



8144 Walnut Hill Lane, Suite 1490, Dallas, TX 75231
Ph: (214)-206-4900

Attachment A

Named Insured: St. James Court Homes Association, Inc.

Effective Date: 10/8/2024-10/8/2025

Premium: \$127,425.21

Total Fees: \$14,242.52

Surplus Lines Tax \$4,170.86

Total: \$145,838.59

This policy is issued by an insurer not authorized to do business in Kansas and, as such, the form, financial condition and rates are not subject to review by the commissioner of insurance and the insured is not protected by any guaranty fund.

Strata Underwriting Managers
8144 Walnut Hill Lane, Suite 1400
Dallas, TX 75231

**Third Coast Insurance Company
New Berlin, WI 53151**

NC R0 00 08 22

Common Policy Declarations

Policy Number: PROP-SUM4-002084-24

1. NAMED INSURED and MAILING ADDRESS:

St. James Court Homes Association Inc

11125 Ambassador Dr Suite 360 c/o First Services Residential MO

Kansas City, MO 64153

- 2. Policy period:** 12:01 a.m. on 10/8/2024 Standard Time at the Named Insured's Mailing Address above to 12:01 a.m. on 10/8/2025 Standard Time at the Named Insured's Mailing Address above; Individual Risks not exceeding 12 (twelve) months.

IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THE POLICY, THE COMPANY AGREES WITH THE NAMED INSURED TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY.

3. THIS POLICY CONSISTS OF THE FOLLOWING COVERAGE PARTS:

PREMIUM

☒ Commercial Property

\$123,233.60

At the Rate of 0.158760 per \$100 of Value.

☐ Certified Terrorism - Written Separately

Premium shown is payable per schedule to be agreed by Third Coast Insurance Company.

\$123,233.60

25% Minimum Earned premium at inception.

4. FORMS APPLICABLE TO ALL COVERAGE PARTS:

See Index of Forms NC R0 02 08 22

BUSINESS DESCRIPTION: Habitational Property

Third Coast Insurance Company
New Berlin, WI 53151

NC R0 01 02 22

COMMERCIAL PROPERTY COVERAGE PART DECLARATIONS PAGE

Policy Number: PROP-SUM4-002084-24

Policy Inception: 10/8/2024

COVERAGES PROVIDED:

Insurance At The Described Premises Applies Only For Coverages For Which A Limit Of Insurance Is Shown

<u>Loc. No.</u>	<u>Bldg No.</u>	<u>Coverage</u>	<u>Limit of Insurance</u>	<u>Coinsurance</u>	<u>Covered Causes of Loss</u>
ALL	ALL	Building and Business Personal Property	Shall not exceed the individually stated value as shown in the latest Statement of Values.	N/A	NC R1 00 02 22
ALL	ALL	Business Income, Rental Value	Shall not exceed the individually stated value as shown in the latest Statement of Values.	N/A	NC R1 01 03 19

DEDUCTIBLE: Various per Statement of Values Form NC R0 04 02 21

The Policy Limit shall never exceed \$10,000,000 at any one Occurrence regardless of individually stated values shown in the latest Statement of Values or the number of Insured Locations involved in the Occurrence.

OPTIONAL COVERAGES Applicable only when entries are made in the Statement of Values below NC R0 04 02 21

Replacement Cost

<u>Loc. No.</u>	<u>Bldg No.</u>	<u>Building</u>	<u>Personal Property</u>	
ALL	ALL	X	X	

Subject to terms and conditions of Replacement Cost Form, NC R5 05 03 19.

Business Income / Rental Value Options

<u>Loc. No.</u>	<u>Bldg No.</u>	<u>Monthly Limit of Indemnity</u>	<u>Maximum Period of Indemnity</u>	<u>Extended Period of Indemnity (Days)</u>
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See Statement of Values Form NC R0 04 02 21

MORTGAGEES

Loc. No.

Forms and Endorsements applying to this Coverage Part and made part of this Policy at time of issue: SEE INDEX OF FORMS ATTACHED (NC R0 02 08 22).

Surplus Lines Agent: Strata Underwriting Managers, 8144 Walnut Hill Lane, Suite 1490, Dallas, TX 75231

Third Coast Insurance Company New Berlin, WI 53151

IL PN 01 TX 03 24

Figure: 28 TAC §1.601(a)(2)(B)

Have a complaint or need help?

If you have a problem with a claim or your premium, call your insurance company or HMO first. If you can't work out the issue, the Texas Department of Insurance may be able to help.

Even if you file a complaint with the Texas Department of Insurance, you should also file a complaint or appeal through your insurance company or HMO. If you don't, you may lose your right to appeal.

Third Coast Insurance Company

To get information or file a complaint with your insurance company or HMO:

Call: Complaints Dept at 1-800-258-2667

Toll-free: 1-800-258-2667

Mail: P.O. Box 3026

Milwaukee, WI 53201-3026

The Texas Department of Insurance

To get help with an insurance question or file a complaint with the state:

Call with a question: 1-800-252-3439

File a complaint: www.tdi.texas.gov

Email: ConsumerProtection@tdi.texas.gov

Mail: Consumer Protection, MC: CO-CP, Texas Department of Insurance, P.O. Box 12030, Austin, TX 78711-2030

¿Tiene una queja o necesita ayuda?

Si tiene un problema con una reclamación o con su prima de seguro, llame primero a su compañía de seguros o HMO. Si no puede resolver el problema, es posible que el Departamento de Seguros de Texas (Texas Department of Insurance, por su nombre en inglés) pueda ayudar.

Aun si usted presenta una queja ante el Departamento de Seguros de Texas, también debe presentar una queja a través del proceso de quejas o de apelaciones de su compañía de seguros o HMO. Si no lo hace, podría perder su derecho para apelar.

ABC Insurance Company

Para obtener información o para presentar una queja ante su compañía de seguros o para o HMO:

Llame a: Complaints Dept al 1-800-258-2667

Teléfono gratuito: 1-800-258-2667

Dirección postal: P.O. Box 3026

**Third Coast Insurance Company
New Berlin, WI 53151**

IL PN 01 TX 03 24

Milwaukee, WI 53201-3026

El Departamento de Seguros de Texas

Para obtener ayuda con una pregunta relacionada con los seguros o para presentar una queja ante el estado:

Llame con sus preguntas al: 1-800-252-3439

Presente una queja en: www.tdi.texas.gov

Correo electrónico: ConsumerProtection@tdi.texas.gov

Dirección postal: Consumer Protection, MC: CO-CP, Texas Department of Insurance,
P.O. Box 12030, Austin, TX 78711-2030

Third Coast Insurance Company New Berlin, WI 53151

NC R0 04 02 21

Policy Number: PROP-SUM4-002084-24

Policy Inception: 10/8/2024

Bind Id: 3083

St. James Court Homes Association Inc

Statement of Values

Prorata Factor: 1.000

Grand Total TIV: \$77,622,572

<u>Location Name</u>	<u>Address</u>		<u>City</u>	<u>State</u>	<u>Zip</u>	<u>Eff Date</u>		<u>Exp Date</u>
St. James Court HOA	14101 West 151st Terrace		Olathe	KS	66062	10/08/24		10/08/25
Coverages	Limits of Insurance	No. of Bldgs	45		Build Year	2002	Perils	Deductibles
<u>Building and Structures</u>	\$77,015,672	<u>No. of Units</u>	176		Roof Year	2011	AOP	\$25,000.00
<u>Business Personal Property</u>	\$57,500	<u>No. of Pools</u>	1		Smoke Alarm	Yes	WHH	3 % of TIV WHH Deductible
<u>Business Income / Rental Value</u>	\$114,400	<u>Sq. Ft.</u>	372154		Sprinklered	No	Earthquake	Coverage Excluded
<u>Other</u>	\$435,000	<u>No. of Stories</u>	1		Subsidized	0.00	Flood	Coverage Excluded
<u>Total Insured Value</u>	\$77,622,572	<u>Construction Type</u>	Frame		Wiring	Copper		

The inclusion of a deductible for Earthquake or Flood in the Statement of Values above does not necessarily mean that coverage is provided for Earthquake or Flood. Please read your entire Policy, including the Coverage Declarations (NC R0 03 02 21), Flood Form (NC R2 06 02 21), and Earthquake Form (NC R2 04 03 17) attached to this Policy, to determine whether a particular Insured Location is covered for either peril.

**Third Coast Insurance Company
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SURPLUS LINES DISCLOSURE STATEMENT

SUM 01 03 19

This Policy is issued by an insurer not authorized to do business in Kansas and, as such, the form, financial condition and rates are not subject to review by the commissioner of insurance and the insured is not protected by any guaranty fund.

Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information or conceals for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties.

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New Berlin, WI 53151**

NC R0 02 08 22

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New Berlin, WI 53151**

INTERLINE

SIL 00 04 07 22

Execution Clause Endorsement

In Witness Whereof, the Company has caused this policy to be executed and attested to by its President and Secretary. Where required by law, the Information Page has been countersigned by our duly authorized representative.

Abel Travis, President

Bobbi Elliot, Corporate Secretary



This endorsement changes the policy to which it is attached and is effective on the date issued unless otherwise stated.

(The information below is required only when this endorsement is issued subsequent to preparation of the policy.)

Endorsement Effective:

Policy No.

Endorsement No.

Insured:

Premium \$

Insurance Company:

Countersigned by: _____

SIL 00 04 07 22

Coverage Declarations

READ THE ENTIRE POLICY CAREFULLY, INCLUDING ANY ENDORSEMENTS, TO DETERMINE RIGHTS, DUTIES AND WHAT IS AND IS NOT COVERED.

A. POLICY LIMIT: In no event shall liability under this Policy arising out of one Occurrence exceed the limit shown in the declarations, nor shall liability in any one Occurrence exceed the individually stated value for each scheduled item as shown in the latest Statement of Values or other documentation, nor shall liability exceed any specific Sublimit of Insurance applying to any insured loss, coverage or Insured Location(s).

If an annual aggregate limit is noted in the Sublimits of Insurance shown in the Coverage Declarations of this Policy, the Company will be liable to pay no more than the aggregate limit shown in any one Policy period.

The premium for this Policy is based on the Statement of Values. In the event of loss hereunder, liability of the Company, subject to the terms in the above paragraphs, shall be limited to the least of the following in any one Occurrence:

1. The actual adjusted amount of loss of each scheduled item at the Insured Location where the covered loss occurred, less applicable deductible(s).
2. The individually stated value for each scheduled item which had the loss at the Insured Location where the covered loss occurred, as shown on the latest Statement of Values, less applicable deductible(s). If no stated value is shown for a scheduled item then there is no coverage for that item under the Policy.
3. The Policy Limit shown in or endorsed onto to this Policy.

Example:

The following example assumes there is no coinsurance penalty or other limits involved:

Location 1

Scheduled value – Building	\$100,000
Actual adjusted amount of loss – Building	\$25,000
Scheduled value – Rents	\$50,000
Actual adjusted amount of loss – Rents	\$75,000

Location 2

Scheduled value – Building	\$200,000
Actual adjusted amount of loss – Building	\$205,000
Scheduled value – Rents	\$75,000
Actual adjusted amount of loss – Rents	\$25,000
Policy Limit	\$10,000,000 per Occurrence

In this example, the total liability of the Company for the Occurrence is limited to \$300,000 less applicable deductible(s). This is because (1) the liability of the Company on each scheduled item is limited as follows: (a) Building at Location 1 building is limited to \$25,000 because the actual adjusted amount of the loss is less than the scheduled value for that item, (b) Location 1 rents is limited to \$50,000 because the scheduled value is less than the actual adjusted amount of the loss for that item, (c) Location 2 building is limited to \$200,000 because the scheduled value is less than the actual adjusted amount of the loss for that item, and (d) Location 2 rents is limited to \$25,000 because the actual adjusted amount of the loss is less than the scheduled value for that item; and (2) the total of the limits on each scheduled item of property (\$300,000 less applicable deductibles) is less than the Policy Limit (in this example) of \$10,000,000 per Occurrence.

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B. SUBLIMITS OF INSURANCE: For application of Sublimits of Insurance refer to Section N. (Sublimits of Insurance) in the General Conditions. Sublimits apply at each Insured Location per Occurrence unless otherwise provided.

1. Buildings, per Statement of Values on file with the Company for any one Insured Location in any one Occurrence:	As per Statement of Values
Note: The inclusion of a Sublimit for Buildings does not mean that coverage for Buildings is provided at every Insured Location on the Statement of Values. Such coverage is only provided for those Insured Locations where a value is stated for Buildings (Real Property) on the Statement of Values.	
2. Business Personal Property, per Statement of Values on file with the Company for any one Insured Location in any one Occurrence:	As per Statement of Values
Note: The inclusion of a Sublimit for Business Personal Property does not mean that coverage for Business Personal Property is provided at every Insured Location on the Statement of Values. Such coverage is only provided for those Insured Locations where a value is stated for Business Personal Property on the Statement of Values.	
3. Electronic Data Processing Equipment and Electronic Data Processing Data and Media for any one Insured Location in any one Occurrence:	\$100,000
4. Accounts Receivable for any one Insured Location in any one Occurrence:	\$100,000
5. Valuable Papers and Records for any one Insured Location in any one Occurrence:	\$50,000
6. Fine Arts, for any one Insured Location in any one Occurrence:	\$100,000
Subject to a maximum per item:	\$10,000
7. Newly Constructed or Acquired Property for any one building at any one Insured Location, in any one Occurrence:	\$100,000
Maximum number of days for automatic coverage:	90 Days
8. Outdoor Property including Debris Removal for any one Insured Location in any one Occurrence:	\$50,000
Subject to a maximum for any one item unless otherwise agreed with the Company:	\$10,000
Note: The perils of Windstorm (including hail) are excluded for Outdoor Property, unless otherwise agreed with the Company and noted in this Policy.	
9. Personal Effects of Officers and Employees of the Insured,	
Per Employee:	\$1,000
Subject to a maximum at any one Insured Location in any one Occurrence:	\$5,000
10. Covered Property at Undescribed Premises for any one Insured Location in any one Occurrence:	\$10,000
11. Covered Property in Transit, in any one Occurrence:	\$25,000
12. Limited Coverage for Pollutant Cleanup and Removal (per NC R2 38 03 17), for any one Insured Location in any one Occurrence:	\$5,000

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13. Claim Data Expense for any one Insured Location in any one Occurrence:	\$5,000
14. Ordinance or Law:	
a. Loss to the Undamaged Portion of a covered building, for any one Insured Location in any one Occurrence:	Included
b. Demolition and Site Clearing: For any one building at an Insured Location in any one Occurrence: 10% of the value of the damaged building as of the time of loss. The value of the damaged building is calculated by multiplying the actual square footage of the building by the dollar value per square foot (ITV) on file with the Company. This per building sublimit is part of, and does not increase, the per Insured Location sublimit that follows. For any one Insured Location in any one Occurrence: 10% of the Building Value for the Insured Location as shown on the latest Statement of Values, not to exceed in any one Occurrence:	\$1,000,000
c. Increased Cost of Construction: For any one building at an Insured Location in any one Occurrence: 10% of the value of the damaged building as of the time of loss. The value of the damaged building is calculated by multiplying the actual square footage of the building by the dollar value per square foot (ITV) on file with the Company. This per building sublimit is part of, and does not increase, the per Insured Location sublimit that follows. For any one Insured Location in any one Occurrence: 10% of the Building Value for the Insured Location as shown on the latest Statement of Values, not to exceed in any one Occurrence:	\$1,000,000
d. Within the Increased Cost of Construction limit set forth in 14.c. above, the Company will pay no more than the following for any one Insured Location in any one Occurrence as a result of the enforcement of an ordinance or law in force at the time of loss regulating energy conservation, energy efficiency, or environmental conservation for the building envelope (walls, floors, roofs, windows, skylights and doors) or HVAC systems: This extension of coverage is inclusive of limits shown under item 14. c. above and not in addition to limits stated in item 14. c.	\$100,000
15. Business Income:	
a. Business Income, per Statement of Values on file with the Company for any one Insured Location in any one Occurrence:	As per Statement of Values
b. Rental Value, per Statement of Values on file with the Company for any one Insured Location in any one Occurrence:	As per Statement of Values

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c. Ordinary Payroll:	Excluded
d. Extended Business Income or Rental Value for any one Insured Location in any one Occurrence:	90 Days
e. Civil Authority 30 days subject to a maximum for any one Insured Location in any one Occurrence:	\$100,000
f. Ordinance or Law - Increased Period of Restoration: in any one Occurrence and in the aggregate per Policy period for any one Insured Location for all insured losses covered under this Policy commencing with the inception date of this Policy:	\$1,000,000
g. Newly Constructed or Acquired Property, for any one Insured Location in any one Occurrence:	Included in Item B.7.
h. Maximum number of days of automatic coverage:	90 days
i. Undescribed Premises for any one Insured Location in any one Occurrence:	Included in Item B.10.
j. Claim Data for any one Insured Location in any one Occurrence:	Included in Item B.13.
<p>Note: The inclusion of a Sublimit for Business Income / Rental Value does not mean that coverage for Business Income / Rental Value is provided at every Insured Location on the Statement of Values. Such coverage is only provided for those Insured Locations where a value is stated for Business Income / Rental Value on the Statement of Values.</p>	
16. Extra Expense:	
a. Extra Expense for any one Insured Location in any one Occurrence:	\$500,000
<p>Note: The inclusion of a Sublimit for Extra Expense does not mean that coverage for Extra Expense is provided at every Insured Location on the Statement of Values. Such coverage is only provided for those Insured Locations where a value is stated for Business Income / Rental Value on the Statement of Values and for those that qualify for such coverage as a Newly Constructed or Acquired Property.</p>	
b. Civil Authority 30 days subject to a maximum for any one Insured Location in any one Occurrence of:	\$100,000
c. Ordinance or Law - Increased Period of Restoration for any one Insured Location in any one Occurrence:	\$100,000
d. Newly Constructed or Acquired Property, for any one Building at any one Insured Location in any one Occurrence:	Included in Item B.7.
Number of days:	90 Days
e. Undescribed Premises, for any one Insured Location in any one Occurrence:	Included in Item B.10.
f. Claim Data, for any one Insured Location in any one Occurrence:	Included in Item B.13.
17. Leasehold Interest for any one Insured Location in any one Occurrence:	\$50,000
18. Earthquake, Volcanic Eruption, Landslide and Mine Subsidence - In any one occurrence and in the aggregate for Policy period for any Insured Location, for all losses covered under this Policy, commencing with the inception date of this Policy:	
a. Occurring at Insured Locations in counties identified as High Hazard counties in NC R6 09 03 17:	Excluded

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b. Occurring at Insured Locations in counties not identified as High Hazard counties in NC R6 09 03 17: Excluded

If more than one Annual Aggregate Limit applies for any one Insured Location in any one Occurrence, the maximum the Company will pay is the highest involved Aggregate Limit. The maximum the Company will pay during each Policy period is the largest of the Annual Aggregate Limits shown.

The inclusion of a Sublimit in B.18.b. does not mean that coverage for Earthquake, Volcanic Eruption, Landslide, and Mine Subsidence is provided at every Insured Location on the Statement of Values. See Form NC R2 04 03 17. Coverage for Earthquake, Volcanic Eruption, Landslide, and Mine Subsidence is provided at an Insured Location only if (i) a Sublimit is provided in Coverage Declaration B. 18.b., (ii) a deductible for Earthquake is provided on the Statement of Values for the Insured Location and (iii) no part of the Insured Location is located within a county identified as a High Hazard county in Form NC R6 09 03 17.

19. Flood – In any one Occurrence and in the aggregate per Policy period for any one Insured Location for all losses covered under this Policy, commencing with the inception date of this Policy:

a. Occurring at Insured Locations, resulting from Flood to buildings, structures or property in the open within Flood Zone A, B, V, or X (shaded) as classified under the National Flood Insurance Program or property in or on buildings or structures located within such Flood Zones: Excluded

b. Occurring at Insured Locations, resulting from Flood to buildings, structures, or property in the open not located within Flood Zone A, B, V, or X (shaded): Excluded

Any loss resulting from Flood to a building, structure or property in the open which is, at the time of loss, within more than one Flood Zone will be subject to the insurance and sublimits, if any, that would apply under this Policy if that building, structure or property in the open was wholly located within the most hazardous of the Flood Zones, as identified in NC R2 06 02 21, in which it is located. The Flood Zone that applies to a building or structure will also apply to any property in or on such building or structure.

If more than one annual aggregate limit applies in any one Occurrence, the most the Company will pay is the highest involved Aggregate Limit. The most the Company will pay during each Policy period is the largest of the Annual Aggregate Limits shown.

The inclusion of a Sublimit for Flood in B.19.b does not mean that coverage for Flood is provided at every Insured Location on the Statement of Values. See Form NC R2 06 02 21. Flood coverage is provided at an Insured Location only if (i) a Sublimit is provided in B.19.b., (ii) a deductible for Flood is provided on the Statement of Values for the Insured Location, and (iii) no part of the Insured Location is located within Flood Zone A, B, V, or X (shaded).

20. Boiler and Machinery Property Damage, in any one accident: See Policy

21. Limited Coverage for Mold, Mildew, Wet Rot, Dry Rot, and Other Fungi (per NC R2 39 04 16)

a. Direct Damage: Aggregate for any one Insured Location in any one Policy period: \$5,000

b. Business Income, Rental Value and Extra Expense: Excluded

22. Limited Asbestos Coverage (per NC R2 38 03 17):

a. Aggregate, for any one Insured Location in any one Policy period: \$25,000

b. Business Income, Rental Value and Extra Expense:
All as per the terms and conditions of the Asbestos Exclusion Clause, Form NC R2 38 03 17: Excluded

23. Water, other liquids, powder, or molten material damage: Included

24. Property of others in the care, custody, and control of the Named Insured if the Named Insured is required by written contract to insure such property: \$10,000

25. Debris Removal: For any one Insured Location in any one Occurrence:
25% of the direct physical loss or damage to Covered Property not to exceed in any one Occurrence: \$1,000,000

26. Terrorism: See Underwriters at Lloyds Policy

Third Coast Insurance Company New Berlin, WI 53151

C. DEDUCTIBLES: For application of Deductibles refer to Section B. (Application of Deductibles) in the General Conditions. The deductibles that apply to the following coverages and causes of loss are as follows:

1. Business Income Coverage and Rental Value Coverage, for any one Insured Location in any one Occurrence:	As per Statement of Values
2. Extra Expense Coverage for any one Insured Location in any one Occurrence:	As per Statement of Values
3. Earthquake, Volcanic Eruption, Landslide and Mine Subsidence losses covered under this Policy:	
a. Occurring in counties identified as High Hazard counties in NC R6 09 03 17, at any one Insured Location in any one Occurrence:	Excluded
b. Occurring in counties not identified as High Hazard counties, at any one Insured Location in any one Occurrence:	As per Statement of Values
<p>The inclusion of a deductible for Earthquake, Volcanic Eruption, Landslide, and Mine Subsidence in C.3.b. or for Earthquake on the Statement of Values for an Insured Location does not mean that coverage for Earthquake, Volcanic Eruption, Landslide, and Mine Subsidence is provided for such Insured Location. See Form NC R2 04 03 17. Coverage for Earthquake, Volcanic Eruption, Landslide, and Mine Subsidence is provided at an Insured Location only if (i) a Sublimit is provided in Coverage Declaration B.18.b., (ii) a deductible for Earthquake is provided on the Statement of Values for the Insured Location and (iii) no part of the Insured Location is located within a county identified as a High Hazard county in Form NC R6 09 03 17.</p>	
4. Flood losses covered under this Policy, at any one Insured Location in any one Occurrence:	As per Statement of Values
<p>The inclusion of a Deductible for Flood in C.4 or on the Statement of Values for an Insured Location does not mean that coverage for Flood is provided at any Insured Location. See Form NC R2 06 02 21. Flood coverage is provided at an Insured Location only if (i) a Sublimit is provided in B.19.b., (ii) a deductible for Flood is provided on the Statement of Values for the Insured Location, and (iii) no part of the Insured Location is located within Flood Zone A, B, V, or X (shaded).</p>	
5. Civil Authority, at any one Insured Location in any one Occurrence:	24 Hours
6. Windstorm (including hail) losses covered under this Policy:	
a. Occurring as a result of any Windstorm (including hail), excluding a Named Storm, as defined herein, in counties identified as High Hazard Wind Counties in NC R6 06 02 21, at any one Insured Location:	As per Statement of Values
b. Occurring as a result of a Named Storm, as defined herein, in counties identified as High Hazard Wind Counties in NC R6 06 02 21, at any one Insured Location:	As per Statement of Values
c. Occurring at any one Insured Location in any one Occurrence not located in counties identified as High Hazard Wind Counties in NC R6 06 02 21:	As per Statement of Values
7. Any other covered loss for each Insured Location in any one Occurrence:	As per Statement of Values
8. To any covered loss resulting from a fire which emanates from a permanently attached cooking surface protected at the time of loss by an approved, charged, unexpired, and properly installed "Stove Top Fire Suppression System":	NIL

D. VALUATION PROVISION: Replacement Cost applies as per NC R5 05 03 19, except as otherwise stated within the Replacement Cost Form, within this Coverage Declarations or elsewhere in this Policy.

