

Manuscript Property Form

Declarations Page

Insured Name: EOS Pam 1 LP

Mailing Address:

9 Lockerman St

Dover, DE 19901

Policy Number:

B1230AP00776A26

Insuring Company (or Companies):

Lloyds

Effective Date: 05/27/2026

Expiration Date: 05/27/2027

Coverage Begins and Ends on the dates listed above at 12:01 AM Local Time at the Covered Properties Location

Total Premium:

Total Assessments, Fees, Surcharges:

Total Amount Due to Carrier:

Minimum Earned Premium: Reference Forms and Endorsements contained within this policy

Declarations

- A. Named Insured: First Named Insured and/or its affiliated and subsidiary companies and/or corporations as now exist or may hereafter be constituted or acquired including their interests as may appear in partnerships or joint ventures which the Insured is legally obligated to insure.
- B. All parties to whom a Certificate of Insurance has been issued are automatically added to this policy upon issuance of said certificates, either as Additional Insureds, Mortgagees and/or Loss Payees, in accordance with the terms and conditions of this policy unless otherwise agreed to by the Insurer. Permission is granted for the placing agent to issue Certificates on the Insurer's behalf.
- C. Coverage Territory: Coverage under this Policy applies to Occurrences within the United States, its territories and possessions, Puerto Rico and including their respective coastal waters.
- D. Limit of Liability (Policy Limit): In the event of loss or damage insured under this policy, this Insurer shall be liable for its proportional share of the overall Limit listed below in any one Occurrence, excess of the policy deductibles
 - 1. \$1,000,000,000 per occurrence
- E. Sublimits of Liability: The Sublimits of Liability stated below are per occurrence, unless otherwise shown and not in addition to the Policy Limit shown above in Paragraph D above. This Insurer shall be liable for its proportional share of these sub-limits shown below or any other sub-limit provided in the forms, endorsements or extensions attached to this policy.

If a Sub-Limit shows as "N/A" or "Not Covered" then no coverage is provided for that specific item.

- 1. Named Windstorm:
 - a. \$300,000,000 Per Occurrence as respects to losses caused by a Named Windstorms, as defined by this policy, at locations situated within Tier One Wind Zones, as defined by this policy
- 2. Flood:
 - a. \$100,000,000 Annual Aggregate
 - b. \$50,000,000 Subject to the Annual Aggregate for all Flood shown in E.2.a above, the Annual Aggregate as respects to Flood for locations wholly or partially within Special Flood Hazard Areas (SFHA), areas of 100-year flooding as defined by the Federal Emergency Management Agency (FEMA)
- 3. Earth Movement
 - a. \$100,000,000 Annual Aggregate
 - b. Subject to the Annual Aggregate for all Earth Movement shown in E.3.a above, the Annual Aggregate is further Sub-Limited based on the below States or Zones:
 - i. No Coverage Annual Aggregate for all Earth Movement in the following states: California, Alaska, Hawaii and Puerto Rico

Manuscript Property Form

- ii. \$100,000,000 Annual Aggregate for all Earth Movement in the Pacific Northwest Zone as defined by this policy
 - iii. \$100,000,000 Annual Aggregate for all Earth Movement in the New Madrid Zone as defined by this policy
- 4. 5,000,000 Accounts Receivable
- 5. \$250,000 Arson or Theft Reward (Reward Reimbursement)
- 6. NCP Attraction Properties within Insert Distance from an Insured Location
- 7. \$25,000,000 Automatic Coverage with respects to Newly Acquired Property subject to a maximum reporting period of 120-Days for all perils insured under this policy
- 8. Included Backup of Sewers and Drains
- 9. \$100,000,000 Boiler and Machinery / Equipment Breakdown (Further Sub-Limited in E.9.a to E.9.d below)
 - a. \$250,000 Expediting Expense
 - b. \$250,000 Hazardous Substances
 - c. \$250,000 Spoilage
 - d. \$250,000 Computer Equipment
 - e. \$250,000 Data Restoration
 - f. \$250,000 CFC Refrigerants
- 10. 60 Days Civil or Military Authority subject to a 48 hour waiting period and a maximum limit of \$5,000,000 and distance limitation of 5 miles
- 11. \$1,000,000 Commissions, Profits and Royalties
- 12. \$2,500,000 Contingent Time Element subject to 48 Hour Waiting Period
- 13. \$250,000 Contractual Penalties
- 14. \$5,000,000 Property in the incidental Course of Construction – Hard Costs
- 15. \$500,000 Course of Construction – Soft Costs
- 16. \$250,000 Course of Construction – Off Premises Storage
- 17. \$100,000 Delay in Start-up for properties in the Course of Construction
- 18. \$25,000,000 Debris Removal, or 25% of loss whichever is lesser
- 19. \$1,000,000 Decontamination Cost, Annual Agg
- 20. \$150,000,000 Electronic Data Processing Equipment & Media
- 21. \$250,000 Emergency Evacuation Expense
- 22. \$10,000,000 Errors and Omissions
- 23. \$10,000,000 Expediting Expense
- 24. 365 Days Extended Period of Indemnity
- 25. Included Extra Expense
- 26. \$1,000,000 Fine Arts, subject to a maximum of \$250,000 per item
- 27. \$1,000,000 Fire Department Service Charge
- 28. \$2,500,000 max of \$500,000 Fungus, Mold and Spores, Annual Aggregate
- 29. \$1,000,000 or (60-days) Impound Water (Including loss of rental income)
- 30. 60 Days Ingress / Egress subject to a 48 hour waiting period and a maximum limit of \$5,000,000 and distance limitation of 5 miles

Manuscript Property Form

31. \$2,500,000	Land and Water Contaminant Cleanup, Removal & Disposal and subject to Annual Aggregate
32. \$2,500,000	Landscaping, subject to a maximum of \$250,000 per item, unless scheduled on the Statement of Values
33. \$5,000,000	Land Improvements
34. \$5,000,000	Leasehold Interest
35. 250,000	Locks & Keys
36. \$1,000,000	Loss Adjustment Costs
37. \$25,000,000	Miscellaneous Unnamed Locations
38. \$1,000,000	Money & Securities
39. Included	Ordinance or Law – Coverage A
40. \$150,000,000	Ordinance or Law – Coverage B
41. \$150,000,000	Ordinance or Law – Coverage C
42. Included	Ordinance or Law – Coverage D
43. \$5,000,000	Ordinance or Law – Coverage E (Downzoning)
44. 90 Days	Ordinary Payroll
45. \$2,500,000	Outdoor Property, subject to a maximum of \$250,000 per item, unless scheduled on the Statement of Values
46. \$2,500,000	Pairs and Sets
47. \$500,000	Personal Property of Others
48. \$2,500,000	Pollution Clean Up, Annual Aggregate
49. \$2,500,000	Professional Fees
50. \$2,500,000	Protection and Preservation of Property
51. INCLUDED	Renovations (Non-Structural to existing buildings)
52. \$25,000,000	Service Interruption – PD & BI subject to 24 hours waiting
53. \$250,000	Unattached Signs / Billboards
54. \$500,000	Tax Credits
55. \$1,000,000	Tenant Relocation Expense subject to a max of Insert Limit, per occurrence
56. \$1,000,000	Transit (per conveyance)
57. \$10,000,000	Valuable Papers and Records
58. INCLUDED	Wind Driven Precipitation Subject to applicable Peril Deductible

F. Maximum Amount Payable: In the event of a covered loss as described in the policy, liability of the companies shall be limited to the least of the following:

1. The actual adjusted amount of the loss, less applicable deductible(s)
2. The limit of liability or applicable sublimit of liability shown in this policy or endorsed onto this policy

G. Deductibles: The Deductibles shown below apply per Occurrence unless otherwise stated.

1. Each claim for loss or damage under this Policy shall be subject to a per occurrence deductible of \$100,000, unless a specific deductible shown below applies.
2. Windstorm or Hail

Manuscript Property Form

- a. \$100,000 Per Occurrence except as follows;
 - b. 5% of the value of insurance, per Unit, subject to a minimum \$100,000 Per Occurrence arising out of a **Named Windstorm** (as defined in this policy form) for addresses located in Miami-Dade, Broward or Palm Beach County, Monroe County, Florida & Harris County, TX. This deductible shall apply only to those Units suffering a loss in the occurrence and shall not apply to ensuing loss or damage caused by or resulting from fire, explosion and/or sprinkler leakage
 - c. 3% of the value of insurance, per Unit, subject to a minimum \$100,000 Per Occurrence arising out of a **Named Windstorm** (as defined in this policy form) for addresses location in Tier 1 Wind Zones excluding Miami-Dade, Broward or Palm Beach, Monroe, and Harris Counties (as defined in this policy form). This deductible shall apply only to those Units suffering a loss in the occurrence and shall not apply to ensuing loss or damage caused by or resulting from fire, explosion and/or sprinkler leakage
 - d. 2% of the value of insurance, per Unit, subject to a minimum \$100,000 Per Occurrence arising out of a **Windstorm or Hail** (as defined in this policy form) loss in a "**Hail Zones 1 & 2** (as defined in this policy form). This deductible shall apply only to those Units suffering a loss in the occurrence and shall not apply to ensuing loss or damage caused by or resulting from fire, explosion and/or sprinkler leakage
3. Flood
- a. \$100,000 for all covered loss or damage arising out of Flood except as follows;
 - b. \$500,000 for each Building at the Insured Location; \$500,000 for all Personal Property contained within each Building at the Insured Location; and \$100,000 for all covered Time Element loss at each Building at the Insured Location arising out of Flood at any property wholly or partially within a Special Flood Hazard Area (SFHA) at the time of the loss as defined by the Federal Emergency Management Agency (FEMA). This deductible shall not apply to ensuing loss or damage caused by or resulting from fire, explosion and/or sprinkler leakage
4. Earth Movement
- a. \$100,000 for all covered loss or damage arising out of Earth Movement except as follows;
 - b. N/A of Total Insurable Values at each Insured Unit involved in the loss or damage, subject to a minimum of N/A any one Occurrence for all covered property located in California, Alaska, Hawaii and Puerto Rico. This deductible shall not apply to ensuing loss or damage caused by or resulting from fire, explosion and/or sprinkler leakage
 - c. 2% of Total Insurable Values at each Insured Unit involved in the loss or damage, subject to a minimum of \$100,000 any one Occurrence for all covered property located in Pacific Northwest Earthquake Zone as defined by this policy. This deductible shall not apply to ensuing loss or damage caused by or resulting from fire, explosion and/or sprinkler leakage
 - d. 2% of Total Insurable Values at each Insured Unit involved in the loss or damage, subject to a minimum of \$100,000 any one Occurrence for all

Manuscript Property Form

covered property located in New Madrid Earthquake Zone as defined by this policy. This deductible shall not apply to ensuing loss or damage caused by or resulting from fire, explosion and/or sprinkler leakage

5. Equipment Breakdown

- a. \$100,000 per occurrence

Deductible Clarifications:

- a. If two or more deductible amounts in this policy shall apply to a single occurrence, the total to be deducted will not exceed the largest deductible.
- b. In any occurrence where loss or damage is caused by more than one peril insured under this policy, the Insured shall have the right to separate the loss amount by peril for the purposes of application of the deductible(s) specified in this section, notwithstanding the above reference to two or more deductibles and the policy limits.
- c. For purposes of adjusting loss or damage caused by or resulting from the peril of Flood, the Federal Emergency Management Agency (FEMA) Flood Zone listed for each building on the Schedule of insured locations on file with the Company at policy inception, as provided by the Insured and/or its agent, will be the FEMA Flood Zone applied at the time of loss. There will be no separate determination of the applicable FEMA Flood Zone at the time of loss.

It is acknowledged and agreed that the Company cannot confirm the accuracy of the FEMA Flood Zones assigned to each location on the Schedule of insured locations provided by the Insured and/or its agent and has no responsibility for determining the accuracy of the Insured's representations regarding the FEMA Flood Zones in which covered locations are situated at the time of policy inception. For the purposes of determining the applicable FEMA Flood Zone for each insured location at inception, the Company is relying upon information provided by the Insured and/or its agent.

- d. In the event that the Insured maintains underlying insurance through the National Flood Insurance Program, it is agreed that this policy shall be excess over the recovery under such National Flood Insurance Policy(s). Should the amount of loss payable under such National Flood Insurance Policy(s) exceed the applicable flood deductible under this policy, then no deductible shall apply hereunder. However, if the amount to be paid under such National Flood Insurance Policy(s) is less than the applicable flood deductible under this policy, then the amount to be deducted hereunder shall not exceed the difference between the amount to be paid under the Insured's National Flood Insurance Policy(s) and the applicable flood deductible under this policy. Insurance maintained through the National Flood Insurance Program shall be considered Underlying Insurance.
- e. For the Purposes of this policy Storm Surge shall be adjusted utilizing the deductible(s) and limit of Named Windstorm and is further defined in this policy form

Covered Cause of Loss

The word "Insured" means the Named Insured shown on the Policy Declarations and any person or entity qualifying as a Named Insured. The word "Company" means the Insurer(s) providing coverage under this Policy.

