

AUTOMOBILE REPAIR SHOP, PARKING LOT AND NIGHT GARAGE OR GARAGE LIABILITY

CLAUSE 1. BASIC COVERAGE

The legal liability incurred by the Insured for damage to third parties is insured, within the scope of the Individual and General Conditions of the policy, arising from the proper activities, such as automobile repair shops, parking lots and night garages or garages.

1.1 Express Condition. It is a condition for providing this coverage that the insured renders the services, subject of this insurance, on closed or fenced premises, keeps controlled access, register and ID of each vehicle and keeps the premises duly closed when not opened to the public. **This coverage shall become null and void if the service is NOT rendered as aforesaid.**

1.2 Physical damage to vehicles.

- a) Collisions and upsets. Damage sustained by the vehicles as a consequence of collision or upsets inside the specified premises, when damage is caused by employees in the course of the business service.
- b) Fire and/or Explosion. Sustained by the vehicles while in the custody of the insured.

1.3 Total Theft. Covering total theft of the vehicles in the liability of the Insured, as well as loss or physical damage thereto as a consequence of total theft.

The insured shall participate, in every loss, with the deductible stipulated in the Specification of the Policy.

CLAUSE 2. REPAIR SHOPS AND RADIUS OF ACTION

When the line of business stipulated in the specification of the policy is an Automobile repair shop, third party bodily injury or property damage sustained or caused by the vehicles shall be covered in addition, as a consequence of accidental and direct collision or upset due to the operations of the Insured, whether inside the specified premises or whilst being tested, with the Insured's knowledge and consent, by any his employees or dependants, when the operations require such handling, but only within a radius of operation of 10 km from the location of the insured risk.

CLAUSE 3. VALUATION AND INDEMNITY BASES

3.1 If the Insured has complied with the obligations imposed in Clause 6 (procedures in the event of loss) of the General conditions of the Policy, and the vehicle is free of any detention, seizure, confiscation or other similar condition by order of the authorities, the Company shall have the obligation of beginning, without delay, the valuation of the damages.

3.2 The fact that the Company does not carry out the valuation of the damage sustained by the vehicle, with the 72 hours following the notice of loss, and provided always that it complies with the stipulation of the previous paragraph, the Insured has the power to proceed with the repair thereof and require the amount to the Company, in the terms of this policy, unless that by causes imputable to the Insured, the valuation may not been effected.

Except as provided in the above paragraph, the Company shall not recognize the damage sustained by the vehicle, if the Insured has carried out the repair before the valuation of the damage.

3.3 When the repair cost of the damage sustained by a vehicle exceeds 50% of the commercial value thereof, at the time immediately prior to the loss, at the Insured's request, it shall be considered as a total loss. Unless otherwise agreed upon, if such cost exceeds three fourths of such value, it shall always be considered as total loss.

3.4 The intervention of the Company in the valuation or any assistance the Company or his representative give to the Insured or third parties shall not imply the acceptance of the Company's liability with respect to the loss.

CLAUSE 4. EXPENSES FOR TRANSFER OF VEHICLES

In the event of loss payable under this coverage, the necessary expenses for transferring the damaged vehicles shall be covered from the place where the vehicles are located to the place authorized by the Company, where the repairs are to be made.

CLAUSE 5. SALVAGE

The Company shall have the right to dispose of the vehicles that have been indemnified for total loss, except for the special equipment not insured, including any recovery or salvage.

CLAUSE 6. PROPORTIONAL BASIS

The maximum capacity of automobiles allowed to be kept in the premises is indicated in the specification of the Policy. This capacity shall be considered for the collection of the premium.

If upon the occurrence of a loss, it is determined that the actual capacity is greater than that declared by the Insured, the Company shall cover the indemnity in the same proportion resulting between the capacity and that established in the specification of the Policy.