E. REPORTING AND ADJUSTMENT: Reporting and adjustment for additions and deletions to this Policy, if required, will be made on an as requested basis.

F. ISSUING COMPANY: Third Coast Insurance Company.

G. DESIGNATED LOSS ADJUSTERS: Strata Claims Management, LLC, 8144 Walnut Hill Lane, Suite 1490, Dallas, TX 75231 (claims@strataclaims.com) will adjust each and every loss with all participating Insurers, unless otherwise designated by Strata Underwriting Managers.

EXCLUSION OF CERTIFIED ACTS AND OTHER ACTS OF TERRORISM

This endorsement modifies insurance provided under the following:

PROPERTY COVERAGE FORM NC R1 00 02 22

A. The following Exclusion is added:

We will not pay for loss or damage caused directly or indirectly by 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, except for ensuing fire, but only to the extent as required by state statute as indicated in item B., below.

Exclusion Of Certified Acts And Other Acts Of Terrorism

We will not pay for loss or damage caused directly or indirectly by a "certified act of terrorism" or an "other act of terrorism", including action in hindering or defending against an actual or expected incident of a "certified act of terrorism" or an "other act of terrorism". Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

But with respect to any such activity that also comes within the terms of the War And Military Action Exclusion, that exclusion supersedes this Terrorism Exclusion.

In the event of an act of terrorism that involves nuclear reaction or radiation, or radioactive contamination, this Terrorism Exclusion supersedes the Nuclear Hazard Exclusion.

Exclusion Of Nuclear, Biological or Chemical Terrorism

We will not pay for loss or damage caused directly or indirectly by any act of terrorism:

1. that involves the use, release or escape of nuclear materials, or directly or indirectly results in nuclear reaction or radiation or radioactive contamination; or
2. that is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or
3. in which pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the terrorism was to release such materials;

including action in hindering or defending against an actual or expected incident of terrorism. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

In the event of any incident of terrorism that is not subject to this Nuclear, Biological or Chemical Terrorism Exclusion, coverage does not apply to any element of loss or damage that is otherwise excluded under this Coverage Part or Standard Property Policy.

But with respect to any such activity that also comes within the terms of the War And Military Action Exclusion, that exclusion supersedes this Terrorism Exclusion.

In the event of an incident of terrorism that involves nuclear reaction or radiation, or radioactive contamination, this Terrorism Exclusion supersedes the Nuclear Hazard Exclusion.

B. Exception Covering Certain Fire Losses

If a "certified act of terrorism" or an "other act of terrorism" results in fire, we will pay for the loss or damage caused by that fire, to the extent as required by state statute. Such coverage for fire applies only to direct loss or damage by fire to Covered Property. Therefore, for example, the exception does not apply to insurance provided under Business Income and/or Extra Expense coverage forms or endorsements which apply to those forms, or to the Legal Liability Coverage Form or the Leasehold Interest Coverage Form, if any.

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C. The following definitions are added with respect to the provisions of this endorsement:

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

- a. The act resulted in insured losses in excess of \$10 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
- b. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

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

Multiple incidents of an “other act of terrorism” which occur within a seventy-two hour period and appear to be carried out in concert or to have a related purpose or common leadership shall be considered to be one incident.

PROPERTY COVERAGE FORM

Various provisions in this Policy restrict coverage. Read the entire Policy, including any endorsements, carefully to determine rights, duties and what is and is not covered. Words and phrases that appear in quotation marks have special meaning; refer to Section G. (Definitions).

A. INSURING AGREEMENT: The Company will pay for direct physical loss or damage to Covered Property at an Insured Location as described in the most recent Statement of Values caused by or resulting from a Covered Cause of Loss. Notwithstanding any other provision in this Policy, the Company will not pay for loss to Covered Property due to any "Diminution in Value", whether the Covered Property is repaired, partially repaired or not repaired.

B. COVERAGE: Coverage is provided for Covered Property and Covered Costs and Expenses, as described in Sections B.1. and B.2., for which the Named Insured has an insurable interest, unless excluded in Section C. Coverage applies only when a Sublimit of Insurance is shown in the Coverage Declarations for the specific type of Covered Property or Covered Costs and Expenses, except for Sections B.2. a., d., e., g. h. and i., which do not require a specific Sublimit of Insurance to be shown.

1. COVERED PROPERTY

a. Building(s) means the buildings or other structures at the Insured Location, including:

- (1) Completed additions including garages and detached carports;
- (2) Fixtures, including outdoor fixtures;
- (3) Machinery and equipment permanently attached to the building;
- (4) Personal property owned by the Named Insured that is used to maintain or service the buildings, structures or grounds; and
- (5) If not covered by other insurance:
 - (a) Additions under construction, alterations and repairs to the buildings or structures; and
 - (b) Materials, equipment, supplies and temporary structures, on or within 1,000 feet of the Insured Location, used for making alterations or repairs to the buildings or structures.

Building(s) do not include "Outdoor Property" except as provided in Section B.1.h.

b. Business Personal Property located in or on the Buildings at the Insured Location or in the open (or in a vehicle) within 1,000 feet of the Insured Location, consisting of the following unless otherwise specified in the Coverage Declarations:

- (1) Furniture and fixtures;
- (2) Machinery and equipment;
- (3) "Stock";
- (4) All other personal property owned by the Named Insured and used in the Named Insured's business;
- (5) Labor, materials or services furnished or arranged by the Named Insured on personal property of others;
- (6) The Named Insured's use interest as tenant in improvements and betterments.

Improvements and betterments are fixtures, alterations, installations or additions:

- (a) Made a part of the buildings or structures occupied or leased, but not owned, by the Named Insured; and
- (b) Acquired or made at the Named Insured's expense but which the Named Insured is not permitted to remove.

Business Personal Property does not include:

- (1) "Electronic Data Processing Equipment" or "Electronic Data Processing Data and Media" except

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as provided in Section B.1.c.;

- (2) Accounts Receivable except as provided in Section B.1.d.;
- (3) Valuable Papers except as provided in Section B.1.e.; or
- (4) "Fine Arts" except as provided in Section B.1.f.

- c. **"Electronic Data Processing Equipment" and "Electronic Data Processing Data and Media":** This insurance applies to loss or damage to "Electronic Data Processing Equipment" and "Electronic Data Processing Data and Media" at or within 1,000 feet of the Insured Location.

- d. **Accounts Receivable:** This insurance applies to loss or damage to the accounts receivable records of the Named Insured while at or within 1,000 feet of the Insured Location, including records stored on Electronic Data Processing Media. Credit card company charge records will be considered accounts receivable records until delivered to the credit card company.

(1) The Company will pay:

- (a) Amounts due the Named Insured from customers that the Named Insured is unable to collect because of loss or damage to the Named Insured's accounts receivable records;
- (b) Interest charges on any loan required to offset amounts the Named Insured is unable to collect because of loss or damage to the Named Insured's accounts receivable records, pending the Company's payment of these amounts;
- (c) Collection expenses in excess of the Named Insured's normal collection expenses that are made necessary by the loss; and
- (d) Other reasonable expenses that the Named Insured incurs to reestablish the Named Insured's records of Accounts Receivable.

(2) The following additional exclusions apply to Accounts Receivable:

The Company will not pay for loss or damage caused by or resulting from any of the following:

- (a) Bookkeeping, accounting or billing errors or omissions; and
- (b) 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.

(3) The Company will not pay for loss or damage that requires an audit of records or any inventory computation to prove its factual existence.

(4) In the event the Named Insured cannot accurately establish the amount of Accounts Receivable outstanding as of the time of loss, the following method will be used:

- (a) The Company will determine the total of the average monthly amounts of Accounts Receivable for the twelve (12) months immediately preceding the month in which the loss occurs;
- (b) The Company will adjust the total for any normal fluctuations in the amounts of Accounts Receivable for the month in which the loss occurred or for any demonstrated variance from the average for that month; and
- (c) The following will be deducted from the total amount of Accounts Receivable, however that amount is established:
 - (i) The amount of the accounts for which there is no loss;
 - (ii) The amount of the accounts that the Named Insured is able to re-establish or collect;
 - (iii) An amount to allow for probable bad debts that the Named Insured is normally unable to collect; and
 - (iv) All unearned interest and service charges.

- e. **Valuable Papers and Records:** This insurance applies to loss or damage to Valuable Papers and

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Records while at or within 1,000 feet of the Insured Location. Coverage does not apply to Valuable Papers and Records that exist on electronic data processing media.

- f. **"Fine Arts"**: This insurance applies to loss or damage to "Fine Arts" while at or within 1,000 feet of the Insured Location.

- g. **Newly Constructed or Acquired Property**: This insurance applies to:

- (1) New buildings while being built at an Insured Location or on a newly acquired location including materials, equipment, supplies and temporary structures which are at or within 1,000 feet of the premises;
- (2) Buildings newly acquired by the Named Insured at locations other than an Insured Location;
- (3) Buildings the Named Insured becomes newly required to insure under a written contract; and
- (4) Personal Property of a type insured under this Policy at or within 1,000 feet of a newly acquired building or a newly acquired location.

Insurance under this Coverage for each Newly Constructed or Acquired Property will end when any of the following first occurs:

- (1) This Policy is cancelled, terminates or expires;
- (2) Ninety (90) days expire after the Named Insured acquires, begins to construct the building(s), or becomes newly required to insure the building(s) under a written contract;
- (3) The Named Insured reports the new values to the Company; or
- (4) The property is more specifically insured elsewhere.

The Company will charge the Named Insured additional premium for values reported from the date construction begins or the Named Insured acquires the property.

- h. **"Outdoor Property"**: This insurance applies to "Outdoor Property" at the Insured Location for loss or damage only by the following Covered Causes of Loss:

- (1) Fire;
- (2) Lightning;
- (3) Explosion;
- (4) Riot or civil commotion;
- (5) Vandalism or malicious mischief; or
- (6) Aircraft or vehicles.

This insurance also applies to the necessary and reasonable expense incurred by the Named Insured to remove debris of "Outdoor Property" at the Insured Location caused by or resulting from a Covered Cause of Loss listed above that occurs during the Policy period. Such expenses will be paid only if reported to the Company in writing within 180 days of the date of direct physical loss or damage. This will not increase the Sublimit of Insurance that applies to "Outdoor Property".

- i. **Personal Effects of Officers and Employees of the Named Insured**: This insurance applies to the Personal Effects and "Fine Arts" owned by officers, partners or employees of the Named Insured. Such property must be located at or within 1,000 feet of the Insured Location. Payment for loss or damage to Personal Effects and "Fine Arts" will only be for the account of the owner of the property.
- j. **Covered Property At Undescribed Premises**: This insurance applies to:
- (1) Covered Property at an "Exhibition" including while in transit to and from the "Exhibition" site. Coverage for this property applies worldwide except within any country on which the United States government has imposed sanctions, embargoes or any other similar prohibitions.
 - (2) Covered Property that will or has become a permanent part of an installation project being performed for others by the Named Insured, or on the Named Insured's behalf, while such property is at the installation premises or at other premises where the property is temporarily

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stored. Coverage for this installation property applies only within the Policy Territory and will apply only until the Named Insured's interest in the property ceases, the installation is accepted, the installation is abandoned, or this Policy expires, terminates, or is cancelled, whichever occurs first.

- (3) Covered Property at any other premises within the Policy Territory which are not listed on the latest Statement of Values submitted to and accepted by the Company.

This Coverage does not apply to Personal Effects of Officers and Employees of the Named Insured, property while in transit, while waterborne, covered under Newly Constructed and Acquired Property, or otherwise covered elsewhere in this Policy or any other policy issued by the Company to the Named Insured.

- k. Covered Property in Transit:** This insurance applies to Covered Property in due course of transit to or from the Insured Location between points within the Policy Territory, including inland and coastal waters and air space. This Coverage will attach when the Covered Property leaves the initial point of shipment and will continue until the property is delivered at its destination. In the event the Covered Property is not deliverable or is rejected by the consignee, such property will be covered while in due course of transit back to the Named Insured and while temporarily being held by the receiver or carrier awaiting its return to the Named Insured.

The Company will also pay for:

- (1) Any general average or salvage charges incurred by the Named Insured as respects losses to waterborne shipments.
- (2) The Named Insured's contingent interest in shipments sold on a F.O.B. (Free On Board) basis but only in the event that any loss recoverable hereunder is not collectible from the consignee or any other insurance.
- (3) Loss of Covered Property occasioned by the unintentional acceptance of fraudulent bills of lading, shipping receipts or messenger receipts by the Named Insured or any agent, customer or consignee of the Named Insured.

This Coverage does not apply to:

- (1) Shipments by a government postal service except by registered mail;
- (2) Any export shipment once the earlier of the following occurs:
 - (a) The shipment is placed on the export conveyance; or
 - (b) Coverage under an Ocean Marine or other insurance policy covering the shipment begins;
- (3) Any import shipment until the later of the following occurs:
 - (a) The shipment is unloaded from the importing vessel or conveyance; or
 - (b) Coverage under an Ocean Marine or other insurance policy covering the shipment ends;
- (4) Theft from a conveyance or container while unattended unless the portion of the conveyance or container containing the Covered Property is fully enclosed and securely locked, and the theft is by forcible entry of which there is visible evidence;
- (5) Property of others for which the Named Insured is responsible while acting as a common or contract carrier, freight forwarder, freight consolidator, freight broker or public warehouseman; or
- (6) Personal Effects of Officers and Employees of the Named Insured or to Covered Property in due course of transit to or from an "Exhibition".

2. COVERED COSTS AND EXPENSES

a. Debris Removal

- (1) The Company will pay the necessary and reasonable expense incurred by the Named Insured to remove debris of Covered Property, other than "Outdoor Property", caused by or resulting from a Covered Cause of Loss that occurs during the Policy period. Such expenses will be paid only if reported to the Company in writing within 180 days of the date of direct physical loss or damage. Coverage for the expense to remove debris of "Outdoor Property" is included in the

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Sublimits of Insurance provided separately under Section B.1.h. of this Coverage Form.

- (2) For this Debris Removal Coverage, the Company will pay up to 25% of:
- (a) The amount the Company pays for the direct physical loss or damage to the Covered Property; plus
 - (b) The deductible in this Policy applicable to that direct physical loss or damage.

This limit is part of and not in addition to the Limit of Insurance that applies to the lost or damaged Covered Property.

- (3) In no event will this Debris Removal Coverage apply to:
- (a) Costs to extract "Pollutants" from land or water; or
 - (b) Costs to remove, restore or replace polluted land or water.

b. Pollutant Cleanup and Removal: See Exclusion of Pollutants and Asbestos Form (NC R2 38 03 17) that is included in this Policy.

c. Claim Data Expense: The Company will pay the reasonable expenses incurred by the Named Insured in preparing claim data required by the Company. This includes the cost of taking inventories, making appraisals and preparing other documentation to show the extent of loss.

d. Fire Department Service Charge: When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, the Company will pay for any fire department service charges incurred by the Named Insured that are:

- (1) Assumed by contract or agreement prior to loss; or
- (2) Required by local ordinance.

e. Fire Protective Equipment Discharge: If fire protective equipment discharges accidentally or to control a Covered Cause of Loss, the Company will pay the Named Insured's cost to:

- (1) Refill or recharge the system with the extinguishing agents that were discharged; and
- (2) Replace or repair faulty valves or controls that caused the discharge.

f. Ordinance or Law: If a Covered Cause of Loss causes direct physical loss or damage to Covered Property, and such direct physical loss or damage alone and directly causes the enforcement of an ordinance or law in force at the time of loss regulating the construction or repair of buildings or establishing zoning or land use requirements at the Insured Location, the Company will pay for:

- (1) **The loss to the undamaged portion of a covered building** at the Insured Location caused by such enforcement that requires the demolition of parts of the same property not damaged by a Covered Cause of Loss.

The most the Company will pay for loss or damage under this portion of Ordinance or Law coverage is the Sublimit of Insurance specified for Ordinance or Law – Undamaged Portion shown in the Coverage Declarations.

- (2) **The cost to demolish and clear the site of undamaged parts of the covered building** caused by such enforcement.

The Company will not pay more for loss or damage under this portion of Ordinance or Law coverage than the lesser of:

- (a) The amount the Named Insured actually spends to demolish and clear the site; or
- (b) The Sublimit of Insurance specified for Ordinance or Law – Demolition shown in the Coverage Declarations.

- (3) **The increased cost of repair or reconstruction of the Covered Property** caused by such enforcement when the Covered Property is insured for replacement cost. If the covered

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building is repaired or reconstructed, it must be intended for similar occupancy as the current building, unless otherwise required by zoning or land use ordinance or law.

The Company will not pay for increased construction costs until the Covered Property is actually repaired or reconstructed by the Named Insured, at the same location or elsewhere, and unless the repair or replacement is made as soon as reasonably possible but not to exceed 365 days after the loss or damage occurs.

The most the Company will pay for loss or damage under this portion of Ordinance or Law coverage is the increased cost of repair or reconstruction:

- (a) Of a building of the same size and at the same premises, or another premises if required by the ordinance or law; and
- (b) Limited to the minimum requirements of such ordinance or law regulating the repair or reconstruction of the damaged property on the same site, which is not to exceed the Sublimit of Insurance specified for Ordinance or Law – Increased Cost of Construction shown in the Coverage Declarations.

(4) Ordinance or Law Coverages do not apply to:

- (a) "Vacant" buildings.
- (b) Any loss due to the Named Insured's failure to comply with any ordinance or law that the Named Insured was required to comply with before the loss, even if the Covered Property was undamaged.
- (c) Costs associated with the enforcement of any ordinance or law that requires the Named Insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "Pollutants".
- (d) Costs associated with the enforcement of an ordinance or law where such enforcement is not the direct result of direct physical loss or damage to Covered Property, even if the enforcement of the ordinance or law results from an inspection of the Covered Property that sustained a Covered Cause of Loss.

g. Preservation of Property: If it becomes necessary to move Covered Property from an Insured Location to preserve it from loss or damage by a Covered Cause of Loss, the Company will pay for:

- (1) The necessary and reasonable expenses actually incurred by the Named Insured to remove the Covered Property from an Insured Location and to move the Covered Property back to an Insured Location; and
- (2) Any direct physical loss or damage to Covered Property while it is being moved from an Insured Location, while temporarily stored at another location or while it is being moved back to an Insured Location.

However, this Coverage will apply only if the loss or damage occurs within ninety (90) days after the property is first moved and will cease when the Policy is amended to provide insurance at the new location, the property is returned to the existing Insured Location, or this Policy is cancelled, terminates, or expires, whichever occurs first.

h. Protection of Property: The Company will pay the necessary and reasonable expenses actually incurred by the Named Insured to temporarily safeguard Covered Property against the threat of imminent direct physical loss or damage by a Covered Cause of Loss. This Coverage does not apply to any expenses to which the above Preservation of Property coverage applies.

i. Water, Other Liquids, Powder or Molten Material Damage: If covered loss or damage caused by or resulting from water or other liquid, powder or molten material damage occurs, the Company 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.

When a Sublimit of Insurance is specified in the Coverage Declarations for Water, Other Liquids, Powder or Molten Material Damage, that Sublimit of Insurance is the most the Company will pay under this Coverage. Otherwise, this coverage is provided subject to the Sublimit of Insurance that

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applies to the covered water or other liquid, powder or molten material damage loss.

- j. **Lock and Key Replacement:** This Policy is extended to include coverage for the necessary expense to repair or replace exterior and interior door locks of a covered building at an Insured Location if:

1. the door keys are stolen in a covered theft loss; or
2. as a result of insured physical damage to insured property and door keys are stolen by burglars

Such loss is insured under this section for up to \$1,000 per location per Occurrence, maximum \$5,000 in the aggregate annually for all locations insured. This extension of coverage is not subject to a deductible.

C. PROPERTY AND COSTS NOT COVERED: Unless the following property or costs are added by endorsement to this Policy, Covered Property and Covered Costs and Expenses do not include:

1. Currency, deeds or other evidences of debt, money, notes, checks, drafts, or securities;
2. Contraband or property in the course of illegal transportation or trade;
3. Water whether in its natural state or otherwise, above or below ground (except water normally contained in plumbing, the process of manufacture or fire protection equipment), watercourses, aquifers or the cost of reclaiming or restoring water;
4. Land whether in its natural state or otherwise (including land on which the property is located), land improvements, grain, hay straw or other harvested crops while outside of buildings, growing crops or standing timber;
5. The cost of excavations, grading, backfilling or filling;
6. Property sold by the Named Insured under an installment plan, conditional sale, trust agreement or other deferred payment plan after delivery to the purchasers;
7. Vehicles or self-propelled machines that:
 - (a) Are licensed for use on public roads; or
 - (b) Are operated principally away from the Insured Location;
8. Aircraft or watercraft;
9. Live animals or birds;
10. Bulkheads, pilings, piers, wharves, docks, dikes, dams, canals, sea walls or vehicular bridges;
11. Underground tanks, pipes, flues, drains or tunnels, all whether or not connected to buildings, mines or mining property;
12. Any "Electronic Data Processing Data and Media" which is obsolete or unused by the Named Insured;
13. Transmission and Distribution Lines and their lead-in wiring, masts, or towers;
14. Property that is covered under another coverage form or endorsement of any other policy in which it is more specifically described, except for the excess of the amount due (whether the Named Insured can collect on it or not) from that other insurance;
15. Any of the specific types of Covered Property described in Sections B.1.a. through B.1.k. of this Coverage Form for which a Sublimit of Insurance is not shown in the Coverage Declarations;

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16. Any of the following Covered Costs and Expenses for which a Sublimit of Insurance is not shown in the Coverage Declarations:
- (a) Pollutant Clean Up and Removal, as described in Form NC R2 38 03 17 (EXCLUSION OF POLLUTANTS AND ASBESTOS FORM) included in this Policy;
 - (b) Claim Data Expense, as described in Section B.2.c.; or
 - (c) Ordinance or Law, as described in Section B.2.f.
17. The costs to repair or replace pre-existing loss or damage to any building or structure, or any resulting loss or damage, at any property where such pre-existing loss or damage was caused by, resulted from, or was contributed to by, any cause of loss, whether covered or uncovered, occurring prior to an Occurrence.
18. The Company will not pay for any expenses incurred, directed, or billed by or payable to public insurance adjusters or their associates or subsidiaries; expenses of preparing estimates, bids, proposals or similar documentation of property damage or loss, including but not limited to fees charged by engineers or other consultants fees charged by property management companies for overseeing, administering or managing (i) construction, repairs or replacements of property, or (ii) insurance claims; or any costs as provided in the General Conditions - Section C. (Appraisal).

D. EXCLUSIONS

1. The Company 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. EARTH MOVEMENT

- (1) Any earth movement (other than "Sinkhole Collapse") including earthquake, mine subsidence, landslide, erosion, the expansion or contraction of soil due to the presence of moisture or water, or the lack thereof, and any other earth sinking, rising, shifting or movement, all whether naturally occurring or due to manmade or other artificial causes.
However, if earth movement results in fire or explosion, the Company will pay for the loss or damage caused by that fire or explosion.
- (2) Volcanic eruption, explosion or effusion. However, if volcanic eruption, explosion or effusion results in "Volcanic Action" or fire, the Company will pay for the loss or damage caused by that "Volcanic Action" or fire.
All "Volcanic Action" that results from all volcanic eruptions or explosions that occur within any 168 consecutive hour period will constitute a single Occurrence.
- (3) Earthquake Sprinkler Leakage as defined in Form NC R2 04 03 17.

b. FLOOD: Flood meaning:

- (1) Flood, surface water, rising water, underground water, waves, tides, tidal waves, tsunamis, storm surge, overflow of any body of water, or their spray, all whether driven by wind or not ;
- (2) Mudslide or mudflow;
- (3) Release of water impounded by a dam, levee or dike or by a water or flood control device;
- (4) Water or sewage which backs up through sewers, drains or sumps;
- (5) The rising, overflowing or breaking of boundaries of natural or manmade bodies of water; or
- (6) The release of water caused by the Acts, Errors or Omissions by you or others in the design, specifications, workmanship, repair, construction, or renovation of all or any part of a water or flood control device, levee, dam or dike.

all whether naturally occurring or due to manmade or other artificial causes.

This exclusion will not apply to direct loss or damage from resulting fire, explosion or leakage from

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fire protective equipment; however, the Company will be liable only for such resulting loss or damage.

