

Chubb Equipment Breakdown Defender Insurance Program

FOR

FREEHOLD MANAGEMENT, INC

Producer:

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

Chubb Servicing Office:

**2001 BRYAN STREET
SUITE 3600
DALLAS, TX 75201**

How To Report A Loss

To report a **Loss**, use the following procedure.

Loss Notification

If an **Insured Person** has a **Loss**, please contact us by telephone as soon as possible for further assistance:

Telephone Number: 1-800-252-4670

24 hours a day, 7 days a week

Fax Number

You may also fax the loss report during normal business hours to:

Fax Number: 1-800-300-2538

Mailing Address

You may mail your loss report to the following address:

Chubb Group Of Insurance Companies
Claim Service Center
600 Independence Parkway
P.O. Box 4700
Chesapeake, Va. 23327-4700

Important Notice To Policyholders

**THIS IMPORTANT NOTICE PROVIDES INFORMATION CONCERNING
NEW YORK CITY LOCATIONS REQUIRING JURISDICTIONAL
INSPECTIONS**

PLEASE READ THIS NOTICE CAREFULLY

***New York City
Department Of
Buildings – Building
Owner Registration
Requirement To
Prevent Jurisdictional
Inspection Fines***

This Notice is intended to inform you that the New York City Department of Buildings requires building owners to register in the city's NOW Safety System. Required jurisdictional inspections can not be filed until this registration process has been completed and the email address of the building registrant has been provided to Chubb. Failure to complete registration and provide Chubb with this information will result in our inability to file inspections and can lead to missed inspection fines of \$1,000 or more per object which will be your responsibility.

IMPORTANT NOTICE TO POLICYHOLDERS

TERRORISM RISK INSURANCE ACT

This Important Notice is being provided with your policy to further satisfy the disclosure requirements of the Terrorism Risk Insurance Act.

At the time you received the written offer for this policy, we provided you with an Important Notice to Policyholders indicating that the insurance provided in your policy for losses caused by certain acts of terrorism (as defined in the Terrorism Risk Insurance Act) would be partially reimbursed by the United States of America, pursuant to the formula set forth in the Terrorism Risk Insurance Act. In addition, as required by the Terrorism Risk Insurance Act, we:

- indicated that we would make available insurance for such losses in the same manner as we provide insurance for other types of losses;
- specified the premium we would charge, if any, for providing such insurance; and
- except to the extent prohibited by law, gave you the opportunity to reject such insurance and have a terrorism exclusion, sublimit or other limitation included in your policy.

This Important Notice refers back to that Important Notice and provides information about your decision and the manner in which your policy has been subsequently modified.

If:

- You rejected terrorism insurance under the Terrorism Risk Insurance Act, your policy includes the appropriate amendatory endorsement(s).
- You did not reject terrorism insurance under the Terrorism Risk Insurance Act, the premium charged for your policy, including that portion applicable to terrorism insurance under the Terrorism Risk Insurance Act, is shown in your policy. To the extent your policy includes a limitation on terrorism insurance, it has been modified so that such limitation does not apply to terrorism insurance under the Terrorism Risk Insurance Act.

Please carefully review your policy and the Important Notice previously provided to you for further details. Please remember that only the terms of your policy establish the scope of your insurance protection.

Please note that if your policy:

- ***provides commercial property insurance in a jurisdiction that has a statutory standard fire policy, the premium we charge for terrorism insurance under the Terrorism Risk Insurance Act, includes an amount attributable to the insurance provided pursuant to that standard fire policy. Rejection of such statutory insurance is legally prohibited.***
- ***is a workers compensation policy, rejection of insurance for terrorism is legally prohibited.***

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year, the Treasury shall not make any payment for any portion of the amount of such losses that exceeds \$100 billion.

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



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 Policyholders

**THIS IMPORTANT NOTICE PROVIDES INFORMATION CONCERNING
YOUR PREMIUM BILL**

PLEASE READ THIS NOTICE CAREFULLY

***Certificate And
Handling Fees***

This Notice is intended to inform you that your Premium Bill may include a separate charge called Certificate And Handling Fees, which are applicable to the cost we have incurred to issue an inspection certificate indicating that your pressure vessel, machinery or equipment meets code requirements as adopted by the applicable jurisdiction. Such charge is based on the number of pressure vessels, machinery or equipment that need to be inspected and the frequency of such inspections and is applicable to inspections performed during the prior policy period.



Notice of Commission

| | |
|------------------------|--|
| <i>Policy Period</i> | SEPTEMBER 30, 2023 TO SEPTEMBER 30, 2024 |
| <i>Effective Date</i> | SEPTEMBER 30, 2023 |
| <i>Policy Number</i> | 7643-88-88 WUC |
| <i>Insured</i> | FREEHOLD MANAGEMENT, INC |
| <i>Name of Company</i> | FEDERAL INSURANCE COMPANY |
| <i>Date Issued</i> | JULY 21, 2023 |

| | |
|------------|--------|
| COMMISSION | 15.00% |
|------------|--------|

Producer:

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

Table Of Contents

This Table Of Contents is provided to acquaint you with the overall organization of this policy.

POLICY ORGANIZATION

Insuring Agreement

Premium Summary

Equipment Breakdown Insurance Section

Equipment Breakdown Sch of Forms & Declarations

Equipment Breakdown Contracts *

Equipment Breakdown Endorsements

* Note: Each contract within a section has its own Table Of Contents to facilitate your use of them.

Insuring Agreement**Named Insured and Mailing Address**

FREEHOLD MANAGEMENT, INC
2929 CARLISLE ST, #170
DALLAS, TX 75204

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

Policy Number 7643-88-88 WUC

Effective Date SEPTEMBER 30, 2023

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

FEDERAL INSURANCE COMPANY

Incorporated under the laws of
INDIANA

Producer No. 0041603

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: SEPTEMBER 30, 2023 **To:** SEPTEMBER 30, 2024

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 and Endorsements 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



Premium Summary

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

Named Insured and Mailing Address

FREEHOLD MANAGEMENT, INC
2929 CARLISLE ST, #170
DALLAS, TX 75204

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Effective Date SEPTEMBER 30, 2023

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FEDERAL INSURANCE COMPANY

Producer No. 0041603

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

*Incorporated under the laws of
INDIANA*

Policy Period

From: SEPTEMBER 30, 2023 **To:** SEPTEMBER 30, 2024
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.

Certificate Or Handling Fees

Additional certificate or handling fees may be imposed during the policy term as respects to certification of pressure vessels as mandated by State or local jurisdictional authorities.

Payment Plan - Annual

| | | |
|---|-----------|-----------------|
| TOTAL (Excluding Taxes, Surcharges and Fees) | \$ | 5,364.00 |
|---|-----------|-----------------|

The policy premium, taxes, surcharges and fees will be billed separately



Chubb Equipment Breakdown Defender

Declarations

Named Insured and Mailing Address

FREEHOLD MANAGEMENT, INC
2929 CARLISLE ST, #170
DALLAS, TX 75204

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

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Producer No. 0041603

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

Incorporated under the laws of
INDIANA

Policy Period

From: SEPTEMBER 30, 2023 To: SEPTEMBER 30, 2024
12:01 A.M. , standard time at the Named Insured's mailing address shown above.

Deductible \$1,000

The deductible shown above applies to all coverages, except Business Income and Extra Expense, and all premises shown in this and all other property declarations, unless a specific deductible is shown following a coverage.

Waiting Period 24 HOURS

The waiting period shown above applies to all business income coverages and all premises shown in this and all other property declarations, unless a specific waiting period is shown following a business income coverage.

The following displays the coverages provided at the premises stated below:

Premises Coverages

Premises Coverages - Blanket Limits

| | |
|-----------------------------------|---------------|
| BLANKET LIMIT OF INSURANCE | \$ 10,000,000 |
| EXTENDED PERIOD NUMBER OF DAYS | Unlimited |

COVERAGES

PROPERTY DAMAGE
BUSINESS INCOME WITH EXTRA EXPENSE

Premises Coverages
(continued)

| | |
|---------------------|---|
| PREMISES #1 | 2929 CARLISLE STREET DALLAS, TEXAS 75204 COUNTY OF DALLAS |
| PREMISES #2 | 4021 BELT LINE ROAD ADDISON, TEXAS 75001 COUNTY OF DALLAS |
| PREMISES #3 | 4600-4750 BRYANT IRVIN RD FORT WORTH, TEXAS 76132 COUNTY OF TARRANT |
| PREMISES #4 | 101-185 I35 W NEW BRAUNFELS, TEXAS 78130 COUNTY OF COMAL |
| PREMISES #5 | 500-1900 W UNIVERSITY DENTON, TEXAS 76201 COUNTY OF DENTON |
| PREMISES #6 | 5000 JUPITER GARLAND, TEXAS 75044 COUNTY OF DALLAS |
| PREMISES #8 | 3420 & 3320 K AVENUE, 1105 & PLANO, TEXAS 75074 COUNTY OF COLLIN |
| PREMISES #9 | 9669 N CENTRAL EXPWY DALLAS, TEXAS 75231 COUNTY OF DALLAS |
| PREMISES #12 | 1915 E PARK ROW DR ARLINGTON, TEXAS 76010 COUNTY OF TARRANT |
| PREMISES #13 | 5700 SW GREEN OAKS BLVD ARLINGTON, TEXAS 76017 COUNTY OF TARRANT |
| PREMISES #14 | 1100-1400 GREEN OAKS FORT WORTH, TEXAS 76116 COUNTY OF TARRANT |
| PREMISES #15 | 6801-7050 RIDGMAR MEADOW RD FORT WORTH, TEXAS 76116 COUNTY OF TARRANT |
| PREMISES #16 | 1233-1245 TOWN SQUARE DRIVE FORT WORTH, TEXAS 76116 COUNTY OF TARRANT |
| PREMISES #17 | 1200 GREEN OAKS BLVD FORT WORTH, TEXAS 76116 COUNTY OF TARRANT |



Equipment Breakdown Insurance

Declarations

Effective Date SEPTEMBER 30, 2023

Policy Number 7643-88-88 WUC

Premises Coverages

(continued)

PREMISES #18 6750, 6760 ABRAMS ROAD
DALLAS, TEXAS 75231
COUNTY OF DALLAS

PREMISES #19 6770 & 6780 ABRAMS ROAD
DALLAS, TEXAS 75231
COUNTY OF DALLAS

PREMISES #20 211-241 EAST FM 1382
CEDAR HILL, TEXAS 75104
COUNTY OF DALLAS

BLANKET LIMIT OF INSURANCE

\$ 1,000,000

COVERAGES

EXPEDITING EXPENSES

PREMISES #1 2929 CARLISLE STREET
DALLAS, TEXAS 75204
COUNTY OF DALLAS

PREMISES #2 4021 BELT LINE ROAD
ADDISON, TEXAS 75001
COUNTY OF DALLAS

PREMISES #3 4600-4750 BRYANT IRVIN RD
FORT WORTH, TEXAS 76132
COUNTY OF TARRANT

PREMISES #4 101-185 I35 W
NEW BRAUNFELS, TEXAS 78130
COUNTY OF COMAL

PREMISES #5 500-1900 W UNIVERSITY
DENTON, TEXAS 76201
COUNTY OF DENTON

PREMISES #6 5000 JUPITER
GARLAND, TEXAS 75044
COUNTY OF DALLAS

PREMISES #8 3420 & 3320 K AVENUE, 1105 &
PLANO, TEXAS 75074
COUNTY OF COLLIN

Premises Coverages
(continued)

| | |
|---------------------|---|
| PREMISES #9 | 9669 N CENTRAL EXPWY DALLAS, TEXAS 75231 COUNTY OF DALLAS |
| PREMISES #12 | 1915 E PARK ROW DR ARLINGTON, TEXAS 76010 COUNTY OF TARRANT |
| PREMISES #13 | 5700 SW GREEN OAKS BLVD ARLINGTON, TEXAS 76017 COUNTY OF TARRANT |
| PREMISES #14 | 1100-1400 GREEN OAKS FORT WORTH, TEXAS 76116 COUNTY OF TARRANT |
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| PREMISES #16 | 1233-1245 TOWN SQUARE DRIVE FORT WORTH, TEXAS 76116 COUNTY OF TARRANT |
| PREMISES #17 | 1200 GREEN OAKS BLVD FORT WORTH, TEXAS 76116 COUNTY OF TARRANT |
| PREMISES #18 | 6750, 6760 ABRAMS ROAD DALLAS, TEXAS 75231 COUNTY OF DALLAS |
| PREMISES #19 | 6770 & 6780 ABRAMS ROAD DALLAS, TEXAS 75231 COUNTY OF DALLAS |
| PREMISES #20 | 211-241 EAST FM 1382 CEDAR HILL, TEXAS 75104 COUNTY OF DALLAS |

