

IMPORTANT NOTICE TO POLICYHOLDERS

This Important Notice is not your policy. Please read your policy carefully to determine your rights, duties, and what is and what is not covered. Only the provisions of your policy determine the scope of your insurance protection.

THIS IMPORTANT NOTICE PROVIDES INFORMATION CONCERNING POSSIBLE IMPACT ON YOUR INSURANCE COVERAGE DUE TO COMPLIANCE WITH APPLICABLE TRADE SANCTION LAWS.

PLEASE READ THIS NOTICE CAREFULLY.

Various trade or economic sanctions and other laws or regulations prohibit us from providing insurance in certain circumstances. For example, the United States Treasury Department's Office of Foreign Asset Control (OFAC) administers and enforces economic and trade sanctions and places restrictions on transactions with foreign agents, front organizations, terrorists, terrorists organizations, and narcotic traffickers. OFAC acts pursuant to Executive Orders of the President of the United States and specific legislation, to impose controls on transactions and freeze foreign assets under United States jurisdiction. (To learn more about OFAC, please refer to the United States Treasury's web site at <http://www.treas.gov/ofac>.)

To the extent that you or any other insured, or any person or entity claiming the benefits of this insurance has violated any applicable sanction laws, this insurance will not apply.

We have added a condition or section that applies to the entire policy called Compliance With Applicable Trade Sanctions, which stipulates that your insurance policy does not apply to the extent that trade or economic sanctions or other laws or regulations prohibit us from providing insurance.



POLICYHOLDER NOTICE

All of the members of the Chubb Group of Insurance companies doing business in the United States (hereinafter "Chubb") distribute their products through licensed insurance brokers and agents ("producers"). Detailed information regarding the types of compensation paid by Chubb to producers on US insurance transactions is available under the Producer Compensation link located at the bottom of the page at www.chubb.com, or by calling 1-866-588-9478. Additional information may be available from your producer.

Thank you for choosing Chubb.



Important Notice

To obtain information or make a complaint:

You may contact the company for information or to make a complaint at:

15 Mountain View Road
Warren, New Jersey 07059
1-800-252-4670

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

1-800-252-3439

You may write the Texas Department of Insurance at:

P.O. Box 149104
Austin, Texas 78714-9104

FAX # (512) 475-1771

Web: <http://www.tdi.state.tx.us>

E-Mail: ConsumerProtection@tdi.state.tx.us

Premium Or Claim Disputes

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

Attach This Notice To Your Policy

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

This notice is not your policy. PLEASE READ YOUR POLICY CAREFULLY to determine your rights, duties, and what is and is not covered. Only the provisions of your policy establish the scope of your insurance protection on and after your renewal date.

PLEASE READ THIS NOTICE CAREFULLY

***Virus, Bacteria Or
Microorganism
Exclusion***

This notice is intended to inform you that a new exclusion titled Virus, Bacteria Or Microorganism will be added to your policy. This exclusion applies to loss or damage caused by or resulting from any virus, bacterium or other microorganism that induces or is capable of inducing physical distress, illness or disease. This exclusion does not apply to the extent insurance is provided under the Fungus Clean-up Or Removal Extension of Coverage or the Fungus Clean-up Or Removal Additional Coverage. In addition, this exclusion supersedes any exclusion relating to pollutants or contaminants.

If the Motor Truck Cargo Legal Liability form, the Warehouse Legal Liability form or the Riggers Legal Liability form is attached to your policy, the Virus, Bacteria Or Microorganism exclusion applies to loss or damage arising out of any virus, bacterium or other microorganism that induces or is capable of inducing physical distress, illness or disease, under those forms, as well.



Inland Marine Insurance

Premium Bill

<i>Policy Period</i>	NOVEMBER 1, 2022 TO SEPTEMBER 1, 2023
<i>Effective Date</i>	NOVEMBER 1, 2022
<i>Policy Number</i>	0672-24-90 IOG
<i>Insured</i>	STONEFIELD HOMES LLC
<i>Name of Company</i>	FEDERAL INSURANCE COMPANY
<i>Date Issued</i>	SEPTEMBER 22, 2023

**Portion of total premium attributable for terrorism and statutory standard fire where applicable
is \$ 17.00**

<u><i>Date Payment Due</i></u>	<u><i>Premium</i></u>
NOVEMBER 1, 2022	\$ 25,830.00
<i>TOTAL</i>	\$ 25,830.00
Commission Percent:	15.00

Producer:
SWINGLE, COLLINS & ASSOCIATES
13760 NOEL ROAD STE 600
DALLAS, TX 75240-1381



Inland Marine Insurance

FOR

STONEFIELD HOMES LLC

Producer:

SWINGLE, COLLINS & ASSOCIATES
13760 NOEL ROAD STE 600
DALLAS, TX 75240-1381

Chubb Producing Office:

DALLAS
2001 BRYAN STREET
SUITE 3600
DALLAS, TX 75201

How To Report A Loss

To assist you in reporting a loss, the following procedure has been set up to allow you to notify us.

Loss Notification

Should you have a loss, contact your agent/broker in writing or by telephone as soon as possible:

Agent/Broker name: SWINGLE, COLLINS & ASSOCIATES
Address: 13760 NOEL ROAD STE 600
DALLAS, TX 75240-1381

Telephone No: 972-387-3000

Agent/Broker Unavailable

If for any reason you are unable to reach your agent/broker, please contact our Claim department in writing or by telephone as soon as possible:

Chubb: FEDERAL INSURANCE COMPANY
Address: 2001 BRYAN STREET
SUITE 3600
DALLAS, TX 75201

Telephone No: (214)754-0777

If you are reporting a loss by telephone, you can contact us between the hours of 8:30 a.m. to 4:30 p.m. Monday - Friday.

Emergency

If you are unable to contact your agent/broker or our office and it is an emergency situation, the following toll free number is available during non-business hours.

Telephone No: 1-800-252-4670

Premium Statement

Named Insured and Mailing Address

STONEFIELD HOMES LLC
5001 LBJ FREEWAY
SUITE 850
DALLAS, TX 75244

Chubb Group of Insurance Companies
202B Hall's Mill Road
Whitehouse Station, NJ 08889

Policy Number 0672-24-90 IOG

Effective Date NOVEMBER 1, 2022

Issued by the stock insurance company
indicated below, herein called the company.

**FEDERAL INSURANCE
COMPANY**

Producer No. 0041603-99999

Producer SWINGLE, COLLINS & ASSOCIATES
13760 NOEL ROAD STE 600
DALLAS, TX 75240-1381

Incorporated under the laws of
INDIANA

Policy Period

From: NOVEMBER 1, 2022 To: SEPTEMBER 1, 2023
12:01 A.M. standard time at the Named Insured's mailing address shown above.

Premium Payment

The first Named Insured shown in the Declarations is responsible for the payment of all premiums and will be the payee for any return premiums we pay.

	Flat Premium	Deposit Premium	Total Premium Due
Contract			
RESIDENTIAL OPEN BUILDERS' RISK	\$ 17.00	\$ 25,813.00	\$ 25,830.00
TOTAL	\$ 17.00	\$ 25,813.00	\$ 25,830.00

Payment Plan

This policy premium is being billed as follows. The amounts shown are due and payable as of the dates shown below:

<u>Date Payment Due</u>	<u>Amount Due</u>	<u>Deposit Due</u>
NOVEMBER 1, 2022	\$ 17.00	\$ 25,813.00

Insuring Agreement

Chubb Group of Insurance Companies
202B Hall's Mill Road
Whitehouse Station, NJ 08889

Named Insured and Mailing Address

STONEFIELD HOMES LLC
5001 LBJ FREEWAY
SUITE 850
DALLAS, TX 75244

Policy Number 0672-24-90 IOG

Effective Date NOVEMBER 1, 2022

*Issued by the stock insurance company
indicated below, herein called the
company.*

**FEDERAL INSURANCE
COMPANY**

Producer No. 0041603-99999

*Incorporated under the laws of
INDIANA*

Producer SWINGLE, COLLINS & ASSOCIATES
13760 NOEL ROAD STE 600
DALLAS, TX 75240-1381

Company and Policy Period

Insurance is issued by the company in consideration of payment of the required premium.

This policy is issued for the period 12:01 AM standard time at the Named Insured's mailing address shown above:

From: NOVEMBER 1, 2022 To: SEPTEMBER 1, 2023

Your acceptance of this policy terminates, effective with the inception of this policy, any prior policy of the same number issued to you by us.

This Insuring Agreement together with the Premium Summary, Schedule Of Forms, Declarations, Contracts, Endorsements and Common Policy Conditions comprise this policy.

In Witness Whereof, the company issuing this policy has caused this policy to be signed by its authorized officers, but this policy shall not be valid unless also signed by a duly authorized representative of the company.



President



Secretary

Authorized Representative



Inland Marine Policy Section

Schedule of Forms

<i>Policy Period</i>	NOVEMBER 1, 2022 TO SEPTEMBER 1, 2023
<i>Effective Date</i>	NOVEMBER 1, 2022
<i>Policy Number</i>	0672-24-90 IOG
<i>Insured</i>	STONEFIELD HOMES LLC
<i>Name of Company</i>	FEDERAL INSURANCE COMPANY
<i>Date Issued</i>	SEPTEMBER 22, 2023

The following is a schedule of forms issued with the policy at inception:

<i>Form Number</i>		<i>Form Name</i>
99-10-1013	(Ed. 4-21)	IMPORTANT NOTICE TO POLICYHOLDERS
04-02-0630	(Ed. 9-95)	INLAND MARINE DECLARATIONS SEPARATOR PAGE
04-02-0638	(Ed. 9-95)	PROPERTY DECLARATIONS
04-02-1064	(Ed. 9-05)	RESIDENTIAL OPEN BUILDERS' RISK
04-02-1399	(Ed. 3-06)	TX MANDATORY - AMENDED CONDITIONS
04-02-1400	(Ed. 3-06)	TX MANDATORY - AMENDED CONDITIONS
04-02-1443	(Ed. 2-09)	ORD OR LAW EXIST GREEN STAND LOSS PAY OBR
04-02-1532	(Ed. 7-11)	BUILD RISK - WAIVER OF RIGHTS OF RECOV COND
04-02-1749	(Ed. 3-20)	MALICIOUS PROGRAMMING EXCLUSION ADDED
04-02-1750	(Ed. 1-21)	VIRUS, BACTERIA OR MICROORGANISM EXCL ADDED
04-02-0687	(Ed. 9-95)	EARTHQUAKE SPECIFIC LIMITS OF INSURANCE
04-02-0689	(Ed. 9-95)	FLOOD SPECIFIC LIMITS OF INSURANCE
04-02-0696	(Ed. 9-95)	WIND OR HAIL SPECIFIC LIMITS OF INSURANCE
04-02-0859	(Ed. 6-99)	MS325045.2 (05/21) COVERAGE TERRITORY AMEND
04-02-0859	(Ed. 6-99)	MS340997 REPORTING CONDITION ADDED
04-02-1213	(Ed. 1-15)	EXCL OF TERRORISM/COV OF CERTAIN FIRE LOSSES
04-02-1386	(Ed. 9-05)	UNINTENTIONAL ERRORS OR OMISSIONS

Declarations**Named Insured and Mailing Address**

STONEFIELD HOMES LLC
5001 LBJ FREEWAY
SUITE 850
DALLAS, TX 75244

Chubb Group of Insurance Companies
202B Hall's Mill Road
Whitehouse Station, NJ 08889

Policy Number 0672-24-90 IOG

Effective Date NOVEMBER 1, 2022

*Issued by the stock insurance company
indicated below, herein called the company.*

**FEDERAL INSURANCE
COMPANY**

Producer No. 0041603-99999

Producer SWINGLE, COLLINS & ASSOCIATES
13760 NOEL ROAD STE 600
DALLAS, TX 75240-1381

*Incorporated under the laws of
INDIANA*

Policy Period

From: NOVEMBER 1, 2022 **To:** SEPTEMBER 1, 2023
12:01 A.M. standard time at the Named Insured's mailing address shown above.

Deductible: \$ 5,000

The deductible shown above applies to all coverages, except Business Income and Extra Expense, contained within this policy unless a specific coverage deductible is shown below.

The following displays the coverages provided by this policy.

Coverages

Coverage at Unnamed Premises

The following displays the coverages provided at other premises.

PREMISES **ANY OTHER PREMISES WITHIN THE COVERAGE TERRITORY**

Premises Coverages

(continued)

CONSTRUCTION WORKS

LIMIT OF INSURANCE	\$ 5,000,000
DEDUCTIBLE	\$ 5,000
GEOGRAPHIC SCOPE	TEXAS

CONSTRUCTION WORKS AWAITING DELIVERY

LIMIT OF INSURANCE	\$ 100,000
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SOFT COSTS

LIMIT OF INSURANCE	\$ 100,000
WAITING PERIOD	168 HOURS

Coverages Away From Premises

The following displays the coverages provided away from premises.

CONSTRUCTION WORKS IN TRANSIT

LIMIT OF INSURANCE	\$ 100,000
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Coverages at Named Premises, Unnamed Premises and Away From Premises

The following displays the coverages provided at premises which are specifically covered under this insurance, other premises and away from premises.

DEBRIS REMOVAL

LIMIT OF INSURANCE	\$ 150,000
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POLLUTANT CLEAN UP OR REMOVAL

LIMIT OF INSURANCE	\$ 250,000
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EFFECTS OF LAW

LIMIT OF INSURANCE	\$ 100,000
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LOSS PREVENTION EXPENSE

LIMIT OF INSURANCE	\$ 5,000
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FREE STANDING HOUSEHOLD APPLIANCES

LIMIT OF INSURANCE	\$ 100,000
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ELECTRONIC DATA AND VALUABLE PAPERS

LIMIT OF INSURANCE	\$ 50,000
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FUNGUS CLEAN-UP OR REMOVAL

LIMIT OF INSURANCE	\$ 25,000
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Declarations**Effective Date** NOVEMBER 1, 2022**Policy Number** 0672-24-90 IOG

Premises Coverages*(continued)***EXPEDITING EXPENSES**

LIMIT OF INSURANCE

\$ 50,000

PREPARATION OF LOSS FEES

LIMIT OF INSURANCE

\$ 25,000

PUBLIC SAFETY SERVICE CHARGES

LIMIT OF INSURANCE

\$ 25,000

Chubb. Insured.SM

Inland Marine Insurance***Residential Open Builders' Risk******Table Of Contents***

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Contract

Words and phrases that appear in **bold** print have special meanings and are defined in the Definitions section of this contract.