- c. **GOVERNMENTAL ACTION:** Seizure or destruction of property by order of governmental authority except as provided for under Covered Costs and Expenses in Section B.2.f., Ordinance or Law. However, the Company will pay for loss or damage caused by or resulting from 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 Form.
- d. **NUCLEAR HAZARD:** See Sections A, G, and H in the Exclusion Of Nuclear Energy Risks, War And Military Action, Electronic Data, Nuclear Hazard, Biological Agents, Toxic Materials and Radioactive Contamination Form (NC R2 39 04 16) that is included in this Policy.
- e. **WAR AND MILITARY ACTION:** See Section B., War And Military Action Exclusion Clause, in the Exclusion Of Nuclear Energy Risks, War And Military Action, Electronic Data, Nuclear Hazard, Biological Agents, Toxic Materials And Radioactive Contamination Form (NC R2 39 04 16) that is included in this Policy.
- f. **ELECTRONIC DATA AND COMPUTER VIRUS:** See Exclusion Of Nuclear Energy Risks, War And Military Action, Electronic Data, Nuclear Hazard, Biological Agents, Toxic Materials And Radioactive Contamination Form (NC R2 39 04 16) that is included in this Policy.
- g. **PROGRAMMING ERRORS OR OMISSIONS:** Programming errors, omissions or incorrect instructions to a machine.
- h. **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;

except as provided in Covered Costs and Expenses in Section B.2.f. (Ordinance or Law).

The Ordinance or Law exclusion applies whether the loss results from an ordinance or law that is enforced even if the property has not been damaged; or from the increased costs incurred to comply with an ordinance or law in the course of repair, construction, reconstruction, remodeling or demolition of property, or removal of its debris, following a physical loss to that property.

- i. **COLLAPSE OF BUILDINGS:** Collapse of buildings meaning an abrupt falling down or caving in of a building or substantial portion of a building with the result being that the building or substantial portion of a building cannot be occupied for its intended purpose.
 - (1) This exclusion will not apply to collapse of buildings if the collapse is caused by one or more of the following:
 - (a) A "Specified Cause of Loss";
 - (b) Decay or insect or vermin damage that is hidden from view, unless the presence of such decay or insect or vermin damage is known to the Named Insured prior to collapse;
 - (c) Weight of rain that collects on a roof;
 - (d) Use of defective material or methods in construction, remodeling or renovation if the collapse occurs during the course of the construction, remodeling or renovation. However, if the collapse occurs after the construction, remodeling or renovation is complete and is caused in part by a cause of loss listed in i. (1) (a) through (c) above, the Company will be liable for loss or damage caused by the collapse even if use of defective material or methods in construction, remodeling or renovation contributes to the collapse.

In the event collapse results in a Covered Cause of Loss, the Company will be liable only for such resulting loss or damage caused by that Covered Cause of Loss.

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- (2) A building or portion of a building that:
 - (a) Is in imminent danger of abruptly falling down or caving in; or
 - (b) Suffers a substantial impairment of structural integrity;
is not considered a collapse but is considered to be in a state of imminent collapse.
- (3) As respects buildings in a state of imminent collapse, the Company will not pay for loss or damage unless the state of imminent collapse first manifests itself during the Policy period and is caused only by one or more of the following which occurs during the Policy period:
 - (a) Fire; lightning; explosion; Windstorm (including hail); aircraft or vehicles; riot or civil commotion; "Sinkhole Collapse"; weight of snow, ice or sleet; or
 - (b) Weight of rain that collects on a roof.

As respects "Electronic Data Processing Equipment" and "Electronic Data Processing Data and Media", only exclusions D.1.a. through h. apply. As respects Accounts Receivable, and Valuable Papers and Records, only exclusions D.1.a. through g. apply. As respects Property in the due course of transit, Exclusions D.1.a. and D.1.b. do not apply.

2. The Company 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, equipment, appliances or wires. However, in the event artificially generated electric current results in fire or explosion, the Company will be liable only for such resulting loss or damage.
- b. Indirect or remote loss or damage; delay, loss of use or loss of market; or interruption of business.
- c.
 - (1) Wear and tear or depletion;
 - (2) Rust, corrosion, erosion, decay, deterioration, hidden or latent defect or any quality in the property that causes it to damage or destroy itself;
 - (3) Settling, cracking, shrinking, bulging or expansion;
 - (4) Nesting or infestation or discharge or release of waste products or secretions, by insects, birds, rodents or other animals;
 - (5) Mechanical or machinery breakdown, including rupture or bursting caused by centrifugal force; and
 - (6) The following causes of loss to personal property:
 - (a) Dampness or dryness of atmosphere;
 - (b) Changes in or extremes of temperature;
 - (c) Changes in flavor or color, texture or finish; and
 - (d) Contamination, evaporation or leakage.

However, in the event an excluded cause of loss that is listed in 2.c. (1) through (6) above results in fire, explosion, smoke, "Water Damage", "Sinkhole Collapse", or falling objects, the Company will pay for the loss or damage caused by that fire, explosion, smoke, "Water Damage", "Sinkhole Collapse", or falling objects.

- d. Explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by the Named Insured, or operated under the Named Insured's control. However, if explosion of steam boilers, steam pipes, steam engines, or steam turbines results in fire or combustion explosion, the Company will pay for loss or damage caused by that fire or combustion explosion. The Company 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.
- e. Dishonest or criminal act by the Named Insured, any of the Named Insured's partners, employees (including leased employees), directors, trustees, authorized representatives or anyone (other than a carrier for hire or bailee) to whom the Named Insured entrusts the property for any purpose:
 - (1) Acting alone or in collusion with others; and
 - (2) Whether or not occurring during the hours of employment.

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This exclusion does not apply to acts of destruction by the Named Insured's employees (including leased employees), but theft by the Named Insured's employees (including leased employees) is not covered.

- f. Rain, snow, sand, dust, ice, or sleet to personal property in the open (other than to property in the custody of a carrier for hire).
- g. The cost of correcting or making good the damage to personal property attributable to such property being processed, manufactured, tested or otherwise being worked upon.
- h. Voluntary parting with any property by the Named Insured or anyone else to whom the Named Insured has entrusted the property.
- i. Accumulated effects of smog, smoke, vapor, liquid or dust.
- j. If the building or leased premises where loss or damage has occurred has been "Vacant" for more than sixty (60) consecutive days before the loss or damage occurs, the Company will 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;
 - (3) Building glass breakage;
 - (4) Water Damage;
 - (5) Theft; or
 - (6) Attempted theft.
- k. Continuous or repeated seepage, leakage or flow of water that occurs over a period of fourteen (14) days or more.
- l. Shortage disclosed by audit or upon taking inventory or by a profit and loss statement or other instances where there is no physical evidence to show what happened to the property.
- m. "Cosmetic loss or damage"

As respects Accounts Receivable, Valuable Papers and Records, "Electronic Data Processing Equipment" and "Electronic Data Processing Data and Media" only the following exclusions in Section D.2 apply:

- (1) Exclusions c. (1), c. (6) (a) and c., (6) (b); but if mechanical breakdown not otherwise excluded results, the company will pay for that resulting loss or damage by mechanical breakdown; and
- (2) Exclusions b., e., g., h. and l.

3. The Company will not pay for loss or damage caused by or resulting from any of the following:

- a. Weather conditions. However, this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in D.1 above to produce the loss or damage.

However, in the event weather conditions, as excluded above, result in a Covered Cause of Loss, this exclusion does not apply to loss or damage caused by that resulting Covered Cause of Loss.

- b. Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.

However, in the event an act or decision or the failure to act or decide, as excluded above, results in a Covered Cause of Loss, this exclusion does not apply to loss or damage caused by that resulting Covered Cause of Loss.

- c. Faulty, inadequate or defective:

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- (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 an Insured Location.

However, in the event an excluded cause of loss that is listed in 3.c. (1) through 3.c. (4) above results in a Covered Cause of Loss, this exclusion does not apply to loss or damage caused by that resulting Covered Cause of Loss. However, the Company will not be liable for:

- (i) Any cost of correcting or making good the fault, inadequacy or defect itself, except as provided for fire extinguishing equipment under Section E.2. (Limitations) below; or
- (ii) Any cost incurred to tear down, tear out, repair or replace any part of any property to correct the fault, inadequacy or defect, except as specifically provided under the Water, Other Liquids, Powder or Molten Material Damage coverage in Section B.2.i. of this Coverage Form; or
- (iii) Any resulting loss or damage by a Covered Cause of Loss to the property that has the fault, inadequacy or defect until the fault, inadequacy or defect is corrected.

d. Windstorm (including Hail) and Named Storm in High Hazard Wind Counties:

1. Windstorm (including Hail) in counties identified as High Hazard Wind Counties as per NC R6 06 02 21 at any one Insured Location unless a Deductible value is included on the Statement of Values for Windstorm in High Hazard Wind Counties for such Insured Location.
2. Named Storm in counties identified as High Hazard Wind Counties as per NC R6 06 02 21 at any one Insured Location unless a Deductible value is included on the Statement of Values for Named Storm in High Hazard Wind Counties for such Insured Location.

4. For loss or damage caused by or resulting from water that leaks or flows from plumbing, heating, air conditioning or other equipment caused by or resulting from freezing, that is otherwise covered by this Policy, the Company will not pay for such loss or damage unless the Named Insured:
 - a. Does its best to maintain heat throughout the affected building; or
 - b. drain the equipment and shut off the supply if the heat is not maintained throughout the affected building.

E. LIMITATIONS

1. The Company will not pay for loss of or damage to property, as described and limited in this section. In addition, the Company will not pay for any loss that is a consequence of loss or damage as described and limited in this section.
 - a. Steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment. However, the Company 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 explosion.
 - c. The interior of any building or structure, or to personal property in the 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.

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2. The Company will not pay the cost to repair any defect to a system or appliance from which water, other liquid, powder or molten material escapes. However, the Company 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 protections system; or
 - b. Is directly caused by freezing.

F. DEDUCTIBLES: When a deductible(s) is shown in the Coverage Declarations, refer to Section B. (Application of Deductibles) in the General Conditions.

G. DEFINITIONS

The following definitions apply to the defined terms wherever they appear in any form included in the Policy, unless the term is otherwise specifically defined in an endorsement to the Policy.

1. **“Actual Cash Value”** means the cost to repair, rebuild or replace the lost or damaged property, at the time and place of the loss, with other property of comparable size, material and quality, less allowance for physical deterioration, depreciation, obsolescence and depletion.
2. **“The Company”** or **“the Company”** means the company providing this insurance to a Named Insured for an Insured Location: Third Coast Insurance Company.
3. **“Cosmetic loss or damage”** means damage to any portion of the roof or siding coverings or appurtenances, roof insulation, HVAC equipment, doors, windows, awnings, carports, gutters or downspouts that alters only the physical appearance of any such item (including but not limited to marring, pitting, scratches or dents) but does not result in the failure of the item to perform its intended function for the remainder of its original, useful life. **Roof or siding coverings** means the roofing or siding material exposed to the weather, the underlayments applied for moisture protection, and all flashing and edging required in the replacement of the coverings. **Roof or siding appurtenances** include vents, flue covers, exhaust caps, pipe jacks, skylights, and chimney covers. However, “cosmetic loss or damage” does not include damage to asphalt shingle roof coverings.
4. **“Covered Cause of Loss”** means risks of direct physical loss or damage unless the loss or damage is excluded in Section D. (Exclusions); limited in Section E. (Limitations); excluded or limited in the Coverage Declarations or Statement of Values; or excluded or limited by endorsements or other policy forms.
5. **“Diminution in Value”** means the actual or perceived loss in market or resale value, and includes any actual or perceived loss in value resulting from replacement building components not matching undamaged building components.
6. **“Electronic Data Processing Data and Media”** means:
 - (a) Electronic data processing, recording or storage media such as films, tapes, discs, drums or cells, or similar magnetic recording or storage devices;
 - (b) Data stored on such media; and
 - (c) Original programming materials used to enter data and/or program media.
7. **“Electronic Data Processing Equipment”** means electronic data processing equipment, facsimile machines, word processors, multi-functional telephone equipment, laptop and portable computers; related surge protection devices; and their component parts and peripherals used solely for data processing operations.
8. **“Excluded”** means not covered and not insured by the terms of this Policy.
9. **“Exhibition”** means the temporary display of personal property at a convention, exposition, trade show or similar event at a location not owned or regularly occupied by the Named Insured.
10. **“Fine Arts”** means paintings, etchings, pictures, tapestries, art glass windows, valuable rugs, statuary, marbles, bronzes, antique furniture, rare books, antique silver, manuscripts, porcelains, rare glass, bric-a-brac and similar property of rarity, historical value, or artistic merit.
11. **“Finished Stock”** means goods manufactured by the Named Insured that in the ordinary course of the Named Insured’s business are in their completed state and ready for sale. “Finished Stock” does not include goods manufactured by the Named Insured that are held for sale on the premises of any retail outlet insured under this Coverage Form.

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12. **"Included"** means included in the Policy Limit.
13. **"Limit of Insurance"** means the maximum amount the Company will pay for loss or damage and is subject to amounts declared at each Insured Location as reflected in the latest Statement of Values.
14. **"Insured Location"** means any location (a) listed on the Statement of Values and agreed by the Company, (b) covered under Newly Constructed or Acquired Property, or (c) covered at undescribed Premises, all including the area within one thousand (1,000) feet of such location, all within the Territorial Limits of the Policy, it being understood that all listed locations may be comprised of more than one street address.
15. **"Named Insured"** means any owner, manager, operator and/or controller of an Insured Location that is identified as a Named Insured in the Policy, for and to the extent of its respective interest in the Insured Location.
- "Named Insured"** also includes any owner, manager, operator or controller of a Newly Constructed or Acquired Property that qualifies for coverage under the Policy, even if not identified as a Named Insured in the Policy, for and to the extent of its respective interest in the Newly Constructed or Acquired Property, but only until the first of any of the following occurs: (a) this Policy is cancelled, terminates or expires; (b) 120 days expire after the Named Insured acquires, begins to construct the building(s), or becomes newly required to insure the building(s) under a written contract; (c) the Named Insured reports the new values to the Company; or (d) the property is more specifically insured elsewhere.
16. **"Named Storm"** means a storm or weather disturbance that has been declared by the National Weather Service to be a hurricane, typhoon, tropical cyclone, tropical storm, or tropical depression.
17. **"Occurrence" or "Loss Occurrence"**
1. The term "Occurrence" or "Loss Occurrence" shall mean the sum of all individual losses directly occasioned by any one disaster, accident, or loss or series of disasters, accidents or losses arising out of one event which occurs within the area of one state of the United States or province of Canada and states or provinces contiguous thereto and to one another. However, the duration and extent of any one Occurrence shall be limited to all individual losses sustained occurring during any period of 168 consecutive hours arising out of and directly occasioned by the same event except that the term Occurrence shall be further defined as follows:
 - a. As regards Windstorm (including hail), Named Storm, including ensuing collapse and water damage, all individual losses sustained occurring during any period of 96 consecutive hours arising out of and directly occasioned by the same event. However, the event need not be limited to one state or states contiguous thereto.
 - b. As regards riot, riot attending a strike, civil commotion, vandalism, and malicious mischief, all individual losses sustained occurring during any period of 72 consecutive hours within the area of one municipality or county and the municipalities or counties contiguous thereto arising out of and directly occasioned by the same event. The maximum duration of 72 consecutive hours may be extended in respect of individual losses which occur beyond such 72 consecutive hours during the continued occupation of an assured's premises by strikers, provided such occupation commenced during the aforesaid period.
 - c. As regards earthquake (the epicenter of which need not necessarily be within the territorial confines referred to in the introductory portion of subparagraph 1) and fire following directly occasioned by the earthquake, only those individual fire losses which commence during the period of 168 consecutive hours may be included in the Occurrence.
 - d. As regards "freeze," only individual losses directly occasioned by collapse, breakage of glass and water damage (including but not limited to those caused by freezing and/or melting of ice, snow or sleet, or ice damming on a structure, or bursting of frozen pipes and tanks) may be included in the Occurrence.
 2. For all Occurrences, the Named Insured may choose the date and time when any such period of consecutive hours commences provided that it is not earlier than the date and time of the occurrence of the first recorded individual loss sustained arising out of that disaster, accident, or loss.
 3. Except for the Occurrence referred to in subparagraph b. above, only one such period of consecutive hours shall apply with respect to one event regardless of the duration of the event.
 4. However, as respects the Occurrence referred to in subparagraph b. above, if the disaster, accident,

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or loss occasioned by the event is of greater duration than 72 consecutive hours, then the Named Insured may divide that disaster, accident, or loss into two or more Occurrences provided no two periods overlap and no individual loss is included in more than one such period and provided that no period commences earlier than the date and time of the occurrence of the first recorded individual loss sustained arising out of that disaster, accident, or loss.

5. No individual losses occasioned by an event that would be covered by the 96 or 72 hours provisions may be included in any Occurrence claimed under the 168 hours provision.

6. Losses arising, directly or indirectly, out of:

a. loss of, alteration of, or damage to, or

b. a reduction in the functionality, availability or operation of:

- a computer system, hardware, program, software, data, information repository, microchip, integrated circuit or similar device in computer equipment or non-computer equipment, whether the property of the policyholders of the reinsured or not, do not in and of themselves constitute an event or occurrence or catastrophe.

However, losses resulting from the perils of fire, lightning, explosion, aircraft or vehicle impact, falling objects, Windstorm (including hail), tornado, cyclone, Named Storm, earthquake, volcano, tsunami, Flood, freeze or weight of snow, subject to the terms and conditions of this Policy, will be treated as an event, occurrence or catastrophe in the normal manner.

18. "Outdoor Property" means retaining walls not part of a building, lawns (including fairways, greens and tees), trees, shrubs, plants, bridges (excluding vehicular bridges), walks, roadways, patios or other paved surfaces, attached or detached solar panels, wood fences, detached signs, satellite dishes, and radio or television antennas, and their lead-in wiring, masts or towers.

19. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including but not limited to any smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste (whether recycled, reconditioned or reclaimed) which are designated as Pollutant(s) in listing(s) published by the United States Environmental Protection Agency (U.S.E.P.A.) or by any other governmental authority, or, if unlisted, exhibit(s) the characteristic(s) of ignitability, corrosivity, reactivity, or toxicity to a degree which would cause it (them) to be so listed if the subject were to be addressed by the U.S.E.P.A. or by any other governmental authority.

20. "Raw Stock" means material in the state in which the Named Insured receives it for conversion by the Named Insured into "Stock in Process" or "Finished Stock".

21. "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 manmade underground cavities.

22. "Specified Cause of Loss" means any of the following: fire; lightning; explosion; "Windstorm" (including hail); smoke, aircraft or vehicle; riot or civil commotion; vandalism; leakage from fire extinguishing equipment; "Sinkhole Collapse"; "Volcanic Action"; falling objects; weight of snow, ice or sleet; or Water Damage.

Falling objects does not include loss or damage to:

- (a) Personal property in the open; or
- (b) The interior of a building, or property inside a building, unless the roof or an outside wall of the building is first damaged by a falling object.

23. "Water Damage" means accidental discharge or leakage of water or steam as the direct result of the breaking apart or cracking of any part of a system or appliance (other than a sump system including its related equipment and parts) containing water or steam.

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- 24. "Statement of Values"** means a schedule attached to this Policy that lists for the property insured hereunder, information specific to each Insured Location, including the location name, address, deductible(s), and insurable values provided by the Named Insured. Additional information may be added by the Company such as deductibles, rates, premiums, etc. for each Insured Location.
- 25. "Stock"** means merchandise held in storage or for sale, "Raw Stock", "Stock in Process" or "Finished Stock" including supplies used in their packing or shipping.
- 26. "Stock in Process"** means "Raw Stock" which has undergone any aging, seasoning, mechanical or other process of manufacturing but which has not become "Finished Stock".
- 27. "Vacant"** means the following:

- a. When the Named Insured is the owner, property manager or general lessee of a building, Vacant means more than 50% of the square footage of the entire building is not:
 - (1) Rented to or occupied by a lessee or sub-lessee; or
 - (2) Used by the building owner to conduct customary operations.
- b. With respect to a unit or suite that is owned, rented or leased to the Named Insured, and not within a building to which a. above applies, Vacant means the unit or suite does not contain enough Business Personal Property to conduct customary operations.

However, buildings whether or not under construction or renovation are not considered Vacant until 60 days after the date the building has met the definition listed above. Further, Newly Constructed Buildings are not considered Vacant for a period of six (6) months after coverage attaches.

Additionally, duplexes that are occupied by one tenant or the owner or their representative are not considered Vacant regardless of percentage of square footage that is occupied.

- 28. "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.

"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 Covered Property.

- 29. "Windstorm"** means the direct action of wind, wind-driven precipitation, hail or sleet from any storm or weather condition.

BUSINESS INCOME COVERAGE FORM INCLUDING EXTRA EXPENSE FORM

Various provisions in this Policy restrict coverage. Read the entire Policy carefully, including any endorsements, to determine rights, duties and what is and is not covered. Words and phrases that appear in quotation marks have special meaning; refer to Section G., Definitions in this form and to Section G. (Definitions) in the Property Coverage Form.

A. COVERAGE: The Company will pay for the actual loss of Business Income and/or Rental Value sustained by the Named Insured due to the necessary "Suspension" of the Named Insured's "Operations" during the "Period of Restoration". The Company will also pay for the actual and necessary Extra Expense the Named Insured incurs during the "Period of Restoration". The "Suspension" and the Extra Expense must be caused by direct physical loss or damage to Covered Property, including personal property in the open (or in a vehicle) within 1,000 feet, at the Insured Location:

- Which is described in the most recent Statement of Values or Business Income Work Sheet(s) or other documentation on file with the Company and
- For which a value for the exposure at the premises to which this form applies has been reported.

The loss or damage must be caused by or result from a Covered Cause of Loss.

Coverage is provided as described below only when a Sublimit of Insurance is shown for the specified coverage in the Coverage Declarations.

1. Business Income: Business Income means the Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred by the Named Insured; and continuing normal operating expenses incurred by the Named Insured. However, Business Income does not include Rental Value.

Continuing normal operating expenses incurred by the Named Insured exclude "Ordinary Payroll Expenses" except when "Ordinary Payroll Expenses" are either included or limited to a specified number of days as indicated on the Coverage Declarations. If limited, the number of consecutive days during which coverage for "Ordinary Payroll Expenses" applies may be used in two separate periods during the "Period of Restoration". The Company will also pay for those continuing fixed charges and expenses, excluding "Ordinary Payroll Expenses" (unless otherwise included or limited), directly attributable to "Research and Development" activities even if the activities would not have produced income during the "Period of Restoration".

2. Rental Value: Rental Value means the:

- a. Total anticipated rental income;
 - b. Amount of all charges which are the legal obligation of the tenant(s) and which would otherwise be the obligation of the Named Insured; and
 - c. Fair rental value of any portion of the Insured Location that is occupied by the Named Insured;
- less any operating expenses that do not continue from tenant occupancy of the premises as furnished and equipped by the Named Insured.

3. Extra Expense: Extra Expense means the following expenses incurred by the Named Insured that the Named Insured would not have incurred if there had been no direct physical loss or damage to property caused by or resulting from a Covered Cause of Loss:

- a. Reasonable and necessary expenses to avoid or minimize the "Suspension" of business and to continue "Operations":
 - (1) At the Insured Location; or
 - (2) At replacement premises or at temporary locations, including relocation expenses and costs to equip and operate the replacement premises or temporary locations;
- b. Reasonable and necessary expenses to minimize the "Suspension" of business if the Named Insured cannot continue "Operations"; and
- c. Reasonable and necessary expenses to:
 - (1) Repair or replace any property; or
 - (2) Research, replace or restore the lost information on damaged valuable papers and records;to the extent they reduce the amount of loss that otherwise would have been payable under this coverage form.

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- 4. Leasehold Interest:** Leasehold Interest means the leasehold interest when property is rendered wholly or partially untenable due to any insured loss during the term of this Policy and a lease is cancelled by a party not insured by this Policy in accordance with the conditions of the lease or by statutory requirements of the appropriate jurisdiction in which the damaged property is located.

Coverage under this clause includes the pro-rata portion from the date of loss to the expiration date of the lease (to be paid without discount) on the Named Insured's interest in:

- a. The amount of the bonus paid by the Named Insured for the acquisition of the lease not recoverable under the terms of the lease;
- b. Improvements and betterments to real property which are not insured under any other section of this Policy;
- c. The amount of advance rental paid by the Named Insured and not recoverable under the terms of this lease.