BLANKET LIMIT OF INSURANCE

\$ 500,000

COVERAGES**WATER DAMAGE**

| | |
|--------------------|---|
| PREMISES #1 | 2929 CARLISLE STREET DALLAS, TEXAS 75204 COUNTY OF DALLAS |
| PREMISES #2 | 4021 BELT LINE ROAD ADDISON, TEXAS 75001 COUNTY OF DALLAS |
| PREMISES #3 | 4600-4750 BRYANT IRVIN RD FORT WORTH, TEXAS 76132 COUNTY OF TARRANT |

Declarations

Effective Date SEPTEMBER 30, 2023

Policy Number 7643-88-88 WUC

Premises Coverages
(continued)

| | |
|---------------------|---|
| PREMISES #4 | 101-185 I35 W NEW BRAUNFELS, TEXAS 78130 COUNTY OF COMAL |
| PREMISES #5 | 500-1900 W UNIVERSITY DENTON, TEXAS 76201 COUNTY OF DENTON |
| PREMISES #6 | 5000 JUPITER GARLAND, TEXAS 75044 COUNTY OF DALLAS |
| PREMISES #8 | 3420 & 3320 K AVENUE, 1105 & PLANO, TEXAS 75074 COUNTY OF COLLIN |
| PREMISES #9 | 9669 N CENTRAL EXPWY DALLAS, TEXAS 75231 COUNTY OF DALLAS |
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| PREMISES #17 | 1200 GREEN OAKS BLVD FORT WORTH, TEXAS 76116 COUNTY OF TARRANT |
| PREMISES #18 | 6750, 6760 ABRAMS ROAD DALLAS, TEXAS 75231 COUNTY OF DALLAS |

Premises Coverages
(continued)

| | |
|--------------|---|
| PREMISES #19 | 6770 & 6780 ABRAMS ROAD DALLAS, TEXAS 75231 COUNTY OF DALLAS |
| PREMISES #20 | 211-241 EAST FM 1382 CEDAR HILL, TEXAS 75104 COUNTY OF DALLAS |

Additional Coverages

| | |
|-------------------------|----------|
| NEWLY ACQUIRED PREMISES | |
| NUMBER OF DAYS | 180 DAYS |

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Supplementary Declarations – Property**Named Insured and Mailing Address**

FREEHOLD MANAGEMENT, INC
2929 CARLISLE ST, #170
DALLAS, TX 75204

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

Policy Number 7643-88-88 WUC

Effective Date SEPTEMBER 30, 2023

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

FEDERAL INSURANCE COMPANY

*Incorporated under the laws of
INDIANA*

Producer No. 0041603

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

Policy Period

From: SEPTEMBER 30, 2023 **To:** SEPTEMBER 30, 2024
12:01 A.M. standard time at the Named Insured's mailing address shown above.

Covered Premises \$250,000 Blanket Limit Of Insurance

The Blanket Limit Of Insurance shown above applies only for the Premises Coverages shown below. Unless otherwise stated, this Blanket Limit Of Insurance applies separately at each covered premises shown in the Declarations. This Blanket Limit Of Insurance applies in excess of the applicable deductible shown in the Declarations.

At time of loss, the first Named Insured may elect to apportion this Blanket Limit Of Insurance to one or any combination of the Premises Coverages shown, but under no circumstance will the aggregate apportionment be permitted to exceed the Blanket Limit Of Insurance shown above at any one covered premises. For the purpose of the application of this \$250,000 Blanket Limit Of Insurance, all property at one premises shall constitute a single premises.

Separate specific Limits Of Insurance may be purchased for each of these Premises Coverages. If purchased, these Limits Of Insurance and any applicable deductible will be shown in the Declarations with the Premises Coverages. If no deductible is shown in the Declarations with the Premises Coverages, then the Property Damage Deductible will apply. When a specific Limit Of Insurance is purchased for any of these Premises Coverages, such specific Limit Of Insurance will apply in addition to whatever amount the first Named Insured apportions to that coverage at time of loss as provided in the previous paragraphs.

Coverages Included In The Blanket Limit Of Insurance:

ELECTRONIC DATA
EXPEDITING EXPENSES
PUBLIC SAFETY SERVICE CHARGES
SPOILAGE – SCHEDULED LOCATIONS
SPOILAGE – UTILITY OWNED EQUIPMENT
WATER DAMAGE

Property Coverages

The Limits Of Insurance shown below:

- are provided for the Premises Coverages and Additional Coverages shown at no additional cost to you;
- apply separately at each premises shown in the Declarations, except for Off Premises Property Damage, which applies anywhere within the Coverage Territory; and
- do not apply when the applicable coverage has been excluded as shown in the Declarations or by endorsement to this policy.

The Limits Of Insurance for:

- Debris Removal; and
- Preparation Of Loss Fees; and
- Unintentional Errors Or Omissions

applies separately at each premises shown in the Declarations or anywhere within the Coverage Territory.

You may purchase increased Limits Of Insurance, and we will charge you an additional premium. If you purchase increased Limits Of Insurance for any of these coverages, the Limits Of Insurance shown in the Declarations will reflect your total Limit Of Insurance, including the Limits Of Insurance shown below. Any applicable deductible will be shown in the Declarations with the coverage. If no deductible is shown in the Declarations with the coverage, then the Property Damage Deductible will apply.

Property Coverages**Limit Of Insurance**

| | |
|-----------------------------------|------------|
| AMMONIA CONTAMINATION | \$ 100,000 |
| DEBRIS REMOVAL | \$ 100,000 |
| FUNGUS CLEAN-UP OR REMOVAL | \$ 50,000 |
| OFF PREMISES PROPERTY DAMAGE | \$ 50,000 |
| PAIR AND SET | \$ 50,000 |
| POLLUTANT CLEAN-UP OR REMOVAL | \$ 50,000 |
| PREPARATION OF LOSS FEES | \$ 50,000 |
| UNINTENTIONAL ERRORS OR OMISSIONS | \$ 50,000 |

Authorized Representative



Chubb. Insured.SM

Supplementary Declarations – Business Income

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

Named Insured and Mailing Address

FREEHOLD MANAGEMENT, INC
2929 CARLISLE ST, #170
DALLAS, TX 75204

Policy Number 7643-88-88 WUC

Effective Date SEPTEMBER 30, 2023

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

FEDERAL INSURANCE COMPANY

*Incorporated under the laws of
INDIANA*

Producer No. 0041603

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

Policy Period

From: SEPTEMBER 30, 2023 **To:** SEPTEMBER 30, 2024
12:01A.M. standard time at the Named Insured's mailing address shown above.

Additional Business Income Coverages

The Limits Of Insurance shown below are provided for the Premises Coverages and Additional Coverages shown at no additional cost to you. You may purchase increased Limits Of Insurance, and we will charge you an additional premium. If you purchase increased Limits Of Insurance for any of these coverages, the Limits Of Insurance shown in the Declarations will reflect your total Limit Of Insurance, including the Limits Of Insurance shown below.

Except for Dependent Business Premises and Preparation Of Loss Fees, the Limits Of Insurance shown below apply at each premises for which you have purchased a Limit Of Insurance for Business Income as shown in the Declarations.

The Limit Of Insurance for Dependent Business Premises applies:

- at each of your premises for which you have purchased a Limit Of Insurance for Business Income as shown in the Declarations;
- separately to each **occurrence**, regardless of the number of **dependent business premises** that sustain covered direct physical damage; and

-
- only if such direct physical damage causes a business income or extra expense loss at your premises for which you have purchased a Limit Of Insurance for Business Income as shown in the Declarations,

provided that actual loss for such premises is the direct result of direct physical damage caused by or resulting from **breakdown to covered property of a dependent business premises**.

If you increase the \$100,000 Limit of Insurance for Dependent Business Premises as provided for in this Supplementary Declarations, such increased limit of insurance:

- will be shown in the Declarations and will reflect your total Dependent Business Premises Limit of Insurance; and
- is the most we will pay in any **occurrence** at all premises for which a Limit Of Insurance for Business Income is shown in the Declarations.

The Limit Of Insurance for Preparation Of Loss Fees applies at each premises shown in the Declarations or anywhere within the Coverage Territory.

Business Income Coverages

Limit Of Insurance

| | |
|--------------------------------------|------------|
| <i>DEPENDENT BUSINESS PREMISES</i> | \$ 100,000 |
| <i>LOSS OF UTILITIES</i> | \$ 100,000 |
| <i>POLLUTANT CLEAN-UP OR REMOVAL</i> | \$ 50,000 |
| <i>PREPARATION OF LOSS FEES</i> | \$ 50,000 |

Authorized Representative



Chubb. Insured.SM

Schedule of Forms

| | |
|------------------------|--|
| <i>Policy Period</i> | SEPTEMBER 30, 2023 TO SEPTEMBER 30, 2024 |
| <i>Effective Date</i> | SEPTEMBER 30, 2023 |
| <i>Policy Number</i> | 7643-88-88 WUC |
| <i>Insured</i> | FREEHOLD MANAGEMENT, INC |
| <i>Name of Company</i> | FEDERAL INSURANCE COMPANY |
| <i>Date Issued</i> | JULY 21, 2023 |

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

| <i>Form Name</i> | <i>Form Number</i> |
|---|--------------------|
| HOW TO REPORT A LOSS | 43-02-0450 (04/11) |
| IMPORTANT NOTICE TO POLICYHOLDERS - TRIPRA | 99-10-0732 (01/15) |
| AOD POLICYHOLDER NOTICE | 99-10-0872 (06/07) |
| IMPORTANT NOTICE-CERTIFICATE & HANDLING FEES | 99-10-0943 (06/14) |
| IMPORTANT NOTICE-NY LOC INSPECTIONS | 99-10-0996 (04/18) |
| TITLE PAGE | 43-02-0449 (04/11) |
| INSURING AGREEMENT | 43-02-0742 (04/11) |
| PROPERTY DECLARATIONS WITH PREMISE LOCATIONS | 43-02-0453 (04/11) |
| SUPPLEMENTARY DECLARATIONS - PROPERTY | 43-02-0778 (04/11) |
| SUPPLEMENTARY DECLARATIONS - BUSINESS INCOME | 43-02-0786 (04/11) |
| PROPERTY DAMAGE CONTRACT | 43-02-0783 (02/13) |
| PROPERTY/BUSINESS INCOME WITH EXTRA EXPENSE | 43-02-0784 (02/13) |
| PROPERTY/BUSINESS INCOME COND AND DEFINITIONS | 43-02-0785 (04/11) |
| TEXAS MANDATORY - CONDITIONS | 43-02-0827 (08/13) |
| SPECIAL WAITING PERIOD PROVISION ADDED | 43-02-0947 (04/15) |
| MALICIOUS PROGRAMMING EXCLUSION AMENDED | 43-02-0981 (04/22) |
| NAMED INSURED | 43-02-0477 (04/11) |
| CAP ON CERTIFIED TERRORISM LOSSES | 43-02-0675 (01/15) |
| SCHEDULE OF MORTGAGEES AND LOSS PAYEES | 43-02-0761 (04/11) |

*Property Damage**Table Of Contents*

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Contract

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

Throughout this 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.

