


Date: 4/9/2025

POLICY COVER NOTE

Issue Date	Policy #
4/9/2025	AH03-JRH-250000822-00
Insured	Risk Location
The Lewiston Townhouse Condominium Association PO Box 3095 Estes Park, CO 80517	321 Big Horn Dr Estes Park, CO 80517
Insurer(s)	Home State
Amherst Specialty Insurance Company	CO
Policy Term	Coverage(s)
4/2/2025 - 4/2/2026	Property
Originating Agent	Surplus Line Agent
Malcolm Jeffris Burns & Wilcox, Ltd 7101 College Boulevard Overland Park, KS 66210	Ed Sustala Risk Theory Insurance Services, LLC 14001 Dallas Parkway Suite 700 Dallas, TX 75240
Surplus Lines License Number	Countersignature
493728	 Ed Sustala

Premium, Taxes & Fees		
Property Premium	.....	\$66,642.00
Property Premium - TRIA	.....	\$1,641.00
Professional Fee	.....	\$8,663.46
Clearing House Transaction Fee	.....	\$134.66
Surplus Lines Tax	.....	\$2,308.39
Total Premium and Fees	.....	\$79,389.51

Surplus Lines Cover Sheet

Issue Date	Policy #
4/9/2025	AH03-JRH-250000822-00
Surplus Lines Agent	Originating Agency
Risk Theory Insurance Services Surplus Lines License #: 493728	Burns & Wilcox, Ltd 7101 College Boulevard, STE 800 Overland Park, KS 66210
Insured	Home State
The Lewiston Townhouse Condominium Association	CO
Issuer(s)	Policy Term
Amherst Specialty Insurance Company	4/2/2025 to 4/2/2026
Coverage(s)	Program
Property	Risk Theory Habitational Program

Premiums, Fees and Taxes	
Premium	\$66,642.00
Terrorism	\$1,641.00
Professional Fee	\$8,663.46
Clearing House Transaction Fee	\$134.66
Surplus Lines Tax	\$2,308.39
Total	\$79,389.51

Surplus Lines Tax and Filing Fee
Risk Theory Insurance Services, LLC is responsible for surplus lines tax and filings.

Date: 4/9/2025

Insured: The Lewiston Townhouse Condominium Association

Surplus Lines Language:

This contract is delivered as surplus line insurance under the 'Nonadmitted Insurance Act'. The insurer issuing this contract is not admitted in Colorado but is an approved non-admitted insurer. There is no protection under the provisions of the 'Colorado Insurance Guaranty Association Act'. (23 CCR 702-2:2-4-1).

The surplus lines broker is responsible for filing, collecting, and remitting applicable surplus lines taxes and fees.



AMHERST

Property Policy

Amherst Specialty Insurance Company, Inc.

14001 Dallas Parkway, Suite 700


Dallas, TX 75240

(844) 378-6560

IN WITNESS WHEREOF, Amherst Specialty Insurance Company has caused this policy to be executed and attested.



Gary Marshall
President



Richard Schwartz
Secretary

REPORT A CLAIM

QUICK, CONVENIENT,
FOCUSED.

We'll focus first on ensuring your well-being. Then, we'll
tend to every detail of your claim with care.



E-MAIL

Newlossreporting@appliedclaims.com



FAX

(800) 337-8131



MAIL

Applied Claims Group, LLC
14001 Dallas Parkway, Suite 700
Dallas, Texas 75240



PHONE

(800) 597-7790



ONLINE

Appliedclaimsgroup.com



COMMON POLICY DECLARATIONS

Amherst Specialty Insurance Company 14001 Dallas Parkway, Suite 700 Dallas, TX 75240	Burns & Wilcox, Ltd 7101 College Boulevard, STE 800 Overland Park, KS 66210
NAMED INSURED: The Lewiston Townhouse Condominium Association MAILING ADDRESS: PO Box 3095, Estes Park, CO 80517 POLICY PERIOD: FROM 4/2/2025 TO 4/2/2026 AT 12:01 A.M. STANDARD TIME AT YOUR MAILING ADDRESS SHOWN ABOVE	

BUSINESS DESCRIPTION	
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IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS POLICY, WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY.

THIS POLICY CONSISTS OF THE FOLLOWING COVERAGE PARTS FOR WHICH A PREMIUM IS INDICATED. THIS PREMIUM MAY BE SUBJECT TO ADJUSTMENT.	
	PREMIUM
COMMERCIAL PROPERTY COVERAGE PART	\$66,642
EQUIPMENT BREAKDOWN COVERAGE PART	Included
TERRORISM – CERTIFIED ACTS (PROPERTY)	\$1,641
TOTAL:	\$68,283

"This contract is delivered as a surplus line coverage under the 'Nonadmitted Insurance Act'. The insurer issuing this contract is not licensed in Colorado but is an eligible nonadmitted insurer. There is no protection under the provisions of the 'Colorado Insurance Guaranty Association Act'." -S.C.

Premium: \$66,642.00
TRIA: \$1,641.00
Surplus Lines Tax: \$2,048.49
CO-SLAS: \$119.50

Total: \$70,450.99

Samuel Carson

FORMS APPLICABLE TO ALL COVERAGE PARTS (SHOW NUMBERS):
See Schedule of Forms and Endorsements.

NOTE

OFFICERS' FACSIMILE SIGNATURES MAY BE INSERTED HERE, ON THE POLICY COVER OR ELSEWHERE AT THE COMPANY'S OPTION.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SERVICE OF SUIT CLAUSE

It is agreed that in the event of the failure of the Company to pay any amount claimed to be due under this policy, the Company, at the request of the Insured, will submit to the jurisdiction of any court of competent jurisdiction within the United States of America and will comply with all requirements necessary to give the court jurisdiction. All matters which arise will be determined in accordance with the law and practice of the court. In a suit instituted against it under this contract, the Company agrees to abide by the final decision of the court or of any appellate court in the event of an appeal. However, nothing in this endorsement constitutes a waiver of the Company's right to remove action to a United States District Court or to seek transfer of a case to another court as permitted by the laws of the United States or any state in the United States.

The person named below is authorized and directed to accept service of process on behalf of the Company:

Corporation Service Company
1900 W. Littleton Boulevard
Littleton, CO 80120

COMMERCIAL PROPERTY COVERAGE PART

DECLARATIONS PAGE

POLICY NO. AH03-JRH-
250000822-00

EFFECTIVE DATE 4/2/2025

☐ "X" If Supplemental Declarations Is
Attached

NAMED INSURED

The Lewiston Townhouse Condominium Association

DESCRIPTION OF PREMISES

Prem. No.	Bldg. No.	Location, Construction And Occupancy
1	ALL	321 Big Horn Dr, Estes Park, CO 80517 - Frame - Multi-family Habitational

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

Prem. No.	Bldg. No.	Coverage	Limit Of Insurance	Covered Cause Of Loss	Coinsurance*	Valuation
1	ALL	Building	\$9,941,750	Special	None	RCV
		Business Personal Property	Not Covered	Special	None	RCV
		Business Income	Not Covered	Special	None	ALS
		Other Real Property (N/A)	Not Covered	Special	None	RCV
		Flood	Not Covered	Per CP DS 65	None	RCV
		Earthquake	Not Covered	Per CP DS 06	None	RCV
		Equipment Breakdown	Covered	Per PR 0012	None	RCV

***If Extra Expense Coverage, Limits On Loss Payment**

OPTIONAL COVERAGES **Applicable Only When Entries Are Made In The Schedule Below**

Prem. No.	Bldg. No.	Agreed Value			Replacement Cost (X)			Extended Period Of Indemnity (Days) Per CP 00 30 10 12
		Expiration Date	Cov.	Amount	Building	Pers. Prop	Including "Stock"	
1	ALL							

Inflation Guard (%) *Monthly Limit Of Maximum Period
Bldg. Pers. Prop. Indemnity (Fraction) Of Indemnity (X)

***Applies to Business Income Only**

MORTGAGEHOLDERS

Prem. No.	Bldg. No.	Mortgageholder Name And Mailing Address
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PER SCHEDULE ON FILE WITH COMPANY

DEDUCTIBLE

PER Multiple Deductible Form RT 0135 0119

FORMS APPLICABLE

To All Coverages:

To Specific Premises/Coverage:

Prem. No.	Bldg. No.	Coverages	Form Number
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PER SCHEDULE OF FORMS AND ENDORSEMENTS

SCHEDULE OF FORMS AND ENDORSEMENTS

NAMED INSURED The Lewiston Townhouse Condominium Association	EFFECTIVE DATE 4/2/2025	POLICY NUMBER AH03-JRH-250000822-00																																																																																																												
IF THIS ENDORSEMENT IS LISTED IN THE POLICY DECLARATIONS, IT IS IN EFFECT FROM THE TIME COVERAGE UNDER THIS POLICY COMMENCES. OTHERWISE, THE EFFECTIVE DATE OF THIS ENDORSEMENT IS AS SHOWN ABOVE AT THE SAME TIME OR HOUR OF THE DAY AS THE POLICY BECAME EFFECTIVE.		COUNTERSIGNED BY: <div style="border-top: 1px solid black; text-align: center; margin-top: 10px;"> AUTHORIZED REPRESENTATIVE </div>																																																																																																												
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JRS IL 05 00	02 25	NAMED COUNTY EXCLUSION
JRS IL 19 00	09 24	SEEPAGE, POLLUTION, AND CONTAMINATION EXCLUSION

COMMON POLICY CONDITIONS

All Coverage Parts included in this policy are subject to the following conditions.

A. Cancellation

1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
 - a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
 - b. 30 days before the effective date of cancellation if we cancel for any other reason.
3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
5. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
6. If notice is mailed, proof of mailing will be sufficient proof of notice.

B. Changes

This policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.

C. Examination Of Your Books And Records

We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward.

D. Inspections And Surveys

1. We have the right to:
 - a. Make inspections and surveys at any time;
 - b. Give you reports on the conditions we find; and
 - c. Recommend changes.
2. We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:
 - a. Are safe or healthful; or
 - b. Comply with laws, regulations, codes or standards.
3. Paragraphs 1. and 2. of this condition apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.
4. Paragraph 2. of this condition does not apply to any inspections, surveys, reports or recommendations we may make relative to certification, under state or municipal statutes, ordinances or regulations, of boilers, pressure vessels or elevators.

E. Premiums

The first Named Insured shown in the Declarations:

1. Is responsible for the payment of all premiums; and
2. Will be the payee for any return premiums we pay.

F. Transfer Of Your Rights And Duties Under This Policy

Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual named insured.

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

COMMERCIAL PROPERTY CONDITIONS

This Coverage Part is subject to the following conditions, the Common Policy Conditions and applicable Loss Conditions and Additional Conditions in Commercial Property Coverage Forms.

A. CONCEALMENT, MISREPRESENTATION OR FRAUD

This Coverage Part is void in any case of fraud by you as it relates to this Coverage Part at any time. It is also void if you or any other insured, at any time, intentionally conceal or misrepresent a material fact concerning:

1. This Coverage Part;
2. The Covered Property;
3. Your interest in the Covered Property; or
4. A claim under this Coverage Part.

B. CONTROL OF PROPERTY

Any act or neglect of any person other than you beyond your direction or control will not affect this insurance.

The breach of any condition of this Coverage Part at any one or more locations will not affect coverage at any location where, at the time of loss or damage, the breach of condition does not exist.

C. INSURANCE UNDER TWO OR MORE COVERAGES

If two or more of this policy's coverages apply to the same loss or damage, we will not pay more than the actual amount of the loss or damage.

D. LEGAL ACTION AGAINST US

No one may bring a legal action against us under this Coverage Part unless:

1. There has been full compliance with all of the terms of this Coverage Part; and
2. The action is brought within 2 years after the date on which the direct physical loss or damage occurred.

E. LIBERALIZATION

If we adopt any revision that would broaden the coverage under this Coverage Part without additional premium within 45 days prior to or during the policy period, the broadened coverage will immediately apply to this Coverage Part.

F. NO BENEFIT TO BAILEE

No person or organization, other than you, having custody of Covered Property will benefit from this insurance.

G. OTHER INSURANCE

1. You may have other insurance subject to the same plan, terms, conditions and provisions as the insurance under this Coverage Part. If you do, we will pay our share of the covered loss or damage. Our share is the proportion that the applicable Limit of Insurance under this Coverage Part bears to the Limits of Insurance of all insurance covering on the same basis.
2. If there is other insurance covering the same loss or damage, other than that described in 1. above, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not. But we will not pay more than the applicable Limit of Insurance.

H. POLICY PERIOD, COVERAGE TERRITORY

Under this Coverage Part:

1. We cover loss or damage commencing:
 - a. During the policy period shown in the Declarations; and
 - b. Within the coverage territory.
2. The coverage territory is:
 - a. The United States of America (including its territories and possessions);
 - b. Puerto Rico; and
 - c. Canada.

I. TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

If any person or organization to or for whom we make payment under this Coverage Part has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair them. But you may waive your rights against another party in writing:

1. Prior to a loss to your Covered Property or Covered Income.
2. After a loss to your Covered Property or Covered Income only if, at time of loss, that party is one of the following:
 - a. Someone insured by this insurance;
 - b. A business firm:
 - (1) Owned or controlled by you; or
 - (2) That owns or controls you; or
 - c. Your tenant.

This will not restrict your insurance.

BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM

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

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

Other words and phrases that appear in quotation marks have special meaning. Refer to Section **F**. Definitions.

A. Coverage

1. Business Income

Business Income means the:

- a. Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred; and
- b. Continuing normal operating expenses incurred, including payroll.

For manufacturing risks, Net Income includes the net sales value of production.

Coverage is provided as described and limited below for one or more of the following options for which a Limit Of Insurance is shown in the Declarations:

- (1) Business Income Including "Rental Value".
- (2) Business Income Other Than "Rental Value".
- (3) "Rental Value".

If option (1) above is selected, the term Business Income will include "Rental Value". If option (3) above is selected, the term Business Income will mean "Rental Value" only.

If Limits of Insurance are shown under more than one of the above options, the provisions of this Coverage Part apply separately to each.

We will pay for the actual loss of Business Income you sustain due to the necessary "suspension" of your "operations" during the "period of restoration". The "suspension" must be caused by direct physical loss of or damage to property at premises which are described in the Declarations and for which a Business Income Limit Of Insurance is shown in the Declarations. The loss or damage must be caused by or result from a Covered Cause of Loss. With respect to loss of or damage to personal property in the open or personal property in a vehicle, the described premises include the area within 100 feet of such premises.

With respect to the requirements set forth in the preceding paragraph, if you occupy only part of a building, your premises means:

- (a) The portion of the building which you rent, lease or occupy;
- (b) The area within 100 feet of the building or within 100 feet of the premises described in the Declarations, whichever distance is greater (with respect to loss of or damage to personal property in the open or personal property in a vehicle); and
- (c) Any area within the building or at the described premises, if that area services, or is used to gain access to, the portion of the building which you rent, lease or occupy.

2. Extra Expense

- a. Extra Expense Coverage is provided at the premises described in the Declarations only if the Declarations show that Business Income Coverage applies at that premises.
- b. Extra Expense means necessary expenses you incur during the "period of restoration" that you would not have incurred if there had been no direct physical loss or damage to property caused by or resulting from a Covered Cause of Loss.

We will pay Extra Expense (other than the expense to repair or replace property) to:

- (1) Avoid or minimize the "suspension" of business and to continue operations at the described premises or at replacement premises or temporary locations, including relocation expenses and costs to equip and operate the replacement location or temporary location.

- (2) Minimize the "suspension" of business if you cannot continue "operations".

We will also pay Extra Expense to repair or replace property, but only to the extent it reduces the amount of loss that otherwise would have been payable under this Coverage Form.

3. Covered Causes Of Loss, Exclusions And Limitations

See applicable Causes Of Loss form as shown in the Declarations.

4. Additional Limitation – Interruption Of Computer Operations

- a. Coverage for Business Income does not apply when a "suspension" of "operations" is caused by destruction or corruption of electronic data, or any loss or damage to electronic data, except as provided under the Additional Coverage, Interruption Of Computer Operations.
- b. Coverage for Extra Expense does not apply when action is taken to avoid or minimize a "suspension" of "operations" caused by destruction or corruption of electronic data, or any loss or damage to electronic data, except as provided under the Additional Coverage, Interruption Of Computer Operations.
- c. Electronic data means information, facts or computer programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs, referred to in the foregoing description of electronic data, means a set of related electronic instructions which direct the operations and functions of a computer or device connected to it, which enable the computer or device to receive, process, store, retrieve or send data.
- d. This Additional Limitation does not apply when loss or damage to electronic data involves only electronic data which is integrated in and operates or controls a building's elevator, lighting, heating, ventilation, air conditioning or security system.

5. Additional Coverages

a. Civil Authority

In this Additional Coverage, Civil Authority, the described premises are premises to which this Coverage Form applies, as shown in the Declarations.

When a Covered Cause of Loss causes damage to property other than property at the described premises, we will pay for the actual loss of Business Income you sustain and necessary Extra Expense caused by action of civil authority that prohibits access to the described premises, provided that both of the following apply:

- (1) Access to the area immediately surrounding the damaged property is prohibited by civil authority as a result of the damage, and the described premises are within that area but are not more than one mile from the damaged property; and
- (2) The action of civil authority is taken in response to dangerous physical conditions resulting from the damage or continuation of the Covered Cause of Loss that caused the damage, or the action is taken to enable a civil authority to have unimpeded access to the damaged property.

Civil Authority Coverage for Business Income will begin 72 hours after the time of the first action of civil authority that prohibits access to the described premises and will apply for a period of up to four consecutive weeks from the date on which such coverage began.

Civil Authority Coverage for Extra Expense will begin immediately after the time of the first action of civil authority that prohibits access to the described premises and will end:

- (1) Four consecutive weeks after the date of that action; or
 - (2) When your Civil Authority Coverage for Business Income ends;
- whichever is later.

b. Alterations And New Buildings

We will pay for the actual loss of Business Income you sustain and necessary Extra Expense you incur due to direct physical loss or damage at the described premises caused by or resulting from any Covered Cause of Loss to:

- (1) New buildings or structures, whether complete or under construction;
- (2) Alterations or additions to existing buildings or structures; and
- (3) Machinery, equipment, supplies or building materials located on or within 100 feet of the described premises and:
 - (a) Used in the construction, alterations or additions; or
 - (b) Incidental to the occupancy of new buildings.

If such direct physical loss or damage delays the start of "operations", the "period of restoration" for Business Income Coverage will begin on the date "operations" would have begun if the direct physical loss or damage had not occurred.

c. Extended Business Income

(1) Business Income Other Than "Rental Value"

If the necessary "suspension" of your "operations" produces a Business Income loss payable under this policy, we will pay for the actual loss of Business Income you incur during the period that:

- (a) Begins on the date property (except "finished stock") is actually repaired, rebuilt or replaced and "operations" are resumed; and
- (b) Ends on the earlier of:
 - (i) The date you could restore your "operations", with reasonable speed, to the level which would generate the business income amount that would have existed if no direct physical loss or damage had occurred; or
 - (ii) 60 consecutive days after the date determined in (1)(a) above.

However, Extended Business Income does not apply to loss of Business Income incurred as a result of unfavorable business conditions caused by the impact of the Covered Cause of Loss in the area where the described premises are located.

Loss of Business Income must be caused by direct physical loss or damage at the described premises caused by or resulting from any Covered Cause of Loss.

(2) "Rental Value"

If the necessary "suspension" of your "operations" produces a "Rental Value" loss payable under this policy, we will pay for the actual loss of "Rental Value" you incur during the period that:

- (a) Begins on the date property is actually repaired, rebuilt or replaced and tenantability is restored; and
- (b) Ends on the earlier of:
 - (i) The date you could restore tenant occupancy, with reasonable speed, to the level which would generate the "Rental Value" that would have existed if no direct physical loss or damage had occurred; or
 - (ii) 60 consecutive days after the date determined in (2)(a) above.

However, Extended Business Income does not apply to loss of "Rental Value" incurred as a result of unfavorable business conditions caused by the impact of the Covered Cause of Loss in the area where the described premises are located.

Loss of "Rental Value" must be caused by direct physical loss or damage at the described premises caused by or resulting from any Covered Cause of Loss.

d. Interruption Of Computer Operations

- (1) Under this Additional Coverage, electronic data has the meaning described under Additional Limitation – Interruption Of Computer Operations.

- (2) Subject to all provisions of this Additional Coverage, you may extend the insurance that applies to Business Income and Extra Expense to apply to a "suspension" of "operations" caused by an interruption in computer operations due to destruction or corruption of electronic data due to a Covered Cause of Loss. However, we will not provide coverage under this Additional Coverage when the Additional Limitation – Interruption Of Computer Operations – does not apply based on Paragraph **A.4.d.** therein.
- (3) With respect to the coverage provided under this Additional Coverage, the Covered Causes of Loss are subject to the following:
- (a) If the Causes Of Loss – Special Form applies, coverage under this Additional Coverage, Interruption Of Computer Operations, is limited to the "specified causes of loss" as defined in that form and Collapse as set forth in that form.
 - (b) If the Causes Of Loss – Broad Form applies, coverage under this Additional Coverage, Interruption Of Computer Operations, includes Collapse as set forth in that form.
 - (c) If the Causes Of Loss form is endorsed to add a Covered Cause of Loss, the additional Covered Cause of Loss does not apply to the coverage provided under this Additional Coverage, Interruption Of Computer Operations.
 - (d) The Covered Causes of Loss include a virus, harmful code or similar instruction introduced into or enacted on a computer system (including electronic data) or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation. But there is no coverage for an interruption related to manipulation of a computer system (including electronic data) by any employee, including a temporary or leased employee, or by an entity retained by you or for you to inspect, design, install, maintain, repair or replace that system.
- (4) The most we will pay under this Additional Coverage, Interruption Of Computer Operations, is \$2,500 (unless a higher limit is shown in the Declarations) for all loss sustained and expense incurred in any one policy year, regardless of the number of interruptions or the number of premises, locations or computer systems involved. If loss payment relating to the first interruption does not exhaust this amount, then the balance is available for loss or expense sustained or incurred as a result of subsequent interruptions in that policy year. A balance remaining at the end of a policy year does not increase the amount of insurance in the next policy year. With respect to any interruption which begins in one policy year and continues or results in additional loss or expense in a subsequent policy year(s), all loss and expense is deemed to be sustained or incurred in the policy year in which the interruption began.
- (5) This Additional Coverage, Interruption Of Computer Operations, does not apply to loss sustained or expense incurred after the end of the "period of restoration", even if the amount of insurance stated in (4) above has not been exhausted.

6. Coverage Extension

If a Coinsurance percentage of 50% or more is shown in the Declarations, you may extend the insurance provided by this Coverage Part as follows:

Newly Acquired Locations

- a. You may extend your Business Income and Extra Expense Coverages to apply to property at any location you acquire other than fairs or exhibitions.
- b. The most we will pay under this Extension, for the sum of Business Income loss and Extra Expense incurred, is \$100,000 at each location, unless a higher limit is shown in the Declarations.
- c. Insurance under this Extension for each newly acquired location will end when any of the following first occurs:
 - (1) This policy expires;

(2) 30 days expire after you acquire or begin to construct the property; or

(3) You report values to us.

We will charge you additional premium for values reported from the date you acquire the property.

The Additional Condition, Coinsurance, does not apply to this Extension.

B. Limits Of Insurance

The most we will pay for loss in any one occurrence is the applicable Limit Of Insurance shown in the Declarations.

Payments under the following coverages will not increase the applicable Limit of Insurance:

1. Alterations And New Buildings;
2. Civil Authority;
3. Extra Expense; or
4. Extended Business Income.

The amounts of insurance stated in the Interruption Of Computer Operations Additional Coverage and the Newly Acquired Locations Coverage Extension apply in accordance with the terms of those coverages and are separate from the Limit(s) Of Insurance shown in the Declarations for any other coverage.

C. Loss Conditions

The following conditions apply in addition to the Common Policy Conditions and the Commercial Property Conditions:

1. Appraisal

If we and you disagree on the amount of Net Income and operating expense or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser.

The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the amount of Net Income and operating expense or amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

2. Duties In The Event Of Loss

a. You must see that the following are done in the event of loss:

- (1) Notify the police if a law may have been broken.
- (2) Give us prompt notice of the direct physical loss or damage. Include a description of the property involved.
- (3) As soon as possible, give us a description of how, when and where the direct physical loss or damage occurred.
- (4) Take all reasonable steps to protect the Covered Property from further damage, and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.
- (5) As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.

Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.

- (6) Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.
 - (7) Cooperate with us in the investigation or settlement of the claim.
 - (8) If you intend to continue your business, you must resume all or part of your "operations" as quickly as possible.
- b. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.

3. Loss Determination

- a. The amount of Business Income loss will be determined based on:
 - (1) The Net Income of the business before the direct physical loss or damage occurred;
 - (2) The likely Net Income of the business if no physical loss or damage had occurred, but not including any Net Income that would likely have been earned as a result of an increase in the volume of business due to favorable business conditions caused by the impact of the Covered Cause of Loss on customers or on other businesses;
 - (3) The operating expenses, including payroll expenses, necessary to resume "operations" with the same quality of service that existed just before the direct physical loss or damage; and
 - (4) Other relevant sources of information, including:
 - (a) Your financial records and accounting procedures;
 - (b) Bills, invoices and other vouchers; and
 - (c) Deeds, liens or contracts.
- b. The amount of Extra Expense will be determined based on:
 - (1) All expenses that exceed the normal operating expenses that would have been incurred by "operations" during the "period of restoration" if no direct physical loss or damage had occurred. We will deduct from the total of such expenses:
 - (a) The salvage value that remains of any property bought for temporary use during the "period of restoration", once "operations" are resumed; and
 - (b) Any Extra Expense that is paid for by other insurance, except for insurance that is written subject to the same plan, terms, conditions and provisions as this insurance; and
 - (2) Necessary expenses that reduce the Business Income loss that otherwise would have been incurred.

c. Resumption Of Operations

We will reduce the amount of your:

- (1) Business Income loss, other than Extra Expense, to the extent you can resume your "operations", in whole or in part, by using damaged or undamaged property (including merchandise or stock) at the described premises or elsewhere.
- (2) Extra Expense loss to the extent you can return "operations" to normal and discontinue such Extra Expense.
- d. If you do not resume "operations", or do not resume "operations" as quickly as possible, we will pay based on the length of time it would have taken to resume "operations" as quickly as possible.

4. Loss Payment

We will pay for covered loss within 30 days after we receive the sworn proof of loss, if you have complied with all of the terms of this Coverage Part, and:

- a. We have reached agreement with you on the amount of loss; or
- b. An appraisal award has been made.

D. Additional Condition

COINSURANCE

If a Coinsurance percentage is shown in the Declarations, the following condition applies in addition to the Common Policy Conditions and the Commercial Property Conditions.

We will not pay the full amount of any Business Income loss if the Limit of Insurance for Business Income is less than:

- 1. The Coinsurance percentage shown for Business Income in the Declarations; times
- 2. The sum of:
 - a. The Net Income (Net Profit or Loss before income taxes), and
 - b. Operating expenses, including payroll expenses,

that would have been earned or incurred (had no loss occurred) by your "operations" at the described premises for the 12 months following the inception, or last previous anniversary date, of this policy (whichever is later).

Instead, we will determine the most we will pay using the following steps:

- Step (1): Multiply the Net Income and operating expense for the 12 months following the inception, or last previous anniversary date, of this policy by the Coinsurance percentage;
- Step (2): Divide the Limit of Insurance for the described premises by the figure determined in Step (1); and
- Step (3): Multiply the total amount of loss by the figure determined in Step (2).

We will pay the amount determined in Step (3) or the limit of insurance, whichever is less. For the remainder, you will either have to rely on other insurance or absorb the loss yourself.

In determining operating expenses for the purpose of applying the Coinsurance condition, the following expenses, if applicable, shall be deducted from the total of all operating expenses:

- (1) Prepaid freight – outgoing;
- (2) Returns and allowances;
- (3) Discounts;
- (4) Bad debts;
- (5) Collection expenses;
- (6) Cost of raw stock and factory supplies consumed (including transportation charges);
- (7) Cost of merchandise sold (including transportation charges);
- (8) Cost of other supplies consumed (including transportation charges);
- (9) Cost of services purchased from outsiders (not employees) to resell, that do not continue under contract;
- (10) Power, heat and refrigeration expenses that do not continue under contract (if Form **CP 15 11** is attached);
- (11) All payroll expenses or the amount of payroll expense excluded (if Form **CP 15 10** is attached); and
- (12) Special deductions for mining properties (royalties unless specifically included in coverage; actual depletion commonly known as unit or cost depletion – not percentage depletion; welfare and retirement fund charges based on tonnage; hired trucks).

Example 1 (Underinsurance)

When: The Net Income and operating expenses for the 12 months following the inception, or last previous anniversary date, of this policy at the described premises would have been: \$ 400,000

The Coinsurance percentage is: 50%

The Limit of Insurance is: \$ 150,000

The amount of loss is: \$ 80,000

Step (1): $\$400,000 \times 50\% = \$200,000$
(the minimum amount of insurance to meet your Coinsurance requirements)

Step (2): $\$150,000 \div \$200,000 = .75$

Step (3): $\$80,000 \times .75 = \$60,000$

We will pay no more than \$60,000. The remaining \$20,000 is not covered.

Example 2 (Adequate Insurance)

When: The Net Income and operating expenses for the 12 months following the inception, or last previous anniversary date, of this policy at the described premises would have been: \$ 400,000

The Coinsurance percentage is: 50%

The Limit of Insurance is: \$ 200,000

The amount of loss is: \$ 80,000

The minimum amount of insurance to meet your Coinsurance requirement is \$200,000 ($\$400,000 \times 50\%$). Therefore, the Limit of Insurance in this example is adequate and no penalty applies. We will pay no more than \$80,000 (amount of loss).

This condition does not apply to Extra Expense Coverage.

E. Optional Coverages

If shown as applicable in the Declarations, the following Optional Coverages apply separately to each item.

1. Maximum Period Of Indemnity

- a. The Additional Condition, Coinsurance, does not apply to this Coverage Form at the described premises to which this Optional Coverage applies.

- b. The most we will pay for the total of Business Income loss and Extra Expense is the lesser of:

- (1) The amount of loss sustained and expenses incurred during the 120 days immediately following the beginning of the "period of restoration"; or
- (2) The Limit Of Insurance shown in the Declarations.

2. Monthly Limit Of Indemnity

- a. The Additional Condition, Coinsurance, does not apply to this Coverage Form at the described premises to which this Optional Coverage applies.
- b. The most we will pay for loss of Business Income in each period of 30 consecutive days after the beginning of the "period of restoration" is:
 - (1) The Limit of Insurance, multiplied by
 - (2) The fraction shown in the Declarations for this Optional Coverage.

Example

When: The Limit of Insurance is:	\$ 120,000
The fraction shown in the Declarations for this Optional Coverage is:	1/4
The most we will pay for loss in each period of 30 consecutive days is:	\$ 30,000
(\$120,000 x 1/4 = \$30,000)	
If, in this example, the actual amount of loss is:	
Days 1–30:	\$ 40,000
Days 31–60:	\$ 20,000
Days 61–90:	\$ 30,000
	<hr/>
	\$ 90,000
We will pay:	
Days 1–30:	\$ 30,000
Days 31–60:	\$ 20,000
Days 61–90:	\$ 30,000
	<hr/>
	\$ 80,000

The remaining \$10,000 is not covered.

3. Business Income Agreed Value

- a. To activate this Optional Coverage:
 - (1) A Business Income Report/Work Sheet must be submitted to us and must show financial data for your "operations":
 - (a) During the 12 months prior to the date of the Work Sheet; and

- (b) Estimated for the 12 months immediately following the inception of this Optional Coverage.

- (2) The Declarations must indicate that the Business Income Agreed Value Optional Coverage applies, and an Agreed Value must be shown in the Declarations. The Agreed Value should be at least equal to:

- (a) The Coinsurance percentage shown in the Declarations; multiplied by
- (b) The amount of Net Income and operating expenses for the following 12 months you report on the Work Sheet.

- b. The Additional Condition, Coinsurance, is suspended until:

- (1) 12 months after the effective date of this Optional Coverage; or
- (2) The expiration date of this policy; whichever occurs first.

- c. We will reinstate the Additional Condition, Coinsurance, automatically if you do not submit a new Work Sheet and Agreed Value:

- (1) Within 12 months of the effective date of this Optional Coverage; or
- (2) When you request a change in your Business Income Limit of Insurance.

