



7557 Rambler Road Suite 300 Dallas, TX 75231 Phone: 214-363-7636 Fax: 214-691-5460

Jun 29, 2023

Amy Green, CIC, CRM
Marsh USA - Dallas
4400 Comerica Bank Tower
1717 Main Street
Dallas, TX 75201-7357

RE: August Real Estate Co.
Policy: UTS257646723

6/23/2023 to 6/23/2024

Dear Amy:

Attached please find the original policy for the above account. Please review and advise if there are any discrepancies or corrections needed.

If you have any questions or need anything further, please do not hesitate to give us a call.

Sincerely,

A handwritten signature in black ink, appearing to read "Lori Scott", written over a horizontal line.

Lori Scott
Account Executive
Phone: 214-363-7636
Fax: 214-691-5460
Email: loscott@crcgroup.com

Enclosure

Sub#: 11636361

CONFIDENTIAL

MINIMUM EARNED PREMIUM MINIMUM AND DEPOSIT PREMIUM

The following terms are often misunderstood, particularly among insureds or producers not accustomed to dealing with surplus lines insurance companies. It is important that the definitions are understood.

MINIMUM AND DEPOSIT

This is the amount of premium due at inception. Although the policy is subject to adjustment based on a rate per exposure unit, under no circumstances will the annual earned premium be less than the minimum premium. Therefore, the policy may generate an additional premium on audit, but not a return.

If such a policy is cancelled mid-term, the earned premium is the GREATER of the annual minimum times the short rate or pro-rata factor, or the actual earned premium as determined by audit, subject to a short rate penalty if applicable.

MINIMUM EARNED PREMIUM

A minimum earned premium endorsement can be attached to either a flat charge policy or an adjustable policy. In either case, this amount is the LEAST that will be retained by the insurance company once the policy goes into effect. The amount retained would be the GREATER of the actual earned premium whether calculated on a pro-rate or short rate basis, or the minimum earned premium.

FLAT CANCELLATIONS

Surplus lines insurance companies normally do not allow flat cancellations. Once the policy is in effect, some premium will be earned. The collection and payment of premium are the responsibility of the retail agent.

If you need further explanation, please do not hesitate to contact us.

Figure: 28 TAC §1.601(a)(2)(B)

Have a complaint or need help?

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

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

Lloyd's of London

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

Call: Lloyd's of London at 44(0)20.7327.1000

Toll-free:

Online: www.lloyds.com

Email:

Mail: One Lime Street
London, 7HA EC3M

The Texas Department of Insurance

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

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

File a complaint: www.tdi.texas.gov

Email: ConsumerProtection@tdi.texas.gov

Mail: MC 111-1A, P.O. Box 149091, Austin, TX 78714-9091

¿Tiene una queja o necesita ayuda?

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

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

Lloyd's of London

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

Llame a: Lloyd's of London al 44(0)20.7327.1000

Teléfono gratuito:

En Línea: www.lloyds.com

Correo electrónico:

Dirección postal: One Lime Street

London, 7HA EC3M

El Departamento de Seguros de Texas

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

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

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

Correo electrónico: ConsumerProtection@tdi.texas.gov

Dirección postal: MC 111-1A, P.O. Box 149091, Austin, TX 78714-9091

Texas Tax Information:

Risk Location: Per Schedule on File ,

Guaranty Fund Nonparticipation Notice

This insurance contract is with an insurer not licensed to transact insurance in this state and is issued and delivered as surplus line coverage under the Texas insurance statutes. The Texas Department of Insurance does not audit the finances or review the solvency of the surplus lines insurer providing this coverage, and the insurer is not a member of the property and casualty insurance guaranty association created under Chapter 462, Insurance Code. Chapter 225, Insurance Code, requires payment of a 4.85 percent tax on gross premium.

Surplus Lines Agent: CRC Insurance Services, License #18530

Address: 1 Metroplex Drive, Suite 400, Birmingham, AL 35209

Policy Premium:	\$6,324.00
TRIPRA Premium:	
TRIPRA Status:	INCLUDED
Surplus Lines Tax:	\$306.71
Stamping Office Fee:	\$4.74
:	
:	
:	
:	
:	
:	
Grand Total:	\$6,635.45



Effective with UNDERWRITERS AT LLOYD'S, LONDON

Administered by Hiscox Inc.
5 Concourse Parkway Suite 2150, Atlanta, GA 30328
(646) 452-2353

Terrorism & Sabotage Insurance for Habitational Properties

DECLARATIONS

This insurance contract is with an insurer not licensed to transact insurance in this state and is issued and delivered as surplus line coverage under the Texas insurance statutes. The Texas Department of Insurance does not audit the finances or review the solvency of the surplus lines insurer providing this coverage, and the insurer is not a member of the property and casualty insurance guaranty association created under Chapter 462, Insurance Code. Chapter 225, Insurance Code, requires payment of 4.85 percent tax on gross premium.

Broker No.:	US 0000802	CRC Insurance Services (Dallas)
Policy No.:	UTS2576467.23	7557 Rambler Rd Ste 300
Renewal of:	New	Dallas, TX 75231-2388
1. Named insured:	August Real Estate Co.	
Address:	3612 Amherst Ave Dallas, TX 75225	
2. Policy period:	Inception Date: 06/23/2023	Expiration Date: 06/23/2024
	Inception date shown shall be at 12:01 A.M. (Standard Time) to Expiration date shown above at 12:01 A.M. (Standard Time) at the address of the Named Insured.	
3. General terms and conditions wording:	TR5 P0001 CW (09-17) The General terms and conditions applies to this policy in conjunction with the specific wording detailed in each section below.	
4. Endorsements:	E2007.7 - Lloyd's Syndicate (33) Endorsement, E2010.1 - Premium Payment Clause (Reinsurance), E2013.2 - Service of Suit Endorsement, E2017.3 - Policyholder Disclosure Notice of Terrorism Insurance Cover, and E2042.1 - Minimum Earned Premium Endorsement	
5. Location of property insured:	Location(s) filed with and agreed to by Hiscox	
6. Notification of claims to:	Hiscox Claims 5 Concourse Parkway, Suite 2150 Atlanta GA, 30328 Fax: 678-731-9501 Email: Terrorism.Claims@Hiscox.com	
Additional notification requirements:		
7. Policy premium:	\$ 6,324	

Terrorism & Sabotage Insurance for Habitational Properties

DECLARATIONS

8. Coverage summary:

Coverage Part	Layer Limit of Liability	Layer Premium	Hiscox Participation
Terrorism and Sabotage	\$ 46,847,553 Per Occurrence / \$ 46,847,553 Aggregate	\$ 6,324	100%
	Excess of: N/A		
For details about any applicable quota share arrangement, please see the corresponding Coverage Part below.			

Habitational Terrorism and Sabotage Coverage Part: TR5 P0006 CW (07-19)

Hiscox Participation:	100%
Hiscox Habitational Terrorism and Sabotage Limit of Liability:	\$ 46,847,553 Per Occurrence / \$ 46,847,553 Aggregate
Total Insured Value:	\$ 46,847,553
Business Interruption Sublimit	\$ 4,221,756
Civil or Military Authority Sublimit	\$ 1,000,000, 30 Day(s), and 1 Mile(s)
Debris Removal Expenses Sublimit	\$ 250,000
Decontamination Costs Excluding NCBR Sublimit	\$ 250,000
Demolition and Increased Cost of Construction Sublimit	\$ 1,000,000
Errors and Omissions Sublimit	\$ 250,000
Electronic Data Processing Media Sublimit	\$ 1,000,000
Extended Period of Indemnity Sublimit	\$ 0 and 180 Day(s)
Fine Art Sublimit	\$ 250,000
Ingress/Egress Sublimit	\$ 1,000,000, 30 Day(s), and 1 Mile(s)
Preservation of Property Sublimit	\$ 250,000
Professional Fees Sublimit	\$ 250,000
Relocation Expense Sublimit	\$ 250,000
Service Interruption Sublimit	\$ 1,000,000, 30 Day(s), and 1 Mile(s)
Transit Sublimit	\$ 250,000
Valuable Papers Sublimit	\$ 250,000
Accounts Receivable Sublimit	\$ 250,000
Automatic Coverage Sublimit	\$ 1,000,000 and 30 Day(s)
Commissions, Profits, and Royalties Sublimit	\$ 250,000
Contingent Business Interruption – Named Suppliers/Customers Sublimit	\$ 0

Terrorism & Sabotage Insurance for Habitational Properties

DECLARATIONS

Contingent Business Interruption – Unnamed Suppliers/Customers Sublimit	\$ 0
Delay in Startup Costs Sublimit	\$ 250,000
Fire Protective Systems Sublimit	\$ 10,000
Green Building Additional Expense Sublimit	\$ 250,000
Key and Lock Expense Sublimit	\$ 250,000
Landscaping Sublimit	\$ 10,000
Leasehold Interest Sublimit	\$ 0
Loss of Attraction Sublimit	\$ 0, 0 Day(s), and 0 Mile(s)
Miscellaneous Unnamed Locations Sublimit	\$ 1,000,000 and 30 Day(s)
Newly Acquired Locations Sublimit	\$ 1,000,000 and 90 Day(s)
Property In Course of Construction Sublimit	\$ 1,000,000
Rental Income Sublimit	\$ 4,221,756
Soft Costs Sublimit	\$ 250,000
Deductible:	\$ 5,000
Waiting Period:	0 Hour(s)
Terrorism and Sabotage Premium:	\$ 6,324
Endorsements:	NONE

Unless otherwise specified, all sublimits listed above apply on a per occurrence basis and are a part of, and not in addition to, the Habitational Terrorism and Sabotage limit of liability.