Words and phrases that appear in **bold** print have special meanings and are defined in the Property/Business Income Conditions And Definitions form included in this policy.

Premises Coverages

The following Premises Coverages apply only at:

- those premises for which a Limit Of Insurance applicable to such coverages is shown in the Declarations; or
- **newly acquired premises.**

Except as otherwise provided, the direct physical damage must:

- be caused by or result from **breakdown**; and
- occur at, or within 1,000 feet of, the premises shown in the Declarations or at **newly acquired premises.**

Property Damage

We will pay for direct physical damage to **covered property** caused by or resulting from **breakdown**, not to exceed the applicable Limit Of Insurance for Property Damage shown in the Declarations.

This Premises Coverage does not apply to loss or damage insured under the:

- Ammonia Contamination;
- Electronic Data;
- Expediting Expenses;
- Fungus Clean-up Or Removal;
- Spoilage Scheduled Locations;
- Spoilage Utility Owned Equipment; or
- Water Damage,

Premises Coverages.

Ammonia Contamination

We will pay for direct physical damage to **personal property** under refrigeration caused by or resulting from the mixture of or contact between such property and ammonia caused by or resulting from **breakdown**, not to exceed the applicable Limit Of Insurance for Ammonia Contamination shown in the Declarations.

Electronic Data

We will pay for direct physical damage to **electronic data** caused by or resulting from **breakdown**, not to exceed the applicable Limit Of Insurance for Electronic Data shown in the Declarations.

Premises Coverages

(continued)

Expediting Expenses

We will pay the reasonable and necessary expenses you incur to:

- make temporary repairs to; or
- expedite permanent repair or replacement of,

damaged **covered property** caused by or resulting from **breakdown**, not to exceed the applicable Limit Of Insurance for Expediting Expenses shown in the Declarations.

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 premises shown in the Declarations.

Such presence of **fungus** must be caused by or result from **breakdown**.

The most we will pay at the premises for the sum of all such covered costs that occur during each separate 12-month policy period, regardless of whether this Premises 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 Premises Coverage does not apply if the presence of **fungus**:

- existed prior to the effective date shown in the Declarations; or
- 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**.

Pair And Set

We will pay for consequential loss to undamaged **personal property** that is part of:

- your product; or
- any product in your care, custody or control,

which has become unmarketable as a complete product, because of covered direct physical damage to **personal property** which is part of the same product, not to exceed the applicable Limit Of Insurance for Pair And Set shown in the Declarations.

Pollutant Clean-up Or Removal

We will pay the costs you incur to clean up or remove **pollutants** from land, water or air at the premises shown in the Declarations and either inside or outside of a **building** if the discharge, dispersal, seepage, migration, release or escape of the **pollutants** is caused by or results from **breakdown**.

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

The most we will pay at a premises shown in the Declarations for all such covered costs that occur during each separate 12-month policy period regardless of whether this Premises 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.

Premises Coverages**Pollutant Clean-up Or
Removal
(continued)**

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 land, water or air, either inside or outside of a **building**.

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

- is not caused by **breakdown**; or
- occurred prior to the effective date shown in the Declarations.

**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 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 damage caused by or resulting from **breakdown**, not to exceed the applicable Limit Of Insurance for Public Safety Service Charges shown in the Declarations.

**Spoilage – Scheduled
Locations**

We will pay for direct physical damage to **personal property** that is susceptible to spoiling or rapid decay or deterioration caused by or resulting from lack of power, light, heat, steam or refrigeration, not to exceed the applicable Limit Of Insurance for Spoilage – Scheduled Locations shown in the Declarations.

This Premises Coverage:

- applies only if the lack of power, light, heat, steam or refrigeration is caused by or results from direct physical damage to **covered property** caused by or resulting from **breakdown**; and
- does not apply if the lack of power, light, heat, steam or refrigeration is caused by or results from direct physical damage to any property of a utility.

**Spoilage – Utility
Owned Equipment**

We will pay for direct physical damage to **personal property** that is susceptible to spoiling or rapid decay or deterioration caused by or resulting from lack of power, light, heat, steam or refrigeration, not to exceed the applicable Limit Of Insurance for Spoilage – Utility Owned Equipment shown in the Declarations.

This Premises Coverage applies only if the lack of power, light, heat, steam or refrigeration is caused by or results from direct physical damage to **covered property of a utility**, excluding overhead communication, transmission or distribution lines, caused by or resulting from **breakdown**.

Premises Coverages

(continued)

Water Damage

We will pay for direct physical damage to **covered property** caused by or resulting from water that escapes from plumbing systems, refrigeration systems or cooling systems caused by or resulting from **breakdown** provided such water is intended to be contained in such plumbing systems, refrigeration systems or cooling systems, not to exceed the applicable Limit Of Insurance for Water Damage shown in the Declarations.

The following Additional Coverages apply within the coverage territory:

Additional Coverages

Off Premises Property Damage

We will pay for direct physical damage to **personal property** away from the premises shown in the Declarations caused by or resulting from **breakdown**, not to exceed the applicable Limit Of Insurance for Off Premises Property Damage shown in the Declarations.

This Additional Coverage does not apply to any property while:

- at or within 1,000 feet of, the premises shown in the Declarations;
- at any other premises owned or leased by you; or
- **in transit.**

This Additional Coverage applies only if a Limit Of Insurance for Off Premises Property Damage is shown in the Declarations.

Preparation Of Loss Fees

We will pay the reasonable and necessary expenses we require you to incur after covered direct physical damage to **covered property** to determine the extent of such damage, 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
- of your subsidiaries or affiliates.

This Additional Coverage applies only if a Limit Of Insurance for Preparation Of Loss Fees is shown in the Declarations.

Unintentional Errors Or Omissions

In the event direct physical damage to **covered property** 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
- failure through unintentional error or omission to include any premises you own or occupy,

we will pay such damage only to the extent this policy would have paid such damage if the unintentional error or omission had not been made, not to exceed the applicable Limit Of Insurance for Unintentional Errors Or Omissions shown in the Declarations.

This Additional Coverage applies only if:

- a Limit Of Insurance for Unintentional Errors Or Omissions is shown in the Declarations;

Additional Coverages**Unintentional Errors Or
Omissions**
(continued)

- 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.

The following Debris Removal Coverage applies.

**Debris Removal
Coverage****Debris Removal**

- A. We will pay for the costs you incur to demolish and remove debris of damaged **covered property** resulting from **breakdown** 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 damage; or
 - 2. the remaining applicable Limit Of Insurance shown in the Declarations, after payment of the covered direct physical 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.
- D. Debris Removal will be paid only if:
 - 1. reported to us in writing within 180 days of the date of the direct physical damage to the **covered property**; and
 - 2. a Limit Of Insurance applicable to the damaged **covered property** 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
 - c. clean up, remove, restore or replaced polluted land, water or air, either inside or outside of a **building**; or
 - 2. demolish and clear the site of the undamaged portion of the **building**.

Defense And Supplementary Payments

Defense

If a claim is made or **suit** is brought against you alleging that you are liable for damage to property of others in your care, custody or control that was caused by or resulted from **breakdown** at a covered location, we will at our option:

- investigate the claim or **suit**;
- settle the claim or **suit**; or
- defend you against the **suit**, and have the right to settle the **suit** at any time without obtaining your consent.

We have no duty to defend you against a **suit** seeking damages to which this insurance does not apply.

We have no further obligation or liability to pay sums or perform acts or services unless explicitly provided under Supplementary Payments shown below.

Supplementary Payments

Subject to all of the terms and conditions of this insurance, we will pay, with respect to a claim we investigate or settle, or a **suit** against you we defend:

- A. the expense we incur.
- B. the cost of:
 - 1. bail bonds; or
 - 2. bonds required to:
 - a. appeal judgments; or
 - b. release attachments,but only for bond amounts within the available Limit Of Insurance. We do not have to furnish these bonds.
- C. reasonable expenses incurred by you at our request to assist us in the investigation or defense of such claim or **suit**, including actual loss of earnings up to \$1000 a day because of time off from work.
- D. costs taxed against you in the **suit**, except any:
 - 1. attorney fees or litigation expenses; or
 - 2. other loss, cost or expense,in connection with any injunction or other equitable relief.
- E. prejudgment interest awarded against you on that part of a judgment we pay. If we make an offer to pay the applicable Limit Of Insurance, we will not pay any prejudgment interest based on that period of time after the offer.
- F. interest on the full amount of a judgment that accrues after entry of the judgment and before we have paid, offered to pay or deposited in court the part of the judgment that is within the applicable Limit Of Insurance.

Supplementary Payments does not include any fine or other penalty.

**Defense And
Supplementary
Payments****Supplementary
Payments
(continued)**

These payments will not reduce the Limits Of Insurance.

Our obligation to make these payments ends when we have used up the applicable Limit Of Insurance.

Exclusions**Earth Movement**

This insurance does not apply to any:

- **breakdown**; or
- loss or damage,

caused by or resulting from:

- volcanic eruption, explosion or effusion; or
- any earth movement, including earthquake, landslide, mine subsidence, sinkhole collapse or earth sinking, rising or shifting,

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

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

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

**Errors In Systems
Programming**

This insurance does not apply to any:

- **breakdown**; or
- 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,

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

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

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

Exclusions

(continued)

Explosion

This insurance does not apply to any:

- **breakdown**; or
- loss or damage,

caused by or resulting from explosion, including explosion of gas or unconsumed fuel, regardless of any other cause or event that directly or indirectly:

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

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

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

A. a steam explosion of any:

1. steam boiler;
2. electric steam generator;
3. steam turbine;
4. steam piping; or
5. steam engine,

caused by or resulting from any condition or **occurrence** within that steam boiler, electric steam generator, steam turbine, steam piping or steam engine; or

B. explosion of moving or rotating machinery caused by centrifugal force.

Fire

This insurance does not apply to any:

- **breakdown**; or
- loss or damage,

caused by or resulting from fire, regardless of any other cause or event that directly or indirectly:

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

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

Flood

This insurance does not apply to any:

- **breakdown**; or
- loss or damage,

caused by or resulting from:

- waves, tidal water or tidal waves; or

Exclusions**Flood**
(continued)

- rising, 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; or
 - contributes in any sequence to,
- the **breakdown** or loss or damage, even if such other cause or event would otherwise be covered.

Freezing

This insurance does not apply to any:

- **breakdown**; or
- loss or damage,

caused by or resulting from freezing caused by cold weather, regardless of any other cause or event that directly or indirectly:

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

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

Fungus

This insurance does not apply to:

- A. **breakdown** caused by or resulting from **fungus**; or
- B. loss or damage:
 - 1. which is **fungus**;
 - 2. which is anyway attributed to the presence of **fungus**; or
 - 3. 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 **breakdown** or loss or damage, even if such other cause or event would otherwise be covered.

This Fungus exclusion does not apply to the extent insurance is provided under the Fungus Clean-up Or Removal Premises Coverage.

Lightning

This insurance does not apply to any:

- **breakdown**; or
- loss or damage,

caused by or resulting from direct lightning damage, regardless of any other cause or event that directly or indirectly:

- contributes concurrently to; or

Exclusions

Lightning (continued)

- contributes in any sequence to, the **breakdown** or loss or damage, even if such other cause or event would otherwise be covered.