- d. If the Business Income Limit of Insurance is less than the Agreed Value, we will not pay more of any loss than the amount of loss multiplied by:

- (1) The Business Income Limit of Insurance; divided by
- (2) The Agreed Value.

Example

When: The Limit of Insurance is:	\$ 100,000
The Agreed Value is:	\$ 200,000
The amount of loss is:	\$ 80,000

Step (1): $\$100,000 \div \$200,000 = .50$

Step (2): $.50 \times \$80,000 = \$40,000$

We will pay \$40,000. The remaining \$40,000 is not covered.

4. Extended Period Of Indemnity

Under Paragraph A.5.c., **Extended Business Income**, the number 60 in Subparagraphs (1)(b) and (2)(b) is replaced by the number shown in the Declarations for this Optional Coverage.

F. Definitions

1. "Finished stock" means stock you have manufactured.

"Finished stock" also includes whiskey and alcoholic products being aged, unless there is a Coinsurance percentage shown for Business Income in the Declarations.

"Finished stock" does not include stock you have manufactured that is held for sale on the premises of any retail outlet insured under this Coverage Part.

2. "Operations" means:
 - a. Your business activities occurring at the described premises; and
 - b. The tenantability of the described premises, if coverage for Business Income Including "Rental Value" or "Rental Value" applies.
3. "Period of restoration" means the period of time that:
 - a. Begins:
 - (1) 72 hours after the time of direct physical loss or damage for Business Income Coverage; or
 - (2) Immediately after the time of direct physical loss or damage for Extra Expense Coverage;
caused by or resulting from any Covered Cause of Loss at the described premises; and
 - b. Ends on the earlier of:
 - (1) The date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality; or
 - (2) The date when business is resumed at a new permanent location.

"Period of restoration" does not include any increased period required due to the enforcement of or compliance with any ordinance or law that:

- (1) Regulates the construction, use or repair, or requires the tearing down, of any property; or

- (2) Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".

The expiration date of this policy will not cut short the "period of restoration".

4. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
5. "Rental Value" means Business Income that consists of:
 - a. Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred as rental income from tenant occupancy of the premises described in the Declarations as furnished and equipped by you, including fair rental value of any portion of the described premises which is occupied by you; and
 - b. Continuing normal operating expenses incurred in connection with that premises, including:
 - (1) Payroll; and
 - (2) The amount of charges which are the legal obligation of the tenant(s) but would otherwise be your obligations.
6. "Suspension" means:
 - a. The slowdown or cessation of your business activities; or
 - b. That a part or all of the described premises is rendered untenable, if coverage for Business Income Including "Rental Value" or "Rental Value" applies.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

JUPITER EQUIPMENT BREAKDOWN COVERAGE

EQUIPMENT BREAKDOWN COVERAGE (Including Electronic Circuitry Impairment)

This endorsement modifies the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
CAUSES OF LOSS—BASIC FORM
CAUSES OF LOSS—SPECIAL FORM
CONDOMINIUM ASSOCIATION COVERAGE FORM

A. The following is added as an Additional Coverage to the Causes of Loss—Basic Form or Special Form.

Additional Coverage – Equipment Breakdown

Additional Coverage Equipment Breakdown as described and limited below is included in the term Covered Cause of Loss. Without an “accident” or “electronic circuitry impairment”, there is no Equipment Breakdown Coverage.

1. We will pay for direct physical damage to Covered Property that is the direct result of an “accident” or “electronic circuitry impairment”. We will consider “electronic circuitry impairment” to be physical damage to “covered equipment”.
2. The following coverages also apply to the direct result of an “accident” or “electronic circuitry impairment”, unless otherwise shown in a “schedule”. These coverages do not provide additional amounts of insurance.
 - a. Business Income and Extra Expense
 - (1) Any insurance provided under the coverage part to which this Equipment Breakdown Coverage endorsement is attached for Business Income or Extra Expense is extended to the coverage provided by this endorsement. However, if a deductible is shown in a “schedule”, then with respect to this endorsement only, the “period of restoration” will begin immediately after the “accident” or “electronic circuitry impairment” and the deductible shown in the “schedule” will apply.
 - (2) The most we will pay under this Business Income and Extra Expense coverage is the applicable limit for Business Income and Extra Expense, unless otherwise shown in a “schedule”.
 - b. Data Restoration
 - (1) We will pay for your reasonable and necessary cost to research, replace and restore lost “data”.
 - (2) The most we will pay under this Data Restoration coverage is \$25,000, unless otherwise shown in a “schedule”. This amount includes the actual loss of Business Income you sustain and necessary Extra Expense you incur, if shown as covered.
 - c. Expediting Expenses
 - (1) With respect to your damaged Covered Property, we will pay the reasonable and necessary extra cost to:
 - (a) Make temporary repairs; and
 - (b) Expedite permanent repairs or replacement.

- (2) The most we will pay under this Expediting Expenses coverage is \$25,000, unless otherwise shown in a "schedule".
- d. Future Loss Avoidance
 - (1) This coverage only applies if you have received payment under this Equipment Breakdown Coverage for an "accident" or "electronic circuitry impairment" that occurred on the premises of a covered location.
 - (2) We will pay your costs to purchase and install Protective Equipment at the location of the loss as follows:
 - (a) Electrical surge protection or single-phase Protective Equipment; or
 - (b) Other Protective Equipment if we agree that such equipment would reasonably reduce the likelihood of a future "accident" or "electronic circuitry impairment" similar to the one for which you have received payment from us. We will not unreasonably withhold such agreement.
 - (3) As used in this coverage, Protective Equipment means a permanently installed physical device with the principal function of safeguarding one or more pieces of "covered equipment" from physical damage.
 - (4) We must receive your invoices for any purchase and installation costs no later than 180 days after the date you receive the payment for the loss from us.
 - (5) With respect to any "one equipment breakdown", the most we will pay is the lesser of the following:
 - (a) 10% of our Eligible Payment to you prior to any payment under this Future Loss Avoidance coverage; or
 - (b) \$10,000.
 - (6) As used in this coverage, Eligible Payment means our total payment to you not including the following:
 - (a) Any deductible or coinsurance amount; or
 - (b) Any payment made after this policy has been cancelled or non-renewed.
- e. Green
 - (1) With respect to Covered Property, we will pay your additional cost to:
 - (a) Repair damaged property using equipment, materials and service firms required or recommended by a "recognized environmental standards program", if repair is the least expensive option;
 - (b) Replace damaged property using equipment, materials and service firms required or recommended by a "recognized environmental standards program", if replacement is the least expensive option;
 - (c) Dispose of damaged property or equipment, if practicable, through a recycling process; and
 - (d) Flush out reconstructed space with up to 100% outside air using new filtration media.
 - (2) With respect to any building that is Covered Property and was, at the time of the "accident" or "electronic circuitry impairment" certified by a "recognized environmental standards program", we will pay your additional cost:
 - (a) To prevent a lapse of such certification;
 - (b) To reinstate the certification or replace it with an equivalent certification;
 - (c) For an engineer authorized by a "recognized environmental standards program" to oversee the repair or replacement of the damaged Covered Property; and
 - (d) For a Professional Engineer to commission or recommission your damaged mechanical, electrical or electronic building systems.
 - (3) As used in this coverage, additional costs mean those beyond what would have been payable under this Equipment Breakdown Coverage in the absence of this Green coverage.

- (4) This Green coverage is subject to the following provisions:
 - (a) This coverage applies in addition to any coverage that may apply under the Environmental, Safety and Efficiency Improvements condition of this endorsement or any other applicable coverage.
 - (b) This coverage only applies to Covered Property that must be repaired or replaced as a direct result of an "accident" or "electronic circuitry impairment".
 - (c) This coverage does not apply to any Covered Property to which "actual cash value" applies.
- (5) The most we will pay under this Green coverage is \$25,000, unless otherwise shown in a "schedule". This amount includes the actual loss of Business Income you sustain and necessary Extra Expense you incur, if shown as covered.
- f. Hazardous Substances
 - (1) We will pay your 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. As used in this coverage, additional costs mean those beyond what would have been payable under this Equipment Breakdown Coverage had no "hazardous substance" been involved.
 - (2) This coverage does not apply to testing, clean up or disposal of land, water or any other property that is not Covered Property.
 - (3) This does not include contamination of "perishable goods" by refrigerant, including, but not limited to, ammonia, which is addressed in Refrigerant Contamination, 2.n.(2) below.
 - (4) The most we will pay under this Hazardous Substances coverage is \$25,000, unless otherwise shown in a "schedule". This amount includes the actual loss of Business Income you sustain and necessary Extra Expense you incur, if shown as covered.
- g. Mobile Robots
 - (1) We will pay for physical damage to Covered Property from an "accident" or "electronic circuitry impairment" when the "covered equipment" is a "mobile robot".
 - (2) The most we will pay under this Mobile Robots coverage is \$50,000. This amount includes Spoilage and Consequential Damage, Data Restoration, and the actual loss of Business Income you sustain and necessary Extra Expense you incur, if shown as covered.
- h. Mold
 - (1) We will pay for the additional cost to repair or replace Covered Property because of contamination by mold, fungus, mildew or yeast, including any spores or toxins created or produced by or emanating from such mold, fungus, mildew or yeast, resulting from an "accident" or "electronic circuitry impairment". This includes the additional costs to clean up or dispose of such property. This does not include "spoilage and consequential damage" of personal property that is "perishable goods" to the extent that such "spoilage and consequential damage" is covered under Spoilage and Consequential Damage coverage.
 - (2) As used in this coverage, additional costs mean those beyond what would have been payable under this Equipment Breakdown Coverage had no mold, fungus, mildew, yeast, spores or toxins been involved.
 - (3) We will also pay the cost of testing performed after repair or replacement of the damaged Covered Property is completed only to the extent that there is a reason to believe there is the presence of mold, fungus, mildew, yeast, spores or toxins.
 - (4) This coverage does not apply to lawns, trees, shrubs or plants which are part of a vegetated roof.
 - (5) As described in B.1.b. below, the most we will pay under this Mold coverage is \$15,000, unless otherwise shown in a "schedule". This amount includes the actual loss of Business Income you sustain and necessary Extra Expense you incur, if shown as covered.

i. Off Premises Equipment Breakdown

- (1) We will pay for physical damage to portable "covered equipment" that, at the time of the "accident" or "electronic circuitry impairment", is not at a covered location.
- (2) We will also pay for your reasonable and necessary cost to research, replace and restore lost "data" contained within portable "covered equipment" as described in (1) above. This amount may not exceed the limit applicable to Data Restoration coverage.
- (3) With respect to this Off Premises Equipment Breakdown coverage only, the "accident" or "electronic circuitry impairment" may occur anywhere in the world except within any country on which the United States has imposed sanctions, embargoes or similar restrictions on the provision of insurance.
- (4) The most we will pay under this Off Premises Equipment Breakdown coverage is \$10,000, unless otherwise shown in a "schedule". Our payment under this coverage includes:
 - (a) The actual loss of Business Income you sustain and necessary Extra Expense you incur, if shown as covered; and
 - (b) Data Restoration as described in (2) above.
- (4) The most we will pay under this Off Premises Equipment Breakdown coverage is the Property Off Premises limit shown in your policy, unless otherwise shown in a "schedule". Our payment under this coverage includes:
 - (a) The actual loss of Business Income you sustain and necessary Extra Expense you incur, if shown as covered; and
 - (b) Data Restoration as described in (2) above.

j. Public Relations

- (1) This coverage only applies if you have sustained an actual loss of Business Income covered under this endorsement.
- (2) We will pay for your reasonable costs for professional services to create and disseminate communications, when the need for such communications arises directly from the interruption of your business. This communication must be directed to one or more of the following:
 - (a) The media;
 - (b) The public; or
 - (c) Your customers, clients or members.
- (3) Such costs must be incurred during the "period of restoration" or up to 30 days after the "period of restoration" has ended.
- (4) The most we will pay under this Public Relations coverage is \$25,000.

k. Resultant Damage to Animals

- (1) Any insurance provided under the coverage part to which this Equipment Breakdown Coverage endorsement is attached for "animals" is extended to the coverage provided by this endorsement.
- (2) The most we will pay under this Resultant Damage to Animals coverage is \$25,000. This amount includes the actual loss of Business Income and necessary Extra Expense you incur, if shown as covered.

l. Resultant Loss from a Cyber Event

Coverage is extended to an "accident" or "electronic circuitry impairment" caused by or resulting from a "cyber event" that causes direct physical damage to "covered equipment" at a covered location.

m. Service Interruption

- (1) Any insurance provided for Business Income, Extra Expense, Data Restoration or Spoilage and Consequential Damage is extended to apply to your loss, damage or expense caused by a failure or disruption of service. The failure or disruption of service must be caused by an "accident" or "electronic circuitry impairment" to equipment, including overhead transmission lines, that is owned by a utility, landlord, a landlord's utility or other supplier who provides you with any of the following services: electrical power, waste disposal, air conditioning, refrigeration, heating, natural gas, compressed air, water, steam, internet access, telecommunications services, "cloud or outsourced computing services", wide area networks, data transmission, elevator services or Equipment as a Service. The equipment must meet the definition of "covered equipment" except that it is not Covered Property. As used in this coverage, Equipment as a Service means any service that you pay for on a usage basis when the service is provided to you by equipment that is located on your premises that is neither owned, leased or operated by you.
- (2) "Cloud or outsourced computing services" must be provided by a professional provider with whom you have a contract. With respect to this Service Interruption coverage only, the "accident" or "electronic circuitry impairment" to the equipment of a provider of "cloud or outsourced computing services" may occur anywhere in the world except within any country on which the United States has imposed sanctions, embargoes or similar restrictions on the provision of insurance.
- (3) With respect to the Data Restoration portion of this Service Interruption coverage, coverage will also apply to "data" stored in the equipment of a provider of "cloud or outsourced computing services".
- (4) Unless otherwise shown in a "schedule", Service Interruption coverage will not apply unless the failure or disruption of service exceeds 24 hours immediately following the "accident" or "electronic circuitry impairment". If the interruption exceeds 24 hours, coverage will begin at the time of the interruption and the applicable deductible will apply.
- (5) The most we will pay in any "one equipment breakdown" under this Service Interruption coverage is the applicable limit for Business Income, Extra Expense, Data Restoration or Spoilage and Consequential Damage. However, if a limit is shown in a "schedule" for Service Interruption, that limit will apply to Business Income and Extra Expense loss under this coverage.

n. Spoilage and Consequential Damage

- (1) We will pay for physical damage to "perishable goods" due to "spoilage and consequential damage".
- (2) Refrigerant Contamination
We will also pay for physical damage to "perishable goods" due to contamination from the release of refrigerant, including, but not limited to, ammonia. If a separate limit is indicated for Refrigerant Contamination, this amount is part of, and not in addition to, your Spoilage and Consequential Damage limit.
- (3) We will also pay any necessary expenses you incur to reduce the amount of loss under this Spoilage and Consequential Damage coverage. However, we will not pay more than the amount that would otherwise have been payable under this Spoilage and Consequential Damage coverage.
- (4) The most we will pay under this Spoilage and Consequential Damage coverage is \$25,000, unless otherwise shown in a "schedule".

3. EQUIPMENT BREAKDOWN EXCLUSIONS

All exclusions in the applicable Causes of Loss form apply except as modified below and to the extent that coverage is specifically provided by this endorsement. Exclusions listed in this endorsement apply regardless of cause.

If any cyber incident exclusion is made a part of this policy, such exclusion will not apply to the extent coverage is provided in A.2.I. Resultant Loss From a Cyber Event.

- a. With respect to coverage under this endorsement, the following exclusions are modified:
- (1) If the Causes of Loss—Basic Form applies, the following is added to Exclusion B.2.:
Wear and tear, corrosion, depletion, deterioration, erosion, settling or other gradually developing conditions. However, if an “accident” or “electronic circuitry impairment” results, we will pay for the resulting loss, damage or expense caused by that “accident” or “electronic circuitry impairment”.
 - (2) If the Causes of Loss—Special Form applies, with respect to this endorsement only, the last paragraph of Exclusion B.2.d. is deleted and replaced with the following:
But if a cause of loss that is excluded and listed in B.2.d.(1) through (7) results in an “accident” or “electronic circuitry impairment”, we will pay for the resulting loss, damage or expense caused by that “accident” or “electronic circuitry impairment”.
- b. With respect to coverage under this endorsement, the following exclusions are added:
- (1) We will not pay for loss, damage or expense caused by any of the following causes of loss, whether directly or indirectly. This exclusion applies even if the excluded cause of loss was the result of an “accident” or “electronic circuitry impairment”:
 - (a) Fire, including smoke from a fire.
 - (b) Explosion of gas or unconsumed fuel within the furnace of any boiler or fired vessel or within the passages from that furnace to the atmosphere.
 - (c) Any other explosion, except as specifically covered under this endorsement.
 - (d) Any earth movement. This includes, but is not limited to, earthquake, earth sinking, landslide, sinkhole collapse, subsidence, tsunami or volcanic action.
 - (e) Flood; mudslide or mudflow; overflow of any body of water; storm surge; tidal waves; tides; surface water; water that discharges, overflows or backs up from a drain, sump or sewer; waves; or spray associated with any of the foregoing; all whether or not caused by or involving wind.

However, if electrical “covered equipment” requires drying out because of the above, we will pay for the amount you actually expend to dry out such equipment, subject to the applicable Limit of Insurance and deductible for Building or Business Personal Property, whichever applies. We will not pay more than the “actual cash value” of the affected electrical “covered equipment”. We will not pay to replace such equipment or for any other direct or indirect loss, damage or expense.
 - (f) Vandalism, meaning a malicious act that causes damage or destruction. However, this exclusion does not apply to a “cyber event” to the extent coverage is provided in A.2.I. (Resultant Loss from a Cyber Event coverage).
 - (g) Any “cyber event”, except as specifically provided in A.2.I. (Resultant Loss from a Cyber Event coverage).
 - (h) Your failure to use all reasonable means to protect Covered Property from damage following an “accident” or “electronic circuitry impairment”.
 - (i) Freeze caused by cold weather, except as specifically provided under A.2.n. Spoilage and Consequential Damage coverage.
 - (j) Discharge of molten material from equipment, including the heat from such discharged material.
- (2) We will not pay for loss, damage or expense caused directly or indirectly by any condition or event listed in (a) through (e) below, without regard to whether such condition or event is normal and expected or unusual and unexpected. However, if a condition or event that is listed in (a) through (e) below results in an “accident” or “electronic circuitry impairment” and no other exclusion applies, we will pay only for the loss, damage or expense that is a direct result of and solely attributable to the “accident” or “electronic circuitry impairment”.

- (a) Any defect, error or shortcoming in design or installation;
 - (b) Any undercapacity, underperformance, failure to perform as expected or failure to perform as designed;
 - (c) Any defect, programming error, programming limitation, loss of "data", loss of access, loss of use, loss of functionality or other condition within or involving "data" or "media" of any kind;
 - (d) Contamination by a "hazardous substance";
 - (e) Any condition, including, but not limited to, misalignment, miscalibration or tripping off-line, which can be corrected by:
 - i. Resetting, tightening, adjusting or cleaning;
 - ii. Normal maintenance, including, but not limited, to replacing expendable parts, recharging batteries or cleaning;
 - iii. Rebooting, reloading or updating software or firmware; or
 - iv. Providing necessary power or supply.
- (3) We will not pay for an "accident" or "electronic circuitry impairment" caused by or resulting from any of the following causes of loss:
- (a) Lightning.
 - (b) Windstorm or hail. However, this exclusion does not apply when:
 - i. "Covered equipment" located within a structure or building suffers an "accident" or "electronic circuitry impairment" that results from wind-blown dust, rain, sand or snow; and
 - ii. The structure or building did not first sustain wind or hail damage to its roof or walls through which the dust, rain, sand or snow entered.
 - (c) Collision or any physical contact caused by or involving a "vehicle" or "mobile robot".
 - (d) Smoke, riot or civil commotion, sprinkler leakage or elevator collision.
 - (e) Weight of snow, ice or sleet.
 - (f) Collapse.
 - (g) Falling objects. However, this exclusion does not apply to:
 - i. Property located outside the walls of a structure or building; or
 - ii. Loss or damage to property located within a structure or building, unless a falling object first damages the roof or exterior wall of the structure or building.
 - (h) A hydrostatic, pneumatic or gas pressure test of any boiler or pressure vessel, or an electrical insulation breakdown test of any type of electrical equipment.
 - (i) Any means, whether or not successful, intended to extinguish a fire. This includes, but is not limited to, the spraying of water.
- (4) With respect to Business Income, Extra Expense and Service Interruption coverages, we will also not pay for:
- (a) Loss caused by your failure to use due diligence and dispatch and any and all reasonable means to resume business; or
 - (b) Any increase in loss resulting from an agreement between you and your customer, supplier or contractor.

- (5) Except as specifically provided under A.2.h. Mold coverage, we will not pay for loss, damage or expense caused directly or indirectly by the following, whether or not caused by or resulting from an "accident" or "electronic circuitry impairment": Any mold, fungus, mildew or yeast, including any spores or toxins created or produced by or emanating from such mold, fungus, mildew or yeast. This includes, but is not limited to, costs arising from clean-up, remediation, containment, removal or abatement of such mold, fungus, mildew, yeast, spores or toxins. However, this exclusion does not apply to "spoilage and consequential damage" of personal property that is "perishable goods", to the extent that such "spoilage and consequential damage" is covered under Spoilage and Consequential Damage coverage.
- (6) Except as specifically provided under A.2.b. Data Restoration or A.2.k. Resultant Damage to Animals, we will not pay for loss, damage or expense caused directly or indirectly by the following, whether or not caused by or resulting from an "accident" or "electronic circuitry impairment":
 - (a) Physical loss or damage to "animals";
 - (b) Loss, interruption or compromise of any research, test or study involving "animals"; or
 - (c) Loss of income or extra expense resulting from (a) or (b) above.
- (7) We will not pay for loss or damage to any of the following, whether or not caused by an "accident" or "electronic circuitry impairment":
 - (a) Catalysts or molecular sieves;
 - (b) Artifacts, fossils, relics or any rare items of cultural, historical or scientific interest; or
 - (c) Biological samples or materials, including, but not limited to, organs, tissues or blood.
- (8) We will not pay for "spoilage and consequential damage" to any "perishable goods" with respect to Off Premises Equipment Breakdown coverage.
- (9) With respect to Off Premises Equipment Breakdown and Service Interruption coverage provided by this endorsement, and any Dependent Properties or Civil Authority coverages provided by the policy, we will not pay for any direct or indirect loss, damage or expense caused by or resulting from a "cyber event".
- c. Exclusions b.(3)(a) through (g) above do not apply if:
 - (1) The excluded cause of loss occurs away from any covered location and causes an electrical surge or other electrical disturbance;
 - (2) Such surge or disturbance is transmitted through utility service transmission lines to the covered location and results in an "accident" or "electronic circuitry impairment"; and
 - (3) The loss, damage or expense caused by such surge or disturbance is not covered elsewhere under the policy.
- d. Any cause of loss set forth in exclusion b.(3)(e) through (g) above that is not a Covered Cause of Loss in this coverage part will be excluded only as respects Service Interruption coverage.

4. EQUIPMENT BREAKDOWN DEFINITIONS

The following definitions are added with respect to this endorsement only:

- a. "Accident" means a fortuitous event that causes direct physical damage to "covered equipment". The event must be one of the following:
 - (1) Mechanical breakdown, including physical damage caused by centrifugal force. As used in this definition, Mechanical Breakdown means an occurrence involving one or more moving parts of machinery that causes such machinery to operate improperly or to cease operating.
 - (2) Artificially generated electrical current, including electrical arcing, that damages electrical devices, appliances or wires.
 - (3) Explosion, other than combustion explosion, of steam boilers, steam engines, steam piping or steam turbines.
 - (4) Sudden physical damage not otherwise excluded occurring inside:
 - (a) Steam boilers, steam engines, steam piping or steam turbines; or
 - (b) Hot water boilers or other equipment used to heat water.

- (5) Bursting, cracking or splitting. However, this does not include any bursting, cracking or splitting associated with an explosion, unless such explosion is an "accident" as defined in (3) above.
- b. "Actual cash value" means the replacement cost for parts, equipment or other property, less Depreciation. However, the "actual cash value" will not be less than 25% of the actual replacement cost.
- As used in this definition, Depreciation means the ratio of the age of the property at the time of loss to its expected useful life.
- Depreciation will not be applied to labor or other costs necessary to complete the repair or replacement.
- c. "Animal" means a creature of the kingdom Animalia. This includes, but is not limited to, amphibians, birds, fish, insects, mammals, reptiles, and worms.
- d. "Boilers and vessels" means:
- (1) Boilers;
 - (2) Piping, valves or fittings that:
 - (a) Convey steam; or
 - (b) Are part of a closed loop system connected to a boiler.
 - (3) Condensate tanks; and
 - (4) Fired or unfired vessels which, during normal usage, operate under vacuum or pressure, other than the weight of contents.
- This term does not appear elsewhere in this endorsement, but may appear in a "schedule".
- e. "Building Utilities" means "covered equipment" permanently mounted on or in a building and used to provide any of the following services with the building: heating, ventilating, air conditioning, electrical power, hot water, elevator or escalator services, central vacuum, natural gas service or communications.
- "Building utilities" does not include personal property or equipment used in manufacturing or processing.
- f. "Buried vessels or piping"
- (1) "Buried vessels or piping" means any piping, valve, fitting or vessel that is buried or encased in the earth, concrete or other material, whether above or below grade, or in an enclosure which does not allow access for inspection and repair. Such equipment will be considered "buried vessels or piping" if any portion is buried or encased, whether or not the entire piece of equipment is buried or encased and whether or not the equipment is connected to other equipment that is not buried or encased.
 - (2) None of the following are "buried vessels or piping":
 - (a) Any piping, valve, fitting, or vessel within a building. However, such equipment will not be considered within a building if it is partly or entirely beneath the building's foundation.
 - (b) Any piping, valve, fitting, or vessel within a tunnel through which people can pass and that connects two or more buildings.
 - (c) Any piping, valve or fitting that is part of a closed loop geothermal system.
 - (d) A pressure vessel used as the cylinder of a hydraulic elevator.
- g. "Cloud or outsourced computing services" means professional, on-demand, self-service data storage or data processing services provided through the internet or over telecommunications lines. This includes services known as IaaS (infrastructure as a service), PaaS (platform as a service), SaaS (software as a service) and NaaS (network as a service). This includes business models known as public clouds, community clouds and hybrid clouds. "Cloud or outsourced computing services" include private clouds if such services are owned and operated by a third party.

h. "Covered equipment"

(1) Unless otherwise shown in a "schedule", "covered equipment" means Covered Property:

- (a) That generates, transmits or utilizes energy; or
- (b) Which, during normal usage, operates under vacuum or pressure, other than the weight of its contents.

"Covered equipment" may utilize conventional design and technology or new or newly commercialized design and technology.

(2) Except as specifically provided for under A.2.m. Service Interruption and A.2.n. (part of Spoilage and Consequential Damage coverage), such equipment must be owned or leased by you, or operated under your control.

(3) None of the following is "covered equipment":

- (a) Structures, including, but not limited to, the structural portions of buildings, towers or scaffolding.
- (b) Foundations.
- (c) Cabinets, compartments, conduits or ductwork.
- (d) Insulating or refractory materials or glass linings.
- (e) Dies, patterns or forms.
- (f) "Buried vessels or piping".
- (g) Waste, drainage or sewer piping.
- (h) Piping, valves or fittings forming a part of a sprinkler or fire suppression system.
- (i) Piping, valves or fittings used to convey water. However, the following is "covered equipment":
 - i. Piping, valves or fittings that are part of a closed loop connected to a boiler or a refrigeration or air conditioning system; and
 - ii. Valve actuators.
- (j) "Vehicles" or equipment mounted on a "vehicle" .
- (k) Satellites, spacecraft or any equipment mounted on a satellite or spacecraft.
- (l) Draglines, excavation or construction equipment.
- (m) Equipment manufactured by you for sale.
- (n) Equipment of others that you modify, maintain or test as a professional service.
- (o) "Data".

i. "Cyber event" means a hostile, illegal or transgressive act committed through electronic systems. This includes, but is not limited to, hacking, a denial of service attack or the deployment of malware. However, this does not include any such act committed as an act of war, whether or not officially declared.

j. "Data" means information or instructions stored in digital code capable of being processed by machinery.

k. "Electrical distribution equipment"

(1) "Electrical distribution equipment" means the following "covered equipment" when used to distribute electricity to connected equipment:

- (a) Electrical wires, cables, busbars and busways;
- (b) Electrical connectors, breakers, fuses, switches and motor control centers;
- (c) Electrical usage monitors and power quality devices; and
- (d) Electrical transformers.

- (2) None of the following is “electrical distribution equipment”: equipment that is part of or within a machine or apparatus, if such machine or apparatus is serving a function other than the distribution of electricity.

This term does not appear elsewhere in this endorsement, but may appear in a “schedule”.

l. “Electrical distribution equipment other than transformers”

- (1) “Electrical distribution equipment other than transformers” means the following “covered equipment” when used to distribute electricity to connected equipment:

- (a) Electrical wires, cables, busbars and busways;
- (b) Electrical connectors, breakers, fuses, switches and motor control centers; and
- (c) Electrical usage monitors and power quality devices.

- (2) None of the following is “electrical distribution equipment other than transformers”:

- (a) Equipment that is part of or within a machine or apparatus, if such machine or apparatus is serving a function other than the distribution of electricity; or
- (b) Electrical transformers.

This term does not appear elsewhere in this endorsement, but may appear in a “schedule”.

m. “Electrical generating equipment”

- (1) “Electrical generating equipment” means equipment which converts any other form of energy into electricity. This includes, but is not limited to, the following:

- (a) Boilers used primarily to provide steam for one or more turbine-generator units;
- (b) Turbine-generators (including steam, gas, water or wind turbines);
- (c) Engine-generators;
- (d) Fuel cells or other alternative electrical generating equipment;
- (e) Electrical transformers, switchgear and power lines used to convey the generated electricity; and
- (f) Associated equipment necessary for the operation of any of the equipment listed in (a) through (e) above.

- (2) None of the following is “Electrical generating equipment”:

- (a) Elevator or hoist motors that generate electricity when releasing cable; or
- (b) Equipment intended to generate electricity solely on an emergency, back-up basis.

This term does not appear elsewhere in this endorsement, but may appear in a “schedule”.

n. “Electronic circuitry impairment”

- (1) “Electronic circuitry impairment” means a fortuitous event involving Electronic Circuitry within “covered equipment” that causes the “covered equipment” to suddenly lose its ability to function as it had been functioning immediately before such event. This definition is subject to the conditions specified in (2) and (3) below.

- (2) We will determine that the reasonable and appropriate remedy to restore such “covered equipment’s” ability to function is the replacement of one or more Electronic Circuitry components of the “covered equipment”.

- (3) None of the following is an “electronic circuitry impairment”:

- (a) Any condition caused by or related to:
 - i. Incompatibility of the “covered equipment” with any software or equipment installed, introduced or networked within the prior 30 days; or
 - ii. Insufficient size, capability or capacity of the “covered equipment”.
- (b) Exposure to adverse environmental conditions, including, but not limited to, change in temperature or humidity, unless such conditions result in an observable loss of functionality. Loss of warranty will not be considered an observable loss of functionality.