In accordance with the authorization granted to Hiscox Inc. under Contract No. B1234HISINC2023 by certain Underwriters at Lloyd's, London, whose names and the proportions underwritten by them can be ascertained by reference to the said Contract, which bears the Seal of Lloyd's Policy Signing Office and is on file at the office of the said Agency and in consideration of the premium specified herein, the said Underwriters do hereby bind themselves, each for their own part and not one for another, their heirs, executors and administrators, to insure as follows in accordance with the terms and conditions contained or endorsed hereon.

The Certificate terms and conditions contained herein or endorsed hereon and such other provisions, agreements or conditions as may be endorsed hereon or added hereto are hereby incorporated in this Certificate. No representative of the Underwriters shall have the power to waive or be deemed to have waived any provision or condition of this Certificate unless such waiver, if any, shall be written upon or attached hereto; nor shall any privilege or permission affecting the insurance under this Certificate exist or be claimed by the Insured(s) unless so written or attached.

IN WITNESS WHEREOF this Certificate has been signed at New York, New York



Effective with UNDERWRITERS AT LLOYD'S, LONDON

Administered by Hiscox Inc.

5 Concourse Parkway Suite 2150, Atlanta, GA 30328

(646) 452-2353

Terrorism & Sabotage Insurance for Habitational Properties

DECLARATIONS

A handwritten signature in black ink, appearing to read "Kevin Kerridge", is written over a horizontal line.

Authorized Representative
Kevin Kerridge

June 23, 2023

Hiscox Inc.

General Terms and Conditions

I. Our promise to you

In consideration of the premium charged, and in reliance on the statements made and information provided to **us**, **we** will pay **covered amounts** as defined in this policy, provided **you** properly notify **us** of **claims**, **events**, and **occurrences**, and meet **your** obligations to **us** in accordance with the terms of this policy.

II. Limits of liability

Regardless of the number of Coverage Parts **you** have purchased, the maximum **we** will pay for all **covered amounts** will be as follows:

- A. Aggregate limit
The Aggregate Limit identified in the Declarations (if applicable to the relevant Coverage Part) is the maximum amount **we** will pay for all **covered amounts** for all covered **occurrences**, **events**, or **claims**, unless a lower sublimit is specified, in which case the sublimit is the maximum amount **we** will pay for the type of covered loss to which the sublimit applies.
- B. Each occurrence limit
The Each Occurrence Limit identified in the Declarations (if **you** have purchased a relevant Coverage Part) is the maximum amount **we** will pay for all **covered amounts** for each covered **occurrence** or **event**, unless a lower sublimit is specified, in which case the sublimit is the maximum amount **we** will pay for the type of covered loss to which the sublimit applies. The Each Occurrence Limit, or any sublimit, will be in excess of any applicable **deductible** and will be a part of, and not in addition to, any applicable aggregate limit.
- C. Each claim limit
The Each Claim Limit identified in the Declarations (if **you** have purchased a relevant Coverage Part) is the maximum amount **we** will pay for all **covered amounts** for each covered **claim**, unless a lower sublimit is specified, in which case the sublimit is the maximum amount **we** will pay for the type of covered **claim** to which the sublimit applies. The Each Claim Limit, or any sublimit, will be in excess of any applicable **deductible** and will be a part of, and not in addition to, any applicable aggregate limit.
- D. Multiple Coverage Parts
If the same **claim** or related **claim**, **event**, or **occurrence** is covered under more than one Coverage Part, **we** will pay only under one Coverage Part, which will be the Coverage Part that provides the most favorable coverage.
Regardless of the Coverage Parts under which the same **claim** or related **claim**, **event**, or **occurrence** is covered, only one **deductible** will apply, which will be the highest applicable **deductible** of the triggered Coverage Parts.

III. Your obligations to us

- A. Named insured responsibilities
It will be the responsibility of the **named insured** (or, if there is more than one **named insured**, the first one listed on the Declarations) to act on behalf of all **insureds** with respect to the following:
 1. timely giving and receiving notice of cancellation or non-renewal;
 2. timely payment of premium;
 3. agreement to any endorsements to the policy;
 4. receipt of return premiums; and
 5. timely acceptance of changes to this policy.
- B. Your duty to cooperate
You must cooperate with **us** in the investigation, adjustment, defense, and settlement of any loss or **claim** notified to **us**, including but not limited to:
 1. submitting a signed proof of loss to **us** as soon as reasonably possible following any loss;
 2. notifying **us** immediately if **you** receive any settlement demands or offers, and sending **us** copies of any demands, notices, summonses, or legal papers;

General Terms and Conditions

3. submitting to examination and interrogation under oath by **our** representative and giving **us** a signed statement of **your** answers;
4. attending hearings, depositions, and trials as **we** request;
5. assisting in securing and giving evidence and obtaining the attendance of witnesses;
6. providing written statements to **our** representative and meeting with such representative for the purpose of investigation and/or defense;
7. providing all documents and information **we** may reasonably request, including authorizing **us** to obtain records; and
8. pursuing **your** right of recovery from others.

C. Your representations

You warrant that all representations made and all materials submitted by **you** or on **your** behalf in connection with the **application** for this policy are true, accurate, and not misleading, and agree they were relied on by **us** and were material to **our** decision to issue this policy to **you**. If **we** learn any of the representations or materials were untrue, inaccurate, or misleading in any material respect, **we** are entitled to treat this policy as if it had never existed.

IV. Other provisions affecting coverage

- A. Alteration and assignment No change in or modification of, or assignment of interest under this policy will be effective unless made by written endorsement to this policy signed by our authorized representative.
- B. Bankruptcy or insolvency Your bankruptcy or insolvency will not relieve us of any of our obligations under this policy.
- C. Cancellation
 1. This policy may be canceled by the **named insured** by giving written notice, which must include the date the cancellation will be effective, to **us** at the address stated in the Declarations. However, the **named insured** may not cancel the policy after it has submitted or reported any loss or **claim** to **us**.
 2. This policy may be canceled by **us** only for non-payment of premium. In such cases, **we** will mail to the **named insured** by registered, certified, or other first class-mail (or by email where allowed by applicable law), at the **named insured's** address (or email address) stated in Item 1 of the Declarations, written notice which must include the date the cancellation will be effective. The effective date of the cancellation will be no less than ten days after the date of the notice of cancellation.
 3. The mailing (or emailing) of the notice will be sufficient proof of notice, and this policy will terminate at the date and hour specified in the notice.
 4. If this policy is canceled by **us** or the **named insured**, **we** will return a pro rata proportion of the premium.
 5. Payment or tender of any unearned premium by **us** will not be a condition precedent to the cancellation, but such payment will be made as soon as possible.
- D. Change in circumstances **You** must notify **us** as soon as reasonably possible of any change in **your** business operations during the **policy period** which will materially affect this insurance. This includes, but is not limited to, ownership or control of **your** business, any change in the nature of the business carried out at an **insured location**, or any change in **your** operating conditions. **We** may then vary the terms and conditions of this policy. If **you** have any doubt whether a change is material, **you** should consult **your** broker or agent.
- E. Coverage territory This policy will only apply to any **claim**, arbitration, or other proceeding (if **you** have purchased a relevant Coverage Part) brought against **you** within the United States, its territories or possessions, or Canada.