The Company shall indemnify the Named Insured for its Lease Interest for the first three months following the loss or damage and for its Net Lease Interest for the remaining unexpired term of the lease, provided that the Company shall not be liable for any increase in the amount recoverable hereunder resulting from the suspension, lapse, or cancellation of any license, or from the Named Insured exercising an option to cancel the lease; or from any act or omission of the Named Insured which constitutes a default under the lease; and provided further that the Named Insured shall use any suitable property or service owned or controlled by the Named Insured or obtainable from another source to reduce the loss hereunder.

B. ADDITIONAL COVERAGE EXTENSIONS: Each of the following Additional Coverage Extensions applies only when a Sublimit of Insurance is shown in the Coverage Declarations except for items 1. and 2., which do not require a specific Sublimit of Insurance to be shown:

- 1. Civil Authority:** The insurance provided by this coverage form is extended to apply to such loss and expense incurred by the Named Insured caused by the action of civil authority that prohibits access to the Insured Location due to direct physical loss or damage to property, other than at the Insured Location, caused by or resulting from a Covered Cause of Loss.

Coverage for Business Income and/or Rental Value will begin twenty four (24) hours after the time of the civil authority action and will then apply for a period of up to thirty (30) consecutive days.

No other hour deductible applicable to Business Income and/or Rental Value applies to this coverage.

Coverage for Extra Expense will begin immediately after the action of the civil authority and will end on the later of the following:

- a. Thirty (30) days after the date of the civil authority action; or
- b. The date Business Income and/or Rental Value coverage ends.

- 2. Extended Business Income or Rental Value:** If the necessary "Suspension" of the Named Insured's "Operations" produces a Business Income or Rental Value loss payable under this Policy, the insurance provided by this coverage form is extended to apply to such loss of Business Income or Rental Value incurred by the Named Insured during the period that:

- a. Begins on the date property (except "Finished Stock") is actually repaired, rebuilt or replaced and "Operations" are resumed or tenantability is restored; and
- b. Ends on the earlier of:
 - (1) The date the Named Insured could restore "Operations", with reasonable speed, to the level which would generate the Business Income amount or Rental Value amount that would have existed if no direct physical loss or damage had occurred; or
 - (2) Ninety (90) consecutive days after the date determined in 2. a. above.

However, this Additional Coverage Extension does not apply to loss of Business Income or Rental Value incurred as a result of unfavorable business conditions caused by the impact of the Covered Cause of Loss

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in the area where the Insured Location is located.

Loss of Business Income or Rental Value must be caused by direct physical loss or damage to property at the Insured Location, the premises of a "Dependent Property", Newly Acquired Premises or Undescribed Premises, all only as insured under this coverage form, caused by or resulting from a Covered Cause of Loss.

The expiration date of this Policy will not cut short the extended Business Income or Rental Value period of coverage.

3. **"Dependent Property":** The insurance provided by this coverage form is extended to apply to such loss and expense incurred by the Named Insured during the "Period of Restoration" due to direct physical loss or damage by a Covered Cause of Loss to property at the premises of a "Dependent Property" within the Policy Territory.

This Additional Coverage Extension does not apply to "Dependent Property" for which the Named Insured has more specific insurance either under this Policy or another.

4. **Ordinance or Law – Increased "Period of Restoration"**

- a. If a Covered Cause of Loss causes direct physical loss or damage to Covered Property, and such direct physical loss or damage alone and directly causes the enforcement of an ordinance or law in force at the time of loss regulating the construction or repair of buildings or establishing zoning or land use requirements at the Insured Location, the "Period of Restoration" is increased to include the additional period of "Suspension" of "Operations" caused by or resulting from such enforcement.
- b. Insurance under this Additional Coverage Extension applies only to the increased period required to repair or replace the property to comply with the minimum requirements of the ordinance or law.
- c. Under this Additional Coverage Extension, the Company will not pay for:
 - (1) Any loss due to any ordinance or law that:
 - (a) The Named Insured was required to comply with before the loss, even if the property was undamaged; and
 - (b) The Named Insured failed to comply with.
 - (2) Costs associated with the enforcement of any ordinance or law which requires any Named Insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "Pollutants".
 - (3) Costs associated with the enforcement of an ordinance or law where such enforcement is not the direct result of direct physical loss or damage to Covered Property, even if the enforcement of the ordinance or law results from an inspection of the Covered Property that sustained a Covered Cause of Loss.

5. **Newly Acquired Premises**

- a. The insurance provided by this coverage form is extended to apply to such loss and expense incurred by the Named Insured during the "Period of Restoration" due to direct physical loss or damage by a Covered Cause of Loss to property within the Policy Territory at any:
 - (1) Premises newly acquired by the Named Insured; and
 - (2) Premises the Named Insured becomes newly required to insure under a written contract.
- b. Insurance under this Additional Coverage Extension for each premise will end when any of the following first occurs:
 - (1) This Policy is cancelled, terminates or expires;
 - (2) Ninety (90) days expire after the Named Insured acquires or begins to construct the property or is required to insure the property under a written contract;
 - (3) The Named Insured reports the new premises to the Company; or
 - (4) The Business Income, Rental Value or Extra Expense is more specifically insured elsewhere.
- c. The Company will charge the Named Insured additional premium for values reported from the date the

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Named Insured acquires the property or is required to insure the property.

- 6. Undescribed Premises:** The insurance provided by this coverage form is extended to apply to such loss and expense incurred by the Named Insured during the "Period of Restoration" due to direct physical loss or damage by a Covered Cause of Loss to Covered Property, as described in the Property Coverage Form, while at an Undescribed Premises. Undescribed Premises means premises not owned, leased or regularly operated by the Named Insured. Covered Property at an Undescribed Premises does not include:
- Property at the premises of "Dependent Property";
 - Property in due course of transit; or
 - Property at any premises outside of the Policy Territory. However, this exclusion does not apply to Covered Property at an "Exhibition", unless the "Exhibition" is within any country on which the United States government has imposed sanctions, embargoes or any other similar prohibitions.

- C. CLAIM DATA EXPENSE:** This insurance applies to the reasonable expenses incurred by the Named Insured in preparing claim data when required by the Company to establish the extent of Business Income loss, Rental Value loss and/or Extra Expense. This includes the cost of preparing income statements and other documentation to show the extent of the loss.

D. EXCLUSIONS

- All of the exclusions contained in Section D. of the Property Coverage Form apply to this coverage form except:
 - Exclusion 1.h. (Ordinance or Law), is amended by the addition of the following:
This exclusion does not apply to the Ordinance or Law – Increased "Period of Restoration" Additional Coverage Extension.
 - Exclusion 2.b. (Indirect or remote loss or damage; delay, loss of use or loss of market; or interruption of business), does not apply to the extent coverage is specifically provided under this coverage form.
- In addition, the Company will not pay for:
 - Any loss caused by or resulting from:
 - (1) Damage or destruction of "Finished Stock"; or
 - (2) The time required to reproduce "Finished Stock".This exclusion does not apply to Extra Expense.
 - Any loss caused by or resulting from direct physical loss or damage to outdoor trees, shrubs, plants or lawns (including fairways, greens and tees); growing crops; standing timber; land; water; wood fences; attached or detached solar panels, or radio or television antennas (including microwave satellite dishes), and their lead-in wiring, masts or towers.
 - Any loss or damage to property while in due course of transit.
 - Any increase of loss caused by or resulting from:
 - (1) 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
 - (2) Any license, lease or contract which is suspended, lapses or is cancelled. However, if the license, lease or contract is suspended, lapses or is cancelled as the direct result of the "Suspension" of "Operations", the Company will cover such loss that affects the Named Insured's Business Income or Rental Value during the "Period of Restoration" and the period of Extended Business Income or Rental Value.
 - Any Extra Expense caused by or resulting from any suspended, lapsed or cancelled license, lease or contract beyond the "Period of Restoration".
 - Any other consequential loss.
 - Any expenses incurred, directed, or billed by or payable to public insurance adjusters or their associates or subsidiaries; expenses of preparing estimates, bids, proposals or similar documentation of property damage or loss, including but not limited to fees charged by engineers or other consultants; fees charged by property management companies for overseeing, administering or managing (i) construction, repairs or replacements of property, or (ii) insurance claims; or any costs as provided in General Conditions - Section C. (Appraisal).

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- E. LIMITATIONS:** Limitations contained in Section E. of the Property Coverage Form apply to this coverage form. In addition, the following limitation applies:

Limitation – “Electronic Data Processing Data and Media”

The Company will not pay for any loss of Business Income or Rental Value caused by direct physical loss or damage to “Electronic Data Processing Data and Media” after the longer of:

1. Sixty (60) consecutive days from the date of direct physical loss or damage; or
2. The period, beginning with the date of direct physical loss or damage, necessary to repair, rebuild or replace, with reasonable speed and similar quality, other property at the Insured Location which suffered loss or damage in the same Occurrence.

This limitation does not apply to Extra Expense.

F. DEDUCTIBLES

When a deductible(s) is shown in the Coverage Declarations, refer to Section B. (Application of Deductibles) in the General Conditions.

- G. ADDITIONAL CONDITION:** The following condition applies in addition to the conditions contained in the General Conditions:

Loss Determination

1. The amount of Business Income or Rental Value loss will be determined based on:
 - a. The Net Income or Rental Value of the business before the direct physical loss or damage occurred;
 - b. The likely Net Income or Rental Value of the business if no direct physical loss or damage had occurred, but not including any likely increase in Net Income or Rental Value attributable to an increase in the volume of business as a result of favorable business conditions caused by the impact of the Covered Cause of Loss on customers or on other businesses;
 - c. The operating expenses, including “Ordinary Payroll Expenses” to the extent insured, necessary to resume “Operations” with the same quality of service that existed just before the direct physical loss or damage; and
 - d. Other relevant sources of information, including:
 - (1) The financial records and accounting procedures of the Named Insured;
 - (2) Bills, invoices and other vouchers; and
 - (3) Deeds, liens, contracts or leases.
2. The amount of Extra Expense will be determined based on:
 - a. All reasonable and necessary expenses that exceed the normal operating expenses that would have been incurred by “Operations” during the “Period of Restoration” if no direct physical loss or damage had occurred. The Company will deduct from the total of such expenses:
 - (1) The salvage value that remains of any property bought for temporary use during the “Period of Restoration”, once “Operations” are resumed; and
 - (2) Any Extra Expense that is paid for by other insurance, except for insurance that is written subject to the same plan, terms, conditions and provisions as this insurance; and
 - b. All reasonable and necessary expenses that reduce the Business Income or Rental Value loss that otherwise would have been incurred.
3. The Company will reduce the amount of the Named Insured’s:
 - a. Business Income or Rental Value loss, to the extent the Named Insured can resume “Operations” in whole or in part, by using:
 - (1) Damaged or undamaged property (including merchandise or stock) at the Insured Location or elsewhere; or
 - (2) Any other available sources of materials or outlets for the Named Insured’s products.
 - b. Extra Expense loss to the extent the Named Insured can return “Operations” to normal and discontinue such Extra Expense.

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4. If the Named Insured intends to continue the Named Insured's business, the Named Insured must resume "Operations", in whole or in part, as quickly as possible. If the Named Insured does not resume "Operations", or does not resume "Operations" as quickly as possible, the Company will pay based on the length of time it would have taken to resume "Operations" as quickly as possible.

H. DEFINITIONS: The following definitions are in addition to those contained in the Property Coverage Form:

1. **"Dependent Property"** means property operated by others that the Named Insured depends on to:
 - a. Supply materials or services to the Named Insured, or to others for the account of the Named Insured (Contributing Locations). With respect to Contributing Locations, services do not mean utility services including but not limited to water supply services, communication supply services, or power supply services supplying electricity, steam or gas;
 - b. Accept the Named Insured's products or services (Recipient Locations);
 - c. Manufacture products for delivery to the Named Insured's customers under contract of sale (Manufacturing Locations); or
 - d. Attract customers to the Named Insured's business (Leader Locations).
2. **"Exhibition"** means the temporary display of personal property at a convention, exposition, trade show or similar event at a location not owned or regularly occupied by the Named Insured.
3. **"Operations"** means:
 - a. The Named Insured's business activities occurring at the Insured Location; and
 - b. The tenantability of the Insured Location when coverage for Rental Value applies.
4. **"Ordinary Payroll Expenses"** means payroll expenses for all employees of the Named Insured except: Officers; Executives; Department Managers; Employees Under Contract; and any Additional Exemptions for which coverage is added by endorsement for specific Job Classifications or Employees. "Ordinary Payroll Expenses" include:
 - a. Payroll;
 - b. Employee benefits, if directly related to payroll;
 - c. FICA and Medicare payments;
 - d. Union dues; and
 - e. Worker's compensation premiums.
5. **"Period of Restoration"**
 - a. Except as provided in paragraphs b. and c. below, "Period of Restoration" means the period of time that:
 - (1) Begins with the date and time of direct physical loss or damage to property at the Insured Location caused by or resulting from a Covered Cause of Loss; and
 - (2) Ends on the earlier of the following:
 - (a) The date when the property should be repaired, rebuilt or replaced with reasonable speed and similar quality; or
 - (b) The date when business is resumed at a new permanent location.
 - b. If:
 - (1) The direct physical loss or damage by a Covered Cause of Loss is to any of the following property at premises to which this insurance applies:
 - (a) New buildings or structures, whether complete or under construction;
 - (b) Alterations or additions to existing buildings or structures; or
 - (c) Machinery, equipment, supplies or building materials on or within 1,000 feet of the premises that are used in the construction, alterations or additions, or incidental to the occupancy of the buildings; and
 - (2) Such direct physical loss or damage delays the start of "Operations"; the "Period of Restoration" for Business Income or Rental Value will be the same length of time provided in a. above, but will not begin until the date when "Operations" would have begun if the direct physical loss or damage had not occurred. This change in the start of the "Period of Restoration" does not apply to Extra Expense.

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- c. When a number of hours is shown in the deductible item in the Coverage Declarations for Business Income or Rental Value, the "Period of Restoration" will not begin until that number of hours immediately following the date and time the "Period of Restoration" would otherwise have begun, as described in a. and b. above. This deductible does not apply to Extra Expense.
 - d. "Period of Restoration" does not include any increased period required due to the enforcement of any ordinance or law that:
 - (1) Regulates the construction or repair of buildings or establishes zoning or land use requirements at the Insured Location, except as provided under the Ordinance or Law – Increased "Period of Restoration" Additional Coverage Extension; or
 - (2) Requires any Named Insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess, the effects of "Pollutants"; or
 - (3) Is not the direct result of direct physical loss or damage to Covered Property, even if the enforcement of the ordinance or law results from an inspection of the Covered Property that sustained a Covered Cause of Loss.
 - e. The expiration date of this Policy will not cut short the "Period of Restoration".
6. **"Research and Development"**: means the development of new products and enhancements of existing products. "Research and Development" does not mean the maintenance of existing products.
7. **"Suspension"** means:
- a. The partial or complete cessation of the Named Insured's business "Operations"; or
 - b. That a part or all of the Insured Location is rendered untenable, if coverage for Rental Value is provided.

EXCLUSION OF POLLUTANTS AND ASBESTOS FORM

Pollutants Exclusion AND LIMITED COVERAGE

This insurance does not insure land, atmosphere or any watercourse or body of water, whether above or below ground.

It is further agreed that this insurance does not insure loss, cost, damage or expense caused by, resulting from, contributed to or made worse by any of the following whether to property of the Named Insured or arising out of or resulting from the liability of the Named Insured, or the alleged liability of the Named Insured, or the defense of the Named Insured for property of others in the care, custody or control of the Named Insured (whether actual or constructive) or otherwise and except as provided in this form regardless of any other cause or event, whether or not dominant, which contributes concurrently or in any sequence to the loss.

- (1) Actual, alleged, or threatened release, discharge, seepage, migration, escape or dispersal of Pollutant(s) (as defined hereinafter), all whether direct or indirect, proximate or remote, sudden, accidental or gradual, or in whole or in part caused by, resulting from, contributed to or made worse by any physical loss or damage insured by this Policy.
However, if fire and/or explosion are covered, this insurance covers, subject to all of its terms, conditions and limitations, direct physical loss or damage by fire or explosion to property insured which results from the foregoing. In addition, this insurance covers loss or damage directly caused by the actual contact of property insured by this Policy with Pollutant(s) when such actual contact of insured property with Pollutant(s) results directly from unfriendly fire (as defined hereinafter), smoke from unfriendly fire, lightning, explosion, aircraft and objects falling therefrom, leakage or collision, upset or overturn of transporting conveyance but only to the extent that these perils are not excluded by this Policy.
- (2) The enforcement, direction or request of any civil or governmental authority regulating the test for, monitoring, prevention, control, removal, tearing down, demolition, disposal, treatment, clean-up, decontamination, detoxification, neutralization or containment of Pollutant(s), or the restoration, construction, reconstruction or replacement of property contaminated by Pollutant(s).
- (3) Any fines, penalties, compensatory damages, punitive damages, or any other damages, awards or settlements adjudged against the Named Insured by any civil or judicial body, or board of arbitration, nor any sums which the Named Insured shall voluntarily agree to pay to any third party(ies), nor any legal fees or other costs of defense of legal actions, claims, or proceedings and appeals arising out of or attributable to any loss, damage or expense caused by or resulting from Pollutant(s).

It is further agreed that if this Policy does cover the cost of the removal of debris of insured property damaged or destroyed by a Covered Cause of Loss, or the liability of the Named Insured for the cost of the removal of debris of the insured property or the cost of defense of the Named Insured for the removal of debris of insured property, this insurance shall not be liable for the expense to:

- (i) extract or remove Pollutant(s) from the debris; or
- (ii) extract or remove Pollutant(s) from land, atmosphere or any watercourse or body of water, whether above or below ground; or
- (iii) remove, restore or replace contaminated or polluted land, atmosphere or any watercourse or body of water, whether above or below ground; or
- (iv) remove or transport any property or debris to a site for storage or decontamination required because the property or debris is affected by Pollutant(s), whether or not such removal, transportation, or decontamination is required by law or regulation; or
- (v) store any property or debris requiring specialized storage because the property or debris is affected by Pollutant(s), whether or not such storage is required by law or regulation;

regardless of any other cause or event, whether or not dominant, which contributes concurrently to or in any sequence to the loss, damage or expense.

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It is further agreed that this exclusion does not apply to the costs the Named Insured incurs to clean up or remove Pollutant(s) from land, water or air at an Insured Location if the discharge, dispersal, seepage, migration, release or escape of the Pollutant(s) is caused by or results from fire, explosion, smoke, or leakage from fire extinguishing equipment that occurs during the Policy period.

The costs will be paid only if they are reported in writing within 180 days of the date the peril occurred which caused or resulted in the discharge, dispersal, seepage, migration, release or escape of the Pollutant(s).

The Company will not be liable for the costs to test for, monitor, contain, treat, detoxify or neutralize, or in any way respond to or assess the effects of Pollutant(s), other than for testing that is performed during the clean up or removal of the Pollutant(s) from the land, water or air.

This limited coverage does not apply if the discharge, dispersal, seepage, migration, release or escape of Pollutant(s) occurred prior to the inception date of this Policy.

For the purpose of this insurance, Pollutant(s) means any solid, liquid, gaseous or thermal irritant or contaminant substance, including but not limited to any smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste (whether recycled, reconditioned or reclaimed) which are designated as Pollutant(s) in listing(s) published by the United States Environmental Protection Agency (U.S.E.P.A.) or by any other governmental authority, or, if unlisted, exhibit (s) the characteristic(s) of ignitability, corrosivity, reactivity, or toxicity to a degree which would cause it (them) to be so listed if the subject were to be addressed by the U.S.E.P.A. or by any other governmental authority.

For the purposes of this insurance, "unfriendly fire" means a fire which becomes uncontrolled or breaks out from where it was intended to be.

ASBESTOS EXCLUSION AND LIMITED COVERAGE

A. This Policy only insures asbestos physically incorporated in an insured building or structure, and then that part of the asbestos which has been physically damaged during the Policy period by one of the following Listed Perils: Fire; Explosion; Lightning; Windstorm (including hail); Collapse; Water Damage; Direct impact of a vehicle, aircraft, or vessel; Riot or civil commotion; vandalism or malicious mischief; or accidental discharge of fire protective equipment.

This coverage is subject to all limitations in the Policy to which this form is attached and, in addition, to each of the following specific conditions and limitations:

1. The said building or structure must be insured under this Policy for damage by that Listed Peril.
2. The Listed Peril must be the immediate, sole cause of the damage to the asbestos.
3. The Named Insured must report to the Company, in writing, the existence of the damage to the asbestos as soon as practicable after the Listed Peril first damaged the asbestos. However this Policy does not insure any such damage first reported to the Company more than 365 days after this Policy expires, terminates, or is cancelled.
4. Insurance provided under this Policy in respect of asbestos shall not include any sum relating to:
 - i. any faults in the design, manufacture, or installation of the asbestos.
 - ii. asbestos not physically damaged by the Listed Peril, including any government or regulatory authority, direction or request of whatsoever nature relating to undamaged asbestos.

B. The most the Company will pay for loss or damage for any one Insured Location which is attributed to the presence or possible presence of asbestos or caused by or resulting from asbestos, including but not limited to costs to test for, survey, monitor or assess the existence, concentration or effects of asbestos, costs to prepare abatement protocols or plans, and costs of asbestos removal and abatement, as limited in item A, is: **\$25,000** for any one Insured Location, in the aggregate, during any one Policy period.

C. Except as set forth in the foregoing Sections **A** and **B**, this Policy does not insure asbestos or any sum relating thereto, including any loss, damage, expense or increased cost caused by, resulting from, contributed to or made worse by asbestos.

EXCLUSION OF NUCLEAR ENERGY RISKS, WAR AND MILITARY ACTION, ELECTRONIC DATA, NUCLEAR HAZARD, BIOLOGICAL AGENTS, TOXIC MATERIALS AND RADIOACTIVE CONTAMINATION FORM

This modifies the insurance provided under this Policy.

A. NUCLEAR ENERGY RISKS EXCLUSION

This Policy excludes Nuclear Energy Risks whether such risks are written directly and/or via Pools and/or Associations.

For all purposes of this Policy Nuclear Energy Risks shall mean all first party and/or third party insurances in respect of:

- I. All Property, on the site of a nuclear power station.
Nuclear Reactors, reactor buildings and plant and equipment therein on any site other than a nuclear power station.
- II. All Property, on any site (including but not limited to the sites referred to in I. above) used or having been used for:
 - (a) The generation of nuclear energy; or
 - (b) The Production, Use or Storage of Nuclear Material.
- III. Any other Property eligible for insurance by the relevant local Nuclear Insurance Pool and/or Association but only to the extent of the requirements of that local Pool and/or Association.
- IV. The supply of goods and services to any of the sites, described in I. through III. above, unless such insurances shall exclude the perils of irradiation and contamination by Nuclear Material.

Except as undernoted, Nuclear Energy Risks shall not include:

- (i) Any insurance in respect of the construction or erection or installation or replacement or repair or maintenance or decommissioning of Property as described in I through III above (including contractors' plant and equipment);
- (ii) Any Machinery Breakdown or other Engineering insurance not coming within the scope of (i) above.

Provided always that such insurance shall exclude the perils of irradiation and contamination by Nuclear Material.

However, the above exemption shall not extend to:

1. The provision of any insurance whatsoever in respect of:
 - (a) Nuclear Material;
 - (b) Any Property in the High Radioactivity Zone or Area of any Nuclear Installation as from the introduction of Nuclear Material or - for reactor installations - as from fuel loading or first criticality where so agreed with the relevant local Nuclear Insurance Pool and/or Association.
2. The provision of any insurance or reinsurance for the undernoted perils:
 - (a) Fire, lightning, explosion;
 - (b) Earthquake;
 - (c) Aircraft and other aerial devices or articles dropped therefrom;
 - (d) Irradiation and radioactive contamination;
 - (e) Any other peril insured by the relevant local Nuclear Insurance Pool and/or Association;
in respect of any other Property not specified in 1 above which directly involves the Production, Use or Storage of Nuclear Material as from the introduction of Nuclear Material into such Property.

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Definitions

"Nuclear Material" means:

- (i) Nuclear fuel, other than natural uranium and depleted uranium, capable of producing energy by a self-sustaining chain process of nuclear fission outside a Nuclear Reactor, either alone or in combination with some other material; and
- (ii) Radioactive Products or Waste.

"Radioactive Products or Waste" means any radioactive material produced in, or any material made radioactive by exposure to the radiation incidental to the production or utilization of nuclear fuel, but does not include radioisotopes which have reached the final stage of fabrication so as to be usable for any scientific, medical, agricultural, commercial or industrial purpose.

