EARL MANUFACTURING INC., ETAL

FORM OF BUSINESS

☐ Individual ☐ Joint Venture
☐ Partnership ☐ Organization *(other than a partnership or joint venture)*

X CORPORATION

RETROACTIVE DATE: *(CG 00 02 only)* Coverage A of this insurance does not apply to "bodily injury" or "property damage" which occurs before the following Retroactive Date (if any):

LIMITS OF INSURANCE

General Aggregate Limit (other than products - completed operations)	$ 1,000,000	
Products - Completed Operations Aggregate Limit	$ 1,000,000	
Personal and Advertising Injury Limit	$ 1,000,000	
Each Occurrence Limit	$ 1,000,000	
Fire Damage Limit	$ 50,000	any one fire
Medical Expense Limit	$ 5,000	any one person

LOCATION OF ALL PREMISES YOU OWN, RENT OR OCCUPY:

PER LB 17486 ATTACHED

PREMIUM

Advance Premium for this Coverage Part is $ 21,412.00 .

ENDORSEMENTS ATTACHED TO THIS COVERAGE PART: IL 00 21 11 85; IL 00 03 11 85; LB 17440 3 86; LB 17501 4 86; CG 00 01 11 85; LB 17486 3 86; CG 00 41 5 86; LB 17984 3 87; 13034 2 84 LB 17344 1 86

Insurance Services

Transamerica Insurance Group
of Companies

LIABILITY SCHEDULE AND PREMIUM RECAP.

POLICY NUMBER 3021 51 91

LOC. NO.	*DESCRIPTION SUBLINE — CLASS CODE		**PREMIUM BASE ACT. EXPOSURE	RATES	PREMIUMS
	59782 - TOOL MFG. - HAND TYPE- NOT POWERED	334 336	S) 900,000	4.782 16.934	4,304. 15,241.
	97220 - MACHINE SHOP		P) 30,000	25.049 11.647	751. 349.
	73920 - EMPLOYEE BENEFIT LIAB.	317	1		767.
	11862 BURKE STREET 11876 BURKE STREET SANTA FE SPRINGS, CA.				
				TOTAL PREMIUMS	$ 21,412.

*SUBLINE KEY
332 — Liquor Liability
334 — Premises/Operations
335 — Owners/Contractors Protective or Principals Protective
336 — Products/Completed Operations
350 — Pollution Liability
or type in subline

**PREMIUM/EXPOSURE BASE KEY
A — Area (per 1,000 square feet)
C — Total Cost (per $1,000)
M — Admissions (per 1,000)
P — Payroll (per $1,000)
S — Gross Sales (per $1,000)
U — Units (per unit)
or type in base

000339

Transamerica Insurance Services

Transamerica Insurance Company

☐ _____

Endorsement

ATTACHED TO AND FORMING A PART OF POLICY NUMBER	ENDORSEMENT EFFECTIVE (Standard Time) Mo	Day	Yr	12:01 A.M.	P.M.	INSURED	PRODUCER AND CODE
3021 51 91							

AIRCRAFT PRODUCTS EXCLUSION

IT IS AGREED THAT THIS POLICY SHALL NOT APPLY TO ANY LIABILITY ARISING OUT OF AIRCRAFT PRODUCTS OR RELIANCE UPON ANY REPRESENTATION OR WARRANTY MADE WITH RESPECT THERETO, OR TO ANY LIABILITY ARISING OUT OF THE GROUNDING OF ANY AIRCRAFT.

"AIRCRAFT PRODUCTS" MEANS AIRCRAFT (INCLUDING MISSILES OR SPACECRAFT) AND ANY OTHER GOODS OR PRODUCTS MANUFACTURED, SOLD, HANDLED OR DISTRIBUTED OR SERVICES PROVIDED OR RECOMMENDED BY THE INSURED OR BY OTHERS TRADING UNDER HIS NAME FOR USE IN THE MANUFACTURE, REPAIR, OPERATION, MAINTENANCE OR USE OF ANY AIRCRAFT.

"GROUNDING" SHALL MEAN THE WITHDRAWAL OF ONE OR MORE AIRCRAFT FROM FLIGHT OPERATIONS OR THE IMPOSITION OF SPEED, PASSENGER OR LOAD RESTRICTIONS ON SUCH CIRCRAFT, BY REASON OF THE EXISTENCE OF OR ALLEGED OR SUSPECTED EXISTENCE OF ANY DEFECT, FAULT OR CONDITION IN SUCH AIRCRAFT OR ANY PART THEREOF SOLD, BY ANY OTHER PERSON OR ORGANIZATION ACCORDING TO SPECIFICATION, PLANS, SUGGESTIONS, ORDERS OR DRAWINGS OF THE INSURED OR WITH TOOLS, MACHINERY OR OTHER EQUIPMENT FURNISHED TO SUCH PERSONS OR ORGANIZATIONS BY THE INSURED, WHETHER SUCH AIRCRAFT SO WITHDRAWN ARE OWNED OR OPERATED BY THE SAME OR DIFFERENT PERSONS OR ORGANIZATIONS.

ALL OTHER TERMS AND CONDITIONS OF THIS POLICY REMAIN UNCHANGED

_____ _____

Authorized Representative Date

13034 2-84

COPY

000384

Transamerica
Insurance Services

Transamerica Insurance Group

Blanket Additional Coverage Endorsement (Section II — Liability)

It is agreed that such insurance as is provided under the Blanket Liability Coverage Supplement is extended to include the following additional insurance:

I. FIRE LEGAL LIABILITY — REAL PROPERTY

The company will pay on behalf of the insured all sums which the insured shall become legally obligated to pay as damages because of property damage to structures or portions thereof rented to or leased to the named insured, including fixtures permanently attached thereto, if such property damage arises out of fire;

A. All of the exclusions of this policy, other than the Nuclear Energy Liability Exclusion (Broad Form), are deleted and replaced by the following:

This insurance does not apply to liability assumed by the insured under any contract or agreement.

B. The limit of property damage liability as respects this Fire Legal Liability Coverage — Real Property is $100,000.00 each occurrence unless otherwise stated in the Declarations.

II. INCIDENTAL MEDICAL MALPRACTICE LIABILITY COVERAGE

Such insurance as is provided under Coverage A — Bodily Injury, is amended to include Incidental Medical Malpractice Injury.