CLAUSE 7. EXCLUSIONS

IN ADDITION TO THE EXCLUSIONS PRINTED IN THE GENERAL CONDITIONS OF THE POLICY, IN NO CASE SHALL THIS INSURANCE COVER:

- 7.1. DAMAGE CAUSED OR SUSTAINED BY VEHICLES OFF THE PREMISES WHICH ARE DESCRIBED IN THE POLICY FACE, EXCEPT BY MEANS OF EXPRESS AGREEMENT COVERING THE RADIUS OF OPERATION.**
- 7.2. DAMAGE SUSTAINED OR CAUSED BY THE VEHICLES WHEN DRIVEN BY PERSONS WHO HAVE NO DRIVER'S LICENSE IN FORCE, ISSUED BY THE COMPETENT AUTHORITY, PROVIDED ALWAYS THIS FACT HAS A DIRECT INFLUENCE IN THE OCCURRENCE OF THE RISK. FOR THE PURPOSE OF THIS POLICY, DRIVING PERMITS SHALL BE DEEMED AS DRIVER'S LICENSE.**
- 7.3. LOSS OR DAMAGE SUSTAINED OR CAUSED BY THE VEHICLES AS A CONSEQUENCE OF WARLIKE OPERATIONS, WHETHER ARISING FROM FOREIGN OR CIVIL WAR, INSURRECTION, SUBVERSION, REBELLION, SEIZURE, REQUISITION, CONFISCATION, EXPROPIATION OR DETENTION BY AUTHORITIES LEGALLY CONSTITUTED BY VIRTUE OF THEIR DUTIES.**

NOT COVERING LOSS SUSTAINED OR CAUSED BY THE VEHICLES WHEN USED FOR ANY MILITARY SERVICE WITH OR WITHOUT THE CONSENT OF THE INSURED.

- 7.4. DAMAGE DUE TO ANY RECOVERY WORK OR SERVICE RENDERED TO THE VEHICLES, AS WELL AS DUE TO PRODUCTS USED TO PERFORM SUCH WORKS.**
- 7.5. LOSS SUSTAINED OR CAUSED BY THE VEHICLES WHEN DRIVEN BY PERSONS UNDER THE EFFECT OF ALCOHOLIC BEVERAGES OR UNDER THE INFLUENCE OF DRUGS.**
- 7.6. LIABILITY OF THE INSURED OR ANY OF HIS EMPLOYEEES OR DEPENDENTS, FOR PHYSICAL DAMAGE CAUSED TO PROPERTY:**
 - 7.6.1 IN THEIR CARE OR LIABILITY OTHER THAN VEHICLES DELIVERED FOR CUSTODY.**
 - 7.6.2 OWNED BY PERSONS DEPENDING FROM THE INSURED OR HIS EMPLOYEES OR DEPENDANTS.**
 - 7.6.3 OWNED BY EMPLOYEES, AGENTS OR REPRESENTATIVES OF THE INSURED WHILE LOCATED INSIDE THE PREMISES OF THE INSURED.**
 - 7.6.4 INSIDE THE VEHILCES.**
- 7.7. LIABILITY ARISING OUT OF BODILY INJURY TO THIRD PARTIES, WHEN DEPENDING ON THE INSURED OR IN HIS SERVICE AT THE TIME OF LOSS.**
- 7.8. DAMAGE CAUSED TO OR SUSTAINED BY VEHICLES OWNED BY THE INSURED OR ANY OF HIS EMPLOYEES.**
- 7.9. LOSS OF OR DAMAGE TO MERCHADISE, MONEY, CLOTHES, PERSONAL EFFECTS, TOOLS, SPARES OR ANY OTHER EFFECTS INSIDE THE VEHICLES, EVEN THOUGH AS A CONSEQUENCE OF TOTAL THEFT OR DELIVERED TO THE INSURED OR HIS WORKERS.**
- 7.10. DAMAGE CAUSED TO TIRES AND CHAMBERS THEREOF BY EXPLOSION OR FLAT TIRES.**
- 7.11. LIABILITY AS A CONSEQUENCE OF THE PENETRATION OF RAIN WATER, FLOOD, SEEPAGE, SPILLAGE FROM LEAKAGE OR WATER, OR STEAM, GAS OR FUEL LEAKS FROM AND VENTILATION OR REFRIGERATING, HEATING PLUMBING SYSTEM OR AZOLVING OF DRAINAGES, UNLESS A FIRE OR EXPLOSION OCCURS, AND THEN THE COMPANY SHALL BE LIABLE FOR THE FIRE OR EXPLOSION DAMAGE, AS WELL AS FOR THE DIRECT CONSEQUENCES THEREFROM.**