"Nuclear Installation" means:

- (i) Any Nuclear Reactor;
- (ii) Any factory using nuclear fuel for the production of Nuclear Material, or any factory for the processing of Nuclear Material, including any factory for the reprocessing of irradiated nuclear fuel; and
- (iii) Any facility where Nuclear Material is stored, other than storage incidental to the carriage of such material.

"Nuclear Reactor" means any structure containing nuclear fuel in such an arrangement that a self-sustaining chain process of nuclear fission can occur therein without an additional source of neutrons.

"Production, Use or Storage of Nuclear Material" means the production, manufacture, enrichment, conditioning, processing, reprocessing, use, storage, handling and disposal of Nuclear Material.

"Property" shall mean all land, buildings, structures, plant, equipment, vehicles, contents (including but not limited to liquids and gases) and all materials of whatever description whether fixed or not.

"High Radioactivity Zone or Area" means:

- (i) For nuclear power stations and Nuclear Reactors, the vessel or structure which immediately contains the core (including its supports and shrouding) and all the contents thereof, the fuel elements, the control rods and the irradiated fuel store; and
- (ii) For non-reactor Nuclear Installations, any area where the level of radioactivity requires the provision of a biological shield.

B. WAR AND MILITARY ACTION EXCLUSION

Notwithstanding any provision to the contrary within this Policy or any endorsement thereto it is agreed that this Policy excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any of the following regardless of any other cause or event contributing concurrently or in any other sequence to the loss:

- 1. war, invasion, acts of foreign enemies, hostilities or warlike operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power; or
- 2. any act of terrorism.

For the purpose of this form an act of terrorism means an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organization(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear.

This clause also excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to 1 and/or 2 above.

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If the Company determines that by reason of this exclusion, any loss, damage, cost or expense is not covered by this Policy the burden of proving the contrary shall be upon the Named Insured.

In the event any portion of this form is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

C. ELECTRONIC DATA

1. Electronic Data Exclusion

Notwithstanding any provision to the contrary within the Policy or any endorsement thereto, it is understood and agreed as follows:

- (a) This Policy does not insure loss, damage, destruction, distortion, erasure, corruption or alteration of Electronic Data from any cause whatsoever (including but not limited to Computer Virus) or loss of use, reduction in functionality, cost, expense of whatsoever nature resulting therefrom, regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

"Electronic Data" means facts, concepts and information converted to a form useable for communications, interpretation or processing by electronic and electromechanical data processing or electronically controlled equipment and includes programs, software and other coded instructions for the processing and manipulation of data or the direction and manipulation of such equipment.

"Computer Virus" means a set of corrupting, harmful or otherwise unauthorized instructions or code including a set of maliciously introduced unauthorized instructions or code, programmatic or otherwise, that propagate themselves through a computer system or network of whatsoever nature. Computer Virus includes but is not limited to 'Trojan Horses', 'worms' and 'time or logic bombs'.

- (b) However, in the event that a peril listed below results from any of the matters described in paragraph (a) above, this Policy, subject to all its terms, conditions and exclusions, will cover physical damage occurring during the Policy period to property insured by this Policy directly caused by such listed peril.

Listed Perils

Fire

Explosion

2. Electronic Data Processing Media Valuation

Notwithstanding any provision to the contrary within the Policy or any endorsement thereto, it is understood and agreed as follows: Should electronic data processing media insured by this Policy suffer physical loss or damage insured by this Policy, then the basis of valuation shall be the cost of the blank media plus the costs of copying the Electronic Data from back-up or from originals of a previous generation. These costs will not include research and engineering nor any costs of recreating, gathering or assembling such Electronic Data. If the media is not repaired, replaced or restored the basis of valuation shall be the cost of the blank media. However this Policy does not insure any amount pertaining to the value of such Electronic Data to the Named Insured or any other party, even if such Electronic Data cannot be recreated, gathered or assembled.

All other terms and conditions remain unaltered.

D. BIOLOGICAL AGENTS EXCLUSION

This insurance does not apply to loss or damage:

- which is a biological agent;
- which is in any way attributed to the presence of a biological agent; or
- caused by or resulting from a biological agent;

Regardless of any other cause that directly or indirectly:

- contributes concurrently to;
- contributes in any sequence to; or

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- worsens;
- the loss or damage, even if such cause or event would otherwise be covered.

This exclusion does not apply to loss or damage which is attributed to the presence of or caused by or resulting from mold, mildew or other fungi, or any mycotoxins, spores or other byproducts of any of them:

- as the direct result of a cause or event that is not otherwise excluded under this Policy; and
- provided such loss or damage is reported to the Company, in writing, before the Policy expires, terminates or is cancelled, and within thirty (30) days of the date that the Named Insured first discovered, or in the exercise of reasonable care should have discovered, the loss or damage.

As respects this exclusion, the following definition applies:

Biological Agent means any:

- bacteria;
- mildew, mold, wet rot, dry rot, or other fungi;
- other microorganism;
- any mycotoxins, spores or other by-products of any of the foregoing;
- viruses or other pathogens (whether or not a microorganism); or
- colony or group of any of the foregoing.

E. LIMITED COVERAGE FOR MOLD, MILDEW, WET ROT, DRY ROT, AND OTHER FUNGI:

The most the Company will pay for loss or damage that is attributed to the presence of or caused by or resulting from mold, mildew, wet rot, dry rot or other fungi, or any mycotoxins, spores or other byproducts of any of them is: \$5,000 for any one Insured Location, in the aggregate, during each Policy period.

F. TOXIC MATERIALS EXCLUSION

This Policy does not insure loss or expense resulting from the actual, alleged or threatened release or escape of any solid, liquid or gaseous material that is toxic or poisonous to humans or animals ("Toxic Materials"), including but not limited to dioxin, polychlorinated biphenyls and lead.

This exclusion also applies to:

1. The removal of Toxic Materials from any structure, fixture, item of personal property or product;
2. Any demolition or increased cost of construction, repair, debris removal or loss of use necessitated by the enforcement of any law or ordinance regulating Toxic Materials;
3. Any governmental direction declaring that Toxic Materials present in or part of or utilized on any undamaged portion of the Named Insured's property can no longer be used for the purpose for which it was intended or installed and must be removed or modified.

This exclusion applies regardless of any other cause or event that contributes concurrently or in sequence to any such loss, damage or expenses.

G. RADIOACTIVE CONTAMINATION and NUCLEAR EXCLUSION

This Policy does not cover:

1. Loss or destruction of or damage to any property whatsoever or any loss or expense whatsoever resulting or arising therefrom or any consequential loss;
2. Any legal liability of whatsoever nature directly or indirectly caused by or contributed to by or arising from
 - (a) Ionizing radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion on nuclear fuel
 - (b) The radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof.

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H. BIOLOGICAL, CHEMICAL, NUCLEAR, RADIOLOGICAL

Without qualification, this Policy does not insure loss, damage, business income, expense cost, or any other interest or obligation directly or indirectly resulting from or arising out of or in any way related to the following regardless of any other cause or event that in any way contributed concurrently or in any sequence to the loss claimed by the Named Insured.

1. The unlawful possession, use, release, discharge, dispersal or disposal of any chemical bacteriological, viral, radioactive or similar agents or matter regardless of who is responsible for the act and whether war be declared or not.
2. The unlawful possession, use, release, discharge, detonation, dispersal or disposal of any device or material capable of producing a nuclear reaction or the spread of radioactivity, regardless of who is responsible for the act and whether war be declared or not.

EXCLUSION OF LOSS DUE TO VIRUS OR BACTERIA FORM

This modifies the insurance provided under this Policy.

- A.** The exclusion set forth in Paragraph B. below applies to all coverage under all forms and endorsements that comprise this Policy, including but not limited to forms or endorsements that cover property damage to buildings or personal property and forms or endorsements that cover Business Income, Extra Expense, Rental Value or Action of Civil Authority.
- B.** The Company will not pay for loss or damage caused by or resulting from any virus, bacterium or other microorganism that induces or is capable of inducing physical distress, illness or disease.
- C.** With respect to any loss or damage subject to the exclusion in Paragraph B. above, such exclusion supersedes any exclusion relating to "Pollutants".
- D.** The terms of the exclusion in Paragraph B. above, or the inapplicability of this exclusion to a particular loss, do not serve to create coverage for any loss that would otherwise be excluded under this Policy.

GENERAL CONDITIONS

All coverages included in this Policy are subject to the following conditions.

A. ABANDONMENT: There can be no abandonment of any property to the Company.

B. APPLICATION OF DEDUCTIBLES

1. Any deductibles that apply are specified in the Coverage Declarations or in the forms or endorsements attached to this Policy.

2. Dollar Deductibles

When the deductible that applies is specified as a dollar amount, the Company will not pay for loss or damage to which the deductible applies until the amount of loss or damage, after applying any applicable Sublimits of Insurance, exceeds the specified deductible amount. The Company will then pay the covered amount of the loss or damage in excess of the specified deductible, up to the applicable Limit of Insurance or Sublimit of Insurance.

3. Percentage Deductibles

When the deductible that applies is specified as a percentage, the Company will not pay for loss or damage to which the deductible applies until the amount of the loss or damage, after applying any applicable Sublimits of Insurance, exceeds the specified percentage deductible. The Company will then pay the covered amount of the loss or damage in excess of the percentage deductible, up to the applicable Limit of Insurance or Sublimit of Insurance.

Percentage deductibles will be calculated as a percentage of Total Insured Value shown on the Statement of Values on file with the Company (including Buildings, Structures, Business Personal Property, Business Income/Rental Value and Extra Expense) for the Insured Location involved in the loss.

4. When both a percentage deductible and a dollar deductible are specified together as applicable to a coverage or exposure applying at an Insured Location in any one Occurrence, the percentage deductible will be calculated and applied as described above in Condition B.3. The dollar deductible, however, is the minimum amount the Company will deduct at each Insured Location in any one Occurrence for all loss or damage to which the deductible applies.

When a maximum dollar deductible is specified as applicable, the specified maximum deductible is the most the Company will deduct in any one Occurrence for all loss or damage to which the deductible applies.

5. Hour Deductibles

If the deductible for Business Income or any other time element coverage is specified in hours, the Company will not be liable for any loss incurred during the specified number of hours immediately following the start of the "Period of Restoration" or other applicable period during which incurred loss would otherwise be covered. The Company will then pay the amount of loss incurred for the remainder of the "Period of Restoration" or other applicable period during which incurred loss is covered, up to the Limit of Insurance or any applicable Sublimit.

6. Two or More Deductibles in Any One Occurrence

If any causes of loss, coverages or types of property insured against under this Policy are subject to separate deductibles and two or more of those causes of loss, coverages and/or types of property are involved in any one Occurrence, each cause of loss, coverage and type of property loss will be adjusted separately. However, the total of the deductible amounts applied will not exceed the highest deductible amount applied in that

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Occurrence for any one involved cause of loss, coverage or type of property.

This provision does not apply to:

- a. Earth Movement, Earthquake, Earthquake Sprinkler Leakage, Flood, Windstorm (including hail) or Named Storm deductibles; or
- b. Any hour deductible

7. Application of Earth Movement, Earthquake, Earthquake Sprinkler Leakage, Flood, and Boiler and Machinery Deductibles

Any deductible shown on the Coverage Declarations for a cause of loss listed below applies only with respect to loss or damage to which the corresponding cause of loss form applies:

- a. Earth Movement;
- b. Earthquake;
- c. Earthquake Sprinkler Leakage;
- d. Flood; or
- e. Boiler and Machinery.

These deductibles do not apply to any loss or damage by these causes of loss that is covered in the absence of such forms, such as fire or explosion that results from earth movement.

8. Any Other Covered Loss Deductible

Unless otherwise specifically stated in this Policy, the deductible shown in the Statement of Values for "any other covered loss" applies to all causes of loss, coverages and types of property insured against under this Policy for which no deductible is specifically shown in the Coverage Declarations or in the forms or endorsements attached to this Policy, except Extra Expense.

C. APPRAISAL

If the Company and the Named Insured disagree on the value of the property or the amount of loss and mutually agree to resolve the disagreement through an appraisal, an appraisal of the loss may be conducted.

Each party will select a competent and impartial appraiser and notify the other of the appraiser selected within 20 days after their mutual agreement to conduct an appraisal of the loss. The two appraisers will select an umpire. If they cannot agree upon an umpire within 15 days, then, at the request of either the Company or the Named Insured, and after providing at least 10 days' notice of hearing to the non-requesting party by (i) certified mail and (ii) facsimile or e-mail, selection of the umpire will be made by a judge of a district court in the county where the loss occurred. The appraisers will state separately the value of the property and amount of loss. If the appraisers submit a written report of agreement to the Named Insured and the Company, the amounts agreed upon will be the value of the property and the amount of loss. The amounts agreed upon will be binding on both parties. If the appraisers fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding on both parties.

Each party will:

1. Pay its chosen appraiser; and
2. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, the Company will still retain its right to apply the exclusions, limitations and other terms and conditions of the Policy, including but not limited to its right to deny the claim.

D. CANCELLATION AND NONRENEWAL

1. Cancellation

- a. The first Named Insured listed in the Policy may cancel this Policy by mailing or delivering to the Company advance written notice of cancellation. For locations NOT in the High Hazard Wind Counties form # NC R6 03 17, if the Named Insured cancels this Policy or removes an Insured Location, the

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short rate return premium may be as high as 90% of the applicable pro-rata premium subject to any Minimum Earned Premium stipulations in the Policy.

- b. The Company may cancel this Policy by mailing or delivering to the first Named Insured listed in the Policy written notice of cancellation at least:
 - (1) Ten (10) days before the effective date of cancellation if the Company cancels for nonpayment of premium; or
 - (2) Thirty (30) days before the effective date of cancellation if the Company cancels for any other reason.
- c. The Company will mail or deliver notice to the last mailing address known to the Company for the first Named Insured listed in the Policy.
- d. Notice of cancellation will state the effective date of cancellation. If the Policy is cancelled, that date will become the end of the Policy period. Cancellation will not affect coverage on any shipment in transit on the date of the cancellation. Coverage will continue in full force for such property in transit until it is delivered and accepted.
- e. If this Policy is cancelled, the Company will send to the first Named Insured listed in the Policy any premium refund due. This refund will be pro rata. The cancellation will be effective even if the Company has not made or offered a refund.
- f. If notice is mailed, proof of mailing will be sufficient proof of notice.
- g. If the period of limitation relating to the giving of notice is prohibited or made void by any law controlling the construction thereof, such period shall be deemed to be amended to be equal to the minimum period of limitation permitted by such law.

2. Nonrenewal

In the event the Company decides not to renew this Policy, the Company will mail or deliver to the first Named Insured written notice of the nonrenewal not less than Thirty (30) days before the expiration date.

- E. CHANGES:** The Policy terms can be amended or waived only by written endorsement or individual Coverage Declarations issued as part of this Policy by the Company or by Strata Underwriting Managers on behalf of the Company.
- F. FRAUDULENT CLAIM CLAUSE:** If the Named Insured shall make any claim knowing the same to be fraudulent, as regards amount or otherwise, this Policy may become voidable and the claim in question shall be forfeited.
- G. CONCEALMENT, MISREPRESENTATION OR FRAUD:** This Policy is void as to a Named Insured in any case of fraud by that Named Insured as it relates to this Policy at any time. It is also void as to a Named Insured if that Named Insured, at any time, whether before or after a loss, conceals or misrepresents a material fact concerning:
 - 1. This Policy;
 - 2. The Covered Property;
 - 3. The Named Insured's interest in the Covered Property or an Insured Location; or
 - 4. A claim under this Policy.
- H. CONTROL OF PROPERTY:** Any act or neglect of any person other than the Named Insured beyond the direction or control of the Named Insured will not affect this insurance.
The breach of any condition of this Policy at any one or more Insured Locations will not affect coverage at any Insured Location where, at the time of loss or damage, the breach of condition does not exist.
- I. CURRENCY:** It is understood and agreed that all amounts used herein are in the currency of the United States of America and that premiums and losses are payable in United States currency. In the event of a loss adjustment involving foreign currency, the conversion into the currency of the United States of America will be at the rate of exchange quoted in *The Wall Street Journal* as of the date of the loss.
- J. EXAMINATION OF THE NAMED INSURED'S BOOKS AND RECORDS:** The Company may examine and audit the Named Insured's books and records as they relate to this Policy at any time during the Policy period and up to three (3) years afterward.

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K. INSPECTIONS AND SURVEYS

The Company has the right but is not obligated to:

1. Make inspections and surveys at any time;
2. Give the Named Insured reports on the conditions found resulting therefrom; and
3. Recommend changes.

Neither the right to make inspections, nor the making thereof, nor any Insured Location analysis, nor any advice or reports resulting therefrom will imply any liability, or constitute an undertaking on behalf of or for the benefit of the Named Insured. Any inspections, surveys, reports or recommendations relate only to insurability and the premiums to be charged and do not imply that any property is free of pre-existing damage. The Company does not make safety inspections. The Company does not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. In addition, the Company does not warrant that the conditions are safe, healthful or in compliance with any law, rule, regulation, code or standard.

This condition applies not only to the Company, but also to any rating, advisory, rate service or similar organization that makes insurance inspections, surveys, reports or recommendations.

L. LEGAL ACTION AGAINST THE COMPANY: No one may bring a legal action against the Company under this Policy unless:

1. There has been full compliance with all of the terms of this Policy by the Named Insured; and
2. The action is brought in the United States of America, in a court having proper jurisdiction, within two (2) years and one (1) day after the date on which the cause of action accrues.

M. LIBERALIZATION: If the Company adopts any revision that would broaden the coverage under this Policy without additional premium, within forty five (45) days prior to or during the Policy period, the broadened coverage will immediately apply to this Policy.

N. SUBLIMITS OF INSURANCE: The most the Company will pay for all loss or damage for any one Occurrence under this Policy is the Policy Limit shown in the Coverage Declarations, subject to any applicable Limit of Insurance or Sublimits of Insurance. Sublimit(s) of Insurance shown in the Coverage Declarations, Schedule(s), Coverage Form(s) or endorsement(s) are included within, and do not increase, the applicable Limit of Insurance or Policy Limit.

O. LOSS PAYMENT

1. In the event of loss or damage to property covered by this Policy, at the option of the Company, the Company will either:
 - a. Pay the value of lost or damaged property;
 - b. Pay the cost of repairing or replacing the lost or damaged property with property of comparable size, material and quality subject to 2. below;
 - c. Take all or any part of the property at an agreed or appraised value; or
 - d. Repair, rebuild, or replace the property with other property of comparable, size, material and quality subject to 2. below.
2. Except as otherwise specifically provided in this Policy, the cost to repair, rebuild or replace does not include the increased cost attributable to enforcement of any ordinance or law regulating the construction, use or repair of any property.
3. The Company will give notice of its intentions within fifteen (15) business days after the Company receives all items, statements, and forms required by the Company to secure a final proof of loss.
4. The Company will not pay the Named Insured more than the Named Insured's financial interest in the Covered Property.
5. The Company may adjust losses with the owners of lost or damaged property if other than the Named

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Insured. If the Company pays the owners, such payments will satisfy the Named Insured's claims against the Company for the owner's property. The Company will not pay the owners more than their financial interest in the Covered Property.

6. The Company may elect to defend the Named Insured against suits arising from claims of owners of property. The Company will do this at its own expense.
7. The Company will pay for covered loss or damage within twenty (20) business days after the Company receives the signed, sworn proof of loss it requires, if
 - a. The Named Insured has complied with all of the terms of this Policy; and
 - b. The Company has:
 - (1) reached agreement with the Named Insured on the amount of loss,
 - (2) received an appraisal award, or
 - (3) received all items, statements, and forms required by the Company to secure a proof of loss.
8. At the option of the Company, the Company may make a partial payment toward any claims, subject to the Policy provisions and the Company's normal adjustment process. To be considered for a partial claim payment, the Named Insured must submit a partial sworn proof of loss with supporting documentation. Any applicable Policy deductibles must be satisfied before any partial payments are made.
9. If two or more of this Policy's coverages apply to the same loss or damage, the Company will not pay more than the actual amount of the loss or damage.

P. MORTGAGEE INTERESTS AND OBLIGATIONS:

Loss or damage, if any, as covered under this Policy, will be payable to each mortgagee (or trustee) designated herein in order of their precedence as their interests may appear. With respect to the mortgagee's (or trustee's) interest, this insurance will not be invalidated by any act of the Named Insured (mortgagor or owner), nor by any foreclosure or other similar proceedings or notice of sale relating to the property, nor by any change in title or ownership of the property, provided that:

1. In the event the Named Insured (mortgagor or owner) has neglected to pay any premium due under this Policy, the mortgagee (or trustee), at the request of the Company, pays the same;
2. The mortgagee (or trustee) has notified the Company of any change in ownership, occupancy or increase in the risk at the Insured Location or hazards known to the mortgagee (or trustee) and, at the request of the Company, pays the premium for such increased risk at the Insured Location or hazards; and
3. The mortgagee (or trustee) submits a signed, sworn proof of loss within sixty (60) days after having been notified by the Company that the Named Insured (mortgagor or owner) has failed to do so.

In the event the Company pays the mortgagee (or trustee) for any loss or damage covered under this Policy and therefore claims that as to the Named Insured (mortgagor or owner) no liability existed, the Company will be subrogated to all the rights, to the extent of such payment, of the party to whom such payment was made. The Company may, at the Company's option, pay to the mortgagee (or trustee) the whole principal due plus any accrued interest. Thereupon, the Company will receive a full assignment and transfer of the mortgage and other such securities and the remaining mortgage debt will be payable by the Named Insured (mortgagor or owner) to the Company.

The Company reserves the right to cancel this Policy at any time as provided by its terms but, in such case, this Policy will continue in force for the benefit only of the mortgagee (or trustee) for ten (10) days after notice to the mortgagee (or trustee) of cancellation for nonpayment of premium or thirty (30) days after notice to the mortgagee (or trustee) of cancellation for any other reason. In the event the Company elects not to renew this Policy, the Company will give written notice to the mortgagee (or trustee) at least thirty (30) days prior to the expiration of this Policy.

- Q. NO BENEFIT TO BAILEE:** No person or organization, other than the Named Insured, having custody of Covered Property will benefit from this insurance.

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R. NO REDUCTION BY LOSS: Except with respect to any aggregate limit(s) or aggregate Sublimit(s) of Insurance in this Policy, it is mutually understood and agreed that the amount of insurance will not be reduced by the payment of losses under this Policy.

S. NOTICE OF LOSS AND DUTIES IN THE EVENT OF LOSS OR DAMAGE

1. As a condition precedent to coverage under this Policy, the Named Insured must see that the following are done in the event of loss or damage:
 - a. Notify the police if a law may have been broken.
 - b. Give the Company prompt written notice of the loss or damage. Notice should include a description of the property involved, and a description of how, when, and where the loss or damage occurred.
 - c. Promptly make claim in writing against any other party that had custody of the Covered Property at the time of loss.
 - d. Take all reasonable steps to protect the Covered Property from further damage, and keep a record of expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, the Company will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.
 - e. At the request of the Company, give the Company complete inventories of the damaged and undamaged property, including quantities, costs, values and amount of loss claimed.
 - f. As often as may be reasonably required, permit the Company to inspect the property and records proving the loss or damage and examine the Named Insured's books and records.
 - g. Permit the Company to take samples of damaged and undamaged property for inspection, testing and analysis and permit the Company to make copies from the Named Insured's books and records.
 - h. Send the Company a signed, sworn proof of loss containing the information that the Company requests to investigate the claim. The Named Insured must do this within sixty (60) days after the Company's request. The Company will supply the Named Insured with the necessary forms.
 - i. Cooperate with the Company in the investigation or settlement of the claim.
2. The Company may examine any Named Insured under oath, while not in the presence of any other Named Insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including a Named Insured's books and records. In the event of an examination, a Named Insured's answers must be signed.

T. OTHER INSURANCE

1. Underlying Insurance

Permission is granted to the Named Insured to purchase insurance on all or any part of the deductibles of this Policy, and the existence of such underlying insurance will not prejudice any recovery otherwise payable under this Policy. If the limits of such underlying insurance exceed the deductible which would apply under this Policy, then the insurance provided by this Policy will apply only as excess after the limits applicable to the underlying insurance, including that portion which exceeds such deductible, have been exhausted.

2. Excess Insurance

Permission is granted to the Named Insured to have excess insurance over the Limit(s) of Insurance set

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forth in this Policy without prejudice to this Policy. The existence of such insurance will not reduce the Company's liability under this Policy.

Except: Permission for Excess Insurance is not granted without the Company's prior approval for Insured Locations located in High Hazard Wind Counties as identified in NC R6 06 02 21 when Windstorm coverage is provided.