Incidental Medical Malpractice Injury means injury arising out of the rendering of or failure to render, during the policy period, the following services:

A. medical, surgical, dental, x-ray or nursing service or treatment or the furnishing of food or beverages in connection therewith; or

B. the furnishing or dispensing of drugs or medical, dental or surgical supplies or appliances.

This coverage does not apply to:

1. expenses incurred by the insured for first-aid to others at the time of an accident and the "Supplementary Payments" provision and the "Insured's Duties in the Event of Occurrence, Claim or Suit" Condition are amended accordingly; or

2. any insured engaged in the business or occupation of providing any of the services described under II (A) and (B) above;

3. injury caused by any indemnitee if such indemnitee is engaged in the business or occupation of providing any of the services described under II (A) and (B) above.

III. PERSONAL INJURY AND ADVERTISING INJURY LIABILITY COVERAGE

A. The company will pay on behalf of the insured all sums which the insured shall become legally obligated to pay as damages because of personal injury or advertising injury to which this insurance applies, sustained by any person or organization and arising out of the conduct of the named insured's business, within the policy territory, and the company shall have the right and duty to defend any suit against the insured seeking damages on account of such injury, even if any of the allegations of the suit are groundless, false or fraudulent, and may make such investigation and settlement of any claim or suit as it deems expedient, but the company shall not be obligated to pay any claim or judgment or to defend any suit after the applicable limit of the company's liability has been exhausted by payment of judgments or settlements.

B. This insurance does not apply:

1. to liability assumed by the insured under any contract or agreement;

2. to personal injury or advertising injury arising out of the willful violation of a penal statute or ordinance committed by or with the knowledge or consent of the insured;

3. to personal injury or advertising injury arising out of a publication or utterance of a libel or slander, or a publication or utterance in violation of an individual's right of privacy, if the first injurious publication or utterance of the same or similar material by or on behalf of the named insured was made prior to the effective date of this insurance;

4. to personal injury or advertising injury arising out of libel or slander or the publication or utterance of defamatory or disparaging material concerning any person or organization or goods, products or services, or in violation of an individual's right of privacy, made by or at the direction of the insured with knowledge of the falsity thereof;

5. to personal injury or advertising injury arising out of the conduct of any partnership or joint venture of which the insured is a partner or member and which is not designated in the declarations of the policy as a named insured;

6. to advertising injury arising out of

a. failure of performance of contract, but this exclusion does not apply to the unauthorized appropriation of ideas based upon alleged breach of implied contract, or

b. infringement of trademark, service mark or trade name, other than titles or slogans, by use thereof on or in connection with goods, products or services sold, offered for sale or advertised, or

c. incorrect description or mistake in advertised price of goods, products or services sold, offered for sale or advertised;

7. with respect to advertising injury

a. to any insured in the business of advertising, broadcasting, publishing or telecasting, or

b. to any injury arising out of any act committed by the insured with actual malice.

C. Limits of Liability

Regardless of the number of (1) insureds hereunder, (2) persons or organizations who sustain injury or damage, or (3) claims made or suits brought on account of personal injury or advertising injury the total limit of the company's liability under this coverage for all damages shall not exceed the per occurrence bodily injury liability limit stated in the General Liability Schedule.

D. Additional Definitions

"Advertising Injury" means injury arising out of an offense committed during the policy period occurring in the course of the named insured's advertising activities, if such injury arises out of libel, slander, defamation, violation of right of privacy, piracy, unfair competition, or infringement of copyright, title or slogan.

"Personal Injury" means injury arising out of one or more of the following offenses committed during the policy period:

1. false arrest, detention, imprisonment, or malicious prosecution;

2. wrongful entry or eviction or other invasion of the right of private occupancy,

3. a publication or utterance

a. of a libel or slander or other defamatory or disparaging material, or

b. in violation of an individual's right of privacy, except publications or utterances in the course of or related to advertising, broadcasting, publishing or telecasting activities conducted by or on behalf of the named insured shall not be deemed personal injury;

4. racial or religious discrimination (unless coverage is prohibited by law) not committed by or at the direction of the named insured or any executive officer, director, or partner thereof, but only with respect to the liability other than fines and penalties imposed by law.

IV. BLANKET CONTRACTUAL LIABILITY COVERAGE

A. The definition of incidental contract is extended to include any contract or agreement relating to the conduct of the named insured's business.

B. The insurance afforded with respect to liability assumed under an incidental contract is subject to the following additional exclusions:

1. to bodily injury or property damage for which the insured has assumed liability under any incidental contract, if such injury or damage occurred prior to the execution of the incidental contract;

2. if the insured is an architect, engineer or surveyor, to bodily injury or property damage arising out of the rendering or failure to render professional services by such insured, including

a. the preparation or approval of maps, drawings, opinions, reports, surveys, change orders, designs or specifications, and

b. supervisory, inspection or engineering services;

3. if the indemnitee of the insured is an architect, engineer or surveyor, to the liability of the indemnitee, his agents or employees, arising out of

a. the preparation or approval or the failure to prepare or approve maps, drawings, opinions, reports, surveys, change orders, designs or specifications, or

b. the giving of or the failure to give directions or instructions by the indemnitee, his agent or employees, provided such giving or failure to give is the primary cause of the bodily injury or property damage;

4. to any obligation for which the insured may be held liable in an action on a contract by a third party beneficiary for bodily injury or property damage arising out of a project for a public authority; but this exclusion does not apply to an action by the public authority or any other person or organization engaged in the project;

5. to bodily injury or property damage arising out of operations, within 50 feet of any railroad property, affecting any railroad bridge or trestle, tracks, road beds, tunnel, underpass or crossing; but this exclusion does not apply to sidetrack agreements.

C. The following exclusion applicable to Coverages A (Bodily Injury) and B (Property Damage) does not apply to this Contractual Liability Coverage: (g).

D. Exclusion (h) is replaced by the following:

To liability assumed by the insured under any contract or agreement except an incidental contract.

V. ADDITIONAL PERSONS INSURED

As respects Coverage A (bodily injury) and B (property damage), and advertising injury and personal injury coverages, under the provision "Persons Insured," the following are added as insureds:

1. Spouse – Partnership – If the named insured is a partnership, the spouse of a partner but only with respect to the conduct of the business of the named insured.

2. Employee – Any employee of the named insured while acting within the scope of his duties as such, but the insurance afforded to such employee does not apply:

a. to bodily injury or personal injury to another employee of the named insured arising out of or in the course of his employment;

b. to personal injury or advertising injury to the named insured or, if the named insured is a partnership or joint venture, any partner or member thereof, or the spouse of any of the foregoing;

c. to property damage to property owned, occupied or used by, rented to, in the care, custody or control of or over which physical control is being excercised for any purpose by another employee of the named insured, or by the named insured or, if the named insured is a partnership or joint venture, any partner or member thereof or by the spouse of any of the foregoing.