- (4) As used in this definition, Electronic Circuitry means microelectronic components, including, but not limited to, circuit boards, integrated circuits, computer chips and disk drives.
- o. "Excavation costs"
 - (1) "Excavation costs" means the additional cost to repair or replace Covered Property because of the need to dig a hole, trench or tunnel. This includes the costs to dig and refill the hole, trench or tunnel. This also includes the costs to repair damage to roads, walkways, landscaping or other property caused by such excavation.
 - (2) "Excavation costs" include the actual loss of Business Income you sustain and necessary Extra Expense you incur, if shown as covered.
 This term does not appear elsewhere in this endorsement, but may appear in a "schedule".
- p. "Hazardous substance" means any substance that is dangerous or harmful to health or has been declared by a governmental agency to be dangerous or harmful to health.
- q. "Media" means material on which "data" is recorded, such as flash drives, hard disks, magnetic tapes, optical disks or solid-state drives.
- r. "Medical equipment" means the following equipment when used for any medical specialty, including veterinary services:
 - (1) "Medical imaging equipment";
 - (2) Laboratory or therapeutic equipment; and
 - (3) Any other equipment used to:
 - (a) Cure, diagnose, mitigate, monitor, prevent or treat disease; or
 - (b) Affect the structure or appearance of the body.
 This term does not appear elsewhere in this endorsement, but may appear in a "schedule".
- s. "Medical imaging equipment" means scanning or imaging equipment used to diagnose or monitor disease or other conditions. This includes, but is not limited to, CT, MRI, PET, ultrasound and x-ray devices. This includes such equipment used for all medical specialties, including veterinary services.
 This term does not appear elsewhere in this endorsement, but may appear in a "schedule".
- t. "Mobile Robot"
 - (1) "Mobile robot" means "covered equipment" that is:
 - (a) Able to move about under its own power; and
 - (b) Used solely within a structure or building.
 - (2) "Mobile robot" does not mean any equipment that is
 - (a) Directed or steered by a human driver who is on or in such equipment;
 - (b) Used to transport people;
 - (c) Used in or under water or other liquid;
 - (d) Used within tanks or piping; or
 - (e) A drone or other airborne device.
- u. "One equipment breakdown" means all "accidents" and "electronic circuitry impairments" occurring at the same time from the same event. If an "accident" or "electronic circuitry impairment" causes other "accidents" or "electronic circuitry impairments", all will be considered "one equipment breakdown".
- v. "Perishable goods" means any Covered Property that is personal property, other than "animals", subject to deterioration or impairment as a result of a change in conditions, including, but not limited to, temperature, humidity or pressure.

- w. "Production machinery" means any machine or apparatus that processes or produces a product intended for eventual sale. This includes all component parts of such machine or apparatus and any other equipment used exclusively with such machine or apparatus. However, "production machinery" does not mean any boiler or fired or unfired pressure vessel.

This term does not appear elsewhere in this endorsement, but may appear in a "schedule".

- x. "Recognized environmental standards program" means one of the following:
- (1) The United States Environmental Protection Agency ENERGY STAR® program;
 - (2) The U.S. Green Building Council LEED® program;
 - (3) The Green Building Initiative GREEN GLOBES® program; or
 - (4) Any nationally or internationally recognized environmental standards program designed to achieve energy savings and related objectives of the type included in the programs listed above.
- y. "Schedule" means the Equipment Breakdown Coverage Schedule.
- z. "Spoilage and consequential damage" means any detrimental change in physical state. This includes, but is not limited to:
- (1) Thawing of frozen goods;
 - (2) Warming of refrigerated goods;
 - (3) Freezing of fresh goods;
 - (4) Solidification of liquid or molten material; and
 - (5) Chemical reactions to material in process.

aa. "Vehicle"

- (1) "Vehicle" means, with respect to this endorsement only, any machine or apparatus that is used for transportation or is able to move about under its own power, even if it is solely used within a structure or building. "Vehicle" includes, but is not limited to, any car, truck, bus, trailer, train, aircraft, drone, watercraft, forklift, bulldozer, tractor or harvester.
- (2) None of the following is a "vehicle":
 - (a) Any property at a covered location that, for at least 24 consecutive hours, has been stationary, installed and receiving electrical power from a power source that is external to such property. However, a battery-propelled machine or apparatus that requires periodic recharging is considered a "vehicle" and not subject to this exception.
 - (b) Any "mobile robot".

B. With respect to this endorsement only, the Building and Personal Property Coverage Form and the Condominium Association Coverage Form are modified as follows.

1. EQUIPMENT BREAKDOWN LIMITS OF INSURANCE

Any payment made under this Equipment Breakdown Coverage will not be increased if multiple insureds are shown in the Declarations or if you are comprised of more than one legal entity.

- a. The most we will pay for loss, damage or expense arising from any "one equipment breakdown" is the applicable Limit of Insurance in the Declarations, unless otherwise shown in a "schedule". Coverage provided under this endorsement does not provide an additional amount of insurance.
- b. Loss arising from any "one equipment breakdown" may continue to be present or recur in a later policy period. This includes, but is not limited to, loss arising from mold, fungus, mildew or yeast as covered under Mold coverage. In such a case, the most we will pay for all loss, damage or expense arising out of any "one equipment breakdown" is the coverage limit at the time of the "accident" or "electronic circuitry impairment".
- c. If two or more coverage limits apply to the same loss or portion of a loss, we will pay only the smallest of the applicable limits for that loss or portion of that loss.

2. EQUIPMENT BREAKDOWN DEDUCTIBLE

The deductible in the Declarations applies unless a separate Equipment Breakdown deductible is shown in a "schedule". If a separate Equipment Breakdown deductible is shown, the following applies.

Only as regards Equipment Breakdown Coverage, provision D. DEDUCTIBLE is deleted and replaced with the following:

a. Deductibles for Each Coverage

- (1) Unless the "schedule" indicates that your deductible is combined for all coverages, multiple deductibles may apply to any "one equipment breakdown".
- (2) We will not pay for loss, damage or expense under any coverage until the amount of the covered loss, damage or expense exceeds the deductible amount indicated for that coverage in the "schedule". We will then pay the amount of loss, damage or expense in excess of the applicable deductible amount, subject to the applicable limit.
- (3) If deductibles vary by type of "covered equipment" and more than one type of "covered equipment" is involved in any "one equipment breakdown", only the highest deductible for each coverage will apply.

b. Direct and Indirect Coverages

- (1) Direct Coverages Deductibles and Indirect Coverages Deductibles may be indicated in the "schedule".
- (2) Unless more specifically indicated in the "schedule":
 - (a) Direct Coverages Deductibles apply to all loss, damage or expense covered by this Equipment Breakdown Coverage with the exception of Business Income and Extra Expense loss, regardless of where such Business Income and Extra Expense coverage is provided in this Equipment Breakdown Coverage; and
 - (b) Indirect Coverages Deductibles apply to Business Income and Extra Expense loss, regardless of where such coverage is provided in this Equipment Breakdown Coverage.

c. Application of Deductibles

(1) Dollar Deductibles

We will not pay for loss, damage or expense resulting from any "one equipment breakdown" until the amount of loss, damage or expense exceeds the applicable deductible shown in the "schedule". We will then pay the amount of loss, damage or expense in excess of the applicable deductible or deductibles, up to the applicable Limit of Insurance.

(2) Time Deductible

If a time deductible is shown in the "schedule", we will not be liable for any loss occurring during the specified number of hours or days immediately following the "accident" or "electronic circuitry impairment". If a time deductible is expressed in days, each day will mean twenty-four consecutive hours.

(3) Multiple of Average Daily Value (ADV)

If a deductible is expressed as a number times ADV, that amount will be calculated as follows:

The ADV (Average Daily Value) will be the Business Income (as defined in any Business Income coverage that is part of this policy) that would have been earned during the period of interruption of business had no "accident" or "electronic circuitry impairment" occurred, divided by the number of working days in that period. No reduction will be made for the Business Income not being earned, or in the number of working days, because of the "accident" or "electronic circuitry impairment" or any other scheduled or unscheduled shutdowns during the period of interruption. The ADV applies to the Business Income value of the entire location, whether or not the loss affects the entire location. If more than one location is included in the valuation of the loss, the ADV will be the combined value of all affected locations. For purposes of this calculation, the period of interruption may not extend beyond the "period of restoration". The number indicated in the "schedule" will be multiplied by the ADV as determined above. The result will be used as the applicable deductible.

(4) Percentage of Loss Deductibles

If a deductible is expressed as a percentage of loss, we will not be liable for the indicated percentage of the gross amount of loss, damage or expense (prior to any applicable deductible) insured under the coverage that is applicable. If the dollar amount of such percentage is less than the indicated minimum deductible, the minimum deductible will be the applicable deductible.

(5) Horsepower Deductibles

If a deductible is expressed as a function of horsepower, the indicated amount per horsepower will be multiplied by the horsepower rating of the applicable "covered equipment". The resulting amount will apply as a Dollar Deductible. If the resulting amount is less than the indicated Minimum Deductible, the Minimum Deductible will be the applicable deductible. If the "covered equipment" is an air conditioning or refrigeration system, the indicated amount per horsepower will be multiplied by the horsepower rating of the system's largest motor or compressor. If systems or components are rated in tonnage of cooling capacity, each ton of rated capacity will be converted to horsepower in accordance with the following chart:

Horsepower Equivalent Per One Ton of Rated Cooling Capacity	
Centrifugal Compressor System	0.7 hp
Hermetic Scroll Compressor System	1.0 hp
Reciprocating Compressor System	1.5 hp
Screw Compressor System	1.5 hp
All Other Systems	4.7 hp

3. EQUIPMENT BREAKDOWN CONDITIONS

- a. The following conditions are in addition to the Conditions in the Building and Personal Property Coverage Form, the Commercial Property Conditions the Common Policy Conditions, and the Condominium Association Coverage Form.

(1) Jurisdictional Inspections

If any property that is "covered equipment" under this endorsement requires inspection to comply with state or municipal boiler and pressure vessel regulations, we agree to perform such inspection on your behalf. We do not warrant that conditions are safe or healthful.

(2) Suspension

Any of our representatives may immediately suspend the insurance against loss from an "accident" or "electronic circuitry impairment" to any "covered equipment" that is found to be in a dangerous condition or exposed to a dangerous condition. They may do this by mailing or delivering a written notice of suspension to:

- (a) Your address most recently known to us; or
- (b) The address where the applicable "covered equipment" is located.

The only way we may reinstate insurance is by issuing an endorsement for that "covered equipment".

We will refund the premium applicable to the suspended "covered equipment", prorated for the period of suspension. However, the suspension will be effective immediately even if we have not yet offered or made a refund.

- b. With respect to this endorsement only, the Valuation Condition in the Building and Personal Property Coverage Form and Condominium Association Coverage Form are deleted and replaced with the following:

Valuation

We will determine the value of Covered Property as follows:

- (1) Except as specified otherwise, our payment for damaged Covered Property will be the least expensive of:

- (a) The cost to repair the damaged property;
 - (b) The cost to replace the damaged property on the same site; or
 - (c) The amount you actually spend that is necessary to replace or repair the damaged property.
- (2) The amount of our payment will be based on the most cost-effective means to replace the function, capacity and remaining useful life of the damaged property. This may include the use of generic, used or reconditioned parts, equipment or property. This will not include costs to research or correct defects, errors or shortcomings in the design or installation of the Covered Property.
- (3) Except as described in (4) below, you must pay the extra cost of replacing damaged property with property of a better kind or quality or of a different size or capacity.
- (4) Environmental, Safety and Efficiency Improvements
- If "covered equipment" or its component part(s) requires replacement due to an "accident" or "electronic circuitry impairment", we will pay your additional cost to replace with equipment that we agree is better for the environment, safer for people or more energy or water efficient than the equipment being replaced subject to B.3. Equipment Breakdown Condition, b. Valuation. However, we will not pay to increase the size or capacity of the equipment and we will not pay more than 150% of what the cost would have been to replace with like kind and quality. This provision does not apply to any property to which "actual cash value" applies and does not increase any of the applicable limits.
- (5) Consequential Loss to Undamaged Stock
- Our payment for damaged Covered Property will include compensation for undamaged stock that loses market value or requires additional expense because of the damage to the Covered Property.
- (6) The following property will be valued on an "actual cash value" basis:
- (a) Any property that does not serve a useful or necessary function for you;
 - (b) Any Covered Property that you do not repair or replace within 24 months after the date of the "accident" or "electronic circuitry impairment"; and
 - (c) Any Covered Property for which "actual cash value" coverage is specified in a "schedule".
- (7) If any one of the following conditions is met, property held for sale by you will be valued at the sales price as if no loss or damage had occurred, less any discounts and expenses that otherwise would have applied:
- (a) The property was manufactured by you;
 - (b) The sales price of the property is less than the replacement cost of the property; or
 - (c) You are unable to replace the property before its anticipated sale.
- (8) Except as specifically provided for under Data Restoration coverage, "data" and "media" will be valued on the following basis:
- (a) For mass-produced and commercially available software, at the replacement cost.
 - (b) For all other "data" and "media", at the cost of blank "media" for reproducing the records. We will not pay for "data" representing financial records based on the face value of such records.

ALL OTHER PROVISIONS OF THIS POLICY APPLY.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MULTIPLE DEDUCTIBLE FORM

(FIXED DOLLAR DEDUCTIBLES)

This endorsement modifies insurance provided under the following:

BUILDERS RISK COVERAGE FORM
BUILDING AND PERSONAL PROPERTY COVERAGE FORM
CONDOMINIUM ASSOCIATION COVERAGE FORM
CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM
STANDARD PROPERTY POLICY
TOBACCO SALES WAREHOUSES COVERAGE FORM

SCHEDULE

The Deductibles applicable to any one occurrence are shown below:

Premises Number	Building Number	Deductible	Covered Cause(s) Of Loss*
1	ALL	\$25,000	(1)
		\$300,000	(2)
		\$25,000	(3)
		Not Applicable	(4)
		Not Applicable	(5)
		\$5,000	Equipment Breakdown
		Not Applicable	Flood
		Not Applicable	Earthquake

For each deductible listed in this Schedule, enter the number corresponding to the Covered Cause(s) of Loss to which that deductible applies (or enter the description):

- (1)** All Covered Causes of Loss **except** Weather or Fire loss,
- (2)** Weather Loss,
- (3)** Fire,
- (4)** Water Damage loss,
- (5)** Named Windstorm CP 03 25 10 12

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

The following is added to the **Deductible** section:

- A.** In the event that loss or damage occurs to Covered Property at one or more Premises as a result of one occurrence, one deductible will apply per each Premises where the loss or damage occurred. The Deductible that will apply to the loss or damage at each Premises is the largest applicable deductible for that Covered Cause of Loss shown in the Schedule above or in the Declarations.
- B.** The terms of this endorsement do not apply to any Windstorm Or Hail Percentage Deductible provided elsewhere in this policy.
- C.** This policy does not cover Earthquake or Flood unless such causes of loss are added to the policy as covered causes of loss. If Earthquake and/or Flood are added to this policy as covered causes of loss, the terms of

this endorsement do not apply to Earthquake or Flood and corresponding deductibles will be shown elsewhere in this policy and identified as such.

- D.** Under the terms of this policy a Weather Loss deductible applies to a covered cause of loss which is caused by or is a result of rain, hail, wind, windstorm, sleet, snow, ice, lightning, wildfire, or any other naturally occurring weather event. For example: a lightning strike which causes a fire is a weather loss.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CHANGES - FUNGUS, WET ROT, DRY ROT AND BACTERIA

This endorsement modifies insurance provided under the following:

CAUSES OF LOSS - BASIC FORM
CAUSES OF LOSS - BROAD FORM
CAUSES OF LOSS - SPECIAL FORM

SCHEDULE*

Revised Limit	\$2,500
Separate Premises Or Locations Option	No
If YES, describe the separate premises or locations	
Business Income/Extra Expense – Revised Number of days	30
*Information required to complete this Schedule, if not shown on this endorsement, will be shown in the Declarations.	

- A.** In the Limited Coverage For Fungus, Wet Rot, Dry Rot And Bacteria, the amount of \$15,000 is deleted and replaced by the amount indicated in the Schedule.
- B.** If the Schedule indicates that the Separate Premises Or Locations Option applies, then the amount of coverage (\$15,000, unless a higher amount is shown in the Schedule) is made applicable to separate premises or locations as described in the Schedule. For each premises or location so described, the amount of coverage is an annual aggregate limit, subject to the terms set forth in Paragraph **3.** of the Limited Coverage For Fungus, Wet Rot, Dry Rot And Bacteria.
- C.** The coverage provided under this endorsement does not increase the applicable Limit of Insurance on any Covered Property. If a particular occurrence results in loss or damage by "fungus", wet or dry rot or bacteria, and other loss or damage, we will not pay more, for the total of all loss or damage, than the applicable Limit of Insurance on the affected Covered Property.
- D.** Under the Limited Coverage For Fungus, Wet Rot, Dry Rot And Bacteria, in the section applicable to Business Income and/or Extra Expense coverage, the number of days (30 days) in both paragraphs is deleted and replaced by the number of days indicated in the Schedule.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

JOINT OR DISPUTED LOSS AGREEMENT

This Endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART
STANDARD PROPERTY POLICY

- A.** This endorsement is intended to facilitate payment of insurance proceeds when:
- 1.** Both a boiler and machinery policy and this commercial property policy are in effect;
 - 2.** Damage occurs to Covered Property that is insured by the boiler and machinery policy and this commercial property policy; and
 - 3.** There is disagreement between the insurers as to whether there is coverage or as to the amount of the loss to be paid, if any, by each insurer under its own policies.
- B.** This endorsement does not apply if:
- 1.** Both the boiler and machinery insurer(s) and we do not admit to any liability; and
 - 2.** Neither the boiler and machinery insurer(s) nor we contend that coverage applies under the other insurer's policy.
- C.** The provisions of this endorsement apply only if all of the following requirements are met:
- 1.** The boiler and machinery policy carried by the named insured, insuring the Covered Property, contains a similar provision at the time of the loss or damage, with substantially the same requirements, procedures and conditions as contained in this endorsement;
 - 2.** The damage to the Covered Property was caused by a loss for which:
 - a.** Both the boiler and machinery insurer(s) and we admit to some liability for payment under the respective policies; or
 - b.** Either:
 - (1)** The boiler and machinery insurer(s) does not admit to any liability for payment, while we contend that:
 - (a)** All liability exists under the boiler and machinery policy; or
 - (b)** Some liability exists under both the boiler and machinery policy and this commercial property policy;
 - (2)** We do not admit to any liability for payment, while the boiler and machinery insurer(s) contends that:
 - (a)** All liability exists under this commercial property policy; or
 - (b)** Some liability exists under both the boiler and machinery policy and this commercial property policy; or
 - (3)** Both the boiler and machinery insurer(s) and we:
 - (a)** Do not admit to any liability for payment; and
 - (b)** Contend that some or all liability exists under the other insurer's policy; and
 - 3.** The total amount of the loss is agreed to by you, the boiler and machinery insurer(s) and us.
- D.** If the requirements listed in Paragraph **C.** above are satisfied, we and the boiler and machinery insurer(s) will make payments to the extent, and in the manner, described as follows:
- 1.** We will pay, after your written request, the entire amount of loss that we have agreed as being covered, if any, by this commercial property policy and one-half (1/2) the amount of the loss that is in disagreement.
 - 2.** The boiler and machinery insurer(s) will pay, after your written request, the entire amount of loss that they have agreed as being covered, if any, by the boiler and machinery policy and one-half (1/2) the amount of loss that is in disagreement.
 - 3.** Payments by the insurers of the amounts that are in disagreement, as described in Paragraphs **1.** and **2.**, do not alter, waive or surrender any rights of any insurer against any other with regard to the portion of the loss for which each insurer is liable.

4. The amount in disagreement to be paid by us under this endorsement shall not exceed the amount payable under the equivalent Loss Agreement(s) of the boiler and machinery policy.
5. The amount to be paid under this endorsement shall not exceed the amount we would have paid had no boiler and machinery policy been in effect at the time of loss. In no event will we pay more than the applicable Limit of Insurance shown in the Declarations.
6. Acceptance by you of sums paid under this endorsement does not alter, waive or surrender any other rights against us.

E. Arbitration

1. If the circumstances described in Paragraph **C.2.a.** exist and the boiler and machinery insurer(s) and we agree to submit our differences to arbitration, the boiler and machinery insurer(s) and we will determine the amount each will pay and will pay the insured within 90 days. Arbitration will then take place within 90 days after payment of the loss under the terms of this endorsement.
2. If any of the circumstances described in Paragraph **C.2.b.** exist, then the boiler and machinery insurer(s) and we agree to submit our differences to arbitration within 90 days after payment of the loss under the terms of this endorsement.

3. You agree to cooperate with any arbitration procedures. There will be three arbitrators: one will be appointed by us, and another will be appointed by the boiler and machinery insurer(s). The two arbitrators will select a third arbitrator. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. A decision agreed to by two of the three arbitrators will be binding on both parties. Judgment on any award can be entered in any court that has jurisdiction.

F. Final Settlement Between Insurers

The insurer(s) found responsible for the greater percentage of the ultimate loss must return the excess contribution to the other insurer(s). In addition, the insurer(s) found responsible for the greater portion of the loss must pay Liquidated Damages to the other insurer(s) on the amount of the excess contribution of the other insurer(s). Liquidated Damages are defined as interest from the date the insured invokes this Agreement to the date the insurer(s) that contributed the excess amount is reimbursed. The interest is calculated at 1.5 times the highest prime rate from the Money Rates column of the Wall Street Journal during the period of the Liquidated Damages. Arbitration expenses are not a part of the excess contribution for which liquidated damages are calculated. Arbitration expenses will be apportioned between insurers on the same basis that the ultimate loss is apportioned.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF CERTAIN COMPUTER-RELATED LOSSES

This endorsement modifies insurance provided under the following:

COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
CRIME AND FIDELITY COVERAGE PART
STANDARD PROPERTY POLICY

- A.** We will not pay for loss ("loss") or damage caused directly or indirectly by the following. Such loss ("loss") or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss ("loss") or damage.
- 1.** The failure, malfunction or inadequacy of:
 - a.** Any of the following, whether belonging to any insured or to others:
 - (1)** Computer hardware, including micro-processors;
 - (2)** Computer application software;
 - (3)** Computer operating systems and related software;
 - (4)** Computer networks;
 - (5)** Microprocessors (computer chips) not part of any computer system; or
 - (6)** Any other computerized or electronic equipment or components; or
 - b.** Any other products, and any services, data or functions that directly or indirectly use or rely upon, in any manner, any of the items listed in Paragraph **A.1.a.** of this endorsement;

due to the inability to correctly recognize, process, distinguish, interpret or accept one or more dates or times. An example is the inability of computer software to recognize the year 2000.
 - 2.** Any advice, consultation, design, evaluation, inspection, installation, maintenance, repair, replacement or supervision provided or done by you or for you to determine, rectify or test for, any potential or actual problems described in Paragraph **A.1.** of this endorsement.
- B.** If an excluded Cause of Loss as described in Paragraph **A.** of this endorsement results:
- 1.** In a Covered Cause of Loss under the Crime and Fidelity Coverage Part, the Commercial Inland Marine Coverage Part or the Standard Property Policy; or
 - 2.** Under the Commercial Property Coverage Part:
 - a.** In a "Specified Cause of Loss", or in elevator collision resulting from mechanical breakdown, under the Causes of Loss – Special Form; or
 - b.** In a Covered Cause of Loss under the Causes Of Loss – Basic Form or the Causes Of Loss – Broad Form;

we will pay only for the loss ("loss") or damage caused by such "Specified Cause of Loss", elevator collision, or Covered Cause of Loss.
- C.** We will not pay for repair, replacement or modification of any items in Paragraphs **A.1.a.** and **A.1.b.** of this endorsement to correct any deficiencies or change any features.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF CERTIFIED ACTS OF TERRORISM

This endorsement modifies insurance provided under the following:

BOILER AND MACHINERY COVERAGE PART
 COMMERCIAL INLAND MARINE COVERAGE PART
 COMMERCIAL PROPERTY COVERAGE PART
 CRIME AND FIDELITY COVERAGE PART
 EQUIPMENT BREAKDOWN COVERAGE PART
 FARM COVERAGE PART
 STANDARD PROPERTY POLICY

SCHEDULE

The **Exception Covering Certain Fire Losses** (Paragraph **C**) applies to property located in the following state(s), if covered under the indicated Coverage Form, Coverage Part or Policy:

State(s)	Coverage Form, Coverage Part Or Policy
CA, GA, HI, IA, IL, ME, MO, NC, NY, OR, WA, WI, WV	All coverage parts modified by this endorsement except for the Commercial Inland Marine Coverage Part.
CA, ME, MO, OR, WI	Commercial Inland Marine Coverage Part
CT	Condominium Association Policies
NJ	Policies where premiums are less than \$10,000: All coverage parts modified by this endorsement except for the Commercial Inland Marine Coverage Part.
RI	Policies where the insured does not meet the definition of a commercial special risk as defined in Section 27-65-1 of the Rhode Island Insurance Code: All coverage parts modified by this endorsement except for the Commercial Inland Marine Coverage Part.
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

- A.** The following definition is added with respect to the provisions of this endorsement:

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

1. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and

2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

B. The following exclusion is added:

CERTIFIED ACT OF TERRORISM EXCLUSION

We will not pay for loss or damage caused directly or indirectly by a "certified act of terrorism". Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

C. Exception Covering Certain Fire Losses

The following exception to the exclusion in Paragraph **B.** applies only if indicated and as indicated in the Schedule of this endorsement.

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

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

D. Application Of Other Exclusions

The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for any loss which would otherwise be excluded under this Coverage Part or Policy, such as losses excluded by the Nuclear Hazard Exclusion or the War And Military Action Exclusion.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**EXCLUSION OF CERTIFIED ACTS OF TERRORISM
INVOLVING NUCLEAR, BIOLOGICAL, CHEMICAL OR
RADIOLOGICAL TERRORISM; CAP ON COVERED
CERTIFIED ACTS LOSSES**

This endorsement modifies insurance provided under the following:

BOILER AND MACHINERY COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
CRIME AND FIDELITY COVERAGE PART
EQUIPMENT BREAKDOWN COVERAGE PART
FARM COVERAGE PART
STANDARD PROPERTY POLICY

SCHEDULE

The **Exception Covering Certain Fire Losses** (Paragraph **C**) applies to property located in the following state(s), if covered under the indicated Coverage Form, Coverage Part or Policy:

State(s)	Coverage Form, Coverage Part Or Policy
ALL	ALL
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

- A.** The following definition is added with respect to the provisions of this endorsement:

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

1. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and

2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

B. The following exclusion is added:

LIMITED EXCLUSION OF CERTIFIED ACTS OF TERRORISM

We will not pay for loss or damage caused directly or indirectly by a "certified act of terrorism". Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss. But this exclusion applies only when one or more of the following are attributed to such act:

1. The terrorism is carried out by means of the dispersal or application of radioactive material, or through the use of a nuclear weapon or device that involves or produces a nuclear reaction, nuclear radiation or radioactive contamination; or
2. Radioactive material is released, and it appears that one purpose of the terrorism was to release such material; or
3. The terrorism is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical material; or
4. Pathogenic or poisonous biological or chemical material is released, and it appears that one purpose of the terrorism was to release such material.

When this terrorism exclusion applies in accordance with the terms of Paragraph **B.1.** or **B.2.**, the terrorism exclusion applies without regard to the Nuclear Hazard Exclusion in this Coverage Part or Policy.

C. Exception Covering Certain Fire Losses

The following exception to the exclusion in Paragraph **B.** applies only if indicated and as indicated in the Schedule of this endorsement.

If a "certified act of terrorism" excluded under Paragraph **B.** results in fire, we will pay for the loss or damage caused by that fire, subject to all applicable policy provisions including the Limit of Insurance on the affected property. Such coverage for fire applies only to direct loss or damage by fire to Covered Property. Therefore, for example, the coverage does not apply to insurance provided under Business Income and/or Extra Expense coverage forms or endorsements that apply to those coverage forms, or to the Legal Liability Coverage Form or the Leasehold Interest Coverage Form.

D. Cap On Certified Terrorism Losses

The following limitation applies to coverage for any one or more "certified acts of terrorism" that are not excluded by the terms of the exclusion in Paragraph **B.** and to any loss or damage that is covered and to which the exception in Paragraph **C.** applies:

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

This Paragraph, **D.**, does not apply to insurance provided under the Crime And Fidelity Coverage Part.

E. Application Of Exclusions

The terms and limitations of any terrorism exclusion, or the non-applicability or omission of a terrorism exclusion, do not serve to create coverage for any loss which would otherwise be excluded under this Coverage Part or Policy, such as losses excluded by the War And Military Action Exclusion.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ASBESTOS ENDORSEMENT

This endorsement modifies all insurance provided related to losses involving asbestos:

- A. This policy only insures asbestos physically incorporated in an insured building or structure, and then only that part of the asbestos which has been physically damaged during the policy period by one of these Listed Perils:

Fire; Explosion; Lightning; Windstorm; Hail; Collapse; Flood; Earth Movement; Water Damage; Direct impact of a vehicle, aircraft or vessel; Riot or civil commotion, vandalism or malicious mischief; or accidental discharge of fire protective equipment.

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

1. The said building or structure must be insured under this policy for damage by that Listed Peril.
 2. The Listed Peril must be the immediate, sole cause of the damage of the asbestos.
 3. The Company must report to Reinsurers the existence and cost of the damage as soon as practicable after the Listed Peril first damaged the asbestos. However this Policy does not insure any such damage first reported to the Reinsurers more than 12 (twelve) months after the expiration, or termination, of the policy period
 4. Insurance under this policy in respect of asbestos shall not include any sum relating to:
 - (i) any faults in the design, manufacture or installation of the asbestos.
 - (ii) asbestos not physically damaged by the Listed Peril including any governmental or regulatory authority direction or request of whatsoever nature relating to undamaged asbestos.
- B. Except as set forth in the foregoing Section A, this policy does not insure asbestos or any sum relating thereto.

All other terms, conditions and limitations of the Contract of Insurance remain unaltered.

CAUSES OF LOSS – SPECIAL FORM

Words and phrases that appear in quotation marks have special meaning. Refer to Section **G**. Definitions.

A. Covered Causes Of Loss

When Special is shown in the Declarations, Covered Causes of Loss means direct physical loss, which is reported to us within 365 days of the date the loss occurs, unless the loss is excluded or limited in this policy.

B. Exclusions

1. We will not pay for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

a. Ordinance Or Law

The enforcement of or compliance with any ordinance or law:

- (1) Regulating the construction, use or repair of any property; or
- (2) Requiring the tearing down of any property, including the cost of removing its debris.

This exclusion, Ordinance Or Law, applies whether the loss results from:

- (a) An ordinance or law that is enforced even if the property has not been damaged; or
- (b) The increased costs incurred to comply with an ordinance or law in the course of construction, repair, renovation, remodeling or demolition of property, or removal of its debris, following a physical loss to that property.

b. Earth Movement

- (1) Earthquake, including tremors and aftershocks and any earth sinking, rising or shifting related to such event;
- (2) Landslide, including any earth sinking, rising or shifting related to such event;
- (3) Mine subsidence, meaning subsidence of a man-made mine, whether or not mining activity has ceased;

- (4) Earth sinking (other than sinkhole collapse), 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.

But if Earth Movement, as described in **b.(1)** through **(4)** above, results in fire or explosion, we will pay for the loss or damage caused by that fire or explosion.

- (5) Volcanic eruption, explosion or effusion. But if volcanic eruption, explosion or effusion results in fire, building glass breakage or Volcanic Action, we will pay for the loss or damage caused by that fire, building glass breakage or Volcanic Action.

Volcanic Action means direct loss or damage resulting from the eruption of a volcano when the loss or damage is caused by:

- (a) Airborne volcanic blast or airborne shock waves;
- (b) Ash, dust or particulate matter; or
- (c) Lava flow.

With respect to coverage for Volcanic Action as set forth in **(5)(a)**, **(5)(b)** and **(5)(c)**, all volcanic eruptions that occur within any 168-hour period will constitute a single occurrence.

Volcanic Action does not include the cost to remove ash, dust or particulate matter that does not cause direct physical loss or damage to the described property.

This exclusion applies regardless of whether any of the above, in Paragraphs **(1)** through **(5)**, is caused by an act of nature or is otherwise caused.

c. Governmental Action

Seizure or destruction of property by order of governmental authority.

But we will pay for loss or damage caused by or resulting from acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread, if the fire would be covered under this Coverage Part.

d. Nuclear Hazard

Nuclear reaction or radiation, or radioactive contamination, however caused.

But if nuclear reaction or radiation, or radioactive contamination, results in fire, we will pay for the loss or damage caused by that fire.

e. Utility Services

The failure of power, communication, water or other utility service supplied to the described premises, however caused, if the failure:

- (1) Originates away from the described premises; or
- (2) Originates at the described premises, but only if such failure involves equipment used to supply the utility service to the described premises from a source away from the described premises.

Failure of any utility service includes lack of sufficient capacity and reduction in supply.

Loss or damage caused by a surge of power is also excluded, if the surge would not have occurred but for an event causing a failure of power.