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

Coverage**Construction Works**

We will pay for direct physical loss or damage to **construction works** caused by or resulting from a peril not otherwise excluded, not to exceed the applicable Limit Of Insurance for Construction Works shown in the Declarations.

The loss or damage must occur at, or within 1,000 feet of, the construction jobsite of an **insured construction project**, unless otherwise stated.

Extensions Of Coverage

The following Extensions Of Coverage are included under your coverage for Construction Works, Model Homes, Free Standing Household Appliances or Electronic Data And Valuable Papers and are subject to the applicable Limit Of Insurance for Construction Works, Model Homes, Free Standing Household Appliances or Electronic Data And Valuable Papers shown in the Declarations.

Cost To Re-erect Undamaged Scaffolding

We will pay the reasonable and necessary additional costs you incur to re-erect undamaged scaffolding following direct physical loss or damage to **construction works** caused by or resulting from a peril not otherwise excluded.

The scaffolding must be at the premises where the loss or damage occurs.

The loss or damage must occur at, or within 1,000 feet of, the construction jobsite of an **insured construction project**, unless otherwise stated.

Removal

We will pay for direct physical loss or damage to **construction works, fine arts** or other business personal property included in the definition of **model homes, free standing household appliances, electronic data** or **valuable papers** while:

- being moved to another location or returned from such location to its original location; or
- temporarily stored at another location for up to 180 days,

if you must move the **construction works, fine arts** or other business personal property included in the definition of **model homes, free standing household appliances, electronic data** or **valuable papers** from such location to preserve them from imminent loss or damage caused by or resulting from a peril not otherwise excluded.

Additional Coverages

Unless otherwise stated, the following Additional Coverages are provided only if a Limit Of Insurance for such Additional Coverages is shown in the Declarations.

Arson Or Theft Reward

We will pay a reward of 25% of the covered loss or damage, up to a maximum of \$10,000, for information leading to a felony conviction arising out of direct physical loss or damage to covered property caused by or resulting from arson, larceny, burglary or vandalism.

Civil Authority

We will pay for the actual **soft costs** loss you incur caused by or resulting from a delay in the completion of **construction works**, directly caused by the prohibition of access to **construction works** by a civil authority.

This prohibition of access by a civil authority must be the direct result of direct physical loss or damage to property away from such **construction works** by a peril not otherwise excluded, provided such property is within one mile from such **construction works**.

The most we will pay for Civil Authority is the applicable Limit Of Insurance for Soft Costs shown in the Declarations.

This Additional Coverage will begin:

- after the applicable waiting period shown in the Declarations for Soft Costs expires; or
- 24 hours following the time the civil authority prohibits access,

whichever is the longer.

The Waiting Period shown in the Declarations will begin immediately following the time the civil authority prohibits access.

This Additional Coverage will apply:

- for a period of up to 30 consecutive days after coverage begins; or
- until your **soft costs** loss ends,

whichever occurs first.

Construction Works Awaiting Delivery

We will pay for direct physical loss or damage to **construction works** while at temporary locations awaiting delivery to the construction jobsite of an **insured construction project** caused by or resulting from a peril not otherwise excluded, not to exceed the applicable Limit Of Insurance for Construction Works Awaiting Delivery shown in the Declarations.

This Additional Coverage does not include **construction works**:

- while at, or within 1,000 feet of, the construction jobsite of an **insured construction project**;
- while at, or within 1,000 feet of, the premises you own, lease or operate; or
- while at, or within 1,000 feet of, the premises of any manufacturer or supplier.

Construction Works In Transit

We will pay for direct physical loss or damage to **construction works** while **in transit**, including shipments by registered mail, caused by or resulting from a peril not otherwise excluded, not to exceed the applicable Limit Of Insurance for Construction Works In Transit shown in the Declarations.

Additional Coverages**Construction Works In Transit**
(continued)

This Additional Coverage also includes direct physical loss or damage to **construction works** while **in transit** which is caused by or results from fraud perpetrated by any person or persons who represent themselves to be the proper party or parties to receive goods for shipments or accept goods for delivery, not to exceed the applicable Limit Of Insurance for Construction Works In Transit shown in the Declarations.

Debris Removal

- A. We will pay for the costs you incur to demolish and remove debris of damaged:
1. **construction works, valuable papers, model homes or free standing household appliances** at an construction jobsite of an **insured construction project**;
 2. **construction works or free standing household appliances** while at temporary locations awaiting delivery to the construction jobsite of an **insured construction project**; or
 3. **construction works or free standing household appliances** while **in transit**, caused by or resulting from a peril not otherwise excluded that occurs during the policy period; and
 4. **landscaping** caused by or resulting from the perils of fire, lightning, explosion, smoke, riot, strikers or locked-out workmen, civil commotion or aircraft that occurs during the policy period.
- B. The most we will pay for debris removal is the lesser of:
1. 25% of the covered direct physical loss or damage; or
 2. the remaining applicable Limit Of Insurance for Construction Works, Model Homes, Free Standing Household Appliances or Electronic Data And Valuable Papers shown in the Declarations, after payment of the covered direct physical loss or damage.
- C. If the amount in B. above is insufficient to pay the debris removal, we will pay the remaining debris removal, subject to the applicable Limit Of Insurance shown under Debris Removal in the Declarations.
- We will also pay up to \$1,000 for the costs you incur at each construction jobsite of an **insured construction project** to remove debris that is blown onto such construction jobsite by wind, if the wind would be covered by this insurance.
- D. Debris removal will be paid only if:
1. reported to us in writing within 180 days of the date of the direct physical loss or damage to the **construction works, model homes, valuable papers or free standing household appliances**; and
 2. a Limit Of Insurance applicable to the damaged **construction works, model homes, valuable papers or free standing household appliances** is shown in the Declarations.
- E. Debris removal does not apply to costs to:
1. a. clean up or remove **pollutants** from land, water or air;
 - b. clean up, remove, restore or replace covered property because of the presence of **fungus**; or

Additional Coverages

Debris Removal (continued)

- c. clean up, remove, restore or replace polluted land, water or air, either inside or outside of **construction works** or **model homes**; or
2. demolish and clear the site of the undamaged portion of the **construction works** or **model homes**.

Effects Of Law

If there is an ordinance or law in effect at the time of loss or damage that regulates zoning, land use or construction of **construction works** or **model homes**, and if that ordinance or law affects the repair or replacement of the lost or damaged **construction works** or **model homes**, and if you:

- A. repair or replace the **construction works** within 24 months following the date of direct physical loss or damage, we will pay for:
 1.
 - a. the replacement cost of the undamaged portion of the **construction works** or **model homes** which must be demolished in order to comply with the minimum standards of such ordinance or law, or
 - b. the actual cash value of the undamaged portion of the **construction works** or **model homes** which must be demolished in order to comply with the minimum standards of such ordinance or law, (if the applicable Loss Payment Basis shown in the Declarations is Actual Cash Value);
 2. the costs you incur to demolish and clear the site of the undamaged portion of the **construction works** or **model homes** which must be demolished in order to comply with the minimum standards of such ordinance or law; and
 3. the increased cost to repair or reconstruct the **construction works** or **model homes** to the same general size and for the same general use to comply with the minimum standards of such ordinance or law, except we will not include any costs:
 - a. for land, water or air, either inside or outside of **construction works** or **model homes**;
 - b. for paved or concrete surfaces, retaining walls, foundations or supports below the surface of the lowest floor or basement, unless specifically covered by this policy, or **landscaping**;
 - c. incurred outside the legal boundary of the construction jobsite;
 - d. if **construction works** or **model homes** is valued on an actual cash value basis; or
 - e. attributable to any ordinance or law that you were required to, but failed to, comply with before the loss; or
- B. do not repair or replace **construction works**, we will pay for:
 1. the actual cash value of the undamaged portion of the **construction works** or **model homes** which must be demolished in order to comply with the minimum standards of such ordinance or law, and
 2. the cost to demolish and clear the site of the undamaged portion of **construction works** or **model homes** which must be demolished in order to comply with the minimum standards of such ordinance or law.

When direct physical loss or damage is caused by or results from both:

- a peril not otherwise excluded; and

Additional Coverages**Effects Of Law**
(continued)

- an excluded peril,

we will not pay the ordinance or law costs attributable to the excluded peril. Instead, we will pay based on that portion of such costs equal to the proportion that the covered direct physical loss or damage bears to the total direct physical loss or damage, not including ordinance or law costs, unless the ordinance or law applies solely to that portion of the **construction works** or **model homes** which suffered the covered direct physical loss or damage.

This Additional Coverage does not apply to:

- any increase in costs, loss or damage associated with the enforcement of any ordinance or law that 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 **fungus** or **pollutants**; or
- loss or damage caused by or resulting from fire which ensues from nuclear reaction or radiation, or radioactive contamination,

regardless of any other cause or event that directly or indirectly:

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

the loss or damage, even if such other cause or event would otherwise be covered.

This Additional Coverage does not apply to the Fungus Clean-up Or Removal Additional Coverage or Pollutant Clean-up Or Removal Additional Coverage.

The most we will pay under the Effects Of Law Additional Coverage is the lesser of the:

- amount of loss or damage;
- most recent value of the lost or damaged **construction works** or **model homes** reported to us; or
- applicable Limit Of Insurance for Effects Of Law shown in the Declarations.

Electronic Data And Valuable Papers

We will pay for direct physical loss or damage to:

- **electronic data** caused by or resulting from a **technology peril**; or
- **valuable papers** caused by or resulting from a peril not otherwise excluded,

not to exceed the applicable Limit Of Insurance for Electronic Data And Valuable Papers shown in the Declarations.

The loss or damage must occur at, or within 1,000 feet of, the construction jobsite of an **insured construction project**, unless otherwise stated.

Expediting Expenses

We will pay the reasonable and necessary additional costs you incur for:

- wages for overtime, night work or work on public holidays; and
- express freight or other rapid means of transportation,

to expedite repair or reconstruction of **construction works** or **model homes** that suffers direct physical loss or damage caused by or resulting from a peril not otherwise excluded, not to exceed the applicable Limit Of Insurance for Expediting Expenses shown in the Declarations.

Additional Coverages

(continued)

Expenses To Reduce Loss

In the event of a covered **soft costs** loss, we will cover the necessary expenses you incur to avoid further **soft costs** loss, but we will not pay more than the amount by which the loss is reduced.

The most we will pay for Expenses To Reduce Loss is the applicable Limit Of Insurance for Soft Costs shown in the Declarations.

Fire Protection Equipment

We will pay the cost you incur to refill your discharged fire protection equipment whether or not there is direct physical loss or damage to property.

This Additional Coverage is provided regardless of whether a Limit Of Insurance is shown in the Declarations.

Free Standing Household Appliances

We will pay for direct physical loss or damage to **free standing household appliances** caused by or resulting from a peril not otherwise excluded, not to exceed the applicable Limit Of Insurance for Free Standing Household Appliances shown in the Declarations.

The loss or damage must occur:

- at, or within 1,000 feet of, the construction jobsite of an **insured construction project**;
- at temporary locations awaiting delivery to the construction jobsite of an **insured construction project**; or
- while **in transit**.

Fungus Clean-up Or Removal

We will pay the costs you incur to clean up, remove, restore or replace covered property because of the presence of **fungus** at the construction jobsite of an **insured construction project**.

The most we will pay at the construction jobsite of an **insured construction project** for the sum of all such covered costs that occur during each separate 12-month policy period, regardless of whether this Additional Coverage appears in any other contract or contracts that form part of this policy is the applicable Limit Of Insurance for Fungus Clean-up Or Removal shown in the Declarations.

We will not pay for the costs to test for, monitor, contain, treat, detoxify or neutralize, or in any way respond to or assess the effects of **fungus**, other than payment for testing that is performed during the clean-up or removal of the **fungus**.

This Additional Coverage does not apply if the presence of **fungus**:

- A. is caused by or results from:
 - 1. a peril that is excluded under this insurance; or
 - 2. moisture, other than **water** or **flood**, if the **flood** would be covered under this insurance;
 - B. existed prior to the effective date shown in the Declarations;
 - C. is not reported to us in writing as soon as possible after you first become aware, or in the exercise of reasonable care, should have become aware, of the presence of **fungus**; or
 - D. is at a construction jobsite that has been specifically excluded in the Declarations or by endorsement to this policy.
-

Additional Coverages*(continued)***Loss Prevention Expenses**

We will pay the reasonable and necessary costs you incur to protect covered property at the construction jobsite of an **insured construction project** from imminent direct physical loss or damage caused by or resulting from a peril not otherwise excluded, not to exceed the applicable Limit Of Insurance for Loss Prevention Expenses shown in the Declarations.

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 forty-eight (48) hours after you have taken any loss prevention action.

Model Homes

We will pay for direct physical loss or damage to **model homes** caused by or resulting from a peril not otherwise excluded, not to exceed the applicable Limit Of Insurance for Model Homes shown in the Declarations.

The loss or damage must occur at the construction jobsite of an **insured construction project**, unless otherwise stated.

Pollutant Clean-up Or Removal

We will pay the costs you incur to clean up or remove **pollutants** from land, water or air:

A. at the construction jobsite of an **insured construction project** and either inside or outside of **construction works** or **model homes**; or

B. if the **pollutants** were part of **construction works** while **in transit**,

if the discharge, dispersal, seepage, migration, release or escape of the **pollutants** is caused by or results from a peril not otherwise excluded.

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

The most we will pay:

- at a construction jobsite of an **insured construction project**; and
- for any property **in transit**,

for all such covered costs that occur during each separate 12-month policy period, regardless of whether this Additional Coverage appears in any other contract or contracts that form part of this policy, is the applicable Limit Of Insurance for Pollutant Clean-up Or Removal shown in the Declarations.

We will not pay for the costs to test for, monitor, contain, treat, detoxify or neutralize, or in any way respond to or assess the effects of **pollutants**, other than payment for testing that is performed during the clean up or removal of the **pollutants** from the land, water or air, either inside or outside of **construction works** or **model homes**.

This Additional Coverage does not apply if the discharge, dispersal, seepage, migration, release or escape of **pollutants**:

- is caused by or results from a peril that is excluded under this insurance; or
- occurred prior to the effective date shown in the Declarations.

Additional Coverages

(continued)

Preparation Of Loss Fees

We will pay the reasonable and necessary:

- expenses we require you to incur after covered direct physical loss or damage to covered property to determine the extent of such loss or damage; and
- expenses and fees incurred following covered loss or damage to certify your **soft costs** loss, not to exceed the applicable Limit Of Insurance for Preparation Of Loss Fees shown in the Declarations.