VI. AMENDMENT OF DEFINITION OF OCCURRENCE

With respect to insurance for Coverage A, bodily injury and Coverage B, property damage, provided by this policy, the definition of occurrence includes any intentional act by or at the direction of the insured which results in bodily injury or property damage, if such injury or damage arises solely from the use of reasonable force for the purpose of protecting persons or property.

VII. AUTOMATIC COVERAGE – NEWLY ACQUIRED ORGANIZATIONS (90 DAYS)

The "Persons Insured" provision is amended by the deletion of:

"This insurance does not apply to bodily injury or property damage arising out of the conduct of any partnership or joint venture of which the insured is a partner or member and which is not designated in this policy as a named insured."

and the addition of:

d. any organization which is acquired or formed by the named insured and over which the named insured maintains ownership or majority interest, other than a joint venture, provided this insurance does not apply to bodily injury, property damage, personal injury and advertising injury with respect to which such new organization under this policy is also an insured under any other similar liability or indemnity policy or would be an insured under any such policy but for exhaustion of its limits of liability. The insurance afforded hereby shall terminate 90 days from the date any such organization is acquired or formed by the named insured.

This endorsement must be attached to the change endorsement when issued after the policy is written.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT
(Broad Form)

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS POLICY
COMMERCIAL AUTO COVERAGE PART
COMMERCIAL GENERAL LIABILITY COVERAGE PART
FARM COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
RAILROAD PROTECTIVE LIABILITY COVERAGE PART
SPECIAL PROTECTIVE AND HIGHWAY LIABILITY POLICY NEW YORK DEPARTMENT OF TRANSPORTATION

1. The insurance does not apply:

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

      (1) With respect to which an "insured" under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or

      (2) Resulting from the "hazardous properties" of "nuclear material" and with respect to which (a) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or (b) the "insured" is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.

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

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

      (1) The "nuclear material" (a) is at any "nuclear facility" owned by, or operated by or on behalf of, an "insured" or (b) has been discharged or dispersed therefrom;

      (2) The "nuclear material" is contained in "spent fuel" or "waste " at any time possessed, handled, used, processed, stored, transported or disposed of, by or on behalf of an "insured;" or

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

2. As used in this endorsement:

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

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

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

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

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

"Nuclear facility" means:

(a) Any "nuclear reactor;"

(b) Any equipment or device designed or used for (1) separating the isotopes of uranium or plutonium, (2) processing or utilizing "spent fuel," or (3) handling, processing or packaging "waste;"

(c) Any equipment or device used for the processing, fabricating or alloying of "special nuclear material" if at any time the total amount of such material in the custody of the "insured" at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;

(d) Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of "waste;"

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations;

"Nuclear reactor" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material;

"Property damage" includes all forms of radioactive contamination of property.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CALCULATION OF PREMIUM

This endorsement modifies insurance provided under the following:

BOILER AND MACHINERY COVERAGE PART
BUSINESS AUTO COVERAGE PART
COMMERCIAL CRIME COVERAGE PART
COMMERCIAL GENERAL LIABILITY COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
FARM COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
RAILROAD PROTECTIVE LIABILITY COVERAGE PART
SPECIAL PROTECTIVE AND HIGHWAY LIABILITY POLICY–NEW YORK

The following is added:

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

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Transamerica Insurance Services

☒ Transamerica Insurance Company

☐ _____

Endorsement

ATTACHED TO AND FORMING A PART OF POLICY NUMBER	ENDORSEMENT EFFECTIVE (standard time) Mo	Day	Yr	12:01 A.M.	00%	INSURED	PRODUCER AND CODE

Section II - General Liability
Form L10609C

POLLUTION EXCLUSION

It is agreed that the exclusion relating to the discharge, dispersal, release or escape of smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids or gases, waste materials or other irritants, contaminants or pollutants is replaced by the following:

(1) to bodily injury or property damage arising out of the actual, alleged or threatened discharge, dispersal, release or escape of pollutants:

(a) at or from premises owned, rented or occupied by the named insured;

(b) at or from any site or location used by or for the named insured or others for the handling, storage, disposal, processing or treatment of waste;

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

(d) at or from any site or location on which the named insured or any contractors or subcontractors working directly or indirectly on behalf of the named insured are performing operations:

(i) if the pollutants are brought on or to the site or location in connection with such operations; or

(ii) if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize the pollutants.

(2) to any loss, cost or expense arising out of any governmental direction or request that the named insured test for, monitor, clean up, remove, contain, treat, detoxify or neutralize pollutants.

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

This endorsement forms a part of the policy to which attached, effective on the inception date of the policy unless otherwise stated herein.

ALL OTHER TERMS AND CONDITIONS OF THIS POLICY REMAIN UNCHANGED

_____ _____

Authorized Representative Date

1303-1 2-84

000390

Transamerica
Insurance Services

Transamerica Insurance Group
of Companies

EMPLOYEE BENEFIT PROGRAMS LIABILITY COVERAGE FORM

This form provides Claims Made coverage.
Please read the entire form carefully.

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

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

The word "insured" means any person or organization qualifying as such under WHO IS AN INSURED (Section II).

Other words and phrases that appear in quotation marks have special meaning. Refer to DEFINITIONS (Section VI).

SECTION I - COVERAGE

1. **Insuring Agreement**

   a. We will pay those sums that the insured becomes legally obligated to pay as damages to an employee, former employee or heirs because of negligent acts or omissions in the "administration" of the insured's "employee benefit programs" to which this insurance applies. We will have the right and duty to defend any "suit" seeking those damages. We may at our discretion investigate any "occurrence" and settle any claim or "suit" that may result. But:

      (1) The amount we will pay for damages is limited as described in LIMITS OF INSURANCE (Section III); and

      (2) Our right and duty to defend end when we have used up the applicable Limits of Insurance in the payment of judgments or settlements under this coverage.

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

   b. This insurance applies to negligent acts or omissions in the "administration" of the insured's "employee benefit programs" only if:

      (1) The negligent acts or omissions are caused by an "occurrence" that takes place in the "coverage territory";

      (2) The negligent acts or omissions did not occur before the Retroactive Date, if any, shown in the Declarations or after the end of the policy period; and

      (3) A claim for damages because of the negligent acts or omissions is first made against the insured, in accordance with paragraph c. below, during the policy period or any Extended Reporting Period we provide under EXTENDED REPORTING PERIODS (Section V).

   c. A claim by a person seeking damages will be deemed to have been made at the earlier of the following times:

      (1) When notice of such claim is received and recorded by any insured or by us, whichever comes first; or

      (2) When we make a settlement in accordance with paragraph 1.a. above.