But if the failure or surge of power, or the failure of communication, water or other utility service, results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

Communication services include but are not limited to service relating to Internet access or access to any electronic, cellular or satellite network.

f. War And Military Action

- (1) War, including undeclared or civil war;

(2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or

(3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

g. Water

(1) Flood, surface water, waves (including tidal wave and tsunami), tides, tidal water, overflow of any body of water, or spray from any of these, all whether or not driven by wind (including storm surge);

(2) Mudslide or mudflow;

(3) Water that backs up or overflows or is otherwise discharged from a sewer, drain, sump, sump pump or related equipment;

(4) Water under the ground surface pressing on, or flowing or seeping through:

- (a) Foundations, walls, floors or paved surfaces;
- (b) Basements, whether paved or not; or
- (c) Doors, windows or other openings; or

(5) Waterborne material carried or otherwise moved by any of the water referred to in Paragraph (1), (3) or (4), or material carried or otherwise moved by mudslide or mudflow.

This exclusion applies regardless of whether any of the above, in Paragraphs (1) through (5), is caused by an act of nature or is otherwise caused. An example of a situation to which this exclusion applies is the situation where a dam, levee, seawall or other boundary or containment system fails in whole or in part, for any reason, to contain the water.

But if any of the above, in Paragraphs (1) through (5), results in fire, explosion or sprinkler leakage, we will pay for the loss or damage caused by that fire, explosion or sprinkler leakage (if sprinkler leakage is a Covered Cause of Loss).

h. "Fungus", Wet Rot, Dry Rot And Bacteria

Presence, growth, proliferation, spread or any activity of "fungus", wet or dry rot or bacteria.

But if "fungus", wet or dry rot or bacteria result in a "specified cause of loss", we will pay for the loss or damage caused by that "specified cause of loss".

This exclusion does not apply:

- (1) When "fungus", wet or dry rot or bacteria result from fire or lightning; or
- (2) To the extent that coverage is provided in the Additional Coverage, Limited Coverage For "Fungus", Wet Rot, Dry Rot And Bacteria, with respect to loss or damage by a cause of loss other than fire or lightning.

i. Virus Or Bacteria

- (1) Any virus, bacterium or other micro-organism that induces or is capable of inducing physical distress, illness or disease.
- (2) However, exclusion B.1.i. (1) does not apply to loss or damage caused by or resulting from "fungi," wet rot or dry rot bacteria that (i) results from fire or lightning or (ii) to the extent that coverage is provided in the Additional Coverage, Limited Coverage For "Fungus", Wet Rot, Dry Rot And Bacteria, with respect to loss or damage by a cause of loss other than fire or lightning.
- (3) With respect to exclusion B1.i, Virus or Bacteria is not a pollutant(s).

Exclusions **B.1.a.** through **B.1.i.** apply whether or not the loss event results in widespread damage or affects a substantial area.

2. We will not pay for loss or damage caused by or resulting from any of the following:
 - a. Artificially generated electrical, magnetic or electromagnetic energy that damages, disturbs, disrupts or otherwise interferes with any:
 - (1) Electrical or electronic wire, device, appliance, system or network; or
 - (2) Device, appliance, system or network utilizing cellular or satellite technology.

For the purpose of this exclusion, electrical, magnetic or electromagnetic energy includes but is not limited to:

- (a) Electrical current, including arcing;
- (b) Electrical charge produced or conducted by a magnetic or electromagnetic field;
- (c) Pulse of electromagnetic energy; or
- (d) Electromagnetic waves or microwaves.

But if fire results, we will pay for the loss or damage caused by that fire.

- b. Delay, loss of use or loss of market.
- c. Smoke, vapor or gas from agricultural smudging or industrial operations.
- d. (1) Wear and tear;
 - (2) Rust or other corrosion, decay, deterioration, hidden or latent defect or any quality in property that causes it to damage or destroy itself;
 - (3) Smog;
 - (4) Settling, cracking, shrinking or expansion;
 - (5) Nesting or infestation, or discharge or release of waste products or secretions, by insects, birds, rodents or other animals.
 - (6) Mechanical breakdown, including rupture or bursting caused by centrifugal force. But if mechanical breakdown results in elevator collision, we will pay for the loss or damage caused by that elevator collision.
 - (7) The following causes of loss to personal property:
 - (a) Dampness or dryness of atmosphere;
 - (b) Changes in or extremes of temperature; or
 - (c) Marring or scratching.

But if an excluded cause of loss that is listed in **2.d.(1)** through **(7)** results in a "specified cause of loss" or building glass breakage, we will pay for the loss or damage caused by that "specified cause of loss" or building glass breakage.

- e. Explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control. But if explosion of steam boilers, steam pipes, steam engines or steam turbines results in fire or combustion explosion, we will pay for the loss or damage caused by that fire or combustion explosion. We will also pay for loss or damage

caused by or resulting from the explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.

- f.** Continuous or repeated seepage or leakage of water, or the presence or condensation of humidity, moisture or vapor, that occurs over a period of 14 days or more.
- g.** Water, other liquids, powder or molten material that leaks or flows from plumbing, heating, air conditioning or other equipment (except fire protective systems) caused by or resulting from freezing, unless:

- (1)** You do your best to maintain heat in the building or structure; or
- (2)** You drain the equipment and shut off the supply if the heat is not maintained.

- h.** Dishonest or criminal act (including theft) by you, any of your partners, members, officers, managers, employees (including temporary employees and leased workers), directors, trustees or authorized representatives, whether acting alone or in collusion with each other or with any other party; or theft by any person to whom you entrust the property for any purpose, whether acting alone or in collusion with any other party.

This exclusion:

- (1)** Applies whether or not an act occurs during your normal hours of operation;
- (2)** Does not apply to acts of destruction by your employees (including temporary employees and leased workers) or authorized representatives; but theft by your employees (including temporary employees and leased workers) or authorized representatives is not covered.
- i.** Voluntary parting with any property by you or anyone else to whom you have entrusted the property if induced to do so by any fraudulent scheme, trick, device or false pretense.
- j.** Rain, snow, ice or sleet to personal property in the open.
- k.** Collapse, including any of the following conditions of property or any part of the property:
 - (1)** An abrupt falling down or caving in;
 - (2)** Loss of structural integrity, including separation of parts of the property or property in danger of falling down or caving in; or
 - (3)** Any cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion

This exclusion, **k.**, does not apply:

- (a)** To the extent that coverage is provided under the Additional Coverage, Collapse; or

- (b)** To collapse caused by one or more of the following:

- (i)** The "specified causes of loss";
- (ii)** Breakage of building glass;
- (iii)** Weight of rain that collects on a roof; or
- (iv)** Weight of people or personal property.

- l.** Discharge, dispersal, seepage, migration, release or escape of "pollutants" unless the discharge, dispersal, seepage, migration, release or escape is itself caused by any of the "specified causes of loss". But if the discharge, dispersal, seepage, migration, release or escape of "pollutants" results in a "specified cause of loss", we will pay for the loss or damage caused by that "specified cause of loss".

This exclusion, **l.**, does not apply to damage to glass caused by chemicals applied to the glass.

- m.** Neglect of an insured to use all reasonable means to save and preserve property from further damage at and after the time of loss.

- 3.** We will not pay for loss or damage caused by or resulting from any of the following, **3.a.** through **3.c.** But if an excluded cause of loss that is listed in **3.a.** through **3.c.** results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

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

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

- c.** Faulty, inadequate or defective:

- (1)** Planning, zoning, development, surveying, siting;
- (2)** Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
- (3)** Materials used in repair, construction, renovation or remodeling; or
- (4)** Maintenance;

as such condition relates to **(1)** or **(2)** above.

But if collapse results in a Covered Cause of Loss at the described premises, we will pay for the loss or damage caused by that Covered Cause of Loss, of part or all of any property on or off the described premises.

4. Special Exclusions

The following provisions apply only to the specified Coverage Forms:

a. Business Income (And Extra Expense) Coverage Form, Business Income (Without Extra Expense) Coverage Form, Or Extra Expense Coverage Form

We will not pay for:

- (1)** Any loss caused by or resulting from:
 - (a)** Damage or destruction of "finished stock"; or
 - (b)** The time required to reproduce "finished stock".This exclusion does not apply to Extra Expense.
- (2)** Any loss caused by or resulting from direct physical loss or damage to radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers.
- (3)** Any increase of loss caused by or resulting from:
 - (a)** Delay in rebuilding, repairing or replacing the property or resuming "operations", due to interference at the location of the rebuilding, repair or replacement by strikers or other persons; or
 - (b)** Suspension, lapse or cancellation of any license, lease or contract. But if the suspension, lapse or cancellation is directly caused by the "suspension" of "operations", we will cover such loss that affects your Business Income during the "period of restoration" and any extension of the "period of restoration" in accordance with the terms of the Extended Business Income Additional Coverage and the Extended Period Of Indemnity Optional Coverage or any variation of these.
- (4)** Any Extra Expense caused by or resulting from suspension, lapse or cancellation of any license, lease or contract beyond the "period of restoration".

- (5)** Any other consequential loss.

b. Leasehold Interest Coverage Form

- (1)** Paragraph **B.1.a.**, Ordinance Or Law, does not apply to insurance under this Coverage Form.
- (2)** We will not pay for any loss caused by:
 - (a)** Your cancelling the lease;
 - (b)** The suspension, lapse or cancellation of any license; or
 - (c)** Any other consequential loss.

c. Legal Liability Coverage Form

- (1)** The following exclusions do not apply to insurance under this Coverage Form:
 - (a)** Paragraph **B.1.a.** Ordinance Or Law;
 - (b)** Paragraph **B.1.c.** Governmental Action;
 - (c)** Paragraph **B.1.d.** Nuclear Hazard;
 - (d)** Paragraph **B.1.e.** Utility Services; and
 - (e)** Paragraph **B.1.f.** War And Military Action.
- (2)** The following additional exclusions apply to insurance under this Coverage Form:

(a) Contractual Liability

We will not defend any claim or "suit", or pay damages that you are legally liable to pay, solely by reason of your assumption of liability in a contract or agreement. But this exclusion does not apply to a written lease agreement in which you have assumed liability for building damage resulting from an actual or attempted burglary or robbery, provided that:

- (i)** Your assumption of liability was executed prior to the accident; and
- (ii)** The building is Covered Property under this Coverage Form.

(b) Nuclear Hazard

We will not defend any claim or "suit", or pay any damages, loss, expense or obligation, resulting from nuclear reaction or radiation, or radioactive contamination, however caused.

5. Additional Exclusion

The following provisions apply only to the specified property:

Loss Or Damage To Products

We will not pay for loss or damage to any merchandise, goods or other product caused by or resulting from error or omission by any person or entity (including those having possession under an arrangement where work or a portion of the work is outsourced) in any stage of the development, production or use of the product, including planning, testing, processing, packaging, installation, maintenance or repair. This exclusion applies to any effect that compromises the form, substance or quality of the product. But if such error or omission results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

C. Limitations

The following limitations apply to all policy forms and endorsements, unless otherwise stated:

1. We will not pay for loss of or damage to property, as described and limited in this section. In addition, we will not pay for any loss that is a consequence of loss or damage as described and limited in this section.
 - a. Steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment. But we will pay for loss of or damage to such equipment caused by or resulting from an explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.
 - b. Hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment, other than an explosion.
 - c. The interior of any building or structure, or to personal property in the building or structure, caused by or resulting from rain, snow, sleet, ice, sand or dust, whether driven by wind or not, unless:
 - (1) The building or structure first sustains damage by a Covered Cause of Loss to its roof or walls through which the rain, snow, sleet, ice, sand or dust enters; or
 - (2) The loss or damage is caused by or results from thawing of snow, sleet or ice on the building or structure.

- d. Building materials and supplies not attached as part of the building or structure, caused by or resulting from theft.

However, this limitation does not apply to:

- (1) Building materials and supplies held for sale by you, unless they are insured under the Builders Risk Coverage Form; or
 - (2) Business Income Coverage or Extra Expense Coverage.
- e. Property that is missing, where the only evidence of the loss or damage is a shortage disclosed on taking inventory, or other instances where there is no physical evidence to show what happened to the property.
 - f. Property that has been transferred to a person or to a place outside the described premises on the basis of unauthorized instructions.
 - g. Lawns, trees, shrubs or plants which are part of a vegetated roof, caused by or resulting from:
 - (1) Dampness or dryness of atmosphere or of soil supporting the vegetation;
 - (2) Changes in or extremes of temperature;
 - (3) Disease;
 - (4) Frost or hail; or
 - (5) Rain, snow, ice or sleet.
 2. We will not pay for loss of or damage to the following types of property unless caused by the "specified causes of loss" or building glass breakage:
 - a. Animals, and then only if they are killed or their destruction is made necessary.
 - b. Fragile articles such as statuary, marbles, chinaware and porcelains, if broken. This restriction does not apply to:
 - (1) Glass; or
 - (2) Containers of property held for sale.
 - c. Builders' machinery, tools and equipment owned by you or entrusted to you, provided such property is Covered Property.

However, this limitation does not apply:

 - (1) If the property is located on or within 100 feet of the described premises, unless the premises is insured under the Builders Risk Coverage Form; or

(2) To Business Income Coverage or to Extra Expense Coverage.

3. The special limit shown for each category, **a.** through **d.**, is the total limit for loss of or damage to all property in that category. The special limit applies to any one occurrence of theft, regardless of the types or number of articles that are lost or damaged in that occurrence. The special limits are (unless a higher limit is shown in the Declarations):

- a.** \$2,500 for furs, fur garments and garments trimmed with fur.
- b.** \$2,500 for jewelry, watches, watch movements, jewels, pearls, precious and semiprecious stones, bullion, gold, silver, platinum and other precious alloys or metals. This limit does not apply to jewelry and watches worth \$100 or less per item.
- c.** \$2,500 for patterns, dies, molds and forms.
- d.** \$250 for stamps, tickets, including lottery tickets held for sale, and letters of credit.

These special limits are part of, not in addition to, the Limit of Insurance applicable to the Covered Property.

This limitation, **C.3.**, does not apply to Business Income Coverage or to Extra Expense Coverage.

4. We will not pay the cost to repair any defect to a system or appliance from which water, other liquid, powder or molten material escapes. But we will pay the cost to repair or replace damaged parts of fire-extinguishing equipment if the damage:

- a.** Results in discharge of any substance from an automatic fire protection system; or
- b.** Is directly caused by freezing.

However, this limitation does not apply to Business Income Coverage or to Extra Expense Coverage.

D. Additional Coverage – Collapse

The coverage provided under this Additional Coverage, Collapse, applies only to an abrupt collapse as described and limited in **D.1.** through **D.7.**

1. For the purpose of this Additional Coverage, Collapse, abrupt collapse means an abrupt falling down or caving in of a building or any part of a building with the result that the building or part of the building cannot be occupied for its intended purpose.

2. We will pay for direct physical loss or damage to Covered Property, caused by abrupt collapse of a building or any part of a building that is insured under this Coverage Form or that contains Covered Property insured under this Coverage Form, if such collapse is caused by one or more of the following:

- a.** Building decay that is hidden from view, unless the presence of such decay is known to an insured prior to collapse;
- b.** Insect or vermin damage that is hidden from view, unless the presence of such damage is known to an insured prior to collapse;
- c.** Use of defective material or methods in construction, remodeling or renovation if the abrupt collapse occurs during the course of the construction, remodeling or renovation.
- d.** Use of defective material or methods in construction, remodeling or renovation if the abrupt collapse occurs after the construction, remodeling or renovation is complete, but only if the collapse is caused in part by:

(1) A cause of loss listed in **2.a.** or **2.b.**;

(2) One or more of the "specified causes of loss";

(3) Breakage of building glass;

(4) Weight of people or personal property; or

(5) Weight of rain that collects on a roof.

3. This **Additional Coverage – Collapse** does not apply to:

- a.** A building or any part of a building that is in danger of falling down or caving in;
- b.** A part of a building that is standing, even if it has separated from another part of the building; or
- c.** A building that is standing or any part of a building that is standing, even if it shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.

4. With respect to the following property:

- a.** Outdoor radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers;

- b. Awnings, gutters and downspouts;
 - c. Yard fixtures;
 - d. Outdoor swimming pools;
 - e. Fences;
 - f. Piers, wharves and docks;
 - g. Beach or diving platforms or appurtenances;
 - h. Retaining walls; and
 - i. Walks, roadways and other paved surfaces;
- if an abrupt collapse is caused by a cause of loss listed in **2.a.** through **2.d.**, we will pay for loss or damage to that property only if:

- (1) Such loss or damage is a direct result of the abrupt collapse of a building insured under this Coverage Form; and
- (2) The property is Covered Property under this Coverage Form.

5. If personal property abruptly falls down or caves in and such collapse is **not** the result of abrupt collapse of a building, we will pay for loss or damage to Covered Property caused by such collapse of personal property only if:
- a. The collapse of personal property was caused by a cause of loss listed in **2.a.** through **2.d.**;
 - b. The personal property which collapses is inside a building; and
 - c. The property which collapses is not of a kind listed in **4.**, regardless of whether that kind of property is considered to be personal property or real property.

The coverage stated in this Paragraph **5.** does not apply to personal property if marring and/or scratching is the only damage to that personal property caused by the collapse.

6. This Additional Coverage, Collapse, does not apply to personal property that has not abruptly fallen down or caved in, even if the personal property shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.
7. This Additional Coverage, Collapse, will not increase the Limits of Insurance provided in this Coverage Part.
8. The term Covered Cause of Loss includes the Additional Coverage, Collapse, as described and limited in **D.1.** through **D.7.**

E. Additional Coverage – Limited Coverage For "Fungus", Wet Rot, Dry Rot And Bacteria

1. The coverage described in **E.2.** and **E.6.** only applies when the "fungus", wet or dry rot or bacteria are the result of one or more of the following causes that occur during the policy period and only if all reasonable means were used to save and preserve the property from further damage at the time of and after that occurrence:

- a. A "specified cause of loss" other than fire or lightning; or
- b. Flood, if the Flood Coverage Endorsement applies to the affected premises.

This Additional Coverage does not apply to lawns, trees, shrubs or plants which are part of a vegetated roof.

2. We will pay for loss or damage by "fungus", wet or dry rot or bacteria. As used in this Limited Coverage, the term loss or damage means:
- a. Direct physical loss or damage to Covered Property caused by "fungus", wet or dry rot or bacteria, including the cost of removal of the "fungus", wet or dry rot or bacteria;
 - b. The cost to tear out and replace any part of the building or other property as needed to gain access to the "fungus", wet or dry rot or bacteria; and
 - c. The cost of testing performed after removal, repair, replacement or restoration of the damaged property is completed, provided there is a reason to believe that "fungus", wet or dry rot or bacteria are present.
3. The coverage described under **E.2.** of this Limited Coverage is limited to \$15,000. Regardless of the number of claims, this limit is the most we will pay for the total of all loss or damage arising out of all occurrences of "specified causes of loss" (other than fire or lightning) and Flood which take place in a 12-month period (starting with the beginning of the present annual policy period). With respect to a particular occurrence of loss which results in "fungus", wet or dry rot or bacteria, we will not pay more than a total of \$15,000 even if the "fungus", wet or dry rot or bacteria continue to be present or active, or recur, in a later policy period.

4. The coverage provided under this Limited Coverage does not increase the applicable Limit of Insurance on any Covered Property. If a particular occurrence results in loss or damage by "fungus", wet or dry rot or bacteria, and other loss or damage, we will not pay more, for the total of all loss or damage, than the applicable Limit of Insurance on the affected Covered Property.

If there is covered loss or damage to Covered Property, not caused by "fungus", wet or dry rot or bacteria, loss payment will not be limited by the terms of this Limited Coverage, except to the extent that "fungus", wet or dry rot or bacteria cause an increase in the loss. Any such increase in the loss will be subject to the terms of this Limited Coverage.

5. The terms of this Limited Coverage do not increase or reduce the coverage provided under Paragraph **F.2.** (Water Damage, Other Liquids, Powder Or Molten Material Damage) of this Causes Of Loss form or under the Additional Coverage, Collapse.
6. The following, **6.a.** or **6.b.**, applies only if Business Income and/or Extra Expense Coverage applies to the described premises and only if the "suspension" of "operations" satisfies all terms and conditions of the applicable Business Income and/or Extra Expense Coverage Form:
- a. If the loss which resulted in "fungus", wet or dry rot or bacteria does not in itself necessitate a "suspension" of "operations", but such "suspension" is necessary due to loss or damage to property caused by "fungus", wet or dry rot or bacteria, then our payment under Business Income and/or Extra Expense is limited to the amount of loss and/or expense sustained in a period of not more than 30 days. The days need not be consecutive.
 - b. If a covered "suspension" of "operations" was caused by loss or damage other than "fungus", wet or dry rot or bacteria but remediation of "fungus", wet or dry rot or bacteria prolongs the "period of restoration", we will pay for loss and/or expense sustained during the delay (regardless of when such a delay occurs during the "period of restoration"), but such coverage is limited to 30 days. The days need not be consecutive.

F. Additional Coverage Extensions

1. Property In Transit

This Extension applies only to your personal property to which this form applies.

- a. You may extend the insurance provided by this Coverage Part to apply to your personal property (other than property in the care, custody or control of your salespersons) in transit more than 100 feet from the described premises. Property must be in or on a motor vehicle you own, lease or operate while between points in the coverage territory.
- b. Loss or damage must be caused by or result from one of the following causes of loss:
 - (1) Fire, lightning, explosion, windstorm or hail, riot or civil commotion, or vandalism.
 - (2) Vehicle collision, upset or overturn. Collision means accidental contact of your vehicle with another vehicle or object. It does not mean your vehicle's contact with the roadbed.
 - (3) Theft of an entire bale, case or package by forced entry into a securely locked body or compartment of the vehicle. There must be visible marks of the forced entry.
- c. The most we will pay for loss or damage under this Extension is \$5,000.

This Coverage Extension is additional insurance. The Additional Condition, Coinsurance, does not apply to this Extension.

2. Water Damage, Other Liquids, Powder Or Molten Material Damage

If loss or damage caused by or resulting from covered water or other liquid, powder or molten material damage loss occurs, we will also pay the cost to tear out and replace any part of the building or structure to repair damage to the system or appliance from which the water or other substance escapes. This Coverage Extension does not increase the Limit of Insurance

3. Glass

- a. We will pay for expenses incurred to put up temporary plates or board up openings if repair or replacement of damaged glass is delayed.
- b. We will pay for expenses incurred to remove or replace obstructions when repairing or replacing glass that is part of a building. This does not include removing or replacing window displays.

This Coverage Extension **F.3.** does not increase the Limit of Insurance.

G. Definitions

1. "Fungus" means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.
2. "Specified causes of loss" means the following: fire; lightning; explosion; windstorm or hail; smoke; aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire-extinguishing equipment; sinkhole collapse; volcanic action; falling objects; weight of snow, ice or sleet; water damage.
 - a. Sinkhole collapse means the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite. This cause of loss does not include:
 - (1) The cost of filling sinkholes; or
 - (2) Sinking or collapse of land into man-made underground cavities.
 - b. Falling objects does not include loss or damage to:
 - (1) Personal property in the open; or
 - (2) The interior of a building or structure, or property inside a building or structure, unless the roof or an outside wall of the building or structure is first damaged by a falling object.
 - c. Water damage means:
 - (1) Accidental discharge or leakage of water or steam as the direct result of the breaking apart or cracking of a plumbing, heating, air conditioning or other system or

appliance (other than a sump system including its related equipment and parts), that is located on the described premises and contains water or steam; and

- (2) Accidental discharge or leakage of water or waterborne material as the direct result of the breaking apart or cracking of a water or sewer pipe caused by wear and tear, when the pipe is located off the described premises and is connected to or is part of a potable water supply system or sanitary sewer system operated by a public or private utility service provider pursuant to authority granted by the state or governmental subdivision where the described premises are located.

But water damage does not include loss or damage otherwise excluded under the terms of the Water Exclusion. Therefore, for example, there is no coverage under this policy in the situation in which discharge or leakage of water results from the breaking apart or cracking of a pipe which was caused by or related to weather-induced flooding, even if wear and tear contributed to the breakage or cracking. As another example, and also in accordance with the terms of the Water Exclusion, there is no coverage for loss or damage caused by or related to weather-induced flooding which follows or is exacerbated by pipe breakage or cracking attributable to wear and tear.

To the extent that accidental discharge or leakage of water falls within the criteria set forth in **c.(1)** or **c.(2)** of this definition of "specified causes of loss," such water is not subject to the provisions of the Water Exclusion which preclude coverage for surface water or water under the surface of the ground.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

COMMUNICABLE DISEASE EXCLUSION

This endorsement applies to and supersedes all policy forms and endorsements issued to the insured.

- A. This endorsement excludes any loss, damage, liability, claim, cost or expense of whatsoever nature, directly or indirectly caused by, contributed to by, resulting from, arising out of, or in connection with a Communicable Disease or the fear or threat (whether actual or perceived) of a Communicable Disease regardless of any other cause or event contributing concurrently or in any other sequence thereto.
- B. As used herein, a Communicable Disease means any disease which can be transmitted by means of any substance or agent from any organism to another organism where:
 - (1.) the substance or agent includes, but is not limited to, a virus, bacterium, parasite or other organism or any variation thereof, whether deemed living or not, and
 - (2.) the method of transmission, whether direct or indirect, includes but is not limited to, airborne transmission, bodily fluid transmission, transmission from or to any surface or object, solid, liquid or gas or between organisms, and
 - (3.) the disease, substance or agent can cause or threaten damage to human health or human welfare or can cause or threaten damage to, deterioration of, loss of value of, marketability of or loss of use of property.

All other terms and conditions remain unchanged. Nothing in this endorsement constitutes or should be understood to constitute a waiver of our rights under the policy.

This endorsement, which forms a part of and is for attachment to the policy issued by the designated Insurers, takes effect on the effective date of said policy at the hour stated in said policy, and expires concurrently with said policy.

PRIVACY NOTICE

We at Amherst Specialty Insurance Company know that the privacy of your personal information is important to you. Our relationship with you is based on trust. We appreciate your business and understand that you trust us with personal information about yourself. This notice describes our privacy policy and how we treat information we receive about you.

Information We Collect

To serve your insurance needs and fulfill legal and regulatory requirements, we obtain certain personal information about you. We collect nonpublic personal information about you from some of the following sources:

- Information included in your insurance application and related forms (such as your home address, social security number and financial or medical information).
- Information about your transactions with other companies (such as payment and insurance claims history).
- Information from your employer.
- Information from a consumer reporting agency (such as your credit history) or other outside sources (such as other insurance companies or government agencies).

Information We Share

We do not disclose any nonpublic information about you with any non-affiliated third party, except as permitted or required by law. Examples of disclosures we are permitted or required to make by law include disclosures made with your consent or at your request; disclosures made in connection with certain legal proceedings; disclosures made to outside companies or individuals that perform services on our behalf (such as our claims adjusters) who assist us in servicing your policy, and disclosures we may make to our insurance affiliates or agents.

How We Protect Your Information

We restrict access to nonpublic personal information about you to those employees who need to know that information to provide insurance products or services to you. We maintain physical, electronic and procedural safeguards that comply with federal and state regulations to guard nonpublic personal information we have about you. Some techniques we use to protect your personal information include secured files, user authentication, encryption, firewall technology and the use of detection software.

How to Contact Us

If you have any questions about Amherst Specialty Insurance Company's privacy policy or this notice, please contact us:

Amherst Specialty Insurance Company
14001 Dallas Parkway, Suite 700
Dallas, TX 75240
Phone: (844) 378-6560
Web Site: www.amherstspecialty.com

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies the Declarations by adding the following:

SCHEDULE OF VALUES

Location #	Location Name	Address	Declared Building Value	Declared Personal Property Value	Declared Other Property Value	Declared Total Property Value	Declared Business Income	Declared Total Value
1	The Lewiston Townhouse Condominium	321 Big Horn Dr, Estes Park, CO 80517	\$9,941,750	\$0	\$0	\$9,941,750	\$0	\$9,941,750

CONDOMINIUM ASSOCIATION COVERAGE FORM

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

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

Other words and phrases that appear in quotation marks have special meaning. Refer to Section **H. Definitions**.

A. Coverage

We will pay for direct physical loss of or damage to Covered Property at the premises described in the Declarations caused by or resulting from any Covered Cause of Loss, which is reported to us within 365 days of the date the loss occurs.

1. Covered Property

Covered Property, as used in this Coverage Part, means the type of property described in this section, **A.1.**, and limited in **A.2**. Property Not Covered, if a Limit Of Insurance is shown in the Declarations for that type of property.

a. Building, meaning the building or structure described in the Declarations, including:

- (1) Completed additions;
- (2) Fixtures, outside of individual units, including outdoor fixtures;
- (3) Permanently installed:
 - (a) Machinery; and
 - (b) Equipment;
- (4) Personal property owned by you that is used to maintain or service the building or structure or its premises, including:
 - (a) Fire-extinguishing equipment;
 - (b) Outdoor furniture;
 - (c) Floor coverings; and
 - (d) Appliances used for refrigerating, ventilating, cooking, dishwashing or laundering that are not contained within individual units;
- (5) If not covered by other insurance:
 - (a) Additions under construction, alterations and repairs to the building or structure;

(b) Materials, equipment, supplies, and temporary structures, on or within 100 feet of the described premises, used for making additions, alterations or repairs to the building or structure; and

(6) Any of the following types of property contained within a unit, regardless of ownership, if your Condominium Association Agreement requires you to insure it:

(a) Fixtures, improvements and alterations that are a part of the building or structure; and

(b) Appliances, such as those used for refrigerating, ventilating, cooking, dishwashing, laundering, security or housekeeping.

But Building does not include personal property owned by, used by or in the care, custody or control of a unit-owner except for personal property listed in Paragraph **A.1.a.(6)** above.

b. Your Business Personal Property located in or on the building or structure described in the Declarations or in the open (or in a vehicle) within 100 feet of the described premises, consisting of the following:

- (1) Personal property owned by you or owned indivisibly by all unit-owners;
- (2) Your interest in the labor, materials or services furnished or arranged by you on personal property of others; and
- (3) Leased personal property for which you have a contractual responsibility to insure, unless otherwise provided for under Personal Property Of Others.

But Your Business Personal Property does not include personal property owned only by a unit-owner.

c. Personal Property Of Others that is:

- (1) In your care, custody or control; and
- (2) Located in or on the building or structure described in the Declarations or in the open (or in a vehicle) within 100 feet of the described premises.

However, our payment for loss of or damage to personal property of others will only be for the account of the owner of the property.

2. Property Not Covered

Covered Property does not include:

- a. Accounts, bills, currency, food stamps or other evidences of debt, money, notes or securities. Lottery tickets held for sale are not securities;
- b. Animals, unless owned by others and boarded by you;
- c. Automobiles held for sale;
- d. Bridges, roadways, walks, patios or other paved surfaces;
- e. Contraband, or property in the course of illegal transportation or trade;
- f. The cost of excavations, grading, backfilling or filling;
- g. Foundations of buildings, structures, machinery or boilers if their foundations are below:
 - (1) The lowest basement floor; or
 - (2) The surface of the ground if there is no basement;
- h. Land (including land on which the property is located), water, growing crops or lawns (other than lawns which are part of a vegetated roof);
- i. Personal property while airborne or waterborne;
- j. Bulkheads, pilings, piers, wharves or docks;
- k. Property that is covered under this or any other policy in which it is more specifically described, except for the excess of the amount due (whether you can collect on it or not) from that other insurance;
- l. Retaining walls that are not part of a building;
- m. Underground pipes, flues or drains;
- n. Electronic data, except as provided under the Additional Coverage, Electronic Data. Electronic data means information, facts or computer programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs, referred to in the foregoing description of electronic data, means a set of related electronic instructions which direct the operations and functions of a computer or device connected to it, which enable the computer or device to receive, process, store, retrieve or send data. This paragraph, **n.**, does not apply to electronic data which is integrated in and operates or controls the building's elevator, lighting, heating, ventilation, air conditioning or security system;
- o. The cost to replace or restore the information on valuable papers and records, including those which exist as electronic data. Valuable papers and records include but are not limited to proprietary information, books of account, deeds, manuscripts, abstracts, drawings and card index systems. Refer to the Coverage Extension for Valuable Papers And Records (Other Than Electronic Data) for limited coverage for valuable papers and records other than those which exist as electronic data;
- p. Vehicles or self-propelled machines (including aircraft or watercraft) that:
 - (1) Are licensed for use on public roads; or
 - (2) Are operated principally away from the described premises.