Malicious Programming

This insurance does not apply to any:

- **breakdown**; or
- 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 **breakdown** or loss or damage, even if such other cause or event would otherwise be covered.

Nuclear Hazard

This insurance does not apply to any:

- **breakdown**; or
- 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 **breakdown** or loss or damage, even if such other cause or event would otherwise be covered.

Sprinkler Leakage

This insurance does not apply to any:

- **breakdown**; or
- loss or damage,

caused by or resulting from leakage or discharge of any substance from an automatic sprinkler system, including collapse of a tank that is part of the system, regardless of any other cause or event that directly or indirectly:

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

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

Suspension Lapse Or Cancellation Of Any Contract Or Lease

This insurance does not apply to any:

- **breakdown**; or
- loss or damage,

Exclusions***Suspension Lapse Or
Cancellation Of Any
Contract Or Lease
(continued)***

caused by or resulting from the suspension, lapse or cancellation of any lease, license, contract or order, regardless of any other cause or event that directly or indirectly:

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

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

War And Military Action

This insurance does not apply to any:

- **breakdown**; or
- 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 **breakdown** or loss or damage, even if such other cause or event would otherwise be covered.

Windstorm Or Hail

This insurance does not apply to any:

- **breakdown**; or
- loss or damage,

caused by or resulting from windstorm or hail, regardless of any other cause or event that directly or indirectly:

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

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

Limits Of Insurance

Except as provided under Fungus Clean-up Or Removal and Pollutant Clean-up Or Removal, the most we will pay in any **occurrence** is the amount of loss or damage, not to exceed the applicable Limit Of Insurance shown in the Declarations. With respect to **newly acquired premises**, if limits vary by premises, the highest limit for the applicable coverage will apply.

If any Premises Coverage or Additional Coverage appears in more than one contract which form a part of this policy, unless otherwise specified, the applicable Limit Of Insurance shown in the Declarations for such coverages is the most we will pay in any **occurrence**, regardless of the number of contracts in which such Premises Coverage or Additional Coverage appears.

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**. With respect to **newly acquired premises**, if deductibles vary by premises, the highest deductible for the applicable coverage will apply.

If two or more deductibles apply to the same **occurrence**, only the largest single deductible will apply, unless otherwise stated.

Loss Payment Basis

Subject to the applicable Limit Of Insurance shown in the Declarations:

- A. **covered property** is valued on a replacement cost basis as described below, unless:
1. the Loss Payment Basis shown in the Declarations is actual cash value; or
 2. otherwise stated under Loss Payment Basis Exceptions; and
- B. valuation also includes costs you incur as described below under Brands And Labels, Construction Fees, Green Standards, Ordinance Or Law, Extended Warranties and Safety Enhancements.

Replacement Cost Basis

Damaged **covered property** will be valued at the lesser of the following:

- the amount you actually spend to repair or replace the damaged **covered property**;
- the cost at the time of the **breakdown** to repair or replace the damaged **covered property** with property of like kind, capacity, size and quality; or
- the cost at the time of the **breakdown** to replace the damaged **covered property** with other **covered property** used for the same purpose when replacement with property identical to the damaged **covered property** is impossible or impracticable.

There is no deduction for physical deterioration or depreciation.

If you do not repair or replace the damaged **covered property**, we will only pay as provided under Actual Cash Value Basis.

If you commence the repair or replacement of the damaged **covered property** within 24 months from the date of physical damage, we will pay you the difference between the actual cash value previously paid and the lesser of the:

- replacement cost at the time of loss or damage; or
- actual costs you incur to repair or replace.

Payment under Replacement Cost Basis will not be made until the completion of the repairs or the replacement of the **covered property**.

Loss Payment Basis*(continued)***Actual Cash Value Basis**

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

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

Brands And Labels

Personal property valuation includes the cost of:

- replacing labels, capsules, wrappers or containers from damaged **personal property**; or
- identifying and reconditioning damaged **personal property**.

In the event of damage to **stock**, you have two options when:

- you do not want to sell your damaged **stock** under your brand or label; or
- the owner of any damaged **stock** in your care, custody or control does not want to sell that damaged **stock** under the owner's brand or label,

even though the damaged **stock** has salvage value, you may:

- remove the brand or label and then relabel the damaged **stock** to comply with the law; or
- label the damaged **stock** as "salvage" but, in doing so, cause no further damage to the **stock**.

In either case, the **personal property** valuation will include the difference between:

- the salvage value of the damaged **stock** with the brand or label attached; and
- the salvage value of the damaged **stock** with the brand or label removed.

If a maximum value for brands and labels is shown in the Declarations, then, subject to the applicable Limits Of Insurance shown in the Declarations, such maximum value is the most we will consider under Brands And Labels Loss Payment Basis.

Construction Fees

Building and **personal property** valuation includes necessary and incurred architectural, engineering, consulting, decorating and supervisory fees related to the construction and repair of the damaged **building** and **personal property**.

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

Loss Payment Basis

Green Standards (continued)

- ventilate the repaired or replaced **covered property** in a manner consistent with **green standards**.

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

- a **breakdown**; and
- 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 damage bears to the total direct physical 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 damage.

The 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 **building**;
- to clean up, remove, restore or replace **covered property** because of the presence of **fungus**, either inside or outside of a **building**;
- to clean up, remove, restore or replace polluted land, water or air either inside or outside of a **building**; 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:

- the Fungus Clean-up Or Removal Premises Coverage or Pollutant Clean-up Or Removal Premises Coverage; or
- **stock**.

Ordinance Or Law

If there is an ordinance or law in effect at the time of physical damage that regulates zoning, land use, construction or installation of **covered property**, and if that ordinance or law affects the repair or replacement of the damaged **covered property**, and if you:

- A. repair or replace the **covered property** as soon as reasonably possible, the valuation will include:
1. a. the replacement cost of the damaged and undamaged portions of the **covered property**; or
b. the actual cash value of the damaged and undamaged portions of the **covered property** (if the applicable Loss Payment Basis shown in the Declarations is actual cash value);
 2. the costs to demolish and clear the site of the undamaged portion of the **covered property**; and
 3. the increased cost to repair or replace the **building** to the same general size at the same site or **personal property** for the same general use, to 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 a **building**;

Loss Payment Basis**Ordinance Or Law**
(continued)

- b. for paved or concrete surfaces, retaining walls, foundations or supports below the surface of the lowest floor or basement;
 - c. incurred outside the legal property boundary of any premises shown in the Declarations;
 - d. if **covered property** 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 physical damage; or
- B. do not repair or replace the **covered property**, the valuation will include the:
- 1. actual cash value of the damaged and undamaged portions of the **covered property**; and
 - 2. cost to demolish and clear the site of the undamaged portion of the **covered property**.

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

- a **breakdown**; and
- an excluded peril,

the valuation will not include the Ordinance Or Law 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 damage bears to the total direct physical damage, not including Ordinance Or Law costs, unless the Ordinance Or Law applies solely to that portion of the **covered property** which suffered the covered direct physical damage.

If a maximum value for ordinance or law is shown in the Declarations, then, subject to the applicable Limits Of Insurance shown in the Declarations, such maximum value is the most we will consider under Ordinance Or Law Loss Payment Basis.

Extended Warranties

Personal property valuation includes the pro rata portion of the original cost based on the period of time remaining in your nonrefundable extended warranties, maintenance contracts or service contracts that you purchased and which are no longer valid on damaged **personal property** that you repair or replace.

Safety Enhancements

If you elect or we require that the repair or replacement of damaged **mechanical or electrical system or apparatus** be done in a manner that:

- improves the health and safety of workers or the public; or
- reduces the risk of loss or damage to property because of a **breakdown**,

while maintaining the existing function, then the valuation will include an additional 25% of the property damage amount otherwise recoverable for the **mechanical or electrical system or apparatus**.

Loss Payment Basis
Exceptions**Electronic Data**

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

Loss Payment Basis Exceptions

Electronic Data (continued)

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

Finished Stock And Sold Personal Property

Finished stock and sold **personal property** completed and awaiting delivery are valued based on your selling price less the value of discounts and costs you would have incurred.

Personal Property Of Others And Business Personal Property You Lease

Personal property of others and business personal property you lease are valued on the same basis as **personal property**, subject to all other exceptions described under Loss Payment Basis Exceptions, but we will not pay more than the amount for which you are contractually liable.

Labor, materials and services that you furnish or arrange on **personal property of others** and business personal property you lease are valued based on the actual cost of the labor, materials and services.

Research And Development Property

If lost or damaged **research and development property**:

- cannot be repaired, replaced, or reproduced; or
- is not replaced or reproduced,

no payment will be made under this insurance.

Research And Development Property Of Others

Research and development property not owned by you is valued on the same basis as your **research and development property**, subject to all other exceptions described under Loss Payment Basis Exceptions, but we will not pay more than the amount for which you are contractually liable.

Stock In Process

Stock in process is valued based on the cost of raw materials and costs expended as of the date of physical damage.

Loss Payment Limitations

Faulty Design

We will not pay for any:

- part of **mechanical or electrical system or apparatus** that is faulty, inadequate or defective for the use intended at the time of loss or damage; or
- loss or damage resulting solely from the failure of **mechanical or electrical system or apparatus** to perform in accordance with plans or specifications.

Gradual Loss

We will not pay for any loss or damage that is:

- rust, corrosion or other oxidation; or

**Loss Payment
Limitations****Gradual Loss
(continued)**

- wear and tear or gradual deterioration.

Loss Of Market

We will not pay for any loss or damage that results from loss of market, loss of use or delay.

Prototypes

When production of a new product begins, coverage under this contract ceases for:

- the **prototype** of that product; and
- the research project directly associated with the new product.

**Tenant's Improvements
And Betterments**

We will not pay for that part of any lost or damaged **tenant's improvements and betterments** which is paid by others.

**Conditions (Including
Coverage Territory)**

The conditions applicable to this contract are contained in the Property/Business Income Conditions And Definitions form included in this policy.

Definitions

The definitions applicable to this contract are contained in the Property/Business Income Conditions And Definitions form included in this policy.

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Contract

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

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

Words and phrases that appear in **bold** print have special meanings and are defined in the Property/Business Income Conditions And Definitions form included in this policy.

Premises Coverages

The following Premises Coverages apply only at:

A. those premises:

1. where you incur a **business income** loss or **extra expense**; and
2. for which a Limit Of Insurance applicable to such coverages is shown in the Declarations; or

B. **newly acquired premises** where you incur a **business income** loss or **extra expense**.

Except as otherwise provided, the direct physical damage must:

- be caused by or result from **breakdown**; and
- occur at, or within 1,000 feet of, the premises, other than a **dependent business premises**, shown in the Declarations or at a **newly acquired premises**.

**Business Income With
Extra Expense**

We will pay for the actual:

- **business income** loss you incur due to the actual impairment of your **operations**; and
- **extra expense** you incur due to the actual or potential impairment of your **operations**,

during the **period of restoration**, not to exceed the applicable Limit Of Insurance for Business Income With Extra Expense shown in the Declarations.

This actual or potential impairment of **operations** must be caused by or result from direct physical damage to **covered property** caused by or resulting from **breakdown**.

**Alternative Power
Generation**

We will pay the actual:

A. **extra expense** you incur, if such coverage is provided:

1. due to the actual or potential impairment of your **operations**; and
2. during the **period of restoration**,
to purchase substitute power from a third party; and

Premises Coverages

Alternative Power Generation (continued)

B. **business income** loss you incur, if such coverage is provided:

1. due to the actual impairment of your **operations**; and
2. during the **period of restoration**,

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**.

This actual or potential impairment of **operations** must be caused by or result from direct physical damage to **covered property**, consisting of **alternative power generating equipment**, caused by or resulting from **breakdown**.

This Premises 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 Business Income With Extra Expense shown in the Declarations.