      All claims for damages to the same person, including resulting damages claimed by others at any time, will be deemed to have been made at the time the first of those claims is made against any insured.

   d. Damages include prejudgment interest awarded against the insured.

2. **Exclusions**

   This insurance does not apply to:

   a. Any responsibilities, obligations or duties imposed by the Employee Retirement Income Security Act of 1974 (ERISA), or any amendment of the act.

   b. Damage, destruction, loss or loss of use of any tangible or intangible property owned by or in the care, custody or control of the insured or anyone for whom the insured is responsible.

   c. Damages based on errors or omissions in giving or failing to give opinions, statements or advice on participating or not participating in investment plans.

   d. Damages because of discrimination.

   e. Damages because of failure to comply with worker's compensation, unemployment compensation, disability benefits, social security laws or any similar law.

f. Damages for which the insured is obligated to pay by reason of any obligation or duty required of the insured under any contract or by reason of any liability assumed by the insured under a contract of indemnity.

g. Damages because of failure to effect or maintain bonds or insurance.

h. Damages because of any investment, investment program or individual security or for failure of them to perform as represented.

i. Any dishonest, fraudulent or criminal act.

SUPPLEMENTARY PAYMENTS

We will pay, with respect to any claim or "suit" we defend:

1. All expenses we incur.
2. The cost of bonds to release attachments, but only for bond amounts within the applicable Limits of Insurance. We do not have to furnish these bonds.
3. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to $100 a day because of time off from work.
4. All costs taxed against the insured in the "suit".
5. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable Limits of Insurance.

These payments will not reduce the Limits of Insurance.

SECTION II - WHO IS AN INSURED

1. The Named Insured for negligent acts or omissions in the "administration" of "employee benefit programs".
2. Any executive officers, directors or employees performing within the scope of their employment by you in the "administration" of "employee benefit programs".
3. Any organization you newly acquire or form, other than a partnership or joint venture, and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:
   a. Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or end of the policy period, whichever is earlier; and
   b. Coverage does not apply to any negligent acts or omissions in the "administration" of "employee benefit programs" that occurred before you acquired or formed the organization.

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

SECTION III - LIMITS OF INSURANCE

1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
   a. Insureds;
   b. Claims made or "suits" brought; or
   c. Persons making claims or bringing "suits".
2. The Aggregate Limit is the most we will pay for the sum of all damages because of all negligent acts or omissions in the "administration" of the insured's "employee benefit programs".

   Each payment we make reduces, by the amount of the payment, the Aggregate Limit. This reduced limit will then be the amount of insurance available for further damages.
3. Subject to the Aggregate Limit above, the most we will pay for the sum of all damages arising out of any one "occurrence" to the same employee will be the lesser of:
   a. The Each Occurrence Limit, reduced by the deductible amount, if any, shown in the Declarations; or
   b. The sum of those damages minus any such deductible amount.
4. The deductible amount applies to every claim or "suit" separately covered by this insurance as the result of any one "occurrence".

   We may, or will if required by law, pay part of all of the deductible amount, if applicable, to effect settlement or any claim or "suit". Upon notice of our payment of a deductible amount, you shall promptly reimburse us for that part of the deductible amount we paid.

The limits of this Coverage Part apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposed of determining the Limits of Insurance.

SECTION IV – CONDITIONS

1. **Bankruptcy.**

   Bankruptcy or insolvency of the insured or the insured's estate will not relieve us of our obligations under this Coverage Part.

2. **Duties in the Event of Occurrence, Claim or Suit.**

   a. You must see to it that we are notified as soon as practicable of an "occurrence" which may result in a claim. To the extent possible, notice should include:

      (1) How, when and where the "occurrence" took place;

      (2) The names and address of any injured persons and witnesses; and

      (3) The nature and location of any injury or damage arising out of the "occurrence".

      Notice of an "occurrence" is not notice of a claim.

   b. If a claim is received by any insured, you must:

      (1) Immediately record the specifics of the claim or "suit" and the date received; and

      (2) Notify us as soon as practicable.

      You must see to it that we receive written notice of the claim or "suit" as soon as practicable.

   c. You and any other involved insured must:

      (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";

      (2) Authorize us to obtain records and other information;

      (3) Cooperate with us in the investigation, settlement or defense of the claim or "suit"; and

      (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury or damage to which this insurance may also apply.

   d. No insured will, except at their own cost, voluntarily make a payment, assume any obligation or incur any expense without our consent.

3. **Legal Action Against Us.**

   No person or organization has a right under this Coverage Part:

   a. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or

   b. To sue us on this Coverage Part unless all of its terms have been fully complied with.

   A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured obtained after an actual trial; but we will not be liable for damages that are not payable under the terms of this Coverage Part or that are in excess of the applicable Limits of Insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

4. **Other Insurance.**

   If other valid and collectible insurance is available to the insured for a loss we cover under this Coverage Part, our obligations are limited as follows:

   a. Primary Insurance

      This insurance is primary except when b. below applies. When this insurance is primary our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in c. below.

   b. Excess Insurance

      This insurance is excess over any other insurance whether primary, excess, contingent or on any other basis that is effective prior to the beginning of the policy period shown in the Declarations of this insurance and applies to "employee benefit programs" on other than a claims made basis, if:

      (1) No Retroactive Date is shown in the Declarations of this insurance; or

      (2) The other insurance has a policy period which continues after the Retroactive Date shown in the Declarations of this insurance.

      When this insurance is excess, we will have no duty under this insurance to defend any claim or "suit" that any other insurer has a duty to defend. If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

      When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

      (1) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and

      (2) The total of all deductible and self-insured amounts under all that other insurance.

      We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Coverage Part.

c. Method of Sharing

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable Limits of Insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable Limits of Insurance to the total applicable Limits of Insurance of all insurers.

5. **Premium Audit.**

a. We will compute all premiums for this Coverage Part in accordance with our rules and rates.

b. Premium shown in this Coverage Part as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period.

Audit premiums are due and payable on notice to the first Named Insured. If the sum of the advance and audit premiums paid for the policy term is greater than the earned premium, we will return the excess to the first Named Insured.

c. The first Named Insured must keep records of the information we need for premium computation, and send us copies at such time as we request.

6. **Representation.**

By accepting this policy, you agree:

a. The statements in the Declarations are accurate and complete;

b. Those statements are based upon representations you made to us; and

c. We have issued this policy in reliance upon your representations.

7. **Separation of Insureds.**

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

a. As if each Named Insured were the only Named Insured; and

b. Separately to each insured against whom claim is made or "suit" is brought.