General Terms and Conditions

- F. False or fraudulent claims If any **insured** commits fraud in connection with any claim under this policy, whether regarding the amount or otherwise, this insurance will become void as to that **insured** from the date the fraud is committed.
- G. Legal action against us No one may bring a legal action against **us** unless:
1. **you** have fully complied with all of the terms of this policy; and
 2. the action is brought within two years after the expiration or cancellation of this policy.
- H. Multiple insureds **We** will not pay any more than the amount stated in the Declarations applicable to each Coverage Part purchased, whether such amount consists of insured losses sustained by one **named insured** or multiple **named insureds**.
- I. Other insurance Any payment due under this policy will be primary with respect to, and will not contribute with, any other valid and collectible insurance covering the same loss.
- However, if **you** have purchased either the Terrorism and Sabotage Liability Coverage Part or the Nuclear, Chemical, Biological, and Radiological Terrorism Coverage Part:
1. with respect to any **claim** made against **you** under Section I. Insuring agreements – What is covered, Third-party liability, any payment due under that Coverage Part will be specifically excess of and will not contribute with any other valid and collectible workers compensation or employers' liability insurance, unless such other insurance is written specifically as excess over this policy; and
 2. with respect to any **claim** made against **you** under Section I. Insuring agreements – What is covered, Employers' liability, any payment due under that Coverage Part will be specifically excess of and will not contribute with any other valid and collectible insurance, unless such other insurance is written specifically as excess over this policy.
- J. Participation In the event this policy or any Coverage Part is written as part of a quota share arrangement, **our** obligations will be several and not joint and are limited solely to the extent of **our** individual participation, as described in the Declarations. **We** will not be responsible for the share of any other carrier who for any reason does not satisfy all or part of its obligations.
- K. Partial payments In the event **we** determine a covered loss exceeds the **deductible**, **we** will advance mutually agreed upon partial payment(s) on the covered loss, subject to all other policy provisions. **We** will only advance such payment(s) upon **our** receipt of a signed and sworn proof of loss submitted by **you**, which must include adequate supporting documentation and meet any other requirements described in the applicable Coverage Part.
- L. Recovery from third parties In the event of a claim in which there is potential for recovery from any third party, **we** will have the right to pursue resolution of that action in **your** name at **our** expense. In the event of any payment by **us** under this policy, **we** will be subrogated to all of **your** rights of recovery to that payment.
- You** will do nothing to prejudice **our** subrogation rights without **our** prior written consent.
- You** will do everything necessary to secure and preserve **our** subrogation rights, including but not limited to the execution of any documents necessary to allow **us** to bring suit in **your** name.
- You** (or any of **your** agents, contractors, or subcontractors) must use due diligence and do (and concur in doing and permit to be done) everything reasonably practicable to avoid or diminish any loss insured and to secure compensation for any such loss, including protecting rights and taking action against other parties to enforce any rights and remedies or to obtain relief or indemnity.
- M. Sanctions **We** will not provide any benefit under this policy where doing so would breach any sanction, prohibition, or restriction imposed by law.
- N. Titles Titles of sections of and endorsements to this policy are inserted solely for convenience of reference and will not be deemed to limit, expand, or otherwise affect the provisions to which they relate.

V. Definitions applicable to all Coverage Parts

The following definitions apply to all Coverage Parts **you** have purchased. If the same term is defined here and in a Coverage Part, then the definition in the Coverage Part will govern the coverage provided under that Coverage Part.

Application	means the signed application for the policy and any attachments and materials submitted with that application. If this policy is a renewal or replacement of a previous policy issued by us , application also includes all previous signed applications, attachments, and materials.
Covered amounts	means any amounts we have expressly agreed to pay under any Coverage Part you have purchased.
Deductible	means the amount identified as such in the Declarations.
Event	means a malicious attack or a malicious threat , as each is defined in the relevant Coverage Part.
Insured location	means a location on file with and agreed to by us as shown in Item 5 of the Declarations.
Named insured	means the entity identified in Item 1 of the Declarations.
Policy period	means the period of time identified in Item 2 of the Declarations.
We, us, or our	means Syndicate 33 at Lloyd's managed by Hiscox Syndicates Limited.
You, your, or insured	means the named insured .

Habitational Terrorism and Sabotage Coverage Part

I. Insuring agreement - What is covered

We will pay up to the Habitational Terrorism and Sabotage Limit of Liability stated in the Declarations for direct physical damage to or direct physical loss of **covered property** directly resulting from an **act of terrorism or sabotage** that occurs during the **policy period** and is reported to **us** in accordance with Section III. Your obligations.

II. Coverage enhancements

If an amount appears on the Declarations next to the name of the sublimit listed below, which indicates **you** have purchased the coverage, **we** will also pay up to the corresponding sublimit for the following loss **you** sustain directly resulting from an **act of terrorism or sabotage** to which this Coverage Part applies:

- | | |
|---|---|
| Business interruption | A. business interruption costs. |
| Civil or military authority | B. income loss directly caused by the prevention of ingress to or egress from an insured location or part of an insured location by order of a civil or military authority, sustained for a period greater than the waiting period but not to exceed the number of days stated in the Declarations. |
| Debris removal expenses | C. reasonable and necessary costs you incur to demolish and remove debris remaining at the insured location(s) which sustained direct physical damage. We will not take into consideration the cost of debris removal in establishing the value of any covered property physically damaged under this Coverage Part. |
| Decontamination costs (excluding NCBR) | D. decontamination costs , provided there is a law regulating contamination (including but not limited to the presence of pollution or hazardous material) in force at the time of the loss. We will only pay for decontamination costs in connection with the contaminated part(s) of covered property , and only to the extent such decontamination is needed to satisfy the applicable law. |
| Demolition and increased cost of construction | E. reasonable and necessary costs you incur to satisfy the minimum requirements of the enforcement of any law regulating the demolition, construction, repair, replacement, or use of physically damaged buildings or structures at an insured location , provided: <ul style="list-style-type: none"> 1. such law is in force on the date of the loss; and 2. its enforcement is a direct result of such loss or damage. <p>However, we will have no obligation to pay any costs:</p> <ul style="list-style-type: none"> a. to demolish, repair, or rebuild any portion of covered property that was not physically damaged, unless such costs are incurred to rebuild the undamaged portion with materials and in a manner required to satisfy the law; b. due to any law you were required to comply with even if the loss had not occurred; or c. incurred as a result of the enforcement of any laws regulating any form of contamination, including but not limited to the presence of pollution or hazardous material. <p>Our maximum liability under this subsection E will not exceed the actual cost incurred to demolish the physically undamaged portion of the covered property plus the lesser of:</p> <ul style="list-style-type: none"> i. the reasonable and necessary actual cost, excluding the cost of land, to rebuild on another site; or ii. the cost to rebuild on the same site. |
| Errors and omissions | F. physical damage to or loss of covered property which would have been covered by this Coverage Part except for an unintentional error or omission by you or anyone on your behalf regarding the: <ul style="list-style-type: none"> 1. description of where such property is physically located; or 2. failure to include any location as an insured location. |

Habitational Terrorism and Sabotage Coverage Part

Coverage will apply under this subsection F only to the extent this Coverage Part would have applied had such error or unintentional omission not been made.

You must report and correct any unintentional error or omission regarding such property or its location(s) as soon as possible after **you** discover the error or omission.

In no event will there be any coverage under this subsection F for any property that is located:

- a. at a location covered under Coverage enhancement CC. Newly acquired locations; or
- b. within a **restricted area**.

Electronic data processing media

- G. physical damage to or loss of **computer equipment** or **electronic media** in **your** care, custody, or control at the affected **insured location(s)**, except that **we** will only pay for damage to or loss of **electronic media** if such damage or loss is a direct result of physical damage to the **computer equipment** on which the **electronic media** was stored.

Extended period of indemnity

- H. the actual amount of the reduction in leases or reservations sustained during the number of days stated in the Declarations, after the **period of restoration** has ended, but only if resulting from:
- 1. Restoration efforts: efforts to physically restore the business to the condition that would have existed had no **act of terrorism or sabotage** occurred; or
 - 2. Contract cancellation: cancellation of contracts **you** entered into prior to the **act of terrorism or sabotage** for leases or reservations that would have been entered into during the time period described above.

Coverage under this subsection H will not include loss due to fines or penalties or damages for breach of contract or late or non-completion of orders.

If **you** could have minimized the total reduction in leases or reservations by:

- a. a complete or partial resumption of the business operations;
- b. making use of merchandise, stock, or other property at the **insured location** or elsewhere; and/or
- c. using or increasing business operations elsewhere,

then **we** will take such possible reduction of loss into account when calculating the amount of loss **we** will pay.

Fine arts

- I. physical damage to or loss of **fine arts**.

Ingress/egress

- J. **income loss** directly caused by the prevention of ingress to or egress from an **insured location** or part of an **insured location** during the **policy period**, for any reason other than by order of a civil or military authority, sustained for a period greater than the **waiting period** but not to exceed the number of days stated in the Declarations.

Preservation of property

- K. reasonable and necessary costs **you** incur to move **your** building components, contents, **computer equipment**, **electronic media**, **accounts receivable** records, **fine arts**, or **valuable papers** to or from their original location and/or temporarily store them at another location in order to protect them from imminent loss or damage. Coverage under this subsection K will not include costs incurred to move such items on behalf of **your** tenants or guests, whether incurred by **you**, **your** tenants, or **your** guests.

Professional fees

- L. reasonable costs **you** incur with **our** prior consent for the fees of **your** accountants, architects, auditors, engineers, or other professionals, plus the cost of using **your** employees, to produce and certify any particulars or details contained in **your** books or documents, or such other evidence **we** require in connection with a claim submitted under this Coverage Part.

However, **we** will not pay for any fees and costs of attorneys, public adjusters, or loss appraisers or loss consultants, or anyone retained on their behalf, who provide consultation on insurance coverage or who negotiate claims.

Habitational Terrorism and Sabotage Coverage Part

Relocation expenses

- M. reasonable and necessary expenses **you** incur to relocate **your** business to a functionally equivalent temporary location in order to avoid or mitigate **income loss you** would have sustained due to the interruption of **your** business operations. However, coverage under this subsection M will not apply to the reasonable and necessary expenses that **your** tenants or guests incur in moving to new locations, or that **you** incur in assisting their moves.
- The most **we** will pay under this subsection M is the reasonable and necessary costs and expenses **you** actually incur to minimize the interruption to **your** business operations, or **your** expected **income loss**, whichever is less.