- A. Insuring Agreement: Subject to all the terms and conditions of this policy, the Company insures against risks of direct physical loss or damage to Insured Property from a Covered Cause of Loss occurring during the period of this policy.
- B. PERILS EXCLUDED: The Company does not insure for loss or damage caused directly or indirectly by any of the following perils unless coverage is provided as a Sub-Limit or via Endorsement to this policy.
 - 1. Nuclear reaction or nuclear radiation or radioactive contamination from any cause, all whether direct or indirect, controlled or uncontrolled, proximate or remote, or is contributed to or aggravated by a Covered Cause of Loss. However:
 - a) If fire and sprinkler leakage not otherwise excluded ensues, the Company shall be liable for direct physical loss or damage by such ensuing fire and sprinkler leakage, but not including any loss or damage due to nuclear reaction, nuclear radiation or radioactive contamination; and
 - b) This exclusion shall not apply to direct physical loss or damage, not otherwise excluded, caused by sudden and accidental radioactive contamination, including resultant radiation damage, from material used or stored or from processes conducted on the Insured Location, provided that, at the time of such loss or damage, there is neither a nuclear reactor nor any new or used nuclear fuel on the Insured Locations.
 - 2. War, hostile or warlike action in time of peace or war, whether or not declared, including action in hindering, combating, or defending against an actual, impending, or expected attack:
 - a) By any government or sovereign power (de jure or de facto) or by any authority maintaining or using military, naval or air forces; or
 - b) By military, naval or air forces; or
 - c) By an agent of any such government, power, authority or force;
 - 3. Any weapon employing atomic fission, fusion or radioactive force, or any weapon that disperses radioactive material or a directed-energy or electromagnetic weapon, whether in time of peace or war, whether or not its discharge was accidental; or
 - a) Insurrection, rebellion, revolution, civil war, usurped power, seizure, destruction or any action taken by governmental authority in hindering, combating or defending against any action described in this Subparagraph b.
 - 4. Loss or damage caused directly or indirectly by Terrorism, whether controlled or uncontrolled, proximate or remote, sudden or over any length of time, or which is contributed to or aggravated by any other cause or event. Such Terrorism is excluded regardless of any other cause or event occurring concurrently or in any sequence with such Terrorism.

Manuscript Property Form

5. Any fraudulent or dishonest act or acts committed alone or in collusion with others: by any proprietor, partner, director, trustee, officer or employee of the Insured, or by any party to whom the property may have been entrusted (other than a carrier for hire). However, a willful act of destruction by an employee of the Insured, or others listed above, without the knowledge of any of the Insured's proprietors, partners, directors, trustees or officers is covered.
6. Removal of asbestos material, except this exclusion does not apply to asbestos material when such material is part of Insured Property which sustains direct physical loss or damage caused by a Covered Cause of Loss at the Insured Location.
7. The actual, alleged or threatened release, discharge, escape or dispersal of Pollutants or Contaminants, all whether direct or indirect, proximate or remote or in whole or in part caused by, contributed to or aggravated by any Covered Cause of Loss under this Policy. However, this exclusion shall not apply to direct physical loss or damage to Insured Property from Pollutants or Contaminants caused by a Covered Cause of Loss at the Insured Location, including the cost to clean-up Pollutants or Contaminants from Insured Property at the Insured Location, resulting from such loss or damage. No coverage is provided for testing or monitoring for Pollutants or Contaminants. For the purpose of the exception to this exclusion only, Pollutants or Contaminants do not include radioactive contaminants.
8. Lack of:
 - a) Incoming electricity, gas, fuel, steam, water or refrigeration;
 - b) Cloud Computing Service or data, voice or video service; or
 - c) Outgoing sewerage.
9. Costs, expenses, fines or penalties incurred or sustained by or imposed on the Insured at the order of any government agency, court or other authority arising from any cause whatsoever.
10. Any functioning or malfunctioning or lack of:
 - a) The internet or similar facility; or
 - b) Any intranet or private network, computer system, computer or computing device or similar facility;However, if direct physical loss or damage to Insured Property at an Insured Location from a Covered Cause of Loss ensues, this Policy shall cover such ensuing loss or damage.
11. Error or omission in machine programming or instructions of Electronic Data and Media, including, loss attributable to program design constraints, networking compatibility and original business software; all unless direct physical loss or damage not otherwise excluded by this Policy ensues, in which event, the Company shall cover only such ensuing loss or damage.
12. Loss or damage due to any Unauthorized Access, Unauthorized Use, Malicious Code, Magnetic Damage to Electronic Data and Media, Denial of Service Attack or other similar peril affecting Electronic Data and Media or the access to or use of computer hardware, software or other components thereof; all unless direct physical loss or damage not otherwise excluded by this Policy ensues, in which event, the Company shall cover only such ensuing loss or damage.

Manuscript Property Form

13. Fungus, Mold or Spore; or any spores or toxins created or produced by or emanating from such Fungus, Mold or Spore.
14. Equipment Breakdown of: (1) vehicles, draglines or excavation or construction equipment; or (2) any equipment on the foregoing.
15. Loss or damage arising out of any Covered Cause of Loss, or Sub-Limit of Insurance for which the words NOT COVERED is listed

The Company does not insure for loss or damage caused by any of the following:

- A. Delay, loss of market or loss of use.
- B. Indirect, remote or consequential loss or damage.
- C. Mysterious disappearance or loss or shortage disclosed on taking inventory or any unexplained loss.
- D. Voluntary parting with title or possession of any property, including voluntary parting which is the result of larceny, false pretenses or any other similar act.
- E. Faulty workmanship, material, construction, installation or design from any cause. However, if direct physical loss or damage not otherwise excluded by this Policy ensues, this Policy will cover only such ensuing loss or damage.
- F. Processing, fabricating, testing, packaging or other similar operations as part of manufacturing or processing of stock, materials or Finished Goods, including any voluntary or involuntary recall of any product for any reason; all unless direct physical loss or damage not otherwise excluded by this Policy ensues, in which event this Policy will cover only such ensuing loss or damage.
- G. Deterioration; depletion; rust; corrosion; erosion; wet or dry rot; decay; evaporation; leakage; wear and tear; animal, insect or vermin damage; inherent vice or latent defect; shrinkage or change in color, flavor, texture or finish; damages from extremes or changes of temperature; damage from changes in relative humidity; all whether atmospheric or not. However, if direct physical loss or damage not otherwise excluded by this Policy ensues, this Policy will cover only such ensuing loss or damage.
- H. Settling, cracking, shrinking, bulging or expansion of pavements, foundations, walls, floors or ceilings. However, if direct physical loss or damage not otherwise excluded by this Policy ensues, this Policy will cover only such ensuing loss or damage.
- I. Hydrostatic, pneumatic or gas pressure test of any boiler or pressure vessel, or an electrical insulation breakdown test to any type of electrical equipment. However, if direct physical loss or damage not otherwise excluded by this Policy ensues, this Policy will cover only such ensuing loss or damage.
- J. If Earth Movement, Flood or Named Storm is not covered, then any cause or event occurring concurrently or in any sequence with such peril(s) is also not covered, except for direct physical loss or damage to Insured Property caused by fire, sprinkler leakage or explosion following Earth Movement, Flood or Named Storm, whichever is applicable.
- K. Direct physical loss or damage to Insured Property caused by fire, sprinkler leakage or explosion shall not be considered loss or damage by Earth Movement, Flood or Named Storm, whichever is applicable, within the terms and conditions of this Policy.

Insured Property

- A. **INSURED PROPERTY:** Unless otherwise excluded, this Policy covers the following property while on the Insured Locations and within 1,000 feet thereof:
1. Real property and personal property in which the Insured has an insurable interest;
 2. Improvements and betterments to buildings or structures in which the Insured has an insurable interest. Such improvements and betterments shall be considered real property;
 3. Personal property, other than motor vehicles, of officers and employees of the Insured;
 4. Except as set forth below in B.17., personal property of others in the care, custody and control of the Insured, when the Insured is under obligation to insure such property for physical loss or damage of the type insured against under this Policy;
 5. Contractor's and vendor's interests in property of the type covered by this Policy to the extent of the Insured's liability imposed by law or assumed by written contract prior to the date of direct physical loss or damage. However, such interests do not extend to any Time Element coverage provided by this Policy.
- B. **PROPERTY EXCLUDED:** Unless specifically scheduled on the Statement of Values or as otherwise provided under the Sub-Limits of Coverage, this Policy does not insure against loss or damage to:
1. Currency, money, notes, securities, stamps, furs, jewelry, precious metals, precious stones and semi-precious stones. This exclusion does not apply to precious metals and precious or semi-precious stones used by the Insured for industrial purposes;
 2. Land, land values, any substance in or on land or any alteration to the land; however, this Policy does insure the following:
 - i. Any manmade: dams, dikes, levees, aqueducts and other surface containments
 - ii. Fill beneath any buildings or structures;
 3. Water, except water which is normally contained within any type of insured tank, piping system or other process equipment;
 4. Standing timber, growing crops or animals;
 5. Vehicles licensed for highway use, watercraft, aircraft, drones, locomotives and railroad rolling stock;
 6. Property sold by the Insured after delivery to customer is completed
 7. Underground mines, caverns or mining shafts, and any property contained therein;
 8. Offshore property, including offshore rigs, platforms or similar structures, and property contained therein or thereon;
 9. Satellites and spacecraft while on the launch pad, and after the time of launch;
 10. Transmission and distribution lines of every type and description, except when located on an Insured Location or within one-thousand (1,000) feet thereof;
 11. Personal property in the care, custody, and control of the Insured when the Insured is acting as a warehouse operator, bailee for hire or a carrier for hire and values are not reported to the company

Manuscript Property Form

Valuation

Unless otherwise endorsed hereon, the property, as described below, will be valued as follows:

- A. For all property other than property specifically described in Subparagraph B. through M., inclusive, below: Adjustment of loss or damage shall be valued at the cost to repair or replace (whichever is less) at the time and place of the loss with materials of like kind and quality, without deduction for depreciation and/or obsolescence. When loss or damage is adjusted on an Actual Cash Value basis, labor may be subject to depreciation. The Insured may elect to rebuild on another site, provided that, such rebuilding does not increase the amount of loss or damage that would otherwise be payable to rebuild at the same site. Property that is not repaired or replaced within two (2) years after the date of loss (unless such requirement is waived by the Company in writing) will be valued at Actual Cash Value at the time and place of the loss.
- B. Stock in process will be valued at the cost of raw materials and labor expended plus the proper proportion of overhead charges.
- C. Finished goods manufactured by the Insured will be valued at the regular cash selling price at the location where the loss occurs, less all discounts and charges to which the merchandise would have been subject had no loss occurred.
- D. Raw materials, supplies and other merchandise not manufactured by the Insured will be valued at the replacement cost.
- E. Valuable Papers and Records will be valued at the cost to replace or restore the property with like kind and quality including the cost to research, gather and assemble information. If not replaced, the Company will only pay the blank value of the papers or records.
- F. Electronic Data and Media will be valued at the cost to replace or restore the property with like kind and quality including the cost to research, gather and assemble information. If not replaced, the Company will only pay the value of the blank media.
- G. Jigs and fixtures, dies, small tools, patterns, employees' personal property and personal property of third parties, the replacement cost if replacement cost values have been reported to the Company and if actually replaced; otherwise the actual cash value with proper deduction for depreciation and obsolescence; [but not to exceed the cost to repair or replace the property with material of like kind and quality].
- H. Leasehold improvements and betterments will be valued as follows;
 - 1. If repaired or replaced at the expense of the Insured within two (2) years after the date of the loss, the cost to repair or replace the damaged improvements and betterments;
 - 2. If not repaired or replaced within two (2) years after the date of the loss, a proportion of the Insured's original cost:

The Company will determine the proportionate value as follows:

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

Manuscript Property Form

If the Insured's lease contains a renewal option, the expiration of the renewal option period will replace the expiration of the lease in this procedure; or

3. Nothing if others pay for repairs or replacement.
- I. Fine Arts will be valued as follows:
 1. If there is no Agreed Value or line item on the Schedule of Values on file with the Company, then the lesser of:
 - a) The cost to repair or replace the fine art, or
 - b) The appraised value which will be determined as of the time of the loss, or
 - c) The Sub-Limit provided in this policy
 2. If there is an Agreed Value or line item on the Schedule of Values on file with the Company, then Sub-Limit will not apply and will be paid per the Value on File.
- J. Accounts Receivable will be valued at the amount owed the Insured which the Insured is unable to collect from customers, and shall include:
 1. Any collection expenses over and above the normal collection costs;
 2. Interest charges on any loan to offset impaired collections pending repayment of such sums that cannot be collected; and
 3. Other reasonable and necessary expenses incurred by the Insured to recreate Accounts Receivable Records.

Unearned interest and service charges on deferred payment accounts and normal credit losses on bad debts shall be deducted in determining the recovery hereunder.

After payment of loss by the Company, all amounts recovered by the Insured on Accounts Receivable for which the Insured has been paid will belong to and will be paid to the Company by the Insured up to the total amount of loss paid by this Company. All recoveries in excess of such amounts will belong to the Insured.

In the event it is possible to reconstruct the Insured's Accounts Receivable Records after they have been physically lost or damaged, so that no shortage in collection of Accounts Receivable is sustained, the Company shall only be liable for the costs of the material and the time required to reconstruct such records, with the exercise of due diligence and dispatch, but only to the extent that such amounts are not covered by any other insurance.

- K. Property for Sale: If, at the time of the loss, any real property is being offered for sale, the loss or damage to such property will be valued at the lesser of:
 1. The cost to repair or replace the damaged property, or
 2. The price at which the property is offered for sale less the market value of the Land.
- L. Property in Transit: In case of loss, the basis of adjustment shall be:
 1. Property shipped to or for the account of the Insured shall be valued at the actual invoice to the Insured, together with such costs and charges as may have accrued and become legally due on such property;
 2. Property which has been sold by the Insured and has been shipped to or for account of the purchaser (if covered hereunder) is valued at the amount of the Insured's selling invoice, including prepaid or advanced freight;

Manuscript Property Form

3. Property of others not under invoice shall be valued at the actual market value at the point of destination on the date of the Occurrence, less any charges saved which would have become due and payable upon delivery at destination; or
4. Property of the Insured not under invoice shall be valued in accordance with the valuation provisions of this Policy applying at the location from which such property is being transported, less any charges saved which would have become due and payable upon delivery at such destination.