- 7.12. BREACH OF TRUST OR THEFT BY AN EMPLOYEE OR DEPENDENT OF THE INSURED.**
- 7.13. ACCIDENTS OCCURRING DUE TO STRUCTURE ALTERATIONS, NEW CONSTRUCTIONS OR DEMOLITIONS PERFORMED BY THE INSURED OR CONTRACTOR IN HIS SERVICE IN THE PREMISES DESCRIBED IN THE POLICY.**
- 7.14. ALL LIABILITY ASSUMED BY THE INSURED UNDER ANY FORMAL CONTRACT BY VIRTUE OF WHICH ASSUMES ANY LIABILITY DIFFERENT FROM THAT COVERED BY THIS POLICY.**

GENERAL CONDITIONS

CLAUSE 1. PREMIUM

- 1.1. The premium charged to the Insured becomes due at the time of issuing of the contract, and any subsequent agreement that may affect the Policy, which gives rise to the payment of any such additional premiums.
- 1.2. Should the Insured choose to make installment payments of the premium, the installments shall be payable in equal periods no less than a month, and the installments shall be due at the inception of each period thereto agreed upon. The financial rate of the premium shall be applied to the installment payment in force at the time of issuance or renewal of the Policy, which shall be made known to the Insured in writing.
- 1.3. The time for the payment of premium or any installment may not be greater than 30 (thirty) calendar days following the expiry date of the premium. The effects of this contract shall automatically end at the 12:00 (twelve) noon on the last day of this period. The hours shown in this item shall be the local official time in the place whereby the corresponding insurance policies are issued.
- 1.4. The agreed premium shall be paid in the Company's offices upon delivery of the corresponding receipt thereof.
- 1.5. In the event of loss, the Company shall deduct from the indemnity the total premium pending or outstanding installments not paid, until the total premium corresponding to the period of insurance contracted is completed.

CLAUSE 2. REINSTATEMENT

Notwithstanding the provisions in Clause 1 "Premium" of these General Conditions, the Insured may, within the 15 (fifteen) days following the last day of the aforementioned grace period, pay the premium for this insurance or the corresponding part should installment payments have been agreed upon. In this case, upon making such payment, the effects of this insurance shall be reinstated as of the hour and day shown in the payment voucher, and the Company shall refund at pro rata, at the time of receiving the payment, the corresponding premium to the period during which the effects of this insurance ended, in accordance with provisions in Article 40 of the Insurance Contract Law.

Moreover, if the Insured requests in writing at the time of making such payment, that the insurance term is to be extended, this shall be automatically accepted by the Company, and extended for a period equal to that comprised between the last day of such grace period and the hour and date in which such reinstatement becomes effective.

In the event that the hour is not clearly shown in the payment voucher, it shall be understood that the insurance is reinstated at midnight on the date of payment. The hours shown in this item shall be the official local time in the place whereby the corresponding insurance policies are issued

The reinstatement referred to in this Clause shall be registered by the Company on the receipt issued for the corresponding payment for administrative purposes, and in any subsequent document issued.

IN NO EVENT SHALL THE COMPANY BE LIABLE FOR LOSSES OCCURRED DURING THE PERIOD COMPRISED BETWEEN THE EXPIRY OF SUCH GRACE PERIOD AND THE HOUR AND DAY OF SUCH PAYMENT REFERRED TO IN THIS CLAUSE.

CLAUSE 3. INSURED'S PARTICIPATION

In the event of loss payable under this Policy, the Insured shall always pay the deductible as indicated in the specification thereof.

CLAUSE 4. ARBITRATION

In the event of dispute between the Insured and the Company as to the amount of any loss or damage, the matter shall be given over in writing to an Arbitrator of mutual agreement; however, in such cases where no single Arbitrator can be agreed upon, two such arbitrators shall be named; one for each party, within a period of 10 (ten) days from the date on which either of the parties has required the other to do so in writing. Moreover, before commencement of arbitration, the two arbitrators shall name an umpire in case of further disagreement.