8. **Transfer of Rights of Recovery Against Others to Us.**

If the insured has rights to recover all or part of any payment we have made under this Coverage Part, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them.

9. **When We Do Not Renew.**

If we decide not to renew this Coverage Part, we will mail or deliver to the first Named Insured shown in the Declarations written notice of the nonrenewal not less than 30 days before the expiration date.

If notice is mailed, proof of mailing will be sufficient proof of notice.

10. **Your Right to Claim and "Occurrence" Information.**

We will provide the first Named Insured shown in the Declarations the following information relating to this and any preceding employee benefit programs liability claims-made Coverage Part we have issued to you during the previous three years:

a. A list or other record of each "occurrence" not previously reported to any other insurer, or which we were notified in accordance with paragraph 2.a. of this Section. We will include the date and brief description of the "occurrence" if that information was in the notice we received.

b. A summary by policy year, of payments made and amounts reserved, stated separately, under any applicable Aggregate Limit.

You must not disclose this information to any claimant or any claimant's representative without our consent.

Amounts reserved are based on our judgment. They are subject to change and should not be regarded as ultimate settlement values.

We will provide this information if we receive a written request from the first Named Insured within 60 days after the end of the policy period. We will provide this information within 45 days of receipt of the request.

We compile claim and "occurrence" information for our own business purposes and exercise reasonable care in doing so. In providing this information to the first Named Insured, we make no representations or warranties to insureds, insurers, or others to whom this information is furnished by or on behalf of any insured. Cancellation or nonrenewal will be effective even if we inadvertently provide inaccurate information.

SECTION V - EXTENDED REPORTING PERIODS

1. We will provide one or more Extended Reporting Periods, as described below, if:
   a. This Coverage Part is cancelled or not renewed; or
   b. We renew or replace this Coverage Part with insurance that:
      (1) Has a Retroactive Date later than the date shown in the Declarations of this Coverage Part; or
      (2) Does not apply to negligent acts or omissions in the "administration" of the insured's "employee benefit programs" on a claims-made basis.
2. Extended Reporting Periods do not extend the policy period or change the scope of coverage provided. They apply only to claims for damages that occur before the end of the policy period but not before the Retroactive Date, if any, shown in the Declarations.

   Once in effect, Extended Reporting Periods may not be cancelled.
3. A Basic Extended Reporting Period is automatically provided without additional charge. This period started with the end of the policy period and lasts for:
   a. Five years for claims because of negligent acts or omissions in the "administration" of the insured's "employee benefit programs" arising out of an "occurrence" reported to us, not later than 60 days after the end of the policy period, in accordance with paragraph 2.a. of CONDITIONS (Section IV); or
   b. Sixty days for all other claims.

   The Basic Extended Reporting Period does not apply to claims that are covered under any subsequent insurance you purchase, or that would be covered but for exhaustion of the amount of insurance applicable to such claims.
4. A Supplemental Extended Reporting Period is available, but only by an endorsement and for an extra charge. This supplemental period starts when the Basic Extended Reporting Period, as set forth in paragraph 3. above, ends.

   The first Named Insured must give us a written request for the endorsement within 60 days after the end of the policy period. The Supplemental Extended Reporting Period will not go into effect unless the first Named Insured pays the additional premium promptly when due.

   We will determine the additional premium in accordance with our rules and rates. In doing so, we may take into account the following:
   a. The exposures insured;
   b. Previous types and amounts of insurance;
   c. Limits of Insurance available under this Coverage Part for future payments of damages; and
   d. Other related factors.

   The additional premium will not exceed 200% of the annual premium for this Coverage Part.

   This endorsement shall set forth the terms, not inconsistent with this Section, applicable to the Supplemental Extended Reporting Period, including a provision to the effect that the insurance afforded for claims first received during such period is excess over any other valid and collectible insurance available under policies in force after the Supplemental Extended Reporting Period starts.
5. The Basic Extended Reporting Period does reinstate or increase the Limits of Insurance.
6. If the Supplemental Extended Reporting Period is in effect, we will provide the separate aggregate Limits of Insurance described below, but only for claims first received and recorded during the Supplemental Extended Reporting Period.

   The separate aggregate Limits of Insurance will be equal to the dollar amount shown in the Declarations in effect at the end of the policy period for the Aggregate Limit.

   Paragraph 2. of LIMITS OF INSURANCE (Section III) will be amended accordingly. The Each Occurrence Limit and the deductible amount shown in the Declarations will then continue to apply, as set forth in paragraphs 3. and 4. of that Section.

SECTION VI - DEFINITIONS

1. "Administration" means the following which are authorized by the Named Insured with respect to "employee benefit programs":
   a. Counseling of employees with respect to eligibility in "employee benefit programs";
   b. Interpretation of programs;
   c. Record keeping; and
   d. Enrollment, termination or cancellation of employees in the "employee benefit programs".
2. "Coverage Territory" means the United States of America (including its territories and possessions), Puerto Rico and Canada.
3. "Employee Benefit Programs" means group life insurance, group health insurance, profit sharing, pension, employee stock subscription, travel, savings,

vacation, unemployment insurance (not provided by a state) and disability benefit plans.

4. "Occurrence" means any negligent act or omission together with all related negligent acts or omissions, including resulting damages claimed by others, in the "administration" of "employee benefit programs" to any one employee shall be considered one occurrence.

5. "Suit" means a civil proceeding in which damages because of negligent acts or omissions in the "administration" of "employee benefit programs" to which this insurance applies are alleged. "Suit" includes an arbitration proceeding or other dispute resolution proceedings at which such damages are claimed and to which you submit with our expressed consent.

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Transamerica
Insurance Services

Transamerica Insurance Group
of Companies

Policy No. 3021 51 91
Replacement No. 1935 21 91

Employee Benefit Programs
Liability — Declarations

NAMED INSURED AND ADDRESS:

RETROACTIVE DATE: Section I of this insurance does not apply to negligent acts or omissions which occur before the following Retroactive Date (if any):

LIMITS OF INSURANCE

Aggregate Limit	$ 1,000,000
Each Occurrence Limit	$ 1,000,000

DEDUCTIBLE

The deductible is $ 1,000 . This reduces the Limit of Liability shown as applicable to Each Occurrence Limit.

PREMIUM

Advance Premium for this Coverage Part is $ 767/MP .

ENDORSEMENTS ATTACHED TO THIS COVERAGE PART: LB 17984 3 87

ITEM ONE - NAMED INSURED EARL MFG.

FORM OF BUSINESS: Corporation

ITEM TWO - SCHEDULE OF COVERAGES AND LIMITS
This policy provides only those coverages where a limit is shown in the place provided in this schedule. The limit shown is the most we will pay for any one "accident" or "loss".