M. Contractor's equipment shall be valued at actual cash value, unless an agreed value applies.

1. An agreed value applies if specifically stated in this policy or if the item is scheduled on the Schedule of Values on file with the company.

With respect to Subparagraph A. through M., inclusive, unless otherwise specifically stated, the Company will compute the valuations at the time and place of the loss.

It is understood and agreed that as respects to replacement cost new, the Insured shall have the option of replacing equipment having technological advantages and/or representing improvement in function and/or forming part of a program of system enhancement provided that such replacement can be accomplished without increasing the Insurer's liability. (e.g. If an item is scheduled on the Statement of Values and can be replaced with a newer or improved version at the same or lesser cost as the scheduled value the carrier agrees to do so)

As respects to all Real and/or Personal Property including but not limited to Buildings, Improvements & Betterments and Contents, including but not limited to FF&E, Equipment and Stock, the insured may elect not to replace or repair the real and/or personal property that was lost, damaged or destroyed and instead obtain a loss settlement on a replacement cost basis assuming the proceeds are applied within one (1) year of the loss and utilized for capital expenditures related to the Insured's operations that are insured by the Company.

The Insured, using reasonable discretion and/or an expert opinion, shall be the judge as to whether electrical and mechanical equipment is damaged and/or unusable for its intended purpose. If the cost of repair for such equipment would be similar to replacement (Similar being repair is within 20% of Replacement with like kind and quality) the insurer shall replace the item at the valuations listed above. Further, if deemed unusable and/or damaged and is replaced the Company shall be allowed to dispose of, as salvage, any non-proprietary property deemed unusable by the Insured, and replaced by the company, as a means of recovery.

Time Element Coverage & Gross Earnings

This Policy is extended to cover the actual loss sustained by the Insured during the Period of Interruption directly resulting from direct physical loss or damage by a Covered Cause of Loss to Insured Property.

- A. ACTUAL LOSS SUSTAINED: In the event the Insured is prevented from producing goods or from continuing its business operations or services and is unable:
1. To make up lost production within a reasonable period of time (not to be limited to the period during which production is interrupted), or
 2. To continue business operations or services,

all through the use of any property or service owned or controlled by the Insured, or obtainable from other sources, whether the property or service is at an Insured Location or through working extra time or overtime at any other substitute location(s), including any other location(s) acquired for the purpose, then the Company shall be liable, subject to all other conditions of this Policy not inconsistent herewith for the actual loss sustained of the following during the Period of Interruption:

1. GROSS EARNINGS less all charges and expenses which do not necessarily continue during the interruption of production or suspension of business operations or services. For the purpose of this coverage, GROSS EARNINGS means:
 - a) For manufacturing operations: The net sales value of production less the cost of all raw stock, materials and supplies utilized in such production; or
 - b) For mercantile or non-manufacturing operations: The total net sales less cost of merchandise sold, materials and supplies consumed in the operations or services rendered by the Insured;
 - c) Plus all other earnings derived from the operation of the business.

In determining net sales, in the event of loss hereunder, for mercantile or non-manufacturing operations, any amount recovered under Property Damage policies for loss or damage to or destruction of merchandise shall be included as though the merchandise had been sold to the Insured's regular customers.

In determining the amount of loss payable under this coverage, due consideration shall be given to the experience of the business before the Period of Interruption and the probable experience thereafter had no loss occurred, and to the continuation of only those normal charges and expenses that would have existed had no interruption of production or suspension of business operations or services occurred.

There is no coverage for any portion of the Insured's Ordinary Payroll expense unless a specified number of days for Ordinary Payroll is shown in the Sub-Limits section. In such case, the Company will pay Ordinary Payroll for that number of days only. Ordinary Payroll means the entire payroll expense for all employees of the Insured except officers, executives, department managers, employees under contract, and other essential employees.

2. EXPENSE TO REDUCE LOSS: Expenses, over and above normal operating expenses, necessarily incurred by the Insured in making up lost production or in reducing loss otherwise payable under this coverage are covered hereunder, but in no event shall this Company be liable for an amount greater than that for which it would have been liable

Manuscript Property Form

had the Insured been unable to make up any lost production or to continue any business operations or services.

B. PERIOD OF INTERRUPTION: In determining the amount payable under this coverage, the Period of Interruption shall be:

1. The period from the time of direct physical loss or damage insured against by this Policy to the time when, with the exercise of due diligence and dispatch, either:
 - a) normal operations resume, or
 - b) physically damaged buildings and equipment is repaired or replaced and made ready for operations under the same or equivalent physical and operating conditions that existed prior to such loss or damage,

whichever is less. Such period of time shall not be cut short by the expiration or earlier termination date of the Policy.

2. In addition, if applicable, such time as may be required with the exercise of due diligence and dispatch:
 - a) To restore stock in process to the same state of manufacture in which it stood at the time of the initial interruption of production or suspension of business operations or services; or
 - b) To replace physically damaged or destroyed mercantile stock necessary to resume operations.
 - c) To replace raw materials and supplies in order to continue operations.

However, the inability to procure destroyed mercantile stock or suitable raw materials and supplies to replace similar stock or materials and supplies physically damaged or destroyed shall not increase the Period of Interruption.

3. For Property under construction: The time period between the anticipated date of substantial completion had no covered loss occurred and the actual date of completion. In calculating the amount of loss, due consideration will be given to the actual experience of the business compiled after substantial completion and start-up.

The Period of Interruption does not include any additional time:

1. Required for restaffing or retraining employees, or
2. Due to the Insured's inability to resume operations for reasons other than those enumerated in B.2.a. through B.2.c., inclusive, above, or
3. Required for making change(s) to the buildings, structures, or equipment for any reason except as provided in the Demolition and Increased Cost of Construction coverage, if such coverage is provided by this Policy.

C. ADDITIONAL TIME ELEMENT COVERAGES

1. **EXTRA EXPENSE:** This Policy is extended to cover the loss sustained by the Insured for Extra Expense during the Period of Interruption resulting from direct physical loss or damage from a Covered Cause of Loss to Insured Property utilized by the Insured.
 - a) **Extra Expense** means the excess of the total cost during the period of restoration of the damaged property chargeable to the operation of the Insured's business over and above the total cost that would normally have

Manuscript Property Form

been incurred to conduct business during the same period has no loss or damage occurred

- b) Extra expense applies when resulting from direct physical loss or damage to property by any of the perils covered herein during the terms of this policy
2. RENTAL VALUE: As respects Insured Property held for rental to others, this Policy is extended to cover the actual loss sustained by the insured during the Period of Interruption but not exceeding the reduction in Rental Value less charges and expenses which do not necessarily continue.

Rental Value means the sum of:

- a) The total anticipated gross rental income from tenant occupancy of the described property as furnished and equipped by the Insured including taxes, rent based on percentage of sales, and other charges paid by tenants in respect of the leased premises; and
- b) The amount of all charges which, by the terms of a written lease, are the legal obligation of the tenant(s) 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.

Due consideration will be given to the historic rental expenses prior to the loss and the probable expenses thereafter.

3. SOFT COSTS: For Property under Construction, this Policy is extended to cover Soft Costs incurred by the Insured during Period of Interruption (described in Paragraph B. above – Period of Interruption). Such Soft Costs must be attributable to the loss.

The Company will pay reasonable and necessary Soft Costs over and above those costs which would have been incurred by the Insured during the Period of Interruption had no loss occurred.

4. CONTINGENT TIME ELEMENT: If direct physical loss or damage to the real or personal property of a direct supplier or direct customer of the Insured is damaged by a Covered Cause of Loss under this Policy, and such damage:
- a) wholly or partially prevents any direct supplier to the Insured from supplying their goods and/or services to the Insured, or
 - b) wholly or partially prevents any direct customer of the Insured from accepting the Insured's goods and/or services;

then this Policy is extended to cover the actual loss sustained by the Insured during the Period of Interruption with respect to such real or personal property. The property of the supplier or customer which sustains loss or damage must be of the type of property which would be Insured Property under this Policy.

This coverage applies to the Insured's direct suppliers or direct customers located in the COVERAGE TERRITORY (outlined on the Declarations page).

Manuscript Property Form

5. **INTERRUPTION BY CIVIL OR MILITARY AUTHORITY:** This Policy is extended to cover the actual loss sustained by the insured during the period of time when access to the Insured's real or personal property is prohibited by an order of civil or military authority, provided that such order is a direct result of a Covered Cause of Loss to real property not insured hereunder. Such period of time begins with the effective date of the order of civil or military authority and ends when the order expires, but no later than the number of days or amount shown in the Sub-Limits Section.
6. **INGRESS & EGRESS:** This Policy is extended to cover the actual loss sustained by the insured during the period of time when ingress to or egress from the Insured's real or personal property is prohibited as a direct result of a Covered Cause of Loss to real property not insured hereunder. Such period of time begins on the date that ingress to or egress from real or personal property is prohibited and ends when ingress or egress is no longer prohibited, but no later than the number of days or more than the limit shown in the Sub-Limits section.
7. **EXTENDED PERIOD OF INDEMNITY:** The additional length of time as is required to restore the Insured's business to the condition that would have existed had no loss occurred, commencing with the later of the following dates:
 - a) the date on which the liability of the Company for loss or damage would otherwise terminate; or
 - b) the earliest date on which either normal operations resume, or repair, replacement, or rebuilding of the property that has been damaged is actually completed

With respect to paragraphs C.6. and C.7. (Civil or Military Authority and Ingress & Egress), if a Covered Cause of Loss results in coverage under both Additional Time Element Coverages, the Company will only pay for loss under one of the two Additional Time Element Coverages, whichever the First Named Insured selects.

D. ADDITIONAL EXCLUSIONS: Section V – Time Element Coverage does not cover:

1. **IDLE PERIODS** - Any loss during any period in which goods would not have been produced, or business operations or services would not have been maintained, for any reason other than direct physical loss or damage from a Covered Cause of Loss to which this coverage applies;
2. **REMOTE LOSS** –
 - a) Any increase in loss due to the suspension, cancellation, or lapse of any lease, contract, license or order,
 - b) Any loss due to fines or damages for breach of contract or for late or non-completion of orders or penalties of whatever nature, or
 - c) Any increase in loss due to interference at the Insured's premises by strikers or other persons with rebuilding, repairing, or replacing the property damaged or destroyed, or with the resumption or continuation of business, or with the re-occupancy of the premises,

Nor shall the Company be liable for any other consequential or remote loss, other than as specifically provided in this Section (Time Element and Gross Earnings);

Manuscript Property Form

3. FINISHED PRODUCTS - Any loss resulting from loss or damage to finished products manufactured by the Insured nor for the time required for their reproduction;
4. TRANSIT - Any loss resulting from loss or damage to property in transit.

Definitions and Terms

The below definitions and terms shall be used for interpreting the Insurance policy and further clarify wording utilized herein.

1. Accounts Receivable

- a. All sums due the Insured from customers, provided the Insured is unable to effect collection thereof as the direct result of loss of or damage to records of accounts receivable;
- b. Interest charges on any loan to offset impaired collections pending repayment of such sums made uncollectible by such loss or damage;
- c. Collection expense in excess of normal collection cost and made necessary because of such loss or damage;
- d. Other expenses, when reasonably incurred by the Insured in reestablishing records of accounts receivable following such loss or damage.

For the purpose of this insurance, credit card company charge media shall be deemed to represent sums due the Insured from customers, until such charge media is delivered to the credit card company.

When there is proof that a loss of records of accounts receivable has occurred, but the Insured cannot more accurately establish the total amount of accounts receivable outstanding as of the date of such loss such amount shall be computed as follows:

- a. the monthly average of accounts receivable during the last available twelve months shall be adjusted in accordance with the percentage increase or decrease in the twelve months average of monthly gross revenues which may have occurred in the interim.
- b. the monthly amount of accounts receivable thus established shall be further adjusted in accordance with any demonstrable variance from the average for the particular month in which the loss occurred, due consideration also being given to the normal fluctuations in the amount of accounts receivable within the fiscal month involved.

There shall be deducted from the total amount of accounts receivable, however established, the amount of such accounts evidenced by records not lost or damaged, or otherwise established or collected by the Insured, and an amount to allow for probable bad debts which would normally have been uncollectible by the Insured.