This Additional Coverage does not apply to any expenses you incur for any:

- insurance adjuster, consultant or attorney; or
- for your subsidiaries or affiliates.

Public Safety Service Charges

We will pay the charges you:

- assume under any contract or agreement; or
- are required to pay by local ordinance,

in effect at the time of the direct physical loss or damage, if a fire department or other municipal agency charged with preserving public safety is called to save or protect covered property from direct physical loss or damage caused by or resulting from a peril not otherwise excluded, not to exceed the applicable Limit Of Insurance for Public Safety Service Charges shown in the Declarations.

Soft Costs

We will pay the actual **soft costs** loss you incur during the **delay period** caused by or resulting from delay in the completion of **construction works**, not to exceed the applicable Limit Of Insurance for Soft Costs shown in the Declarations.

The delay must be caused by or result from direct physical loss or damage by a peril not otherwise excluded to **construction works**:

- at the construction jobsite of an **insured construction project**; or
- while **in transit**.

Attachment And Termination Of Coverage

Coverage applies to **construction works** or **model homes** for all **insured construction projects** which begin during the policy period shown in the Declarations.

Coverage begins, subject to all other terms, conditions and limitations of this policy, when you first become responsible for the **construction works** or **model homes**, but not before the effective date of this Contract.

Coverage ends when the first of the following occurs:

- A. your interest in the **construction works** or **model homes** ceases;

**Attachment And
Termination Of
Coverage**
(continued)

- B. this policy or contract expires or is cancelled. However, expiration or cancellation of this policy or contract shall not end coverage provided for **construction works** or **model homes** for any **insured construction projects** which are already insured by this insurance at the time this policy or contract expires or is cancelled, unless:
1. you notify us that cancellation or expiration applies to existing **insured construction projects**; or
 2. we notify you that cancellation or expiration applies to existing **insured construction projects**;
- C. the **construction works** or **model homes** are accepted by the owner or purchaser; or
- D. 45 days pass from the date the **construction works** begin to be used for the purposes for which it was designed and constructed.

Exclusions**Acts Or Decisions**

This insurance does not apply to loss or damage caused by or resulting from acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.

This Acts Or Decisions exclusion does not apply to ensuing loss or damage caused by or resulting from a peril not otherwise excluded.

Design

This insurance does not apply to:

1. the cost necessary to repair, replace or rectify **construction works** due to error, omission or deficiency in design, plan, specification or surveying of such **construction works**;
2. loss or damage to **construction works** necessary to repair, replace or rectify **construction works** due to error, omission or deficiency in design, plan, specification or surveying of such **construction works** or any part of such **construction works**; or
3. the additional cost of improvements to the original design, plan, specification or surveying of such **construction works**.

Paragraph 1. above shall not apply to other **construction works** which are free of such error, omission or deficiency, but are damaged as a result of such error, omission or deficiency.

Disappearance

This insurance does not apply to loss or damage caused by or resulting from:

- disappearance; or
- shortage disclosed on taking inventory,

where there is no physical evidence to show what happened.

This Disappearance exclusion does not apply to ensuing loss or damage caused by or resulting from a peril not otherwise excluded.

Exclusions
(continued)**Dishonesty**

This insurance does not apply to loss or damage caused by or resulting fraudulent, dishonest or criminal acts or omission committed alone or in collusion with others by you, your partners, members, officers, managers, directors, trustees, employees, anyone performing acts coming within the scope of the usual duties of your employees, or by anyone authorized to act for you, or anyone to whom you have entrusted covered property for any purpose.

This Dishonesty exclusion does not apply to:

- A. acts of vandalism;
- B. acts committed by carriers or warehousemen for hire or anyone claiming to be a carrier or warehousemen for hire, other than:
 - 1. you, your partners, directors, trustees and employees;
 - 2. anyone performing acts coming within the scope of the usual duties of your employees; or
 - 3. anyone authorized to act for you; or
- C. ensuing loss or damage caused by or resulting from a peril not otherwise excluded.

Errors In Systems Programming

This insurance does not apply to loss or damage caused by or resulting from:

- A. errors or omissions in the development of, programming of, or instructions to:
 - 1. **electronic data processing property**; or
 - 2. a machine; or
- B. **electronic data** which is faulty, inadequate or defective for the use intended at the time of loss or damage.

This Errors In Systems Programming exclusion does not apply to ensuing loss or damage caused by or resulting from a **specified peril**.

Fungus

This insurance does not apply to loss or damage:

- which is **fungus**;
- which is in anyway attributed to the presence of **fungus**; or
- caused by or resulting from **fungus**,

regardless of any other cause or event that directly or indirectly:

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

the loss or damage, even if such other cause or event would otherwise be covered.

This Fungus exclusion does not apply:

- A. when the presence of **fungus** results from:
 - 1. explosion;
 - 2. fire;
 - 3. leakage from fire protection equipment; or

Exclusions**Fungus**
(continued)

4. lightning; or
- B. to the extent insurance is provided under the Fungus Clean-up Or Removal Additional Coverage.

Governmental Or Military Action

This insurance does not apply to loss or damage caused by or resulting from seizure, confiscation, expropriation, nationalization or destruction of property by order of governmental or military authority, whether de jure or de facto, regardless of any other cause or event that directly or indirectly:

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

the loss or damage, even if such other cause or event would otherwise be covered.

This Governmental Or Military Action exclusion does not apply to loss or damage caused by or resulting from acts of destruction ordered by governmental or military authority:

- A. when taken at the time of a fire to prevent its spread, if the fire would be covered under this insurance; or
- B. if the act of destruction is made necessary by direct physical loss or damage to:
1. **construction works** or **free standing household appliances** while **in transit**; or
 2. a conveyance in or on which **construction works** or **free standing household appliances** while **in transit** is loaded,
- caused by or resulting from a peril not otherwise excluded.

Inherent Vice/Latent Defect

This insurance does not apply to loss or damage caused by or resulting from inherent vice or latent defect.

This Inherent Vice/Latent Defect exclusion does not apply to:

- loss or damage caused by or resulting from a **specified peril**; or
- ensuing loss or damage caused by or resulting from a peril not otherwise excluded.

Insects Or Animals

This insurance does not apply to loss or damage caused by or resulting from nesting or infestation by, or discharge or release of waste products or secretions of any insect or other animal.

This Insects Or Animals exclusion does not apply to ensuing loss or damage caused by or resulting from a peril not otherwise excluded.

Mechanical Breakdown (Other Than Abrupt And Accidental)

This insurance does not apply to loss or damage caused by or resulting from mechanical breakdown.

This Mechanical Breakdown (Other Than Abrupt And Accidental) exclusion does not apply to:

- A. abrupt and accidental breakdown of **mechanical or electrical system or apparatus** which causes direct physical loss or damage to all or part of that **mechanical or electrical system or apparatus** provided the direct physical loss or damage becomes manifest at the time of the breakdown that caused it.

Exclusions

Mechanical Breakdown (Other Than Abrupt And Accidental) (continued)

Abrupt and accidental breakdown of **mechanical or electrical system or apparatus** does not include:

1. rust, oxidation or corrosion;
2. faulty, inadequate or defective design, plan, specifications or installation;
3. failure of **mechanical or electrical system or apparatus** to perform in accordance with plans or specifications; or
4. freezing caused by or resulting from weather conditions; or

B. ensuing loss or damage caused by or resulting from a peril not otherwise excluded.

Nuclear Hazard

This insurance does not apply to loss or damage caused by or resulting from nuclear reaction or radiation, or radioactive contamination, regardless of any other cause or event that directly or indirectly:

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

the loss or damage, even if such other cause or event would otherwise be covered.

This Nuclear Hazard exclusion does not apply to ensuing loss or damage to **construction works, model homes, free standing household appliances, electronic data or valuable papers** caused by or resulting from fire, if the fire would be covered under this insurance and there is a law in effect in the jurisdiction where the loss or damage occurs that expressly prohibits us from excluding such ensuing loss or damage.

Planning, Zoning Or Site Selection

This insurance does not apply to loss or damage (including the cost of correcting or making good) caused by or resulting from any faulty, inadequate or defective planning, zoning or site selection.

This Planning, Zoning Or Site Selection exclusion does not apply to ensuing loss or damage caused by or resulting from a peril not otherwise excluded.

Pollutants

This insurance does not apply to loss or damage caused by or resulting from the mixture of or contact between property and a **pollutant** when such mixture or contact causes the property to be impure and harmful to:

- itself or other property;
- persons, animals or plants;
- land, water or air; or
- any other part of an environment,

either inside or outside of a structure, regardless of any other cause or event that directly or indirectly:

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

the loss or damage, even if such other cause or event would otherwise be covered.

Exclusions**Pollutants**
(continued)

This Pollutants exclusion does not apply to:

- A. the mixture of or contact between property and **pollutants** if the mixture or contact is directly caused by or directly results from a **specified peril**;
- B. any solid, liquid or gas used to suppress fire; or
- C. **water**.

Paragraphs B. and C. do not apply to loss or damage involving:

- viruses or other pathogens; or
- ammonia.

Settling

This insurance does not apply to loss or damage caused by or resulting from settling, subsidence, cracking, shrinking, bulging or expansion of land, paved or concrete surfaces, foundations, pools or structures.

This Settling exclusion does not apply to:

- loss or damage caused by or resulting from mine subsidence or **sinkhole collapse**; or
- ensuing loss or damage caused by or resulting from a **specified peril**.

War And Military Action

This insurance does not apply to loss or damage caused by or resulting from:

- war, including undeclared or civil war;
- 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
- insurrection, rebellion, revolution, usurped power or action taken by governmental or military authority, whether de jure or de facto, in hindering or defending against any of these,

regardless of any other cause or event that directly or indirectly:

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

the loss or damage, even if such other cause or event would otherwise be covered.

Wear And Tear

This insurance does not apply to loss or damage caused by or resulting from wear and tear or deterioration.

This Wear And Tear exclusion does not apply to ensuing loss or damage caused by or resulting from a **specified peril** or **water**.

Exclusions

(continued)

Workmanship And Materials

This insurance does not apply to loss or damage (including the cost of correcting or making good) caused by or resulting from faulty or defective workmanship, materials, maintenance or construction.

This Workmanship And Materials exclusion does not apply to ensuing loss or damage caused by or resulting from a peril not otherwise excluded.

Coverage Territory

This insurance applies anywhere within and **in transit** within and between the contiguous United States of America, Canada, the States of Hawaii and Alaska, Puerto Rico and the territories or possessions of the United States of America or Canada, excluding:

- A. coastwise waterborne shipments to or from Alaska;
- B. intercoastal waterborne shipments via the Panama Canal; and
- C. waterborne shipments to or from:
 - 1. the state of Hawaii;
 - 2. Puerto Rico; and
 - 3. territories or possessions of the United States of America or Canada.

Limits Of Insurance

Except as provided under Fungus Clean-up Or Removal or Pollutant Clean-up Or Removal, the most we will pay in any one occurrence is the amount of loss or damage, not to exceed the applicable Limit Of Insurance shown in the Declarations, regardless of whether any Coverage, Extension Of Coverage or Additional Coverage appears in any other contract or contracts which form a part of this policy.

Extended Limit Of Insurance For Construction Works

In the event of total loss or damage to **construction works** at the construction jobsite of an **insured construction project** for which a Limit Of Insurance for Construction Works is shown in the Declarations, we will pay up to an additional:

- 5% of the applicable Limit Of Insurance for Construction Works shown in the Declarations; or
- \$500,000,

whichever is less.

This Extended Limit Of Insurance for Construction Works does not apply:

- to any Limit Of Insurance for Construction Works applicable to **construction works** and any other coverage combined;
 - unless you actually repair or replace the **construction works** as soon as reasonably possible; or
 - to the Effects Of Law Additional Coverage.
-

Deductible

Subject to the applicable Limit Of Insurance, we will pay the amount of loss or damage in excess of the applicable deductible amount shown in the Declarations for each occurrence.

Except for any deductible for Soft Costs shown in the Declarations, if two or more deductibles apply to the same occurrence, only the largest single deductible will apply, unless otherwise stated.

Waiting Period

Subject to the applicable Limit Of Insurance, we will pay the amount of **soft costs** loss you incur after the applicable waiting period shown in the Declarations for each occurrence.

If a waiting period is shown in the Declarations, the waiting period begins immediately following the **scheduled date of completion**.

If two or more **soft costs** waiting periods apply to the same occurrence, only the largest single waiting period will apply, unless otherwise stated.

Loss Payment Basis

Subject to the applicable Limit Of Insurance shown in the Declarations, covered property is valued on a replacement cost basis as described below, unless:

- the Loss Payment Basis shown in the Declarations is actual cash value; or
- otherwise stated under Loss Payment Basis Exceptions.

Our Loss Payment Options

In the event of loss or damage covered by this insurance, at our option we will either:

- pay the covered value of the lost or damaged covered property;
- pay the cost of repairing or replacing the lost or damaged covered property, plus any reduction in value of the repaired item;
- take all or any part of the covered property at an agreed or appraised value; or
- repair or replace the covered property with other covered property of comparable material and quality for the same use.

Replacement Cost Basis

Lost or damaged covered property will be valued at the full cost to repair or replace it at the time of loss or damage, including customs duties incurred, but not more than you actually spend to repair or replace the covered property at the same or another location for the same use. There is no deduction for physical deterioration, depreciation, obsolescence or depletion.

If you:

- A. do not repair or replace the covered property, we will only pay as provided under Actual Cash Value Basis; or
- B. commence the repair or replacement of the lost or damaged covered property within 24 months from the date of the loss or damage, we will pay you the difference between the actual cash value previously paid and the lesser of the:
 1. replacement cost at the time of loss or damage; or
 2. actual costs you incur to repair or replace; and

Loss Payment Basis

Replacement Cost Basis (continued)

- C. are the contractor, replacement cost basis for **construction works** will include:
2. your labor and delivery charges at the same rate and basis as the original contract, provided such items are included in the contract value declared to us and the full cost of such items are charged to the project or the contract; and
 3. reasonable profit you planned for the **construction works** calculated as of the date of loss or damage using documents you prepared prior to the start of construction.

Actual Cash Value Basis

If the Loss Payment Basis shown in the Declarations is actual cash value, lost or damaged covered property will be valued at the full cost to repair or replace it on the date of loss or damage with material of like kind and quality, less allowance for each of the following:

- physical deterioration;
- depreciation;
- obsolescence; and
- depletion.