3. Other Insurance Subject to Same Plan, Terms, Conditions and Provisions

In the event the Named Insured has other insurance subject to the same plan, terms, conditions and provisions as the insurance under this Policy, the Company will pay its share of the covered loss or damage. The Company's share is the proportion that the applicable Limit of Insurance under this Policy bears to the Limits of Insurance of all insurance covering on the same basis.

If there is other insurance covering the same loss or damage, other than that described above, the Company will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether the Named Insured can collect on it or not. However, the Company will not pay more than the applicable Limit of Insurance.

U. POLICY PERIOD AND TERRITORY: Under this Policy, the Company will cover loss or damage that commences during the Policy period as specified in the Common Policy Declarations and, except as otherwise specifically provided, within the Policy Territory. The Policy Territory is the United States of America (including its territories and possessions).

V. RECOVERED PROPERTY: Salvages and all recoveries shall be first deducted from such loss to arrive at an amount of liability attaching hereunder. In the event either the Named Insured or the Company recovers any property after loss settlement, that party must give the other prompt notice. Such recovery shall be applied as if recovered or received prior to the aforesaid settlement. At the option of the Named Insured, the property will be returned to the Named Insured. The Named Insured must then return to the Company the amount the Company paid to the Named Insured for the property.

The Company will pay (1) the recovery expenses and (2) the costs to repair the recovered property. However, the amount that the Company pays will not exceed the total of (1) and (2) above.

W. SUBROGATION AND SUBROGATION WAIVER

1. Subrogation – Transit

The following subrogation provisions apply to any transit coverage provided under this Policy:

- a. If any person or organization to or for whom the Company makes payment under any transit coverage provisions of this Policy has rights to recover damages from another, those rights are transferred to the Company to the extent of such payment. That person or organization must do everything necessary to secure the Company's rights and must do nothing after the loss to impair them.
- b. Insurance under the transit coverage provisions will be null and void if any Named Insured does any act or enters into any agreement, before or after loss, which in any way releases, impairs or destroys the right to recover against any carrier for hire, or other party liable for the loss, or transfers such right to anyone other than the Company. Even if the transit coverage becomes null and void, the Company has the right to retain and recover the premium for this coverage. The Named Insured does have permission to accept the limited liability form receipts or bills of lading commonly used by carriers for hire without prejudice to this coverage. The Company is not liable however, for any loss that is settled or compromised without the written consent of the Company.
- c. If the Company pays for loss or advances or loans money under the transit coverage, the Named Insured will, upon request and at the expense of the Company, make claim upon and institute legal proceedings against any carrier, bailee or other party liable for the loss. At the option of the Company,

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such claims or legal proceedings may be instituted in the name of the Named Insured. The Named Insured agrees to fully cooperate with the Company in making such claims and prosecuting such legal proceedings.

2. Subrogation – All Other Coverages

If any person or organization to or for whom the Company makes payment under this Policy has rights to recover damages from another; those rights are transferred to the Company to the extent of such payment. That person or organization must do everything necessary to secure the Company's rights and must do nothing after the loss to impair them. The Company will be entitled to priority of recovery against any such third party (including interest) to the extent payment has been made by the Company, plus attorney's fees, expenses or costs incurred by the Company.

However, the Named Insured may waive its rights against another party by specific written agreement:

- a. Prior to a loss to Covered Property.
- b. After a loss to Covered Property or Covered Income only if, at the time of loss, that party is one of the following:
 - (1) Someone insured by this insurance;
 - (2) A business firm owned or controlled by the Named Insured or that owns or controls the Named Insured;
 - (3) The Named Insured's tenant;
 - (4) The Named Insured's Mortgagee; or
 - (5) A unit owner in a Named Insured's Condominium Association

Such waiver will not invalidate or restrict this insurance.

X. TRANSFER OF THE NAMED INSURED'S RIGHTS AND DUTIES UNDER THIS POLICY: The Named Insured's rights and duties under this Policy may not be transferred except in the case of death of an individual Named Insured. If an individual Named Insured dies, the Named Insured's rights and duties will be transferred to the Named Insured's legal representative but only while acting within the scope of duties as the Named Insured's legal representative. Until the Named Insured's legal representative is appointed, anyone having proper temporary custody of the Named Insured's property will have rights and duties but only with respect to that property.

Y. UNINTENTIONAL ERRORS IN DESCRIPTION: No inadvertent error, omission or failure in making reports or other data hereunder shall prejudice the Named Insured's right of recovery, but shall be corrected when discovered.

Z. JOINT LOSS ADJUSTMENT WITH THE BOILER & MACHINERY (EQUIPMENT BREAKDOWN) INSURER: In the event of loss or damage to property at an Insured Location insured under this Policy and also insured in a separate Boiler & Machinery insurance policy and there is a disagreement between the insurers with respect to:

- A. Whether such loss or damage is insured against by this Policy or by such Boiler & Machinery insurance policy, or
- B. The extent of participation of this Policy and of such Boiler & Machinery insurance policy in a loss which is insured against partially or wholly or by any or all of said policies,

The Company shall, upon written request of the Named Insured, pay to the Named Insured one-half (1/2) of the amount of the loss which is in disagreement but in no event more than the Company would have paid if there had been no Boiler & Machinery insurance policy in effect, subject to the following conditions:

1. The amount of the loss which is in disagreement, after making provisions for any undisputed claims payable under the said policies and after the amount of the loss is agreed upon by the Named Insured and the Insurers, is limited to the minimum amount remaining payable under either the Boiler & Machinery policy or the Policy.
2. The Boiler & Machinery insurance company shall simultaneously pay to the Named Insured one-

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half (1/2) of said amount which is in disagreement, but in no event more than the Boiler & Machinery insurance company would have paid if there had been no property policy in effect, and also limited to the minimum amount remaining payable under either the Boiler & Machinery policy or this Policy.

3. The payments by the insurers hereunder and acceptance of the same by the Named Insured signifies the agreement of the Named Insured to submit to and proceed with arbitration within ninety (90) days of such payments.
The arbitrators shall be three in number, one of whom shall be appointed by the Boiler & Machinery insurance company, one whom shall be appointed by the Company, and the third appointed by consent of the other two. The decision by the arbitrators shall be binding on the insurers and judgment upon such award may be entered in any court of competent jurisdiction.
4. The Named Insured agrees to cooperate in connection with such arbitration, but not to intervene therein.
5. This provision shall not apply unless such other policy issued by the Boiler & Machinery insurance company is similarly endorsed.
6. Acceptance by the Named Insured of sums paid pursuant to the provisions.

AA. PRIORITY OF PAYMENTS / STEPDOWN / DROPDOWN: Primary. Any recoveries made under this Policy shall first apply to loss or damage not insured against by the excess policy(ies). Upon exhaustion of this Policy's limit, the excess policy(ies) shall step down and be liable for the loss in excess of the amount attributed to this Policy as respects loss or damage insured thereunder subject to the excess policy(ies) limits.

Excess: The amount of loss from any one Occurrence, for which the excess policy(ies) is excess, shall be determined by the combined loss, damage and expense, as insured under the primary policy. In the event of loss or damage involving more than one coverage or peril, the Limits of Liability of the underlying policies shall first apply to the coverage(s) or peril(s) not insured by the excess policy(ies), and the remainder, if any, to the coverage(s) or peril(s) as provided by the excess policy(ies). Upon erosion or exhaustion of the Limits of Liability of the underlying policy(ies), the excess policy(ies) shall then be liable for the loss uncollected from the coverage(s) or peril(s) insured by the underlying policy(ies), subject to the Limit of Liability specified herein. In the event of reduction or exhaustion of the aggregate limit(s) designated in the underlying policy(ies), it is hereby understood and agreed that such insurance as is afforded by the excess policy(ies) shall apply in excess of the reduced or exhausted underlying limit(s).

BB. APPORTIONMENT CLAUSE: In the event that any policies providing excess coverage above this Policy's Limits of Insurance insure different perils or interest, and the amount of the net loss after application of deductibles exceeds the Limits of Insurance of this Policy, then this Policy shall allocate any loss recoveries made hereunder in the same proportion as the amount of loss or damage insured by each excess policy bears to the combined total loss.

CC. LENDER LOSS PAYABLE PROVISIONS: For Covered Property in which both the Named Insured and a Loss Payee shown in the Statement of Values or elsewhere in the policy have an insurable interest, the Company will:

1. Adjust losses with the Named Insured; and
2. Pay any claim for loss or damage jointly to the Named Insured and the Loss Payee, as their interests may appear.

Lender's Loss Payable

1. The Loss Payee shown in the schedule or in the elsewhere in the Policy is a creditor, including a mortgagee or trustee, whose interest in the Covered Property is established by such written instruments as:
 - a. Warehouse receipts;
 - b. A contract for deed;
 - c. Bills of lading;
 - d. Financing statements; or
 - e. Mortgages, deeds of trust, or security agreements.
2. For Covered Property in which both the Named Insured and a Loss Payee have an insurable Interest:

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- a. The Company will pay for covered loss or damage jointly to the Named Insured and to each Loss Payee in the order of precedence, as interest may appear.
- b. The Loss Payee has the right to receive loss payment even if the Loss Payee has started foreclosure or similar action on the Covered Property.
- c. If the Company denies a claim because of the Named Insured's acts or because the Named Insured has failed to comply with the terms of the Policy, the Loss Payee will still have the right to receive loss payment if the Loss Payee:
 - (1) Pays any premium due under this Policy at the Company's request if the Named Insured failed to do so;
 - (2) Submits a signed, sworn proof of loss within sixty (60) days after receiving notice from the Company of the Named Insured's failure to do so; and
 - (3) Has notified the Company of any change in ownership, occupancy or substantial change in the Insured Location known to the Loss Payee.All of the terms of this Coverage Part will then apply directly to the Loss Payee.
- d. If the Company pays the Loss Payee for any loss or damage and denies payment to the Named Insured because of the Named Insured's acts or because the Named Insured has failed to comply with the terms of this Policy:
 - (1) The Loss Payee's rights will be transferred to the Company to the extent of the amount the Company pays; and
 - (2) The Loss Payee's rights to recover the full amount of the Loss Payee's claim will not be impaired.

At its option, the Company may pay to the Loss Payee the whole principal on the debt plus any accrued interest. In this event, the Named Insured will pay its remaining debt to the Company.

- 3. If the Company cancels this Policy, it will give written notice to the Loss Payee at least:
 - a. Ten (10) days before the effective date of cancellation if the Company cancels for the Named Insured's non-payment of premium; or
 - b. Thirty (30) days before the effective date of cancellation if the Company cancels for any other reason.
- 4. If the Company elects to not renew this Policy, it will give written notice to the Loss Payee at least ten (30) days before the expiration date of this Policy.

DD. STATUTORY REQUIREMENTS: Any term, condition or other provision of this Policy related to the provision of notice or a deadline for making payment which is in conflict with the statutes of the state wherein this Policy is issued is amended to conform to the minimum requirements of such statutes. It is understood and agreed that in the event of such an amendment, the provision of notice or a deadline for making payment may be extended or shortened.

EE. SANCTION LIMITATION AND EXCLUSION CLAUSE: No Insurer shall be deemed to provide coverage and no Insurer shall be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such coverage, payment of such claim or provision of such benefit would expose the Insurer to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.

FF. SEVERABILITY OF INTEREST: Each of the Named Insureds covered by this Policy will have the same protection and obligations as if the Policy has been issued individually to each of them, except as respects the obligations associated with the CANCELLATION AND NONRENEWAL clause. However, the inclusion of more than one Named Insured will not operate to increase the limit of the Company beyond the Limit of Insurance stated in this Policy.

REPLACEMENT COST FORM

This modifies the Property Coverage Form.

The following Valuation Provisions are added:

- A. REPLACEMENT COST:** In the event of a covered loss or damage, the Company will determine the value of Covered Property at replacement cost as of the time and place of loss, without deduction for physical deterioration, depreciation, obsolescence and depletion, except as otherwise provided in this form or as stipulated by any other endorsement(s) to this Policy. This replacement cost valuation is subject to the following conditions:
1. The Company will not pay more on a replacement cost basis than the least of:
 - a. The cost to repair, rebuild or replace, at the same site, the lost, damaged or destroyed property, with other property of comparable size, material and quality; or
 - b. The actual amount spent by the Named Insured that is necessary for it to repair, rebuild or replace the lost, damaged or destroyed property; or
 - c. Any Limit of Insurance or Sublimit of Insurance applicable to the lost, damaged or destroyed property.
 2. The Company will not pay for any loss or damage on a replacement cost basis until the property is repaired, rebuilt or replaced by the Named Insured, and then only if such repair, rebuilding or replacement is made within 365 days after the loss or damage occurs. If the property is not repaired, rebuilt or replaced by the Named Insured within 365 days after the loss or damage occurs, the value of the property will be determined at Actual Cash Value.
 3. For property to which this replacement cost valuation applies, the Named Insured may make a claim for loss or damage on an Actual Cash Value basis instead of on a replacement cost basis. In the event the Named Insured elects to have loss or damage settled on an Actual Cash Value basis, the Named Insured may still make a claim on a replacement cost basis if the Named Insured notifies the Company within 180 days after the loss or damage occurs and requests additional time in writing to complete the required repairs, but such repairs by the Named Insured must be completed no more than 365 days after the loss or damage occurs.
 4. The cost to repair, rebuild or replace does not include the increased cost attributable to enforcement of any ordinance or law regulating the construction, use or repair of any property unless a Sublimit of Insurance is specified for Ordinance or Law in the Coverage Declarations, and then only to the extent provided under that coverage as set forth in Section B.2.f of the Property Coverage Form.
 5. In the event the Named Insured decides to repair, rebuild or replace the damaged or destroyed property, payment will include any reasonable and necessary architectural, engineering, consulting or supervisory fees necessary for the construction, repair or replacement of the damaged or destroyed property, but will not include fees charged by property management companies for overseeing, administering or managing (i) construction, repairs or replacements of property, or (ii) insurance claims. This will not increase the applicable Limit of Insurance.

B. REPLACEMENT COST EXCEPTIONS

1. Valuable Papers and Records and Electronic Data Processing Data and Media will be valued as follows:
 - a. At the Named Insured's cost to research, replace or restore the lost information on lost, damaged or destroyed Valuable Papers and Records or Electronic Data Processing Data and Media for which duplicates do not exist;
 - b. At the cost of blank materials or media and the cost of copying data onto blank materials or media when duplicates of the papers, records or data exist;
 - c. At the cost of blank materials or media of the same kind and quality if the papers, records or data are not replaced; or
 - d. At the specified amount per article for those articles which are specifically declared, described and

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valued in a Statement of Values forming a part of this Policy.

2. Brands and Labels - If branded or labeled merchandise that is Covered Property is damaged by a Covered Cause of Loss and the Company takes all or part of the property at an agreed or appraised value, the Company will also pay:
 - a. Any expenses incurred by the Named Insured to:
 - (1) Stamp the word 'Salvage' on the merchandise or its containers, if the stamp will not physically damage the merchandise; or
 - (2) Remove the brands or labels, if doing so will not physically damage the merchandise. The Named Insured must re-label the merchandise or its containers to comply with the law.
 - b. Any reduction in the salvage value of the damaged merchandise with the brands or labels removed. However, this will not increase the Limit(s) of Insurance applicable to the lost or damaged property.
3. Electronic Data Processing Equipment will be valued on a replacement cost basis as provided in Section A. of this form. However, in the event replacement of Electronic Data Processing Equipment with identical property is impossible, the replacement cost will be the cost of items that are similar to the damaged or destroyed equipment and intended to perform the same function, but which may include technological advances.
4. Fine Arts will be valued at the least of:
 - a. The cost of reasonably restoring that property; or
 - b. The cost of replacing that property, at the time and place of loss, with substantially the same property; or
 - c. The market value of the property at the time and place of loss or, if the article of property is specifically declared, described and valued in a Statement of Values forming a part of this Policy, the amount per article specified in the Statement of Values.

NOTE: Roofing materials are not considered Fine Arts.
5. Finished Stock will be valued at the selling price less discounts and expenses the Named Insured otherwise would have had.
6. Pairs, Sets, or Parts
 - a. Pairs or Sets - In case of loss to any part of a pair or set, the Company may, at its option:
 - (1) Repair or replace any part to restore the pair or set to its value before the loss; or
 - (2) Pay the difference between the values of the pair or set before and after the loss.
 - b. Parts - In case of loss to any part of Covered Property consisting of several parts when complete, the Company will only pay for the value of the lost or damaged part.
7. Patterns, dies, molds, and forms not in current usage will be valued at Actual Cash Value. If loss is paid on an Actual Cash Value basis, and within twelve (12) months from the date of the loss the Named Insured needs to repair or replace one or more of the items, the Company will pay the Named Insured, subject to the conditions of this Policy, the difference between Actual Cash Value and replacement cost for those patterns, molds and dies which are actually repaired or replaced.
8. Business Personal Property sold by the Named Insured but not delivered will be valued at the selling price less discounts and expenses the Named Insured otherwise would have had.
9. Business Personal Property of Others will be valued at the amount for which the Named Insured is liable, not to exceed the replacement cost.
10. Stock in Process will be valued at the cost of Raw Stock, labor expended, plus the proper proportion of overhead charges.
11. Tenant's Improvements and Betterments will be valued at:
 - a. Replacement cost of the damaged or destroyed property (subject to the provisions of Section A. above) if the Named Insured tenant makes the repairs or replaces promptly.
 - b. A proportion of the Named Insured tenant's original cost if the Named Insured tenant does not make

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repairs promptly. The Company will determine the proportionate value as follows:

- (1) Multiply the original cost by the number of days from the loss or damage to the expiration of the lease; and
- (2) Divide the amount determined in (1) above by the number of days from the installation of improvements to the expiration of the lease.

If the Named Insured tenant's lease contains a renewal option, the expiration of the renewal option period will replace the expiration of the lease in this procedure.

- c. If repaired or replaced at the expense of others, there will be no liability hereunder.

12. Vacant buildings will be valued at Actual Cash Value.

13. Any damage to existing roof coverings that have been in place on a building or structure of an Insured Location for more than fifteen (15) years and one (1) day will be valued at "Actual Cash Value" for the perils of Windstorm (including hail) and Named Storms.

14. If at the time of loss to Covered Property it is determined that the condition of the property prior to the loss is found to be either:

- a. abandoned, or
- b. condemned,

then recovery hereunder for damage from a Covered Cause of Loss is limited to the lesser of:

- (1) the cost to repair at Actual Cash Value or
- (2) the "Actual Cash Value" of the property prior to the loss, or
- (3) \$50,000.

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HIGH HAZARD WIND COUNTIES

The following listing of High Hazard Wind Counties (Parishes in Louisiana) by State is provided to determine applicable Coverage, Limit(s) of Insurance and Deductible(s) referred to in this Policy.

State	Counties/Parishes
Alabama	Baldwin, Mobile
Connecticut	Fairfield, Middlesex, New Haven, New London
Delaware	Kent, New Castle, Sussex
Florida	Entire State
Georgia	Bryan, Camden, Chatham, Glynn, Liberty, McIntosh
Hawaii	Entire State
Louisiana	Calcasieu, Cameron, Iberia, Jefferson, Lafourche, Orleans, Plaquemines, St Bernard, St Mary, St Tammany, Terrebonne, Vermilion
Maine	Cumberland, Hancock, Knox, Lincoln, Sagadahoc, Waldo, Washington, York
Maryland	Anne Arundel, Baltimore, Baltimore City, Calvert, Cecil, Charles, Dorchester, Harford, Kent, Queen Anne's, St. Mary's, Somerset, Talbot, Wicomico, Worcester
Massachusetts	Barnstable, Bristol, Dukes, Essex, Nantucket, Norfolk, Plymouth, Suffolk
Mississippi	Hancock, Harrison, Jackson
New Hampshire	Rockingham
New Jersey	Atlantic, Cape May, Cumberland, Essex, Hudson, Middlesex, Monmouth, Ocean, Passaic, Salem, Union
New York	Bronx, Kings, Nassau, New York, Queens, Suffolk, Richmond, Westchester
North Carolina	Beaufort, Brunswick, Carteret, Craven, Currituck, Dare, Hyde, New Hanover, Onslow, Pamlico, Pender
Rhode Island	Bristol, Kent, Newport, Providence, Washington
South Carolina	Beaufort, Berkeley, Charleston, Colleton, Georgetown, Horry, Jasper
Texas	Aransas, Brazoria, Calhoun, Cameron, Chambers, Galveston, Harris, Jackson, Jefferson, Kenedy, Kleberg, Matagorda, Nueces, Refugio, San Patricio, Willacy
Virginia	Accomack, Beach City, Chesapeake, Gloucester, Hampton City, Lancaster, Mathews, Middlesex, Newport News, Norfolk City, North Hampton, Northumberland, Poquoson City, Portsmouth City Suffolk, Virginia Beach, York

EXCLUSION – CERTAIN COMPUTER RELATED LOSSES DUE TO DATES OR TIMES FORM

This modifies the insurance provided under the following:

Property Coverages

A. This Policy does not insure against loss or damage caused, consisting of, or caused directly or indirectly by any of the following (Such loss is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss except as provided in B):

1. The failure, malfunction or inadequacy or the inability to use or have access to:
 - a. Any of the following, whether belonging to the Named Insured or to others:
 - (1) computer hardware, including microprocessors;
 - (2) computer application software;
 - (3) computer operating systems and related software;
 - (4) computer networks;
 - (5) microprocessors (computer chips) not part of any computer system;
 - (6) any other computerized or electronic equipment or components; or
 - b. Any other products or services that directly or indirectly use or rely upon, in any manner, any of the items listed in paragraph 1.a. of this form; due to the inability of those products or services described in paragraphs 1.a. and 1.b. to correctly recognize, distinguish, interpret or accept one or more dates or times.
2. Any advice, consultation, design, evaluation, inspection, installation, maintenance, repair or supervision done by or for the Named Insured to determine, rectify or test, any potential or actual failure, malfunction or inadequacy described in paragraph A.1. above.
3. The destruction, disruption, distortion or corruption of any computer data, coding, program or software if related to dates or times due to the inability of those products or services described in paragraphs 1.a. and 1.b. to correctly recognize, distinguish, interpret or accept one or more dates or times.

B. If an excluded cause of loss as described in A. 1., 2. and 3. of this form results in a Covered Cause of Loss under the Property Coverage Form then this Policy shall pay only for such resulting direct physical loss or damage subject to the following exceptions:

This Policy will not pay for resulting loss or damage if the cause of loss is:

- a. Mechanical or machinery breakdown; or
- b. Artificially generated electrical current, including electrical arcing, that disturbs items in paragraph A.1. above unless fire results, and then this Policy shall pay only for the direct physical loss or damage caused by that fire.

C. This Policy does not insure against any preventive or remedial costs to repair or modify any items in

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A.1.a. and b. above to correct any actual or potential deficiencies or change any features of logic or operation.

- D.** This Policy does not insure against any expense incurred by the Named Insured or others in the defense, safeguarding, protecting or recovering of property whether before or after loss due to any actual or potential loss excluded in paragraph A. above.

U.S. TREASURY DEPARTMENT'S OFFICE OF FOREIGN ASSETS CONTROL ("OFAC") ADVISORY NOTICE TO POLICYHOLDERS

No coverage is provided by this Policyholder Notice nor can it be construed to replace any provisions of your Policy. You should read your Policy and review your Declarations page for complete information on the coverages you are provided.

This Notice provides information concerning possible impact on your insurance coverage due to directives issued by OFAC. **Please read this Notice carefully.**

The Office of Foreign Assets Control (OFAC) administers and enforces sanctions policy, based on Presidential declarations of "national emergency". OFAC has identified and listed numerous:

- Foreign agents;
- Front organizations;
- Terrorists;
- Terrorist organizations; and
- Narcotics traffickers;

as "Specially Designated Nationals and Blocked Persons". This list can be located on the United States Treasury's web site – <http://www.treas.gov/ofac>.

In accordance with OFAC regulations, if it is determined that any Named Insured or any person or entity claiming the benefits of this insurance has violated U.S. sanctions law or is a Specially Designated National and Blocked Person, as identified by OFAC, this insurance will be considered a blocked or frozen contract and all provisions of this insurance are immediately subject to OFAC. When an insurance policy is considered to be such a blocked or frozen contract, no payments nor premium refunds may be made without authorization from OFAC. Other limitations on the premiums and payments also apply.

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Third Coast Insurance Company

Policyholder Privacy Statement

As a policyholder of Third Coast Insurance Company, you may remember that you purchased your Third Coast Insurance Company policy from an insurance agent. Please understand that the agent from whom you purchased your Third Coast Insurance Company Policy is not affiliated with Third Coast Insurance Company, but rather is a separate legal entity. In the process of purchasing your Third Coast Insurance Company Policy, you may have provided your insurance agent with various information, including nonpublic personal information about yourself. You did not provide any such information directly to Third Coast Insurance Company, but on occasion we may receive such information from your insurance agent. This statement is intended to explain and disclose Third Coast Insurance Company's policies and practices regarding the collection, disclosure and protection of such information. Third Coast Insurance Company will provide customers like yourself with a copy of our privacy policy at the beginning of our relationship and annually thereafter, unless and until our relationship ends. As our products and services continue to evolve, it may be necessary to review and revise our privacy policies, in which case we will provide you with an updated privacy notice.