- 2. **Arson or Theft Reward** (Reward Reimbursement) - the payment made by the Insured as a reward for providing information, regardless of the number of persons involved providing such information, leading to a felony conviction arising out of direct physical loss or damage to covered property caused by or resulting from arson, larceny, burglary or vandalism
- 3. **Attraction Properties** – A separate business that is close enough to the insured's property or contracted by the insured to attract business.
- 4. Automatic Coverage with respects to **Newly Acquired Property**
 - a. Real or Personal property of the type insured under this policy that is rented, leased or purchased by the insured after the inception date of this Policy. Coverage exists

Manuscript Property Form

automatically upon the insured having an insurable interest subject to the terms and conditions outlined in the Sub-Limit

5. **Backup of Sewers and Drains** - Direct physical loss or damage to Covered Property caused by or resulting from discharge of water or waterborne material from a sewer, drain or sump located on the described premises
 - a. Business Income loss and/or extra expense is covered in accordance with the terms of this policy when such loss or expense arises out of the direct physical loss or damage described above
 - b. There is no coverage if the backup is a result of Flood, unless Flood is a covered peril under this policy
 - c. There is no coverage to repair or replace the sewer, drain, sump, sump pump or any related parts of equipment
6. **Commissions, Profits and Royalties** covers the actual loss sustained by the Insured during the Period of Restoration under any royalty, licensing fee or commission agreement between the Insured and another party located within the Coverage Territory. These shall only be covered if a covered cause of loss or damage results in the loss of these items. Should coverage apply the insured shall exhaust all possible outcomes to lower the amount of loss with the other party prior to this sub-limit applying and all agreements must be specific in writing.
 - a. **Commissions** means the income that would have been received by the Insured from the sale of goods not owned by the Insured
 - b. **Profits** means the amount that would have been received by the Insured from the sale of goods belonging to the Insured, in excess of the cost to the Insured for such goods
 - c. **Royalties** means the income that the Insured is unable to collect under royalty or licensing agreements
7. **Contractual Penalties** means Fines or Penalties as may be imposed on the **Insured** for the breach of contract either in respect of goods and services delayed or not delivered, or in respect of the **Insured's** failure or delay to take delivery of goods and services ordered, as a result of a loss covered under this Policy to Real and Personal property covered under this policy. For the purposes of this clause, liquidated damages shall also be considered fines and penalties.
8. **Course of Construction** – New buildings or structures being built and additions or renovations to an existing structure are considered to be “in the course of construction”
 - a. **Course of Construction – Hard Costs** means Materials, Labor and Overhead that are essential to the construction, renovation or alteration of a building or structure.
 - b. **Course of Construction – Soft Costs** means only the following, and then only as necessary and reasonable expenses actually sustained by the Insured during the course of construction and relating to Covered Property:
 - i. Advertising and promotional expenses;
 - ii. Architectural and/or engineering supervisory services and consulting fees;
 - iii. Audit and bookkeeping services;
 - iv. Renegotiation of sales commissions or fees;
 - v. Fees for licenses and permits;

Manuscript Property Form

- vi. Insurance premiums for builders' risk, workers' compensation, and general liability insurance;
- vii. Interest on the construction loan;
- viii. Realty taxes and other assessments;
- ix. Rental or lease expense of construction equipment and trailers;
- x. Legal and accounting fees; and
- xi. Travel Expenses

Soft Costs do not include damages for breach of contract or late or non-completion of orders, or penalties of any nature

- c. **Course of Construction – Off Premises Storage** – Physical loss or damage to property of the type insured that is under contract to be used in a construction project at an Insured Location. Coverage attaches at such time the Insured takes ownership of the materials from the manufacturer or supplier and such property is located at a storage site within the Coverage Territory but not in a location scheduled on the Statement of Values
 - i. This coverage is only extended to cover materials necessary for the current construction project that the insured is undergoing and does not include any materials saved for future projects or that are owned or rented by a contractor
- d. **Delay in Start-up** of Property in the Course of Construction – Coverage for loss of Rental Income or Loss of Earnings that is a result of a building under construction suffering direct physical loss or damage by covered cause of loss that results in a delay to the completion of that building
- e. **Structural Work** – A Structural renovation is considered to be any improvement that changes the integrity or strength and stability of the structure. This includes but is not limited to Foundation Repairs, Structural Support Repairs, or any change that requires the consideration of load bearing changes
 - i. Concrete Restoration shall be considered structural if any part of the restoration project includes work to the structural steel or rebar of the building including it's balconies
- f. **Non-Structural Work** – Any routine construction being performed
 - i. Roof Replacements, assuming with same structure and Window Replacements shall be considered routine upkeep of a building and Non-Structural

9. Debris Removal

- a. The necessary and reasonable expense to remove debris from an insured premises in order for the insured to resume normal operations as they occurred before damage to their premises occurred. (e.g. material that as a result of a covered peril is located on the insured's covered property and would not otherwise be there during normal operations such as material on their property after a storm)
 - i. The Company shall not be liable for any debris removal cost or expense associated with removing contaminated or polluted uninsured property, nor the **Pollutants or Contaminants** therein or thereon, whether or not such contamination results from a Covered Cause of Loss.

Manuscript Property Form

- b. **Debris Removal** does not include the necessary removal of items that are damaged as a result of a covered cause of loss that is required to be removed in order to repair or replace the damaged area so the insured may resume normal operations.
- 10. **Decontamination Cost** – Costs associated with removing any Pollutants or Contaminants from covered property that have been damaged as a result of a Covered Peril and
- 11. **Deductible Wording Meanings (Per Unit, Per Location, Per Building)**
 - a. **Per Unit** – For the purposes of this policy a “Per Unit” deductible shall apply to each of the following being a “Unit” of insurance
 - i. Each separate Building or structure
 - 1. Each separate building or structure is considered as each individual line item on the Schedule of Values on file with the company
 - ii. Contents within each separate building or structure
 - iii. Improvements and Betterments within each separate building or structure (if scheduled separately)
 - iv. Outdoor Property at each separate building or structure
 - 1. If a line-item breakdown is provided on the schedule of values, each line item on the schedule of Outdoor Property shall be its own unit
 - v. Business Interruption of each separate building or structure
 - b. **Per Location** – For the purposes of this policy a “Per Location” deductible shall apply on the total insurable values for all buildings bound on all sides by roads or natural barriers that contain multiple buildings in close proximity (buildings that are within 1,000 feet of each other) OR all buildings that are part of a single insured community, shopping center or other association.
 - c. **Per Building** – For the purposes of this policy a “Per Building” deductible shall apply to the total insurable values of each individual line item on the Schedule of Values on file with the company
- 12. **Earth Movement** means any natural or manmade:
 - a. Earthquake, including any earth sinking, rising or shifting related to such event;
 - b. Landslide, including any earth sinking, rising or shifting related to such event;
 - c. Mine subsidence, meaning subsidence of a man-made mine, whether or not mining activity has ceased;
 - d. Earth sinking rising or shifting including soil conditions which cause settling, cracking or other disarrangement of foundations or other parts of realty. Soil conditions include contraction, expansion, freezing, thawing, erosion, improperly compacted soil and the action of water under the ground surface;
 - e. Shocks, tremors, mudslide, mud flow, rock falls, volcanic eruption, sinkhole collapse, subsidence;and includes tsunamis.
- 13. **Earth Movement Zones**
 - a. **New Madrid Earth Movement Zones**
 - i. **Arkansas:** Counties of Clay, Craighead, Crittenden, Cross, Greene, Jackson, Lawrence, Randolph, Sharp, Mississippi, Poinsett

Manuscript Property Form

- ii. **Illinois:** Counties of Alexander, Massac, Pulaski, Union, Williamson, Johnson, Pope, Saline, Jackson, Franklin, Perry, Hardin, Randolph, Monroe, St Clair, Washington, Clinton, Bond Madison, Jefferson
 - iii. **Indiana:** Counties of Posey, Vanderburgh, Gibson, Warrick, Pike
 - iv. **Kentucky:** Counties of Ballard, Carlisle, Fulton, Graves, Hickman, Livingston, McCracken, Marshall, Calloway
 - v. **Mississippi:** Counties of Desoto, Tunica, Marshall, Tate, Coahoma, Bolivar
 - vi. **Missouri:** Counties of Bollinger, Butler, Cape Girardeau, Dunklin, Mississippi, New Madrid, Pemiscot, Scott, Stoddard, St. Louis, St Francois, St Charles, Jefferson, Franklin, Warren, Washington, Iron, Wayne,, Reynolds, Madison, St Genevieve and Perry
 - vii. **Tennessee:** Counties of Crockett, Dyer, Haywood, Lake, Lauderdale, Obion, Shelby, Tipton, Gibson, Madison, Fayette, Hardeman
 - b. **Pacific Northwest Earth Movement Zones**
 - i. **Washington:** Counties of Clallum, Jefferson, King, Kitsap, Mason, Pierce, San Juan, Skagit, Snohomish, Thurston and Whatcom
 - ii. **Oregon:** Clatsop, Tillamook, Lincoln, Lane, Douglas, Coos, Curry, Multnomah, Washington, Clackamas, Marion, Linn, Benton, Polk
14. **Electronic Data Processing Equipment & Media**
- a. **Electronic Data Processing Equipment** means computers, computer servers and similar equipment and component parts thereof, the purpose of which is to process electronic data.
 - b. **Electronic Media** means any physical device the purpose of which is to hold, store, contain or transfer Electronic Data and includes but is not limited to disks, films, tapes, records, drums, or cells
15. **Emergency Evacuation Expense** – The reasonable expense incurred by the insured when an authorized governmental agency, or other similar authority, orders the emergency evacuation of Insured’s employees, including domestic pets, from an insured building as a result of an immediately impending insured peril that threatens imminent physical danger or loss of life to such occupants. No coverage is provided if the vacating results from planned evacuation drill, evacuation of any resident or tenant because of a medical condition(s); or a false alarm.
16. **Errors and Omissions** - Any unintentional error or omission made by the Insured shall not void or impair the insurance hereunder provided the Insured reports such error or omission as soon as reasonably possible after discovery by the Insured’s home office insurance department
17. **Expediting Expense** - The reasonable extra cost of temporary repair and of expediting the repair of damaged property insured hereunder, including overtime and express freight or other rapid means of transportation.
18. **Flood** means the inundation of water on a normally dry area caused by rising water, heavy rainfall, rapid snowmelt or the result of a broken levy, dam or dike or any overflowing of a body of water’s normal boundary
19. **Fine Arts** means paintings; etchings; pictures; tapestries; rare or art glass; art glass windows; valuable rugs; statuary; sculptures; antique furniture; antique jewelry; bric-a-brac;

porcelains; and similar property of rarity, historical value, or artistic merit, excluding automobiles, coins, stamps, furs, jewelry, precious stones, precious metals, watercraft, aircraft, money and securities.

- a. **Fine Arts** does not mean and does not include any item which would qualify as **Valuable Papers and Records**

20. **Fire Brigade Charges and Extinguishing Expenses** - The following expenses resulting from direct physical loss or damage by a Covered Cause of Loss at an Insured Location:

- a. Fire brigade charges and extinguishing expenses which the Insured incurs;
- b. Loss and disposal of fire extinguishing materials expended.

21. **Fungus, Mold and Spores**

- a. **Fungus** includes, but is not limited to, any of the plants or organisms belonging to the major group fungi, lacking chlorophyll, and including mold(s), rusts, mildews, smuts and mushrooms;
- b. **Mold** includes, but is not limited to, any superficial growth produced on damp or decaying organic matter or on living organisms, and fungi that produce mold(s);
- c. **Spore** means any dormant or reproductive body produced by or arising or emanating out of any fungus, mold(s), mildew, plants, organisms or microorganisms

22. **Tax Credits**

- a. The loss of federal or state historic tax credits, federal or state low-income housing tax credits, state textile revitalization tax credits, or other tax credits granted under similar federal, state or local tax codes
- b. The amount to be paid shall be the lesser of
 - i. Amount of tax credit lost or recaptured; or
 - ii. Applicable Sub-Limit of Liability for **Tax Credits** loss shown in the Declarations or in the Sub-Limits section not to exceed the total limit of liability of the policy
- c. This additional coverage does not apply unless such building or structure suffers direct physical loss or damage so severe that it results in
 - i. Inability to qualify to receive all or part of the tax credit; or
 - ii. Withdrawal of tax credit, applicable to such building or structure pursuant to the applicable federal, state or local tax code

23. **Impound Water** (Including loss of rental income) means the loss resulting from the suspension of your normal business activities at your insured location due to the lack of a supply of water from a water supply stored behind dams, levees, or holding reservoirs which are connected to the covered property, contingent upon that the water supply being used as a raw material or for the generation of power or for other manufacturing purposes, and that the inadequate supply of water must be as a result from the release of water from the water supply being caused by a direct physical loss by a covered peril to the dam, levee, or holding reservoir

24. **Land and Water Contaminant Cleanup, Removal & Disposal** means the reasonable and necessary cost or expense of decontamination or removal or disposal of land and water on or under the premises of the Insured

25. **Landscaping** means flora, lawns, patios, decking and walkways that are on property and not otherwise scheduled on the schedule of values

26. **Land improvements** consist of pavements, roadways, sidewalks, bridges, docks and seawalls on the insured premises, but does not include any fill or Land beneath or behind these items

27. **Leasehold Interest**

- a. If Insured Property is: (1) rendered wholly or partially untenable by direct physical loss or damage by a Covered Cause of Loss during the Policy period and (2) the Insured's lease is canceled by a party, other than the Named Insured, or an entity with any common ownership of the Named Insured, in accordance with the conditions of the lease or as a result of a statutory requirement of the appropriate jurisdiction in which the damaged or destroyed Insured Property is located, then this Policy is extended to cover **The Interest of the Insured as Lessee** or **The Interest of the Insured as Lessor**, whichever is applicable, but only for the first three months succeeding the date of the loss and the **Net Lease Interest** shall be paid for the remaining months of the unexpired lease.