Loss Payment Basis Exceptions

Electronic Data

Electronic data is valued based on the full cost of replacement or reproduction at the time of direct physical loss or damage when the **electronic data** is actually replaced or reproduced.

If the **electronic data** is not replaced or reproduced, the value is based on the cost of replacing **blank media**.

Fine Arts

Fine arts are valued at the lesser of the:

- cost of repairing the damaged **fine arts**, plus any reduction in the value of the repaired item; or
- 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.

Fine Arts Of Others

Fine arts of others is valued on the same basis as your **fine arts** (subject to all other Loss Payment Basis Exceptions), except we will not pay more than the amount for which you are contractually liable.

Temporary Construction Works

Temporary construction works are valued on an Actual Cash Value Basis if they must be repaired or replaced in order for you to complete construction.

If **temporary construction works** do not have to be repaired or replaced in order for you to complete construction, they are valued at their scrap value.

**Loss Payment Basis
Exceptions***(continued)***Valuable Papers**

Valuable papers are valued based on the full cost of replacement or reproduction at the time of direct physical loss or damage when they are actually replaced or reproduced.

If **valuable papers** are not replaced or reproduced, the value is based on the cost of blank materials.

**Loss Determination
For Soft Costs**

In making any loss determination under Soft Costs Additional Coverage, we may utilize relevant sources of information, including:

- your financial records and accounting procedures;
- bills, invoices and other vouchers;
- deeds, liens and contracts;
- status and feasibility reports; and
- budgeting and marketing records.

**Loss Payment
Limitations****Change Orders**

We will not pay for any **soft costs** loss you incur due to a delay caused by or resulting from change orders in work to be performed which are necessary to correct:

- errors, omissions or deficiencies in design, plan, specifications or surveying; or
- faulty or defective workmanship, materials, maintenance or construction.

Death Or Injury

We will not pay for any **soft costs** loss you incur caused by or resulting from any injury, sickness, disease, death, emotional injury, emotional distress or humiliation of any person.

Delay

We will not pay for any increase in loss due to delay caused by or resulting from:

- A. adverse weather conditions;
- B. labor shortage or a reduction in workforce;
- C. interference by strikers or other persons;
- D. a delay in or inability to obtain financing or refinancing of any kind; or
- E. the enforcement of any ordinance or law that:
 - 1. restricts or regulates imports or exports; 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** or **fungus**.

**Loss Payment
Limitations**
(continued)

Loss Of Market

Except as provided under the Soft Costs Additional Coverage, we will not pay for any loss or damage that results from loss of market, loss of use, delay or indirect or consequential loss of any kind.

**Loss Or Damage To
Electronic Data**

We will not pay for any loss or damage to **electronic data** caused by or resulting from **malicious programming**, regardless of any other cause or event that directly or indirectly:

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

the loss or damage, even if such other cause or event would otherwise be covered.

Ordinance Or Law

Except as provided under the Effects Of Law Additional Coverage, we will not pay for any loss or damage caused by or resulting from the enforcement of any ordinance, law or order of governmental authority regulating the construction, repair, replacement or demolition of buildings or structures.

Penalties

We will not pay for penalties caused by or resulting from:

- non-completion; or
 - delay in completion,
- of contract; or
- non-compliance with contract provisions.

**Suspension, Lapse Or
Cancellation Of Any
Contract**

We will not pay for any **soft costs** loss you incur due to the suspension, lapse or cancellation of any contract.

**Warranties And
Guarantees**

We will not pay for any loss or damage caused by or resulting from any warranty or guarantee made by you or any contractor, subcontractor, manufacturer or supplier.

Conditions

Abandonment

There can be no abandonment of any covered property to us unless we specifically agree to such abandonment in writing.

Access To Jobsite

You must allow us access to the jobsite where the loss or damage occurs. You will also allow us access to all contractors, subcontractors, manufacturers, suppliers and other parties so that we may negotiate with them.

Conditions
(continued)**Due Diligence**

You must exercise due diligence and dispatch in the repair or replacement of the lost or damaged **construction works**. You must use every means available to you to complete the project and reduce the **soft costs** loss, including:

- complete or partial resumption of construction or operations;
- making use of materials, equipment, supplies or other property at the jobsite or elsewhere;
- making use of substitute materials or services where practicable; and

such reduction will be taken into account in arriving at the amount of loss payable.

Impairment Of Rights Of Recovery

Except as provided in the Waiver Of Rights Of Recovery condition, any act or agreement by you, either before or after loss or damage, which limits your right to recover for the loss or damage to covered property from the party which is liable for the loss or damage, shall render coverage provided by this Contract void but only with respect to such loss or damage. Our right to retain the premium shall not be affected. We are not liable for any claim for loss or damage which you have settled or compromised without our written consent. But you may accept ordinary bills of lading, shipping receipts or warehouse receipts issued by carriers for hire and warehousemen for hire which limit their liability to less than the full value of the covered property.

Loss Payable

For insured covered property in which both you and a Loss Payee shown in the Declarations have an insurable interest, we will:

- adjust losses with you; and
- pay any claim for loss or damage jointly to you and the Loss Payee, as interests may appear.

Loss Payment

- A. 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 insurance, and
 1. we have reached agreement with you on the amount of loss; or
 2. an appraisal award has been made.
- B. We will not pay you more than your financial interest in the covered property.
- C. We may adjust losses with the owners of lost or damaged covered property if other than you. If we pay the owners, such payments will satisfy your claims against us for the owners' covered property. We will not pay the owners more than their financial interest in the insured covered property.
- D. We may elect to defend you against suits arising from claims of owners of covered property. We will do this at our expense.

Notification

You must notify us as soon as possible of any condition which may result in a **soft cost** loss.

Conditions

(continued)

Occupancy

Except as provided under the Attachment And Termination Of Coverage provision, **construction works** shall not be occupied for its intended use without our written consent. Failure to obtain our written consent shall void coverage provided by this Contract during the period of occupancy.

Use of the **construction works** for temporary construction offices, or for the storage of **construction works** shall not constitute occupancy.

Other Insurance

If you have any other insurance covering the same loss or damage as is insured against by this policy, we will only pay for the amount of loss or damage which is insured against by this policy in excess of the amount due from such other insurance, whether you can collect on such other insurance or not.

Recovered Property

If any lost or damaged covered property is recovered by you or us after a loss payment is made, the party making the recovery must give the other party prompt notice.

If any lost or damaged covered property has a salvage value, we shall control the disposition of such salvage.

When covered property is recovered, you may:

- keep the recovered covered property and return the loss payment to us; or
- keep the loss payment and we will keep the recovered covered property.

If any recovered covered property has salvage value, or if there is any money recovered through subrogation, we will reimburse you from the amount recovered for:

- the deductible amount that was paid;
- the penalties you paid as a result of Coinsurance, if applicable, or any applicable reporting condition of this insurance; and
- any uninsured loss resulting from an insufficient Limit Of Insurance.

If there are any expenses in recovering any lost or damaged covered property, or through subrogation, we will share the expenses with you in proportion to the amount we are each reimbursed.

Reporting – Model Homes

The premium shown on the Premium Statement for the insurance provided by the Model Homes Additional Coverage contained in this contract is a deposit premium.

You agree to:

- maintain an accurate record of your business as it relates to this Model Homes Additional Coverage insurance; and
- report to us the sum of the total inventory amount of **model homes** at inception of this policy plus the total inventory amount of **model homes** at anniversary, cancellation, expiration or termination of this policy to determine the average inventory you had during the policy period.

We will determine the actual premium which you owe to us by applying the Annual Rate per \$100 for Model Homes Additional Coverage, pro-rated for the actual term of the policy, to the average inventory which you have reported to us.

Conditions**Reporting – Model
Homes
(continued)**

The earned premium will be deducted from your Deposit Premium until the Deposit Premium is exhausted. Once your Deposit Premium is exhausted, additional premiums are due at the time of each report. If the deposit premium exceeds the earned premium, we will return the difference to you.

**Waiver Of Rights Of
Recovery**

We will have no rights of recovery against:

- any Named Insured;
- any principal, principal's representative, or subcontractor, if you are a contractor and are required by a properly executed construction contract to waive, and ensure that we waive, any rights of recovery; or
- any other person or organization if you have waived your rights of recovery against them in writing prior to loss or damage, but only to the extent of such written waiver.

Otherwise, if any person to or for whom we make payment under this insurance 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 a loss to impair our rights.

You may waive your rights against any such person in writing:

- A. prior to loss or damage to covered property; or
- B. after direct physical loss or damage to covered property only if, at the time of direct physical loss or damage, that party is one of the following:
 1. an individual who owns or controls the majority of capital stock of your business;
 2. a related business firm majority-owned or controlled by you, or that owns or controls the majority of the capital stock of your business; or
 3. your tenant.

This will not restrict your insurance.

You may not waive your rights of recovery against any:

- common carrier or public warehouseman for hire; or
- architect, consulting engineer or designer.

Who Is Insured

You are the Named Insured.

If you are a contractor and are required by a signed construction contract to insure covered property against direct physical loss or damage for your benefit and the benefit of:

- the principal;
- the principal's representative; or
- any architect, consulting engineer or designer,

such principal, principal's representative, architect, consulting engineer or designer are an Additional Insured as their interests may appear.

Conditions

Who Is Insured ***(continued)***

If you are a contractor and are required by a signed construction contract to insure covered property against direct physical loss or damage for your benefit and the benefit of your:

- subcontractors; or
- subcontractors of every tier,

your contractors and subcontractors of every tier are Additional Insureds, but only with respect to work they are performing for you under such signed construction contract and only if the value of their work has been included in the contract value declared to us.

If you are a principal and are required by a signed construction contract to insure covered property against direct physical loss or damage for your benefit and the benefit of:

- any architect, consulting engineer or designer; or
- contractor, subcontractor or sub-subcontractor,

such architect, consulting engineer, designer, contractor, subcontractor or sub-subcontractor is an Additional Insured, but only with respect to work being performed for you under such signed construction contract and only if the value of their work has been included in the contract value declared to us.

In no event is any:

- architect, consulting engineer or designer; or
- employee or representative of any architect, consulting engineer or designer,

an Additional Insured for any professional services or advice which they provide on behalf of any insured.

Definitions

WHEN USED WITH RESPECT TO INSURANCE UNDER THIS CONTRACT:

Blank Media**Blank media** means the blank medium upon which **electronic data** is recorded, but not **electronic data** itself.**Communication Property****Communication property** means:

- analog or digital communication equipment; or
- other equipment used to interactively communicate with others through voice, picture, video or writing,

you own or in your care, custody or control.

Communication property does not mean:

- **electronic data processing equipment;**
- **electronic data;**
- cellular telephone, laptop computers, pagers, personal digital assistants, mobile hand held global positioning systems and other hand held communication devices;
- contractors' or subcontractors' equipment, machinery and tools, trailers, materials and supplies;
- communication systems for sale or sold; or
- machinery and equipment, including accessories, tools and spare parts for the machinery and equipment.

Construction Works**Construction works** means:

- materials, supplies, machinery and equipment which you own, or which is owned by others and for which you are legally liable, to be used in and become a permanent part of the construction, reconstruction, erection, expansion, fabrication, renovation or repair of an **insured construction project**; and
- **temporary construction works** and **office trailers**, including their contents, provided their full cost is charged to the **insured construction project** and included in the contract value declared to us.

Construction works does not mean:

- A. accounts, bills, deeds, evidences of debt;
- B. aircraft, motor vehicles, semi-trailers, watercraft or trailers, other than **office trailers**;
- C. contractors' or subcontractors' equipment, machinery and tools, trailers, other than **office trailers**, materials and supplies of a similar nature not intended to be used in or become a permanent part of the construction, reconstruction, erection, expansion, fabrication, renovation or repair of an **insured construction project**;
- D. existing property or preconstructed property of others to which alterations, improvements, renovations or repairs are being made;
- E. land, land value or water, except excavations, grading or fillings, unless loss or damage to such property is caused by or results from the discharge, dispersal, seepage, migration, release or escape of **pollutants**;

Definitions**WHEN USED WITH RESPECT TO INSURANCE UNDER THIS CONTRACT:****Construction Works
(continued)**

- F. **landscaping**, unless:
1. the full value of **landscaping** has been included in the contract value declared to us; and
 2. loss or damage is directly caused by fire, lightning, explosion, smoke, riot, strikers or locked-out workmen, civil commotion or aircraft;
- G. money, notes or securities;
- H. **electronic data**, plans, blueprints, drawings or other valuable papers or records, except as provided under the Electronic Data and Valuable Papers Additional Coverage;
- I. **free standing household appliances**; or
- J. **model homes**.

Delay Period

Delay period means the period of time from the **scheduled date of completion** to the date the construction is actually completed.

Electronic Data

Electronic data means software, data or other information that is in electronic form.

**Electronic Data
Processing Equipment**

Electronic data processing equipment means:

- computers;
- computer peripherals;
- climate control and protection equipment used solely for electronic data processing operations;
- separately identifiable and removable component computer devices that are attached to covered property and are designed to control such property, but not the property itself; and
- **blank media**.

Electronic data processing equipment does not mean:

- **electronic data**;
 - computers, peripherals, equipment or parts held for sale or distribution;
 - computers, peripherals, equipment or parts that have been sold;
 - computers, peripherals, equipment or parts in the course of manufacture;
 - **communication property**;
 - contractors' or subcontractors' equipment, machinery and tools, trailers, materials and supplies;
 - cellular telephone, laptop computers, pagers, personal digital assistants, mobile hand held global positioning systems and other hand held communication devices; or
 - machinery and equipment, including accessories, tools and spare parts for the machinery and equipment.
-

Definitions*(continued)*

WHEN USED WITH RESPECT TO INSURANCE UNDER THIS CONTRACT:

Electronic Data Processing Property**Electronic data processing property** means:

- **electronic data;**
- **electronic data processing equipment;**
- cellular telephone, laptop computers, pagers, personal digital assistants, mobile hand held global positioning systems and other hand held communication devices; or
- **communication property.**

Electronic data processing property does not mean:

- contractors' or subcontractors' equipment, machinery and tools, trailers, materials and supplies; or
- machinery and equipment, including accessories, tools and spare parts for the machinery and equipment.

Fine Arts**Fine arts** means:

- paintings, rare books, sculptures, manuscripts, pictures, prints, etchings, drawings, tapestries, bronzes, statuary, potteries, porcelains, marbles and other bona fide works of art; or
- items of rarity or historical value.