Alternative Water Systems

We will pay the actual **extra expense** you incur:

- due to the actual or potential impairment of your **operations**; and
- during the **period of restoration**,

to purchase substitute water from a third party.

This actual or potential impairment of **operations** must be caused by or result from direct physical damage to **covered property**, consisting of **alternative water system**, caused by or resulting from **breakdown**.

This Premises 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 Business Income With Extra Expense shown in the Declarations.

Fungus Clean-up Or Removal

We will pay for the actual:

- **business income** loss; and
- **extra expense**,

you incur due to the actual impairment of your **operations** during the **period of restoration**, not to exceed the applicable Limit of Insurance for Business Income With Extra Expense shown in the Declarations.

This actual impairment of **operations** must be caused by or result from the presence of **fungus** at your premises shown in the Declarations.

Such presence of **fungus** must be caused by or result from **breakdown**.

Coverage will begin immediately after the date the **fungus** first appeared and will end:

- 30 consecutive days after this coverage begins, or
- when your **business income** coverage ends,

whichever occurs first.

Premises Coverages**Fungus Clean-up Or
Removal
(continued)**

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

- existed prior to the effective date shown in the Declarations; or
- 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**.

Ingress And Egress

We will pay for the actual:

- **business income** loss you incur due to the actual impairment of your **operations**; and
- **extra expense** you incur due to the actual or potential impairment of your **operations**,

when existing ingress to or egress from a premises shown in the Declarations is prevented due to direct physical damage to property at a location contiguous to such premises caused by or resulting from **breakdown**.

This Premises Coverage will begin at the time of the direct physical damage and will continue until the expiration of thirty (30) consecutive days thereafter or whenever your **business income** coverage ends, whichever occurs first.

This Premises Coverage does not apply if the ingress to or egress from your premises is prohibited by civil authority.

The most we will pay for this Premises Coverage is the applicable Limit Of Insurance for Ingress And Egress shown under Business Income in the Declarations.

The following Additional Coverages apply within the coverage territory:

Additional Coverages**Civil Authority**

We will pay for the actual:

- **business income** loss; and
- **extra expense**,

you incur due to the actual impairment of your **operations**, directly caused by the prohibition of access to:

- your premises; or
- a **dependent business premises**,

by a civil authority.

This prohibition of access by a civil authority must be the direct result of direct physical damage to property located away from such premises or such **dependent business premises** by a **breakdown**, provided such property is within:

- one mile; or
- the applicable miles shown in the Declarations,

from such premises or **dependent business premises**, whichever is greater.

Additional Coverages

Civil Authority (continued)

The most we will pay for Civil Authority is the applicable Limit Of Insurance for Business Income With Extra Expense shown in the Declarations.

The coverage for:

A. **business income** will begin:

1. after the applicable waiting period shown in the Declarations for Business Income expires; or
2. 24 normal business 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.

The coverage will apply:

- for a period of up to 30 consecutive days, or the number of days shown under Civil Authority in the Declarations, after coverage begins, whichever is longer; or
- until your **business income** loss ends,

whichever occurs first; and

B. **extra expense** will begin immediately after the time the civil authority prohibits access and will end:

1. 30 consecutive days, or the number of days shown under Civil Authority in the Declarations, after the coverage begins, whichever is longer; or
2. whenever your **business income** coverage ends, whichever is later.

Dependent Business Premises

We will pay for the actual:

- **business income** loss you incur due to the actual impairment of your **operations**; and
- **extra expense** you incur due to the actual or potential impairment of your **operations**,

during the **period of restoration**, not to exceed the applicable Limit Of Insurance for Dependent Business Premises shown under Business Income in the Declarations.

This actual or potential impairment of **operations** must be caused by or result from direct physical damage to:

- **covered property of a dependent business premises**; or
- **covered property of a utility**, excluding overhead communication, transmission, or distribution lines, that is used by a utility service provider to solely supply the **dependent business premises** with electrical service,

caused by or resulting from **breakdown**.

Additional Coverages
(continued)**Loss Of Utilities**

We will pay for the actual:

- **business income** loss you incur due to the actual impairment of your **operations**; and
- **extra expense** you incur due to the actual or potential impairment of your **operations**, during the **period of restoration**, not to exceed the applicable Limit Of Insurance for Loss Of Utilities shown under Business Income in the Declarations.

This actual or potential impairment of **operations** must be caused by or result from direct physical damage:

- A. to **covered property of a utility**, excluding overhead communication, transmission or distribution lines, necessary to supply your premises with:
1. water supply;
 2. communication supply;
 3. power supply;
 4. natural gas supply;
 5. sewage treatment; or
 6. **on-line access**,

services or the service shown under Loss Of Utilities in the Declarations; and

- B. caused by or resulting from **breakdown**.

We will pay such loss provided that the disruption of services:

- is not due to your failure to comply with the terms and conditions of any contract; and
- has been reported to the service provider.

We will not pay for the actual **business income** loss you incur until the:

- applicable waiting period shown in the Declarations for Business Income expires;
- applicable waiting period shown in the Declarations for Loss Of Utilities expires; or
- first 12 normal business hours following the direct physical loss or damage expires,

whichever is the longer.

This Additional Coverage does not apply to **covered property of a utility** that is used by a utility service provider to solely supply your premises with electrical service.

Pollutant Clean-up Or Removal

We will pay for the actual **business income** loss you incur due to the actual impairment of your **operations** during the **period of restoration**, not to exceed the applicable Limit Of Insurance for Pollutant Clean-up Or Removal shown under Business Income in the Declarations.

This actual impairment of **operations** must be caused by or result from the enforcement of any ordinance or law that requires you to clean up or remove **pollutants** from land, water or air, either inside or outside of a building, as a result of direct physical damage to **covered property** at a premises shown in the Declarations caused by or resulting from **breakdown**.

Additional Coverages

(continued)

Preparation Of Loss Fees

We will pay the reasonable and necessary expenses and fees incurred following covered loss or damage to certify your **business income** loss or **extra expense**, not to exceed the applicable Limit Of Insurance for Preparation Of Loss Fees shown under Business Income in the Declarations.

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

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

Solely Supplying Utility Owned Equipment

We will pay for the actual:

- **business income** loss you incur due to the actual impairment of your **operations**; and
- **extra expense** you incur due to the actual or potential impairment of your **operations**,

during the **period of restoration**, not to exceed the applicable Limit Of Insurance for Business Income With Extra Expense shown in the Declarations.

This actual or potential impairment of **operations** must be caused by or result from direct physical damage to **covered property of a utility**, excluding overhead communication, transmission or distribution lines, that is used by a utility service provider to solely supply your premises with electrical service caused by or resulting from **breakdown**.

Unintentional Errors Or Omissions

In the event **business income** loss or **extra expense** caused by or resulting from direct physical damage to **covered property** 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
- failure through unintentional error or omission to include any premises you own or occupy,

we will pay such **business income** loss or **extra expense** only to the extent this policy would have paid such loss if the unintentional error or omission had not been made, not to exceed the applicable Limit Of Insurance for Unintentional Errors Or Omissions shown in the Declarations.

This Additional Coverage applies only if:

- a Limit Of Insurance for Unintentional Errors Or Omissions is shown in the Declarations;
- 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 under this policy or any other policy.

Limits Of Insurance

The most we will pay in any **occurrence** is the amount of loss not to exceed the applicable Limit Of Insurance shown in the Declarations. With respect to **newly acquired premises**, if limits vary by premises, the highest limit for the applicable coverage will apply.

If any Premises Coverage or Additional Coverage appears in more than one contract which form a part of this policy, unless otherwise specified, the applicable Limit Of Insurance shown in the Declarations for such coverages is the most we will pay in any **occurrence**, regardless of the number of contracts in which such Premises Coverage or Additional Coverage appears.

Deductible**Multiple Of Average
Daily Value Deductible**

If a Multiple Of Average Daily Value deductible is shown in the Declarations, we will pay, subject to the applicable Limit Of Insurance, the amount of **business income** loss incurred in excess of the **average daily business income value** multiplied by the number of days shown in the Declarations under Multiple Of Average Daily Value.

Such deductible will apply separately for each **occurrence**.

Waiting Period

Subject to the applicable Limit Of Insurance, we will pay the amount of **business income** loss incurred after the waiting period shown in the Declarations for each **occurrence**. With respect to **newly acquired premises**, if waiting periods vary by premises, the longest waiting period for the applicable coverage will apply.

If a waiting period is shown in the Declarations, the waiting period begins immediately following the time of the covered direct physical damage.

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

Hours shown for the waiting period are the normal business hours.

The waiting period does not apply to **extra expense**.

Loss Determination

In making any loss determination under this 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.

Business Income

The amount of **business income** loss will be determined based on the:

- net income of the business before the direct physical damage occurred;
- the likely net income of your business if no loss or damage occurred, but not including any **business income** that would likely have been earned as a result of an increase in the volume of business due to favorable business conditions caused by the impact of the covered loss on customers or on other businesses; and

Loss Determination

Business Income (continued)

- continuing operating expenses, including your continuing normal payroll expenses necessary to resume **operations** with the same quality of service that existed just before the direct physical damage.

Extra Expense

The amount of **extra expense** loss will be determined based on necessary expenses that:

- exceed your normal operating expenses that would have been incurred by **operations** during the **period of restoration**, if no physical damage had occurred; and
- reduce the **business income** loss that otherwise would have been incurred.

We will deduct from the total of such expenses:

- the salvage value that remains of any property bought for temporary use during the **period of restoration**, once **operations** are resumed; and
- any **extra expense** that is paid for by other insurance.

Resumption Or Continuance Of Operations

We will reduce the amount of any **business income** loss payment to the extent you can resume or continue your **operations**, in whole or in part, by using:

- damaged or undamaged property, including **merchandise** or **stock**; or
- any other available premises.

If you elect not to resume or continue **operations**:

- any loss determination for **business income** will be based on the length of time it would have taken to resume or continue **operations** with reasonable speed; and
- we will not make any payment for **extra expense**.

Loss Payment Limitations

Debris Removal

We will not pay for any **extra expense** you incur for the demolition or removal of debris, but we will pay for such **extra expense** you incur to the extent it reduces the amount of a covered **business income** loss that otherwise would have been payable under this contract.

Faulty Design

We will not pay for any **business income** loss or **extra expense** you incur caused by or resulting:

- from any part of **mechanical or electrical system or apparatus** that is faulty, inadequate or defective for the use intended at the time of loss or damage; or
- solely from the failure of **mechanical or electrical system or apparatus** to perform in accordance with plans or specifications.

Gradual Loss

We will not pay for any **business income** loss or **extra expense** you incur caused by or resulting from loss or damage that is:

- rust, corrosion or other oxidation; or

Loss Payment Limitations**Gradual Loss**
(continued)

- wear and tear or gradual deterioration.

Increase Of Loss Due To Death Or Injury

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

Increase Of Loss Due To Strikers Or Others Causing A Delay

We will not pay for any increase of loss caused by or resulting from delay in repairing or replacing property or resuming your **operations**, due to interference at the location of the repair, replacement or **operations** by strikers or other persons.

Loss Or Damage To Finished Stock

We will not pay for that part of any **business income** loss to **finished stock**.

Loss Or Damage To Property Used To Provide Utility Services

Except as provided for in the Loss of Utilities Additional Coverage, we will not pay for any **business income** loss or **extra expense** caused by or resulting from direct physical damage to **covered property of a utility** that is used by a utility service supplier to provide your premises with utility services.

This Loss Payment Limitation does not apply to **covered property of a utility** that is used by a utility service provider to solely supply your premises with electrical services.

Loss Or Damage To Water

We will not pay for any **business income** loss or **extra expense** you incur for loss or damage to water.