This paragraph does not apply to:

- (a) Vehicles or self-propelled machines or autos you manufacture or warehouse;
- (b) Vehicles or self-propelled machines, other than autos, you hold for sale;
- (c) Rowboats or canoes out of water at the described premises; or
- (d) Trailers, but only to the extent provided for in the Coverage Extension for Non-owned Detached Trailers; or

- q. The following property while outside of buildings:

- (1) Grain, hay, straw or other crops; or
- (2) Fences, radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers, trees, shrubs or plants (other than trees, shrubs or plants which are "stock" or are part of a vegetated roof), all except as provided in the Coverage Extensions.

3. Covered Causes Of Loss

See applicable Causes Of Loss form as shown in the Declarations.

4. Additional Coverages

a. Debris Removal

- (1) Subject to Paragraphs (2), (3) and (4), we will pay your expense to remove debris of Covered Property and other debris that is on the described premises, when such debris is caused by or results from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date of direct physical loss or damage.
- (2) Debris Removal does not apply to costs to:
 - (a) Remove debris of property of yours that is not insured under this policy, or property in your possession that is not Covered Property;
 - (b) Remove any property that is Property Not Covered, including property addressed under the Outdoor Property Coverage Extension;
 - (c) Remove property of others of a type that would not be Covered Property under this Coverage Form;
 - (d) Remove deposits of mud or earth from the grounds of the described premises;
 - (e) Extract "pollutants" from land or water; or
 - (f) Remove, restore or replace polluted land or water.

- (3) Subject to the exceptions in Paragraph (4), the following provisions apply:

- (a) The most we will pay for the total of direct physical loss or damage plus debris removal expense is the Limit of Insurance applicable to the Covered Property that has sustained loss or damage.
- (b) Subject to (a) above, the amount we will pay for debris removal expense is limited to 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage. However, if no Covered Property has sustained direct physical loss or damage, the most we will pay for removal of debris of other property (if such removal is covered under this Additional Coverage) is \$5,000 at each location.

- (4) We will pay up to an additional \$25,000 for debris removal expense, for each location, in any one occurrence of physical loss or damage to Covered Property, if one or both of the following circumstances apply:

- (a) The total of the actual debris removal expense plus the amount we pay for direct physical loss or damage exceeds the Limit of Insurance on the Covered Property that has sustained loss or damage.
- (b) The actual debris removal expense exceeds 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage.

Therefore, if (4)(a) and/or (4)(b) applies, our total payment for direct physical loss or damage and debris removal expense may reach but will never exceed the Limit of Insurance on the Covered Property that has sustained loss or damage, plus \$25,000.

(5) Examples

The following examples assume that there is no Coinsurance penalty.

Example 1

Limit of Insurance:	\$ 90,000
Amount of Deductible:	\$ 500
Amount of Loss:	\$ 50,000
Amount of Loss Payable:	\$ 49,500
	(\$50,000 – \$500)
Debris Removal Expense:	\$ 10,000
Debris Removal Expense Payable:	\$ 10,000
	(\$10,000 is 20% of \$50,000.)

The debris removal expense is less than 25% of the sum of the loss payable plus the deductible. The sum of the loss payable and the debris removal expense (\$49,500 + \$10,000 = \$59,500) is less than the Limit of Insurance. Therefore, the full amount of debris removal expense is payable in accordance with the terms of Paragraph (3).

Example 2

Limit of Insurance:	\$ 90,000
Amount of Deductible:	\$ 500
Amount of Loss:	\$ 80,000
Amount of Loss Payable:	\$ 79,500
	(\$80,000 – \$500)
Debris Removal Expense:	\$ 40,000
Debris Removal Expense Payable	
Basic Amount:	\$ 10,500
Additional Amount:	\$ 25,000

The basic amount payable for debris removal expense under the terms of Paragraph (3) is calculated as follows: \$80,000 (\$79,500 + \$500) x .25 = \$20,000, capped at \$10,500. The cap applies because the sum of the loss payable (\$79,500) and the basic amount payable for debris removal expense (\$10,500) cannot exceed the Limit of Insurance (\$90,000).

The additional amount payable for debris removal expense is provided in accordance with the terms of Paragraph (4), because the debris removal expense (\$40,000) exceeds 25% of the loss payable plus the deductible (\$40,000 = 50% of \$80,000), and because the sum of the loss payable and debris removal expense (\$79,500 + \$40,000 = \$119,500) would exceed the Limit of Insurance (\$90,000). The additional amount of covered debris removal expense is \$25,000, the maximum payable under Paragraph (4). Thus, the total payable for debris removal expense in this example is \$35,500; \$4,500 of the debris removal expense is not covered.

b. Preservation Of Property

If it is necessary for you to move Covered Property from the described premises to preserve it from loss or damage by a Covered Cause of Loss, we will pay for any direct physical loss or damage to that property:

- (1) While it is being moved or while temporarily stored at another location; and
- (2) Only if the loss or damage occurs within 30 days after the property is first moved.

c. Fire Department Service Charge

When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay up to \$1,000 for service at each premises described in the Declarations unless a higher limit is shown in the Declarations. Such limit is the most we will pay regardless of the number of responding fire departments or fire units, and regardless of the number or type of services performed.

This Additional Coverage applies to your liability for fire department service charges:

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

No Deductible applies to this Additional Coverage.

d. Pollutant Clean-up And Removal

We will pay your expense to extract "pollutants" from land or water at the described premises if the discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused by or results from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date on which the Covered Cause of Loss occurs.

This Additional Coverage does not apply to costs to test for, monitor or assess the existence, concentration or effects of "pollutants". But we will pay for testing which is performed in the course of extracting the "pollutants" from the land or water.

The most we will pay under this Additional Coverage for each described premises is \$10,000 for the sum of all covered expenses arising out of Covered Causes of Loss occurring during each separate 12-month period of this policy.

e. Increased Cost Of Construction

- (1) This Additional Coverage applies only to buildings to which the Replacement Cost Optional Coverage applies.
- (2) In the event of damage by a Covered Cause of Loss to a building that is Covered Property, we will pay the increased costs incurred to comply with the minimum standards of an ordinance or law in the course of repair, rebuilding or replacement of damaged parts of that property, subject to the limitations stated in **e.(3)** through **e.(9)** of this Additional Coverage.
- (3) The ordinance or law referred to in **e.(2)** of this Additional Coverage is an ordinance or law that regulates the construction or repair of buildings or establishes zoning or land use requirements at the described premises and is in force at the time of loss.
- (4) Under this Additional Coverage, we will not pay any costs due to an ordinance or law that:
 - (a) You were required to comply with before the loss, even when the building was undamaged; and
 - (b) You failed to comply with.
- (5) Under this Additional Coverage, we will not pay for:
 - (a) The enforcement of or compliance with any ordinance or law which requires demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants" or due to the presence, growth, proliferation, spread or any activity of "fungus", wet or dry rot or bacteria; or
 - (b) Any costs associated with the enforcement of or compliance with an ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants", "fungus", wet or dry rot or bacteria.

- (6) The most we will pay under this Additional Coverage, for each described building insured under this Coverage Form, is \$10,000 or 5% of the Limit of Insurance applicable to that building, whichever is less. If a damaged building is covered under a blanket Limit of Insurance which applies to more than one building or item of property, then the most we will pay under this Additional Coverage, for that damaged building, is the lesser of \$10,000 or 5% times the value of the damaged building as of the time of loss times the applicable Coinsurance percentage.

The amount payable under this Additional Coverage is additional insurance.

- (7) With respect to this Additional Coverage:
 - (a) We will not pay for the Increased Cost of Construction:
 - (i) Until the property is actually repaired or replaced, at the same or another premises; and
 - (ii) Unless the repair or replacement is made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.
 - (b) If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay for the Increased Cost of Construction, subject to the provisions of **e.(6)** of this Additional Coverage, is the increased cost of construction at the same premises.
 - (c) If the ordinance or law requires relocation to another premises, the most we will pay for the Increased Cost of Construction, subject to the provisions of **e.(6)** of this Additional Coverage, is the increased cost of construction at the new premises.
- (8) This Additional Coverage is not subject to the terms of the Ordinance Or Law Exclusion to the extent that such Exclusion would conflict with the provisions of this Additional Coverage.

- (9) The costs addressed in the Loss Payment and Valuation Conditions and the Replacement Cost Optional Coverage, in this Coverage Form, do not include the increased cost attributable to enforcement of or compliance with an ordinance or law. The amount payable under this Additional Coverage, as stated in **e.(6)** of this Additional Coverage, is not subject to such limitation.

f. Electronic Data

- (1) Under this Additional Coverage, electronic data has the meaning described under Property Not Covered, Electronic Data. This Additional Coverage does not apply to electronic data which is integrated in and operates or controls the building's elevator, lighting, heating, ventilation, air conditioning or security system.
- (2) Subject to the provisions of this Additional Coverage, we will pay for the cost to replace or restore electronic data which has been destroyed or corrupted by a Covered Cause of Loss. To the extent that electronic data is not replaced or restored, the loss will be valued at the cost of replacement of the media on which the electronic data was stored, with blank media of substantially identical type.
- (3) The Covered Causes of Loss applicable to Your Business Personal Property apply to this Additional Coverage, Electronic Data, subject to the following:
- (a) If the Causes Of Loss – Special Form applies, coverage under this Additional Coverage, Electronic Data, is limited to the "specified causes of loss" as defined in that form and Collapse as set forth in that form.
- (b) If the Causes Of Loss – Broad Form applies, coverage under this Additional Coverage, Electronic Data, includes Collapse as set forth in that form.
- (c) If the Causes Of Loss form is endorsed to add a Covered Cause of Loss, the additional Covered Cause of Loss does not apply to the coverage provided under this Additional Coverage, Electronic Data.

- (d) The Covered Causes of Loss include a virus, harmful code or similar instruction introduced into or enacted on a computer system (including electronic data) or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation. But there is no coverage for loss or damage caused by or resulting from manipulation of a computer system (including electronic data) by any employee, including a temporary or leased employee, or by an entity retained by you or for you to inspect, design, install, modify, maintain, repair or replace that system.

- (4) The most we will pay under this Additional Coverage, Electronic Data, is \$2,500 (unless a higher limit is shown in the Declarations) for all loss or damage sustained in any one policy year, regardless of the number of occurrences of loss or damage or the number of premises, locations or computer systems involved. If loss payment on the first occurrence does not exhaust this amount, then the balance is available for subsequent loss or damage sustained in but not after that policy year. With respect to an occurrence which begins in one policy year and continues or results in additional loss or damage in a subsequent policy year(s), all loss or damage is deemed to be sustained in the policy year in which the occurrence began.

5. Coverage Extensions

Except as otherwise provided, the following Extensions apply to property located in or on the building described in the Declarations or in the open (or in a vehicle) within 100 feet of the described premises.

If a Coinsurance percentage of 80% or more is shown in the Declarations, you may extend the insurance provided by this Coverage Part as follows:

a. Newly Acquired Or Constructed Property

(1) Buildings

You may extend the insurance that applies to Building to apply to:

- (a) Your new buildings while being built on the described premises; and

- (b) Buildings you acquire at locations, other than the described premises, intended for:

- (i) Similar use as the building described in the Declarations; or

- (ii) Use as a warehouse.

The most we will pay for loss or damage under this Extension is \$250,000 at each building.

(2) Your Business Personal Property

- (a) If this policy covers Your Business Personal Property, you may extend that insurance to apply to:

- (i) Business personal property, including such property that you newly acquire, at any location you acquire other than at fairs, trade shows or exhibitions; or

- (ii) Business personal property, including such property that you newly acquire, located at your newly constructed or acquired buildings at the location described in the Declarations.

The most we will pay for loss or damage under this Extension is \$100,000 at each building.

- (b) This Extension does not apply to:

- (i) Personal property of others that is temporarily in your possession in the course of installing or performing work on such property; or

- (ii) Personal property of others that is temporarily in your possession in the course of your manufacturing or wholesaling activities.

(3) Period Of Coverage

With respect to insurance provided under this Coverage Extension for Newly Acquired Or Constructed Property, coverage will end when any of the following first occurs:

- (a) This policy expires;

- (b) 30 days expire after you acquire the property or begin construction of that part of the building that would qualify as covered property; or

- (c) You report values to us.

We will charge you additional premium for values reported from the date you acquire the property or begin construction of that part of the building that would qualify as covered property.

b. Personal Effects And Property Of Others

You may extend the insurance that applies to Your Business Personal Property to apply to:

- (1) Personal effects owned by you, your officers, your partners or members, your managers or your employees. This Extension does not apply to loss or damage by theft.

- (2) Personal property of others in your care, custody or control.

The most we will pay for loss or damage under this Extension is \$2,500 at each described premises. Our payment for loss of or damage to personal property of others will only be for the account of the owner of the property.

c. Valuable Papers And Records (Other Than Electronic Data)

- (1) You may extend the insurance that applies to Your Business Personal Property to apply to the cost to replace or restore the lost information on valuable papers and records for which duplicates do not exist. But this Extension does not apply to valuable papers and records which exist as electronic data. Electronic data has the meaning described under Property Not Covered, Electronic Data.

- (2) If the Causes Of Loss – Special Form applies, coverage under this Extension is limited to the "specified causes of loss" as defined in that form and Collapse as set forth in that form.

- (3) If the Causes Of Loss – Broad Form applies, coverage under this Extension includes Collapse as set forth in that form.

- (4) Under this Extension, the most we will pay to replace or restore the lost information is \$2,500 at each described premises, unless a higher limit is shown in the Declarations. Such amount is additional insurance. We will also pay for the cost of blank material for reproducing the records (whether or not duplicates exist) and (when there is a duplicate) for the cost of labor to transcribe or copy the records. The costs of blank material and labor are subject to the applicable Limit of Insurance on Your Business Personal Property and, therefore, coverage of such costs is not additional insurance.

d. Property Off-premises

- (1) You may extend the insurance provided by this Coverage Form to apply to your Covered Property while it is away from the described premises, if it is:
- (a) Temporarily at a location you do not own, lease or operate;
 - (b) In storage at a location you lease, provided the lease was executed after the beginning of the current policy term; or
 - (c) At any fair, trade show or exhibition.
- (2) This Extension does not apply to property:
- (a) In or on a vehicle; or
 - (b) In the care, custody or control of your salespersons, unless the property is in such care, custody or control at a fair, trade show or exhibition.
- (3) The most we will pay for loss or damage under this Extension is \$10,000.

e. Outdoor Property

You may extend the insurance provided by this Coverage Form to apply to your outdoor fences, radio and television antennas (including satellite dishes), trees, shrubs and plants (other than trees, shrubs or plants which are "stock" or are part of a vegetated roof), including debris removal expense, caused by or resulting from any of the following causes of loss if they are Covered Causes of Loss:

- (1) Fire;
- (2) Lightning;

- (3) Explosion;
- (4) Riot or Civil Commotion; or
- (5) Aircraft.

The most we will pay for loss or damage under this Extension is \$1,000, but not more than \$250 for any one tree, shrub or plant. These limits apply to any one occurrence, regardless of the types or number of items lost or damaged in that occurrence.

Subject to all aforementioned terms and limitations of coverage, this Coverage Extension includes the expense of removing from the described premises the debris of trees, shrubs and plants which are the property of others.

f. Non-owned Detached Trailers

- (1) You may extend the insurance that applies to Your Business Personal Property to apply to loss or damage to trailers that you do not own, provided that:
- (a) The trailer is used in your business;
 - (b) The trailer is in your care, custody or control at the premises described in the Declarations; and
 - (c) You have a contractual responsibility to pay for loss or damage to the trailer.
- (2) We will not pay for any loss or damage that occurs:
- (a) While the trailer is attached to any motor vehicle or motorized conveyance, whether or not the motor vehicle or motorized conveyance is in motion;
 - (b) During hitching or unhitching operations, or when a trailer becomes accidentally unhitched from a motor vehicle or motorized conveyance.
- (3) The most we will pay for loss or damage under this Extension is \$5,000, unless a higher limit is shown in the Declarations.
- (4) This insurance is excess over the amount due (whether you can collect on it or not) from any other insurance covering such property.

g. Business Personal Property Temporarily In Portable Storage Units

- (1) You may extend the insurance that applies to Your Business Personal Property to apply to such property while temporarily stored in a portable storage unit (including a detached trailer) located within 100 feet of the described premises.
- (2) If the applicable Covered Causes of Loss form or endorsement contains a limitation or exclusion concerning loss or damage from sand, dust, sleet, snow, ice or rain to property in a structure, such limitation or exclusion also applies to property in a portable storage unit.
- (3) Coverage under this Extension:
 - (a) Will end 90 days after the business personal property has been placed in the storage unit;
 - (b) Does not apply if the storage unit itself has been in use at the described premises for more than 90 consecutive days, even if the business personal property has been stored there for 90 or fewer days as of the time of loss or damage.
- (4) Under this Extension, the most we will pay for the total of all loss or damage to business personal property is \$10,000 (unless a higher limit is indicated in the Declarations for such Extension) regardless of the number of storage units. Such limit is part of, not in addition to, the applicable Limit of Insurance on Your Business Personal Property. Therefore, payment under this Extension will not increase the applicable Limit of Insurance on Your Business Personal Property.
- (5) This Extension does not apply to loss or damage otherwise covered under this Coverage Form or any endorsement to this Coverage Form or policy, and does not apply to loss or damage to the storage unit itself.

Each of these Extensions is additional insurance unless otherwise indicated. The Additional Condition, Coinsurance, does not apply to these Extensions.

B. Exclusions And Limitations

See applicable Causes Of Loss form as shown in the Declarations.

C. Limits Of Insurance

The most we will pay for loss or damage in any one occurrence is the applicable Limit Of Insurance shown in the Declarations.

The most we will pay for loss or damage to outdoor signs, whether or not the sign is attached to a building, is \$2,500 per sign in any one occurrence.

The amounts of insurance stated in the following Additional Coverages apply in accordance with the terms of such coverages and are separate from the Limit(s) Of Insurance shown in the Declarations for any other coverage:

1. Fire Department Service Charge;
2. Pollutant Clean-up And Removal;
3. Increased Cost Of Construction; and
4. Electronic Data.

Payments under the Preservation Of Property Additional Coverage will not increase the applicable Limit of Insurance.

D. Deductible

In any one occurrence of loss or damage (hereinafter referred to as loss), we will first reduce the amount of loss if required by the Coinsurance Condition or the Agreed Value Optional Coverage. If the adjusted amount of loss is less than or equal to the Deductible, we will not pay for that loss. If the adjusted amount of loss exceeds the Deductible, we will then subtract the Deductible from the adjusted amount of loss and will pay the resulting amount or the Limit of Insurance, whichever is less.

When the occurrence involves loss to more than one item of Covered Property and separate Limits of Insurance apply, the losses will not be combined in determining application of the Deductible. But the Deductible will be applied only once per occurrence.

Example 1

(This example assumes there is no Coinsurance penalty.)

Deductible:	\$ 250
Limit of Insurance – Building 1:	\$ 60,000
Limit of Insurance – Building 2:	\$ 80,000
Loss to Building 1:	\$ 60,100
Loss to Building 2:	\$ 90,000

The amount of loss to Building 1 (\$60,100) is less than the sum (\$60,250) of the Limit of Insurance applicable to Building 1 plus the Deductible.

The Deductible will be subtracted from the amount of loss in calculating the loss payable for Building 1:

\$ 60,100
— 250

\$ 59,850 Loss Payable – Building 1

The Deductible applies once per occurrence and therefore is not subtracted in determining the amount of loss payable for Building 2. Loss payable for Building 2 is the Limit of Insurance of \$80,000.

Total amount of loss payable:

\$59,850 + \$80,000 = \$139,850

Example 2

(This example, too, assumes there is no Coinsurance penalty.)

The Deductible and Limits of Insurance are the same as those in Example 1.

Loss to Building 1:	\$ 70,000
(Exceeds Limit of Insurance plus Deductible)	
Loss to Building 2:	\$ 90,000
(Exceeds Limit of Insurance plus Deductible)	
Loss Payable – Building 1:	\$ 60,000
(Limit of Insurance)	
Loss Payable – Building 2:	\$ 80,000
(Limit of Insurance)	
Total amount of loss payable:	\$ 140,000

E. Loss Conditions

The following conditions apply in addition to the Common Policy Conditions and the Commercial Property Conditions:

1. Abandonment

There can be no abandonment of any property to us.

2. Appraisal

If we and you disagree on the value of the property or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the value of the property and amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

- a. Pay its chosen appraiser; and

- b. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

3. Duties In The Event Of Loss Or Damage

- a. You must see that the following are done in the event of loss or damage to Covered Property:

- (1) Notify the police if a law may have been broken.
- (2) Give us prompt notice of the loss or damage. Include a description of the property involved.
- (3) As soon as possible, give us a description of how, when and where the loss or damage occurred.
- (4) Take all reasonable steps to protect the Covered Property from further damage, and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.
- (5) At our request, give us complete inventories of the damaged and undamaged property. Include quantities, costs, values and amount of loss claimed.
- (6) As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.

Also, permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.
- (7) Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.
- (8) Cooperate with us in the investigation or settlement of the claim.

- b. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.

4. Loss Payment

- a. In the event of loss or damage covered by this Coverage Form, at our option, we will either:
 - (1) Pay the value of lost or damaged property;
 - (2) Pay the cost of repairing or replacing the lost or damaged property, subject to **b.** below;
 - (3) Take all or any part of the property at an agreed or appraised value; or
 - (4) Repair, rebuild or replace the property with other property of like kind and quality, subject to **b.** below.

We will determine the value of lost or damaged property, or the cost of its repair or replacement, in accordance with the applicable terms of the Valuation Condition in this Coverage Form or any applicable provision which amends or supersedes the Valuation Condition.

- b. The cost to repair, rebuild or replace does not include the increased cost attributable to enforcement of or compliance with any ordinance or law regulating the construction, use or repair of any property.
- c. We will give notice of our intentions within 30 days after we receive the sworn proof of loss.
- d. We will not pay you more than your financial interest in the Covered Property.
- e. We may adjust losses with the owners of lost or damaged property if other than you. If we pay the owners, such payments will satisfy your claims against us for the owners' property. We will not pay the owners more than their financial interest in the Covered Property.
- f. We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.

- g. We will pay for covered loss or damage to Covered Property within 30 days after we receive the sworn proof of loss, if you have complied with all of the terms of this Coverage Part, and:

- (1) We have reached agreement with you on the amount of loss; or
- (2) An appraisal award has been made.

If you name an insurance trustee, we will adjust losses with you, but we will pay the insurance trustee. If we pay the trustee, the payments will satisfy your claims against us.

- h. A party wall is a wall that separates and is common to adjoining buildings that are owned by different parties. In settling covered losses involving a party wall, we will pay a proportion of the loss to the party wall based on your interest in the wall in proportion to the interest of the owner of the adjoining building. However, if you elect to repair or replace your building and the owner of the adjoining building elects not to repair or replace that building, we will pay you the full value of the loss to the party wall, subject to all applicable policy provisions including Limits of Insurance, the Valuation and Coinsurance Conditions and all other provisions of this Loss Payment Condition. Our payment under the provisions of this paragraph does not alter any right of subrogation we may have against any entity, including the owner or insurer of the adjoining building, and does not alter the terms of the Transfer Of Rights Of Recovery Against Others To Us Condition in this policy.

5. Recovered Property

If either you or we recover any property after loss settlement, that party must give the other prompt notice. At your option, the property will be returned to you. You must then return to us the amount we paid to you for the property. We will pay recovery expenses and the expenses to repair the recovered property, subject to the Limit of Insurance.

6. Unit-owner's Insurance

A unit-owner may have other insurance covering the same property as this insurance. This insurance is intended to be primary and not to contribute with such other insurance.

7. Vacancy

a. Description Of Terms

(1) As used in this Vacancy Condition, the term building and the term vacant have the meanings set forth in (1)(a) and (1)(b) below:

(a) When this policy is issued to a tenant, and with respect to that tenant's interest in Covered Property, building means the unit or suite rented or leased to the tenant. Such building is vacant when it does not contain enough business personal property to conduct customary operations.

(b) When this policy is issued to the owner or general lessee of a building, building means the entire building. Such building is vacant unless at least 31% of its total square footage is:

(i) Rented to a lessee or sublessee and used by the lessee or sublessee to conduct its customary operations; and/or

(ii) Used by the building owner to conduct customary operations.

(2) Buildings under construction or renovation are not considered vacant.

b. Vacancy Provisions

If the building where loss or damage occurs has been vacant for more than 60 consecutive days before that loss or damage occurs:

(1) We will not pay for any loss or damage caused by any of the following even if they are Covered Causes of Loss:

(a) Vandalism;

(b) Sprinkler leakage, unless you have protected the system against freezing;

(c) Building glass breakage;

(d) Water damage;

(e) Theft; or

(f) Attempted theft.

(2) With respect to Covered Causes of Loss other than those listed in b.(1)(a) through b.(1)(f) above, we will reduce the amount we would otherwise pay for the loss or damage by 15%.

8. Valuation

We will determine the value of Covered Property in the event of loss or damage as follows:

a. At actual cash value as of the time of loss or damage, except as provided in b. and c. below.

b. If the Limit of Insurance for Building satisfies the Additional Condition, Coinsurance, and the cost to repair or replace the damaged building property is \$2,500 or less, we will pay the cost of building repairs or replacement.

The cost of building repairs or replacement does not include the increased cost attributable to enforcement of or compliance with any ordinance or law regulating the construction, use or repair of any property. However, the following property will be valued at the actual cash value, even when attached to the building:

(1) Awnings or floor coverings;

(2) Appliances for refrigerating, ventilating, cooking, dishwashing or laundering; or

(3) Outdoor equipment or furniture.

c. Glass at the cost of replacement with safety-glazing material if required by law.

9. Waiver Of Rights Of Recovery

We waive our rights to recover payment from any unit-owner of the condominium that is shown in the Declarations.

F. Additional Conditions

The following conditions apply in addition to the Common Policy Conditions and the Commercial Property Conditions:

1. Coinsurance

If a Coinsurance percentage is shown in the Declarations, the following condition applies:

a. We will not pay the full amount of any loss if the value of Covered Property at the time of loss times the Coinsurance percentage shown for it in the Declarations is greater than the Limit of Insurance for the property.

Instead, we will determine the most we will pay using the following steps:

(1) Multiply the value of Covered Property at the time of loss by the Coinsurance percentage;

(2) Divide the Limit of Insurance of the property by the figure determined in Step (1);

- (3) Multiply the total amount of loss, before the application of any deductible, by the figure determined in Step (2); and
- (4) Subtract the deductible from the figure determined in Step (3).

We will pay the amount determined in Step (4) or the Limit of Insurance, whichever is less. For the remainder, you will either have to rely on other insurance or absorb the loss yourself.

Example 1 (Underinsurance)

When: The value of the property is: \$ 250,000
 The Coinsurance percentage for it is: 80%
 The Limit of Insurance for it is: \$ 100,000
 The Deductible is: \$ 250
 The amount of loss is: \$ 40,000

Step (1): $\$250,000 \times 80\% = \$200,000$

(the minimum amount of insurance to meet your Coinsurance requirements)

Step (2): $\$100,000 \div \$200,000 = .50$

Step (3): $\$40,000 \times .50 = \$20,000$

Step (4): $\$20,000 - \$250 = \$19,750$

We will pay no more than \$19,750. The remaining \$20,250 is not covered.

Example 2 (Adequate Insurance)

When: The value of the property is: \$ 250,000
 The Coinsurance percentage for it is: 80%
 The Limit of Insurance for it is: \$ 200,000
 The Deductible is: \$ 250
 The amount of loss is: \$ 40,000

The minimum amount of insurance to meet your Coinsurance requirement is \$200,000 ($\$250,000 \times 80\%$). Therefore, the Limit of Insurance in this example is adequate and no penalty applies. We will pay no more than \$39,750 (\$40,000 amount of loss minus the deductible of \$250).

- b. If one Limit of Insurance applies to two or more separate items, this condition will apply to the total of all property to which the limit applies.

Example 3

When: The value of the property is:

Building at Location 1:	\$ 75,000
Building at Location 2:	\$ 100,000
Personal Property at Location 2:	<u>\$ 75,000</u>
	\$ 250,000

The Coinsurance percentage for it is: 90%

The Limit of Insurance for Buildings and Personal Property at Locations 1 and 2 is: \$ 180,000

The Deductible is: \$ 1,000

The amount of loss is:

Building at Location 2: \$ 30,000

Personal Property at Location 2: \$ 20,000
 \$ 50,000

Step (1): $\$250,000 \times 90\% = \$225,000$

(the minimum amount of insurance to meet your Coinsurance requirements and to avoid the penalty shown below)

Step (2): $\$180,000 \div \$225,000 = .80$

Step (3): $\$50,000 \times .80 = \$40,000$

Step (4): $\$40,000 - \$1,000 = \$39,000$

We will pay no more than \$39,000. The remaining \$11,000 is not covered.

2. Mortgageholders

- The term mortgageholder includes trustee.
- We will pay for covered loss of or damage to buildings or structures to each mortgageholder shown in the Declarations in their order of precedence, as interests may appear.
- The mortgageholder has the right to receive loss payment even if the mortgageholder has started foreclosure or similar action on the building or structure.
- If we deny your claim because of your acts or because you have failed to comply with the terms of this Coverage Part, the mortgageholder will still have the right to receive loss payment if the mortgageholder:

- (1) Pays any premium due under this Coverage Part at our request if you have failed to do so;

- (2) Submits a signed, sworn proof of loss within 60 days after receiving notice from us of your failure to do so; and
- (3) Has notified us of any change in ownership, occupancy or substantial change in risk known to the mortgageholder.

All of the terms of this Coverage Part will then apply directly to the mortgageholder.

- e. If we pay the mortgageholder for any loss or damage and deny payment to you because of your acts or because you have failed to comply with the terms of this Coverage Part:
 - (1) The mortgageholder's rights under the mortgage will be transferred to us to the extent of the amount we pay; and
 - (2) The mortgageholder's right to recover the full amount of the mortgageholder's claim will not be impaired.

At our option, we may pay to the mortgageholder the whole principal on the mortgage plus any accrued interest. In this event, your mortgage and note will be transferred to us and you will pay your remaining mortgage debt to us.

- f. If we cancel this policy, we will give written notice to the mortgageholder at least:
 - (1) 10 days before the effective date of cancellation if we cancel for your nonpayment of premium; or
 - (2) 30 days before the effective date of cancellation if we cancel for any other reason.
- g. If we elect not to renew this policy, we will give written notice to the mortgageholder at least 10 days before the expiration date of this policy.

G. Optional Coverages

If shown as applicable in the Declarations, the following Optional Coverages apply separately to each item:

1. Agreed Value

- a. The Additional Condition, Coinsurance, does not apply to Covered Property to which this Optional Coverage applies. We will pay no more for loss of or damage to that property than the proportion that the Limit of Insurance under this Coverage Part for the property bears to the Agreed Value shown for it in the Declarations.

- b. If the expiration date for this Optional Coverage shown in the Declarations is not extended, the Additional Condition, Coinsurance, is reinstated and this Optional Coverage expires.

- c. The terms of this Optional Coverage apply only to loss or damage that occurs:

- (1) On or after the effective date of this Optional Coverage; and
- (2) Before the Agreed Value expiration date shown in the Declarations or the policy expiration date, whichever occurs first.

2. Inflation Guard

- a. The Limit of Insurance for property to which this Optional Coverage applies will automatically increase by the annual percentage shown in the Declarations.
- b. The amount of increase will be:
 - (1) The Limit of Insurance that applied on the most recent of the policy inception date, the policy anniversary date, or any other policy change amending the Limit of Insurance, times
 - (2) The percentage of annual increase shown in the Declarations, expressed as a decimal (example: 8% is .08), times
 - (3) The number of days since the beginning of the current policy year or the effective date of the most recent policy change amending the Limit of Insurance, divided by 365.

Example

If: The applicable Limit of Insurance is: \$ 100,000
 The annual percentage increase is: 8%
 The number of days since the beginning of the policy year (or last policy change) is: 146
 The amount of increase is:
 $\$100,000 \times .08 \times 146 \div 365 = \$ 3,200$

3. Replacement Cost

- a. Replacement Cost (without deduction for depreciation) replaces Actual Cash Value in the Loss Condition, Valuation, of this Coverage Form.
- b. This Optional Coverage does not apply to:
 - (1) Personal property of others;
 - (2) Contents of a residence; or
 - (3) Works of art, antiques or rare articles, including etchings, pictures, statuary, marbles, bronzes, porcelains and bric-a-brac.