	COVERAGES	LIMIT
(X)	COMMERICAL AUTO LIABILITY Liability Insurance	$1,000,000 per "accident".
(X)	AUTO MEDICAL PAYMENTS INSURANCE Designation of covered "autos": (X) Any "auto" designated in the Schedule of "Autos" as subject to Medical Payments coverage.	$2,000 per person.
(X)	UNINSURED MOTORISTS /UNDERINSURED MOTORISTS INSURANCE (Endorsement specifies when Underinsured Motorists applies)	$500,000 per "accident".
	Uninsured Motorists Property Damage (Endorsement specifies when Uninsured Motorists Property Damage applies) Designation of covered "autos": (X) "Autos" specified on the Schedule	Seperately stated in the U.M.P.D. endorsement.
(X)	PHYSICAL DAMAGE INSURANCE	As shown in the Schedule of "Autos".

ITEM THREE - ENDORSEMENTS ATTACHED TO THIS COVERAGE PART:
IL 00 21 11 85-Broad Form Nuclear Exclusion (Not applicable in New York).

1) AT17992	01/87	2) AT17994	01/87	3) AT17995	01/87
4) CA2154	01/87	5) CA0143	01/87	6) AT17993	01/87.
7) IL0017	11/85	8) 17583	06/86	9) IL0270	03/87

Transamerica
Insurance Services

LOSS PAYABLE CLAUSE

POLICY NO. 30215191
PAGE 1

TRANSAMERICA INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM
GARAGE COVERAGE FORM
TRUCKERS COVERAGE FORM

Loss Payee: FIRST INTERSTATE BANK

Address: 8737E. WASHINGTON BLVD.
PICO RIVERA CA 90660

A. We will pay you and the loss payee named in the policy for "loss" to a covered "auto", as interest may appear.

B. The insurance covers the interest of the loss payee unless the "loss" results from conversion, secretion or embezzlement on your part.

C. We may cancel the policy as allowed by the CANCELLATION Common Policy Condition. Cancellation ends this agreement as to the loss payee's interest. If we cancel the policy we will mail you and the loss payee the same advance notice.

D. If we make any payment to the loss payee, we will obtain their rights against any other party.

LIST OF VEHICLES AND SERIAL NUMBERS

VEH. NO.	YEAR	MAKE	SERIAL NUMBER
0004	84	DATSUN	7868
0005	84	FORD	3376

01/01/89/NONE
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Transamerica
Insurance Services

SCHEDULE OF AUTOS
PAGE 1
POLICY NUMBER: 30215191

TRANSAMERICA INSURANCE GROUP

Named Insured: EARL MFG.

Veh. No.	Year, Body,	Make, VIN/Ser. Number	Model	Symbol or Cost New	St	Terr Code	Class
0001	80	FORD 1824	1/2 T PU	7000	CA	005	01499
0002	80	LINCOLN 2746	MARK	18000	CA	005	7398
0003	84	MERCURY 6375	TOPAZ	9800	CA	005	7398
0004	84	DATSUN 7868	300ZX	15700	CA	005	7398
0005	84	FORD 3376	STAKE	16325	CA	005	21499

AT17994 See Abbreviation Key - Attached (6-87)
01/07/88

14283

000460 10/86

TRANSAMERICA INSURANCE GROUP

Named Insured: EARL MFG.

SCHEDULE OF COVERAGES AND PREMIUMS

	Veh. No. 0001	Veh. No. 0002	Veh. No. 0003	Veh. No. 0004	Veh. No. 0005	Veh. No.	Total
Liab	1294	925	925	925	1358		5427
PIP							0
Add PIP							0
PPI							0
FPB							0
Add/Comb FPB							0
Med Pay		37	37	37	114		225
Comp Ded	100	100	100	100	100		
Comp Prem	70	151	106	208	178		713
SP DED							
SP Prem							0
Coll Ded	250	250	250	250	250		
Coll Prem	172	330	297	429	371		1607
Tow & Labor							0
Other Endor		14	14	14			42

AT17994 See Abbreviation Key - Attached (6-87)
01/07/88

TRANSAMERICA INSURANCE GROUP

Named Insured: EARL MFG.

HIRED OR BORROWED COVERED "AUTOS" - LIABILITY

STATE	ESTIMATED COST OF HIRE IF ANY	RATE PER $100 OF HIRE	PREMIUM
CA		1.714	40
		Total Premium	$ 40

Cost of Hire means the total amount you incur for the hire of "autos" you don't own (not including autos you borrow or rent from your employees or their family members). Cost of Hire does not include charges for services performed by motor carriers of property or passengers.

SCHEDULE FOR NON-OWNERSHIP LIABILITY

	Estimated No. of Employees	PREMIUM
Rating basis - Number of Employees	25	40

PREMIUM TOTALS

Schedule of Coverages and Premiums - Owned Autos	$	8,014
Hired or Borrowed Covered Auto - Liability	$	40
Hired or Borrowed Covered Autos - Physical Damage	$	
Non-Ownership Liability	$	40
Uninsured Motorists	$	683
Underinsured Motorists	$	
Uninsured Motorists Property Damage	$	
Other Endorsements	$	
TOTAL AUTO PREMIUMS	$	8,847.22*
*INCLUDES MANDATORY C.I.G.A.	$	70.22

Transamerica Insurance Services

TRANSAMERICA INSURANCE GROUP

ABBREVIATION KEY

ACV	(Actual Cash Value)
ADD	(Additional)
B	(Broadened)
BI	(Bodily Injury)
COLL	(Collision)
COMP	(Comprehensive)
COV	(Coverage)
DAM	(Damage)
DED	(Deductible)
ENDOR	(Endorsements)
F	(Fire)
FT	(Fire and Theft)
FPB	(First Party Benefits)
FTW	(Fire, Theft, and Windstorm)
INC	(Included)
L	(Limited)
LIAB	(Liability)
LSP	(Limited Specified Causes of Loss)
MED	(Medical)
PAY	(Payments)
PD	(Property Damage)
PIP	(Personal Injury Protection)
PPI	(Property Protection) Insurance)
PREM	(Premium)
R	(Regular)
SP	(Specified Causes of Loss)
ST	(State)
TOW	(Towing)
UIM	(Underinsured Motorists when not included in UM)
UM	(Uninsured Motorist)
UMPD	(Uninsured Motorists Property Damage)
VEH	(Vehicle)

AT17995 (6-87)

14283

000403

10/86

REG. OFF. CODE	AGENCY CODE	COMM.
SCRO	645261	208

AGENT AND AGENCY AT:
HENDERSONS INC.
WHITTIER, CA.