Pollutant Clean-up Or Removal

We will not pay for any **extra expense** you incur for:

- clean up or removal of **pollutants** from land, water or air, either inside or outside of a **building**; or
- testing for, monitoring, containing, treating, detoxifying or neutralizing, or in any way responding to or assessing, the effects of **pollutants**,

but we will pay for such **extra expense** you incur to the extent it reduces the amount of a covered **business income** loss that otherwise would have been payable under this contract.

Conditions

The conditions applicable to this contract are contained in the Property/Business Income Conditions And Definitions form included in this policy.

Definitions

The definitions applicable to this contract are contained in the Property/Business Income Conditions And Definitions form included in this policy. Any definitions that replace the definitions contained in the Property/Business Income Conditions And Definitions form are shown in the Amended Definitions section of this contract.

Amended Definitions**Breakdown**

Breakdown means abrupt and accidental breakdown of **mechanical or electrical system or apparatus**, provided:

- such breakdown causes direct physical damage to all or part of that **mechanical or electrical system or apparatus**; and
- the direct physical damage becomes manifest at the time of the breakdown that caused it.

Breakdown does not mean direct physical damage excluded under the Property Damage contract included in this policy.



Chubb Equipment Breakdown Defender

Property/Business Income Conditions And Definitions

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Property/Business Income Conditions And Definitions

Contract

The following conditions apply to all contracts contained in this policy.

Conditions

Abandonment

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

Annual Reports

You must complete the Business Income – Report of Values Worksheet once each year. Your initial report is due on the inception date of the policy. Subsequent reports are due on each anniversary of the policy and we must receive them within 90 days of the anniversary date. Statements of value may be substituted for the completed Business Income – Report of Values Worksheet if the values on the statement are the same as those required on the worksheet.

Appraisal

If you and we 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 we 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.

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 afterward.

Bankruptcy

The bankruptcy or insolvency of you or your estate will not relieve us of our obligations under this insurance.

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.

Conditions

Cancellation (continued)

If we cancel this policy or any of its individual coverages, the earned premium will be computed on a pro rata basis. If the first named insured cancels this policy or any of its individual coverages, the earned premium will be computed at 75% of pro rata. Any unearned premium will be returned as soon as practicable.

Changes

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

Coinsurance

Coinsurance applies to **business income** only:

- when a coinsurance percentage under Business Income With Extra Expense is shown in the Declarations; and
- if we did not receive your Business Income – Report of Values within 90 days of the annual report date shown in the Declarations.

Coinsurance does not apply to:

- A. **extra expense**;
- B. any covered loss of \$100,000 or less;
- C. Ingress And Egress; and
- D. the following Additional Coverages:
 - 1. Dependent Business Premises when a Limit Of Insurance for specific Dependent Business Premises has not been purchased;
 - 2. Loss Of Utilities;
 - 3. Pollutant Clean-up Or Removal;
 - 4. Preparation Of Loss Fees; and
 - 5. Unintentional Errors Or Omissions.

We will not pay the full amount of any **business income** loss if the Limit Of Insurance for Business Income With Extra Expense shown in the Declarations is less than:

- A. the applicable coinsurance percentage under Business Income With Extra Expense shown in the Declarations multiplied by:
- B. the sum of:
 - 1. net income (net profit or loss before income taxes); and
 - 2. operating expenses, including payroll expenses,that would have been earned or incurred (had no loss occurred) by you in your **operations** for the 12 months following the effective date, or last previous anniversary date, of this policy (whichever is later).

Instead, our maximum **business income** loss payment will be determined as follows:

- A. multiply the net income and operating expenses that would have been earned or incurred (had no loss occurred) by you in your **operations** for the 12 months following the effective date, or last previous anniversary date, of this policy by the applicable coinsurance percentage shown under Business Income With Extra Expense in the Declarations;

Property/Business Income Conditions And Definitions

Conditions

Coinsurance (continued)

- B. divide the applicable Limit Of Insurance for Business Income With Extra Expense by the figure determined in Step A.;
- C. multiply the total amount of the covered loss by the figure determined in Step B.; and
- D. subtract the applicable deductible or waiting period, if any, from the amount determined in Step C.

The amount determined in Step D. is the most we will pay, not to exceed the applicable Limit Of Insurance for Business Income With Extra Expense shown in the Declarations.

In determining operating expenses for the purpose of applying coinsurance, the following expenses, if incurred, shall be deducted from the total of all operating expenses:

- prepaid freight – outgoing;
- returns and allowances;
- discounts;
- bad debts;
- collection expenses;
- cost of raw stock and factory supplies consumed (including transportation charges);
- cost of merchandise sold (including transportation charges);
- cost of other supplies consumed (including transportation charges);
- cost of services purchased from outsiders (not employees) that do not continue under contract; and
- all ordinary payroll expenses or the amount of payroll expense excluded if endorsement 43-02-0461 is attached.

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.

Compliance With Applicable Trade Sanctions

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

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.

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.

Conditions

(continued)

Coverage Territory

This insurance applies anywhere within 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.

The Coverage Territory for Dependent Business Premises Additional Coverage is worldwide, unless otherwise stated.

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.

Inspection And Surveys

We may:

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

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.

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 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 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 such damaged property aside and in the best possible order for examination.
- If you intend to continue your business you must resume all of 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.

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

- 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.

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.

Joint Loss Adjustment

- A. This condition is intended to facilitate payment in the event of loss or damage to **covered property** that is covered by:
1. a commercial property insurance policy issued by a different insurer; and
 2. this insurance,
- when there is agreement between the insuring companies as to the existence of coverage, but a disagreement as to the amount of the loss or damage to be paid by each insuring company.
- B. The provisions of paragraph C. of this condition apply only if all of the following requirements are met:
1. the commercial property insurance policy contains a provision with substantially the same requirements and procedures as contained in this condition;
 2. the damage to **covered property** was caused by a peril for which both we and the other insurer admit to some liability for payment under the respective policies;
 3. the total amount of the loss or damage is agreed upon by you, us and the other insurer;
 4. we and the commercial property insurer disagree as to the amount of loss or damage that each should pay that is attributable to a loss to property covered under both policies; and
 5. the named insured is the same under the respective policies.
- C. If the requirements listed in paragraph B. above are satisfied, we and the commercial property insurer will make payments as follows:
1. we will pay, upon your written request, the entire amount of loss or damage that we have agreed upon as being covered solely by this insurance and one-half (1/2) the amount of loss or damage about which we and the other insurer disagree;

Conditions

Joint Loss Adjustment (continued)

2. the commercial property insurer will pay, upon your written request, the entire amount of loss or damage agreed upon as being covered solely by the commercial property insurance and one-half (1/2) the amount of loss or damage about which we and the other insurer disagree;
3. the amount in disagreement to be paid by us under this condition shall not exceed the amount payable pursuant to the corresponding provision in the commercial property insurance policy;
4. the amount to be paid under this condition shall not exceed the amount we would have paid had no commercial property insurance been in effect at the time of loss or damage;
5. acceptance by you of payments under this condition does not alter, waive or surrender any of our rights under this policy; and
6. we and the other insurer will submit our differences to arbitration within 90 days after loss payment, and you agree to cooperate with any arbitration procedures. There will be three arbitrators; one will be appointed by us, and the second will be appointed by the other insurer. Then, the two arbitrators will select a third arbitrator. If they cannot agree, either may request selection be made by a judge of a court having jurisdiction. A decision agreed to by any two of the three arbitrators will be binding on us and the other insurer. Judgment on any award may be sought in any court having jurisdiction.

Legal Action Against Us

No legal action may be brought against us unless:

- there has been full compliance with all of the terms of this insurance; and
- the action is brought within three years after the date on which the direct physical damage occurred.

Lenders/Loss Payee

If any Loss Payee:

- shown in the Schedule of Mortgagees and Loss Payees; or
- listed as such on a Certificate Of Insurance on file with us,

is a creditor, whose interest in **personal property** is established by a written instrument and both you and such Loss Payee have an insurable interest in the damaged **personal property**, we will:

- adjust losses with you; and
- pay any claim for damage jointly to you and to each such Loss Payee, in their order of precedence, as interests may appear.

Each Loss Payee has the right to receive loss payment, even though:

- we denied your claim because you failed to comply with the terms of this insurance; or
- such Loss Payee starts foreclosure or similar actions on the **personal property**,

if such Loss Payee:

- pays any premium due at our request if you have failed to do so;
- submits a signed, sworn proof of loss within 60 days after receiving notice from us of your failure to do so; and

Property/Business Income Conditions And Definitions

Conditions

Lenders/Loss Payee (continued)

- has notified us of any change in ownership, occupancy or substantial change in risk known to such Loss Payee.

Each Loss Payee's right to receive loss payment is limited to the lesser of the following:

- the actual cash value as described under Loss Payment Basis of the damaged **personal property**;
- their financial interest in the **personal property** as shown in the written evidence; or
- the applicable Limit Of Insurance shown in the Declarations.

If we pay any Loss Payee for any damage and deny payment to you because of your acts or because you have failed to comply with the terms of this insurance, such Loss Payee's rights:

- will be transferred to us to the extent of the amount we pay; and
- to recover the full amount of the Loss Payee's claim will not be impaired.

At our option, we may pay to any Loss Payee the whole principal on the debt plus any accrued interest. In this event, you will pay your remaining debt to us.

To satisfy the requirements of any Loss Payee shown in the Schedule of Mortgages and Loss Payees, copies of policies or certified copies of policies may be sent to these Loss Payees. In no event are copies of policies sent to Loss Payees to be considered as increasing the Limits Of Insurance shown in the Declarations or changing the terms of this insurance, nor are they to be considered duplicate or contributing insurance.

Liberalization

If we adopt any changes:

- within 60 days prior to the effective date shown in the Declarations; or
- during the policy period,

which could broaden this insurance without an additional premium charge, you will automatically receive the benefit of such change.

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 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.

Conditions

(continued)

Mortgage Holder – Buildings

We will pay for damage to **building** jointly to you and the mortgage holder shown in the Schedule of Mortgagees and Loss Payees, as interests may appear.

Your mortgage holder has the right to receive loss payment, even though:

- you failed to comply with the terms of this insurance; or
- your mortgage holder starts foreclosure or similar actions on the **building**,

if such mortgage holder:

- pays any premium due at our request if you have failed to do so;
- submits a signed, sworn proof of loss within 60 days after receiving notice from us of your failure to do so; and
- has notified us of any change in ownership, occupancy or substantial change in risk known to such mortgage holder.

If we make loss payments to your mortgage holder when you fail to comply with the terms of this insurance, you will have to pay us to the extent we pay the mortgage holder. Your mortgage holder will still have the right to receive the balance of the mortgage debt from you.

We also have the right to take over your mortgage after making loss payment to the mortgage holder. If we do, you will pay your remaining mortgage debt to us.

If you fail to pay your premium, we may request it from your mortgage holder.

The mortgage holder must notify us of any change in ownership known to the mortgage holder.

If we cancel this insurance, we will give written notice to the mortgage holder at least:

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

Failure to provide such notice shall not invalidate such cancellation.

To satisfy the requirements of any mortgage holder shown in the Schedule of Mortgages and Loss Payees, copies of policies or certified copies of policies may be sent to these mortgage holders. In no event are copies of policies sent to mortgage holders to be considered as increasing the Limits Of Insurance shown in the Declarations or changing the terms of this insurance, nor are they to be considered duplicate or contributing insurance.

No Benefit To Carrier Or Bailee

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

Other Insurance

Except as provided for in the Joint Loss Adjustment Condition, 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 the 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.

Conditions
(continued)**Premium Calculation**

The premium shown in the Declarations was computed based on rates in effect at the time this policy was issued. On each renewal, continuation or anniversary of the effective date of this policy, we will compute the premium in accordance with our rates and rules then in effect. With respect to **newly acquired premises**, we will charge you additional premium from the date you acquire the premises.