Under the terms of this Replacement Cost Optional Coverage, personal property owned indivisibly by all unit-owners, and the property covered under Paragraph **A.1.a.(6)** of this Coverage Form, are not considered to be the personal property of others.

- c.** You may make a claim for loss or damage covered by this insurance on an actual cash value basis instead of on a replacement cost basis. In the event you elect to have loss or damage settled on an actual cash value basis, you may still make a claim for the additional coverage this Optional Coverage provides if you notify us of your intent to do so within 180 days after the loss or damage.
- d.** We will not pay on a replacement cost basis for any loss or damage:
 - (1)** Until the lost or damaged property is actually repaired or replaced; and
 - (2)** Unless the repair or replacement is made as soon as reasonably possible after the loss or damage.
- e.** We will not pay more for loss or damage on a replacement cost basis than the least of **(1)**, **(2)** or **(3)**, subject to **f.** below:
 - (1)** The Limit of Insurance applicable to the lost or damaged property;
 - (2)** The cost to replace the lost or damaged property with other property:
 - (a)** Of comparable material and quality; and
 - (b)** Used for the same purpose; or
 - (3)** The amount actually spent that is necessary to repair or replace the lost or damaged property.

If a building is rebuilt at a new premises, the cost described in **e.(2)** above is limited to the cost which would have been incurred if the building had been rebuilt at the original premises.

- f.** The cost of repair or replacement does not include the increased cost attributable to enforcement of or compliance with any ordinance or law regulating the construction, use or repair of any property.

4. Extension Of Replacement Cost To Personal Property Of Others

- a.** If the Replacement Cost Optional Coverage is shown as applicable in the Declarations, then this Extension may also be shown as applicable. If the Declarations show this Extension as applicable, then Paragraph **3.b.(1)** of the Replacement Cost Optional Coverage is deleted and all other provisions of the Replacement Cost Optional Coverage apply to replacement cost on personal property of others.

- b.** With respect to replacement cost on the personal property of others, the following limitation applies:

If an item(s) of personal property of others is subject to a written contract which governs your liability for loss or damage to that item(s), then valuation of that item(s) will be based on the amount for which you are liable under such contract, but not to exceed the lesser of the replacement cost of the property or the applicable Limit of Insurance.

H. Definitions

- 1.** "Fungus" means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.
- 2.** "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
- 3.** "Stock" means merchandise held in storage or for sale, raw materials and in-process or finished goods, including supplies used in their packing or shipping.

J.R.S. CONDOMINIUM PROPERTY POLICY APPLICATION ACKNOWLEDGMENT

Please be advised this is a surplus lines policy, it contains the conditions listed below. This notification does not include all aspects of this policy, nor does it change any of the policy conditions. It is only a paraphrased representation of certain policy language designed to assist you in the event that a loss occurs. Nothing in this notification constitutes or should be understood to constitute a waiver of our rights under the policy nor does this notification replace any policy language.

1. Duties In The Event Of Loss Or Damage

I understand that I must notify the insurer's claims administrator promptly of the loss or damage.

Claims Administrator:

Applied Claims Group

14001 Dallas Parkway, Suite 700

Dallas, TX 75240

EMAIL – claims@jupiterrisk.com

PHONE – 800-597-7790

Please refer to the *Condominium Association Coverage Form Edition* (JRS PR 03 01 06 22), *E. Loss Conditions* for policy details.

2. Duties In The Event Of Loss Or Damage

I understand that in the event of a loss or damage to my property that I must take all reasonable steps to protect my property from further damage, and I will keep a record of my expenses necessary to protect my property. I understand that I must provide these records to the insurer's claims administrator.

Please refer to the *Condominium Association Coverage Form Edition* (JRS PR 03 01 06 22), *E. Loss Conditions* for policy details.

3. No Assignment of Benefits

I understand my rights, benefits and duties may not be transferred or assigned without the insurer's written consent except in the case of death as outlined in the policy.

Please refer to the *JRS Condo Property Endorsement Form Edition* (JRS PR 10 03 06 22), *B. Other Provisions* for policy details.

4. Appraisal Language

I understand this policy and its endorsements change or remove the appraisal language.

Please refer to the *JRS Condo Property Endorsement Form Edition* (JRS PR 10 03 06 22), *B. Other Provisions* for policy details.

5. Managed Repairs

I understand my policy will not pay on a replacement cost basis for any loss or damage until the lost or damaged property is repaired or replaced by a contractor selected by the insurer, or by a contractor selected by you but only after the insurer has waived their right in writing to select a contractor.

Please refer to the *JRS Condo Property Endorsement Form Edition* (JRS PR 10 03 06 22), B. *Other Provisions* for policy details.

6. Valuation

I understand this policy and its endorsements change the Valuation language pertaining to Ordinance and Law.

Please refer to the *Condominium Valuation Endorsement Form Edition* (JRS PR 22 01 04 24) for policy details.

By signing this, you confirm that you understand and accept each provision which is included in the surplus lines policy for which you have applied.

Proposed Insured Name: The Lewiston Townhouse Condominium Association

Authorized Insured Signor (Print)

Date

Proposed Insured Signature

Date

Agent/Broker Name: Malcolm Jeffris

Agent/Broker Signature

Date

This endorsement, which forms a part of and is for attachment to the policy issued by the designated Insurers, takes effect on the effective date of said policy at the hour stated in said policy, and expires concurrently with said policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CONDOMINIUM VALUATION

This endorsement modifies insurance provided under the following:

CONDOMINIUM ASSOCIATION COVERAGE FORM
STANDARD PROPERTY POLICY

This endorsement applies only when the Ordinance Or Law Endorsement is attached to the policy.

Section E. Loss Conditions; subsection 8. Valuation is deleted in its entirety and replaced with the following:

8. Valuation

We will determine the value of Covered Property in the event of loss or damage as follows:

- a. At actual cash value as of the time of loss or damage, except as provided in **b. and c.** below.
- b. If the Limit of Insurance for Building satisfies the Additional Condition, Coinsurance, and the cost to repair or replace the damaged building property is \$2,500 or less, we will pay the cost of building repairs or replacement except that the cost of building repairs or replacement attributable to enforcement of or compliance with any ordinance or law regulating the construction, use or repair of any property shall be calculated as provided in **c.** below and subject to the Ordinance or Law Limit stated in the Declarations. However, the following property will be valued at the actual cash value, even when attached to the building:
 - (1) Awnings or floor coverings;
 - (2) Appliances for refrigerating, ventilating, cooking, dishwashing or laundering; or
 - (3) Outdoor equipment or furniture.
- c. Subject to the applicable Ordinance or Law Limit stated in the Declarations or, if attached, the Ordinance or Law Coverage Endorsement, the amount we will pay (PA) for the increased cost of building repairs or replacement attributable to enforcement of or compliance with any ordinance or law regulating the construction, use or repair of any property shall be the product of the amount of loss attributable to Ordinance or Law (L) and the Actual Per Square Foot Value Quotient (Q):

$$\underline{L \times Q = PA}$$

The Actual Per Square Foot Value Quotient is determined by dividing the Declared Per Square Foot Value (DV) of the building sustaining loss by

the Actual Per Square Foot Value (AV) of the building as determined at the time of loss in accordance with the following formula:

$$\underline{DV / AV = Q}$$

The Declared Square Foot Value (DV) is the per location value of the building sustaining the loss as stated in the Declarations, or if attached, the Schedule of Values Endorsement divided by the square footage of that location:

$$\underline{\text{Declared Value/Square Footage} = DV}$$

The Actual Square Foot Value (AV) is the per location value of the building sustaining the loss as determined at the time of loss divided by the square footage of that location:

$$\underline{\text{Actual Value/Square Footage} = AV}$$

Example 1

When:

The Declared Value of the building is:	\$1,000,000
The Square Footage of the building is:	10,000
The Declared Square Foot Value (DV) of the building is:	\$100
The Actual Value of the building is:	\$2,000,000
The Actual Per Square Foot Value (AV) of the building is:	\$200
The Amount of loss attributable to Ordinance or Law (Coverage A) is:	\$30,000

Step (1): $\$100 \text{ per sq. ft.} / \$200 \text{ per sq. ft.} = 0.5$

Step (2): $\$30,000 \times 0.5 = \$15,000$

We will pay no more than \$15,000 for costs attributable to Ordinance or Law (Coverage A). The remaining \$15,000 is not covered.

Example 2

When:

The Declared Value of the building is: \$2,000,000

The Square Footage of the building is: 10,000

The per square foot value of the
building as states in the Declarations: \$200

The Actual Value of the building is: \$2,000,000

The actual per square foot value of the
building is: \$200

The amount of loss attributable to
Ordinance or Law (Coverage A) is: \$30,000

Step (1): $\$200 \text{ per sq. ft.} / \$200 \text{ per sq. ft.} = 1$

Step (2): $\$30,000 \times 1 = \$30,000$

We will pay no more than \$30,000 for costs
attributable to Ordinance or Law (Coverage A).

- d.** Glass at the cost of replacement with
safety-glazing material if required by law.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

J.R.S. CONDO PROPERTY ENDORSEMENT

This endorsement modifies insurance provided under the following:

CONDOMINIUM ASSOCIATION COVERAGE FORM
BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM
CAUSES OF LOSS – SPECIAL FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Forms apply except where modified by this endorsement as follows:

The Limits of Insurance are provided for the Additional Coverages and Coverage Extensions shown in the Schedule below:

SCHEDULE

<u>Coverage</u>	<u>Limit Of Insurance</u>
Accounts Receivable	\$ 100,000
Arson Reward	\$ 25,000
Awnings And Canopies – Permanently Attached	\$ 25,000
Back Up Or Overflow Of Water From A Sewer, Drain Or Sump	\$ 25,000
Claim Expenses	\$ 50,000
Debris Removal	\$ 25,000
Electronic Data	\$ 10,000
Electronic Data Processing Property	\$ 100,000
Exhibition, Fair Or Trade Show	\$ 10,000
Extra Expense Or Expediting Expense	\$ 50,000
False Pretense	\$ 10,000
Fine Arts	\$ 100,000
Fire Department Service Charges	\$ 25,000
Fire Equipment Recharge	\$ 10,000
Leasehold Interest – Undamaged Tenant's Improvements and Betterments	\$ 50,000
Loss Of Master Key	\$ 10,000
Loss Prevention Expense	\$ 10,000
Miscellaneous Unnamed Locations	\$ 10,000
Mobile Equipment	\$ 10,000
Newly Acquired Or Constructed Property – Buildings	\$ 1,000,000

Newly Acquired Or Constructed Property – Your Business Personal Property	\$ 500,000
Outdoor Property	\$ 50,000
Personal Effects And Property Of Others	\$ 10,000
Pollutant Clean Up And Removal	\$ 15,000
Signs	\$ 10,000
Valuable Papers And Records (Other Than Electronic Data)	\$ 50,000

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

You may purchase increased Limits of Insurance, and we will charge you an additional premium. If you purchase increased Limits of Insurance for any of the above referenced Coverages or if specific coverage is provided elsewhere in this policy, the Limit of Insurance shown in the Declarations or on the specific coverage endorsement, whichever is greater, will reflect your total Limit of Insurance.

These special coverages are not subject to the Coinsurance condition, but are subject to all other policy terms and conditions.

A. Coverages

1. Scheduled Limits

a. Accounts Receivable

The following provision is added to paragraph **A.5. Coverage Extensions** in the Condominium Association Coverage Form:

If this policy covers Your Business Personal Property, you may extend that insurance to apply to accounts receivable.

We will pay:

- (1)** All amounts due from your customers that you are unable to collect;
- (2)** Interest charges on any loan required to offset amounts you are unable to collect pending our payment of these amounts;
- (3)** Collection expenses in excess of your normal collection expenses that are made necessary by the loss or damage; and
- (4)** Other reasonable expenses that you incur to reestablish your records of accounts receivable that result from the Covered Causes of Loss to your records of accounts receivable within the premises shown in the Declarations.

We will not pay for loss or damage:

- (1)** Caused by or resulting from bookkeeping, accounting or billing errors or omissions;
- (2)** Caused by or resulting from alteration, falsification, concealment or destruction of accounts receivable done to conceal the wrongful giving, taking or withholding of money, securities or other property;
- (3)** Caused by or resulting from unauthorized instructions to transfer property to any person or to any place; or
- (4)** That requires any audit of records or any inventory computation to prove its factual existence.

The most we will pay under this Additional Coverage for loss or damage in any one occurrence is the applicable Limit of Insurance for Accounts Receivable shown in the Schedule.

b. Arson Reward

The following provision is added to paragraph **A.5. Coverage Extensions** in the Condominium Association Coverage Form:

If this policy covers your Building or Your Business Personal Property, you may extend that insurance to apply to arson reward. We will pay a reward up to the Limit of Insurance provided in the Schedule for information that leads to a conviction for arson resulting in a fire loss covered under this policy or for the theft of Covered Property. You must obtain prior written approval from us concerning the terms and the amount of the reward.

c. Awnings And Canopies – Permanently Attached

Under the Condominium Association Coverage Form, Subparagraph **A.1.a.(1)** applicable to completed additions to buildings is extended to include coverage for loss or damage from a Covered Cause of Loss to permanently attached awnings and canopies.

The most we will pay under this Additional Coverage for loss or damage in any one occurrence is the Limit of Insurance for Awnings And Canopies – Permanently Attached shown in the Schedule.

d. Back Up Or Overflow Of Water From A Sewer, Drain Or Sump

Exclusion **B.1.g.(3)** in the Causes of Loss – Special Form, applicable to water that backs up or overflows from a sewer, drain or sump, does not apply, unless such back up is caused by or the result of a flood to a location in **Special Flood Hazard Areas (SFHA)** as defined by the **Federal Emergency Management Agency**. (SFHA Zones include A, AO, AH, A1-30, AE, A99, AR, AR/A1-30, AR/AE, AR/AO, AR/AH, AR/A, VO, V1-30, VE, and V).

The most we will pay under this Additional Coverage for loss or damage in any one occurrence is the Limit of Insurance for Back Up Or Overflow Of Water From A Sewer, Drain Or Sump shown in the Schedule.

e. Claim Expenses

The following provision is added to paragraph **A.4. Additional Coverages** in the Condominium Association Coverage Form:

In the event of a covered loss or damage, we will pay for all reasonable expenses you incur at our request to assist us in:

- (1) The investigation of a claim or suit; or
- (2) The determination of the amount of loss, such as taking inventory.

However, we will not pay for:

- (1) Expenses to prove that loss or damage is covered;
- (2) Expenses incurred for examinations under oath, if ever required by us; or
- (3) Public adjusters' fees.

The most we will pay under this Additional Coverage for all expenses in any one occurrence is the Limit of Insurance for Claim Expenses shown in the Schedule.

No deductible applies to this Additional Coverage.

f. Debris Removal

The additional limit of \$10,000 for **Debris Removal** shown in paragraph **A.4.a.** of the **Additional Coverages** provision in the Condominium Association Coverage Form is increased to the Limit of Insurance for Debris Removal shown in the Schedule.

g. Electronic Data

The additional limit of \$2,500 for **Electronic Data** shown in paragraph **A.4.f.** of the **Additional Coverages** provision in the Condominium Association Coverage Form is increased to the Limit of Insurance for Electronic Data shown in the Schedule.

h. Electronic Data Processing Property

The following provision is added to paragraph **A.5. Coverage Extensions** in the Condominium Association Coverage Form:

If this policy covers Your Business Personal Property, you may extend that insurance to apply to electronic data processing property.

We will pay for direct physical loss or damage to your "electronic data processing property" caused by or resulting from any Covered Cause of Loss. The loss must occur at, or within 1,000 feet of the premises described in the Declarations.

- (1) "Electronic Data Processing Property" means:
 - (a) "Electronic data processing equipment";
 - (b) "Electronic data processing media"; and
 - (c) "Telephone equipment".
- (2) "Electronic Data Processing Equipment" means:
 - (a) Data processing systems;
 - (b) Electronic systems consisting of separately identifiable and removable component memory or control boxes that are attached to and control production machinery, but not the production machinery itself; and
 - (c) Equipment, component parts and related peripheral equipment, including air conditioning and fire protection equipment used solely for data processing operations.
- (3) "Electronic Data Processing Equipment" does not mean:
 - (a) Systems, equipment or parts held for sale or distribution;
 - (b) Systems, equipment or parts that have been sold;
 - (c) Systems, equipment or parts in the course of manufacture; or
 - (d) "Telephone equipment".
- (4) "Electronic Data Processing Media" means:
 - (a) Punch cards, tapes, discs, diskettes, drums, cells;
 - (b) Other magnetic or optical recording or storage devices;
 - (c) Any software, data, or other information recorded on such media; and
 - (d) Any original source material used to enter or program such information.
- (5) "Electronic Data Processing Media" does not mean:
 - (a) Media held for sale or distribution;
 - (b) Media that has been sold; or
 - (c) "Telephone equipment".
- (6) "Telephone equipment" means telephone systems and their component parts you own or that are in your care, custody or control. "Telephone equipment" does not mean telephone systems or their component parts for sale or sold.

The most we will pay under this Additional Coverage for loss or damage in any one occurrence is the Limit of Insurance for Electronic Data Processing Property shown in the Schedule.

i. Exhibition, Fair Or Trade Show

The following provision is added to paragraph **A.5. Coverage Extensions** in the Building and Personal Property Coverage Form:

If this policy covers Your Business Personal Property including "stock", you may extend that insurance to apply to exhibition, fair or trade show. We will pay for direct physical loss or damage to Covered Property caused by or resulting from any Covered Cause of Loss while temporarily on public display at any exhibition, fair or trade show within the United States of America (including its territories and possessions), Puerto Rico or Canada.

- (1) Covered Property, as used in this Additional Coverage, means Your Business Personal Property and personal property of others that is in your care, custody or control. Our payment for loss of or damage to personal property of others will only be for the account of the owner of the property.
- (2) This Additional Coverage does not apply to:
 - (a) "Electronic data processing property", as defined in this endorsement;
 - (b) Property in transit to or from any exhibition, fair or trade show;
 - (c) "Fine arts" as defined in this endorsement; or

(d) "Valuable papers and records" as defined in this endorsement.

The most we will pay under this Coverage Extension for loss or damage in any one occurrence is the Limit of Insurance for Exhibition, Fair Or Trade Show shown in the Schedule.

j. Extra Expense Or Expediting Expense

The following provision is added to paragraph **A.4. Additional Coverages** in the Building and Personal Property Coverage Form:

We will pay the extra expense you necessarily incur to continue or resume your normal business operations due to direct physical loss or damage to Covered Property by a Covered Cause of Loss. We will pay only that part of the total expense that exceeds the amount which ordinarily would have been incurred to conduct your business. We will not be liable for any longer period of time than is necessarily required to rebuild, repair or replace the damaged property. This period of time is limited to 30 days from the date of loss.

We will also pay the reasonable cost you incur to expedite repairs to Covered Property. This includes payment of overtime wages and the extra cost of express or other rapid means of transportation.

The most we will pay under this Additional Coverage for loss or damage in any one occurrence is the Limit of Insurance for Extra Expense Or Expediting Expense shown in the Schedule.

k. False Pretense

- (1) You may extend the insurance that applies to Your Business Personal property to cover loss or damage to Covered Property when you or your agents, consignees or customers voluntarily part with the Covered Property due to:
 - (a) Having accepted false bills of lading or shipping receipts; or
 - (b) Someone causing you to voluntarily part with the Covered Property by trick, scheme, device or false pretense.
- (2) Under the Causes Of Loss Special Form, Subparagraph **2.I. of Section B. Exclusions** is deleted.
- (3) We will not pay for:
 - (a) Loss or damage to Covered Property when the person committing the wrongful act is an "employee"; and
 - (b) Any loss covered under the Money Orders And Counterfeit Money or Computer Fraud Additional Coverage.
- (4) The most we will pay under this Extension for loss or damage in any one occurrence is the False Pretense Limit of Insurance shown in the Schedule.

l. Fine Arts

The following provision is added to paragraph **A.5. Coverage Extensions** in the Building and Personal Property Coverage Form:

If this policy covers Your Business Personal Property, you may extend that insurance to apply to "fine arts".

We will pay for direct physical loss or damage to "fine arts" from any of the Covered Causes of Loss. The loss or damage must occur at, or within 1,000 feet of the premises described in the Declarations. The "fine arts" must be your property or the property of others that is in your care, custody or control.

- (1) "Fine arts" means paintings, rare books, manuscripts, pictures, prints, etchings, drawings, tapestries, art glass windows, rare glass, bronzes, antique silver, statuary, potteries, porcelains, marble, other bona fide works of art and other items of rarity or historical value.
- (2) We will not pay for loss or damage caused by or resulting from any repairing, restoration or retouching of the "fine arts".
- (3) "Fine arts" are valued based on their "market value" immediately before the time of loss or damage. With respect to "fine arts" not owned by you, we will not pay more than the amount for which you are contractually liable. "Market value" is the price which the "fine arts" might be expected to realize if offered for sale in a fair market on the date of loss or damage.
- (4) For partial losses, including losses to articles that are part of a pair or set, we will pay:
 - (a) The reasonable cost necessary to restore the article, pair or set to its condition immediately before the loss.

- (b) If we agree that such restoration cannot fully restore the article, pair or set to its condition just before the loss, we will pay the difference between the article's "market value" immediately before and after the loss. We will pay this amount in addition to the cost incurred in attempting to restore the article.

(5) For total losses, we will pay the "market value" of the article, pair or set immediately before the loss.

The most we will pay under this Additional Coverage for loss or damage in any one occurrence is the Limit of Insurance for Fine Arts shown in the Schedule, but not more than \$10,000 for any one item of "fine arts".

m. Fire Department Service Charges

The additional limit of \$1,000 for **Fire Department Service Charges** shown in paragraph **A.4.c.** of the **Additional Coverages** provision in the Condominium Association Coverage Form is increased to the Limit of Insurance for Fire Department Service Charges shown in the Schedule.

n. Fire Equipment Recharge

The following provision is added to paragraph **A.4. Additional Coverages** in the Condominium Association Coverage Form:

We will pay expenses you incur to recharge your automatic fire protection equipment that was discharged:

- (1) To fight a fire; or
- (2) As the result of any Covered Cause of Loss.

The most we will pay under this Additional Coverage for expenses in any one occurrence is the Limit of Insurance for Fire Equipment Recharge shown in the Schedule.

No deductible applies to this Additional Coverage.

o. Leasehold Interest – Undamaged Tenant's Improvements and Betterments

The following provision is added to paragraph **A.4. Additional Coverages** in the Condominium Association Coverage Form:

We will pay for loss of Covered Leasehold Interest you sustain due to cancellation of your lease by the lessor. The cancellation must result from direct physical loss of or damage to property at premises described in the Declarations caused by or resulting from any Covered Cause of Loss.

- (1) The following additional conditions must apply:
 - (a) The lease cancellation is supported by a valid condition of your lease;
 - (b) You have at least six months remaining in your lease; and
 - (c) At least 25% of the building is damaged or at least six months is required to repair the building for your occupancy.
- (2) We will not pay under this Additional Coverage if the premises where the lease is cancelled has been vacant for more than 60 consecutive days prior to the loss or damage.
- (3) Covered Leasehold Interest means the following for each lease of real property in which you are the tenant:

The unamortized portion of the amount paid by you for improvements and betterments. It does not include the value of improvements and betterments recoverable under any other insurance, but only to the extent of such other insurance.

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

- (a) Made a part of the building or structure you occupy, but do not own; and
- (b) You acquired or made at your expense, but cannot legally remove.

The most we will pay under this Additional Coverage in any one occurrence is the Leasehold Interest Limit of Insurance shown in the Schedule.

p. Loss Of Master Key

The following provision is added to paragraph **A.5. Coverage Extensions** in the Condominium Association Coverage Form:

If this policy covers Your Business Personal Property, you may extend that insurance to apply to loss of master key. We will pay for reasonable and necessary costs you incur to:

- (1) Replace keys;
- (2) Adjust locks to accept new keys; or
- (3) If required, install new locks,

due to the direct physical loss or damage to a master key or grand master key caused by or resulting from a cause of loss not otherwise excluded, not to exceed the Limit of Insurance for Loss Of Master Key shown in the Schedule.

q. Loss Prevention Expense

The following provision is added to paragraph **A.4. Additional Coverages** in the Condominium Association Coverage Form:

We will pay the reasonable and necessary costs you incur to protect:

- (1) Building; or
- (2) Personal Property,

at the premises shown in the Declarations from imminent direct physical loss or damage caused by or resulting from a peril not otherwise excluded, not to exceed the Limit of Insurance for Loss Prevention Expenses shown in the Schedule.

To the extent possible, you must notify us of your intent to incur such cost before you take any loss prevention action.

In any event, you must notify us within 48 hours after you have taken any loss prevention action.

r. Miscellaneous Unnamed Locations

The following provision is added to paragraph **A.5. Coverage Extensions** in the Condominium Association Coverage Form:

We will pay for direct physical loss of or damage to your interest in Covered Property at any unnamed location you own, lease or operate within the United States of America (including its territories and possessions), Puerto Rico or Canada. An "unnamed location" is a location other than the premises described in the Declarations.

This Additional Coverage does not apply to:

- (1) Property in the care, custody or control of your salespersons;
- (2) Property while at any exhibition, fair or trade show;
- (3) "Electronic data processing property" as defined in this endorsement;
- (4) "Fine arts" as defined in this endorsement;
- (5) Property while in transit;
- (6) Newly Acquired or Constructed Property that is covered under the **Scheduled Limits** section of this endorsement; or
- (7) "Valuable papers and records" as defined in this endorsement.

The Deductible shown in the Declarations applies to this Additional Coverage.

The most we will pay under this Coverage Extension for loss or damage in any one occurrence is the Limit of Insurance for Miscellaneous Unnamed Locations shown in the Schedule.

s. Mobile Equipment

The following provision is added to paragraph **A.5. Coverage Extensions** in the Condominium Association Coverage Form:

If this policy covers Your Business Personal Property, you may extend that insurance to apply to loss of Mobile Equipment. We will pay for direct physical loss or damage to your owned and rented mobile equipment, including forklifts, lawn mowers, electric carts, tractors and similar vehicles.

This Additional Coverage does not apply to mobile equipment licensed for use on public roads or insured elsewhere.

The most we will pay under this Additional Coverage for loss or damage in any one occurrence is the Limit of Insurance for Mobile Equipment shown in the Schedule.

t. Newly Acquired Or Constructed Property

The following changes modify paragraph **A.5.a.** of the **Coverage Extensions** provision in the Condominium Association Coverage Form:

- (1) The additional limits shown for Newly Acquired Or Constructed Property are deleted; and
- (2) The time shown in paragraph **(3)(b)** is increased from 30 days to 90 days.

The most we will pay under this Coverage Extension for loss and damage in any one occurrence at each building are the Limits of Insurance for Newly Acquired Or Constructed Property – Buildings and Newly Acquired Or Constructed Property – Your Business Personal Property shown in the Schedule.

u. Outdoor Property

The additional limit of \$1,000 for **Outdoor Property** shown in paragraph **A.5.e.** of the **Coverage Extensions** provision in the Condominium Association Coverage Form is increased to the Limit of Insurance for Outdoor Property shown in the Schedule, but we will not pay more than \$500 for any one tree, shrub or plant, nor more than \$10,000 for any one other item of Outdoor Property.

v. Personal Effects And Property Of Others

Paragraph **A.5.b.** of the **Coverage Extensions** provision in the Condominium Association Coverage Form is replaced by the following:

You may extend the insurance that applies to Your Business Personal Property to apply to:

- (1) Personal effects owned by you, your officers, your partners, or your employees.
“Personal effects” includes tools owned by your employees that are used in your business.
- (2) Personal property of others that is in your care, custody or control.

Our payment for loss or damage under this extension at each described premises is the Limit of Insurance for Personal Effects And Property Of Others shown in the Schedule.

w. Pollutant Clean Up And Removal

The additional limit of \$10,000 for **Pollutant clean Up And Removal** shown in paragraph **A.4.a.** of the **Additional Coverages** provision in the Condominium Association Coverage Form is increased to the Limit of Insurance for Pollutant Clean Up And Removal shown in the Schedule.

x. Signs

Covered Property includes signs.

The second paragraph of provision **C. Limits Of Insurance** in the Condominium Association Coverage Form is replaced with the following:

The most we will pay for loss or damage to each outdoor sign in any one occurrence is the Limit of Insurance shown for Signs in the Schedule.

y. Valuable Papers And Records (Other Than Electronic Data)

The additional limit of \$2,500 for **Valuable Papers And Records (Other Than Electronic Data)** shown in paragraph **A.5.c.** of the **Coverage Extensions** provision in the Condominium Association Coverage Form is increased to the Limit of Insurance for Valuable Papers And Records shown in the Schedule.

Under this Extension, “valuable papers and records” means inscribed, printed or written documents, manuscripts or records, including abstracts, books, deeds, drawings, films, maps or mortgages. But, “valuable papers and records” does not mean “money” or “securities”, electronic data or accounts receivable.

Coverage under this Extension is extended to apply to loss or damage to "valuable papers and records" that are your property or the property of others in your care, custody or control. It is further extended to "valuable papers and records" while off premises. The most we will pay in any one occurrence for "valuable papers and records" (Other Than Electronic Data) while off-premises is \$25,000.

"Valuable papers and records" not owned by you are valued on the same basis as your "valuable papers and records", but we will not pay more than the amount for which you are contractually liable.

2. Other Coverages

Brands And Labels

- a. The following provision is added to paragraph **A.4. Additional Coverages** in the Building And Personal Property Coverage Form:

If branded or labeled merchandise that is Covered Property is damaged by any Covered Cause of Loss, and we take all or part of the property at an agreed or appraised value, we will pay expenses you incur to:

- (1) Stamp "salvage" on the merchandise or its containers, if the stamp will not physically damage the merchandise; or
- (2) Remove the brands or labels, if doing so will not physically damage the merchandise. You must re-label the merchandise or its containers to comply with the law.

We will pay reasonable costs you incur to perform the activity described in (1) or (2) above. But the total we pay for these costs and the value of the damaged property will not exceed the applicable Limit of Insurance on such property.

b. **Consequential Damage**

The following provision is added to paragraph **A.5. Coverage Extensions** in the Condominium Association Coverage Form:

If this policy covers Your Business Personal Property including "stock", you may extend that insurance to apply to consequential damage. If a Covered Cause of Loss occurs to covered "stock," we will pay any reduction in value of the remaining undamaged parts of covered "stock." But the total we pay for such reduction in value of undamaged property and the value of the damaged property will not exceed the applicable Limit of Insurance on such property.

B. Other Provisions

With respect to coverage provided by this endorsement, the provisions of the Coverage Forms apply except where modified by this endorsement as follows:

1. Additional Terms Defined as used throughout this policy:

- a. "Actual cash value" is the amount it would cost to repair or replace Covered Property, at the time of loss or damage, with material of like kind and quality, subject to a deduction for depreciation, deterioration, and obsolescence.

Actual cash value applies to valuation of Covered Property regardless of whether that property has sustained partial or total loss or damage.

The actual cash value of lost or damaged property may be less than the cost to

replace the damaged property with materials of like kind and quality and without any deduction for depreciation, deterioration or obsolescence.

2. Common Policy Conditions

Paragraph **F. Transfer Of Your Rights And Duties Under This Policy** in the **Common Policy Conditions** are deleted and replaced with following,

F. Transfer or Assignment Of Your Rights, Benefits And Duties Under This Policy

Your rights, benefits and duties under this policy may not be transferred or assigned without our written consent except in the case of death of an individual named insured.

If you die, your rights, benefits and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights, benefits and duties but only with respect to that property.

3. Loss Conditions:

3.a. Loss Conditions in all states except AL, AZ, CA, GA, LA, MA, ME, NY, and NC:

Paragraph **E. 2. Appraisal** in the Condominium Association Coverage Form is deleted.

Paragraph **E. 4. Loss Payment a.3.** in the Condominium Association Coverage Form is deleted and replaced with the following,

(3) Take all or any part of the property at an agreed or appraised value; or

Paragraph **E. 4. Loss Payment g.1 and g.2** in the Condominium Association Coverage Form are deleted and replaced with the following,

g. We will pay for covered loss or damage within 30 days after we receive the sworn proof of loss, if you have complied with all of the terms of this Coverage Part, and we have reached agreement with you on the amount of loss.

Paragraph **C.1. Appraisal** in the Business Income (And Extra Expense) Coverage Form is deleted.