Service interruption

- N. physical damage to or loss of **covered property** and/or the actual **income loss** sustained because of:
1. the interruption of incoming electricity, gas, fuel, steam, water, or refrigeration services; or
 2. the lack of outgoing sewerage service,
- due to physical loss or damage which prevents the supplier of such services from delivering those services to **you**.
- We** will only pay for **income loss**:
- a. directly caused by such service interruption for a period greater than the **waiting period** but not to exceed the number of days stated in the Declarations; and
 - b. sustained at an **insured location(s)** located within the number of miles stated in the Declarations from the affected service supplier(s).

However, **we** will not pay for any **income loss** resulting solely from interruption to voice, data, video, internet, or other telecommunications services.

Transit

- O. 1. physical damage to or loss of **fine arts, valuable papers, accounts receivable** records, **computer equipment**, or **electronic media**, while such property is **in transit**; and
2. the cost of research and other reasonable expenses necessary to reproduce, replace, or restore such property that is damaged or lost while **in transit**.

We will only pay for property **in transit** that is:

- a. owned by **you**;
- b. shipped to customers under free on board, cost and freight, or similar terms;
- c. owned by others and in **your** care, custody, or control, but only to the extent **you** are legally liable for such property; or
- d. owned by others and sold by **you**, provided **you** have agreed prior to the loss to insure such property during the course of delivery.

However, coverage under this subsection O ceases:

- i. for import shipments, at the time ocean marine insurance ceases to cover such property, or if uninsured by ocean marine insurance, after discharge from overseas vessels or aircraft; and
- ii. for export shipments not insured under ocean cargo policies, at the time the property is loaded on board overseas vessels or aircraft.

Valuable papers

- P. physical damage to or loss of **valuable papers**.

Accounts receivable

- Q. physical damage to or loss of **your accounts receivable** records.

We will also pay:

1. reasonable and necessary expenses **you** incur to reproduce **your** accounting records, including support records such as invoices and accounting records on programs that are either purchased or written on a custom basis, which are regularly used with a computer system, or used to control and document the collection of money due from customers;

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	<ol style="list-style-type: none"> interest on any loan that is required to offset amounts you are unable to collect pending our payment of such amounts; and reasonable and necessary collection expenses above your normal collection expenses.
Automatic coverage	<p>R. the amount by which any insured location(s) reported to us at the inception of the policy period increased in value between the inception date and the date of a covered occurrence at such insured location.</p> <p>The most we will pay under this subsection R is an increase of 10% of the initially reported total insured value of any such insured location.</p>
Commissions, profits, and royalties	<p>S. income loss during the period of restoration as a direct result of the interruption of the delivery of goods in whole or in part to you or for your account.</p> <p>In calculating income loss under this subsection S, we will only assess net income derived from:</p> <ol style="list-style-type: none"> income you would have received from the sale of goods not owned by you; amounts you would have received from the sale of goods belonging to you, in excess of the cost to you of such goods; and income you are not able to collect under royalty or licensing agreements, <p>to the extent such amounts are not realizable under any royalty, licensing fee, or commission agreement between you and another party.</p> <p>You must use reasonable efforts to influence the party(ies) with whom you have any agreement to deliver goods to you to use any other machinery, supplies, or locations to resume business to reduce the amount of loss you sustain, including by cooperating with such party to do so. We will have no obligation to cover your costs of cooperation unless we agree in writing.</p>
Contingent business interruption	<p>T. business interruption costs directly resulting from an act of terrorism or sabotage occurring at a location that is:</p> <ol style="list-style-type: none"> not owned or operated by you; and either: <ol style="list-style-type: none"> listed as a Named Contingent Business by endorsement to this policy; or an unnamed business, supplier, customer, or vendor on which you depend to maintain your business operations, except for any utilities or telecommunications provider, <p>whichever applies.</p> <p>In determining the limits applicable to coverage under this subsection T, the Contingent business interruption – Named Suppliers/Customers sublimit stated in the Declarations will apply to locations that are listed as Named Contingent Business(es), and the Contingent business interruption – Unnamed Suppliers/Customers sublimit stated in the Declarations will apply to locations you depend on that are not listed by endorsement to this policy.</p>
Delay in startup costs	<p>U. business interruption costs directly caused by a delay in starting your business operations, sustained for a period greater than the waiting period due to physical damage to or loss of property under construction at the insured location(s).</p>
Fire protective	<p>V. reasonable and necessary costs you incur:</p> <ol style="list-style-type: none"> as a result of fire department firefighting charges imposed after responding to a fire in, on, or exposing the covered property; to dispose of, restore, and recharge fire protection systems following the occurrence; or for the water used for fighting a fire in, on, or exposing the covered property.

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Green building additional expense	<p>W. reasonable and necessary expenses you incur to upgrade covered property that was physically damaged or lost in order to meet “Green” standards, as defined by Leadership in Energy and Environment Design (LEED).</p> <p>Coverage under this subsection W does not apply to upgrades for any personal property, merchandise, or stock.</p>
Key and lock expense	<p>X. expenses you incur to replace locks, alarms, keys, and doors at any affected insured location(s).</p>
Landscaping	<p>Y. physical damage to or loss of outdoor trees, shrubs, plants, or lawns at any affected insured location(s). However, we will not pay for outdoor trees, shrubs, plants, or lawns grown commercially or held for sale by you, or for any growing crops.</p>
Leasehold interest	<p>Z. the unamortized value of undamaged tenant improvements and betterments if your lease is canceled due to direct physical damage to or loss of covered property, provided the cancellation is pursuant to a valid condition of your lease.</p>
Loss of attraction	<p>AA. the actual amount of the reduction in leases or reservations sustained for a period greater than the waiting period but not to exceed the number of days stated in the Declarations, provided the act of terrorism or sabotage takes place at a location that is not owned or operated by you and is situated within the number of miles stated in the Declarations of the affected insured location(s).</p>
Miscellaneous unnamed locations	<p>BB. physical damage to or loss of property at any location which is not on file with us as an insured location.</p> <p>Coverage will apply to such property only to the extent this Coverage Part would have applied had you declared the location to us and we agreed to add the location as an insured location.</p> <p>In no event will there be any coverage under this subsection BB for any property that is located:</p> <ol style="list-style-type: none"> at any location covered under Coverage enhancement CC. Newly acquired locations; or within a restricted area.
Newly acquired locations	<p>CC. physical damage to or loss of property at any location you construct, rent, lease, or purchase after the inception of the policy period.</p> <p>We will only provide this additional coverage if:</p> <ol style="list-style-type: none"> the additional values are reported to us within the number of days stated in the Declarations from the date of construction, rental, lease, or purchase; you pay any additional premium determined by us within 30 days of reporting the additional values; and such additional property is not insured by any other insurance policy or located in a restricted area. <p>With respect to any additional property(ies) that meet parts 1 and 2 but not part 3 above, we may still agree to provide coverage for such properties, but only if you report the additional property to us before it becomes your risk and pay any additional premium as we may reasonably require.</p> <p>If you fail to report any newly acquired location within the designated number of days stated in the Declarations, we may still agree to provide coverage for such property under Coverage enhancement BB. Miscellaneous unnamed locations, if purchased.</p> <p>We agree to return a portion of the premium paid for property divested during the policy period, provided you report any such divested property to us on a quarterly basis.</p> <p>However, we will not pay for damage to or loss of:</p> <ol style="list-style-type: none"> stock;

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- b. contents at a fair, trade show, or exhibition; or
 - c. property of others temporarily in **your** possession in the course of:
 - i. installing or performing work on such property; or
 - ii. **your** manufacturing or wholesaling activities.
- Property in the course of construction DD. physical damage to or loss of property at any **insured location(s)** which is undergoing new construction, renovations, remodeling, or rehabilitation at the time of the **act of terrorism or sabotage**.
- Rental income EE. **income loss** and **extra expense** during the **period of restoration** directly caused by the loss of rental income at the **insured location(s)** sustained for a period greater than the **waiting period**. **We** will only pay for **income loss** sustained by those **insured location(s)** situated within the number of miles stated on the Declarations of the **act of terrorism or sabotage**. Loss due to **your** issuing partial or full refunds to **your** tenants or guests will be calculated as part of rental income.
- Soft costs FF. the following expenses, that are over and above normal expenses, incurred for any affected **insured location(s)** undergoing alterations or additions to existing property, or which has property in the course of construction at the time of the **act of terrorism or sabotage**:
 1. costs to rearrange loans necessary for the completion of construction, repairs, or reconstruction, including costs to arrange refinancing, fees for accountants or attorneys to prepare the restructured financing and documentation, and charges for loan renewals or extensions;
 2. the cost of returning any commitment fees received by prospective tenants, guests, or purchasers or the cost of re-leasing and marketing the **insured location(s)** due to loss of a tenant(s), guest(s), or purchaser(s);
 3. fees for architects, engineers, consultants, attorneys, or accountants needed for the completion of construction, repairs, or reconstruction; or
 4. carrying costs, building permits, additional interest on loans, insurance premiums, or property and realty taxes.