Flood**Flood** means:

- waves, tidal water or tidal waves; or
- rising or overflowing or breaking of any boundary,

of natural or man-made lakes, reservoirs, ponds, brooks, rivers, streams, harbors, oceans, or any other body of water or watercourse, whether driven by wind or not.

Flood does not include:

- a **specified peril** that ensues from flood; or
- tsunami resulting from earthquake.

Free Standing Household Appliances**Free standing household appliances** means refrigerators, freezers, dishwashers, clothes washers and dryers, stove and ovens, trash compactors, microwave ovens and hot tubs which:

- A. you own; or
- B. is owned by others:
 1. in your care, custody or control; and
 2. for which you are legally liable,

to be installed and used in an **insured construction project**.

Definitions
(continued)

WHEN USED WITH RESPECT TO INSURANCE UNDER THIS CONTRACT:

Fungus

Fungus means any:

- A. 1. mildew, mold or other fungi;
- 2. other microorganisms; or
- 3. any mycotoxins, spores, or other by-products of the foregoing; or
- B. colony or group of any of the foregoing.

Insured Construction Project

Insured construction project means a construction project which you have contracted to perform provided:

- the construction jobsite is located within the Geographic Scope shown in the Declarations under Residential Open Builders' Risk;
- the construction activities being performed are that of a residential nature, including single family dwellings, multi-unit dwellings, apartments, condominiums, or townhouses;
- the original contract value, at the time construction actually begins, is less than or equal to the Construction Works Limit Of Insurance shown in the Declarations under Residential Open Builders' Risk; and
- you are required to provide insurance against physical loss or damage to **construction works** or **model homes** under the terms and conditions of a construction contract which you have signed prior to beginning construction activities,

unless otherwise stated.

In Transit

In transit means being shipped by air, surface or waterborne conveyance from the time beginning:

- when, if shipped from your premises in or on conveyances you own, lease or operate, the property departs your premises;
- when, if shipped from premises of others in or on conveyances you own, lease or operate, the property is transferred into your care, custody or control; or
- when the property is actually moved from the point of shipment bound for a specified destination, if shipped in or on any other conveyance;

and ending:

- when the property is accepted by, or on behalf of, the consignee at the intended destination;
- when the property is accepted by, or on behalf of, the consignee at any intermediate point short of reaching the original intended destination;
- at such point where you, or the owner of the property if other than you, order the property stopped and held pending instructions. However, this does not apply to property while in the custody of a carrier for hire and which is being held at a location other than the intended destination by such carrier's "on-hand" department for a period not to exceed 30 days; or
- when, if shipped to your premises in or on conveyances you own, lease or operate, the property arrives at your premises.

Definitions***In Transit***
(continued)**WHEN USED WITH RESPECT TO INSURANCE UNDER THIS CONTRACT:**

In transit includes ordinary, reasonable, and necessary stops, interruptions, delays, or transfers incidental to the route and method of shipment, but not while at premises you own, lease or operate. **In transit** also includes the period of time during which:

- there is a substantial and unauthorized deviation from the normal route by a carrier for hire; or
- the contract of carriage is, without your knowledge, abandoned en route by a carrier for hire, its agent, or its driver.

In transit does not mean:

- A. property shipped by mail, unless shipped by registered mail;
- B. import shipments, within the Coverage Territory, until such time as ocean marine insurance has ceased to cover such property;
- C. export shipments once:
 1. loaded on board any steamer or other watercraft; or
 2. ocean marine insurance has begun to cover such property, whichever occurs first; or
- D. property owned by others when you are acting as a carrier for hire.

Landscaping

Landscaping means plants, trees, shrubs, lawns and seeds which are planted as part of the construction project and used for decorative purposes or to control erosion.

Malicious Programming

Malicious programming means an illegal or malicious entry into **electronic data** or a **system** which results in functions that:

- distort;
- corrupt;
- manipulate;
- copy;
- delete;
- destroy; or
- slow down,

such **electronic data** or **system**.

Malicious programming does not mean:

- theft of telephone services; or
- direct physical loss or damage to **electronic data processing property**.

Definitions

(continued)

WHEN USED WITH RESPECT TO INSURANCE UNDER THIS CONTRACT:**Mechanical Or Electrical System Or Apparatus**

Mechanical or electrical system or apparatus means any:

- boiler, fired pressure vessel, unfired pressure vessel normally subject to vacuum or internal pressure other than weight of its content, refrigerating and air conditioning vessels, including metal piping and its accessory equipment connected thereto; and
- mechanical or electrical machine or apparatus used for the generation, transmission or utilization of mechanical or electrical power.

Mechanical or electrical system or apparatus does not mean any:

- A. part of a boiler or fired vessel or electric steam generator that does not contain steam or water;
- B. insulating or refractory material;
- C. non-metallic vessels, equipment, machines and apparatus, including their glass linings and non-metallic parts, unless constructed in accordance with the American Society of Mechanical Engineers;
- D. glass linings of vessels, equipment, machines and apparatus;
- E. catalyst;
- F. piping, vessels or electrical cables, not enclosed in conduit, buried directly in the ground;
- G. sewer piping;
- H. sprinkler system piping or water piping other than:
 - 1. feedwater piping between any steam boiler and its feed pumps or injectors;
 - 2. steam boiler condensate return piping; and
 - 3. metal water piping interconnecting vessels forming part of a refrigerating or air conditioning system used for cooling, humidifying or space heating;
- I. part of an unfired pressure vessel that is not under:
 - 1. pressure; or
 - 2. internal vacuum;
- J. structure, foundation, cabinet or compartment containing any vessel, equipment, machine or apparatus;
- K. felt, wire, screen, die, extrusion plate, swing hammer, grinding disk, cutting blade, cable, chain, belt, rope, clutch plate, brake pad, non-metallic part or any part or tool subject to frequent periodic replacement;
- L. vessel, equipment, machine or apparatus manufactured by you for sale;
- M. power shovel, dragline, excavation vehicle (whether or not licensed for road use), aircraft, floating vessel or structure, penstock, draft tube or well casings; or
- N. **electronic data processing property**, except for component computer devices that are used solely to control a mechanical or electrical machine or apparatus used for the generation, transmission or utilization of mechanical or electrical power.

When a vessel uses a heat transfer medium other than water or steam, we will consider the medium used and its vapor as substitutes for the words "water" or "steam".

Definitions
(continued)**Model Home**

WHEN USED WITH RESPECT TO INSURANCE UNDER THIS CONTRACT:

Model home means:

- A. a model home and appurtenant structures, located on an **insured construction project**; and
- B. **fine arts** and other business personal property contained therein which:
 - 1. you own; or
 - 2. which is owned by others:
 - a. in your care, custody & control; and
 - b. for which you are legally liable,

that are being used for sales or administrative purposes.

Model home does not mean:

- **construction works;**
- accounts, bills, deeds, evidences of debt, drawings;
- aircraft, motor vehicles, trailers, semi-trailers or watercraft;
- contractors' and subcontractors' equipment (other than scaffolding), machinery and tools, materials and supplies of a similar nature not intended to be used in and become a permanent part of the construction, reconstruction, erection, expansion, fabrication, renovation or repair of an **insured construction project**, unless a permanent part of a construction trailer;
- existing property or preconstructed property of others to which alterations, improvements, renovations or repairs are being made;
- land, land value or water, except excavations, grading or fillings unless loss or damage to such property is caused by or results from the discharge, dispersal, seepage, migration, release or escape of **pollutants**;
- **landscaping;**
- money, notes or securities;
- **electronic data**, plans, blueprints, drawings or other valuable papers or records, except as provided under the Electronic Data And Valuable Papers Additional Coverage; or
- **free standing household appliances.**

Office Trailers**Office trailers** means trailers:

- owned by you; or
- in your care, custody or control,

used in the construction, reconstruction, erection, expansion, fabrication, renovation or repair of an **insured construction project**.

Definitions**WHEN USED WITH RESPECT TO INSURANCE UNDER THIS CONTRACT:****Office Trailers**
(continued)

Office trailers does not mean trailers:

- attached to any motor vehicle or motorized conveyance, whether or not the motor vehicle or motorized conveyance is in motion; or
- during hitching or unhitching operations, or when trailers become accidentally unhitched from a motor vehicle or motorized conveyance.

Pollutants

Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fibers, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be disposed of, recycled, reconditioned or reclaimed.

Pollutants does not mean **fungus**.

Scheduled Date Of Completion

Scheduled date of completion means the date that construction would have been completed as shown on the most recent construction timetable existing on the date of loss or damage had there been no direct physical loss or damage.

Sinkhole Collapse

Sinkhole collapse means the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite.

Sinkhole collapse does not mean:

- the cost of filling land; or
- the sinking or collapse of land into man-made cavities.

Soft Costs

Soft costs means reasonable:

- extra construction costs to continue construction and meet contract dates;
- construction loan interest on money borrowed to finance construction;
- realty taxes and other assessments on the construction site;
- architect, engineering and consultant fees;
- legal and accounting fees;
- insurance premiums;
- advertising and promotional expenses;
- costs and commissions resulting from renegotiating leases; and
- other similar costs,

you incur over and above the costs you would have normally incurred during the course of construction.

Definitions*(continued)*

WHEN USED WITH RESPECT TO INSURANCE UNDER THIS CONTRACT:

Specified Peril**Specified peril** means:

- aircraft or self-propelled missiles;
- explosion;
- fire;
- leakage from fire protection equipment;
- lightning;
- mine subsidence;
- riot or civil commotion;
- **sinkhole collapse**;
- smoke;
- vandalism;
- vehicles;
- volcanic action; or
- windstorm or hail.

System**System** means a computer and all input, output, processing, storage, off-line media library, and communication facilities which are connected to such computer, provided such computer and facilities are:

- owned and operated by you;
- leased and operated by you; or
- utilized by you pursuant to a written contract.

Technology Peril**Technology peril:**

- A. means a peril not otherwise excluded.
- B. does not mean **malicious programming**.

Paragraph B. only applies to **electronic data**.**Temporary Construction Works****Temporary construction works** means scaffolding (including scaffolding erection costs), formwork, falsework and temporary structures necessary for the completion of the construction project.

Definitions

(continued)

WHEN USED WITH RESPECT TO INSURANCE UNDER THIS CONTRACT:**Valuable Papers**

Valuable papers means valuable:

- papers, documents, records, negatives, transparencies;
- tapes of all types;
- original plans, blueprints, specifications or designs; and
- original source material used to enter or program **electronic data**, but not the **electronic data** itself.

Water

Water means water that:

- escapes from processing equipment, plumbing systems, refrigeration systems, cooling systems or heating systems (other than underground storage tanks, underground piping or underground tubing) provided such water is intended to be contained in such processing equipment, plumbing systems, refrigeration systems, cooling systems or heating systems;
- backs up or overflows through sewers, drains or sump;
- seeps or leaks through basements, foundations, roofs, walls, floors or ceilings of any building or other structure; or
- enters doors, windows or other openings in any building or other structure.

Endorsement

<i>Policy Period</i>	NOVEMBER 1, 2022 TO SEPTEMBER 1, 2023
<i>Effective Date</i>	NOVEMBER 1, 2022
<i>Policy Number</i>	0672-24-90 IOG
<i>Insured</i>	STONEFIELD HOMES LLC
<i>Name of Company</i>	FEDERAL INSURANCE COMPANY
<i>Date Issued</i>	SEPTEMBER 22, 2023

This Endorsement applies to the following forms:

RESIDENTIAL OPEN BUILDERS' RISK

Under Conditions, the Condition titled Impairment of Rights of Recovery is deleted.

Conditions***Impairment Of Rights Of
Recovery***

Under Conditions, the Condition titled Waiver Of Rights Of Recovery is deleted and replaced with the following:

Conditions***Waiver Of Rights Of
Recovery***

We will have no rights of recovery against:

- any Named Insured;
- any principal, principal's representative, or subcontractor, if you are a contractor and are required by a properly executed construction contract to waive, and ensure that we waive, any rights of recovery; or
- any other person or organization if you have waived your rights of recovery against them in writing prior to loss or damage but only to the extent of such written waiver.

Conditions

Waiver Of Rights Of Recovery (continued)

Otherwise, if any person to or for whom we make payment under this insurance 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 a loss to impair our rights.

You may waive your rights against any such person in writing:

- A. prior to loss or damage to covered property; or
- B. after direct physical loss or damage to covered property only if, at the time of direct physical loss or damage, that party is one of the following:
 - 1. an individual who owns or controls the majority of capital stock of your business;
 - 2. a related business firm majority-owned or controlled by you, or that owns or controls the majority of the capital stock of your business; or
 - 3. your tenant.

This will not restrict your insurance.

You may not waive your rights of recovery against any common carrier or public warehouseman for hire.

All other terms and conditions remain unchanged.

Authorized Representative



Endorsement

<i>Policy Period</i>	NOVEMBER 1, 2022 TO SEPTEMBER 1, 2023
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<i>Insured</i>	STONEFIELD HOMES LLC
<i>Name of Company</i>	FEDERAL INSURANCE COMPANY
<i>Date Issued</i>	SEPTEMBER 22, 2023

This Endorsement applies to the following forms:

RESIDENTIAL OPEN BUILDERS' RISK

The following is added to the forms shown above.

**Exclusion
Endorsement****Malicious Programming**

This insurance does not apply to loss or damage caused by or resulting from **malicious programming**, regardless of any other cause or event that directly or indirectly:

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

the loss or damage, even if such other cause or event would otherwise be covered.

This Malicious Programming exclusion does not apply to direct physical loss or damage caused by or resulting from a peril not otherwise excluded if such peril is the direct result of **malicious programming**.

Inland Marine Insurance
(continued)

Definitions

Under Definitions, the following are added:

Electronic Data

Electronic data means software, data or other information that is in electronic form.

Malicious Programming

Malicious programming means an illegal or malicious entry into **electronic data** or a **system** that results in functions that:

- distort;
- corrupt;
- manipulate;
- copy;
- delete;
- destroy;
- slow down; or
- prevent the use of,

such **electronic data** or **system**.

Malicious programming does not mean:

- theft of telephone services; or
- direct physical loss or damage to electronic data processing equipment or media.

System

System means a computer and all input, output, processing, storage, off-line media library, and communications facilities which are connected to such computer, provided such computer and facilities are:

- owned and operated by you; and or
- leased and operated by you;
- utilized by you pursuant to a written contract.

Endorsement

Effective Date NOVEMBER 1, 2022

Policy Number 0672-24-90 IOG

All other terms and conditions remain unchanged.