Paragraph **C.4. Loss Payment a. and b.** in the Business Income (And Extra Expense) Coverage Form are deleted and replaced with the following,

We will pay for covered loss within 30 days after we receive the sworn proof of loss, if you have complied with all of the terms of this Coverage Part, and we have reached agreement with you on the amount of loss.

3.b. Loss Conditions in the states of AL, AZ, CA, GA, LA, MA, ME, NY, and NC:

Paragraph **E. 2. Appraisal** in the Condominium Association Coverage Form applies only to covered causes of loss caused by **Fire, Lightning or Removal** as follows:

Fire: defined as combustion sufficient to produce a spark, flame, glow or incandescence.

Lightning: defined as the natural discharge of electricity from the atmosphere and does not include artificially generated electricity such as from an electrical power surge.

Removal: this provides insurance to property while it is removed from the residence premises to protect it from a covered peril. For instance, if furniture was not damaged in a home fire and was stored at a neighbor's garage, then stolen from the garage, the insurance will apply to the insured's property due to theft.

Paragraph **E. 4. Loss Payment a.3.** in the Condominium Association Coverage Form is deleted and replaced with the following,

(3) Take all or any part of the property at an agreed or appraised value;
or

Paragraph **E. 4. Loss Payment g.1 and g.2** in the Condominium Association Coverage Form are deleted and replaced with the following,

g. We will pay for covered loss or damage within 30 days after we receive the sworn proof of loss, if you have complied with all of the terms of this Coverage Part, and we have reached agreement with you on the amount of loss.

Paragraph **C.1. Appraisal** in the Business Income (And Extra Expense) Coverage Form applies only to covered causes of loss caused by **Fire, Lightning or Removal** as follows

Fire: defined as combustion sufficient to produce a spark, flame, glow or incandescence.

Lightning: defined as the natural discharge of electricity from the atmosphere and does not include artificially generated electricity such as from an electrical power surge.

Removal: this provides insurance to property while it is removed from the residence premises to protect it from a covered peril. For instance, if furniture was not damaged in a home fire and was stored at a neighbor's garage, then stolen from the garage, the insurance will apply to the insured's property due to theft.

Paragraph **C.4. Loss Payment a. and b.** in the Business Income (And Extra Expense) Coverage Form are deleted and replaced with the following,

We will pay for covered loss within 30 days after we receive the sworn proof of loss, if you have complied with all of the terms of

this Coverage Part, and we have reached agreement with you on the amount of loss.

4. Legal Action Against Us

Under Commercial Property Conditions, paragraph **D. Legal Action Against Us** is deleted in and replaced with the following:

No one may bring a legal action against us under this policy unless:

- a. There has been **full** compliance with all of the terms, conditions and limitations of this policy; and
- b. The suit or action is filed within 2 years and 1 day after the cause of action accrues. If any applicable law makes this limitation invalid, then suit must begin within the shortest period permitted by law.

5. Pre-existing Damage

The following is including in all Terms and Conditions of the policy, and applies to all buildings, structures and dwellings:

We will not pay for any loss or damage to any Covered Property that occurred or existed prior to the inception of this policy, regardless of:

- a. Cause, and
- b. Whether such loss or damage was apparent at the time of the inception of this policy or at a later date.

6. Optional Coverage

Paragraph **G.3. Replacement Cost** of the Condominium Association Coverage Form are deleted and replaced with the following:

Replacement Cost

a. Replacement Cost (without deduction for depreciation) replaces Actual Cash Value in the Valuation Loss Condition of this Coverage Form.

b. This Optional Coverage does not apply to:

- (1) Personal property of others;
- (2) Contents of a residence;
- (3) Works of art, antiques or rare articles, including etchings, pictures, statuary, marbles, bronzes, porcelains and bric-a-brac; or
- (4) "Stock", unless the Including "Stock" option is shown in the Declarations.

Under the terms of this Replacement Cost Optional Coverage, tenants' improvements and betterments are not considered to be the personal property of others.

c. You may make a claim for loss or damage covered by this insurance on an actual cash value basis instead of on a replacement cost basis. In the event you elect to have loss or damage settled on an actual cash value basis, you may still make a claim for the additional coverage this Optional Coverage provides if you notify us in writing of your intent to do so;

- (1) Prior to the repair or replacement of the loss or damages; and
- (2) Within 180 days after the loss or damage; and

d. We will not pay on a replacement cost basis for any loss or damage:

- (1) Until the lost or damaged property is actually repaired or replaced:
 - (a) By a contractor we select; or

- (b) By a contractor selected by you, but only after we waive our right in writing to select a contractor.
- (2) Unless the repair or replacement is made as soon as reasonably possible after the loss or damage, but not to exceed 365 days after the loss or damage.

We require proof that the damaged property has been repaired or replaced. Such proof must include copies of receipts, paid invoices which detail the scope of repair or replacement and photos of property repaired or replaced.

With respect to tenants' improvements and betterments, the following also apply:

- (3) If the conditions in d.(1) and d.(2) above are not met, the value of tenants' improvements and betterments will be determined as a proportion of your original cost, as set forth in the Valuation Loss Condition of this Coverage Form; and
 - (4) We will not pay for loss or damage to tenants' improvements and betterments if others pay for repairs or replacement.
- e. We will not pay more for loss or damage on a replacement cost basis than the least of (1), (2) or (3), subject to f. below:
- (1) The Limit of Insurance applicable to the lost or damaged property;
 - (2) The cost to replace the lost or damaged property with other property:
 - (a) Of comparable material and quality; and
 - (b) Used for the same purpose; or
 - (3) The amount actually spent that is necessary to repair or replace the lost or damaged property.
- f. If a building is rebuilt at a new premises, the cost described in e.(2) above is limited to the cost which would have been incurred if the building had been rebuilt at the original premises. The cost of repair or replacement does not include the increased cost attributable to enforcement of or compliance with any ordinance or law regulating the construction, use or repair of any property.
- g. For damage caused by wind and hail, **Replacement Cost** does not apply to **roof surfacing** that:
- (1) Is 25 years of age or greater for all roof types other than 3-Tab asphalt shingle; or
 - (2) Is 15 years of age or greater for 3-Tab asphalt shingle.
- h. **Cosmetic Damage** to all **roof surfacing**, regardless of the cause of loss, is excluded and not covered.
- i. **Additional Definitions:**
- (1) **Roof surfacing** refers to the shingles, tiles, cladding, tar and gravel, metal or synthetic sheeting or similar materials covering the roof and includes all materials used in securing the roof surface and all materials applied to or under the roof surface for moisture protection, as well as roof flashing.
 - (2) **Cosmetic Damage** refers to physical damage such as marring, scratching, denting, pitting, discoloration or other condition that affects the appearance of the **roofing surface**, but does not impair the roofing surface's ability to keep weather-related or other elements from entering the building or structure for the remainder of the **roof surfacing's** reasonable anticipated useful life.

7. Additional Definition

Occurrence means the sum of all individual losses directly occasioned by any one disaster, accident or loss or series of disasters, accidents or losses arising out of one event which occurs within the area of one state of the United States. However, the duration and extent of any one **occurrence** shall be limited to all individual losses sustained during any period of 168 consecutive hours arising out of and directly occasioned by the same event, except that the term **occurrence** shall be further defined as follows:

- a. Windstorm, hail, tornado, hurricane, and cyclone, including ensuing collapse and water damage, all individual losses occurring during any period of 96 consecutive hours arising out of and directly occasioned by the same event. However, the event need not be limited to one state or province or states or provinces contiguous thereto.
- b. Riot, riot attending a strike, civil commotion, vandalism and malicious mischief, all individual losses occurring during any period of 96 consecutive hours within the area of one municipality or county and the municipalities or counties contiguous thereto arising out of and directly occasioned by the same event. The maximum duration of 96 consecutive hours may be extended in respect of individual losses which occur beyond such 96 consecutive hours during the continued occupation of an assured's premises by strikers, provided such occupation commenced during the aforesaid period.
- c. Earthquake (the epicenter of which need not necessarily be within the territorial confines referred to above) and fire following directly occasioned by the earthquake, only those individual fire losses which commence during the period of 168 consecutive hours will be considered as one **occurrence**.
- d. Freeze individual losses directly occasioned by collapse, breakage of glass and water damage (caused by bursting frozen pipes and tanks) may be considered as part of the **occurrence**.

We may choose the date and time when any such period of consecutive hours commences, provided that it is not earlier than the date and time of the occurrence of the first recorded individual loss arising out of that disaster, accident or loss, and provided that only one such period of 168 consecutive hours shall apply with respect to one event, or as defined as outline in **a. b. c. or d.** above, regardless of the duration of the event.

No individual losses occasioned by an event that would be covered by a 96 hour clause may be included in any **occurrence** claimed under the 168 hours provision.

Losses directly or indirectly occasioned by:

- a. Loss of, alteration of, or damage to; reduction in the functionality, availability or operation of; a computer system, hardware, program, software, data, information repository, microchip, integrated circuit or similar device in computer equipment or non-computer equipment, whether the property of the policyholder of the Company or not, do not in and of themselves constitute an event unless arising out of one or more of the following perils: fire, lightning, explosion, aircraft or vehicle impact, falling objects, windstorm, hail, tornado, cyclone, hurricane, earthquake, volcano, tsunami, flood, freeze or weight of snow.

8. State Abbreviations

State/Possession	Abbreviation
Alabama	AL
Alaska	AK
Arizona	AZ
Arkansas	AR
California	CA
Colorado	CO
Connecticut	CT
Delaware	DE
District of Columbia	DC
Florida	FL
Georgia	GA
Hawaii	HI
Idaho	ID

State/Possession	Abbreviation
Illinois	IL
Indiana	IN
Iowa	IA
Kansas	KS
Kentucky	KY
Louisiana	LA
Maine	ME
Maryland	MD
Massachusetts	MA
Michigan	MI
Minnesota	MN
Mississippi	MS
Missouri	MO

State/Possession	Abbreviation
Montana	MT
Nebraska	NE
Nevada	NV
New Hampshire	NH
New Jersey	NJ
New Mexico	NM
New York	NY
North Carolina	NC
North Dakota	ND
Ohio	OH
Oklahoma	OK
Oregon	OR
Pennsylvania	PA

State/Possession	Abbreviation
Rhode Island	RI
South Carolina	SC
South Dakota	SD
Tennessee	TN
Texas	TX
Utah	UT
Vermont	VT
Virginia	VA
Washington	WA
West Virginia	WV
Wisconsin	WI
Wyoming	WY

Except as stated in this endorsement, all other terms and conditions remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ORDINANCE OR LAW COVERAGE

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
CONDOMINIUM ASSOCIATION COVERAGE FORM
STANDARD PROPERTY POLICY**SCHEDULE**

Premises Number	Coverage A	Coverage B Limit Of Insurance	Coverage C Limit Of Insurance	Coverages B And C Combined Limit Of Insurance
1	\$9,941,750	\$994,175	\$994,175	
Post-Loss Ordinance Or Law Option: No				
*Do not enter a Combined Limit of Insurance if individual Limits of Insurance are selected for Coverages B and C , or if one of these Coverages is not applicable.				
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.				

A. Each Coverage – Coverage **A**, Coverage **B** and Coverage **C** – is provided under this endorsement only if that Coverage(s) is chosen by entry in the above Schedule and then only with respect to the building identified for that Coverage(s) in the Schedule.

B. Application Of Coverage(s)

The Coverage(s) provided by this endorsement applies with respect to an ordinance or law that regulates the demolition, construction or repair of buildings, or establishes zoning or land use requirements at the described premises, subject to the following:

1. The requirements of the ordinance or law are in force at the time of loss. But if the Post-Loss Ordinance Or Law Option is indicated in the Schedule as being applicable, then Paragraph

B.2. applies instead of this Paragraph **B.1.**

2. The requirements of the ordinance or law are in force at the time of loss; or the ordinance or law is promulgated or revised after the loss but prior to commencement of reconstruction or repair and provided that such ordinance or law requires compliance as a condition precedent to obtaining a building permit or certificate of occupancy.

3. Coverage under this endorsement applies only in response to the minimum requirements of the ordinance or law. Losses and costs incurred in complying with recommended actions or standards that exceed actual requirements are not covered under this endorsement.

4. Coverage under this endorsement applies only if:

- a. The building sustains only direct physical damage that is covered under this policy and as a result of such damage, you are required to comply with the ordinance or law; or
- b. The building sustains both direct physical damage that is covered under this policy and direct physical damage that is not covered under this policy, and as a result of the building damage in its entirety, you are required to comply with the ordinance or law.

However, there is no coverage under this endorsement if the building sustains direct physical damage that is not covered under this policy, and such damage is the subject of the ordinance or law, even if the building has also sustained covered direct physical damage.

5. If coverage applies under this endorsement based on the terms of Paragraph **B.4.b.**, we will not pay the full amount of loss otherwise payable under the terms of Coverages **A**, **B**, and/or **C** of this endorsement. Instead, we will pay a proportion of such loss, meaning the proportion that the covered direct physical damage bears to the total direct physical damage.

(Paragraph **F.** of this endorsement provides an example of this procedure.)

However, if the covered direct physical damage, alone, would have resulted in a requirement to comply with the ordinance or law, then we will pay the full amount of loss otherwise payable under the terms of Coverages **A**, **B** and/or **C** of this endorsement.

6. We will not pay under this endorsement for:
- a. Enforcement of or compliance with any ordinance or law which requires the demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants" or due to the presence, growth, proliferation, spread or any activity of "fungus", wet or dry rot or bacteria; or
 - b. The costs associated with the enforcement of or compliance with any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants", "fungus", wet or dry rot or bacteria.

7. We will not pay under this endorsement for any loss in value or any cost incurred due to an ordinance or law that you were required to comply with before the time of the current loss, even in the absence of building damage, if you failed to comply.

C. Coverage

1. Coverage A – Coverage For Loss To The Undamaged Portion Of The Building

With respect to the building that has sustained covered direct physical damage, we will pay under Coverage **A** for the loss in value of the undamaged portion of the building as a consequence of a requirement to comply with an ordinance or law that requires demolition of undamaged parts of the same building.

Coverage **A** is included within the Limit Of Insurance applicable to such building as shown in the Declarations or addressed elsewhere in this policy. Coverage **A** does not increase the Limit of Insurance.

2. Coverage B – Demolition Cost Coverage

With respect to the building that has sustained covered direct physical damage, we will pay the cost to demolish and clear the site of undamaged parts of the same building as a consequence of a requirement to comply with an ordinance or law that requires demolition of such undamaged property.

The Coinsurance Additional Condition does not apply to Demolition Cost Coverage.

3. Coverage C – Increased Cost Of Construction Coverage

- a. With respect to the building that has sustained covered direct physical damage, we will pay the increased cost to:

- (1) Repair or reconstruct damaged portions of that building; and/or
- (2) Reconstruct or remodel undamaged portions of that building, whether or not demolition is required;

when the increased cost is a consequence of a requirement to comply with the minimum standards of the ordinance or law.

However:

- (1) This coverage applies only if the restored or remodeled property is intended for similar occupancy as the current property, unless such occupancy is not permitted by zoning or land use ordinance or law.

- (2) We will not pay for the increased cost of construction if the building is not repaired, reconstructed or remodeled.

The Coinsurance Additional Condition does not apply to Increased Cost of Construction Coverage.

- b. When a building is damaged or destroyed and Coverage **C** applies to that building in accordance with Paragraph **C.3.a.** above, coverage for the increased cost of construction also applies to repair or reconstruction of the following, subject to the same conditions stated in Paragraph **C.3.a.**:

- (1) The cost of excavations, grading, backfilling and filling;
- (2) Foundation of the building;
- (3) Pilings; and
- (4) Underground pipes, flues and drains.

The items listed in **b.(1)** through **b.(4)** above are deleted from Property Not Covered, but only with respect to the coverage described in this provision, **3.b.**

D. Loss Payment

- 1. All following loss payment provisions, **D.2.** through **D.5.**, are subject to the apportionment procedures set forth in Paragraph **B.5.** of this endorsement.
- 2. When there is a loss in value of an undamaged portion of a building to which Coverage **A** applies, the loss payment for that building, including damaged and undamaged portions, will be determined as follows:
 - a. If the Replacement Cost Coverage Option applies and such building is being repaired or replaced, on the same or another premises, we will not pay more than the lesser of:
 - (1) The amount you would actually spend to repair, rebuild or reconstruct such building, but not for more than the amount it would cost to restore the building on the same premises and to the same height, floor area, style and comparable quality of the original property insured; or

- (2) The Limit Of Insurance applicable to such building as shown in the Declarations or addressed elsewhere in this policy. (If this policy is endorsed to cover Earthquake and/or Flood as a Covered Cause of Loss, the Limit of Insurance applicable to the building in the event of damage by such Covered Cause of Loss may be lower than the Limit of Insurance that otherwise would apply.)

- b. If the Replacement Cost Coverage Option applies and such building is **not** repaired or replaced, or if the Replacement Cost Coverage Option does **not** apply, we will not pay more than the lesser of:

- (1) The actual cash value of such building at the time of loss; or
- (2) The Limit Of Insurance applicable to such building as shown in the Declarations or addressed elsewhere in this policy. (If this policy is endorsed to cover Earthquake and/or Flood as a Covered Cause of Loss, the Limit of Insurance applicable to the building in the event of damage by such Covered Cause of Loss may be lower than the Limit of Insurance that otherwise would apply.)

- 3. Unless Paragraph **D.5.** applies, loss payment under Coverage **B** – Demolition Cost Coverage will be determined as follows:

We will not pay more than the lesser of the following:

- a. The amount you actually spend to demolish and clear the site of the described premises; or
- b. The applicable Limit Of Insurance shown for Coverage **B** in the Schedule.

4. Unless Paragraph **D.5.** applies, loss payment under Coverage **C** – Increased Cost Of Construction Coverage will be determined as follows:

a. We will not pay under Coverage **C**:

- (1) Until the building is actually repaired or replaced, at the same or another premises; and
- (2) Unless the repair or replacement is made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.

b. If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay under Coverage **C** is the lesser of:

- (1) The increased cost of construction at the same premises; or
- (2) The applicable Limit Of Insurance shown for Coverage **C** in the Schedule.

c. If the ordinance or law requires relocation to another premises, the most we will pay under Coverage **C** is the lesser of:

- (1) The increased cost of construction at the new premises; or
- (2) The applicable Limit Of Insurance shown for Coverage **C** in the Schedule.

5. If a Combined Limit Of Insurance is shown for Coverages **B** and **C** in the Schedule, Paragraphs **D.3.** and **D.4.** do not apply with respect to the building that is subject to the Combined Limit, and the following loss payment provisions apply instead:

The most we will pay, for the total of all covered losses for Demolition Cost and Increased Cost of Construction, is the Combined Limit Of Insurance shown for Coverages **B** and **C** in the Schedule. Subject to this Combined Limit of Insurance, the following loss payment provisions apply:

a. For Demolition Cost, we will not pay more than the amount you actually spend to demolish and clear the site of the described premises.

b. With respect to the Increased Cost of Construction:

- (1) We will not pay for the increased cost of construction:
 - (a) Until the building is actually repaired or replaced, at the same or another premises; and

(b) Unless the repair or replacement is made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.

(2) If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay for the increased cost of construction is the increased cost of construction at the same premises.

(3) If the ordinance or law requires relocation to another premises, the most we will pay for the increased cost of construction is the increased cost of construction at the new premises.

E. The terms of this endorsement apply separately to each building to which this endorsement applies.

F. Example of proportionate loss payment for Ordinance Or Law Coverage Losses (procedure as set forth in Paragraph **B.5.**).

Assume:

- Wind is a Covered Cause of Loss; Flood is an excluded Cause of Loss
- The building has a value of \$200,000
- Total direct physical damage to building: \$100,000
- The ordinance or law in this jurisdiction is enforced when building damage equals or exceeds 50% of the building's value
- Portion of direct physical damage that is covered (caused by wind): \$30,000
- Portion of direct physical damage that is not covered (caused by flood): \$70,000
- Loss under Ordinance Or Law Coverage **C** of this endorsement: \$60,000

Step 1: Determine the proportion that the covered direct physical damage bears to the total direct physical damage.

$$\$30,000 \div \$100,000 = .30$$

Step 2: Apply that proportion to the Ordinance or Law loss.

$$\$60,000 \times .30 = \$18,000$$

In this example, the most we will pay under this endorsement for the Coverage **C** loss is \$18,000, subject to the applicable Limit of Insurance and any other applicable provisions.

Note: The same procedure applies to losses under Coverages **A** and **B** of this endorsement.

G. The following definition is added:

"Fungus" means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.

H. This Endorsement does not apply to any Terrorism loss or event. In the event of a Terrorism loss the following are not insured under this endorsement:

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PROPERTY CYBER AND DATA ENDORSEMENT

This endorsement modifies all insurance provided related to losses involving cyber and data:

- A. Notwithstanding any provision to the contrary within this Policy or any endorsement thereto this Policy excludes any:
1. Cyber Loss, unless subject to the provisions of paragraph 2;
 2. loss, damage, liability, claim, cost, expense of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any loss of use, reduction in functionality, repair, replacement, restoration or reproduction of any Data, including any amount pertaining to the value of such Data, unless subject to the provisions of paragraph 3 or if the cost and / or expense arises from determining that the loss is not covered under this policy;
- regardless of any other cause or event contributing concurrently or in any other sequence thereto.
- B. Subject to all the terms, conditions, limitations and exclusions of this Policy or any endorsement thereto, this Policy covers physical loss or physical damage to property insured under this Policy caused by any ensuing fire or explosion which directly results from a Cyber Incident, unless that Cyber Incident is caused by, contributed to by, resulting from, arising out of or in connection with a Cyber Act including, but not limited to, any action taken in controlling, preventing, suppressing or remediating any Cyber Act.
- C. Subject to all the terms, conditions, limitations and exclusions of this Policy or any endorsement thereto, should Data Processing Media owned or operated by the Insured suffer physical loss or physical damage insured by this Policy, then this Policy will cover the cost to repair or replace the Data Processing Media itself plus the costs of copying the Data from back-up or from originals of a previous generation. These costs will not include research and engineering nor any costs of recreating, gathering or assembling the Data. If such media is not repaired, replaced or restored the basis of valuation shall be the cost of the blank Data Processing Media. However, this Policy excludes any amount pertaining to the value of such Data, to the Insured or any other party, even if such Data cannot be recreated, gathered or assembled.
- D. In the event any portion of this endorsement is found to be invalid or unenforceable, the remainder shall remain in full force and effect.
- E. This endorsement supersedes and, if in conflict with any other wording in the Policy or any endorsement thereto having a bearing on Cyber Loss, Data or Data Processing Media, replaces that wording.

Definitions

- A. Cyber Loss means any loss, damage, liability, claim, cost or expense of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any Cyber Act or Cyber Incident including, but not limited to, any action taken in controlling, preventing, suppressing or remediating any Cyber Act or Cyber Incident.
- B. Cyber Act means an unauthorised, malicious or criminal act or series of related unauthorised, malicious or criminal acts, regardless of time and place, or the threat or hoax thereof involving access to, processing of, use of or operation of any Computer System.
- C. Cyber Incident means:
 - 1. any error or omission or series of related errors or omissions involving access to, processing of, use of or operation of any Computer System; or
 - 2. any partial or total unavailability or failure or series of related partial or total unavailability or failures to access, process, use or operate any Computer System.
- F. Computer System means:
 - 1. any computer, hardware, software, communications system, electronic device (including, but not limited to, smart phone, laptop, tablet, wearable device), server, cloud or microcontroller including any similar system or any configuration of the aforementioned and including any associated input, output, data storage device, networking equipment or back up facility owned or operated by the Insured or any other party.
- G. Data means information, facts, concepts, code or any other information of any kind that is recorded or transmitted in a form to be used, accessed, processed, transmitted or stored by a Computer System.
- H. Data Processing Media means any property insured by this Policy on which Data can be stored but not the Data itself.

LMA5400 (Amended)



JUPITER
A RISK THEORY COMPANY

PROPERTY LOSS NOTICE FORM
Amherst Specialty Insurance Company
14001 Dallas Parkway
Suite 700
Dallas, TX 75240

Report claims to: Applied Claims Group
Email: claims@jupiterrisk.com

PH: 800-597-7790

CLIENT NAME		POLICY #
PROGRAM CODE		
Time of Loss Event (am/pm)		Date Reported
Date of Loss Event		

Insured		
Mortgagee		
Insured Address		Business Phone
City		Other Phone
State, Zip		

LOCATION OF LOSS			
Address		Authority Contacted	YES NO
City		Fire/Police Department	
State, ZIP		Fire/Police Report No.	

Description of Loss	
---------------------	--

WITNESS		
Name		Phone
Address		State
City		Zip

DESCRIPTION OF BUILDING(S) INVOLVED (attach additional sheet as needed)	
1.	
2.	
3.	

ADDITIONAL ENCLOSURES
Please obtain a copy of the following and attach it to this form:
1. A written narrative statement by your employee(s) of the events of the loss.
2. Names, addresses, and telephone numbers for all witnesses, including clients and employees.

PERSON REPORTING LOSS		Business Phone
Relationship to Insured		Other Phone
Signature		
Title		
Date		

Emergency Services		
Provider		
Contact		Phone No

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

RADIOACTIVE CONTAMINATION EXCLUSION CLAUSEPHYSICAL DAMAGE-DIRECT

This endorsement modifies all insurance provided related to losses involving Nuclear Incidents:

This policy does not cover any loss or damage arising directly or indirectly from nuclear reaction nuclear radiation or radioactive contamination however such nuclear reaction nuclear radiation or radioactive contamination may have been caused *NEVERTHELESS if Fire is an insured peril and a Fire arises directly or indirectly from nuclear reaction nuclear radiation or radioactive contamination any loss or damage arising directly from that Fire shall (subject to the provision of this policy) be covered EXCLUDING however all loss or damage caused by nuclear reaction nuclear radiation or radioactive contamination arising directly or indirectly from that Fire.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**NAMED STORM PERCENTAGE DEDUCTIBLE**

This endorsement modifies insurance provided under the following:

BUILDERS' RISK COVERAGE FORM
 BUILDING AND PERSONAL PROPERTY COVERAGE FORM
 CONDOMINIUM ASSOCIATION COVERAGE FORM
 CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM
 STANDARD PROPERTY POLICY
 TOBACCO SALES WAREHOUSES COVERAGE FORM

SCHEDULE

Premises Number	Building Number	Named Storm Deductible Percentage – Enter 1%, 2% Or 5%
		%
Refer to MULTIPLE DEDUCTIBLE FORM JRS PR 13 01 08 22 or PROPERTY COVERAGE SCHEDULE.		
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.		

A Named Storm is a storm system that has been identified as a tropical storm or hurricane and assigned a name by the National Hurricane Center or the Central Pacific Hurricane Center of the National Weather Service (hereafter referred to as NHC and CPHC). Under the terms of this endorsement, a Named Storm begins at the time a Watch or Warning is issued by the NHC or CPHC for the area in which the affected premises are located, and ends 72 hours after the termination of the last Watch or Warning issued for that area by the NHC or CPHC.

The Named Storm Deductible, as shown in the Schedule and set forth in this endorsement, applies to covered loss or damage caused directly or indirectly by each Named Storm. If there is covered loss or damage from a windstorm that is not a Named Storm, the applicable deductible is the same deductible that applies to Fire, unless a different deductible is stated elsewhere in this policy for such loss or damage.

Nothing in this endorsement implies or affords coverage for any loss or damage that is excluded under the terms of the Water Exclusion or any other exclusion in this policy. If this policy is endorsed to cover Flood under the Flood Coverage Endorsement (or if you have a flood insurance policy), a separate Flood Deductible applies to loss or damage attributable to Flood, in accordance with the terms of that endorsement or policy.

As used in this endorsement, the terms "specific insurance" and "blanket insurance" have the following meanings: Specific insurance covers each item of insurance (for example, each building or personal property in a building) under a separate Limit of Insurance. Blanket insurance covers two or more items of insurance (for example, a building and personal property in that building, or two buildings) under a single Limit of Insurance. Items of insurance and corresponding Limit(s) of Insurance are shown in the Declarations.

NAMED STORM DEDUCTIBLE CALCULATIONS

A. Calculation Of The Deductible – All Policies

1. A Deductible is calculated separately for, and applies separately to:
 - a. Each building that sustains loss or damage;
 - b. The personal property at each building at which there is loss or damage to personal property; and
 - c. Personal property in the open.

If there is damage to both a building and personal property in that building, separate deductibles apply to the building and to the personal property.

2. We will not pay for loss or damage until the amount of loss or damage exceeds the applicable Deductible. We will then pay the amount of loss or damage in excess of that Deductible, up to the applicable Limit of Insurance, after any reduction required by any of the following: Coinsurance Condition; Agreed Value Optional Coverage; or any provision in a Value Reporting Form relating to full reporting or failure to submit reports.
3. When property is covered under the Coverage Extension for Newly Acquired or Constructed Property: In determining the amount, if any, that we will pay for loss or damage, we will deduct an amount equal to a percentage of the value(s) of the property at time of loss. The applicable percentage for Newly Acquired or Constructed Property is the highest percentage shown in the Schedule for any described premises.

B. Calculation Of The Deductible – Specific Insurance Other Than Builders' Risk

1. Property Not Subject To Value Reporting Forms

In determining the amount, if any, that we will pay for loss or damage, we will deduct an amount equal to 1%, 2% or 5% (as shown in the Schedule) of the Limit(s) of Insurance applicable to the property that has sustained loss or damage.

2. Property Subject To Value Reporting Forms

In determining the amount, if any, that we will pay for loss or damage, we will deduct an amount equal to 1%, 2% or 5% (as shown in the Schedule) of the value(s) of the property that has sustained loss or damage. The value(s) to be used is the latest value(s) shown in the most recent Report of Values on file with us.

However:

- a. If the most recent Report of Values shows less than the full value(s) of the property on the report dates, we will determine the deductible amount as a percentage of the full value(s) as of the report dates.
- b. If the first Report of Values is not filed with us prior to loss or damage, we will determine the deductible amount as a percentage of the applicable Limit(s) of Insurance.

C. Calculation Of The Deductible – Blanket Insurance Other Than Builders' Risk

1. Property Not Subject To Value Reporting Forms

In determining the amount, if any, that we will pay for loss or damage, we will deduct an amount equal to 1%, 2% or 5% (as shown in the Schedule) of the value(s) of the property that has sustained loss or damage. The value(s) to be used is that shown in the most recent Statement of Values on file with us.

2. Property Subject To Value Reporting Forms

In determining the amount, if any, that we will pay for property that has sustained loss or damage, we will deduct an amount equal to 1%, 2% or 5% (as shown in the Schedule) of the value(s) of that property as of the time of loss or damage.

D. Calculation Of The Deductible – Builders' Risk Insurance

1. Builders' Risk Other Than Reporting Form

In determining the amount, if any, that we will pay for property that has sustained loss or damage, we will deduct an amount equal to 1%, 2% or 5% (as shown in the Schedule) of the actual cash value(s) of that property as of the time of loss or damage.

2. Builders' Risk Reporting Form

In determining the amount, if any, that we will pay for loss or damage, we will deduct an amount equal to 1%, 2% or 5% (as shown in the Schedule) of the value(s) of the property that has sustained loss or damage. The value(s) to be used is the actual cash value(s) shown in the most recent Report of Values on file with us.

However:

- a. If the most recent Report of Values shows less than the actual cash value(s) of the property on the report date, we will determine the deductible amount as a percentage of the actual cash value(s) as of the report date.

- b. If the first Report of Values is not filed with us prior to loss or damage, we will determine the deductible amount as a percentage of the actual cash value(s) of the property as of the time of loss or damage.

Examples – Application Of Deductible

Example 1 – Specific Insurance (B.1.)

The amount of loss to the damaged building is \$60,000.

The value of the damaged building at time of loss is \$100,000. The Coinsurance percentage shown in the Declarations is 80%; the minimum Limit of Insurance needed to meet the coinsurance requirement is \$80,000 (80% of \$100,000).

The **actual** Limit of Insurance on the damaged building is \$70,000.

The Deductible is 1%.

Step (1): $\$70,000 \div \$80,000 = .875$

Step (2): $\$60,000 \times .875 = \$52,500$

Step (3): $\$70,000 \times 1\% = \700

Step (4): $\$52,500 - \$700 = \$51,800$

The most we will pay is \$51,800. The remainder of the loss, \$8,200, is not covered due to the Coinsurance penalty for inadequate insurance (Steps (1) and (2)) and the application of the Deductible (Steps (3) and (4)).

Example 2 – Specific Insurance (B.1.)