If either of the parties shall refuse or simply neglect to designate his arbitrator at the request of the other, or if the arbitrators do not agree upon the umpire, then the judicial authority shall, at the request of either of the parties, make the appointment of the arbitrator or the umpire, or both if necessary.

The death of any party, if an individual; or the dissolution, if a corporation, during the arbitration process shall not cancel or affect the authority or powers of the arbitrator, or arbitrators or umpire, as the case may be; or in the event of the death of an arbitrator or umpire of either of the parties die before a decision is made, another shall be appointed by such respective (party, arbitrator, judicial Authority) as a substitution thereof.

Expenses and fees originated by the arbitration shall be divided equally between the Insured and the Company, but each party shall pay the fees of his own arbitrator.

The arbitration referred to in this Clause shall not be construed as an admission of liability by the Company; it shall only determine the amount of the loss which shall eventually be payable by the Company, and while giving both parties liberty to exercise the corresponding objections.

CLAUSE 5. PLACE AND PAYMENT OF INDEMNITY

The Company shall pay any indemnity at its office, within the 30 (thirty) days following the date of receipt of the documents and information, which are the fundamental base of the claim, in the terms of Clause 6 "Procedures in the Event of Loss" of the General Conditions of the Policy.

CLAUSE 6. PROCEDURES IN THE EVENT OF LOSS

a) Notice of Claim: The Insured shall bind himself to notify the Company, as soon as having knowledge of all the claims or suits received by him or his representatives; therefore, he shall furnish the Company all documents or copy thereof, and the Company shall be obliged to state in writing, within a period of seventy two hours, that it declines to bring suit, if it so desires.

In case notice is not delivered as established, it shall be understood that the Company has accepted to bring suit in the name of the Insured, and he shall cooperate with the company in the terms of the following items of this clause:

If the Company decides not to conduct the suit, it shall pay the Insured in advance the sum established therefore so that the Insured may cover his defense expenses, which shall be effected with due diligence and in the terms agreed upon.

b) Cooperation and assistance of the Insured to the Company: When the Company has assumed the defense, it shall be binding on the Insured with respect to all proceedings brought against him for liability covered by this insurance, to:

- Provide all information and evidence necessary required by the Company.
- Exercise and enforce the actions and defenses corresponding to him by law.
- Appear in court in all proceedings.
- Grant authority to the lawyers designated by the Company to represent him in said proceedings.

All expenses made by the Insured to comply with the above obligations shall be reimbursed or paid in advance on account of the amount for defense expenses.

- c) Claims and suits: The Company shall be empowered to settle judicial or extra judicial claims, to conduct suits or prosecutions before the authorities and to enter into agreements.

The Insured may not accept any debt, transaction, agreement or any other legal act that implies liability for him without the Company's consent. The admission of a fact by the Insured will not be considered as an acceptance of liability.

- d) Loss Payee of Insurance: This insurance contract grants the right of indemnity directly to the damaged third party, who shall be considered as the Insured's loss payee as from the time of loss.
- e) Refunds: Should the third party be indemnified totally or partially by the Insured, with the Company's written consent, this shall be refunded proportionally by the Company.

CLAUSE 7. REDUCTION AND REINSTATEMENT OF THE SUM INSURED IN THE EVENT OF LOSS

All partial indemnities paid by the Company, and in accordance with provisions in Clause 8 Total Loss of the Individual Conditions of this Policy, shall be reduced in the same amount as the Insured Sum; however, this may be reinstated upon previous acceptance of the Company, at the request of the Insured, who shall be obliged to pay the corresponding additional premium.

Should the Policy consist of various limits and sublimits, the reduction or reinstatement shall apply to such affected limits and sublimits.