Suspension

Whenever **covered property** is found to be in, or exposed to, a dangerous condition, any of our representatives may immediately suspend the insurance provided for such property against loss or damage from a **breakdown**. This may be done by delivering or mailing a written notice of suspension to:

- your last known mailing address; or
- the address where the **covered property** is located.

Once suspended in this way, your insurance can be reinstated only by an endorsement. If we suspend your insurance, you will receive a pro rata refund of premium due for that **covered property**. But the suspension will be effective even if we have not yet offered or made a refund.

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.

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 the direct physical damage to **covered property**; or
- B. after direct physical damage to **covered property** only if, at the time of direct physical 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. 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
 - 4. your tenant.

Conditions

Transfer Of Rights Of Recovery To Us (continued)

This will not restrict your insurance.

When We Do Not Renew

If we decide not to renew this policy, we will mail or deliver to the first named insured's last known address, 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.

Definitions

When used with respect to insurance under this policy:

**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
- any other system that generates electricity from renewable sources.

**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 a premises shown in the Declarations.

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

**Average Daily Business
Income Value**

Average daily business income value means the sum of the daily net income and continuing expenses at the premises where the direct physical damage occurred for each of the 30 days prior to the date of such damage, divided by 30.

Blank Media

Blank media means the blank medium upon which **electronic data** is recorded, but not the **electronic data** itself.

Breakdown

Breakdown means abrupt and accidental breakdown of **mechanical or electrical system or apparatus**, provided:

- such breakdown causes direct physical damage to all or part of that **mechanical or electrical system or apparatus**; and
- the direct physical damage becomes manifest at the time of the breakdown that caused it.

Building

Building means:

- a structure;
- **building components**;
- completed additions;
- additions to the structure under construction; and
- alterations and repairs to the structure.

Definitions

Building (continued)

Building does not mean:

- land, water or air, either inside or outside of a structure;
- dams;
- dikes;
- paved or concrete surfaces;
- underground mines or mine shafts or any property within such underground mines or mine shafts;
- retaining walls;
- foundations or supports below the surface of the lowest floor or basement;
- outdoor trees, shrubs, plants or lawns; or
- any structure you do not own, occupy and are not legally or contractually required to insure.

Building Components

Building components means:

- glass forming a part of a structure;
- **personal property** consisting of materials, machinery, equipment, supplies and temporary structures used for making additions or repairs to a structure;
- outdoor fixtures;
- outdoor and indoor signs;
- permanently installed fixtures, machinery and equipment; and
- **personal property** used to maintain or service a structure or its premises.

Business Income

Business income means:

- A. net profit or loss, including rental income from tenants and net sales value of production, that would have been earned or incurred before income taxes;
- B. your continuing normal:
 - 1. operating; and
 - 2. payroll, expenses;
- C. charges you incur which are the legal obligation of your tenant which would otherwise be your obligations; and
- D. the cost you are required to pay to rent temporary premises when that portion of the premises shown in the Declarations occupied by you is untenable, not to exceed the fair rental value of such untenable portion of the **building** you occupy.

Business income does not mean bank interest or investment income.

Definitions*(continued)***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;**
- **electronic data processing equipment;** or
- communication systems for sale or sold.

Covered Property**Covered property** means:

- **building;** and
- **personal property.**

**Covered Property Of A
Dependent Business
Premises****Covered property of a dependent business premises** means any property that is at a **dependent business premises.****Covered property of a dependent business premises** does not mean:

- land, water or air, either inside or outside of a structure;
 - dams;
 - dikes;
 - paved or concrete surfaces;
 - underground mines or mine shafts or any property within such underground mine or mine shafts;
 - retaining walls;
 - foundations or supports below the surface of the lowest floor or basement;
 - trees, shrubs, plants or lawns;
 - growing crops;
 - aircraft;
 - watercraft;
 - vehicles or machines required to be licensed for use on public roads;
 - animals; or
 - money or securities.
-

Definitions

(continued)

Covered Property Of A Utility

Covered property of a utility means any property that:

- the utility owns; or
- is in the care, custody or control of the utility and for which the utility is legally liable.

Covered property of a utility does not mean:

- land, water or air, either inside or outside of a structure;
- dams;
- dikes;
- paved or concrete surfaces;
- underground mines or mine shafts or any property within such underground mine or mine shafts;
- retaining walls;
- foundations or supports below the surface of the lowest floor or basement;
- trees, shrubs, plants or lawns;
- growing crops;
- aircraft;
- watercraft;
- vehicles or machines required to be licensed for use on public roads;
- animals; or
- money or securities.

Dependent Business Premises

Dependent business premises means premises operated by others on whom you depend to:

- deliver materials or services to you or to others for your account (contributing premises);
- accept your products or services (recipient premises);
- manufacture products for delivery to your customers under contract of sale (manufacturing premises); or
- attract customers to your business (leader premises).

Dependent business premises does not mean any premises:

- A. operated by others on whom you depend to:
 - 1. deliver utility services to you; or
 - 2. accept utility services from you; or
- B. of **on-line access** providers.

Definitions*(continued)***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;** or
- contractors' equipment.

**Electronic Data
Processing Property**

Electronic data processing property means:

- **electronic data;**
- **electronic data processing equipment;** and
- **communication property.**

Extra Expense

Extra expense means necessary expenses you incur:

- A. in an attempt to continue **operations**, over and above the expenses you would have normally incurred; and
- B. to repair or replace **covered property**, or to research or restore the lost information on damaged valuable papers, records and media, if such action will reduce any loss we would pay under this insurance.

Paragraph B. does not apply to Fungus Clean-up Or Removal Premises Coverage.

Definitions

(continued)

Finished Stock

Finished stock means goods you have manufactured which are in their completed state and ready for sale.

Finished stock does not include goods you have manufactured which are in their completed state and ready for sale on the premises of any retail outlet.

Fungus

Fungus means any:

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

Green Standards

Green Standards means:

- the LEED® Green Building Rating System™ of the United States Green Building Council;
- requirements of the Green Globes® Assessment and Rating of the Green Building Initiative;
- Energy Star® qualified requirements; or
- other generally accepted site development, water savings, energy efficiency, materials selection and other environmental quality standards for the design and construction of **covered property**.

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)

**Mechanical Or Electrical
System Or Apparatus**

Mechanical or electrical system or apparatus means any of the following property that you own, lease, operate or otherwise control:

- boiler, fired pressure vessel, unfired pressure vessel normally subject to vacuum or internal pressure other than the weight of its contents;
- refrigeration vessels;
- air conditioning vessels;
- mechanical or electrical machine or apparatus used to generate, transmit or otherwise use mechanical or electrical power; and
- piping, cable and accessory equipment connected to any of the foregoing.

For the purposes of the Spoilage – Utility Owned Equipment Premises Coverage, Off Premises Property Damage Additional Coverage, Ingress And Egress Premises Coverage, Solely Supplying Utility Owned Equipment Additional Coverage, Civil Authority Additional Coverage, Dependent Business Premises Additional Coverage and Loss Of Utilities Additional Coverage, **mechanical or electrical system or apparatus** means **mechanical or electrical system or apparatus of others**.

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, 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 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. water piping interconnecting vessels forming part of a refrigeration or air conditioning system used for cooling, humidifying or space heating;
- I. structure, foundation, cabinet or compartment containing or supporting any vessel, equipment, machine or apparatus;
- J. die, extrusion plate, or any other expendable item that is part of or used with any vessel, equipment, machine or apparatus;
- K. vessel, equipment, machine or apparatus manufactured by you for sale;
- L. power shovel, dragline or excavation vehicle (whether or not licensed for road use);
- M. aircraft;
- N. floating vessel or structure;

Definitions

Mechanical Or Electrical System Or Apparatus (continued)

- O. penstock, draft tube or well casings;
- P. crane booms and cables, but not excluding any driving mechanical or electrical system or apparatus; or
- Q. cylinder not sealed in PVC (polyvinyl chloride) protection, containing a movable plunger or piston, mounted on or forming a part of an elevator or hoist.

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”.

Mechanical Or Electrical System Or Apparatus Of Others

Mechanical or electrical system or apparatus of others means any of the following property that you do not own, lease, operate or otherwise control:

- boiler, fired pressure vessel, unfired pressure vessel normally subject to vacuum or internal pressure other than the weight of its contents;
- refrigeration vessels;
- air conditioning vessels;
- mechanical or electrical machine or apparatus used for the generation, transmission or utilization of mechanical or electrical power; and
- piping, cable and accessory equipment connected to any of the foregoing.

Merchandise

Merchandise means goods:

- held for sale by you; or
- manufactured by you and ready for sale on the premises of any retail outlet.

Newly Acquired Premises

Newly acquired premises means premises you acquire during the policy period until the first of the following occurs:

- you report the newly acquired premises to us;
- the number of days shown in the Declarations pass from the date you acquire the premises; or
- this policy expires.

Occurrence

Occurrence means:

1. one event; or
2. a series of causally related events that:
 - a. contribute concurrently to; or
 - b. contribute in any sequence to, the loss or damage.

Property/Business Income Conditions And Definitions

Definitions

(continued)

On-Line Access

On-line access means:

- accessing information made available by third parties; or
 - making information available to third parties,
- via computer or other electronic system.

Operations

Operations means your business activities occurring at your premises, including your activities as a lessor of premises, prior to the **breakdown**.

Overhead Communication, Transmission Or Distribution Equipment

Overhead communication, transmission or distribution equipment means:

- overhead communication, transmission or distribution lines;
 - overhead transformers; or
 - other similar overhead communication, transmission or distribution equipment,
- and all their supporting towers and poles.

Period Of Restoration

Period of restoration means the period of time that begins immediately after the time of direct physical damage to **covered property** and continues until your **operations** are restored, with reasonable speed, to the level which would generate the **business income** amount that would have existed if no direct physical damage occurred, including the time required to:

- A. repair or replace the **covered property**; or
- B. repair or replace the **covered property** to comply with the minimum standards of any enforceable ordinance or law that:
 1. regulates the repair or replacement of any **covered property**;
 2. requires the tearing down of parts of any **covered property** not damaged as a result of a **breakdown**; and
 3. is in force on the date of the direct physical damage,

not to exceed the applicable number of days shown as Extended Period in the Declarations, beginning on the date that:

- for manufacturing risks, the damaged **covered property** is actually repaired or replaced and production capability is restored to the level that existed prior to the date the direct physical damage occurred; or
- for all other risks, the damaged **covered property** is actually repaired or replaced and your **operations** are restored.

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

If loss or damage occurs at a:

- **dependent business premises**; or
- utility,

Definitions

Period Of Restoration (continued)

for the purpose of determining **period of restoration** following such loss or damage, **covered property** includes:

- **covered property of a utility;** or
- **covered property of a dependent business premises.**

Period of restoration does not include any increased period required to comply with any ordinance or law:

- you were required to comply with before the direct physical damage;
- involving any property outside the legal boundary of the premises shown in the Declarations;
- that regulates the repair or replacement of any property that was lost or damaged by an excluded peril. If direct physical damage is caused by or results from both a **breakdown** and an excluded peril, the **period of restoration** only includes the length of time required to repair or replace the property damaged by a **breakdown**; or
- 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**, except as provided under the Fungus Clean-up Or Removal Premises Coverage or the Pollutant Clean-up Or Removal Additional Coverage.

Personal Property

Personal property means:

- all your business personal property;
- business personal property you lease;
- **personal property of others;**
- labor, materials and services furnished or arranged by you on **personal property of others;**
- signs, fixtures, glass and other **tenant's improvements and betterments;** and
- glass in **buildings** you do not own if you are legally or contractually required to maintain such glass.