Authorized Representative



Endorsement

<i>Policy Period</i>	NOVEMBER 1, 2022 TO SEPTEMBER 1, 2023
<i>Effective Date</i>	NOVEMBER 1, 2022
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<i>Name of Company</i>	FEDERAL INSURANCE COMPANY
<i>Date Issued</i>	SEPTEMBER 22, 2023

This Endorsement applies to the following forms:

RESIDENTIAL OPEN BUILDERS' RISK

The following is added to the forms shown above.

**Exclusion
Endorsement****Virus, Bacteria Or
Microorganism**

This insurance does not apply to loss or damage caused by or resulting from any virus, bacterium or other microorganism that induces or is capable of inducing physical distress, illness or disease, regardless of any other cause or event that directly or indirectly:

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

the loss or damage, even if such other cause or event would otherwise be covered.

This Virus, Bacteria Or Microorganism exclusion does not apply to the extent insurance is provided under the Fungus Clean-up Or Removal Extension Of Coverage or the Fungus Clean-up Or Removal Additional Coverage.

This exclusion supersedes any exclusion relating to pollutants or contaminants.

Inland Marine Insurance
(continued)

All other terms and conditions remain unchanged.

Authorized Representative

A handwritten signature in black ink, appearing to be "P. M. S.", written over a horizontal line.

Endorsement

<i>Policy Period</i>	NOVEMBER 1, 2022 TO SEPTEMBER 1, 2023
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<i>Date Issued</i>	SEPTEMBER 22, 2023

This Endorsement applies to the following forms:

RESIDENTIAL OPEN BUILDERS' RISK

The following changes are made as respect exposures in the state of Texas.
Under Conditions, Loss Payment is deleted and replaced with the following:

Conditions**Loss Payment**

- A. If we notify you that payment of a claim or part of a claim will be made, we must make payment within five **business days** after notification to you. We will pay for covered direct physical loss or damage within five **business days** after we receive the sworn proof of loss, if you have complied with all of the terms of this insurance; and
 1. we have reached agreement with you on the amount of loss; or
 2. an appraisal award has been made.
- B. We will not pay you more than your financial interest in the covered property.
- C. We may adjust losses with the owners of lost or damaged covered property if other than you. If we pay the owners, such payments will satisfy your claims against us for the owners' covered property. We will not pay the owners more than their financial interest in such property.
- D. We may elect to defend you against suits arising from claims of owners of covered property. We will do this at our expense.

Under Definitions, the following definitions are added:

Definitions

Business Day

Business Day means a day other than Saturday, Sunday or a holiday recognized by the state of Texas.

All other terms and conditions remain unchanged.

Authorized Representative



Endorsement

<i>Policy Period</i>	NOVEMBER 1, 2022 TO SEPTEMBER 1, 2023
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<i>Name of Company</i>	FEDERAL INSURANCE COMPANY
<i>Date Issued</i>	SEPTEMBER 22, 2023

This Endorsement applies to the following forms:

RESIDENTIAL OPEN BUILDERS' RISK

SCHEDULE

Property: **RESIDENTIAL CONSTRUCTION WORKS WHILE IN TRANSIT**

LIMIT OF INSURANCE: \$ 500,000 annual aggregate

DEDUCTIBLE: \$ 50,000

Limits Of Insurance

Under Limits Of Insurance, and only with respect to the forms shown above, the following is added:

The most we will pay in any one occurrence for direct physical loss or damage and actual **business income** loss and **extra expense**, if such coverage is provided, caused by or resulting from **earthquake** is the Limit Of Insurance shown in the Schedule above.

If any Limit Of Insurance shown in the Schedule above is stated as an Annual Aggregate, this is the most we will pay during any consecutive twelve month period beginning with the effective date of this policy shown in the Declarations for direct physical loss or damage and actual **business income** loss and **extra expense**, if such coverage is provided.

Inland Marine Insurance
(continued)

Deductible

Under Deductible, and only with respect to the forms shown above, the following is added:

We will pay the amount of loss or damage in excess of the deductible amount or after the waiting period shown in the Schedule above, if such loss or damage is caused by or results from **earthquake**.

Except for any deductible for Business Income or Extra Expense, if two or more deductibles apply to the same occurrence, only the largest single deductible will apply, unless otherwise stated.

Definitions

Under Definitions, and only with respect to the forms shown above, the following is added.

Earthquake

Earthquake means earthquake, regardless of any other cause or event that directly or indirectly:

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

the loss or damage, even if such other cause or event would otherwise be covered.

Earthquake does not mean:

- loss or damage to Property shown in the Schedule above; or
- ensuing loss or damage caused by or resulting from a **specified peril**.

All earthquake shocks that occur within a 168-hour period will constitute a single occurrence.

All other terms and conditions remain unchanged.

Authorized Representative



Endorsement

<i>Policy Period</i>	NOVEMBER 1, 2022 TO SEPTEMBER 1, 2023
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<i>Insured</i>	STONEFIELD HOMES LLC
<i>Name of Company</i>	FEDERAL INSURANCE COMPANY
<i>Date Issued</i>	SEPTEMBER 22, 2023

This Endorsement applies to the following forms:

RESIDENTIAL OPEN BUILDERS' RISK

SCHEDULE

Property: **RESIDENTIAL CONSTRUCTION WORKS WHILE IN TRANSIT**

LIMIT OF INSURANCE: \$ 500,000 annual aggregate

DEDUCTIBLE: \$ 100,000

Limits Of Insurance

Under Limits Of Insurance, and only with respect to the forms shown above, the following is added:

The most we will pay in any one occurrence for direct physical loss or damage and actual **business income** loss and **extra expense**, if such coverage is provided, caused by or resulting from **flood** is the Limit Of Insurance shown in the Schedule above.

If any Limit Of Insurance shown in the Schedule above is stated as an Annual Aggregate, this is the most we will pay during any consecutive twelve month period beginning with the effective date of this policy shown in the Declarations for direct physical loss or damage and actual **business income** loss and **extra expense**, if such coverage is provided.

Inland Marine Insurance
(continued)

Deductible

Under Deductible, and only with respect to the forms shown above, the following is added:

We will pay the amount of loss or damage in excess of the deductible amount or after the waiting period shown in the Schedule above, if such loss or damage is caused by or results from **flood**.

Except for any deductible for Business Income or Extra Expense, if two or more deductibles apply to the same occurrence, only the largest single deductible will apply, unless otherwise stated.

Definitions

Under Definitions, and only with respect to the forms shown above, the following is added.

Flood

Flood means:

- waves, tidal water or tidal waves; or
- rising or overflowing or breaking of any boundary,

of natural or man-made lakes, reservoirs, ponds, brooks, rivers, streams, harbors, oceans or any other body of water or watercourse, whether driven by wind or not regardless of any other cause or event that directly or indirectly:

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

the loss or damage, even if such other cause or event would otherwise be covered.

Flood does not mean:

- loss or damage to Property shown in the Schedule above; or
- ensuing loss or damage caused by or resulting from a **specified peril**.

All other terms and conditions remain unchanged.

Authorized Representative



Endorsement

<i>Policy Period</i>	NOVEMBER 1, 2022 TO SEPTEMBER 1, 2023
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<i>Name of Company</i>	FEDERAL INSURANCE COMPANY
<i>Date Issued</i>	SEPTEMBER 22, 2023

This Endorsement applies to the following forms:

RESIDENTIAL OPEN BUILDERS' RISK

SCHEDULE

Property: **RESIDENTIAL CONSTRUCTION WORKS WHILE IN TRANSIT**

LIMIT OF INSURANCE: \$ 5,000,000

DEDUCTIBLE: \$ 100,000

Limits Of Insurance

Under Limits Of Insurance, and only with respect to the forms shown above, the following is added.

The most we will pay in any one occurrence for direct physical loss or damage and actual **business income** loss and **extra expense**, if such coverage is provided, caused by or resulting from **wind or hail** is the Limit Of Insurance shown in the Schedule above.

If any Limit Of Insurance shown in the Schedule above is stated as an Annual Aggregate, this is the most we will pay during any consecutive twelve month period beginning with the effective date of this policy shown in the Declarations for direct physical loss or damage and actual **business income** loss and **extra expense**, if such coverage is provided.

Inland Marine Insurance
(continued)

Deductible

Under Deductible, and only with respect to the forms shown above, the following is added.

We will pay the amount of loss or damage in excess of the deductible amount or after the waiting period shown in the Schedule above, if such loss or damage is caused by or results from **wind or hail**.

Except for any deductible for Business Income or Extra Expense, if two or more deductibles apply to the same occurrence, only the largest single deductible will apply, unless otherwise stated.

Definitions

Under Definitions, and only with respect to the forms shown above, the following is added.

Wind Or Hail

Wind or hail means wind or hail, regardless of any other cause or event that directly or indirectly:

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

the loss or damage, even if such other cause or event would otherwise be covered.

Wind or hail does not mean:

- loss or damage to Property shown in the Schedule above; or
- ensuing loss or damage caused by or resulting from a **specified peril**. For the purpose of this Definition, **wind or hail** is not a **specified peril**.

All other terms and conditions remain unchanged.

Authorized Representative



Endorsement

<i>Policy Period</i>	NOVEMBER 1, 2022 TO SEPTEMBER 1, 2023
<i>Effective Date</i>	NOVEMBER 1, 2022
<i>Policy Number</i>	0672-24-90 IOG
<i>Insured</i>	STONEFIELD HOMES LLC
<i>Name of Company</i>	FEDERAL INSURANCE COMPANY
<i>Date Issued</i>	SEPTEMBER 22, 2023

This Endorsement applies to the following forms:

RESIDENTIAL OPEN BUILDERS' RISK

**Coverage
Territory
Amended**

Excluded States, Provinces, Counties Or Zip Codes: Aransas, Brazoria, Calhoun, Cameron, Chambers, Galveston, Kenedy, Kleberg, Jackson, Jefferson, Matagorda, Nueces, Refugio, San Patricio, Willacy

The Coverage Territory provision contained in this policy is deleted and replaced with the following:

Coverage Territory

This insurance applies anywhere within and **in transit** within and between the contiguous United States of America, Canada, the States of Hawaii and Alaska, Puerto Rico and the territories or possessions of the United States of America or Canada, excluding:

- A. coastwise waterborne shipments to or from Alaska;
- B. intercoastal waterborne shipments via the Panama Canal;
- C. waterborne shipments to or from:
 - 1. the state of Hawaii;
 - 2. Puerto Rico; and
 - 3. territories or possessions of the United States of America or Canada;
- and
- D. any premises or property located within the geographical boundaries of the states, provinces, counties or zip codes shown in the shown in the Schedule above

All other terms and conditions remain unchanged.

Authorized Representative

A handwritten signature in black ink, appearing to be "P. M. S.", written above a horizontal line.

Endorsement

<i>Policy Period</i>	NOVEMBER 1, 2022 TO SEPTEMBER 1, 2023
<i>Effective Date</i>	NOVEMBER 1, 2022
<i>Policy Number</i>	0672-24-90 IOG
<i>Insured</i>	STONEFIELD HOMES LLC
<i>Name of Company</i>	FEDERAL INSURANCE COMPANY
<i>Date Issued</i>	SEPTEMBER 22, 2023

This Endorsement applies to the following forms:

RESIDENTIAL OPEN BUILDERS' RISK

**Reporting
Condition
Added****SCHEDULE**

Values: # of starts: 42
First Report Date: 9/1/23
Frequency: Annual
Annual Minimum Earned: \$ 10,000
Premium: \$ 25,830
Rate(s) Per \$100 of Values: \$ 615

Under Conditions, and only with respect to the form(s) shown above, the following is added.

Conditions**Reporting**

The premium shown on the Premium Statement for the insurance provided by the form(s) shown above is a Deposit Premium.

You agree to keep and maintain an accurate record of your business as it relates to this insurance. You agree to report to us the values shown in the Schedule above:

- * to which this insurance applies, and
- * which occur during the period covered by your report.

The first report is due within 30 days of the First Report Date shown in the Schedule above. Subsequent reports are due thereafter based on the Frequency shown in the Schedule above.

We will determine the actual premium which you owe to us (Earned Premium) by applying the applicable Rate Per \$100 of Values shown in the Schedule above (collected and uncollected) which you have reported to us. The Earned Premium will be deducted from your Deposit Premium until the Deposit Premium is exhausted. Once your Deposit Premium is exhausted, additional premiums are due at the time of each report. If the Deposit Premium exceeds the Earned Premium, we will return the difference to you. But in no event will the Annual Minimum Earned Premium be less than the Annual Minimum Earned Premium shown in the Schedule above. If any of the form(s) shown above are cancelled during the policy period, the Annual Minimum Earned Premium shall not be less than pro rata of the Annual Minimum Earned Premium shown in the Schedule above.

All other terms and conditions remain unchanged.

Authorized Representative



Endorsement

<i>Policy Period</i>	NOVEMBER 1, 2022 TO SEPTEMBER 1, 2023
<i>Effective Date</i>	NOVEMBER 1, 2022
<i>Policy Number</i>	0672-24-90 IOG
<i>Insured</i>	STONEFIELD HOMES LLC
<i>Name of Company</i>	FEDERAL INSURANCE COMPANY
<i>Date Issued</i>	SEPTEMBER 22, 2023

This Endorsement applies to the following forms:

RESIDENTIAL OPEN BUILDERS' RISK

A new section titled Terrorism Provisions is added to the end of this contract.

Terrorism Provisions***Certified Act Of Terrorism
Exclusion***

This insurance does not apply to loss or damage caused directly or indirectly by a **certified act of terrorism**, regardless of any other cause or event that contributes:

- concurrently; or
- in any sequence,

to the loss or damage.

This Certified Act Of Terrorism exclusion does not apply to ensuing loss or damage caused by or resulting from fire. This exception for fire applies:

- only to direct physical loss or damage by fire to covered property. Therefore, for example, the exception does not apply to insurance provided under Rigger's Legal Liability coverage; and
- if the fire would be covered under this insurance and there is a law in effect in the jurisdiction where the loss or damage occurs that expressly prohibits us from excluding such ensuing loss or damage.

Inland Marine Insurance
(continued)

Application Of Other Exclusions

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

Ordinance Or Law Loss Payment Basis

The Ordinance Or Law Loss Payment Basis provision does not apply to loss or damage caused by or resulting from fire which ensues from a **certified act of terrorism**.