We will only pay expenses incurred from the time of the **occurrence** until the time when the property is restored to the same degree of completion as existed prior to the **occurrence**, such time period not to exceed 180 calendar days.

Our obligation to make any payments under this Section II ends when **we** have used up the Habitational Terrorism and Sabotage Limit of Liability stated in the Declarations.

You must incur loss in excess of the applicable **deductible** before **we** will be obligated to make any payments under this Section II, and all such payments will be a part of, and not in addition to, the Habitational Terrorism and Sabotage Limit of Liability stated in the Declarations.

III. Your obligations

- Notifying us of occurrences A. **You** must give written notice to **us** of any **act of terrorism or sabotage** as soon as reasonably possible.
All such notifications must be in writing and submitted to **us** via the designated email address or mailing address identified in Item 6 of the Declarations.
- Deductible B. **We** will not be obligated to make any payments under this Coverage Part unless the covered loss **you** sustain from an **occurrence**, regardless of the number of locations affected, is greater than the **deductible**, in which case **we** will only be responsible for the amount of loss in excess of such **deductible**.
If loss covered under this Coverage Part includes loss to which more than one **deductible** applies, **we** will apply only the single, highest deductible to the entire loss resulting from the same **occurrence**.

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Emergency repairs

- C. In the event of an **act of terrorism or sabotage**, **you** must make any emergency repairs necessary to protect **covered property** from further loss or damage.

Proof of loss

- D. Before **we** make any claim payment, **you** must give **us** a signed proof of loss as soon as reasonably possible. If **we** have not received such proof from **you** within 12 months after the end of the **policy period**, **we** will have no obligation to make any payments with respect to that claim.

IV. Settlement and valuation

Salvage and recoveries

- A. All salvages, recoveries, and payments recovered or received subsequent to a loss settlement under this Coverage Part will be for **our** benefit.

Valuation

- B. 1. Accounts receivable:

When there is proof of physical damage to or loss of **your accounts receivable** records and **you** cannot accurately establish the total amount of **accounts receivable** outstanding as of the date of such damage or loss, **we** will calculate the amount of the loss by taking into consideration the following:

- a. the monthly average of **accounts receivable** during the 12 months immediately preceding the date of the **occurrence**;
- b. the trend of **your** business and variations before and after the **occurrence** so that allowances are made for any material variations or changed circumstances;
- c. the normal fluctuations in the amount of **accounts receivable** within the fiscal month involved; and
- d. the amount of **accounts receivable** supported by records which were not lost or damaged, or that **you** otherwise establish or collect to allow for probable bad debts which **you** normally would not have been able to collect.

If it is possible to reconstruct **accounts receivable** records so that no shortage is sustained, **we** will only pay the reasonable and necessary costs incurred to re-establish or reconstruct such records, and not for any costs covered by any other insurance.

2. Business interruption:

In calculating **income loss**, **we** will take into consideration:

- a. the actual earnings at the **insured location** during the 12 months immediately preceding the date of the **occurrence**; and
- b. the trend of **your** business and variations before and after the **occurrence** so that allowances are made for any material variations or changed circumstances, whether relating to market conditions or otherwise.

When fully adjusted, the **income loss** payable will represent as nearly as possible the earnings **you** would have realized during the **period of restoration** had the **occurrence** not occurred.

If **you** could have reduced the total **income loss** or **extra expense** resulting from the interruption of business by:

- i. a complete or partial resumption of the business operations;
- ii. making use of merchandise, stock, or other property at the **insured location(s)** or elsewhere; and/or
- iii. using or increasing business operations elsewhere,

we will take such possible reduction of loss into account when calculating the amount of loss **we** will pay.

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If **we** and **you** do not agree on the amount of **income loss** and/or **extra expense**, either party may make a written demand for an appraisal of such loss. If such demand is made, each party will select a competent and impartial appraiser. The appraisers will then jointly select an umpire. If the appraisers cannot agree on an umpire, they may request that such selection be made by a judge of a court having jurisdiction. Each appraiser will separately state the amount of **income loss** and/or **extra expense**. If the appraisers do not agree on the amount of the loss, they will submit their differences to the umpire. Agreement by the umpire and at least one of the appraisers regarding the amount of the **income loss** and/or **extra expense** will be binding on **you** and **us**. Each party will pay their respective chosen appraiser and will equally share the costs of the umpire.

3. Fine arts:

In the event of physical damage to or loss of **fine arts**, the most **we** will pay is the least of the following:

- a. reasonable and necessary costs to repair or restore the item(s) to its condition on the date of loss;
- b. replacement cost; or
- c. value of the item(s), as declared to **us** and stated in Item 5 of the Declarations.

If an item is part of a pair or set and cannot be replaced, repaired, or restored to its condition on the date of loss, **we** will pay the lesser of the:

- i. full value of the pair or set; or
- ii. value of the item, as stated in the Declarations,

provided **you** surrender the pair or set to **us**.

4. Physical damage to other property:

In the event of physical damage to or loss of **covered property** other than **fine arts**, **we** will pay the cost of repairing, replacing, or reinstating (whichever is the least) such 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:

- a. the repairs, replacement, or reinstatement must be executed promptly and with due diligence;
- b. until repairs, replacement, or reinstatement is made, **we** will have no obligation to pay more than the actual cash value at the time of loss; and
- c. if repairs, replacement, or reinstatement with material of like kind and quality is restricted or prohibited by any by-laws or law, **we** will have no obligation to pay any increased cost of replacement due to such restriction or prohibition.

Our liability for loss under this Coverage Part will not exceed the least of the following:

- i. the amount shown in the Declarations applicable to the destroyed or damaged property;
- ii. the replacement cost of the property or any part of such property which was intended for the same occupancy and use, as calculated at the time of the loss; or
- iii. the amount actually and necessarily spent in replacing the property or any part of it.

We will normally expect **you** to carry out repair or replacement of the damaged property, but if **we** and **you** agree it is not practicable or reasonable to do so, **we** will pay **you** an amount based on the repair or replacement costs, less an allowance for fees and associated costs not otherwise incurred.

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V. Other provisions affecting coverage

- | | |
|----------------------|--|
| Abandonment | A. There may be no abandonment to us of any property. |
| Inspection and audit | <p>B. We will have the right to inspect any insured location at any time.</p> <p>Our right to make inspections, the making of any such inspections, and any report regarding such inspections will not constitute an undertaking to determine or warrant that any property is safe.</p> <p>We may examine and audit your books and records as they relate to this Coverage Part at any time during the policy period and up to two years afterward.</p> |
| Loss payees | <p>C. 1. In the event there is a specified lender loss payee or mortgagee ("loss payee") with an interest in covered property, we will pay for loss to such covered property to each loss payee under all present or future mortgages according to their respective interests. We will pay the loss payees in order of precedence of the mortgages.</p> <p>2. The loss payee agrees to notify us of any change in ownership, occupancy, or hazard, and agrees to pay any additional premium associated with such change, as we may reasonably require, within ten days of receiving a written request from us. If the loss payee fails to pay the additional premium, we will have the right to cancel this policy.</p> <p>However, we will not invalidate the interests of any loss payee under this Coverage Part because of any:</p> <ul style="list-style-type: none"> a. act of neglect of the debtor, mortgagor, or owner of the covered property; b. foreclosure, notice of sale, or similar proceedings with respect to the covered property; c. change in the title or ownership of the covered property; or d. change to a more hazardous occupancy. <p>3. If you fail to provide us with a proof of loss in accordance with Section III. Your obligations, the loss payee may provide it on your behalf. In that event, the loss payee will be subject to the provisions of this Coverage Part regarding our receipt and settlement of claims.</p> <p>4. If we cancel this policy and/or any interest of the loss payee under this Coverage Part, we will give the loss payee 90 days written notice before the effective date of cancellation, or ten days if the cancellation is due to nonpayment of premium. In the event of nonpayment of premium, the loss payee must pay the premium due on the debtor, mortgagor, or owner's behalf or we will cancel this policy.</p> <p>5. If you cancel this policy, coverage available to the loss payee will terminate ten days after we provide the loss payee written notice of cancellation, unless:</p> <ul style="list-style-type: none"> a. the loss payee authorizes or otherwise consents to your cancellation before we terminate the policy; or b. you replace this policy with insurance providing coverage for the interests of the loss payee, in which case coverage provided to the loss payee under this Coverage Part will terminate on the effective date of the replacement policy. <p>6. Notwithstanding anything to the contrary in the General Terms and Conditions, Section IV. Other provisions affecting coverage, L. Recovery from third parties, if we pay the loss payee for any loss but deny payment to the debtor, mortgagor, or owner, we will be subrogated to all of the rights of the loss payee.</p> <p>No subrogation will impair the right of the loss payee to sue or recover the full amount of its claim.</p> <p>7. At our option, we may pay to the loss payee the whole principal due on the debt or mortgage plus any accrued interest. In that event, all rights and securities will be assigned and transferred from the loss payee to us, and we will pay the remaining debt or mortgage.</p> |

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Protection maintenance	D. You and we agree that any protection provided for the safety of covered property will be maintained in good order throughout the policy period and will be in use at all relevant times. You agree not to withdraw or vary this protection to the detriment of our interests without our consent.
Service interruption	E. In the event of an interruption to your business operations covered under Coverage enhancement N. Service interruption, you must immediately notify the applicable supplier(s) of the interruption to such services.