Recovery under this additional coverage shall be the pro rata proportion from the date of loss to expiration date of the lease (to be paid without discount) on the Insured's interest in:

- i. The amount of bonus paid by the Insured for the acquisition of the lease not recoverable under the terms of the lease;
 - ii. Improvements and betterments to real property which are not covered under any other section of this Policy; and
 - iii. The amount of advance rental paid by the Insured and not recoverable under the terms of the lease.
28. **Location** – When “**location**” is referenced in the policy outside of the deductible wording it means the addresses located on the Schedule of Values or if not so specified any building, yard, dock, wharf, pier or bulkhead or any group of the foregoing bounded on all sides by natural or man-made barriers
29. **Locks & Keys** – The necessary expense to repair or replace exterior or interior door locks of a covered building, no deductible shall apply to this coverage
- a. If theft is a Covered Cause of Loss under this Policy and the keys to such locks are stolen; or
 - b. If the locks are damaged due to a Covered Cause of Loss.
30. **Loss Adjustment Costs** are expenses incurred by the Insured, or by the Insured's representatives for preparing and certifying details of a claim resulting from a loss which would be payable under this policy. These expenses include fees of professionals engaged to assist the Insured in determining the cause and origin of the loss, the amount of loss sustained, and the amount of loss payable under this policy. However, this Company shall not be liable under this clause for expenses incurred by the Insured in utilizing the services of a public adjuster.
31. **Miscellaneous Unnamed Locations** are locations that are not included on the current schedule of values and have not previously been reported to the company but are of like kind and quality to the current schedule of insured locations
- a. Coverage is not provided if the location is:
 - i. In Transit

Manuscript Property Form

- ii. Waterborne or airborne
- iii. Covered under another policy
- iv. Has joint ownership with other parties

32. Money & Securities

- a. **Money** is currency, coins, bank notes, traveler's checks, money orders, and regular checks.
- b. **Securities** are contracts or instruments that represent money or property.
 - i. Securities can be negotiable or non-negotiable, and can be traded in financial markets.

33. **Named Windstorm** – A storm system that has been declared to be either a Tropical Depression or Tropical Storm, or a Hurricane by the National Hurricane Center of the National Weather Service.

34. Named Windstorm Tier 1 Zones

- a. **Florida**: Entire State of Florida (All Counties)
- b. **Alabama**: Counties of Baldwin and Mobile;
- c. **Georgia**: Counties of Bryan, Camden, Chatham, Glynn, Liberty and McIntosh;
- d. **Hawaii**: Entire State;
- e. **Louisiana**: Parishes of Assumption, Calcasieu, Cameron, Iberia, Jefferson, Lafourche, Livingston, Orleans, Plaquemines, St. Bernard, St. Charles, St. James, St. John the Baptist, St. Martin (South), St. Mary, St. Tammany, Tangipahoa, Terrebonne and Vermilion;
- f. **Mississippi**: Counties of Hancock, Harrison and Jackson;
- g. **North Carolina**: Counties of Beaufort, Bertie, Brunswick, Camden, Carteret, Chowan, Columbus, Craven, Currituck, Dare, Hyde, Jones, New Hanover, Onslow, Pamlico, Pasquotank, Pender, Perquimans, Tyrrell and Washington;
- h. **Puerto Rico**: Entire Territory;
- i. **South Carolina**: Counties of Beaufort, Berkeley, Charleston, Colleton, Dorchester, Georgetown, Hampton, Horry and Jasper;
- j. **Texas**: Counties of Aransas, Brazoria, Calhoun, Cameron, Chambers, Galveston, Harris, Jackson, Jefferson, Kenedy, Kleberg, Liberty, Matagorda, Newton, Nueces, Orange, Refugio, San Patricio, Victoria and Willacy; and
- k. **U.S. Virgin Islands**: Entire territory, including St. Croix, St. John and St. Thomas

35. Occurrence

- a. Except as hereinafter defined, “loss **occurrence**” shall mean an accident or occurrence or series of accidents or occurrences arising out of one event.
- b. Each loss occurrence which involves the perils of tornado, windstorm, cyclone, hurricane or hail shall include all loss or damage wherever occurring occasioned by these perils which arise out of one atmospheric disturbance during a continuous period of 72 hours.
- c. Each loss occurrence which involves the peril of **Earth Movement**, or a series of Earth Movement shall include all losses or damage sustained during a continuous period of 168 hours.
- d. Each loss occurrence which involves the peril of **Flood**, or a series of Floods shall include all losses or damage sustained during a continuous period of 72 hours.

Manuscript Property Form

- e. Each loss occurrence which involves the perils of theft, vandalism, malicious mischief or riot/civil commotion shall include the sum total of all losses of property and/or interests insured herein resulting from one or more fraudulent or dishonest acts committed by a person(s) acting alone or in collusion with others during a continuous period of 72 hours.
- f. The Insured shall have the right to elect the moment from which the time periods referred to in b), c), and d) above shall be deemed to have commenced, however no elected period of time shall commence within any previous occurrence.
- g. Should the time period in b), c), and d) above extend beyond expiration or cancellation date of this policy and commence prior to the expiration or cancellation date, this Company shall be liable as is such period fell entirely within the term of this policy.

36. Ordinance or Law

- a. **Coverage A** - The cost to replace the undamaged portion of the damaged building as a consequence of enforcement of an ordinance or law in force at the time of loss that requires demolition of such undamaged portion of the same building;
- b. **Coverage B** - The cost to demolish and clear the site of the undamaged portion of the damaged building, as a consequence of enforcement of an ordinance or law in force at the time of loss that requires demolition of such undamaged portion of the same building;
- c. **Coverage C** - The increased cost of repair or replacement of the damaged building and undamaged portion of the same building, limited to the cost that would have been incurred in order to comply with the minimum requirements of such law or ordinance regulating the repair or replacement of the damaged building. However, the Company shall not be liable for any such increased cost unless the damaged building is actually repaired or replaced
- d. **Coverage D** – The Time Element loss which is necessitated by the period of indemnity being extended in order to comply with the enforced ordinance as covered in a, b or c listed above, but not to exceed 12 Months
- e. **Coverage E (Downzoning)** – The loss associated with a Building Ordinance or Law in force at the time of loss restricting or prohibiting you from rebuilding the damaged insured property with respects to the size, density, use, or number of floors which existed prior to the loss, Building Ordinance and Law Coverages A and B will apply as written; and the combined direct damage indemnity plus coverage C will be the maximum payable to repair, remodel or reconstruct the building to permitted use(s) with respect to the applicable codes, laws, or regulations. If the Downzoning ordinances result in a time element loss, such loss will be calculated as 12 month's loss rents for such portions of the property which cannot be repaired or replaced due to ordinance, which will be calculated for each lost unit or leased area within the building, calculated against the average actual gross rental income for all units or all areas within the building for the 12 month period prior to loss
- f. Items A-E of Ordinance or Law shall not apply if the insured was legally obligated to comply to the ordinance prior to the time of the direct physical damage

Manuscript Property Form

- g. Items A-E of Ordinance or Law shall not apply to any enforcement of law or ordinance regulating any Pollutants or Contaminants
- 37. **Ordinary Payroll** means the entire payroll expense for all employees of the Insured except officers, executives, department managers, employees under contract, and other essential employees.
- 38. **Outdoor Property** (Scheduled Outdoor Property is covered per Statement of Values)
 - a. Outdoor property consists of items such as fences, gates, light poles, detached signs, retaining walls which are not connected to the insured building or amenities and located within 1,000 feet of an insured premises.
- 39. **Pairs and Sets** -- In the event of loss or damage by a peril insured against to any article or articles which are part of a pair or set (items that go together to hold full value), the measure of loss or damage to such article or articles shall be, at the Insured's option:
 - a. The reasonable and fair proportion of the total value of the pair or set, giving consideration to the importance of said article or articles, but in no event shall such loss or damage be construed to mean total loss of the pair or set; or
 - b. The full value of the pair or set provided that the Insured surrenders the remaining article or articles of the pair or set to the Company.
- 40. **Personal Property of Others** means personal property in the care, custody and control of the Insured, which the Insured is under obligation to keep insured for physical loss or damage of the type insured against under this Policy.
- 41. **Pollutants or Contaminants** means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste, which after its release can cause or threaten damage to human health or human welfare or causes or threatens damage, deterioration, loss of value, marketability or loss of use to property insured hereunder, including, but not limited to, bacteria, virus, or hazardous substances as listed in the Federal Water, Pollution Control Act, Clean Air Act, Resource Conservation and Recovery Act of 1976, and Toxic Substances Control Act or as designated by the U. S. Environmental Protection Agency. Waste includes materials to be recycled, reconditioned or reclaimed.
 - a. **Pollution Clean Up** means the reasonable and necessary additional expense incurred to remove, dispose of, or clean-up the actual presence of **Pollutants or Contaminants** from **Land** or water at an Insured **Location** when such **Land** or water is contaminated or polluted due to a Covered Cause of Loss at the Insured **Location**.
- 42. **Professional Fees** means reasonable and necessary expenses incurred by the Insured for preparing and certifying particulars or details of the insured's business in order to determine the amount of loss payable under this policy. This Policy is extended to include reasonable and necessary fees charged by the Property Manager for handling the claim.

Professional Fees does not mean expenses incurred by the Insured in utilizing the services of Attorneys, Public Adjusters, Insurance Agents or Brokers, or any of their subsidiary, related or associated entities. This also excludes any fees or costs for consultation on coverage or negotiation of claims, and the costs or expenses of overhead or operating expenses of any Insured, including salaries of such Insured's employees
- 43. **Protection and Preservation of Property** means in case of actual or imminent direct physical loss or damage by a Covered Cause of Loss, the expenses incurred by the Insured in taking

reasonable and necessary actions for the temporary protection and preservation of Insured Property hereunder shall be added to the total direct physical loss or damage otherwise recoverable under this Policy, but shall be subject to the applicable deductible, sublimit of liability and the Policy Limit.

44. **Service Interruption** means physical loss or damage to Insured Property and/or Time Element Coverage arising from a Covered Cause of Loss to: (1) incoming electrical, gas, water, or telecommunication equipment or outgoing sewer or (2) electrical, telecommunication, fuel, water, steam, refrigeration, or other service transmission lines, all situated outside the Insured Locations.

45. **Storm Surge**

- a. **Storm Surge** is defined as the rise in sea water level accompanying a storm, measured as the height of the water above the normal tidal level. Storm surge will also include any waves or movement of tidal water that causes damage to an insured premises during a storm
- b. For the purposes of this policy **Storm Surge** shall be included under the definition of Named Windstorm for deductible and limits purposes

46. **Tenant Relocation Expense**

- a. This Policy is extended to cover the reasonable and necessary relocation expenses incurred to relocate patients, residents, tenants, or lawful occupants to other quarters in the shortest time when patient rooms, rented space or living quarters at an insured location have been rendered uninhabitable as a direct result of direct physical loss or damage caused by a covered cause of loss.

Coverage is provided for the reasonable and necessary expense of:

- i. Transportation costs for patients, residents, tenants, or lawful occupants including their personal property;
- ii. Re-establishing new utility services, less refunds from discontinued services, at the damaged premises;
- iii. Searching for new quarters;
- iv. Disconnecting and reconnecting fixtures and equipment; and
- v. Storage costs while awaiting possession of other quarters or restoration of existing quarters.

This coverage does not include:

- i. Loss caused by the termination of a lease or other agreement;
- ii. Security deposits or other payments made to the landlord or lessors of the new quarters; or
- iii. Down payments, legal fees and closing costs for the purchase of new quarters.

All other terms and conditions remain unchanged.

47. **Transit** - Direct physical loss or damage to insured personal property, not otherwise excluded by this policy, while such property is in transit within the coverage territory. You are granted the privilege to ship under released or limited bills of lading under this coverage. This coverage shall include:

Manuscript Property Form

- a. Property shipped to customers in Free on Board (F.O.B), Free-Along-Side (F.A.S.) shipments and return shipments. Your contingent interest in such shipments is admitted;
- b. Your interest, and legal liability, for personal property of others in your actual or constructive custody;
- c. Personal property of others which you sold, and for which you had agreed in writing prior to loss to insure during the course of delivery;
- d. Your loss of property caused by fraud or deceit perpetrated by any person or persons who represent themselves to be the proper party or parties to receive goods for shipment or accept goods for delivery;
- e. Your interest in general average, salvage, and other charges.

This additional coverage attaches from the time the property leaves the original point of shipment and covers thereafter continuously in the due course of transit within the coverage territory until delivered at its scheduled destination. If this policy expires during the due course of transit, coverage is extended on existing shipments which are in transit until they are delivered to their final destination.

We will not pay for loss or damage to samples in the custody of salespersons or sales agents; property which is insured under import or export cargo policies; waterborne shipments via the Panama Canal; or waterborne to or from Alaska, Hawaii, Puerto Rico, or other United States territories; property shipped by the United States Postal Service; shipment made by air unless via a regularly scheduled commercial airline; or property of others when you are acting as a common carrier or contract carrier as defined by the Interstate Commerce Commission or other state regulatory agencies; nor for loss or damage to any transporting vehicle or conveyance. Additionally, there is no coverage provided within this extension for delay, loss of market, or any Time Element Coverage.

48. Valuable Papers and Records means documents that are written, printed, or otherwise inscribed. These include:

- a. Books, manuscripts, abstracts, maps and drawings; film and other photographically produced records, such as slides and microfilm;
- b. Legal and financial agreements such as deeds and mortgages;
- c. Addressograph plates; and
- d. Any electrically produced data such as printouts, punched cards, tapes or discs.

Valuable Papers and Records does not mean:

- a. money and securities and converted data
- b. programs or instructions used in data processing operations, including the materials on which the data is stored.
- c. any item which would qualify as **Fine Arts**

49. Water Damage

Manuscript Property Form

- a. Sudden and Accidental damage caused by water to the covered property including but not limited to burst pipes, sudden leaks in plumbing or appliances and accidental sprinkler discharge.