Ensuing Fire Loss Payment Basis Exception

Covered property which suffers direct physical loss or damage caused by or resulting from fire which ensues from a **certified act of terrorism** is valued on an actual cash value basis, subject to all other exceptions described under Loss Payment Basis Exceptions.

Cap On Ensuing Fire Resulting From Certified Terrorism Losses

If:

- aggregate insured losses attributable to one or more **certified acts of terrorism** under the **terrorism law** exceed \$100 billion in a calendar year; and
- we have met our insurer deductible under the **terrorism law**,

we will 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.

A new section titled Terrorism Definitions is added.

Terrorism Definitions

Certified Act Of Terrorism

Certified act of terrorism means any act that is certified by the Secretary of the Treasury of the United States to be an act:

- A. of terrorism, a violent act or an act that is dangerous to human life, property or infrastructure; and
- B. that results in damage:
 - 1. within the **United States**; or
 - 2. outside of the **United States** in the case of:
 - a. an air carrier or vessel as described in the **terrorism law**; or
 - b. the premises of a mission of the United States of America,

Endorsement

Effective Date NOVEMBER 1, 2022

Policy Number 0672-24-90 IOG

which was committed by an individual or individuals as part of an effort to:

- coerce the civilian population; or
- influence the policy or affect the conduct of the Government,

of the **United States**.

Certified act of terrorism does not include an act that:

- is committed as part of the course of a war declared by the Congress of the **United States**; or
- does not result in property and casualty insurance losses that exceed \$5 million in the aggregate and are attributable to all types of insurance subject to the **terrorism law**.

State

State means any state of the United States of America, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, American Samoa, Guam, each of the United States Virgin Islands, and any territory or possession of the United States of America.

Terrorism Law

Terrorism law means the Terrorism Risk Insurance Act of 2002 as amended.

United States

United States means:

- a **state**; and
- the territorial sea and the continental shelf of the United States of America, as described in the **terrorism law**.

All other terms and conditions remain unchanged.

Authorized Representative



Endorsement

<i>Policy Period</i>	NOVEMBER 1, 2022 TO SEPTEMBER 1, 2023
<i>Effective Date</i>	NOVEMBER 1, 2022
<i>Policy Number</i>	0672-24-90 IOG
<i>Insured</i>	STONEFIELD HOMES LLC
<i>Name of Company</i>	FEDERAL INSURANCE COMPANY
<i>Date Issued</i>	SEPTEMBER 22, 2023

This Endorsement applies to the following forms:

RESIDENTIAL OPEN BUILDERS' RISK

SCHEDULE

Limit Of Insurance for Errors Or Omissions:	\$ 5,000,000
Errors Or Omissions Deductible:	\$ 5,000

Under Additional Coverages, the following is added:

Additional Coverages**Unintentional Errors Or Omissions**

In the event direct physical loss or damage to covered property; and resulting:

- **business income;**
- **rental income;**
- **extra expense;** or
- **soft costs,**

if such coverage is provided, is not payable under this contract as a result of:

- an unintentional error or omission in the description or location of such covered property; or

Additional Coverages

Unintentional Errors Or Omissions (continued)

- failure through unintentional error or omission to include any premises you own or occupy, we will pay such loss or damage only to the extent this policy would have paid such loss or damage if the unintentional error or omission had not been made;
- not to exceed the applicable Limit Of Insurance for Errors Or Omissions shown in the Schedule above; and
- subject to the Errors Or Omissions Deductible shown in the Schedule above. If no Errors Or Omissions Deductible is shown in the Schedule above, then the Property Deductible shown in the Declarations will apply.

This Additional Coverage applies only if:

- such unintentional error or omission existed at the effective date of this contract, the effective date of any subsequent endorsement or during the term of this contract;
- you report and correct such unintentional error or omission when discovered; and
- you pay such additional premium as may be required.

This Additional Coverage does not apply if:

- you collect any portion of the loss or damage under this policy or any other policy; or
- the direct physical loss or damage is caused by or results from earthquake or **flood**.

All other terms and conditions remain unchanged.

Authorized Representative



Common Policy Conditions Section

Schedule of Forms

<i>Policy Period</i>	NOVEMBER 1, 2022 TO SEPTEMBER 1, 2023
<i>Effective Date</i>	NOVEMBER 1, 2022
<i>Policy Number</i>	0672-24-90 IOG
<i>Insured</i>	STONEFIELD HOMES LLC
<i>Name of Company</i>	FEDERAL INSURANCE COMPANY
<i>Date Issued</i>	SEPTEMBER 22, 2023

The following is a schedule of forms issued with the policy at inception:

<i>Form Number</i>		<i>Form Name</i>
99-10-0792	(Ed. 9-04)	IMPORTANT NOTICE - OFAC
99-10-0872	(Ed. 6-07)	AOD POLICYHOLDER NOTICE
99-10-0881	(Ed. 12-07)	TX IMPORTANT NOTICE
04-02-0855	(Ed. 9-95)	HOW TO REPORT A LOSS
04-02-0811	(Ed. 9-95)	PREMIUM STATEMENT
04-02-1440	(Ed. 12-08)	INSURING AGREEMENT
04-02-0827	(Ed. 9-95)	COMMON INLAND MARINE CONDITIONS
04-02-0856	(Ed. 9-95)	COMMON POLICY CONDITIONS
04-02-0876	(Ed. 8-13)	TEXAS MANDATORY - CANC & WHEN WE DO NOT RENEW
04-02-1307	(Ed. 1-04)	COMPLIANCE W/ APPLICABLE TRADE SANCTION LAWS
04-02-1550	(Ed. 3-12)	COND - CIVIL UNIONS OR DOMESTIC PARTNERSHIPS

Contract**Conditions**

The following Conditions are included under each part of the policy, unless stated otherwise.

Audit Of Books And Records

We may audit your books and records as they relate to this insurance at any time during the term of this policy and up to three years afterwards.

Cancellation

The first Named Insured may cancel this policy or any of its individual coverages at any time by sending us a written request or by returning the policy and stating when thereafter cancellation is to take effect.

We may cancel this policy or any of its individual coverages at any time by sending to the first Named Insured a notice 60 days (20 days in the event of non-payment of premium) in advance of the cancellation date. Our notice of cancellation will be mailed to the first Named Insured's last known address, and will indicate the date on which coverage is terminated. If notice of cancellation is mailed, proof of mailing will be sufficient proof of notice.

The earned premium will be computed on a pro rata basis. Any unearned premium will be returned as soon as practicable.

Changes

This policy can only be changed by a written endorsement that becomes part of this policy. The endorsement must be signed by one of our authorized representatives.

Compliance By Insureds

We have no duty to provide coverage under this policy unless you and any other involved insured have fully complied with all of the terms and conditions of the policy.

Conformance

Any terms of this insurance which are in conflict with the applicable statutes of the State in which this policy is issued are amended to conform to such statutes.

First Named Insured

The person or organization first named in the Declarations is primarily responsible for payment of all premiums. The first Named Insured will act on behalf of all other Named Insureds for the giving and receiving of notice of cancellation or nonrenewal and the receiving of any return premiums that become payable under this policy.

Inspections And Surveys

We may:

- make inspections and surveys at any time;
- give you reports on the conditions we find; and
- recommend changes.

Conditions

Inspections And Surveys (continued)

Any inspections, surveys, reports or recommendations 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:

- are safe or healthful; or
- comply with laws, regulations, codes or standards.

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

Titles Of Paragraphs

The titles of the various paragraphs of this policy and endorsements, if any, attached to this policy are inserted solely for convenience or reference and are not to be deemed in any way to limit or affect the provisions to which they relate.

Transfer Of Rights And Duties

Your rights and duties under this insurance may not be transferred without our written consent. However, if you die, then your rights and duties will be transferred to your legal representative, but only while acting within the scope of duties as your legal representative, or to anyone having temporary custody of your property until your legal representative has been appointed.

When We Do Not Renew

If we decide not to renew this policy, we will mail or deliver to the first Named Insured stated in the Declarations written notice of the nonrenewal not less than 60 days before the expiration date. If notice of nonrenewal is mailed, proof of mailing will be sufficient proof of notice.

Inland Marine Insurance

Common Inland Marine Conditions

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<i>Pair, Set Or Parts</i>	<i>4</i>

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Contract**Common Inland
Marine Conditions**

The following Conditions apply to all Contracts contained within the Inland Marine Insurance Section of this policy.

Appraisal

If you and us do not agree on the amount of the loss or damage, either party may make a written demand for an appraisal of the loss or damage. In this event, you will select and pay a competent and impartial appraiser, and we will select and pay a competent and impartial appraiser. The two appraisers will select an umpire. If the appraisers cannot agree on an umpire, either may request that a judge of a court having jurisdiction make the selection. Each appraiser will separately state the value of the property and the amount of the loss or damage. If the appraisers do not agree, they will submit their statements to the umpire. Agreement by the umpire and either of the appraisers will be binding on you and us.

You and us will equally share any other appraisal costs and the costs of the umpire.

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

**Concealment Or
Misrepresentation**

This insurance is void if you or any other insured intentionally conceals or misrepresents any material fact or circumstance relating to this insurance at any time.

**Insured's Duties In The
Event Of Loss Or Damage**

You must see to it that the following are done in the event of loss or damage:

- Notify us, or one of our authorized representatives, as soon as possible, as to what occurred. Include a description of the property involved, the time and place of the loss or damage, and names and addresses of available witnesses. If there has been loss or damage that may result in a loss under any Business Income or Extra Expense Insurance, notify us by telephone or by telegraph at our expense.
- Notify the police if a law may have been broken.
- Take every reasonable step to protect the property from further damage, and keep a record of your expenses necessary to protect such property for consideration in the settlement of the property claim. This will not increase any Limit of Insurance. Also, if feasible, set such damaged property aside and in the best possible order for examination.
- If you intend to continue your business you must resume all or part of your operations as quickly as possible.
- File with us, or with our authorized representative, sworn proof of loss within 90 days after the date of loss or damage.
- Cooperate with us in the investigation, settlement or handling of any claim.
- Authorize us to obtain records or reports necessary for our investigation.
- At our request, give us complete inventories of the damaged and undamaged property. Include quantities, costs, values and amount of loss or damage claimed.
- As often as may be reasonably required, permit us to inspect the property and examine your books and records.
- Permit us to take samples of the damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.

Common Inland Marine Conditions

Insured's Duties In The Event Of Loss Or Damage (continued)

- Permit us to examine any insured under oath, outside the presence of any other insured 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.

Failure of an agent or one of your employees, other than an officer, to notify us of any loss or damage that he knows about will not affect the insurance afforded you by this policy.

Legal Action Against Us

No legal action may be brought against us:

- until there has been full compliance with all the terms of this insurance; and
- until the obligation of the insured has been determined by final judgment or we agree in writing to the amount of the obligation.

No person or organization has any right under this insurance to bring us into any action to determine the liability of the Insured.

No Benefit To Carrier Or Bailee

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

Transfer Of Rights Of Recovery To Us

If any person to or for whom we make payment under this insurance 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 our rights.

You may waive your rights against another party in writing:

- A. prior to direct physical loss or damage to insured property; or
- B. after direct physical loss or damage to insured property only if, at the time of direct physical loss or damage, that party is one of the following:
 - 1. someone insured by this insurance;
 - 2. an individual who owns or controls the majority of capital stock of your business;
 - 3. related business firm majority-owned or controlled by you, or that owns or controls the majority of the capital stock of your business; or
 - 4. your tenant.

This will not restrict your insurance.

Pair, Set Or Parts

- A. Pair or Set. In case of loss or damage to any part of a pair or set we may:
 - 1. repair or replace any part to restore the pair or set to its value before the loss or damage; or
 - 2. pay the difference between the value of the pair or set before and after the loss or damage.
- B. Parts. In case of loss or damage to any part of property insured by this policy consisting of several parts when complete, we will only pay for the value of the lost or damaged part.

Common Policy Endorsements Section

Endorsement

<i>Policy Period</i>	NOVEMBER 1, 2022 TO SEPTEMBER 1, 2023
<i>Effective Date</i>	NOVEMBER 1, 2022
<i>Policy Number</i>	0672-24-90 IOG
<i>Insured</i>	STONEFIELD HOMES LLC
<i>Name of Company</i>	FEDERAL INSURANCE COMPANY
<i>Date Issued</i>	SEPTEMBER 22, 2023

This Endorsement applies to the following forms:

COMMON POLICY CONDITIONS

The following changes are made as respects exposures in the state of Texas.

Under Conditions, the provisions titled Cancellation and When We Do Not Renew are deleted and replaced by the following:

Conditions**Cancellation**

The first named insured may cancel this policy or any of its individual coverages at any time by sending us a written request or by returning the policy and stating when thereafter cancellation is to take effect.

The following applies if this policy does not provide coverage to a governmental unit, as defined under 28 TEX. ADMIN. CODE, Section 5.7001 or on one and two family dwellings:

Cancellation By Us Of Policies In Effect For 60 Days Or Less

If this policy has been in effect for 60 days or less and is not a renewal or continuation of a policy issued by us, we may cancel this policy or any of its individual coverages for any reason by mailing or delivering to the first named insured written notice of cancellation, stating the reason for cancellation.

Conditions

Cancellation (continued)

Cancellation By Us Of Policies In Effect For More Than 60 Days

If this policy has been in effect for more than 60 days or is a renewal or continuation of a policy we issued, we may cancel this policy only for one or more of the following reasons:

1. failure to pay premiums when due;
2. fraud in obtaining coverage;
3. an increase in hazard within the control of the insured which would produce an increase in rate;
4. loss of our reinsurance covering all or part of the risk covered by the policy; or
5. if we have been placed in supervision, conservatorship or receivership and the cancellation is approved or directed by the supervisor, conservator or receiver.

The following applies if this policy provides coverage to a governmental unit, as defined under 28 TEX. ADMIN. CODE, Section 5.7001 or on one and two family dwellings:

Cancellation By Us Of Policies In Effect For 90 Days Or Less

If this policy has been in effect for 90 days or less and is not a renewal or continuation of a policy issued by us, we may cancel this policy or any of its individual coverages for any reason by mailing or delivering to the first named insured written notice of cancellation, stating the reason for cancellation.

Cancellation By Us Of Policies In Effect For More Than 90 Days

If this policy has been in effect for more than 90 days or is a renewal or continuation of a policy we issued, we may cancel this policy only for one or more of the following reasons:

- failure to pay premiums when due;
- the Texas Department of Insurance determines that continuation of this policy would result in violation of the Texas Insurance Code or any other law governing the business of insurance in Texas;
- fraud in obtaining coverage; or
- an increase in hazard within the control of the insured which would produce an increase in rate.