VI. Exclusions - What is not covered

We will have no obligation to pay any sums under this Coverage Part for any:

Biological/chemical weapons	1. loss caused directly or indirectly by the dispersal of or contamination by any biological or chemical agents, compounds, or pathogens, however such dispersal or contamination may have been caused.
Bookkeeping errors	2. loss arising out of bookkeeping, accounting, or billing errors or omissions, or any alteration, falsification, manipulation, concealment, destruction, or disposal of accounts receivable records.
Burglary/theft	3. loss arising out of burglary, housebreaking, looting, theft, or larceny.
Contraband	4. loss arising out of acts of contraband or illegal transportation or trade.
Electronic loss	5. loss by electronic means, including but not limited to computer hacking, the introduction of any form of computer virus or corrupting or unauthorized instructions or code, or the use of any electromagnetic weapon; however, this exclusion will not apply to otherwise covered loss or damage which arises from the use of any computer, computer system, computer software program, or any other electronic system in the launch or guidance system or firing mechanism of any weapon or missile.
Fines and penalties	6. fine, penalty, or other assessment against you or imposed by any court, government agency, public or civil authority, or any other person or entity.
Government enforcement	7. increase in loss caused by the enforcement of any law regulating the use, reconstruction, repair, or demolition of any property to which this Coverage Part applies; however, this exclusion will not apply to otherwise covered: <ul style="list-style-type: none"> a. decontamination costs; or b. costs under Coverage enhancement E. Demolition and increased cost of construction.
Government seizure	8. loss by confiscation, nationalization, requisition, detention, embargo, quarantine, seizure, or legal or illegal occupation, unless physical loss or damage is caused directly by an act of terrorism or sabotage . However, this exclusion will not apply to otherwise covered income loss under Coverage enhancement B. Civil or military authority.
Indirect and consequential loss	9. <ul style="list-style-type: none"> a. loss of use, loss of income, or increased cost of working, except for covered business interruption costs and income loss; b. delay or loss of markets, depreciation, or reduction in functionality; or c. consequential or indirect loss or damage, except physical loss or damage not otherwise excluded by this Coverage Part and which results from an act of terrorism or sabotage.
Mysterious disappearance	10. loss caused directly or indirectly by mysterious disappearance or unexplained loss.

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Nuclear incident	11. loss caused directly or indirectly by nuclear detonation, nuclear reaction, nuclear radiation, or radioactive contamination, however such nuclear detonation, nuclear radiation, nuclear reaction, or radioactive contamination may have been caused.
Pollution/environmental	12. loss arising out of any actual, alleged, or threatened discharge, dispersal, release, or escape of pollutants , including any direction or request to test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize pollutants ; however, this exclusion will not apply to otherwise covered decontamination costs .
Preventative measures	13. loss or damage caused by measures taken to prevent, suppress, or control any actual or potential act of terrorism or sabotage , unless we agree in writing prior to such measures taking place.
Protests/strikes/civil commotion	14. loss or damage caused by vandals or other persons committing malicious mischief, or arising out of any protest or strikes, labor unrest, riots, or civil commotion.
Threat or hoax	15. loss or increased cost as a result of a threat of an act of terrorism or sabotage or any hoax.
Transmission lines	16. income loss caused by loss or damage to overhead transmission lines located beyond one mile from the affected insured location(s) .
Utilities	17. loss caused directly or indirectly by cessation, fluctuation, or variation in, or insufficiency of, water, gas, electricity supplies, telecommunications, or any other type of utility or service; however, this exclusion will not apply to loss otherwise covered under Coverage enhancement N. Service interruption.
War	18. loss caused directly or indirectly by war, invasion, or warlike operations (whether or not war is declared), 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.

VII. Definitions

The following definitions apply to this Coverage Part. Additional definitions are contained in the General Terms and Conditions, Section V. Definitions applicable to all Coverage Parts.

Accounts receivable	means amounts due from your customers, guests, or tenants that you are not able to collect.
Act of terrorism or sabotage	means an act, subversive act, series of acts, or use of force or violence by any person or group(s) of persons, whether acting alone, on behalf of, or in connection with any organization(s), committed for political, religious, or ideological purposes, including the intention to influence any government and/or to put the public or any sector of the public in fear for such purposes.
Business interruption costs	means the actual income loss and extra expense you sustain during the period of restoration directly caused by an act of terrorism or sabotage which interrupts your business for a period greater than the waiting period .
Computer equipment	means: <ol style="list-style-type: none"> 1. computer mainframes, workstations, or portable computers; 2. discs, tapes, hard drives, cells, flash drives, data cards, or other magnetic or optical recording or storage devices regularly used with a computer system; 3. air conditioning or fire protection equipment used exclusively in computer operations; 4. telephone systems and their component parts; or 5. computer hardware and its related peripheral equipment, such as printers, video display monitors, modems, and servers.
Covered property	means the real property and any business personal property declared to us as shown in Item 5 of the Declarations.

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Covered property will also include personal property whose value is declared to **us**, provided such property is located at an **insured location** and:

1. owned by **you**, including **your** interest in **tenant improvements and betterments**;
2. owned by **your** officers and employees; or
3. owned by others and in **your** care, custody, or control, but only to the extent:
 - a. **you** are under an obligation to keep such property insured under this policy; or
 - b. of **your** legal liability for such property, in which case **we** will have the right and duty to defend that portion of any claim against **you** seeking damages for such physical loss or damage.

We have the right to select and appoint counsel to defend **you** against any such claim, and **we** may investigate, negotiate, and settle the claim as **we** deem necessary. Any amounts incurred in the defense, investigation, negotiation, or settlement of such claim will be a part of, and not in addition to, the applicable limit of liability.

Covered property also includes any **water features** located at an **insured location**.

Covered property does not include:

- a. land or land values;
- b. power transmission, feeder lines, or pipelines not at an **insured location**;
- c. any building or structure, or property inside such building or structure, while such building or structure is vacant, unoccupied, or inoperative for more than 30 days, unless the building or structure is intended to be unoccupied in its normal operations;
- d. aircraft or any other aerial device, or watercraft;
- e. animals, plants, or living things of all types, except for any property covered under Coverage enhancement Y. Landscaping; or
- f. any land conveyance, including vehicles, locomotives, or rolling stock.

However, land motor vehicles designed for travel on public roads (including any attached machinery or equipment):

- i. that are expressly identified as **covered property** in the Declarations or on file with **us**;
 - ii. whose values have been declared to **us**; and
 - iii. that were located at an **insured location** at the time of damage,
- will be included as **covered property**.

Decontamination costs

means the costs **you** incur to decontaminate any **covered property** which becomes contaminated as a direct result of an **act of terrorism or sabotage** occurring at an **insured location**.

Decontamination costs does not include costs or expenses:

1. required for removing contaminated property that is not **covered property**; or
2. required to decontaminate, treat, or remediate any body of water, **water feature**, groundwater, or water contained within any enclosed tank, piping system, or any other processing equipment, although **decontamination costs** do include the cost to drain and refill a **water feature**.

Deductible

means:

1. for all loss other than **income loss**, **extra expense**, or **your** reduction in sales, the amount stated as the Property Damage Deductible under the Habitation Terrorism and Sabotage Coverage Part section of the Declarations;
2. for **income loss**, **extra expense**, or **your** reduction in sales, the amount stated as the Time Element Deductible under the Habitation Terrorism and Sabotage Coverage Part section of the Declarations; or

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3. if there is no Property Damage Deductible or Time Element Deductible specified, the amount stated as the Deductible under the Habitational Terrorism and Sabotage Coverage Part section of the Declarations.

Electronic media

means software programs regularly used with a computer system, data recorded on such computer system, or any original source material used to enter or program such information.

Extra expense

means the reasonable and necessary expenses **you** incur to minimize the interruption to **your** business operations that are over and above the costs that normally would have been incurred in conducting the business during the same period had no **act of terrorism or sabotage** occurred.

At the end of the **period of restoration**, any remaining useful life or salvage value remaining in property for which **extra expense** was incurred during the **period of restoration** will be deducted and not included in **extra expense**.

The most **we** will pay for extra expense is the reasonable and necessary costs and expenses **you** actually incur to minimize the interruption to **your** business operations, or **your** expected **income loss**, whichever is less.

Extra expense does not include expenses covered under Coverage enhancement M. Relocation expenses.

Fine arts

means paintings, rare books, manuscripts, pictures, prints, etchings, drawings, tapestries, bronzes, statues, pottery, porcelain, marble, art glass, stained glass, valuable rugs, sculptures, musical instruments, jewelry, antique furniture, and other *bona fide* works of art or items of rarity or historical value.

Income loss

means the sum of the following:

1. the net income **you** would have earned had no **act of terrorism or sabotage** occurred; and
2. continuing normal operating expenses **you** incur, including ordinary payroll.

In transit

means the time period beginning when the property leaves the original point of shipment for transit, and ending when such property arrives at the agreed destination.