50. Wind Driven Precipitation

- a. **“Wind-Driven Precipitation”** means direct physical loss or damage to the interior of any building or structure at an Insured Location, or to personal property in the building or structure caused by or resulting from rain, snow, sleet or ice, when driven by wind when no physical damage to allow such intrusion is found
 - i. If physical damage is found allowing such intrusion, adjustment would be based on the peril that caused such damage and Wind Driven Precipitation would not apply
- b. The deductible applied to a covered loss or damage caused by or resulting from an occurrence of **Wind-Driven Precipitation** shall be the applicable Policy deductible(s) set forth in the Policy Declarations or other endorsements.

51. Windstorm or Hail: Direct physical loss or damage by action of wind or by the direct action of hail, whether accompanied by wind or not, but no liability is assumed under these perils for:

- a. Loss or damage to the interior of any building or structure, or the property inside the building or structure, caused by rain, snow, or dust, whether driven by wind or not, unless the building or structure first sustains wind or hail damage to its roof or walls through which the rain, snow, sand or dust enters;
- b. Loss or damage caused when weight of snow, rainwater, ice or sleet is a contributing factor to the fall or collapse of a building or structure or any part thereof.

52. Windstorm or Hail – Hail Zone 1

- a. **Arkansas:** Counties of Benton, Boone, Carroll, Crawford, Franklin, Johnson, Logan, Madison, Montgomery, Newton, Polk, Pope, Scott, Sebastian, Washington
- b. **Colorado:** Counties of Adams, Arapahoe, Baca, Bent, Cheyenne, Crowley, Elbert, Kiowa, Kit Carson, Lincoln, Logan, Morgan, Phillips, Prowers, Sedgwick, Washington, Weld and Yuma;
- c. **Kansas:** Counties of Barber, Barton, Butler, Cheyenne, Clark, Comanche, Cowley, Decatur, Dickinson, Edwards, Ellis, Ellsworth, Finney, Ford, Gove, Graham, Grant, Gray, Greeley, Hamilton, Harper, Harvey, Haskell, Hodgeman, Jewell, Kearny, Kingman, Kiowa, Lane, Lincoln, Logan, Marion, McPherson, Meade, Mitchell, Morton, Ness, Norton, Osborne, Ottawa, Pawnee, Phillips, Pratt, Rawlins, Reno, Rice, Rooks, Rush, Russell, Saline, Scott, Sedgwick, Seward, Sheridan, Sherman, Smith, Stafford, Stanton, Stevens, Sumner, Thomas, Trego, Wallace and Wichita;
- d. **Nebraska:** Counties of Arthur, Banner, Blaine, Box Butte, Brown, Buffalo, Chase, Cherry, Cheyenne, Custer, Dawes, Dawson, Deuel, Dundy, Franklin, Frontier, Furnas, Garden, Gosper, Grant, Harlan, Hayes, Hitchcock, Hooker, Kearney, Keith, Kimball, Lincoln, Logan, Loup, McPherson, Morrill, Perkins, Phelps, Red Willow, Rock, Scotts Bluff, Sheridan, Sherman, Sioux, Thomas and Valley;

Manuscript Property Form

- e. **Oklahoma:** Counties of Alfalfa, Beaver, Beckham, Blaine, Caddo, Canadian, Carter, Cimarron, Cleveland, Comanche, Cotton, Custer, Dewey, Ellis, Garfield, Garvin, Grady, Grant, Greer, Harmon, Harper, Jackson, Jefferson, Kay, Kingfisher, Kiowa, Lincoln, Logan, Love, Major, Marshall, McClain, Murray, Noble, Oklahoma, Osage, Pawnee, Payne, Pottawatomie, Roger Mills, Stephens, Texas, Tillman, Washita, Woods and Woodward;
- f. **South Dakota:** Counties of Bennett, Butte, Custer, Fall River, Haakon, Harding, Jackson, Lawrence, Meade, Oglala Lakota, Pennington, Perkins, Todd and Ziebach;
- g. **Texas:** Counties of Andrews, Archer, Armstrong, Bailey, Baylor, Borden, Bosque, Brewster, Briscoe, Brown, Callahan, Carson, Castro, Childress, Clay, Cochran, Coke, Coleman, Collin, Collingsworth, Comanche, Concho, Cooke, Cottle, Crane, Crosby, Dallam, Dallas, Dawson, Deaf Smith, Denton, Dickens, Donley, Eastland, Ector, Ellis, Erath, Fisher, Floyd, Foard, Gaines, Garza, Glasscock, Gray, Grayson, Hale, Hall, Hamilton, Hansford, Hardeman, Hartley, Haskell, Hemphill, Hill, Hockley, Hood, Howard, Hutchinson, Jack, Johnson, Jones, Kent, King, Knox, Lamb, Lampasas, Lipscomb, Loving, Lubbock, Lynn, Martin, McCulloch, Midland, Mills, Mitchell, Montague, Moore, Motley, Nolan, Ochiltree, Oldham, Palo Pinto, Parker, Parmer, Pecos, Potter, Randall, Roberts, Rockwall, Runnels, San Saba, Scurry, Shackelford, Sherman, Somervell, Stephens, Sterling, Stonewall, Swisher, Tarrant, Taylor, Terrell, Terry, Throckmorton, Tom Green, Upton, Ward, Wheeler, Wichita, Wilbarger, Winkler, Wise, Yoakum and Young; and
- h. **Wyoming:** Counties of Campbell, Crook, Goshen, Laramie, Niobrara, Platte and Weston.

53. Windstorm or Hail – Hail Zone 2

- a. **Arkansas:** Counties of Baxter, Clark, Columbia, Conway, Fulton, Garland, Hempstead, Hot Springs, Howard, Izard, Lafayette, Lawrence, Little River, Marion, Miller, Nevada, Ouachita, Perry, Pike, Pulaski, Randolph, Saline, Searcy, Sevier, Sharp, Stone, Union, Van Buren, Yell
- b. **Colorado:** Counties of Denver, Douglas, El Paso, Las Animas, Otero and Pueblo;
- c. **Kansas:** Counties of Allen, Anderson, Atchison, Bourbon, Brown, Chase, Chautauqua, Cherokee, Clay, Cloud, Coffey, Crawford, Douglas, Elk, Franklin, Geary, Greenwood, Jackson, Jefferson, Johnson, Labette, Leavenworth, Linn, Lyon, Marshall, Miami, Montgomery, Morris, Nemaha, Neosho, Osage, Pottawatomie, Republic, Riley, Shawnee, Wabaunsee, Washington, Wilson, Woodson and Wyandotte;
- d. **Missouri:** Counties of Andrew, Atchison, Barry, Barton, Bates, Benton, Buchanan, Camden, Cass, Cedar, Christian, Clay, Clinton, Crawford, Dade, Dallas, Dekalb, Dent, Douglas, Franklin, Gasconade, Greene, Henry, Hickory, Holt, Howell, Jackson, Jasper, Jefferson, Johnson, Laclede, Lafayette, Lawrence, Lincoln, Maries, McDonald, Newton, Nodaway, Oregon, Osage, Ozark, Phelps, Platte, Polk, Pulaski, Ray, Shannon, St. Charles, St. Clair, St. Louis, Stone, Taney, Texas, Vernon, Warren, Washington, Webster and Wright; and the City of St. Louis;
- e. **Nebraska:** Counties of Adams, Antelope, Boone, Boyd, Burt, Butler, Cass, Cedar, Clay, Colfax, Cuming, Dodge, Douglas, Fillmore, Gage, Garfield, Greeley, Hall,

Manuscript Property Form

Hamilton, Holt, Howard, Jefferson, Johnson, Keya Paha, Knox, Lancaster, Madison, Merrick, Nance, Nemaha, Nuckolls, Otoe, Paw nee, Pierce, Platte, Polk, Richardson, Saline, Sarpy, Saunders, Seward, Stanton, Thayer, Thurston, Washington, Wayne, Webster, Wheeler and York

- f. **Oklahoma:** Counties of Adair, Atoka, Bryan, Cherokee, Choctaw , Coal, Craig, Creek, Delaware, Haskell, Hughes, Johnston, Latimer, Le Flore, Mayes, McCurtain, McIntosh, Muskogee, Nowata, Okfuskee, Okmulgee, Ottawa, Pittsburg, Pontotoc, Pushmataha, Rogers, Seminole, Sequoyah, Tulsa, Wagoner and Washington;
- g. **South Dakota:** Counties of Aurora, Beadle, Bon Homme, Brookings, Brow n, Brule, Buffalo, Campbell, Charles Mix, Clark, Clay, Codington, Corson, Davison, Day, Deuel, Dewey, Douglas, Edmunds, Faulk, Gregory, Hamlin, Hand, Hanson, Hughes, Hutchinson, Hyde, Jerauld, Jones, Kingsbury, Lake, Lincoln, Lyman, Marshall, McCook, McPherson, Mellette, Miner, Minnehaha, Moody, Potter, Sanborn, Spink, Stanley, Sully, Tripp, Turner, Union, Walworth and Yankton;
- h. **Texas:** Counties of Anderson, Bandera, Bell, Bexar, Blanco, Bowie, Burnet, Camp, Cass, Cherokee, Comal, Coryell, Crockett, Culberson, Delta, Edwards, Falls, Fannin, Franklin, Freestone, Gillespie, Gregg, Harrison, Hays, Henderson, Hopkins, Hunt, Irion, Jeff Davis, Kaufman, Kendall, Kerr, Kimble, Kinney, Lamar, Limestone, Llano, Marion, Mason, Maverick, McLennan, Medina, Menard, Morris, Navarro, Panola, Presidio, Rains, Reagan, Real, Red River, Reeves, Rusk, Schleicher, Smith, Sutton, Titus, Travis, Upshur, Uvalde, Val Verde, Van Zandt, Williamson, Wood and Zavala;

Extensions of Coverage

- A. Building Components and Personal Property
 - a. This Policy covers the below items assuming values are contemplated on the Statement of Values reported to the company
 - i. Glass forming a part of a structure;
 - ii. Personal Property consisting of materials, machinery, equipment, supplies and temporary structures used for making additions or repairs to a structure, if not covered by other insurance;
 - iii. Outdoor fixtures;
 - iv. Indoor signs;
 - v. Permanently installed fixtures, machinery and equipment; and
 - vi. Personal Property used to maintain or service a structure or its premises, provided the Insured owns such property
- B. Course of Construction:
 - a. Regardless of whether a Sub-Limit is shown in the Sub-Limit section of this policy, any insured building in the Course of Construction that is deemed as **Non-Structural** as defined by this policy shall have full coverage provided and not be subject to or erode the sub-limit listed in the Sub-Limit Section of this policy
 - b. Any building undergoing a **Structural** Renovation (as defined by this policy) or any building or structure being built from the ground up shall be adjusted based on the Sub-Limits provided in the Sub-Limit section of this policy
- C. Debris Removal
 - a. Regardless of whether a Sub-Limit is shown in the Sub-Limit section of this policy, this policy shall cover necessary removal of items that are damaged as a result of a covered cause of loss in order to repair or replace the damaged area so the insured may resume normal operations and not be subject to or erode the sub-limit listed in the Sub-Limit Section of this policy
- D. Outdoor Property and Land Improvements
 - a. Regardless of whether a Sub-Limit is shown in the Sub-Limit section of this policy, any Outdoor Property or Land Improvements that are scheduled on the Statement of Values shall have full coverage provided and not be subject to or erode the sub-limit listed in the Sub-Limit Section of this policy
 - b. Any Outdoor Property or Land Improvements located within 1,000 feet of the insured building that is not scheduled on the Statement of Values shall be covered per the Sub-Limit listed in the Sub-Limit section of this policy

Conditions

- A. ABANDONMENT: There can be no abandonment to the Company of any property.
- B. ADJUSTMENT OF LOSSES and FIRST NAMED INSURED CLAUSE: Loss or damage shall be adjusted with and payable to the First Named Insured, subject to any certificates of insurance that have been provided on behalf of the insurer.

If this Policy insures more than one entity, the First Named Insured is authorized to act on behalf of all other Insureds with respect to their rights, obligations, and duties under this Policy. Payment of loss or return premium under this Policy to the First Named Insured shall satisfy the Company's obligations with respect to all Insureds.

- C. APPRAISAL: If the Company and the Insured disagree on the value of the property or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If the appraisers cannot agree on an umpire, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the replacement cost and actual cash value of the property and amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:
 - 1. Pay its chosen appraiser; and
 - 2. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, it is without prejudice to the Company's rights under the terms and conditions of the Policy and the Company's right to deny the claim.