Transamerica
Insurance Services

Transamerica Insurance Group
of Companies

Policy No. 3021 51 91
Replacement No. 1935 21 91

Commercial Inland Marine — Declarations

NAMED INSURED AND ADDRESS:
EARL MANUFACTURING INC. AND WILLIAM E.EARL
AND DOT A. EARL, H/W AS INDIVIDUALS
11862 BURKE STREET, SANTA FE SPRINGS, CA. 90670

EFFECTIVE DATE: 1-1-88

POLICY PERIOD: From 1-1-88 to 1-1-89
at 12:01 a.m. Standard Time at your mailing address shown above.

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

BUSINESS DESCRIPTION: METAL PARTS MFG.

PREMIUM
Premium for this coverage is $ 453. , payable 1-1-88

FORMS APPLICABLE TO THIS COVERAGE PART: MA 17561 12 85; MA 10200D 12 85; MA 17325 2 86; MA 10356A 2 86; MA 17322 2 86; MA 17394 1 86; MA 17375 2 86; MA 17431 1 86

Transamerica Insurance Services

Transamerica Insurance Group of Companies

Minicomputer Coverage — Declarations

Policy No. 3021 51 91
Replacement No. 1975 21 91
NAMED INSURED AND ADDRESS:

EARL MANUFACTURING INC., ETAL

PREMIUM
Premium for Minicomputer Coverage is $ _____.

Minicomputer Coverage — form no. _____

No coverage is afforded for any section unless a specific Limit of Insurance is provided for that section.

SECTION I — Equipment Coverage *as per schedule attached to this policy*

A. On property of the insured in the amount of:
   1. $ _____ located at _____
   2. $ 15,000 located at _____

B. On property leased, rented or under your control in the amount of:
   1. $ _____ located at _____
   2. $ _____ located at _____

C. $ _____ while property is in transit.

D. Valuation
   1. $ _____ Actual cash value with _____% coinsurance
   2. $ _____ Replacement cost with 100% coinsurance

SECTION II — Data, Media, Computer Programs

A. On your property consisting of "data", "media" and "computer programs" for up to 25% of the Limit of Insurance at each premise covered in Section I, or $10,000 at each premise, whichever is least.

B. "Data", "media", "computer programs" in excess of 25% or $10,000

	EXTRA AMOUNT	TOTAL LIMIT	
1.	$ _____	$ _____	located at _____
2.	$ _____	$ _____	located at _____

C. $ _____ while in transit and temporarily at other premises.

D. Articles which cannot be replaced must be insured for a specific amount.
Specific coverage on "data", "media" and "computer programs":

LOCATION	SPECIFIC ITEMS	NO. OF ITEMS	VALUE OF ITEMS	TOTAL

E. "Data" or "media" not to be insured:

SECTION III — Extra Expense

A. "Extra expense", as defined in Section III. of the Data Processing Equipment Coverage, is covered for an amount not to exceed 25% of the Limit of Insurance at each location, or $10,000, whichever is least.

B. "Extra expense" in excess of 25% or $10,000:

	EXTRA AMOUNT	TOTAL LIMIT	
1.	$ _____	$ _____	located at _____
2.	$ _____	$ _____	located at _____

DEDUCTIBLE APPLYING TO ALL SECTIONS

A. The deductible amount is $ 250. for any one loss.
B. This deductible amount shall be $100, or the amount shown above, whichever is higher.

FORMS AND ENDORSEMENTS FORMING A PART OF THIS POLICY AT THE TIME OF ISSUE:

Transamerica Insurance Services

Transamerica Insurance Group of Companies

Policy No. 3021 51 91
Replacement No. 1935 21 91

Accounts Receivable-Declarations

NAMED INSURED AND ADDRESS:

EARL MANUFACTURING INC., ETAL

PREMIUM: Premium for this coverage is $ 96.

LIMITS OF INSURANCE

A. PROPERTY AT YOUR PREMISES
We cover only at the following described premises: *Give address.*

	LIMIT OF INSURANCE
11876 BURKE STREET, SANTA FE SPRINGS, CA.	$ 200,000
	$

B. PROPERTY IN TRANSIT — $

C. PROPERTY NOT AT YOUR PREMISES AND NOT INCLUDED ABOVE — $

D. ALL COVERED PROPERTY AT ALL LOCATIONS — $

DESCRIPTION OF RECEPTACLES

ADDRESS	MANUFACTURER	CLASS	LABEL	ISSUER

METAL FILE CABINET

RATES AND PREMIUM

		PREMIUM
A.	Nonreporting Rate is $	$
B.	Reporting	
1.	Deposit Premium .048	$ 96.
2.	Minimum Annual Premium	$
3.	Reporting Period	$
4.	Premium Adjustment Period	$
5.	Rates	$

DUPLICATE RECORDS
If the Duplicate Records endorsement is attached, the following applies:

PREMISES ADDRESS	PERCENTAGE DUPLICATED

SPECIAL PROVISIONS: *(If any)*

Transamerica Insurance Services

Transamerica Insurance Group of Companies

Policy No. 3021 81 91
Replacement No. 1935 21 91

Valuable Papers and Records Coverage — Declarations

NAMED INSURED AND ADDRESS:

EARL MANUFACTURING INC., ETAL

EFFECTIVE DATE:

PREMIUM: Premium for this coverage is $ 87 .

RATE: The rate is $ .174 .

LIMITS OF INSURANCE

	LIMIT OF INSURANCE
A. PROPERTY AT YOUR PREMISES	
1. Specifically described property	
11876 BURKE STREET, SANTA FE SPRINGS, CA.	$ 50,000
	$
	$
TOTAL	$
2. All other Covered Property	$
B. PROPERTY AWAY FROM YOUR PREMISES	$

DEDUCTIBLE
The deductible amount is $100 unless otherwise stated. $ 250

DESCRIPTION OF RECEPTACLES

ADDRESS	MANUFACTURER	CLASS	LABEL	ISSUER
	METAL FILE CABINET			

SPECIAL PROVISIONS: *(if any)*

Transamerica Insurance Services

Transamerica Insurance Group

Premium Adjustment Statement

NAME AND ADDRESS OF INSURED	DATE
EARL MANUFACTURING INC. ETAL 11862 BURKE STREET SANTA FE SPRINGS, CA. 90670	4-29-88/mk
	POLICY NUMBER 1935 21 91
	POLICY PERIOD 1-1-87 TO 1-1-88
	AUDIT PERIOD TO

NAME OF PRODUCER	CO.	OFF.	PRODUCER	DATE CANCELLED	HOW
HENDERSONS INC.	~~10~~	~~SCRO~~	~~645261~~		

STATE & TERR	CLASS CODE	CLASSIFICATION	EXPOSURE	RATE	EARNED PREMIUM
		SECTION IV - INLAND MARINE			
04	150	ACCOUNTS RECEIVABLE - REPORTING 1,804,353 @ 12 = IM	150,363	.063	95

ATTACH
3021 51 91

REMARKS

FINAL ADJUSTMENT
INCLUDES MANDATORY CIGA SURCHARGE OF $.20

FINAL PREMIUM SHOWN IS PAYABLE IMMEDIATELY UPON RECEIPT OF THIS INVOICE. PLEASE REMIT TO THE AGENT SERVING YOU.