Occurrence

means any one **act of terrorism or sabotage** or series of **acts of terrorism or sabotage** having the same purpose or cause occurring during any period of 72 consecutive hours, which results in a loss or series of losses. Each **occurrence** will be subject to one **deductible** and a single per **occurrence** limit.

In no event will **we** have any obligation to make any payment under this Coverage Part for any loss resulting from an **occurrence** that first commences prior to the inception of the **policy period**.

If any part of the 72 consecutive hours of the **occurrence** takes place after the end of the **policy period**, **we** will deem all loss as sustained during the **policy period**.

Period of restoration

means the time period beginning on the date and time of the initial interruption of **your** business and ending on the date and time the interruption ends or could have ended had **you** acted with due diligence and dispatch. In no event will the **period of restoration** exceed 365 calendar days.

Pollutants

means any solid, liquid, gaseous, or thermal irritant or contaminant, including smoke, vapor, asbestos, silica, dust, nanoparticles, fibers, mold, spores, fungi, soot, ash, fumes, acids, alkalis, chemicals, germs, and waste. Waste includes, but is not limited to, materials to be recycled, reconditioned, or reclaimed. However, smoke, soot, ash, or fumes from a fire caused by an **act of terrorism or sabotage** are not **pollutants**.

Restricted area

means a physical location:

1. located within the Manhattan Borough; or
2. identified by any of the following zip codes: (i) 60601; (ii) 60602; (iii) 60603; (iv) 60604; (v) 60605; (vi) 60606; (vii) 60607; (viii) 60608; (ix) 60610; (x) 60611; (xi) 60612; (xii) 60614; (xiii) 60616; (xiv) 60622; (xv) 60654; (xvi) 60661; (xvii) 94102; (xviii) 94103; (xix) 94104; (xx) 94105; (xi) 94107; (xxii) 94108; (xxiii) 94109; (xxiv) 94111; (xxv) 94115; (xxvi) 94117; (xxvii)

Habitational Terrorism and Sabotage Coverage Part

Tenant improvements and betterments

94133; or (xxviii) 94158.

means fixtures, alterations, installations, or additions **you**:

1. make to a part of a building **you** occupy but do not own; and
2. acquire or make at **your** expense but cannot legally remove.

Valuable papers

means information that is inscribed, printed, written, recorded, or otherwise stored on:

1. documents, manuscripts, or records, including lease agreements and sublease agreements;
2. account books or card index systems;
3. deeds, maps, abstracts, or mortgages; or
4. other physical materials on which specific information is stored.

However, **valuable papers** does not include computer data, **electronic media**, library stock, currency, money, or securities.

Waiting period

means the number of hours stated as such in the Declarations commencing from the date and time on which:

1. the initial interruption to **your** business occurs; or
2. **your** ingress to or egress from an **insured location** is prevented, whether by order of a civil or military authority or otherwise.

For any Coverage Enhancement to which a **waiting period** applies, **we** will pay otherwise covered loss only if the interruption to **your** business, prevention of ingress to or egress from the **insured location**, or reduction in sales at the **insured location(s)**, continues for a period greater than the **waiting period**, in which case **we** will pay for **income loss** or **extra expense** sustained from the date and time the interruption, prevention, or reduction first began, and ending on the time limitation stated in the Coverage Enhancement to which the **waiting period** applies.

Water feature

means an artificial body of water or structure containing non-potable water that is intended for recreation or aesthetics, such as swimming pools and decorative fountains. However, **water feature** does not include the water contained in such structure.

Endorsement 1

NAMED INSURED: August Real Estate Co.

E2007.7 Lloyd's Syndicate (33) Endorsement

Proportion Percent: 100%

Syndicate: 33

Contract #: B1234HISINC2023

DCH #: DA-SC-220928-0002

Authorization Date: December 22, 2005

Endorsement effective: 06/23/2023

Certificate No.: UTS2576467.23

Endorsement No: 1

Processed Date: 06/23/2023

Hiscox Inc.



Authorized Representative
Kevin Kerridge

Endorsement 2

NAMED INSURED: August Real Estate Co.

E2010.1 Premium Payment Clause (Reinsurance)

In consideration of the premium charged, and on the understanding this endorsement leaves all other terms, conditions, and exclusions unchanged, it is agreed:

Notwithstanding any provision to the contrary within this contract or any endorsement hereto, in respect of nonpayment of premium only, the following clause will apply.

The (Re)Insured undertakes that premium will be paid in full to (Re)Insurers within 30 days of inception of this contract (or, in respect of installment premiums, when due).

If the premium due under this contract has not been so paid to (Re)Insurers by the 30th day from the inception of this contract (and, in respect of installment premiums, by the date they are due) (Re) Insurers will have the right to cancel this contract by notifying the (Re)Insured via the broker in writing. In the event of cancellation, premium is due to (Re)Insurers on a pro rata basis for the period that (Re) Insurers are on risk but the full contract premium will be payable to (Re)Insurers in the event of a loss or occurrence prior to the date of termination which gives rise to a valid claim under this contract.

It is agreed that (Re)Insurers will give not less than 30 days prior notice of cancellation to the (Re) Insured via the broker. If premium due is paid in full to (Re)Insurers before the notice period expires, notice of cancellation will automatically be revoked. If not, the contract will automatically terminate at the end of the notice period.

If any provision of this clause is found by any court or administrative body of competent jurisdiction to be invalid or unenforceable, such invalidity or unenforceability will not affect the other provisions of this clause which will remain in full force and effect.

Endorsement effective: 06/23/2023

Certificate No.: UTS2576467.23

Endorsement No: 2

Processed Date: 06/23/2023

Hiscox Inc.



Authorized Representative
Kevin Kerridge

Endorsement 3

NAMED INSURED: August Real Estate Co.

E2013.2 Service of Suit Endorsement

In consideration of the premium charged, and on the understanding this endorsement leaves all other terms, conditions, and exclusions unchanged, it is agreed:

In the event **we** fail to pay any amount claimed to be due under this policy, **we** agree to submit to the jurisdiction of a Court of competent jurisdiction within the United States at **your** request. Nothing in this clause is intended to constitute a waiver of **our** right 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.

With the exception of any risks located in the jurisdictions below, service of process in any suit against **us** may be made on:

Hiscox Inc.
5 Concourse Parkway Suite, 2150
Atlanta GA, 30328
Attn: Head of Claims

For any policy in the jurisdictions listed below, service of process in any suit against **us** must be made on the following nominees:

1. For California risks, service of process must be made on:
Wilson, Elser, Moskowitz, Edelman & Dicker
555 S. Flower Street
Suite 2900
Los Angeles, CA 90071

2. For Illinois risks, service of process must be made on:

Lloyd's Illinois, Inc.
181 West Madison Street
Suite 3870
Chicago, IL 60602-4541

It is not necessary for the Director of Insurance to be specifically named or for their address to be specified.

3. For Kentucky risks, service of process must be made on:
Lloyd's Kentucky, Inc.
341 West Main Street
Frankfort, KY 40601-18082

If the policy is in any of the following jurisdictions, service of process may also be made upon the below:

1. For Guam risks, service of process may also be made on either of the following:

Thomas Sterling, Esq.
Blair, Sterling, Johnson, Martinez, P.C.
Suite 1008 DNA Building

Agent Name: N/A
Agent Address: N/A

Endorsement 3

NAMED INSURED: August Real Estate Co.

238 Archbishop F.C. Flores Street

Hagatna, Guam 96910-5205

Telephone: (671) 477-7857

Facsimile: (671) 472-4290

Email: tcsterling@kbsjlaw.com

2. For Oklahoma risks, service of process may also be made on:

Oklahoma Insurance Commissioner

Oklahoma Insurance Department

4157 S. Harvard, Suite 121

Tulsa, OK 74135

3. For Puerto Rico risks, service of process may also be made on:

Commissioner of Insurance

Office of the Commissioner of Insurance, Commonwealth of Puerto Rico

GAM Tower, Urb. Tabonuco, Suite 400

Guaynabo, Puerto Rico 00968-3020

Telephone: (787) 304-8686

Facsimile: (787) 273-6365

In the event service of process is made on the Commissioner of Insurance, the Commissioner must forward any papers he or she has received to **us** at the address specified above.

In any suit instituted against **us**, **we** agree to abide by the final decision of such Court, or in the event of an appeal, of any Appellate Court.

The above named are authorized to accept service of process on **our** behalf in any such suit and will enter a general appearance on **our** behalf in the event such suit is instituted.

Further, pursuant to any statute of any state, territory, or district of the United States which makes provision therefore, **we** designate the Superintendent, Commissioner, or Director of Insurance, or other officer specified for that purpose in the statute, as **our** agent for service of process in any action, suit, or proceeding instituted by **you** or on **your** behalf, or any other beneficiary under this policy, and designate the above named as the person to whom such agent is authorized to mail process.

Endorsement effective: 06/23/2023

Certificate No.: UTS2576467.23

Endorsement No: 3

Processed Date: 06/23/2023

Hiscox Inc.

Endorsement 3

NAMED INSURED: August Real Estate Co.