A. Financial Information Collected

During the ordinary course of our business, Third Coast Insurance Company may – as explained above – collect information about you from the following sources:

- Information the insurance agent receives from you on applications or other forms;
- Information about your transactions (including claims) with us, our affiliates and others; and
- Information we receive from other agents, brokers, administrators, insurance support agencies, legal counsel, consumer reporting agencies and government reporting agencies.

B. Financial Information Disclosed.

We do not disclose any information about our customers or former customers to anyone, except as permitted by law to service your business

C. Parties To Whom Information is Disclosed.

We do not disclose any information about our customers or former customers to anyone, except as permitted by law to service your business.

D. Confidentiality and Security of Information.

We restrict access to information about you to those employees who need to know that information to provide products or services to you. We maintain physical, electronic, and procedural safeguards to guard your information.

E. Access to and Correction of Your Information.

You may write to us if you have any questions about the information that we may have in our records about you. We will respond within 30 business days from the date such request is received to your inquiry. If you wish, you may review this information in person or receive a copy at a reasonable charge. You can notify us in writing if you believe any information should be corrected, amended, or deleted and we will review your request. We will either make the requested change or explain why we did not do so. If we do not make the requested change, you may submit a short written statement identifying the disputed information, which will be included in all future disclosures of your information.

We value your business. This statement is for your information. No response is necessary.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

TRADE OR ECONOMIC SANCTIONS

The following is added to this policy:

Trade Or Economic Sanctions

This insurance does not provide any coverage, and we (the Company) shall not make payment of any claim or provide any benefit hereunder, to the extent that the provision of such coverage, payment of such claim or provision of such benefit would expose us (the Company) to a violation of any applicable trade or economic sanctions, laws or regulations, including but not limited, to those administered and enforced by the United States Treasury Department's Office of Foreign Assets Control (OFAC).

Whenever coverage provided by this policy would be in violation of any U.S. economic or trade sanctions such as, but not limited to, those sanctions administered and enforced by the U.S. Treasury Department's Office of Foreign Assets Control (OFAC), such coverage or payment requirement shall be null and void. Similarly, any coverage relating to or referred to in any certificates or other evidences of insurance or any claim that would be in violation of U.S. economic or trade sanctions as described above shall also be null and void.
All other terms and conditions remain unchanged.

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

SERVICE OF SUIT ENDORSEMENT

It is understood and agreed that in the event of the failure of the Company to pay any amount claimed to be due hereunder, the Company, at the request of the Named Insured, will submit to the jurisdiction of a court of competent jurisdiction within the United States of America. The foregoing shall not constitute a waiver of the right of the Company to remove, remand or transfer such suit to any other court of competent jurisdiction in accordance with the applicable statutes of the state or United States pertinent hereto. In any suit instituted against them upon this contract, the Company will abide by the final decision of such court or of any appellate court in the event of an appeal.

It is further agreed that service of process in such suit may be made upon the Superintendent, Commissioner, or Director of Insurance or other person specified for that purpose in the statute or his or her successor or successors in office as their true and lawful attorney upon whom may be served any lawful process in any action, suit, or proceeding instituted by or on behalf of the Named Insured or any beneficiary hereunder arising out of this contract of insurance.

The Company hereby designates **Bobbi Elliot, Secretary of Third Coast Insurance Company, 200 North Grand Avenue, PO Box 40790, Lansing, MI 48901-7990** as the person to whom the said Superintendent, Commissioner, or Director of Insurance is authorized to mail such process or a true copy thereof, in compliance with the applicable statutes governing said service of process in the state or jurisdiction in which a cause of action under this contract of insurance arises.

ALL OTHER TERMS AND CONDITIONS OF THIS POLICY REMAIN THE SAME.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BACKUP OF SEWERS, DRAINS AND SUMPS

This endorsement modifies insurance provided under the following

PROPERTY COVERAGE FORM

BACKUP OF SEWERS, DRAINS AND SUMPS SUBLIMIT: \$50,000
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The following is added to the policy:

The Flood definition in the Flood Form is hereby amended to delete the Covered and Specified Causes of Loss item A. 4., "Water or sewage which backs up through sewers, drains, or sumps, including any resulting overflow of a plumbing fixture." The Property Coverage Form is amended to delete item D. 1. B.(4) "Water or sewage which backs up through sewers, drains, or sumps, including any resulting overflow of a plumbing fixture."

Accordingly, this Policy insures direct physical loss or damage caused by "Water or sewage which backs up through sewers, drains, or sumps, including any resulting overflow of a plumbing fixture" subject to a Sublimit of \$50,000 per Occurrence per Insured Location and a deductible as shown in the Statement of Values for All Other Perils.

ALL OTHER TERMS AND CONDITIONS REMAIN THE SAME.

APPROVED CONTRACTOR ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

It is agreed that for loss or damage to Covered Property caused by or resulting from Windstorm (including hail), the following shall apply:

A. THE COMPANY'S RIGHT TO REPAIR OR REPLACE DAMAGED PROPERTY.

- (1) The Company has the right to select a qualified pre-approved contractor from its panel of Approved Contractors to make covered repairs or replacements of the damaged property and make payment directly to the contractor, subject to the following conditions.
- (2) Upon written notice from the Company to the Named Insured no later than 20 business days after the Company provides its written coverage determination to the Named Insured, the Company, may, at its option, elect to repair or replace the damaged property with other property of comparable size, material, and quality;
- (3) In the event the Company exercises its option to repair or replace the damaged property pursuant to Paragraph A.(2) above:
 - a. The **Deductible Credit** set forth in b. below will be applied to reduce the Named Insured's deductible obligation, regardless of whether the applicable deductible is a Dollar Deductible or Percentage Deductible. The credit will apply only to the extent that the amount of covered loss or damage exceeds the applicable deductible.
 - b. **Deductible Credit:** \$200,000
 - c. If an identical replacement is not available, the Company may, at its option, substitute replacement property of equal or greater features, functions, or capacities of the damaged property.
 - d. **Damage or loss only covered for Actual Cash Value.** For damage or loss only covered for **Actual Cash Value**, the Named Insured will be responsible for promptly paying the **Approved Contractor** the following amounts before the Approved Contractor begins work, unless the Named Insured and Approved Contractor otherwise agree in writing as to the timing of the Named Insured paying such amounts:
 - (i) the applicable deductible less the Deductible Credit,
 - (ii) the cost of repair or replacement that exceeds the Actual Cash Value,
 - (iii) any cost of repair or replacement that exceeds an applicable Limit of Insurance or Sublimit of Insurance, and
 - (iv) any cost of repair or replacement that is not covered by the Policy.

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As an alternative to the Company paying the Actual Cash Value to the Approved Contractor and the Named Insured making payments to the Approved Contractor pursuant to Paragraphs d.(i) – (iv) above, the Named Insured may elect to have payment made to the Named Insured. The Named Insured may elect such alternative only if it provides written notice to the Company of such decision **within five (5) business days** of the Company's written notice under Paragraph A.(2) that it will repair or replace the damaged property.

In the event the Named Insured makes the election to receive the Actual Cash Value payment:

- (i) The Actual Cash Value will be determined based on the estimate prepared by the Approved Contractor.
- (ii) The Actual Cash Value of the loss or damage less the applicable deductible and the Deductible Credit will be paid in exchange for the Named Insured providing the Company a signed, sworn proof of loss. The Company will supply the Named Insured with the necessary form(s).

e. **Damage or loss covered for replacement cost.** For damage or loss covered for replacement cost, the Named Insured will be responsible for promptly paying the Approved Contractor the following amounts before the Approved Contractor begins work, unless the Named Insured and Approved Contractor otherwise agree in writing as to the timing of the Named Insured paying such amounts:

- (i) the applicable deductible less the Deductible Credit,
- (ii) any cost of repair or replacement that exceeds an applicable Limit of Insurance or Sublimit of Insurance, including Sublimits of Insurance for any Ordinance or Law requirements, and
- (iii) any cost of repair or replacement that is not covered by the Policy.

(4) **Ordinance or Law.** In the event the Company exercises its option to repair or replace the damaged property pursuant to Paragraph A.(2) above:

- a. The phrase "by the Named Insured" is deleted from Paragraph B.2.f.(3) of the Policy's Property Coverage Form.

B. DEFINITIONS. The following definitions apply to the defined terms wherever they appear in the Approved Contractor Endorsement:

- (1) **"Approved Contractor"** means a person, company or other entity, including their employees, agents, representatives, and general or specialty contractors, that is on a panel of contractors pre-approved by the Company to provide the repair or replacement of damaged property pursuant to the Policy's Approved Contractor Endorsement.

C. CONDITIONS

Under **S. NOTICE OF LOSS AND DUTIES IN THE EVENT OF LOSS OR DAMAGE** in the General Conditions form, paragraph 1. is amended by the addition of the following conditions:

- k.** When the Company provides written notice to the Named Insured, pursuant to Paragraph A.(2) of the Approved Contractor Endorsement, that it will repair or replace the damaged property:
 - (1) The Named Insured shall, as often as is reasonably necessary to repair or replace the damaged property:
 - (i) Provide the Approved Contractor access to the Insured Location;
 - (ii) Execute any necessary governmental permits or other documentation for repairs or replacements to be undertaken;
 - (iii) Execute work authorizations to allow the Approved Contractor entry to the Insured Location; and
 - (iv) Otherwise cooperate with the Company and the Approved Contractor.
 - (2) The Named Insured shall not have another party perform or contract to perform any permanent repair or replacement unless reasonably necessary to protect the Covered Property from further damage.

D. LOSS PAYMENT CONDITIONS

When the Company provides written notice to the Named Insured pursuant to Paragraph A.(2) of the Approved Contractor Endorsement that it will repair or replace the damaged property, Paragraphs 1 and 7 in **O. LOSS PAYMENT** in the General Conditions form will not apply.

E. VALUATION

When the Company provides written notice to the Named Insured pursuant to Paragraph A.(2) of the Approved Contractor Endorsement that it will repair or replace the damaged property, Paragraphs A.2 and A.3 in the Policy's Replacement Cost Form are replaced with the following:

- 2. If the property is not repaired, rebuilt or replaced within 365 days after the loss or damage occurs due to the Named Insured's failure to comply with any of the terms in paragraph **C. CONDITIONS** of this endorsement, the value of the property will be determined at Actual Cash Value.
- 3. **Named Insured's Option to Make Actual Cash Value Claim:** For property to which this replacement cost valuation applies, the Named Insured may make a claim for loss or damage on an Actual Cash Value basis instead of on a replacement cost basis, but only if it provides written notice to the Company of such decision **within five (5) business days** of the Company's written notice under Paragraph A.(2) that it will repair or replace the damaged property.

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In the event the Named Insured elects to have the claim settled on an Actual Cash Value basis as set forth in the previous paragraph, the Actual Cash Value will be determined based on the estimate prepared by the Approved Contractor.

The Actual Cash Value of the loss or damage less the applicable deductible and the Deductible Credit will be paid in exchange for the Named Insured providing the Company a signed, sworn proof of loss. The Company will supply the Named Insured with the necessary form(s). The Actual Cash Value payment will be made to the Named Insured unless the Named Insured, in writing, directs that such payment be made to the Approved Contractor.

All other terms and conditions of the Policy remain the same.

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**ASBESTOS EXCLUSION
ADVISORY NOTICE TO POLICYHOLDER**

This Notice does not form a part of your insurance contract. No coverage is provided by this Notice, nor can it be construed to replace any provisions of your Policy (including its endorsements). If there is any conflict between this Notice and the Policy (including its endorsements), the provisions of the Policy (including its endorsements) shall prevail.

Carefully read your Policy, including the endorsements attached to your Policy.

This Notice provides information concerning the following form, which applies to your new or renewal Policy being issued by the Company:

NC R2 38 03 17 EXCLUSION OF POLLUTANTS AND ASBESTOS FORM

This form makes an explicit statement regarding a risk that is not covered under your Commercial Property insurance. It points out that there is no coverage under such insurance for loss or damage caused by or resulting from asbestos, subject to a narrow exception that provides certain asbestos coverage limited to \$25,000 in the aggregate for any one Insured Location in any one Policy period. The exclusion in this form applies to all coverages provided by your Commercial Property insurance, including (if any) property damage and business income coverages.

MINIMUM EARNED PREMIUM FOR HIGH HAZARD WIND LOCATIONS

1. For locations that are located in High Hazard Wind Counties, if the Named Insured cancels this Policy, removes a location or reduces the amount of insurance on a location and coverage existed any time during the period of June 1st to November 1st the amount of premium the Companies will return will be the Unearned Premium for the Insured Location. The Unearned Premium is the Insured Location's premium times the Unearned Factor noted below.

Days Policy in Force	Unearned
1-180	20%
181-210	15%
211-240	10%
241-270	7.5%
271-300	5.0%
301-330	2.5%
331 or more	0%

2. If a Insured Location that is located in a High Hazard Wind County is added (or coverage increased at an existing Insured Location) during the term of the Policy and coverages exists at any time during the period of June 1st to November 1st, the premium will be calculated at 100% of the annual rate, less the Unearned Factor noted in 2. above. Otherwise, it shall be pro-rata.
3. Coverage cannot be increased nor additional locations added if they are located in a High Hazard Wind County and a "Named Storm" is in existence, unless with written consent of the Company is granted.
4. If property is added or deleted, each type of property at each Insured Location shall be treated separately and the Companies shall determine the applicable annual rate based upon the characteristics of the risk. Risks of like kind and quality will be added or deleted as per the account rate subject to the Unearned factor, if applicable, noted in 2 above.
5. If an Insured Location is within a High Hazard Wind County, the provisions of this clause replace any short rate provisions stipulated in this Policy, all subject to the Minimum Earned Premium provisions. Otherwise, a short rate return premium may be imposed on the applicable pro-rata premium subject to any Minimum Earned Premium stipulations in the Policy.
6. Nothing herein will act to provide coverage outside the automatic acquisition clause elsewhere in the Policy.
7. Non-payment of premium, material misstatement or non-compliance with underwriting requirements shall be considered a request by the Named Insured to cancel the Policy.
8. Proof of mailing will be sufficient proof of notice of cancellation.

PROTECTIVE SAFEGUARDS ENDORSEMENT

Failure to comply with the Protective Safeguard Clauses specified as applicable in the Schedule below shall suspend this insurance.

PROTECTIVE SAFEGUARD CLAUSE(S)

In consideration of the premium at which this Policy is written, based on the protection of the premises by any or all of the protective safeguard system(s) indicated below, it is a condition of this Policy that the Named Insured shall exercise due diligence in maintaining in complete working order all equipment and services pertaining to the system(s) which are under the control of the Named Insured, this would include any special maintenance or service requirements indicated below. It also is a condition of this insurance that the Named Insured shall give immediate notice to the Company of any impairment in or suspension of any equipment or service pertaining to the system(s) within the knowledge of the Named Insured. This endorsement applies only to Protective Safeguards (as listed below) in place as of the date that coverage is bound, whether reported to the Company or not.

A. Automatic Sprinkler System

In further consideration of the premium at which this Policy is written, it is a condition of this Policy that the Named Insured shall have the automatic sprinkler system serviced by an independent contractor licensed to service and maintain automatic sprinkler systems in the state in which the premises are located. It also is a condition of this Policy that the Named Insured shall have the automatic sprinkler system inspected and tested at least once per year by an independent contractor licensed to inspect and test automatic sprinkler systems in the state in which the premises are located.

B. Automatic Fire Alarm

Reporting to a public or private fire alarm station. It is a condition of this insurance that the Named Insured shall immediately give notice to the Company of any impairment in or suspension of any service or equipment pertaining to the Automatic Fire Alarm System(s).

C. Activated and operational Central Station Burglar Alarm

Reporting to a public or private burglar alarm station. Alarm must be in the "on" position during all non-working hours and/or whenever the Named Insured's premises are unoccupied. It is a condition of this insurance that the Named Insured shall immediately give notice to the Company of any impairment in or suspension of any equipment or service pertaining to the Central Station Burglar Alarm.

D. Automatic Extinguishing System and Hood and Duct Cleaning. (Applicable to commercial food preparation risks only).

It is a condition of this Policy that all ranges, deep-fat fryers, broilers and other cooking appliances, including their hoods, are protected by an approved, automatic fire extinguishing system, and insofar as such protective equipment is under the control of the Named Insured, due diligence shall be used to maintain such system in complete working order.

All automatic extinguishing systems and hoods and duct work shall be cleaned and inspected by an outside cleaning service no less than twice a year.

It is also a condition of this insurance that all hoods and ducts are equipped with approved grease filters which shall be routinely cleaned.

E. Automatic Cooktop Fire Suppressors

If the installation of automatic cooktop fire suppressors in all units at an Insured Location is indicated in the application, certification or underwriting materials provided to the Company by or on behalf of the Named Insured, it is a condition of this Policy that the automatic cooktop fire suppressors are properly installed and have not expired and that you maintain them in complete working order at all times during the Policy period.

We will not pay for loss or damage caused by or resulting from a fire originating from a cooktop if:

- (1) Contrary to an indication in the application, certification or underwriting materials that automatic cooktop fire suppressors were installed in all units at an Insured Location, an automatic cooktop fire suppressor was not installed in the unit where the fire originated; or
- (2) An automatic cooktop fire suppressor was installed in the unit where the fire originated but:
 - a. You failed to have a qualified person inspect the automatic cooktop fire suppressors in the unit where the fire originated at least once in the 365 days before the fire to confirm the automatic cooktop fire suppressors were properly installed, in complete working order and not expired; or
 - b. Before the fire you failed to maintain an automatic cooktop fire suppressor over which you had control in complete working order.

**Third Coast Insurance Company
New Berlin, WI 53151**

PORL R0 05 24

PERIOD OF RESTORATION LIMITATION ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

It is agreed that the following provision is added to the definition of "**Period of Restoration**" in Section **H.5.a., DEFINITIONS**, of the BUSINESS INCOME COVERAGE INCLUDING EXTRA EXPENSE FORM:

- (3) However, in no instance will the Period of Restoration end more than 12 months after the date and time of direct physical loss or damage to property at the Insured Location caused by or resulting from a Covered Cause of Loss.

All other terms and conditions of the Policy remain the same.

**Third Coast Insurance Company
New Berlin, WI 53151**

NC R9 00 10 19

**WINDSTORM (INCLUDING HAIL)
NOTICE OF LOSS AMENDMENT ENDORSEMENT**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

It is agreed that for loss or damage to Covered Property caused by or resulting from Windstorm (including hail) the following shall apply:

Under **S. NOTICE OF LOSS AND DUTIES IN THE EVENT OF LOSS OR DAMAGE** in the General Conditions form, paragraph **1.** is amended by the addition of the following condition:

- j. In addition to your obligation to provide us with prompt written notice of loss or damage, with respect to any claim wherein written notice of the claim is reported to us more than one year after the reported date of loss or damage, this Policy shall not provide coverage for such claim.

All other terms and conditions of the Policy remain the same.

GENERAL CONTRACTOR OVERHEAD AND PROFIT ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the PROPERTY COVERAGE FORM.

With respect to any claim for damage or loss caused by or resulting from Windstorm (including hail), the Company will not pay General Contractor Overhead and Profit to repair or replace loss or damage to the roof system or any component thereof, even if such costs are paid by the Named Insured.

The decision to pay General Contractor Overhead and Profit for other items damaged by Windstorm (including hail) will be made separately in accordance with the terms and conditions of the Policy and without regard to whether such costs are actually paid by the Named Insured.

"General Contractor Overhead and Profit" means those costs paid by the Named Insured to a General Contractor to oversee, supervise, coordinate, or monitor repairs to the Covered Property.

All other terms and conditions of the Policy remain the same.

**ELECTRICAL SYSTEM CONDITION
ENDORSEMENT**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies the Coverage Declarations, General Conditions form and other Policy forms and endorsements and requires action on the part of the Named Insured to select an option if the Electrical System Condition described herein were to apply.

The following provision is added to the General Conditions form (NC R5 02 02 21).

GG. ELECTRICAL SYSTEM CONDITION: The Named Insured and the Company agree that, in the event that Federal Pacific Electric (FPE) Stab-Lok, Zinsco or GTE-Sylvania electrical panels or circuit breakers are discovered at an Insured Location, whether as the result of an underwriting inspection, loss-related inspection or otherwise, the Named Insured agrees to the cancellation of the coverage under this Policy for such Insured Location upon the Company providing the first Named Insured listed in the Policy written notice of cancellation. Such cancellation will be effective thirty (30) days after notice of cancellation is provided by the Company mailing or otherwise delivering notice to the last mailing address known to the Company for the first Named Insured listed in the Policy. If notice is mailed, proof of mailing will be sufficient proof of notice.

This Electrical System Condition shall not apply to an Insured Location if the Federal Pacific Electric (FPE) Stab-Lok, Zinsco or GTE-Sylvania electrical panels or circuit breakers at such location were specifically disclosed in the insurance application, certification of loss history, or underwriting materials provided to the Company by or on behalf of the Named Insured for this Policy. However, disclosure or discovery of the Federal Pacific Electric (FPE) Stab-Lok, Zinsco or GTE-Sylvania electrical panels or circuit breakers in connection with another policy issued by the Company or by any other insurer or another policy period shall not preclude the application of this Electrical System Condition.

All other terms and conditions of the Policy remain the same.



LLOYD'S

THIS INSURANCE is effected with certain Underwriters at Lloyd's, London (not incorporated).

THIS CERTIFICATE is issued in accordance with the limited authorization granted to the Correspondent by certain Underwriters at Lloyd's, London whose names and the proportions underwritten by them can be ascertained from the office of said Correspondent (such Underwriters being hereinafter called "underwriters") and in consideration of the premium specified herein, Underwriters do hereby bind themselves each for his own part, and not for one another, their heirs, executors and administrators.

THE ASSURED is requested to read this certificate, and if not correct, return it immediately to the Correspondent for appropriate alteration.

In the event of a claim under this certificate, please notify the following Correspondent:

LLOYD'S

One Lime Street London EC3M 7HA

**TERRORISM INSURANCE
PHYSICAL LOSS OR PHYSICAL DAMAGE**

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Terrorism Insurance

Physical Loss or Physical Damage Wording LMA3030

Section 1: SCHEDULE

This Schedule forms part of the Wording and for the purposes of interpretation, the contents of this Schedule shall have meaning only as provided for in the Wording.

Policy Number:	TERRSUM4-002084-24
Unique Market Reference Number:	B0507FTE2100007 100% participation by MS Amlin Syndicate 2001
Name of Insured:	St. James Court Homes Association Inc
Address of Insured:	11125 Ambassador Dr Suite 360 c/o First Services Residential MO, Kansas City, MO, 64153
Broker:	Price Forbes & Partners Ltd.
Period of Insurance:	From: 10/8/2024 To: 10/8/2025 Both dates at 12.01 Local Standard Time at the location of the insured property
Premium	\$1,552.45
Description of Property Insured: (Including Full Postal address and post / zip code)	As per Reported Bordereaux On File with Underwriters (See Attached)
Condition 3	Location(s) Insured: As Per Reported Bordereaux on File with Underwriters (See Attached)
Condition 4	Sum Insured (Total declared value of property insured): \$77,622,572 The lesser of TIV scheduled and on file with the company or 50,000,000, any one location; each occurrence and in the aggregate.
Condition 5	Deductible(s): USD 5,000 per Occurrence per location
Condition 12	Notification of Claims to: Strata Claims Managment C/O Clearview Risk Holdings, LLC 8144 Walnut Hill Ln Suite 1400 Dallas, TX 75231 USA
Condition 28	Choice of Law: United States of America
Condition 29	Choice of Jurisdiction: Texas, United States of America
Condition 30	Service of Suit Nominee: Lloyd's America, Inc Attention: Legal Department 280 Park Avenue, East Tower, 25th Floor New York, NY 10017

SECTION 2. INSURING CLAUSE

Subject to the exclusions, limits and conditions hereinafter contained, this Insurance insures property as stated in the Schedule attaching and forming part of this Policy (hereinafter referred to as the "Schedule") against physical loss or physical damage occurring during the period of this Policy caused by an Act of Terrorism or Sabotage, as herein defined.

For the purpose of this Insurance, an Act of Terrorism means an act or series of acts, including the use of force or violence, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s), committed for political, religious or ideological purposes including the intention to influence any government and/or to put the public in fear for such purposes.

