THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MOTELS

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Businessowners Coverage Form apply, unless modified by this endorsement.

A. Paragraph **A.1.b.(2)** of **Section I – Property** is replaced by the following:

(2) Property of others that is in your care, custody or control, excluding property belonging to guests staying at your motel, except as otherwise provided in Loss Payment Property Loss Condition **E.5.d.(3)(b);**

B. The following is added to Paragraph **A.1.b.** of **Section I – Property:**

(6) Your personal property in motel rooms furnished by you as a motel operator.

C. The following is added to Paragraph **A.5. Additional Coverages** of **Section I – Property:**

s. Lock Replacement

We will pay the necessary expenses you incur to replace locks for motel rooms resulting from theft or copying of keys or any other legitimate security concern. The most we will pay under this Additional Coverage during each policy period is $2,500.

This insurance does not apply to loss caused by:

(1) Vandalism; or

(2) Wear and Tear.

Lock replacement coverage is not subject to a deductible.

D. Our obligation under this coverage applies only to the amount of damages in excess of any deductible amount stated in the Declarations as applicable to this coverage.

E. The following is added to Paragraph **A. Coverages** of **Section II – Liability:**

3. Liability For Guests' Property

a. We will pay those sums that you become legally obligated to pay as damages because of loss or destruction of, or damage to property belonging to your motel guests while the property is on your premises or in your possession. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "property damage" to which this insurance does not apply. We may, at our discretion, investigate any "occurrence" and settle any claim or "suit" that may result. But:

(1) The amount we will pay for damages is limited as described in Paragraph **D** – Liability And Medical Expenses Limits Of Insurance in Section **II** – Liability; and

(2) Our right and duty to defend end when we have used up the applicable Limit of Insurance in the payment of judgments or settlements or medical expenses.

b. This insurance applies to damages resulting from the loss or destruction of, or damage to property belonging to motel guests only if the loss or destruction of, or damage to property took place in the "coverage territory" during the policy period.

c. This coverage does not apply to the following property:

(1) Samples or articles held for sale;

(2) Vehicles, including equipment, accessories or any property contained in or on a vehicle; and

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(3) Property belonging to your guests while the property is in a "safe deposit box" on your premises.

F. The following is added to Paragraph **B. Exclusions** of **Section II – Liability:**

4. Applicable To Liability For Guests' Property

This insurance does not apply to:

a. Liability excluded under Business Liability Coverage.

However, with respect to the coverage provided for damage to Guests' Property, Exclusion **B.1.k.(4)** of **Section II – Liability** does not apply;

b. Dishonest acts committed by you, your partners, members or managers;

c. Destruction of or damage to property resulting from the spilling, upsetting or leaking of any food or liquid;

d. Loss or destruction of or damage to property resulting from seizure or destruction of the property by order of governmental authority; and

e. Liability incurred from your release of any other person or organization from legal liability.

G. The following is added to Paragraph **D. Liability And Medical Expenses Limits Of Insurance** of **Section II – Liability:**

5. Liability For Guests' Property Limits Of Insurance

a. The most we will pay for all damages because of loss or destruction of or damage to property belonging to your guests in any one "occurrence", regardless of the number of guests, is $25,000 unless a higher amount is shown in the Declarations.

b. Subject to the applicable limit stated above in **5.a.,** the most we will pay for all damages because of loss or destruction of or damage to property belonging to any one guest is $1,000, unless a higher amount is shown in the Declarations.

All loss, destruction or damage involving a single act or series of related acts whether caused by one or more persons is considered one "occurrence".

H. For coverage provided under this endorsement the following definition is added to **Section II – Liability:**

23. "Safe Deposit Box" means a box or safe used for safe storage of valuables. The box or safe must be in an area inaccessible to the public whereby the valuables are turned over to the custody of a motel representative. "Safe deposit box" does not include any safe or storage facility in motel units occupied by guests.

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