CLAUSE 8. INCREASE OF HAZARD

When the premium has been fixed in accordance with the characteristics of the risk, described in this Policy, the Insured shall advise the Company of any essential increase of hazard during the validity of this insurance, within a period of 24 (twenty four) hours upon having such knowledge thereof. **SHOULD THE INSURED OMIT TO GIVE SUCH ADVICE OR PROVOKE AN ESSENTIAL INCREASE OF HAZARD, THE COMPANY'S OBLIGATIONS SHALL TERMINATE HEREINAFTER.**

CLAUSE 9. OTHER INSURANCE

If the covered property is insured, wholly or in part, by other insurance covering the same peril, whether acquired on the same date or another, the Insured is under the obligation to declare such immediately in writing to the Company and/or they should be mentioned in the Policy or enclosure thereto; indicating the name of the insurance companies and the sums insured.

Should the Insured intentionally omit to give such notice, or acquire other insurance in order to obtain an illicit gain, the Company shall be released from its obligations.

When the Company has been duly notified that the same covered interests by this Policy are insured by other companies, the Company is obliged to pay the full value of the damage sustained within the limits of the Sum Insured, and thereafter shall be repeated proportionally against other companies which have issued coverage for the amount insured.

CLAUSE 10. INSPECTION

The Company shall have at all times the right to inspect, during the term of this insurance, the property covered, at any working hours and by duly authorized persons thereby.

The Insured is obliged to furnish the Company's surveyor with all necessary details and information for the appraisal of the risk.

Should the inspection disclose an essential increase of hazard in any covered property, the Company shall request in writing to the Insured the elimination of such increase of hazard. If whereby the Insured fails to comply with these change notifications during a period stipulated therein, the Company shall not be liable for loss or damage caused by such increase of hazard, if such fact is a direct contribution to the occurrence of the loss.

CLAUSE 11. ADVANCE TERMINATION OF CONTRACT

Notwithstanding the term of the Policy, the parties agree that such Policy may be terminated by means of written notice.

When the Insured terminates the Policy, the Company shall have the right to retain that part of the premium corresponding to the time during which the insurance had been in force, in accordance with the following short term tariff (percentage of the annual premium):

SHORT TERM TARIFF	
Up to 7 days	10%
Up to 15 days	15%
Up to 1 month	25%
Up to 2 months	35%
Up to 3 months	45%
Up to 4 months	55%
Up to 5 months	65%
Up to 6 months	70%
Up to 7 months	75%
Up to 8 months	80%
Up to 9 months	85%
Up to 10 months	90%
Up to 11 months	95%
Up to 12 months	100%

When the Company requests the termination of the contract, such shall be by means of written notice to the Insured. The insurance termination shall become effective 15 (fifteen) days after the corresponding notice; and the Company shall return such part of the premium in proportion to the unexpired term, at the moment when giving such notice. Consequently, the cancellation shall not be effective without such herefore stated requirement.

CLAUSE 12. STATUTE OF LIMITATIONS

All actions derived from this insurance contract shall prescribe in **2 (two) years**, in the terms of Article 81 of the Insurance Contract Law, as of the date of the occurrence thereof, unless exceptions consigned in Article 82 of the same law.

The prescription shall be interrupted not only by ordinary causes, but also by those referred to in the **Ley de Proteccion y Defensa al Usuario de Servicios Financieros (CONDUSEF) Law of Protection and Defense of Financial Services Users**.

Article 81 and 82 of the Insurance Contract Law:

Article 81: All actions derived from an insurance contract shall prescribe in two years, as of the date of the occurrence giving rise thereto.

Article 82: The term referred to in the previous article shall not be effective in case of omission, false or inexact declarations of the risk. However, in such case, where loss has occurred it shall be effective when the interested parties have proven that they had no previous knowledge of such loss occurrence taking place but on such date when the company has knowledge thereof. With respect to third party loss payees, they should also be aware of the vested rights in their favour.

CLAUSE 13.- COMPETENCE

The competence to file a complaint against the Insurance Company will be determined, at the choice of claimant, at the domicile of the Specialized Unit for the Attention of Consultations and Complaints referred to in Article 50 Bis of the Law for Protection and Defense of Users of Financial Services or before the National Commission for the Protection and Defense of Users of Financial Services in any of their branch offices.

In case of controversy, claimant will decide to go to the National Commission for the Protection and Defense of Users of Financial Services, whether in its headquarters, or to the branch offices of such Commission, or directly to the corresponding Courts pursuant to the facts established in Article 136 of the General Mutual Insurance Company and Institutions Law.