The amounts of loss to the damaged property are \$60,000 (building) and \$40,000 (personal property in building).

The value of the damaged building at time of loss is \$100,000. The value of the personal property in that building is \$80,000. The Coinsurance percentage shown in the Declarations is 80%; the minimum Limits of Insurance needed to meet the coinsurance requirement are \$80,000 (80% of \$100,000) for the building and \$64,000 (80% of \$80,000) for the personal property.

The **actual** Limits of Insurance on the damaged property are \$80,000 on the building and \$64,000 on the personal property (therefore, no Coinsurance penalty).

The Deductible is 2%.

Building

Step (1): $\$80,000 \times 2\% = \$1,600$

Step (2): $\$60,000 - \$1,600 = \$58,400$

Personal Property

Step (1): $\$64,000 \times 2\% = \$1,280$

Step (2): $\$40,000 - \$1,280 = \$38,720$

The most we will pay is \$97,120. The portion of the total loss not covered due to application of the Deductible is \$2,880.

Example 3 – Blanket Insurance (C.1.)

The sum of the values of Building 1 (\$500,000), Building 2 (\$500,000) and Building 3 (\$1,000,000), as shown in the most recent Statement of Values on file with us, is \$2,000,000.

The Coinsurance percentage shown in the Declarations is 90%; the minimum Blanket Limit of Insurance needed to meet the coinsurance requirement is \$1,800,000 (90% of \$2,000,000).

The **actual** Blanket Limit Of Insurance covering Buildings 1, 2, and 3, shown in the Declarations, is \$1,800,000 (therefore no Coinsurance penalty).

Buildings 1 and 2 have sustained damage; the amounts of loss to these buildings are \$40,000 (Building 1) and \$20,000 (Building 2).

The Deductible is 2%.

Building 1

Step (1): $\$500,000 \times 2\% = \$10,000$

Step (2): $\$40,000 - \$10,000 = \$30,000$

Building 2

Step (1): $\$500,000 \times 2\% = \$10,000$

Step (2): $\$20,000 - \$10,000 = \$10,000$

The most we will pay is \$40,000. The portion of the total loss that is not covered due to application of the Deductible is \$20,000.

Example 4 – Blanket Insurance (C.1.)

The sum of the values of Building 1 (\$500,000), Building 2 (\$500,000), Personal Property at Building 1 (\$250,000) and Personal Property at Building 2 (\$250,000), as shown in the most recent Statement of Values on file with us, is \$1,500,000.

The Coinsurance percentage shown in the Declarations is 90%; the minimum Blanket Limit of Insurance needed to meet the coinsurance requirement is \$1,350,000 (90% of \$1,500,000).

The **actual** Blanket Limit Of Insurance covering Buildings 1 and 2 and Personal Property at Buildings 1 and 2, shown in the Declarations, is \$1,350,000. Therefore there is no Coinsurance penalty.

Building 1 and Personal Property at Building 1 have sustained damage; the amounts of loss are \$95,000 (Building) and \$5,000 (Personal Property).

The Deductible is 5%.

Building

Step **(1)**: $\$500,000 \times 5\% = \$25,000$

Step **(2)**: $\$95,000 - \$25,000 = \$70,000$

Personal Property

Step **(1)**: $\$250,000 \times 5\% = \$12,500$

The loss, \$5,000, does not exceed the Deductible.

The most we will pay is \$70,000. The remainder of the building loss, \$25,000, is not covered due to application of the Deductible. There is no loss payment for the personal property.

JUPITER RISK SERVICES LOCK AND KEY PLUS COVERAGE FORM

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

SCHEDULE

Aggregate Limit of Insurance for the Policy Period for all insured locations per the Schedule of Locations	\$2,500
Maximum number of Occurrences for the Policy Period at all insured locations per the Schedule of Locations	4 (four)
Deductible for Each Occurrence	\$100

A. Coverage

During the policy period, we will pay for direct physical loss of, or damage to, Covered Property from any of the Covered Causes of Loss.

1. Covered Property

Covered Property, as used in this Coverage Form means internal keys, passes, or cards and internal locks at the insured location(s). These keys, passes or cards must be used to operate internal locks which are permanently installed at the insured location(s).

2. Property Not Covered

Covered Property does not include:

- a. Locks which are not permanently installed;
- b. Gate, traffic or crowd control keys and locks;
- c. Padlocks;
- d. Temporary locks;
- e. Lock Boxes (typically used by real estate agents);
- f. Keys or Locks which you loan, lease or rent to others not at an insured location; or
- g. Spare parts or inventory, that are specifically designed and intended for use in the maintenance, repair or operation of Covered Property unless permanently installed.

3. Covered Causes Of Loss

Covered Causes of Loss means "Direct Physical Loss or Damage" to Covered Property caused by theft, riot, civil commotion, aircraft, vandalism, sprinkler leakage, sinkhole collapse, volcanic action, falling objects, weight of snow and ice, water damage in the form of leakage from appliances, or collapse. Covered Cause of Loss excludes those causes of loss listed in the Exclusions.

B. Exclusions

1. We will not pay for Direct Physical Loss or Damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage.

a. Governmental Action

Seizure or destruction of property by order of governmental authority. But we will pay for loss or damage caused by or resulting from acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread if the fire would be covered under this Coverage Form.

b. Nuclear Hazard

Nuclear reaction or radiation, or radioactive contamination, however caused.

But if nuclear reaction or radiation, or radioactive contamination results in fire, we will pay for the direct loss or damage caused by that fire if the fire would be covered under this Coverage Form.

c. War and Military Action

- (1)** War, including undeclared or civil war;
- (2)** Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3)** Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

Exclusions **1.c.(1)**, **1.c.(2)**, and **1.c.(3)** apply whether or not the loss event results in widespread damage or affects a substantial area.

2. We will not pay for Direct Physical Loss or Damage caused by or resulting from any of the following.

- a.** Delay, loss of use, loss of market or any other consequential loss.
- b.** Dishonest or criminal act committed by:
 - (1)** You, any of your partners, employees (including temporary employees and leased workers), officers, directors, trustees or authorized representatives;
 - (2)** A manager, member or equity holder of a Named Insured;
 - (3)** Anyone else with an interest in the Covered Property, or their employees (including temporary employees and leased workers) or authorized representatives, whether acting alone or in collusion with each other or with any other party.
- c.** Artificially generated electrical magnetic or electromagnetic energy that damages, disturbs, disrupts or otherwise interferes with any:

- (1)** Electrical or electronic wire, device, appliance, system, or network or;
- (2)** Device, appliance, system, or network utilizing cellular or satellite technology.

For the purpose of this exclusion, electrical, magnetic or electromagnetic energy includes, but it not limited to electrical current, including arcing; electrical charge produced or conducted by a magnetic or electromagnetic field; pulse of electromagnetic waves or microwaves.

But if artificially generated electrical, magnetic or electromagnetic energy as described above, results in a fire or explosion, we will pay for the Direct Physical Loss or Damage to Covered Property caused by that fire or explosion described in the Limits of Insurance.

- d.** Voluntary parting with any Covered Property by you or anyone entrusted with the Covered Property if induced to do so by any fraudulent scheme, trick, device or false pretense.
- e.** Unauthorized instructions to transfer Covered Property to any person or to any place.
- f.** Neglect of a Named Insured to use all reasonable means to save and preserve Covered Property from further damage at and after time of a loss.

3. We will not pay for Direct Physical Loss or Damage caused by or resulting from any of the following. But if loss or damage by a Covered Cause of Loss results, we will pay for the loss or damage caused by that Covered Cause of Loss.

- a.** Wear and tear, depreciation.
- b.** Any quality in the Covered Property that causes it to damage or destroy itself, hidden or latent defect, or gradual deterioration.
- c.** Insects, vermin, rodents.
- d.** Corrosion, rust.
- e.** Mechanical breakdown or failure of the Covered Property.

C. Limits Of Insurance

The most we will pay for loss or damage in any one occurrence is the applicable Limit of Insurance shown in the Schedule.

We will not pay more for loss or damage on a Replacement Cost basis than the lesser of the following:

- 1.** The limit of Insurance shown in the Schedule for the item applicable to the loss or damaged Covered Property; or
- 2.** The cost to replace the loss or damaged Covered Property with other property:
 - a.** of comparable material and quality; and
 - b.** used for the same purpose; or

3. The amount you actually spend that is necessary to repair or replace the lost or damaged Covered Property.

D. Deductible

In any one occurrence of Direct Physical Loss or Damage (hereinafter referred to as a loss), we will first reduce the amount of the loss to Actual Cash Value. If the adjusted amount of loss is less than or equal to the Deductible shown in the Schedule, we will not pay for that loss. If the adjusted amount of loss exceeds the Deductible shown in the Schedule, we will subtract the Deductible from the adjusted amount of loss and will pay the resulting amount or the Limit of Insurance shown in the Schedule, whichever is less.

If a percentage deductible is shown in the Limits of Insurance to determine the amount, if any, that we will pay for the loss or damage, we will deduct an amount equal to the applicable percentage (as shown in the Limits of Insurance) of the value of the Covered Property that has sustained loss or damage, subject to any minimum or maximum dollar amount shown in the Limits of Insurance. The value of the Covered Property damaged is the actual cash value unless a different valuation applies for such Covered Property.

E. Duties In The Event of a Loss

For claims filed under coverage provided by this Coverage Form:

1. You must see to it that we are notified as soon as practicable of an "occurrence" which may result in a claim. Coverage is contingent upon meeting the requirements below:
 - a. Provide receipts of the damaged/replaced equipment at time of claims;
 - b. Provide copy of filed police report if equipment was damaged during a crime or violent act;
 - c. Provide the required loss affidavit.
2. This coverage shall not apply to claims made by a Named Insured that are reported to us more than ninety (90) days after the policy expiration date or cancellation date, whichever is earlier, without regard to the occurrence date, and regardless of whether the Named Insured has coverage with us, or any other insurer provided coverage for such claims.

The provisions of this Coverage Form shall not extend any other time limitation set forth in the policy, to notify us of a claim, lawsuit, occurrence, or offense.

This Coverage Form applies without regard to whether we issue a renewal policy or any other policy with an expiration date after the expiration date of this policy.

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

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
 BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM
 CAUSES OF LOSS – SPECIAL FORM
 CONDOMINIUM ASSOCIATION COVERAGE FORM

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

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated below.

Named Insured: The Lewiston Townhouse Condominium Association**Endorsement Effective Date: 4/2/2025****SCHEDULE**

Location No.	Limits Of Insurance - Wildfire	Per Occurrence Deductible
1	Any One Occurrence: \$5,000,000 Annual Policy Aggregate: \$5,000,000	\$ 995,000

Coverage for direct physical loss or damage to Covered Property caused by or resulting from "wildfire", including smoke, heat, soot or fumes, is:

1. Subject to the Limits of Insurance and deductible as stated in the Schedule of this endorsement; and
2. Applicable only to the locations stated in the Schedule of this endorsement

The deductible specified in the Schedule of this endorsement is distinct and separate from any other deductibles stated in the Declarations applicable to the referenced Coverage Forms.

The Limit of Insurance outlined in the Schedule of this endorsement for Any One Occurrence is subject to the Annual Policy Aggregate Limit of Insurance.

The Annual Policy Aggregate Limit of Insurance, as stated in the Schedule of this endorsement, is included within, and not in addition to any other policy aggregate limit of insurance.

For the purposes of this endorsement, "wildfire" is defined as any uncontrolled fire, including brush fires, grass fires, or any series of fires, regardless of origin, that spread through forests, grasslands, brushlands, and other vegetative or natural landscapes. This definition applies irrespective of whether such a fire is officially declared a wildfire by any governmental authority.

All other terms and conditions of the policy remain unchanged.

Terrorism Insurance

Physical Loss or Physical Damage Wording

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Section 1**SCHEDULE**

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

Policy Number:	AH03-JRH-250000822-00
Unique Market Reference Number:	B1868HG2400390
Name of Insured:	The Lewiston Townhouse Condominium Association
Address of Insured:	PO Box 3095 Estes Park CO, 80517
Broker:	Risk Theory Insurance Services, LLC
Period of Insurance:	From: 4/2/2025 To: 4/2/2026 Both dates at 12.01 Local Standard Time at the location of the insured property.
Description of Property Insured:	See Declarations for policy AH03-JRH-250000822-00

POLICY SECTION	NARRATIVE
Condition 3	Location(s) Insured: See Declarations for policy AH03-JRH-250000822-00
Condition 4	Sum Insured / Limit of Liability \$9,941,750 Each occurrence and in the aggregate
Condition 5	Deductible(s): See Declarations for policy AH03-JRH-250000822-00
Condition 12	Notification of Claims to: Applied Claims Group, LLC 15301 Dallas Parkway, Suite 500 Addison, TX 75001
Condition 28	Choice of Law: Texas, United States of America
Condition 29	Choice of Jurisdiction: Texas, United States of America
Condition 30	Service of Suit Nominee: Lloyd's America Inc. 280 Park Avenue East Tower - Entire 25th Floor New York, NY 10017 USA
	Premium: Included in policy AH03-JRH-250000822-00
	Taxes Payable by Underwriters: None
	Taxes Payable by Insured: None

Section 2

INSURING CLAUSE

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

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

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

Section 3

LOSSES EXCLUDED

This Policy does not insure against:-

1. Loss or damage arising directly or indirectly from nuclear detonation, nuclear reaction, nuclear radiation or radioactive contamination, however such nuclear detonation, nuclear reaction, nuclear radiation or radioactive contamination may have been caused.
2. Loss or damage occasioned directly or indirectly by war, invasion or warlike operations (whether war be declared or not), hostile acts of sovereign or local government entities, civil war, rebellion, revolution, insurrection, martial law, usurpation of power, or civil commotion assuming the proportions of or amounting to an uprising.
3. Loss by seizure or legal or illegal occupation unless physical loss or damage is caused directly by an Act of Terrorism or an Act of Sabotage.
4. Loss or damage caused by confiscation, nationalisation, requisition, detention, embargo, quarantine, or any result of any order of public or government authority which deprives the Insured of the use or value of its property, nor for loss or damage arising from acts of contraband or illegal transportation or illegal trade.
5. Loss or damage directly or indirectly arising from or in consequence of the seepage and or discharge of pollutants or contaminants, which pollutants and contaminants shall include but not be limited to any solid, liquid, gaseous or thermal irritant, contaminant or toxic or hazardous substance or any substance the presence, existence or release of which endangers or threatens to endanger the health, safety or welfare of persons or the environment.
6. Loss or damage arising directly or indirectly from or in consequence of chemical or biological emission, release, discharge, dispersal or escape or chemical or biological exposure of any kind.
7. Loss or damage arising directly or indirectly from or in consequence of asbestos emission, release, discharge, dispersal or escape or asbestos exposure of any kind.
8. Any fine or penalty or other assessment which is incurred by the Insured or which is imposed by any court, government agency, public or civil authority or any other person.
9. Loss or damage by electronic means including but not limited to computer hacking or the introduction of any form of computer virus or corrupting or unauthorised instructions or code or the use of any electromagnetic weapon.

This exclusion shall not operate to exclude losses (which would otherwise be covered under this Policy) arising from the use of any computer, computer system or computer software programme or any other electronic system in the launch and/or guidance system and/or firing mechanism of any weapon or missile.

10. Loss or damage caused by vandals or other persons acting maliciously or by way of protest or strikes, labour unrest, riots or civil commotion.
11. Loss or increased cost occasioned by any public or government or local or civil authority's enforcement of any ordinance or law regulating the reconstruction, repair or demolition of any property insured hereunder.
12. Loss or damage caused by measures taken to prevent, suppress or control actual or potential terrorism or sabotage unless agreed by Underwriters in writing prior to such measures being taken.
13. Any consequential loss or damage, loss of use, delay or loss of markets, loss of income, depreciation, reduction in functionality, or increased cost of working.
14. Loss or damage caused by factors including but not limited to cessation, fluctuation or variation in, or insufficiency of, water, gas or electricity supplies and telecommunications or any type of service.
15. Loss or increased cost as a result of threat or hoax.

- 16.** Loss or damage caused by or arising out of burglary, house - breaking, looting, theft or larceny.
- 17.** Loss or damage caused by mysterious disappearance or unexplained loss.
- 18.** Loss or damage directly or indirectly caused by mould, mildew, fungus, spores or other microorganism of any type, nature or description, including but not limited to any substance whose presence poses an actual or potential threat to human health.

Section 4

PROPERTY EXCLUDED

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

- 1.** Land or land values.
- 2.** Power transmission, feeder lines or pipelines not on the Insured's premises.
- 3.** Any building or structure, or property contained therein, while such building or structure is vacant or unoccupied or inoperative for more than thirty days, unless the property is intended to be unoccupied in its normal operations.
- 4.** Aircraft or any other aerial device, or watercraft.
- 5.** Animals, plants and living things of all types.
- 6.** Property in transit not on the Insured's premises.

Section 5

CONDITIONS

1. JOINT INSURED

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

2. OTHER INSURANCE

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

3. SITUATION

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

4. SUM INSURED

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

5. DEDUCTIBLE

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

6. OCCURRENCE

The term "Occurrence" shall mean any one loss and/or series of losses arising out of and directly occasioned by one Act or series of Acts of Terrorism or Sabotage for the same purpose or cause. The duration and extent of any one "Occurrence" shall be limited to all losses sustained by the Insured at the property insured herein during any period of 72 consecutive hours arising out of the same purpose or cause. However no such period of 72 consecutive hours may extend beyond the expiration of this Policy unless the Insured shall first sustain direct physical damage by an Act of Terrorism or an Act of Sabotage prior to expiration and within said period of 72 consecutive hours nor shall any period of 72 consecutive hours commence prior to the attachment of this Policy.

7. DEBRIS REMOVAL

This Policy also covers, within the sum insured, expenses incurred in the removal from the insured location of debris of property stated in the Schedule damaged by an Act of Terrorism or an Act of Sabotage.

The cost of removal of debris shall not be considered in determination of the valuation of the property covered.

8. DUE DILIGENCE

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

9. PROTECTION MAINTENANCE

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

10. VALUATION

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

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

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

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

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

The Policy limit applicable to the destroyed or damaged property,

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

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

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

11. INCORRECT DECLARATION PENALTY

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

12. NOTIFICATION OF CLAIMS

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

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

13. PROOF OF LOSS

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

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

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

14. SUBROGATION

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

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

- (i) Any interest, (including the Insured's), exclusive of any deductible or self insured retention, suffering a loss of the type covered by this Policy and in excess of the coverage under this Policy shall be reimbursed up to the amount of such loss (excluding the amount of the deductible);
- (ii) Out of the balance remaining, the Underwriters shall be reimbursed to the extent of payment under this Policy;
- (iii) The remaining balance, if any, shall inure to the benefit of the Insured, or any insurer providing insurance primary to this Policy, with respect to the amount of such primary insurance, deductible, self insured retention, and/or loss of a type not covered by this Policy.

The expense of all proceedings necessary to the recovery of any such amount shall be apportioned between the interests concerned, including that of the Insured, in the ratio of their respective recoveries as finally settled. If there should be no recovery and proceedings are instituted solely on the initiative of Underwriters, the expense thereof shall be borne by the Underwriters.

15. SALVAGE AND RECOVERIES

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

16. FALSE OR FRAUDULENT CLAIMS

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

17. MISREPRESENTATION

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

18. ABANDONMENT

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

19. INSPECTION AND AUDIT

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

Neither the Underwriters' right to make inspections nor the making thereof nor any report thereon shall constitute an undertaking, on behalf of or for the benefit of the Insured or others, to determine or warrant that such property is safe.

The Underwriters may examine and audit the Insured's books and records at any time up to two years after the final termination of this Policy, as far as they relate to the subject matter of this Insurance.

20. ASSIGNMENT

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

21. RIGHTS OF THIRD PARTIES EXCLUSION

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

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

This clause shall not affect the rights of the Insured.

22. CANCELLATION

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

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

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

23. ARBITRATION

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

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

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

24. SEVERAL LIABILITY

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

25. LEGAL ACTION AGAINST UNDERWRITERS

No one may bring a legal action against Underwriters unless:

There has been full compliance by the Insured with all of the terms of this Policy; and

The action is brought within two (2) years after the expiry or cancellation of this Policy.

26. MATERIAL CHANGES

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

27. EXPERTS FEES

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

28. LAW

As specified in the Schedule.

29. JURISDICTION

As specified in the Schedule.

30. SERVICE OF SUIT

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

This Service of Suit Clause will not be read to conflict with or override the obligations of the parties to arbitrate their disputes as provided for in the Arbitration provision within this Policy. This Clause is intended as an aid to

compelling arbitration or enforcing such arbitration or arbitral award, not as an alternative to such Arbitration provision for resolving disputes arising out of this contract of insurance.

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

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

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

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

31. NON USA LEGAL SERVICE

Any summons, notice or process to be served upon the Underwriters for the purpose of instituting any legal proceedings against them in connection with this insurance may be served upon

of

who have authority to accept service on their behalf.

Business Interruption Extension

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

In the event of such Direct Physical Loss or Damage, the Underwriters shall be liable for the actual loss sustained by the Insured resulting directly from such necessary Interruption of Business, but not exceeding the reduction in Gross Earnings, as defined hereafter, less charges and expenses which are not necessary during the Interruption of Business, for a period not to exceed the lesser of:-

- a) such length of time as would be required, with the exercise of due diligence and dispatch, to repair, rebuild or replace such part of the property as has been destroyed or damaged,
- or
- b) eighteen (18) calendar months,

commencing with the date of such Direct Physical Loss or Damage and not limited by the expiration of this Policy.

Due consideration shall be given to the continuation of normal charges and expenses, including payroll expenses, to the extent necessary to resume operations of the Insured with the same operational capability as existed immediately before the loss.

CONDITIONS

1. Direct Loss or Damage

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

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

2. Values Declared (and Incorrect Declaration Penalty)

The premium for this Extension has been based on a statement of individual values declared to and agreed by the Underwriters at the inception of the Policy and stated in the Schedule.

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

3. Resumption of Operations

If the Insured could reduce the loss resulting from the Interruption of Business,

- a) by complete or partial resumption of operation of the property,
and/or
- b) by making use of Merchandise, Stock (Raw, In Process or Finished), or any other property at the Insured's locations or elsewhere,
and/or
- c) by using or increasing operations elsewhere,

then such possible reduction shall be taken into account in arriving at the amount of loss hereunder.

4. Expenses to reduce Loss

This Extension also covers such expenses as are necessarily incurred for the purpose of reducing loss under this Extension (except expenses incurred to extinguish a fire), and, in respect of manufacturing risks, such expense, in excess of Normal, as would necessarily be incurred in replacing any Finished Stock used by the Insured to reduce loss under this Extension; but in no event to exceed the amount by which loss under this Extension is thereby reduced. Such expenses shall not be subject to the application of any contribution clause.

EXCLUSIONS

This Extension does not insure against:-

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

LIMITATIONS

1. The Underwriters shall not be liable for more than the smaller of either:-
 - a) any specific Business Interruption Sum Insured stated in the Schedule,
 - or
 - b) the Sum Insured stated in the Schedule, where such includes Business Interruption, if such is a combined limit,

in respect of such loss, regardless of the number of locations suffering an interruption of business as a result of any one occurrence.
2. With respect to loss resulting from damage to or destruction of media for, or programming records pertaining to, electronic data processing or electronically controlled equipment, by the perils insured against, the length of time for which the Underwriters shall be liable hereunder shall not exceed:-
 - a) thirty (30) consecutive calendar days or the time required with exercise of due diligence and dispatch to reproduce the data thereon from duplicates or from originals of the previous generation, whichever is less; or,
 - b) the length of time that would be required to rebuild, repair or replace such other property herein described as has been damaged or destroyed, but not exceeding eighteen (18) calendar months,

whichever is the greater length of time.

DEFINITIONS

1. Gross Earnings are for the assessment of premium and for adjustment in the event of loss defined as,

The sum of:-
 - a) total net sales value of production or sales of Merchandise,
 - and
 - b) other earnings derived from the operations of the business,

less the cost of

 - c) Raw Stock from which production is derived,
 - d) supplies consisting of materials consumed directly in the conversion of such Raw Stock into Finished Stock, or in supplying the services sold by the Insured,
 - e) Merchandise sold including packaging materials therefor,
 - f) materials and supplies consumed directly in supplying the service(s) sold by the Insured,
 - g) service(s) purchased from outsiders (not employees of the Insured) for resale which do not continue under contract,

- h) the difference between the cost of production and the nett selling price of Finished Stock which has been sold but not delivered.

No other costs shall be deducted in determining Gross Earnings.

In determining Gross Earnings due consideration shall be given to the experience of the business before the date of loss or damage and the probable experience thereafter had loss not occurred.

2. Raw Stock

Material in the state in which the Insured receives it for conversion into Finished Stock.

3. Stock in Process

Raw Stock which has undergone any ageing, seasoning, mechanical or other process of manufacture at the Insured's premises but which has not become Finished Stock.

4. Finished Stock

Stock manufactured by the Insured which in the ordinary course of the Insured's business is ready for packing, shipment or sale.

5. Merchandise

Goods kept for sale by the Insured which are not the product of manufacturing operations conducted by the Insured.

6. Normal

The condition that would have existed had no loss occurred.

LMA5039

14/12/2005

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NAMED COUNTY EXCLUSION

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM J.R.S. CONDO PROPERTY ENDORSEMENT

- A.** Notwithstanding any other provision of the policy, we will not pay for any loss or damage directly or indirectly caused by, arising out of, or resulting from any "weather event" at any premises located in the counties listed below. This exclusion applies regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage.

- B.** For purposes of this endorsement, "weather event" means:

An atmospheric occurrence, including but not limited to hurricanes; tornadoes; floods; earth movement; storms including but not limited to windstorms, named windstorms, tropical storms, rainstorms, snowstorms, ice storms, or hailstorms; tsunamis; lightning strikes; freezing or thawing or changes in temperatures, including but not limited to heat waves, cold waves, or frost; droughts; and "wildfire".

- C.** For purposes of this endorsement, "wildfire" means:

An uncontrolled fire (including brush fire, grass fire, or any other series of fires), regardless of origin, that spreads through forests, grasslands, brushlands, or other vegetation or natural landscapes, regardless of whether such fire is declared a wildfire by any governmental authority, along with any smoke, heat, soot, or fumes.

D. Counties:

Alabama

Baldwin, Barbour, Butler, Clarke, Coffee, Conecuh, Covington, Crenshaw, Dale, Escambia, Geneva, Henry, Houston, Mobile, Monroe, Pike, Washington

Connecticut

Fairfield, Middlesex, New Haven, New London, Windham

Delaware

All counties

Georgia

Appling, Brantley, Brooks, Bulloch, Camden, Charlton, Chatham, Effingham, Evans, Glynn, Liberty, Long, McIntosh, Pierce, Tattnall, Thomas, Wayne

Louisiana

Acadia, Allen, Ascension, Assumption, Beauregard, Calcasieu, Cameron, East Baton Rouge, East Feliciana, Evangeline, Iberia, Iberville, Jefferson, Jefferson Davis, Lafayette, Lafourche, Livingston, Orleans, Plaquemines, Pointe Coupee, Saint Bernard, Saint Charles, Saint Helena, Saint James, Saint Landry, Saint Martin, Saint Mary, Saint Tammany, St John the Baptist, Tangipahoa, Terrebonne, Vermilion, Washington, West Baton Rouge, West Feliciana

Massachusetts

Barnstable, Bristol, Dukes, Essex, Middlesex, Nantucket, Norfolk, Plymouth, Suffolk

Maryland

Calvert, Caroline, Charles, Dorchester, Kent, Queen Annes, Saint Marys, Somerset, Wicomico, Worcester

Maine

Androscoggin, Cumberland, Hancock, Kennebec, Knox, Lincoln, Penobscot, Sagadahoc, Waldo, York

Mississippi

Adams, Amite, Covington, Forrest, Franklin, George, Greene, Hancock, Harrison, Jackson, Jefferson Davis, Jones, Lamar, Lawrence, Lincoln, Marion, Pearl River, Perry, Pike, Stone, Walthall, Wayne, Wilkinson

North Carolina

Beaufort, Bertie, Bladen, Brunswick, Camden, Carteret, Chowan, Columbus,

Craven, Currituck, Dare, Duplin, Gates, Greene, Hertford, Hyde, Jones, Lenoir, Martin, New Hanover, Onslow, Pamlico, Pasquotank, Pender, Perquimans, Pitt, Robeson, Sampson, Tyrrell, Washington

New Hampshire

Rockingham, Strafford

New Jersey

Atlantic, Bergen, Burlington, Camden, Cape May, Cumberland, Essex, Gloucester, Hudson, Mercer, Middlesex, Monmouth, Ocean, Passaic, Salem, Somerset, Union

New York

Bronx, Kings, Nassau, New York, Queens, Richmond, Suffolk, Westchester

Rhode Island

Bristol, Kent, Newport, Providence, Washington

South Carolina

Allendale, Bamberg, Beaufort, Berkeley, Charleston, Clarendon, Colleton, Dillon, Dorchester, Florence, Georgetown, Hampton, Horry, Jasper, Marion, Williamsburg

Texas

Aransas, Bee, Brazoria, Brooks, Calhoun, Cameron, Chambers, Fort Bend, Galveston, Goliad, Hardin, Harris, Hidalgo, Jackson, Jasper, Jefferson, Jim Wells, Kenedy, Kleberg, Liberty, Live Oak, Matagorda, Newton, Nueces, Orange, Polk, Refugio, San Patricio, Tyler, Victoria, Wharton, Willacy

Virginia

Accomack, Charles City, Chesapeake City, Essex, Gloucester, Hampton City, King and Queen, King George, King William, Lancaster, Mathews, Middlesex, New Kent, Newport News City, Norfolk City, Northampton, Northumberland, Poquoson City, Portsmouth City, Richmond, Suffolk City, Sussex, Virginia Beach City, Westmoreland, York

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SEEPAGE, POLLUTION, AND CONTAMINATION EXCLUSION

Notwithstanding anything to the contrary, this endorsement applies to all policy forms and endorsements issued to the insured.

A. This Policy does not insure against loss or damage caused directly or indirectly by, arising out of, or resulting from:

- 1.** Actual, alleged, or threatened release, discharge, dispersal, seepage, migration, release, or escape of "harmful materials", at any time regardless of whether sudden or accidental, all whether direct or indirect, proximate or remote, or in whole or in part caused by, contributed to, or aggravated by any damage insured by this Policy; or
- 2.** Removal, encapsulation, covering, or any manner of control or abatement of any "harmful materials".

Such loss or damage is excluded regardless of any other peril, cause, or event contributing concurrently or in any sequence to the loss or damage.

B. For purposes of this endorsement, "harmful materials" means:

- 1.** Asbestos, dioxins, and nano materials;
- 2.** Any chemical or substance that contains one or more alkyl carbons on which hydrogen atoms have been partially or completely replaced by fluorine atoms, including but not limited to:
 - a.** Perfluoroalkyl and polyfluoroalkyl substances;
 - b.** Polymer, oligomer, monomer, or nonpolymer chemicals and their homologues, isomers, telomers, salts, derivatives, precursor chemicals, degradation products, or byproducts;
 - c.** Perfluoroalkyl acids (FASA), such as perfluorooctanoic acid (PFOA) and its salts, or perfluorooctane sulfonic acid (PFOS) and its salts;

d. Perfluoropolyethers (PFPE);

e. Fluorotelomer-based substances; or

f. Side-chain fluorinated polymers;

- 3.** Any material designated as a hazardous substance by the United States Environmental Protection Agency or as a hazardous material by the United States Department of Transportation;
- 4.** Any material defined as a toxic substance under Part II of the Canadian Environmental Protection Act;
- 5.** Any substance designated or defined as toxic, dangerous, hazardous, or deleterious to persons or the environment under any other Federal, State, Provincial, Municipal, or other law, ordinance, or regulation;
- 6.** Anything that endangers or threatens to endanger the health, safety, or welfare of persons or the environment; or
- 7.** Any good or product, including containers, materials, parts, or equipment furnished in connection with such goods or products, that consists of or contains any chemical or substance described above.
- 8.** Demolition or increased cost of reconstruction, repair, debris removal, or loss of use necessitated by the enforcement of any law or ordinance regulating the removal of any "harmful materials"; or
- 9.** Any governmental direction or request declaring that any "harmful materials" present in or part of or utilized on any undamaged portion of the Insured's property can no longer be used for which it was intended or installed and must be removed or modified.