Authorized Representative
Kevin Kerridge

Endorsement 4

NAMED INSURED: August Real Estate Co.

E2017.3 Policyholder Disclosure Notice of Terrorism Insurance Cover

YOU ARE HEREBY NOTIFIED THAT FOLLOWING THE TERRORISM RISK INSURANCE ACT OF 2002, AS AMENDED, COVERAGE PROVIDED BY THIS POLICY FOR LOSSES CAUSED BY CERTIFIED ACTS OF TERRORISM IS PARTIALLY REIMBURSED BY THE UNITED STATES GOVERNMENT UNDER A FORMULA ESTABLISHED BY FEDERAL LAW. UNDER THIS FORMULA, THE UNITED STATES GOVERNMENT REMIBURSES 80% OF COVERED TERRORISM LOSSES EXCEEDING THE STATUTORILY ESTABLISHED DEDUCTIBLE PAID BY THE INSURER(S) PROVIDING THE COVERAGE.

YOU SHOULD ALSO KNOW THAT THE TERRORISM RISK INSURANCE ACT, AS AMENDED, CONTAINS A \$100 BILLION CAP THAT LIMITS THE U.S. GOVERNMENT REIMBURSEMENT AS WELL AS INSURERS' LIABILITY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM WHEN THE AMOUNT OF SUCH LOSSES IN ANY ONE CALENDAR YEAR EXCEEDS \$100 BILLION IN ANY ONE CALENDAR YEAR. IF THE AGGREGATE OF SUCH LOSSES FOR ALL INSURERS EXCEEDS \$100 BILLION, COVERAGE MAY BE REDUCED.

As defined in Section 102(1) of the Act, as amended: The term "Act of Terrorism" means any act or acts that are certified by the Secretary of the Treasury, in consultation with the Secretary of Homeland Security and the Attorney General of the United States, to be an Act of Terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been 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.

Notwithstanding the TRIA program, this Policy insures against all terrorism perils in accordance with the terms, conditions and exclusions of this insurance. Your policy includes coverage for terrorism losses that are outside the TRIA definition of an "Act of Terrorism" as above. It also provides coverage for you according to your Policy terms, conditions, exclusions and limits, irrespective of any cap.

The allocation of the premium for TRIA coverage is provided below and does not include any charges for the portion of loss covered by the United States government under the Act.

The allocation we have made in respect of US exposures to Acts of Terrorism, as defined under TRIA, is 80% of your current premium. This premium allocation applies to expiry of the risk or 12:00 midnight December 31, 2027, the date on which the TRIA program is scheduled to terminate, whichever is sooner.

PLEASE RETAIN A COPY OF THIS DISCLOSURE NOTICE FOR YOUR RECORDS

Endorsement effective:	06/23/2023	Certificate No.:	UTS2576467.23
Endorsement No:	4	Processed Date:	06/23/2023

Hiscox Inc.

Endorsement 4

NAMED INSURED: August Real Estate Co.



Authorized Representative
Kevin Kerridge

Endorsement 5

NAMED INSURED: August Real Estate Co.

E2042.1 Minimum Earned Premium Endorsement

In consideration of the premium charged, and on the understanding this endorsement leaves all other terms, conditions, and exclusions unchanged, it is agreed:

As respects Item 7 of the Declarations, a 25% minimum earned premium condition applies at the inception of the **policy period**.

Endorsement effective: 06/23/2023

Certificate No.: UTS2576467.23

Endorsement No: 5

Processed Date: 06/23/2023

Hiscox Inc.



Authorized Representative
Kevin Kerridge



IMPORTANT NOTICE

To obtain information or make a complaint:

1. You may utilize the following number to contact Hiscox Inc. for information or to make a complaint:

Claims assistance/complaints: 1-877-544-7269

General assistance/complaints: 1-855-528-1112

2. You may contact the Texas Department of Insurance to obtain information on companies, coverages, rights or complaints at the following number:

1-800-252-3439

3. You may write to Hiscox Inc. at the following address:

520 Madison Avenue
32nd Floor
New York, NY 10022

4. You may write the Texas Department of Insurance at the following address:

P.O. Box 149104
Austin, TX 78714-9104
Fax #: 512-490-1007
Web: <http://www.tdi.texas.gov>
E-mail: ConsumerProtection@tdi.texas.gov

5. PREMIUM OR CLAIM DISPUTES:

Should you have a dispute concerning your premium or about a claim you should contact Hiscox Inc. first. If the dispute is not resolved, you may contact the Texas Department of Insurance.

6. ATTACH THIS NOTICE TO YOUR POLICY

This notice is for information only and does not become a part or condition of the attached document.

AVISO IMPORTANTE

Para obtener informacion o para presentar una queja:

1. Usted puede llamar al numero de telefono gratuito de Hiscox S.a. para obtener informacion o para presentar una queja al:

Asistencia con las reclamaciones o quejas:
1-877-544-7269

Asistencia general o quejas: 1-855-528-1112

2. Usted puede comunicarse con el Departamento de Seguros de Texas para obtener informacion sobre companias, coberturas, derechos o quejas al:

1-800-252-3439

3. Usted tambien puede escribir a Hiscox S.a.:

520 Madison Avenue
32nd Floor
New York, NY 10022

4. Usted puede escribir al Departamento de Seguros de Texas a:

P.O. Box 149104
Austin, TX 78714-9104
Fax#: 512-490-1007
Web: <http://www.tdi.texas.gov>
E-mail: ConsumerProtection@tdi.texas.gov

5. DISPUTAS POR PRIMAS DE SEGUROS O RECLAMACIONES:

Si tiene una disputa relacionada con a su prima de seguro o con una reclamacion usted debe comunicarse con Hixcox S.a. primero. Si la disputa, no es resuelta, puede comunicarse con el Departamento de Seguros de Texas.

6. ADJUNTE ESTE AVISO A SU POLIZA:

Este aviso es solamente para proposito informativos y no se convierte en parte o condicion del documento adjunto.



CONFORMITY NOTICE

(This does not amend, extend, or alter the coverages or any other provisions contained in your policy)

Whenever the symbol "\$" is used in this policy, it shall mean United States Dollars (USD).



ECONOMIC AND TRADE SANCTIONS POLICYHOLDER NOTICE

Hiscox is committed to complying with trade and economic sanctions. To that end:

- I. No (re)insurer shall be deemed to provide cover and no (re)insurer shall be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose that (re)insurer to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, Australia, United Kingdom or United States of America.
- II. The U.S. Department of Treasury Office of Foreign Assets Control (OFAC) administers and enforces economic sanctions policy based on Presidential declarations of national emergency. OFAC has identified and listed numerous foreign agents, front organizations, terrorists, and narcotics traffickers as Specially Designated Nationals (SDN's) and Blocked Persons. OFAC has also identified Sanctioned Countries. A list of Specially Designated Nationals, Blocked Persons and Sanctioned Countries may be found on the United States Treasury's web site <http://www.treas.gov/offices/enforcement/ofac/>.

Economic sanctions prohibit all United States citizens (including corporations and other entities) and permanent resident aliens from engaging in transactions with Specially Designated Nationals, Blocked Persons and Sanctioned Countries. Hiscox may not accept premium from or issue a policy to insure property of or make a claim payment to a Specially Designated National or Blocked Person. Hiscox may not engage in business transactions with a Sanctioned Country.

A Specially Designated National or Blocked Person is any person who is determined as such by the Secretary of Treasury.

A Sanctioned Country is any country that is the subject of trade or economic embargoes imposed by the laws or regulations of the United States.

In accordance with laws and regulations of the United States concerning economic and trade embargoes, this policy may be rendered void from its inception with respect to any term or condition of this policy that violates any laws or regulations of the United States concerning economic and trade embargoes including, but not limited to the following:

- (1) Any insured under this Policy, or any person or entity claiming the benefits of such insured, who is or becomes a Specially Designated National or Blocked Person or who is otherwise subject to US economic trade sanctions;
- (2) Any claim or suit that is brought in a Sanctioned Country or by a Sanctioned Country government, where any action in connection with such claim or suit is prohibited by US economic or trade sanctions;
- (3) Any claim or suit that is brought by any Specially Designated National or Blocked Person or any person or entity who is otherwise subject to US economic or trade sanctions;
- (4) Property that is located in a Sanctioned Country or that is owned by, rented to or in the care, custody or control of a Sanctioned Country government, where any activities related to such property are prohibited by US economic or trade sanctions; or
- (5) Property that is owned by, rented to or in the care, custody or control of a Specially Designated National or Blocked Person, or any person or entity who is otherwise subject to US economic or trade sanctions.



ECONOMIC AND TRADE SANCTIONS POLICYHOLDER NOTICE

Please read your Policy carefully and discuss with your broker/agent or insurance professional. You may also visit the US Treasury's website at <http://www.treas.gov/offices/enforcement/ofac/>.



Policyholder Notice Complaints or Comments

Any complaints or comments may be sent:

- By Mail to:

Legal Department
Hiscox USA
520 Madison Avenue, 32nd Floor
New York, NY 10022; or

- By Email to:

us_helpdesk_rfl@hiscox.com