CLAUSE 14. ARREARS INTEREST

In the event that the Company, even though it has received the documents and information with reference to the basis for the claim made, does not fulfil the obligation of paying the indemnity, capital or rent, in the terms of Article 71 of the Insurance Contract Law, then, by fault of paying the legal interest applicable, the Company is obliged to pay the Insured, loss payee or third party sustaining damage, an arrears interest under the terms provided in Article 135 Bis of the General Law of Insurance Institutions and Mutual Societies, covering the delay period. Such interest shall be calculated as of the following day in which such obligation is so demanded.

CLAUSE 15. CURRENCY

Both the payment of the premium and indemnity, if any under this Policy, are payable according to the terms of the Monetary Law in force at the date of payment.

CLAUSE 16. NOTIFICATIONS

Any declaration or notification in respect to this contract shall be submitted in writing to the Company's registered address indicated in the Specification of this Policy.

In all such cases where the address of the offices of the Insurance Company is different from such indicated in the issued Policy, the Company shall advise the Insured the new address in the Republic of Mexico for all requests and notifications that should be sent to the Insurance Company for any legal effect.

The requirements and notifications that the Insurance Company shall make to the Insured or his assignees shall be valid to the last known address given to the Insurer.

CLAUSE 17. SUBROGATION OF RIGHTS

In all terms of Law, the Company shall be subrogated, up to the amount paid, to the Insured's rights, together with the corresponding actions against those liable or responsible for the loss. Should the Company so request, at its expense, the Insured shall place in record such subrogation in notarized documents. If due to acts or omissions of the Insured, such subrogation is inhibited, the Company shall be wholly or in part released from its obligations forthwith.

If only a part of the damage is paid, the Insured and the Company agree to exercise their rights in the same corresponding proportion.

There shall be no subrogation of rights in case the Insured has a marital or blood relationship or kinship up to the second degree with the person(s) that are known to have committed the damage or if the Insured may be civilly liable for the such person.

CLAUSE 18. FRAUD, DECEIT, BAD FAITH OR GROSS NEGLIGENCE

THE COMPANY'S OBLIGATIONS SHALL TERMINATE:

18.1 IF THE INSURED, LOSS PAYEE OR THEIR REPRESENTATIVES WITH THE OBJECT OF INDUCING THE COMPANY TO COMMIT AN ERROR, DISSIMULATE OR MAKE INEXACT DECLARATIONS, WHEREBY EXCLUDING OR RESTRICTING SUCH OBLIGATIONS.

18.2 MOREOVER, IF WITH THE SAME INTENTION THEY DO NOT FURNISH, IN DUE TIME, TO THE COMPANY THE DOCUMENTS NECESSARY FOR THE CORRECT PROCEDURE OF THE PAYMENT OF THE LOSS (BASED ON PROVISIONS IN CLAUSE 5 "PROCEDURE IN THE EVENT OF LOSS" OF THE GENERAL CONDITIONS OF THE POLICY).

18.3 DECEIT OR GROSS NEGLIGENCE ON THE PART OF THE Insured OR LOSS PAYEE OR ASSIGNEES or ATTORNEYS, HIS REPRESENTATIVES OR PERSONS LIABLE FOR THE TECHNICAL DIRECTION; IF AND WHEN SUCH ACT OR NEGLIGENCE IS DIRECTLY ATTRIBUTABLE TO SUCH PERSONS.

CLAUSE 19. INSURANCE TERRITORY

This Policy has been contracted in accordance with Mexican Laws and to cover damage and/or loss occurred within the territory of the Republic of Mexico. The territory limit may be extended by means of contracting the coverage of Liability for damage in foreign countries, and only in the coverages where applicable, in accordance with the individual conditions.

CLAUSE 20. ARTICLE 25 OF THE INSURANCE CONTRACT LAW

"Should the wording of the Policy or its amendments not agree with the offer, the Insured may request the necessary amendment within the 30 (thirty) days following receipt thereof. After expiry of this period, the provisions or amendments of the Policy shall be considered as accepted"