- D. ASSIGNED ADJUSTER: It is hereby agreed that the following shall be designated as the ACCOUNT CLAIM ADJUSTER for all claims reported under this policy:
 - 1. Alan Ruscher | McLarens | Alan.Ruscher@mcclarens.com | 13100 Wortham Center Dr, Suite 190, Houston, TX, 77065 | cell: 281-640-4941
- E. ASSIGNMENT: The Insured may not assign this Policy without the Company's prior written consent.
- F. BRANDS AND LABELS: If branded or labeled merchandise covered by this Policy is physically damaged and the Company elects to take all or any part of such merchandise at the value established by the terms of this Policy, the Insured may, at their own expense, stamp "SALVAGE" on the merchandise or its containers, or may remove or obliterate the brands or labels, if such stamp, removal or obliteration will not physically damage the merchandise, but the Insured must re-label the merchandise or containers in compliance with the requirements of law.
- G. CANCELLATION:
 - 1. This Policy can be canceled by the First Named Insured by providing the Company with:
 - a. An advanced written request for cancellation stating when the cancellation shall be effective, and

Manuscript Property Form

- b. The original Policy or a lost policyholder release signed by the First Named Insured or its legal representative.
- 2. This Policy may be canceled by the Company by giving to the Insured and the mortgagee(s) and loss payees at least ninety (90) days written notice of cancellation or in the case of non-payment of premium, at least ten (10) days' written notice of cancellation. Such notice may be accompanied with the unearned premium, or if not included, the Company shall return the unearned premium upon demand by the First Named Insured.
- 3. The cancellation will be effective even if the Company has not made or offered a refund. If notice is mailed, proof of mailing will be sufficient proof of notice.
- 4. If this Policy is canceled, the Company will send the First Named Insured any premium refund due. If the Company cancels, the refund will be pro rata. If the First Named Insured cancels, earned premium will be calculated in accordance with the cancellation provisions of this Policy, including the **Short Rate Endorsement** and any applicable minimum earned premium endorsement(s). The cancellation will be effective even if the Company has not made or offered a refund.
- H. CONTROL OF DAMAGED MERCHANDISE: The Insured, exercising reasonable discretion, shall be the sole judge as to whether the goods involved in any loss under this Policy are fit for normal intended use or consumption. No goods so deemed by the Insured to be unfit for consumption shall be sold or otherwise disposed of except by the Insured or with the Insured's consent, but the Insured shall allow this Company any salvage obtained by the Insured on any sale or other disposition of such goods. The Insured shall have full right to the possession of and retain control of all goods involved in any loss under this Policy.
- I. CURRENCY: Any amount of money specified in the Policy, including Limits of Liability, Deductibles and Premiums shall be considered to be in the currency of the country in which the property is located. However, if the risk is located in a country other than the United States or Canada, then the Limits of Liability, Deductibles and Premiums specified shall be in United States funds.
- J. DIVISIBLE CONTRACT: Subject to no Misrepresentation or Fraud, if the **Locations** described in this Policy include two or more buildings or the contents of two or more buildings, the breach of any condition of this Policy in respect to any one or more of the buildings insured or containing the Insured Property, shall not prejudice the right to recover for direct physical loss or damage occurring in any building insured or containing the Insured Property where, at the time of such loss or damage, a breach of condition does not exist.
- K. INSPECTION AND AUDIT: The Company, at all reasonable times during this Policy period, shall be permitted but not obligated to inspect the property insured by this Policy. Neither the Company's right to make inspections nor the making thereof nor any report thereon shall constitute any undertaking by the Company, on behalf of or for the benefit of the Insured or others, to determine or warrant that such property is safe or healthful or that they comply with any law, rule or regulation.

The Company may also examine and audit the Insured's books and records at any reasonable time during the Policy period and within one year after the Policy termination, as long as such examination and audit relate to the subject matter of this Policy.

Manuscript Property Form

- L. JOINT LOSS AGREEMENT: In the event of damage to or destruction of property, at a location designated in this Policy and also designated in another policy with coverage for different perils and there is a disagreement between the insurers with respect to:
1. Whether such loss or damage was caused by a peril insured by this policy or a peril insured by the other policy; or
 2. The extent of participation of this policy and that of the other Insurance policy in a loss which is insured against, partially or wholly, by any one or all of said policies

The Companies shall, upon written request of the Insured, pay to the Insured one-half of the amount of the loss which is in disagreement, but in no event more than the Companies would have paid if there had not been both insurance policies in effect, subject to the following conditions:

3. The amount of the loss which is in disagreement, after making provisions for any undisputed claims payable under the said policies and after the total amount of the loss is agreed upon by the Insured and Insurers, is limited to the minimum amount remaining payable under either this Policy or the Boiler & Machinery policy.
4. The Companies shall simultaneously pay to the Insured one-half of said amount which is in dispute.
5. The payments by the Insurers hereunder and acceptance of the same by the Insured signify the agreement of the Insurers to submit to and proceed with arbitration within 90 days of such payments

The arbitrators shall be three in number, one by each respective carrier and the third appointed by consent of both carriers. If they cannot agree, either may request that the selection be made by a judge of a court having jurisdiction. A decision agreed to by any two of the three arbitrators shall be final and binding on the Insurers. Judgment upon such award may be entered in any court of competent jurisdiction;

6. The Insured agrees to cooperate in connection with such arbitration but not to intervene therein; and
 7. The provisions outlined in this Joint loss agreement shall only apply if the other carrier contains a similar provision
- M. MISREPRESENTATION AND FRAUD: This entire Policy shall be void if, whether before or after a loss, the Insured has willfully concealed or misrepresented any material fact or circumstance concerning this insurance or the subject thereof, or the interest of the Insured therein, or in case of any fraud, or false swearing by the Insured relating thereto.
- N. OTHER INSURANCE/EXCESS INSURANCE/UNDERLYING INSURANCE: In the event there is other insurance covering loss or damage insured under this Policy, then this Policy shall apply only as excess and in no event as contributory insurance (unless this Policy is specifically written to be contributory insurance), and then only after all other insurance has been exhausted, whether or not such insurance is collectible. Permission is granted for the Insured to purchase Excess Insurance over the limits provided by this Policy, and underlying insurance on all or any part of the deductibles of this Policy.
- O. REINSTATEMENT OF LIMITS: Except for any Covered Cause of Loss which is subject to an aggregate limit or sublimit of liability, payment of a claim will not reduce the amount payable under this Policy for any subsequent covered loss.

Manuscript Property Form

P. REQUIREMENTS IN CASE OF LOSS: The Insured shall:

1. Give prompt written notice of any loss or damage to the Company,
2. Promptly contact the applicable authority having jurisdiction in the event a law has been broken, and promptly file a written report with such authority,
3. Protect the property from further loss or damage,
4. Separate the damaged and undamaged personal property,
5. Maintain such property in the best possible order, and
6. Furnish a complete inventory of the lost, destroyed, damaged and undamaged property, showing in detail quantities, costs, actual cash value and amount of loss claimed,
7. Furnish all other documents or insurance policies that the Company may reasonably require,
8. Allow the Company to access and inspect any of the damaged or undamaged property, and
9. Submit to examination under oath at such times as may be reasonably required about any matter relating to this insurance or any claim;

Within sixty (60) days after the Company's request, the Insured shall provide the Company with a proof of loss, signed and sworn to by the Insured, stating the knowledge and belief of the Insured as to the following:

1. The time and origin of the loss,
2. The interest of the Insured and of all others in the property,
3. The value of each item thereof determined in accordance with the Valuation Provisions of this Policy and the amount of loss thereto and all encumbrances thereon,
4. All other contracts of insurance, whether collectible or not, covering any of said property, and
5. Any changes in the title, use, occupation, location, possession or exposures of said property subsequent to the issuance of this Policy, by whom and for what purpose any building herein described and the several parts thereof were occupied at the time of loss whether or not it then stood on leased ground.

Q. REVIEW OF VALUES: The Insured shall provide this Company at Policy inception and each subsequent anniversary date of this Policy, a Statement of Values which consists of the current Property and Time Element values for all Insured **Locations**. Receipt of said Statement of Values by this Company shall be considered as authorization by the Insured for premiums under this Policy to be calculated. The premium for this Policy is based upon the Statement of Values on file with the Company, or attached to this Policy.

R. SALVAGE AND RECOVERIES: All salvages, recoveries, and payments, excluding proceeds from subrogation and underlying insurance recovered or received prior to a loss settlement under this Policy, shall reduce the loss accordingly.

Manuscript Property Form

- S. SERVICE OF SUIT: In the event of the Company's failure to pay any amount claimed to be due hereunder, the Company, at the Insured's request, will submit to the jurisdiction of a court of competent jurisdiction within the United States. Nothing in this condition constitutes or should be understood to constitute a waiver of the Company's 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 Counsel, Legal Department, or his or her representative, and that in any suit instituted against the Company upon this Policy, the Company will abide by the final decision of such court or of any appellate court in the event of an appeal.

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

- T. SETTLEMENT OF CLAIMS: The amount of loss for which the Company may be liable shall be payable within thirty (30) days after proof of loss, as herein required, is received and accepted by the Company and ascertainment of the amount of loss is made either by agreement between the First Named Insured and the Company or an amount is determined by binding Appraisal in accordance with the provisions of this Policy.

The Company shall have the option to take all, or any part of the property at the agreed or appraised value, or to repair, rebuild or replace the property physically lost or damaged with other of like kind and quality, within a reasonable time, on giving notice of its intention so to do within sixty (60) days after receipt of the proof of loss herein required.

- U. SUBROGATION: The Company may require from the Insured an assignment of all right of recovery against any party for loss to the extent that payment therefor is made by the Company, but the Company shall not acquire any rights of recovery which the Insured has expressly waived in writing prior to loss nor shall such waiver in writing affect the Insured's rights under this Policy.

Any recovery as a result of subrogation proceedings arising out of an **Occurrence**, after expenses incurred in such subrogation proceedings are deducted, shall accrue to the Insured in the proportion that the deductible amount and/or any provable uninsured loss amount bears to the entire provable loss amount.

The Insured will cooperate with the Company and, upon the Company's request and expense will:

1. Attend hearings and trials;
 2. Assist in effecting settlements, securing and giving evidence, obtaining the attendance of witnesses, and conducting suits.
- V. SUIT AGAINST COMPANY: No suit, action or proceeding for the recovery of any claim under this Policy shall be sustainable in any court of law or equity unless the Insured shall have fully complied with all

Manuscript Property Form

the requirements of this Policy, nor unless the same be commenced within twenty four (24) months next after the date of the loss, provided however, that if under the laws of the jurisdiction in which the property is located such time limitation is invalid, then any such claims shall be void unless such action, suit or proceedings is commenced within the shortest limit of time permitted by the laws of such jurisdiction.

- W. **SUSPENSION:** Upon the discovery of a dangerous condition with respect to **Equipment Breakdown** to any Insured Property under this Policy, any representative of the Company may immediately suspend the insurance against loss from an Accident to such property or part thereof by giving written notice mailed or delivered to the Insured at the address of the Insured as specified in Section I, or at the location of such property. The insurance so suspended may be reinstated by the Company, but only by an endorsement issued to form a part of this Policy. The Insured shall be allowed the return of the unearned portion of the premium paid for such suspended insurance, pro-rata for the period of suspension.
- X. **TERRITORIAL LIMITATIONS:** Payment of loss under this Policy shall only be made in full compliance with all United States of America economic or trade sanction laws or regulations, including, but not limited to, sanctions, laws and regulations administered and enforced by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC").
- Y. **TITLES OF PARAGRAPHS:** The titles of the various paragraphs of this form (and of endorsements included in this Policy) are solely for reference and shall not in any way affect the provisions to which they relate.
- Z. **VACANCY:** The Insured has permission to cease business operations or to have any insured building remain vacant or unoccupied, provided that, fire protection, security and alarm services are maintained, and written notice is given to the Company prior to the one-hundred twentieth (120th) consecutive day of cessation of business operations, vacancy or lack of occupancy. The insured building is considered vacant or unoccupied when it does not contain adequate Insured Property to conduct customary business operations, but this provision shall not apply to any time period when customary business operations are suspended due to circumstances that are usual to such business operations or any property under renovation.

EQUIPMENT BREAKDOWN ENDORSEMENT

(Boiler and Machinery)

A. This policy covers loss caused by or resulting from an "accident" to "covered equipment" If a limit is provided in the Sub-Limits section of this policy. "Accident" means direct physical loss as follows:

1. mechanical breakdown, including rupture or bursting caused by centrifugal force;
2. artificially generated electric current, including electric arcing, that disturbs electrical devices, appliances or wires;
3. explosion of steam boilers, steam pipes, steam engines or steam turbines owned or operated by or under the control of the Insured;
4. loss or damage to steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment; or
5. loss or damage to hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment.

"Accident" does not include destruction, disruption, distortion or corruption of any computer data, coding, program or software.

The coverage provided by this clause is sub-limited per the Sub-Limits section of this policy.

B. The following coverages also apply to loss caused by or resulting from an "accident" to "covered equipment". These coverages do not provide additional amounts of insurance.

1. Expediting Expense

The Company shall be liable for the reasonable extra cost to make temporary repairs and to expedite permanent repairs or permanent replacement of damaged covered property.

2. Hazardous Substances

The Company shall be liable for the additional cost to repair or replace covered property because of contamination by a hazardous substance. This includes the additional expenses to clean up or dispose of such property. Hazardous substance means any substance other than ammonia that has been declared to be hazardous to health by a governmental agency. Additional costs mean those beyond that which would have been required had no hazardous substance been involved.

Any coverage under the policy for decontamination or pollution cleanup does not apply to this endorsement. Section II, Clause B.21 of this form to which this endorsement is attached does not apply to this Hazardous Substances coverage.

3. Spoilage

Manuscript Property Form

The Company shall be liable for:

- (i) the Insured's loss of "perishable goods" due to spoilage;
- (ii) the Insured's loss of "perishable goods" due to contamination from the release of refrigerant, including but not limited to ammonia;
- (iii) necessary expenses incurred to reduce the amount of loss under this coverage. The Company shall be liable for such expenses to the extent that they do not exceed the amount of loss that otherwise would have been payable under this coverage.
- (iv) the Insured's loss of "perishable goods" due to spoilage caused by an "accident" to equipment that is owned by a utility, landlord, or other supplier with whom the Insured has a contract for provision of any of the following services: electrical power, communications, waste disposal, air conditioning, refrigeration, heating, gas, air, water or steam. This coverage applies only to loss that occurs in buildings owned by the Insured.

If the Insured is unable to replace the "perishable goods" before its anticipated sale, payment will be determined on the basis of the sales price of the "perishable goods" at the time of the "accident", less discounts and expenses that otherwise would have been incurred. Otherwise payment will be determined in accordance with the Valuation provision of the policy.