TOTAL EARNED PREMIUM $	95.
PREVIOUSLY CHARGED PREMIUM $	189.
RETURN PREMIUM $	94.20

126 A 3-85

STATE NO.	UNDISCOUNTED PREMIUM	COMM. RATE (*)	TOTAL EARNED	LINE		COMM. RATE	PREV. CHARGED	ADDITIONAL	RETURN
				I	PROPERTY				
				II	GEN. LIABILITY				
				III	AUTOMOBILE				
			95	IV	OPTIONAL IM		189		94
				V	UMBRELLA				
					WORK. COMP.				
				TOTAL					

* GRADUATED COMMISSION IN % OF TOTAL UNDISCOUNTED PREMIUM

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Transamerica Insurance Services

3021 51

ATTACH

Transamerica Insurance Group

Premium Adjustment Statement

NAME AND ADDRESS OF INSURED

EARL MANUFACTURING INC. ETAL
11862 BURKE ST.
SANTA FE SPRINGS, CA. 90670

DATE: 3-15-88/MK

POLICY NUMBER: 1935 21 91

POLICY PERIOD: 1-1-87 TO 1-1-88

AUDIT PERIOD: SAME TO

NAME OF PRODUCER	CO.	OFF.	PRODUCER	DATE CANCELLED	HOW
HENDERSONS INC.	10	SCRO	645261		

STATE & TERR	CLASS CODE	CLASSIFICATION		EXPOSURE	RATE	EARNED PREMIUM
		SECTION II				
04		P-O				
003	34202	TOOL MFG.	BI	68,563	1.112	762.
			PD		.176	121.
003	39996	MACHINE SHOPS	BI	274,251	1.708	4,684.
			PD		.459	1,259.
		P-CO				
999	34203	TOOL MFG.	BI	447,020	9.565	4,276.
			PD		1.199	536.
	39982	MACHINE SHOPS	BI	670,530	7.440	4,988.
			PD		4.315	2,893.
	39982	VENTORS	BI	9,545	1.435	65.MP
			PD		.180	49.MP
	99990	BACE	BI	(14,775)	.30	4,433.
			PD	(4,858)	.30	1,457.
999	73920	EMPLOYEE BENEFIT	BI			248.

REMARKS

FINAL ADJUSTMENT

(INCL. MANDATORY CIGA SURCHARGE $10.35)

FINAL PREMIUM SHOWN IS PAYABLE IMMEDIATELY UPON RECEIPT OF THIS INVOICE. PLEASE REMIT TO THE AGENT SERVING YOU.

TOTAL EARNED PREMIUM $ 25,771.

PREVIOUSLY CHARGED PREMIUM $ 30,628.

RETURN PREMIUM $ 4,857.35

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STATE NO.	UNDISCOUNTED PREMIUM	COMM. RATE (*)	TOTAL EARNED	LINE		COMM. RATE	PREV. CHARGED	ADDITIONAL	RETURN
				I	PROPERTY				
			25,771	II	GEN. LIABILITY		30,628	4,857	
				III	AUTOMOBILE				
				IV	OPTIONAL				
				V	UMBRELLA				
					WORK. COMP.				
					CIGA			10.35	
				TOTAL					

* GRADUATED COMMISSION IN % OF TOTAL UNDISCOUNTED PREMIUM

Transamerica Insurance Services.

Transamerica Insurance Group

Premium Adjustment Statement

NAME AND ADDRESS OF INSURED

EARL MANUFACTURING INC. ETAL
11862 BURKE ST.
SANTA FE SPRINGS, CA. 90670

3021 51 91

ATTACH

DATE: 3-30-88/MK

POLICY NUMBER: 1935 21 91

POLICY PERIOD: 1-1-87 TO 1-1-88

AUDIT PERIOD: SAME TO

NAME OF PRODUCER: HENDERSONS INC.

CO.	OFF.	PRODUCER
10	SCRO	645261

DATE CANCELLED | HOW

STATE & TERR	CLASS CODE	CLASSIFICATION		EXPOSURE	RATE	EARNED PREMIUM
		SECTION II				
		P-O				
04	34202	TOOL MFG.	BI	68,563	.883	605.
003			PD		.155	106.
003	39996	MACHINE SHOPS	BI	274,251	1.355	3,716.
			PD		.401	1,100.
		P-CO				
999	34203	TOOL MFG.	BI	447,020	7.119	3,182.
			PD		1.033	462.
	39982	MACHINE SHOPS	BI	670,530	5.538	3,713.
			PD		3.717	2,492.
	39982	VENDORS	BI	9,545	1.068	48.MP
			PD		.155	42.MP
	99990	BACE	BI	(11,216)	.30	3,365.
			PD	(4,160)	.30	1,248.
999	73920	EMPLOYEE BENEFIT	BI			242.
04	34203	EXCESS LIMITS CHARGE	BI			7,407.

REMARKS: CORRECTION TO FINAL ADJUSTMENT DATED 3-15-88

INCL. MANDATORY CIGA SURCHARGE: 8.14

FINAL PREMIUM SHOWN IS PAYABLE IMMEDIATELY UPON RECEIPT OF THIS INVOICE. PLEASE REMIT TO THE AGENT SERVING YOU.

TOTAL EARNED PREMIUM $ 27,728.

PREVIOUSLY CHARGED PREMIUM $ 31,550.

RETURN PREMIUM $ 3,830.14

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STATE NO.	UNDISCOUNTED PREMIUM	COMM. RATE (*)	TOTAL EARNED	LINE		COMM. RATE	PREV. CHARGED	ADDITIONAL	RETURN
				I	PROPERTY				
			27,728	II	GEN. LIABILITY		31,550	3,822	
				III	AUTOMOBILE				
				IV	OPTIONAL				
				V	UMBRELLA				
					WORK. COMP.				
					CIGA			8.15	
				TOTAL					

* GRADUATED COMMISSION IN % OF TOTAL UNDISCOUNTED PREMIUM

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