For the purpose of this Insurance, an act of sabotage means a subversive act or series of such acts committed for political, religious or ideological purposes including the intention to influence any government and/or to put the public in fear for such purposes.

SECTION 3. LOSSES EXCLUDED

This Policy does not insure against:-

1. Loss or damage arising directly or indirectly from nuclear detonation, nuclear reaction, nuclear radiation or radioactive contamination, however such nuclear detonation, nuclear reaction, nuclear radiation or radioactive contamination may have been caused.
2. Loss or damage occasioned directly or indirectly by war, invasion or warlike operations (whether war be declared or not), hostile acts of sovereign or local government entities, civil war, rebellion, revolution, insurrection, martial law, usurpation of power, or civil commotion assuming the proportions of or amounting to an uprising.
3. Loss by seizure or legal or illegal occupation unless physical loss or damage is caused directly by an Act of Terrorism or an Act of Sabotage.
4. Loss or damage caused by confiscation, nationalisation, requisition, detention, embargo, quarantine, or any result of any order of public or government authority which deprives the Insured of the use or value of its property, nor for loss or damage arising from acts of contraband or illegal transportation or illegal trade.

5. Loss or damage directly or indirectly arising from or in consequence of the seepage and or discharge of pollutants or contaminants, which pollutants and contaminants shall include but not be limited to any solid, liquid, gaseous or thermal irritant, contaminant or toxic or hazardous substance or any substance the presence, existence or release of which endangers or threatens to endanger the health, safety or welfare of persons or the environment.
6. Loss or damage arising directly or indirectly from or in consequence of chemical or biological emission, release, discharge, dispersal or escape or chemical or biological exposure of any kind.
7. Loss or damage arising directly or indirectly from or in consequence of asbestos emission, release, discharge, dispersal or escape or asbestos exposure of any kind.
8. Any fine or penalty or other assessment which is incurred by the Insured or which is imposed by any court, government agency, public or civil authority or any other person.
9. Loss or damage by electronic means including but not limited to computer hacking or the introduction of any form of computer virus or corrupting or unauthorised instructions or code or the use of any electromagnetic weapon.

This exclusion shall not operate to exclude losses (which would otherwise be covered under this Policy) arising from the use of any computer, computer system or computer software programme or any other electronic system in the launch and/or guidance system and/or firing mechanism of any weapon or missile.
10. Loss or damage caused by vandals or other persons acting maliciously or by way of protest or strikes, labour unrest, riots or civil commotion.
11. Loss or increased cost occasioned by any public or government or local or civil authority's enforcement of any ordinance or law regulating the reconstruction, repair or demolition of any property insured hereunder.
12. Loss or damage caused by measures taken to prevent, suppress or control actual or potential terrorism or sabotage unless agreed by Underwriters in writing prior to such measures being taken.
13. Any consequential loss or damage, loss of use, delay or loss of markets, loss of income, depreciation, reduction in functionality, or increased cost of working.

SECTION 5. CONDITIONS

14. Loss or damage caused by factors including but not limited to cessation, fluctuation or variation in, or insufficiency of, water, gas or electricity supplies and telecommunications or any type of service.
15. Loss or increased cost as a result of threat or hoax.
16. Loss or damage caused by or arising out of burglary, house - breaking, looting, theft or larceny.
17. Loss or damage caused by mysterious disappearance or unexplained loss.
18. Loss or damage directly or indirectly caused by mould, mildew, fungus, spores or other microorganism of any type, nature or description, including but not limited to any substance whose presence poses an actual or potential threat to human health.

SECTION 4. PROPERTY EXCLUDED

This Policy does not cover physical loss or physical damage to:

1. Land or land values.
2. Power transmission, feeder lines or pipelines not on the Insured's premises.
3. Any building or structure, or property contained therein, while such building or structure is vacant or unoccupied or inoperative for more than thirty days, unless the property is intended to be unoccupied in its normal operations.
4. Aircraft or any other aerial device, or watercraft.
5. Any land conveyance, including vehicles, locomotives or rolling stock, unless such land conveyance is declared hereon and solely whilst located at the property insured herein at the time of its damage.
6. Animals, plants and living things of all types.
7. Property in transit not on the Insured's premises.

1. JOINT INSURED

The Underwriters' total liability for any loss or losses sustained by any one or more of the Insureds under this Insurance will not exceed the sum insured shown in the Schedule. The Underwriters shall have no liability in excess of the sum insured whether such amounts consist of insured losses sustained by all of the Insureds or any one or more of the Insureds.

2. OTHER INSURANCE

This Policy shall be excess of any other insurance available to the Insured covering a loss covered hereunder except such other insurance which is written specifically as excess insurance over this Policy. When this Policy is written specifically in excess of other insurance covering the peril insured hereunder, this Policy shall not apply until such time as the amount of the underlying insurance, (whether collectible or not), has been exhausted by loss and damage covered by this Policy in excess of the deductible with respect to each and every covered loss.

3. SITUATION

This Policy insures property located at the addresses stated in the Schedule.

4. SUM INSURED

The Underwriters hereon shall not be liable for more than the sum insured stated in the Schedule in respect of each occurrence and in the Policy aggregate.

5. DEDUCTIBLE

Each occurrence shall be adjusted separately and from each such amount the sum stated in the Schedule shall be deducted.

6. OCCURRENCE

The term "Occurrence" shall mean any one loss and/or series of losses arising out of and directly occasioned by one Act or series of Acts of Terrorism or Sabotage for the same purpose or cause. The duration and extent of any one "Occurrence" shall be

limited to all losses sustained by the Insured at the property insured herein during any period of 72 consecutive hours arising out of the same purpose or cause. However no such period of 72 consecutive hours may extend beyond the expiration of this Policy unless the Insured shall first sustain direct physical damage by an Act of Terrorism or an Act of Sabotage prior to expiration and within said period of 72 consecutive hours nor shall any period of 72 consecutive hours commence prior to the attachment of this Policy.

7. DEBRIS REMOVAL

This Policy also covers, within the sum insured, expenses incurred in the removal from the insured location of debris of property stated in the Schedule damaged by an Act of Terrorism or an Act of Sabotage. The cost of removal of debris shall not be considered in determination of the valuation of the property covered.

8. DUE DILIGENCE

The Insured (or any of the Insured's agents, sub or co-contractors) must use due diligence and do (and concur in doing and permit to be done) everything reasonably practicable, including but not limited to taking precautions to protect or remove the insured property, to avoid or diminish any loss herein insured and to secure compensation for any such loss including action against other parties to enforce any rights and remedies or to obtain relief or indemnity.

9. PROTECTION MAINTENANCE

It is agreed that any protection provided for the safety of the property insured shall be maintained in good order throughout the currency of this Policy and shall be in use at all relevant times, and that such protection shall not be withdrawn or varied to the detriment of the interests of the Underwriters without their consent.

10. VALUATION

It is understood that, in the event of damage, settlement shall be based upon the cost of repairing, replacing or reinstating (whichever is the least) property on the same site, or nearest available site (whichever incurs the least cost) with material of like kind and quality without deduction for depreciation, subject to the following provisions: -

The repairs, replacement or reinstatement (all hereinafter referred to as "replacement") must be executed with due diligence and dispatch;

Until replacement has been effected the amount of liability under this Policy in respect of loss shall be limited to the actual cash value at the time of loss;

If replacement with material of like kind and quality is restricted or prohibited by any by-laws, ordinance or law, any increased cost of replacement due thereto shall not be covered by this Policy.

The Underwriters' liability for loss under this Policy shall not exceed the smallest of the following amounts: -

The Policy limit applicable to the destroyed or damaged property,

The replacement cost of the property or any part thereof which was intended for the same occupancy and use, as calculated at the time of the loss,

The amount actually and necessarily expended in replacing said property or any part thereof.

The Underwriters will normally expect the Insured to carry out repair or replacement of the insured property, but if the Insured and the Underwriters agree that it is not practicable or reasonable to do this, the Underwriters will pay the Insured an amount based on the repair or replacement costs, less an allowance for fees and associated costs which are not otherwise incurred. The Underwriters will only pay the Insured up to the Sum Insured shown in the Schedule.

11. INCORRECT DECLARATION PENALTY

If the values declared as stated in the Schedule are less than the correct insured values as determined above, then any recovery otherwise due hereunder shall be reduced in the same proportion that the values declared bear to the values that should have been declared, and the Insured shall co-insure for the balance.

12. NOTIFICATION OF CLAIMS

The Insured, upon knowledge of any occurrence likely to give rise to a claim hereunder, shall give written advice as soon as reasonably practicable to the Underwriters and or the Broker, named for that purpose in the Schedule, who is to advise the Underwriters within seven (7) days of such knowledge of any occurrence and it is a condition precedent to the liability of Underwriters that such notification is given by the Insured as provided for by this Policy.

If the Insured makes a claim under this Insurance he must give the Underwriters such relevant information and evidence as may reasonably be required and co-operate fully in the investigation or adjustment of any claim. If required by the Underwriters, the Insured must submit to examination under oath by any person designated by the Underwriters.

13. PROOF OF LOSS

The Insured shall render a signed and sworn proof of loss within sixty (60) days after the occurrence of a loss (unless such period be extended by the written agreement of Underwriters) stating the time, place and cause of loss, the interest of the Insured and all others in the property, the sound value thereof and the amount of loss or damage thereto.

If the Underwriters have not received such proof of loss within two years of the expiry date of this Policy, they shall be discharged from all liability hereunder.

In any claim and/or action, suit or proceeding to enforce a claim for loss under this Policy, the burden of proving that the loss is recoverable under this Policy and that no limitation or exclusion of this Policy applies and the quantum of loss shall fall upon the Insured.

14. SUBROGATION

Any release from liability entered into in writing by the Insured prior to loss hereunder shall not affect this Policy or the right of the Insured to recover hereunder. The right of subrogation against any of the Insured's subsidiary or affiliated companies or any other companies associated with the Insured through ownership or management is waived;

In the event of any payment under this Policy, the Underwriters shall be subrogated to the extent of such payment to all the Insured's right of recovery therefor. The Insured shall execute all papers required, shall cooperate with Underwriters and, upon the Underwriters' request, shall attend hearings and trials and shall assist in effecting settlements, securing and giving evidence, attaining the attendance of witnesses and in the conduct of suits and shall do anything that may be necessary to secure such right. The Underwriters will act in concert with all other interests concerned (including the Insured) in the exercise of such rights of recovery. If any amount is recovered as a result of such proceedings, such amount shall be distributed in the following priorities:

(i) Any interest, (including the Insured's), exclusive of any deductible or self insured retention, suffering a loss of the type covered by this Policy and in excess of the coverage under this Policy shall be reimbursed up to the amount of such loss (excluding the amount of the deductible);

(ii) Out of the balance remaining, the Underwriters shall be reimbursed to the extent of payment under this Policy;

(iii) The remaining balance, if any, shall inure to the benefit of the Insured, or any insurer providing insurance primary to this Policy, with respect to the amount of such primary insurance, deductible, self insured retention, and/or loss of a type not covered by this Policy. The expense of all proceedings necessary to the recovery of any such amount shall be apportioned between the interests concerned, including that of the Insured, in the ratio of their respective recoveries as finally settled. If there should be no recovery and proceedings are instituted solely on the initiative of Underwriters, the expense thereof shall be borne by the Underwriters.

15. SALVAGE AND RECOVERIES

All salvages, recoveries and payments recovered or received subsequent to a loss settlement under this Policy shall be applied as if recovered or received prior to the said settlement and all necessary adjustments shall be made by the parties hereto.

16. FALSE OR FRAUDULENT CLAIMS

If the Insured shall make any claim knowing the same to be false or fraudulent, as regards amount or otherwise, this Policy shall become void and all claims and benefit hereunder shall be forfeited.

17. MISREPRESENTATION

If the Insured has concealed or misrepresented any material fact or circumstance relating to this Insurance, this Insurance shall become void. If the Insured is unsure what constitutes material fact(s) or circumstance(s), they should consult their broker or agent.

18. ABANDONMENT

There shall be no abandonment to the Underwriters of any property.

19. INSPECTION AND AUDIT

The Underwriters or their agents shall be permitted but not obligated to inspect the Insured's property at any time.

Neither the Underwriters' 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 Insured or others, to determine or warrant that such property is safe. The Underwriters may examine and audit the Insured's books and records at any time up to two years after the final termination of this Policy, as far as they relate to the subject matter of this Insurance.

20. ASSIGNMENT

Assignment or transfer of this Policy shall not be valid except with the prior written consent of the Underwriters.

21. RIGHTS OF THIRD PARTIES EXCLUSION

This Policy is effected solely between the Insured and the Underwriters.

This Policy shall not confer any benefits on any third parties, including shareholders, and no such third party may enforce any term of this Policy.

This clause shall not affect the rights of the Insured.

22. CANCELLATION

This Policy shall be non-cancellable by the Underwriters or the Insured except in the event of non-payment of premium where the Underwriters may cancel the Policy at their discretion.

In the event of non-payment of premium this Policy may be cancelled by or on behalf of the Underwriters by delivery to the Insured or by mailing to the Insured or the Broker by registered, certified, or other first class mail, at the Insured's address as shown in this Policy, written notice stating when, not less than fifteen (15) days thereafter, the cancellation shall be effective. The mailing of such notice shall be sufficient proof of notice and this Policy shall terminate at the date and hour specified in such notice.

If the period of limitation relating to the giving of notice is prohibited or made void by any law controlling the construction thereof, such period shall be deemed to be amended so as to be equal to the minimum period of limitation permitted by such law.

23. ARBITRATION

If the Insured and Underwriters fail to agree in whole or in part regarding any aspect of this Policy, each party shall, within ten (10) days after the demand in writing by either party, appoint a competent and disinterested arbitrator and the two (2) chosen shall before commencing the arbitration select a competent and disinterested umpire.

The arbitrators together shall determine such matters in which the Insured and Underwriters shall so fail to agree and shall make an award thereon and the award in writing of any two(2), duly verified, shall determine the same, and if they fail to agree, they will submit their differences to the umpire.

The parties to such arbitration shall pay the arbitrators respectively appointed by them and bear equally the expenses of the arbitration and the charges of the umpire.

24. SEVERAL LIABILITY

The Underwriters' obligations under this Policy are several and not joint and are limited solely to their individual subscriptions. The Underwriters are not responsible for the subscription of any co-subscribing Underwriter who for any reason does not satisfy all or part of its obligations.

25. LEGAL ACTION AGAINST UNDERWRITERS

No one may bring a legal action against Underwriters unless: There has been full compliance by the Insured with all of the terms of this Policy; and The action is brought within two (2) years after the expiry or cancellation of this Policy.

26. MATERIAL CHANGES

The Insured shall notify the Underwriters of any change of circumstances which would materially affect this Insurance.

27. EXPERTS FEES

This Insurance includes, within the sum insured, the necessary and reasonable fees of architects, surveyors, consulting engineers and other professional experts which are incurred in reinstating or repairing the insured property following damage insured under this Policy.

28. LAW

As specified in the Schedule.

29. JURISDICTION

As specified in the Schedule.

30. SERVICE OF SUIT

This Service of Suit Clause is only applicable to Insureds domiciled in the USA.

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

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

It is further agreed that service of process in such suit may be made upon underwriters representatives stated in the Schedule and that in any suit instituted against any one of them upon this contract, Underwriters will abide by the final decision of such Court or of any Appellate Court in the event of an appeal.

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

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

31. SANCTION LIMITATION AND EXCLUSION

The Underwriters shall not be deemed to provide cover and the Underwriters shall not be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment or such claim or provision of such benefit would expose the Underwriters to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.

32. LOSS CONTROL CLAUSE

Notwithstanding any provision to the contrary within this insurance, it is understood and agreed that this insurance is, subject to all its terms and conditions except as specifically varied or provided by this Endorsement, extended to include cover against physical loss or physical damage to insured property directly caused by the actions of the government of the state (or its Military Authority) where the insured property is located, in suppressing, controlling or minimizing the consequences of an Act of Terrorism and/or Sabotage, as covered by this insurance.

If the Insured is eligible for compensation or indemnity under any government compensation plan or other similar scheme in respect of the damage described above, this insurance shall be excess of any amount due from such plan or scheme whether paid or not.

"Military Authority" shall mean a military or security authority operating on behalf of a state recognised by the United Nations.

SANCTION LIMITATION AND EXCLUSION CLAUSE

No (re)insurer shall be deemed to provide cover and no (re)insurer shall be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose that (re)insurer to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.

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

It is agreed that in the event of the failure of the Underwriters severally subscribing this insurance (the Underwriters) to pay any amount claimed to be due hereunder, the Underwriters, at the request of the Assured, will submit to the jurisdiction of a court of competent jurisdiction within the United States of America.

Notwithstanding any provision elsewhere in this insurance relating to jurisdiction, it is agreed that the Underwriters have the right to commence an action in any court of competent jurisdiction in the United States of America, and nothing in this clause constitutes or should be understood to constitute a waiver of the Underwriters' rights to remove an action to a United States Federal District Court or to seek remand therefrom or to seek a transfer of any suit to any other court of competent jurisdiction as permitted by the laws of the United States of America or any state therein.

Subject to the Underwriters' rights set forth above:

- (a) It is further agreed that the Assured may serve process upon:

**Lloyd's America, Inc
Attention: Legal Department
280 Park Avenue, East Tower, 25th Floor
New York, NY 10017**

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

- (b) The above-named are authorized and directed to accept service of process on behalf of Underwriters in any such suit and/or upon the request of the Assured to give a written undertaking to the Assured that they will enter a general appearance upon the Underwriters' behalf in the event such a suit shall be instituted.
- (c) The right of the Assured to bring suit as provided herein shall be limited to a suit brought in its own name and for its own account. For the purpose of suit as herein provided the word Assured includes any mortgagee under a ship mortgage which is specifically named as a loss payee in this insurance and any person succeeding to the rights of any such mortgagee.
- (d) Further, pursuant to any statute of any state, territory or district of the United States of America which makes provision therefor, Underwriters hereby designate the Superintendent, Commissioner or Director of Insurance or other officer specified for that purpose in the statute, or his successor or successors in office (the Officer), as their true and lawful attorney upon whom may be served any lawful process in any action, suit or proceeding instituted by or on behalf of the Assured or any beneficiary hereunder arising out of this contract of insurance, and hereby designate the above-named as the person to whom the Officer is authorized to mail such process or a true copy thereof.

If this clause is attached to a contract of reinsurance the terms insurance and Assured shall mean reinsurance and Reassured respectively.

CL355A

12 November 2019

EXTRA EXPENSE EXTENSION

In consideration of the premium paid and subject to the EXCLUSIONS, CONDITIONS AND LIMITATIONS of the Policy to which this Extension is attached, and also to the following ADDITIONAL CONDITIONS AND EXCLUSIONS, this Insurance is extended to cover the necessary Extra Expense incurred by the Insured in order to continue as nearly as practicable the normal conduct of the Insured's business following Direct Physical Loss or Damage as covered by the Policy to which this Extension is attached, to the Property Insured.

DEFINITION OF EXTRA EXPENSE

"Extra Expense" means the excess (if any) of the total cost during the period of restoration chargeable to the conduct of the Insured's business over and above the total cost that would normally have been incurred to conduct the Insured's business during the same period had no loss occurred. The term "Extra Expense" includes the reasonable extra cost of temporary repair or of expediting the repair or replacement of such damaged property of the Insured, including overtime and the extra cost of express or other rapid means of transportation; and shall also include the cost incurred in obtaining property for temporary use during the period of restoration necessarily required for the conduct of the Insured's business. The period of restoration shall be limited to the time required, with the exercise of due diligence and dispatch, to repair, rebuild or replace such damaged or destroyed property, commencing with the date of such damage or destruction and not limited by the expiration date of this Policy. However, the period of restoration shall not exceed eighteen (18) calendar months.

CONDITIONS

1. Direct Loss or Damage

No claim shall be payable under this Extension unless and until a claim has been paid, or liability admitted, in respect of Direct Physical Loss or Damage to property insured under the Policy to which this Extension is attached and which gave rise to Extra Expense.

This Condition shall not apply if no such payment shall have been made, or liability admitted, solely owing to the operation of a Deductible in said Policy which excludes liability for losses below a specified amount.

2. Resumption of Operations

It is a condition of this Policy that, as soon as practicable, the Insured shall resume normal operation of the business and shall dispense with such Extra Expense.

3. Salvage

At the end of the period of restoration, any salvage value remaining in property obtained for temporary use shall be taken into consideration in the determination of such Extra Expense.

EXCLUSIONS

This Extension does not insure against:

1. increase in Extra Expense resulting from interference at the insured premises, by strikers or other persons, with rebuilding, repairing or replacing the property or with the resumption or continuation of operation;
2. increase in Extra Expense by the suspension, lapse, or cancellation of any lease, license, contract, or order;
3. increase in Extra Expense caused by the enforcement of any ordinance or law regulating the use, reconstruction, repair or demolition of any property insured hereunder;
4. Loss of Earnings or any other consequential loss.

14/12/05

LMA5043

Form approved by Lloyd's Market Association

Rental Income Extension

In consideration of the premium paid, and subject to the EXCLUSIONS, CONDITIONS AND LIMITATIONS of the Policy to which this Extension is attached, and also to the following ADDITIONAL CONDITIONS AND EXCLUSIONS, this Policy is extended to cover loss resulting from necessary untenability caused by Direct Physical Loss or Damage, as covered by the Policy to which this Extension is attached, to property insured by this Policy.

In the event of such Direct Physical Loss or Damage, the Underwriters shall be liable for the actual loss sustained by the Insured resulting directly from such necessary untenability, but not exceeding the reduction in Rental Income, as defined hereafter, less charges and expenses which are not necessary during the period of untenability, for only such length of time as would be required, with the exercise of due diligence and dispatch to repair, rebuild or replace such part of the property as has been destroyed or damaged. However, such length of time shall not exceed eighteen (18) months commencing with the date of such Direct Physical Loss or Damage and not limited by the expiration of this Policy.

For the purpose of this Extension "Rental Income" is defined as the sum of:

- (a) the anticipated gross rental income from tenant occupancy of the described property as furnished and equipped by the Insured, and
- (b) the amount of all charges which are the legal obligations of the tenants and which would otherwise be obligations of the Insured, and
- (c) the fair rental value of any portion of such property which is occupied by the Insured.

In determining Rental Income due consideration shall be given to the rental experience before the date of damage or destruction and the probable experience thereafter had no loss occurred.

CONDITIONS

1. Direct Loss or Damage

No claim shall be payable under this Extension unless and until a claim has been paid, or liability admitted, in respect of Direct Physical Loss or Damage to property insured under the Policy to which this Extension is attached and which gave rise to loss of Rental Income.

This Condition shall not apply if no such payment shall have been made, or liability admitted, solely owing to the operation of a Deductible in said Policy which excludes liability for losses below a specified amount.

2. Values Declared (and Incorrect Declaration Penalty)

The premium for this Extension has been based on a statement of individual values declared to and agreed by

the Underwriters at the inception of the Policy and stated in the Schedule.

If any of the individual values declared are less than the equivalent amount of the Co-insurance percentage, as stated in the Schedule, of the Rental Income values, then any recovery otherwise due hereunder shall be reduced in the same proportion that the individual value(s) declared bear to the value(s) that should have been declared and the Insured shall co-insure for the balance.

EXCLUSIONS

This Extension does not insure against:

1. increase in loss resulting from interference at the insured premises, by strikers or other persons, with rebuilding, repairing or replacing the property or with the resumption or continuation of operation;
2. increase in loss caused by the suspension, lapse, or cancellation of any lease, license, contract, or order, unless such results directly from the insured untenability, and then the Underwriters shall be liable for only such loss as affects the Insured's income during, and limited to, the period of untenability covered under this Policy;
3. increase in loss caused by the enforcement of any ordinance or law regulating the use, reconstruction, repair or demolition of any property insured hereunder;
4. any other consequential loss.

14/12/05

LMA5042

Form approved by Lloyd's Market Association

St. James Court Homes Association Inc**Statement of Values**

Prorata Factor: 1.000

Grand Total TIV: \$77,622,572

<u>Loc Name</u>	<u>Address</u>	<u>City</u>	<u>State</u>	<u>Zip</u>	<u>Eff Date</u>	<u>Exp Date</u>
St. James Court HOA	14101 West 151st Terrace	Olathe	KS	66062	10/08/24	10/08/25
Coverages	Limits of Insurance	Coverages	Limits of Insurance	Total Coverage		Total Limit of Insurance
<u>Real Property</u>	\$77,015,672	<u>Bus. Personal Property</u>	\$57,500	<u>Total Insured Value</u>		\$77,622,572
<u>Bus. Income Loss of Rents</u>	\$114,400	<u>Other</u>	\$435,000			