Cancellation By Us Pertaining To All Cancellations

If we cancel, we will mail or deliver written notice of cancellation, stating the reason for cancellation, to the first named insured at least:

- 20 days before the effective date of cancellation if we cancel for nonpayment of premium; or
- 60 days before the effective date of cancellation, if we cancel for any other reason.

Our notice of cancellation will be mailed to the first named insured's last known address and will indicate the date on which coverage is terminated. If notice is mailed, proof of mailing will be sufficient proof of notice.

Endorsement

Effective Date NOVEMBER 1, 2022

Policy Number 0672-24-90 IOG

Conditions**Cancellation
(continued)**

If this policy insures a condominium association whose Condominium Declaration is recorded and otherwise conforms with the Uniform Condominium Act, our notice of cancellation will be mailed 30 days before the effective date of cancellation to:

- the first named insured; and
 - each unit owner to whom we issued a certificate of insurance,
- at their last known address.

The earned premium will be computed on a pro rata basis. Any unearned premium will be returned as soon as practicable.

We may not cancel this policy solely because you are an elected official.

When We Do Not Renew

We may elect not to renew this policy for any reason. However, we may not refuse to renew this policy solely because you are an elected official.

If we decide not to renew this policy, we will mail or deliver to the first named insured written notice of nonrenewal, along with the reason for nonrenewal, at least 60 days before the expiration date. If notice is mailed or delivered less than 60 days before the expiration date, this policy will remain in effect until the 61st day after the date on which the notice is mailed or delivered. Earned premium for any period of coverage that extends beyond the expiration date will be computed pro – rata based on the previous year’s premium.

If this policy insures a condominium association whose Condominium Declaration is recorded and otherwise conforms with the Uniform Condominium Act, our notice of nonrenewal will be mailed 30 days before the effective date of nonrenewal to:

- the first named insured; and
 - each unit owner to whom we issued a certificate of insurance,
- at their last known address.

Any notice of nonrenewal will be mailed or delivered to the named insured’s last known address. If notice is mailed, proof of mailing will be sufficient proof of notice.

The transfer of a policyholder between admitted companies within the same insurance group is not considered a refusal to renew.

The following applies if we elect not to renew on one and two family dwellings or governmental units:

If we fail to give the first named insured proper notice of our refusal to renew, the first Named Insured may require us to renew the policy.

We will not refuse to renew property coverage solely because of claims for losses resulting from natural causes.

Conditions

When We Do Not Renew (continued)

Claims That Do Not Result From Natural Causes:

We may refuse to renew property coverage if you have filed under this policy in any three-year period, three or more property insurance claims that do not result from natural causes.

If you have filed two such claims in a period of less than three years, we may notify you in writing that, if you file a third property insurance claim during the three year period, we may refuse to renew property coverage.

A claim does not include a claim that is filed, but is not paid or payable under the policy.

All other terms and conditions remain unchanged.

Authorized Representative



Endorsement

Policy Period NOVEMBER 1, 2022 TO SEPTEMBER 1, 2023
Effective Date NOVEMBER 1, 2022
Policy Number 0672-24-90 IOG
Insured STONEFIELD HOMES LLC

Name of Company FEDERAL INSURANCE COMPANY
Date Issued SEPTEMBER 22, 2023

This Endorsement applies to the following forms:

COMMON POLICY CONDITIONS

The following condition is added:

***Compliance With
Applicable Trade
Sanction Laws***

This insurance does not apply to the extent that trade or economic sanctions or other laws or regulations prohibit us from providing insurance.

All other terms and conditions remain unchanged.

Authorized Representative



Inland Marine Insurance**Endorsement**

<i>Policy Period</i>	NOVEMBER 1, 2022 TO SEPTEMBER 1, 2023
<i>Effective Date</i>	NOVEMBER 1, 2022
<i>Policy Number</i>	0672-24-90 IOG
<i>Insured</i>	STONEFIELD HOMES LLC
<i>Name of Company</i>	FEDERAL INSURANCE COMPANY
<i>Date Issued</i>	SEPTEMBER 22, 2023

This Endorsement applies to the following forms:

COMMON POLICY CONDITIONS

Under Conditions, the following is added:

Conditions**Civil Unions And
Domestic Partnerships**

All references in the policy to "spouse" include a party to a civil union or domestic partnership recognized under the applicable law of the jurisdiction having authority.

All other terms and conditions remain unchanged.

Authorized Representative



Endorsement

<i>Policy Period</i>	NOVEMBER 1, 2022 TO SEPTEMBER 1, 2023
<i>Effective Date</i>	NOVEMBER 1, 2022
<i>Policy Number</i>	0672-24-90 IOG
<i>Insured</i>	STONEFIELD HOMES LLC
<i>Name of Company</i>	FEDERAL INSURANCE COMPANY
<i>Date Issued</i>	SEPTEMBER 22, 2023

This Endorsement applies to the following forms:

COMMON INLAND MARINE CONDITIONS

The following changes are made as respects exposures in the state of Texas.

Under Conditions, the Appraisal, and Insured's Duties In The Event Of Loss Or Damage provisions are deleted and replaced with the following:

Conditions**Appraisal**

In case we and you shall fail to agree as to the amount of loss or damage, then, on the written demand of either, each shall select a competent and disinterested appraiser and notify the other of the appraiser selected within 20 days of such demand. The appraisers shall first select a competent and disinterested umpire. If the appraisers fail to agree upon such umpire within 15 days; then, on the request of either, such umpire shall be selected by a judge of the district court where the loss or damage occurred. The appraisers shall then appraise the loss or damage, stating separately the loss or damage to each item; and failing to agree, shall submit their differences only to the umpire. An award in writing, so itemized, of any two when filed with the Company, shall determine the amount of loss or damage. Each appraiser shall be paid by the party selecting him and the expenses of appraisal and umpire shall be paid by the parties equally.

If there is an appraisal:

- we still retain our right to deny the claim; and
- you retain your rights under the Legal Action Against Us provision.

Conditions

(continued)

Insured's Duties In The Event Of Loss Or Damage

You must see to it that the following are done in the event of loss or damage:

- Notify us, or one of our authorized representatives, as soon as possible, as to what occurred. Include a description of the property involved, the time and place of the loss or damage, and names and addresses of available witnesses. If there has been loss or damage that may result in a loss under any Business Income or Extra Expense Insurance, notify us by telephone, telegraph or facsimile at our expense.
- Notify the police if a law may have been violated.
- Take every reasonable step to protect the covered property from further loss or damage, and keep a record of your expenses necessary to protect such covered property for consideration in the settlement of the claim. This will not increase any Limit Of Insurance. However, we will not pay for any subsequent loss or damage resulting from a peril that is not a covered peril. Also, if feasible, set the lost or damaged property aside and in the best possible order for examination.
- If you intend to continue your business, you must resume all or part of your operations as quickly as possible.
- Cooperate with us in the investigation, settlement or handling of any claim.
- Authorize us to obtain records or reports necessary for our investigation.
- At our request, give us complete inventories of the damaged and undamaged property. Include quantities, costs, values and amount of loss or damage claimed.
- As often as may be reasonably required, permit us to inspect the property and examine your books and records.
- Permit us to take samples of the damaged and undamaged property for inspection, testing and analysis, and permit us to make copies of your books and records.
- Permit us to examine any insured under oath, outside the presence of any other insured 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.

Upon request, send to us a signed sworn proof of loss or damage within 91 days of the request on a form supplied by us. We must request a signed sworn proof of loss or damage within 15 days after receipt of the written notice or we waive our right to require a proof of loss or damage. Such waiver will not waive this company's other rights under this policy.

Within 15 days after we receive written notice of loss or damage, we must:

- acknowledge receipt of the notice. If the acknowledgment of the notice is not in writing, we will keep a record of the date, method and content of the acknowledgment;
- begin any investigation of the loss or damage;
- specify the information you must provide in accordance with the opening paragraph of this provision.

We may request more information, if during the investigation of the loss or damage such additional information is necessary.

Endorsement

Effective Date NOVEMBER 1, 2022

Policy Number 0672-24-90 IOG

Conditions***Insured's Duties In The Event Of Loss Or Damage***
(continued)

After we receive the information requested, we must notify you in writing whether the loss or damage will be paid or has been denied or whether more information is necessary:

- within 15 **business days**; or
- within 30 days if this company has reason to believe the loss or damage resulted from arson.

If we do not approve payment of the loss or damage or require more time for processing, we must:

- give the reason for denying coverage, or
- give the reason we require additional time to process. But, we must either approve or deny coverage within 45 days after requesting more time.

If loss or damage results from a weather related **catastrophe or major natural disaster**, each handling deadline shown above is extended for an additional 15 days.

Failure of an agent or one of your employees, other than an officer, to notify us of any loss or damage that such agent or employee knows about will not affect the insurance afforded you by this policy.

Under Definitions, the following definitions are added:

Definitions***Business Day***

Business Day means a day other than Saturday, Sunday or a holiday recognized by the state of Texas.

Catastrophe Or Major Natural Disaster

Catastrophe or major natural disaster means a weather related event which is:

- a declared disaster under the Texas Disaster Act of 1975; or
- determined to be a catastrophe by the Texas Department of Insurance.

All other terms and conditions remain unchanged.

Authorized Representative



Endorsement

<i>Policy Period</i>	NOVEMBER 1, 2022 TO SEPTEMBER 1, 2023
<i>Effective Date</i>	NOVEMBER 1, 2022
<i>Policy Number</i>	0672-24-90 IOG
<i>Insured</i>	STONEFIELD HOMES LLC
<i>Name of Company</i>	FEDERAL INSURANCE COMPANY
<i>Date Issued</i>	SEPTEMBER 22, 2023

This Endorsement applies to the following forms:

RESIDENTIAL OPEN BUILDERS' RISK

If a Limit Of Insurance for Rental Income or Soft Costs is shown in the Declarations (if such coverage is provided), the following are added under Additional Coverages and apply at the construction jobsite of an **insured construction project**:

Additional Coverages**Alternative Power
Generation**

We will pay for the actual:

- **soft costs** you incur, if such coverage is provided, during the **delay period**, to purchase substitute power from a third party; and
 - **rental income** loss you incur, if such coverage is provided, during the **delay period**, due to the loss of credits, reimbursements, rebates or other sums you receive from a third party that utilizes surplus power that you generate from **alternative power generating equipment**.
- The loss must be caused by or result from direct physical loss or damage by a peril not otherwise excluded to **alternative power generating equipment**.

Premises Coverages

Alternative Power Generation (continued)

This Additional Coverage applies until the **alternative power generating equipment** is repaired or replaced and fully operational in accordance with the manufacturer's specifications.

The most we will pay for Alternative Power Generation loss is the applicable Limit Of Insurance for Rental Income or Soft Costs shown in the Declarations.

This Alternative Power Generation Additional Coverage does not apply at any premises that supplies your premises with utility services.

Alternative Water Systems

We will pay for the actual **soft costs** you incur, during the **delay period**, to purchase substitute water from a third party.

The loss must be caused by or result from direct physical loss or damage by a peril not otherwise excluded to an **alternative water system**.

This Additional Coverage applies until the **alternative water system** is repaired or replaced and fully operational in accordance with the manufacturer's specifications.

The most we will pay for Alternative Water Systems loss is the applicable Limit Of Insurance for Soft Costs shown in the Declarations.

This Alternative Water Systems Additional Coverage does not apply at any premises that supplies your premises with utility services.

Under Loss Payment Basis, the following is added:

Loss Payment Basis

Green Standards

Subject to the applicable Limits Of Insurance shown in the Declarations, if you repair or replace covered property, the valuation will include necessary and incurred expenses to:

- hire professionals accredited pursuant to **green standards** to participate in the repair or replacement of the covered property;
- register and certify the repaired or replaced covered property pursuant to **green standards**;
- dispose of debris, certified pursuant to **green standards**, at recycling facilities, if such debris can be recycled; and
- ventilate the repaired or replaced covered property in a manner consistent with **green standards**.

When direct physical loss or damage is caused by or results from both:

- a peril not otherwise excluded; and

Endorsement

Effective Date NOVEMBER 1, 2022

Policy Number 0672-24-90 IOG

Loss Payment Basis**Green Standards**
(continued)

- an excluded peril,

the valuation will not include the **green standards** costs attributable to the excluded peril. Instead, the valuation will be based on that portion of such costs equal to the proportion that the covered direct physical loss or damage bears to the total direct physical loss or damage, not including **green standards** costs, unless the **green standards** apply solely to that portion of the covered property which suffered the covered direct physical loss or damage.

This Loss Payment Basis does not include any increase in costs, loss or damage:

- to clean up or remove **pollutants** from land, water or air either inside or outside of a structure;
- to clean up, remove, restore or replace covered property because of the presence of **fungus** either inside or outside of a structure;
- to clean up, remove, restore or replace polluted land, water or air either inside or outside of a structure; or
- attributable to any **green standards** you did not comply with before the loss, regardless of when such **green standards** became effective.

This Green Standards Loss Payment Basis does not apply:

- to loss or damage caused by or resulting from fire which ensues from nuclear reaction or radiation, or radioactive contamination;
- to the Fungus Clean-up Or Removal Additional Coverage or Pollutant Clean-up Or Removal Additional Coverage; or
- when the applicable Loss Payment Basis shown in the Declarations is Actual Cash Value.

Under Definitions, the following are added:

Definitions**Alternative Power
Generating Equipment**

Alternative power generating equipment means equipment that has been certified pursuant to **green standards**, which is used in:

- solar energy systems;
- wind energy systems;
- geothermal energy systems;
- low impact hydroelectric systems; or

Definitions

Alternative Power Generating Equipment (continued)

- any other system that generates electricity from renewable resources.

Alternative Water System

Alternative water system means equipment situated above or below ground which is used to collect and circulate gray water, ground water or rain water to the domestic, non-potable water supply of a building or to water treatment facilities or outside irrigation facilities at the construction jobsite of an **insured construction project**.

Alternative water system does not include underground pipes or sprinkler heads intended solely for landscape irrigation.

Green Standards

Green standards means:

- the LEED^R Green Building Rating SystemTM of the United States Green Building Council;
- requirements of the Green Globes^R Assessment And Rating System of the Green Building Initiative;
- Energy Star^R qualified requirements; or
- other site development, water savings, energy efficiency, materials or equipment selection and other environmental quality standards for the design and construction of property.

All other terms and conditions remain unchanged.

Authorized Representative