Personal property does not mean:

- **building**, except **tenant's improvements and betterments** and glass in **buildings** you do not own if you are legally or contractually required to maintain such glass;
- land, water or air, either inside or outside of a structure;
- retaining walls;
- growing crops;
- trees, shrubs, plants or lawns;
- vehicles or machines required to be licensed for use on public roads;
- watercraft;
- aircraft;
- money or securities;
- animals; or

Definitions**Personal Property**
(continued)

- any personal property which is in or below underground mines or mine shafts.

**Personal Property Of
Others**

Personal property of others means personal property not owned by you and in your care, custody or control.

Personal property of others does not mean business personal property you lease.

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 recycled, reconditioned or reclaimed.

Pollutants does not mean **fungus**.

Prototypes

Prototypes mean a first or original model of a new type of design.

Raw Stock

Raw stock means material in the state in which you receive it for conversion into **finished stock**.

**Research And
Development Operations**

Research and development operations means your business activities occurring at your premises, which are directly related to the development of new products or enhancement of existing products.

**Research And
Development Property**

Research and development property means:

- written, printed or inscribed documents, plans, records or formulas;
- processes or cultures and resulting products, samples or other materials produced by such processes or cultures; and
- **prototypes**,

if produced and directly associated with your **research and development operations**.

Research and development property does not mean:

- animals;
- money or securities;
- property held for sale or held for delivery after sale; or
- goods you have manufactured which are in their completed state and ready for sale.

Definitions

(continued)

Stock

Stock means:

- goods held in storage or for sale;
- **raw stock**;
- **stock in process**;
- **finished stock**; or
- **merchandise**,

including supplies used in their packing or shipping.

Stock In Process

Stock in process means **raw stock** which has undergone any aging, seasoning, mechanical or other process of manufacture but which has not become **finished stock**.

Suit

Suit means a civil proceeding in which damages because of a **breakdown** to which this insurance applies are alleged.

Suit includes:

- an arbitration proceeding in which such damages are claimed and to which you must submit or do submit with our consent; or
- any other alternative dispute resolution proceeding in which such damages are claimed and to which you submit with our consent.

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.

Tenant's Improvements And Betterments

Tenant's improvements and betterments means fixtures, alterations, installations or additions:

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

Tenant's improvements and betterments does not mean:

- land, water or air, either inside or outside of a structure;
- paved or concrete surfaces;
- retaining walls;
- foundations or supports below the surface of the lowest floor or basement;
- trees, shrubs, plants or lawns; or
- growing crops.

Endorsement

| | |
|------------------------|--|
| <i>Policy Period</i> | SEPTEMBER 30, 2023 TO SEPTEMBER 30, 2024 |
| <i>Effective Date</i> | SEPTEMBER 30, 2023 |
| <i>Policy Number</i> | 7643-88-88 WUC |
| <i>Insured</i> | FREEHOLD MANAGEMENT, INC |
| <i>Name of Company</i> | FEDERAL INSURANCE COMPANY |
| <i>Date Issued</i> | JULY 21, 2023 |

This Endorsement applies to the following forms:

PROPERTY/BUSINESS INCOME CONDITIONS AND DEFINITIONS

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

Under Conditions, the Appraisal, Cancellation, Insured's Duties In The Event Of Loss Or Damage, Legal Action Against Us, Loss Payment, Mortgage Holder – Buildings and When We Do Not Renew 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.

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.

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.

Endorsement

Effective Date SEPTEMBER 30, 2023

Policy Number 7643-88-88 WUC

Conditions**Cancellation
(continued)*****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.

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.

***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.

Conditions

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

- 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; and
- 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.

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.

We will notify you in writing of any initial offer to compromise or settle a claim against you under this policy. We will give you notice within 10 days after the date the offer is made.

We will notify you in writing of any settlement of a claim against you under this policy. We will give you notice within 30 days after the date of the settlement.

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.

Endorsement

Effective Date SEPTEMBER 30, 2023

Policy Number 7643-88-88 WUC

Conditions

(continued)

Legal Action Against Us

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

- there has been full compliance with all of the terms of this insurance; and
- the action is brought within 2 years and one day from the date the cause of action first accrues. A cause of action first accrues on the date of the initial breach of our contractual duties alleged in the action.

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.

**Mortgage Holder –
Buildings**

We will pay for loss or damage to **building** jointly to you and the mortgage holder shown in the Schedule of Mortgagees and Loss Payees, as interests may appear.

Your mortgage holder has the right to receive loss payment, even though:

- you failed to comply with the terms of this insurance; or
- your mortgage holder starts foreclosure or similar actions on the **building**,

if such mortgage holder:

- pays any premium due at our request if you have failed to do so;
- submits a signed, sworn proof of loss within 91 days after receiving notice from us of your failure to do so, and
- has notified us of any change in ownership, occupancy or substantial change in risk known to such mortgage holder.

Conditions

Mortgage Holder – Buildings (continued)

If we make loss payments to your mortgage holder when you fail to comply with the terms of this insurance, you will have to pay us to the extent we pay the mortgage holder. Your mortgage holder will still have the right to receive the balance of the mortgage debt from you.

We also have the right to take over your mortgage after making loss payment to the mortgage holder. If we do, you will pay your remaining mortgage debt to us.

If you fail to pay your premium, we may request it from your mortgage holder.

The mortgage holder must notify us of any change in ownership known to the mortgage holder.

If we or the insured cancel this insurance, we will give written notice to the mortgage holder at least:

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

To satisfy the requirements of any mortgage holder shown in the Schedule of Mortgages and Loss Payees, copies of policies or certified copies of policies may be sent to these mortgage holders. In no event are copies of policies sent to mortgage holders to be considered as increasing the Limits Of Insurance shown in the Declarations or changing the terms of this insurance, nor are they to be considered duplicate or contributing insurance.

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.

Endorsement

Effective Date SEPTEMBER 30, 2023

Policy Number 7643-88-88 WUC

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.

Under Conditions, the following condition is added:

Conditions**Liquidated Demand**

A fire insurance policy, in case of total loss by fire of property insured, shall be held and considered to be a liquidated demand against the Company for the full amount of such policy.

This condition does not apply to **personal property**.

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

Definitions

*Catastrophe Or Major
Natural Disaster
(continued)*

- determined to be a catastrophe by the Texas Department of Insurance.

All other terms and conditions remain unchanged.

Authorized Representative



Endorsement

Policy Period SEPTEMBER 30, 2023 TO SEPTEMBER 30, 2024
Effective Date SEPTEMBER 30, 2023
Policy Number 7643-88-88 WUC
Insured FREEHOLD MANAGEMENT, INC

Name of Company FEDERAL INSURANCE COMPANY
Date Issued JULY 21, 2023

This Endorsement applies to the following forms:

BUSINESS INCOME WITH EXTRA EXPENSE
PROPERTY/BUSINESS INCOME CONDITIONS AND DEFINITIONS

**Special Waiting
Period Provision**

A new section called Special Waiting Period Provision is added to the contracts shown above.

Wherever used within any property contract or property endorsement contained in this policy, the phrase "normal business hours" is deleted and replaced with "consecutive hours".

All other terms and conditions remain unchanged.

Authorized Representative



Endorsement

| | |
|------------------------|--|
| <i>Policy Period</i> | SEPTEMBER 30, 2023 TO SEPTEMBER 30, 2024 |
| <i>Effective Date</i> | SEPTEMBER 30, 2023 |
| <i>Policy Number</i> | 7643-88-88 WUC |
| <i>Insured</i> | FREEHOLD MANAGEMENT, INC |
| <i>Name of Company</i> | FEDERAL INSURANCE COMPANY |
| <i>Date Issued</i> | JULY 21, 2023 |

This Endorsement applies to the following forms:

PROPERTY/BUSINESS INCOME CONDITIONS AND DEFINITIONS
BUSINESS INCOME WITH EXTRA EXPENSE
PROPERTY DAMAGE

Under Exclusions, the Malicious Programming exclusion is deleted and replaced by the following:

Exclusions**Malicious Programming**

This insurance does not apply to any:

- **breakdown**; or
- 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 **breakdown** or loss or damage, even if such other cause or event would otherwise be covered.

This Malicious Programming exclusion does not apply to direct physical damage caused by or resulting from **breakdown** if the **breakdown** is the direct result of **malicious programming**.

Under Definitions, the Malicious Programming definition is deleted and replaced with the following:

Definitions

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 property**.

All other terms and conditions remain unchanged.

Authorized Representative



Endorsement

| | |
|------------------------|--|
| <i>Policy Period</i> | SEPTEMBER 30, 2023 TO SEPTEMBER 30, 2024 |
| <i>Effective Date</i> | SEPTEMBER 30, 2023 |
| <i>Policy Number</i> | 7643-88-88 WUC |
| <i>Insured</i> | FREEHOLD MANAGEMENT, INC |
| <i>Name of Company</i> | FEDERAL INSURANCE COMPANY |
| <i>Date Issued</i> | JULY 21, 2023 |

=====

This Endorsement applies to the following forms:

PROPERTY DAMAGE
BUSINESS INCOME WITH EXTRA EXPENSE
PROPERTY/BUSINESS INCOME CONDITIONS AND DEFINITIONS

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Under Declarations, the Named Insured is amended to include the following:

Company Name:**Address:**

Freehold Management, Inc

2929 Carlisle St, #170
Dallas, TX 75204

R.P.I. LBJ Oates LTD

Freehold Managment, Inc /
Retail Plazas Inc

RPI Beltline Square, Ltd.

R. P. I. Bryant Irvin Center, LTD

RPI Courtyard, LTD

R.P.I. Denton Center LTD

DC Shopping Center, LTD

Frankford Center, LTD

RPI Hmart Town Center, LTD

RPI Lakeside SC, LTD

RPI LBJ Oates, LTD

Equipment Breakdown Insurance
(continued)

R.P.I. Cedar Hill LTD

R. P. I. New York Plaza, LTD

R.P.I. Overland LTD

R.P.I. Ridgmar Town Square, LTD

RPI Green Oaks LTD

RPI Skillman Abrams S.C., LTD

All other terms and conditions remain unchanged.

Authorized Representative



Endorsement

| | |
|------------------------|--|
| <i>Policy Period</i> | SEPTEMBER 30, 2023 TO SEPTEMBER 30, 2024 |
| <i>Effective Date</i> | SEPTEMBER 30, 2023 |
| <i>Policy Number</i> | 7643-88-88 WUC |
| <i>Insured</i> | FREEHOLD MANAGEMENT, INC |
| <i>Name of Company</i> | FEDERAL INSURANCE COMPANY |
| <i>Date Issued</i> | JULY 21, 2023 |

This Endorsement applies to the following forms:

PROPERTY DAMAGE
BUSINESS INCOME WITH EXTRA EXPENSE
PROPERTY/BUSINESS INCOME CONDITIONS AND DEFINITIONS

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

Terrorism Provisions**Cap On 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,

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





Chubb Equipment Breakdown Defender

Schedule Of Mortgagees And Loss Payees

Named Insured and Mailing Address

FREEHOLD MANAGEMENT, INC
2929 CARLISLE ST, #170
DALLAS, TX 75204

Producer No. 0041603

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

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

Policy Number 7643-88-88 WUC

Effective Date SEPTEMBER 30, 2023

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

FEDERAL INSURANCE COMPANY

*Incorporated under the laws of
INDIANA*

Policy Period

From: SEPTEMBER 30, 2023 **To:** SEPTEMBER 30, 2024
12:01 A.M. standard time at the Named Insured's mailing address shown above.

SCHEDULE

Mortgagee/
Loss Payee/Additional Insured
Bayclays Capital Real Estate Inc.
its successors and/or assigned,
c/o Midland Loan Services,
A PNC Real Estate Business,
PO Box 25965,
Shawnee Mission, KS 66225-5965
Loan Number: 030509619