4. Computer Equipment

The Company shall be liable for loss or damage caused by or resulting from an "accident" to "computer equipment." Computers used primarily to control or operate "covered equipment" are not subject to this limit.

The coverage provided by this provision shall be primary to any coverage provided in the form to which this endorsement is attached for "accident" to "computer equipment."

5. Data Restoration

The Company shall be liable for the cost to research, replace and restore data, including programs and operating systems, that is lost or corrupted due to an "accident."

6. CFC Refrigerants

The Company shall be liable for the additional cost to repair or replace covered property because of the use or presence of a refrigerant containing CFC (chlorofluorocarbon) substances. This means the additional expense to do the least expensive of the following:

- (i) Repair the damaged property and replace any lost CFC refrigerant;
- (ii) Repair the damaged property, retrofit the system to accept a non-CFC refrigerant and charge the system with a non-CFC refrigerant; or
- (iii) Replace the system with one using a non-CFC refrigerant.

Manuscript Property Form

Additional costs mean those beyond what would have been required had no CFC refrigerant been involved.

C. DEFINITIONS

1. "Boilers and Vessels" means:
 - a. (iv) Any boiler, including attached steam, condensate and feedwater piping; and
 - b. (v) Any fired or unfired pressure vessel subject to vacuum or internal pressure other than the static pressure of its contents.
 - c. This term does not appear elsewhere in this endorsement, but may appear in the Equipment Breakdown Schedule
2. "Computer equipment" means covered property that is electronic computer or other data processing equipment, including "media" and peripherals used in conjunction with such equipment.
3. "Covered equipment" means covered property built to operate under vacuum or pressure, other than weight of contents, or used for the generation, transmission or utilization of energy.

None of the following is "covered equipment":

 - i) structure, foundation, cabinet, compartment or air supported structure or building;
 - ii) insulating or refractory material;
 - iii) sewer piping, underground vessels or piping, or piping forming a part of a sprinkler system;
 - iv) water piping other than boiler feedwater piping, boiler condensate return piping or water piping forming a part of a refrigerating or air conditioning system;
 - v) vehicle, aircraft, floating vessel or any equipment mounted on such vehicle, aircraft or floating vessel;
 - vi) dragline, excavation or construction equipment; or
 - vii) equipment manufactured by the Insured for sale.
4. "Media" means all forms of electronic, magnetic and optical tapes and discs for use in any electronic computer or electronic data processing equipment.
5. "One accident" means: If an initial "accident" causes other "accidents," all will be considered "one accident." All "accidents" that are the result of the same event will be considered "one accident."
6. "Perishable Goods" means personal property maintained under controlled conditions for its preservation, and susceptible to loss or damage if the controlled conditions change.
7. "Production Machinery" means any machine or apparatus that processes or produces a product intended for eventual sale. However, "production machinery" does not mean any fired or unfired pressure vessel other than a cylinder containing a movable plunger or piston. This term does not appear elsewhere in this endorsement, but may appear in the Equipment Breakdown Schedule.

Manuscript Property Form

8. "Service Interruption" means the Extension of Coverage provided in the form to which this endorsement is attached for interruption of business conducted by the Insured resulting from loss or damage to public utility plants, transformers or switching stations, substations including transmission and distribution lines furnishing heat, light, power, water, telephone or gas to the Insured's premises.

D. SUSPENSION

When any "covered equipment" is found to be in, or exposed to a dangerous condition, any representative of the Company may immediately suspend the insurance against loss from an "accident" to said "covered equipment" by mailing or delivering a written notice of suspension to the Insured at the address as shown in the Declarations, or at the address where the "covered equipment" is located. Once suspended in this way, the insurance can be reinstated only by endorsement for that property. If so suspended, the Insured will get a pro rata refund of premium. But the suspension will be effective even if a refund has not been offered or made.

E. COINSURANCE

No Coinsurance shall apply

PRE-EXISTING DAMAGE EXCLUSION

This endorsement modifies insurance provided by this Policy. This Policy shall not pay for any loss, damage, cost or expense, of whatever nature, and whether known or unknown to the Insured: (1) arising directly or indirectly from any OCCURRENCE taking place prior to the effective date of this POLICY; (2) that is, or is alleged to be, in the process of occurring prior to the effective date of this POLICY; or (3) that is in the process of settlement, adjustment, or suit, as of the effective date of this POLICY (individually and collectively, "PRE-EXISTING DAMAGE"). The burden of proving that any loss, damage, cost or expense arose from any OCCURRENCE taking place during the Term of this POLICY shall be solely on the Insured. This exclusion applies even if any PRE-EXISTING DAMAGE continues during the Term of this POLICY.

In the event that any PRE-EXISTING DAMAGE to insured property has not been repaired or fully restored as of the date of an OCCURRENCE during the Term of this POLICY, then the following applies:

1. If, prior to the OCCURRENCE taking place during the Term of this POLICY, the insured property was an actual or constructive total loss, this POLICY will not pay for any loss, damage, cost or expense of whatever nature in connection with the insured property.
2. In any other case, the amount that would have been required to repair any unrepaired PRE-EXISTING DAMAGE, assessed at the date of the settlement of the claim, will be deducted when calculating the loss, damage, cost or expense arising directly or indirectly from the OCCURRENCE.

Nothing herein contained shall be held to vary, alter, waive or change any of the terms, limitations, exclusions or conditions of the POLICY, except as herein above set forth.

ROOF LIMITATION ENDORSEMENT

It is hereby agreed that the coverage provided by this POLICY is limited, as set forth below, as respects direct physical loss or damage to ROOF SURFACING caused by WIND or NAMED WINDSTORM.

A. In case of loss, the basis of adjustment for damage to ROOF SURFACING that has been in place on an insured building or structure for ten (10) years or more will be at ACTUAL CASH VALUE at the time and place of loss.

B. ADDITIONAL EXCLUSIONS

In addition to the exclusions elsewhere in the POLICY, the following exclusions apply to this Endorsement:

1. The COMPANY shall not pay for COSMETIC DAMAGE to ROOF SURFACING caused by WIND or NAMED WINDSTORM regardless of age.
2. The COMPANY shall not pay for coverage provided by the INCREASED COST OF CONSTRUCTION & DEMOLITION ENDORSEMENT, if attached herein, to ROOF SURFACING that has been in place on an insured building or structure for ten (10) years or more.

C. For purposes of this endorsement:

1. "COSMETIC DAMAGE" means marring, pitting or other superficial damage that altered the appearance of the ROOF SURFACING, but that does not prevent the ROOF SURFACING from continuing to function as a barrier to entrance of the elements to the same extent that it did before such marring, pitting or other superficial damage occurred.
2. "ROOF SURFACING" means: (a) the installed roofing material that is exposed to the weather; (b) the underlayment applied for moisture protection; (c) all materials used in securing a. and b. above; and (d) all flashings required in the replacement of a. and b. above.

All other terms and conditions of this POLICY remain unchanged.

EOS PAM 1 LP RISK MANAGEMENT SERVICES AGREEMENT

This endorsement modifies insurance provided by the policy. The following is agreed to by the Company, the First Named Insured, and Named Insureds provided by the policy:

Section III: GENERAL CONDITIONS

The Conditions are hereby incorporated to include the EOS PAM 1 LP Risk Management Services Agreement as part of the policy on file with EOS PAM 1 LP and all terms and conditions agreed to by EOS PAM 1 LP and the Named Insured under the policy.

Claims Handling

- Named Insured/agent or representative does not have the right to submit a claim under the policy without first submitting the claim to the First Named Insured at the notice provision in the EOS PAM 1 LP Risk Management Services Agreement, or if none is provided, at the principal place of business alan.ruscher@mclarens.com.
- The Named Insured must provide written notice of actual or constructive knowledge of damage, loss or injury, to EOS PAM 1 LP and provide the following information:
 - Date and time of the Occurrence
 - Cause of Loss
 - Known extent of damage
 - Location of damages and involved structures
- Upon timely receipt of such claim, the First Named Insured will provide timely notice to the Company of any claim submitted by Named Insured.
- Unless otherwise prohibited by law, the Named Insured is not permitted to hire repair contractors without the express written consent of EOS PAM 1 LP, except in instances where contractors are hired to perform emergency services to protect the subject property(ies) from further damage, with supporting documentation relevant to the loss.
- The First Named Insured will provide the Named Insured with authorized vendors or written approval of alternative vendors to utilize to perform repairs.
- Costs for attorneys, claim consultants, and/or Public Adjusters will be paid from insurance proceeds solely and under no circumstances will the Company be liable to pay for contractual costs incurred by Named Insured.
- Where Actual Cash Value applies, depreciation may include labor.

CAT MINIMUM EARNED ENDORSEMENT

This endorsement modifies the Policy. The provisions of this endorsement apply only to Catastrophe (CAT) losses as described below. All other terms, conditions, definitions, limitations and exclusions of this Policy remain unchanged.

A. Catastrophe Minimum Earned Premium

1. In the event of cancellation of this Policy for any reason, the Company shall retain as minimum earned premium the percentage shown in the schedule below. If this Policy has been in effect at any time during Wind Season, the Wind Season schedule shall apply; otherwise, the Non-Wind Season schedule shall apply.

Cancellation Effective Date	Minimum Earned Premium (Non-Wind Season)	Minimum Earned Premium (Wind Season)
Any time	35%	85%

2. **Wind Season** means the period from June 1 through November 30, inclusive. For purposes of this endorsement, this Policy shall be deemed “in effect” during Wind Season if any portion of the Policy Period falls within Wind Season.

B. Application of Minimum Earned Premium

1. The Catastrophe Minimum Earned Premium shall apply to the total premium for this Policy (including all applicable fees and charges, if any) unless otherwise stated by endorsement.
2. The Catastrophe Minimum Earned Premium is fully earned and non-refundable, subject to the applicable schedule in Section A above, regardless of whether any loss occurs.
3. In no event shall any return premium be payable if the premium retained by the Company equals or exceeds the minimum earned premium shown above.

C. Catastrophe (CAT) Definition

1. For purposes of this endorsement, “Catastrophe” or “CAT” means a loss event declared or designated a catastrophe by an insurance services organization or reporting agency customarily used by the Company (e.g., a catastrophe serial number assignment), or as otherwise determined by the Company.

All other terms, conditions and exclusions of this Policy remain unchanged.

SHORT RATE ENDORSEMENT

In consideration of the premium for which this Insurance is written it is agreed that in the event of cancellation thereof by the Assured the Earned Premium shall be computed as follows:

SHORT RATE CANCELLATION TABLE

Days Insurance in Force	% of One Year Premium	Days Insurance in Force	% of One Year Premium
1	5	154 - 156	53
2	6	157 - 160	54
3 - 4	7	161 - 164	55
5 - 6	8	165 - 167	56
7 - 8	9	168 - 171	57
9 - 10	10	172 - 175	58
11 - 12	11	176 - 178	59
13 - 14	12	179 - 182 (6 months)	60

Short Rate Cancellation Table continues:

Days Insurance in Force	% of One Year Premium	Days Insurance in Force	% of One Year Premium
15 - 16	13	183 - 187	61
17 - 18	14	188 - 191	62
19 - 20	15	192 - 196	63
21 - 22	16	197 - 200	64
23 - 25	17	201 - 205	65
26 - 29	18	206 - 209	66
30 - 32 (1 month)	19	210 - 214 (7 months)	67
Days Insurance in Force	% of One Year Premium	Days Insurance in Force	% of One Year Premium
33 - 36	20	215 - 218	68
37 - 40	21	219 - 223	69
41 - 43	22	224 - 228	70
44 - 47	23	229 - 232	71
48 - 51	24	233 - 237	72
52 - 54	25	238 - 241	73
55 - 58	26	242 - 246 (8 months)	74
59 - 62 (2 months)	27	247 - 250	75
63 - 65	28	251 - 255	76
66 - 69	29	256 - 260	77
70 - 73	30	261 - 264	78
74 - 76	31	265 - 269	79
77 - 80	32	270 - 273 (9 months)	80
81 - 83	33	274 - 278	81
84 - 87	34	279 - 282	82
88 - 91 (3 months)	35	283 - 287	83
92 - 94	36	288 - 291	84

Manuscript Property Form

95 - 98	37	292 - 296	85
99 - 102	38	297 - 301	86
103 - 105	39	302 - 305 (10 months)	87
106 - 109	40	306 - 310	88
110 - 113	41	311 - 314	89
114 - 116	42	315 - 319	90
117 - 120	43	320 - 323	91
121 - 124 (4 months)	44	324 - 328	92
125 - 127	45	329 - 332	93
128 - 131	46	333 - 337 (11 months)	94
132 - 135	47	338 - 342	95
136 - 138	48	343 - 346	96
139 - 142	49	347 - 351	97
143 - 146	50	352 - 355	98
147 - 149	51	356 - 360	99
150 - 153 (5 months)	52	361 - 365 (12 months)	100

B. For Insurances written for more or less than one year:

1. If insurance has been in force for 12 months or less, apply the standard short rate table for annual insurances to the full annual premium determined as for an insurance written for a term of one year.

2. If insurance has been in force for more than 12 months:

(a) Determine full annual premium as for an insurance written for a term of one year.

(b) Deduct such premium from the full insurance premium, and on the remainder calculate the pro rata Earned Premium on the basis of the ratio of the length of time beyond one year the insurance has been in force to the length of time beyond one year for which the insurance was originally written.

(c) Add premium produced in accordance with items (a) and (b) to obtain Earned Premium during full period insurance has been in force.