



The RT Property Team is an exceptional collection of creative, proactive and highly skilled problem solvers. We work as an extension of our retail clients assisting them in creating the optimal solution for their clients' risks. RT Property is there through thick and thin, from coverage strategy and conception through claim activity.

**Property Claims can be submitted 24/7 to [kcclaims@rtspecialty.com](mailto:kcclaims@rtspecialty.com)**

## CONTACT

Agents and brokers, for more information contact your local RT Specialty broker:

### RT SPECIALTY - CHICAGO

180 North Stetson Avenue  
Suite 4600  
Chicago, IL 60601  
(312) 784-6001

**[RTSPECIALTY.COM](http://RTSPECIALTY.COM)**



## Claims Management Services

As part of our commitment to better serve you, a vital part of our services is providing powerful and convincing advocacy for insureds in the unfortunate event of a claim. In order for us to provide the highest level of claims management services on your behalf, we have an experienced staff of well-respected claims advocates, namely:

**Todd Mannschreck** is RT Specialty's President of Claims and Chief Claims Officer. As head of the RT Claims Department, Todd is responsible for developing and implementing all policies and procedures for the department and ensuring accurate claims handling. His 30 year tenure provides a long view and deep experience that greatly assists in attaining favorable claims resolutions.

RT Property's Assistant Vice President, Claims, **David Gleason**, has adjusted and managed commercial property and inland marine claims for both admitted and excess and surplus lines for national and international insurance carriers. He holds numerous insurance industry certifications including CPCU, AIC, AFSB and is a certified Six Sigma Black Belt. With a continued focus on customer service and prompt resolution of claims, he brings his experience from over 35 years of complex claims handling and litigation management in the HPR, primary and quota share markets, to support RT Property's teams and their clients.

RT's property claims resources also includes several other team members whose cumulative experience is well in excess of 75 years. This team of talented and motivated claim professionals are here to assist clients on all claim issues. This is a unique approach within the wholesale industry and one that has proved to be a valuable asset to retail brokers and their clients.

With these unparalleled claims resources, RT is uniquely positioned to provide superior claims management assistance and advocacy.

**"Todd Mannschreck has built an incredible team of claims professionals. The top-quality service our claims team provides for our key partners has been a critical differentiator in elevating the RT National Property Team as the best in the country!"**

***Brenda (Ballard) Austenfeld***  
***President - National Property Practice***  
***Managing Director***

R-T Specialty, LLC (RT), a subsidiary of Ryan Specialty Group, LLC, provides wholesale brokerage and other services to agents and brokers. RT is a Delaware limited liability company based in Illinois. As a wholesale broker, RT does not solicit insurance from the public. Some products may only be available in certain states, and some products may only be available from surplus lines insurers. In California: R-T Specialty Insurance Services, LLC License 0G97516. © 2020 Ryan Specialty Group, LLC

This Face Page attaches to and becomes a part of the following policy:

Insured: Granada Terrace Apartments, LP

Policy #: CTW007673

Effective Date: 6/30/2024

Date Policy/Endorsement Received:

Zip Code of Risk Location: 90049

THIS INSURANCE CONTRACT IS WITH AN INSURER NOT LICENSED TO TRANSACT INSURANCE IN THIS STATE AND IS ISSUED AND DELIVERED AS SURPLUS LINE COVERAGE UNDER THE TEXAS INSURANCE STATUTES. THE TEXAS DEPARTMENT OF INSURANCE DOES NOT AUDIT THE FINANCES OR REVIEW THE SOLVENCY OF THE SURPLUS LINES INSURER PROVIDING THIS COVERAGE, AND THE INSURER IS NOT A MEMBER OF THE PROPERTY AND CASUALTY INSURANCE GUARANTY ASSOCIATION CREATED UNDER CHAPTER 462, INSURANCE CODE. CHAPTER 225, INSURANCE CODE, REQUIRES PAYMENT OF A 4.85 PERCENT TAX ON GROSS PREMIUM.

Rev. 4/1/09

Name and Address of Insurer:

Underwriters at Lloyd's of London (Non-Admitt

Name and Address of Surplus Lines Agent:

RSG Specialty, LLC

155 N Wacker, Suite 4000

Chicago, IL 60606

|                    |                                 |
|--------------------|---------------------------------|
| Premium:           | \$115,000.00                    |
| TRIA Premium:      | REJECTED                        |
| Fees:              | Policy Fee - Carrier \$1,600.00 |
| Surplus Lines Tax: | \$5,655.10                      |
| Stamping Fee:      | \$46.64                         |
| Total:             | \$122,301.74                    |

## **Have a complaint or need help?**

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

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

### **Underwriters at Lloyd's of London (Non-Admitted)**

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

**Call: Underwriters at Lloyd's of London (Non-Admitted) at  
Toll-free:**

Online:

Email:

Mail: Lloyd's One Lime Street  
London, UK EC3M 7HA

### **The Texas Department of Insurance**

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

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

File a complaint: [www.tdi.texas.gov](http://www.tdi.texas.gov)

Email: [ConsumerProtection@tdi.texas.gov](mailto:ConsumerProtection@tdi.texas.gov)

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

## **¿Tiene una queja o necesita ayuda?**

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

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

### **Underwriters at Lloyd's of London (Non-Admitted)**

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

**Llame a: Underwriters at Lloyd's of London (Non-Admitted) al  
Teléfono gratuito:**

En línea:

Correo electrónico:

Dirección postal: Lloyd's One Lime Street  
London, UK EC3M 7HA

**El Departamento de Seguros de Texas**

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

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

Presente una queja en: [www.tdi.texas.gov](http://www.tdi.texas.gov)

Correo electrónico: [ConsumerProtection@tdi.texas.gov](mailto:ConsumerProtection@tdi.texas.gov)

Dirección postal: MC 111-1A, P.O. Box 149091, Austin, TX 78714-90

# Commercial Property Policy

Prepared exclusively for: Grenada Terrace Apartments LP  
Contract Number: CTW007673



CAT7135 (03/21)

CHICAGO  
20 North Wacker Drive, Ste. 3121  
Chicago, IL 60606-3101  
00+1 (847) 864-9999  
License No. 100689362

DENVER  
908 Main Street, Ste. 310  
Louisville, CO 80027-1897  
00+1 (303) 551-1549  
License No. 510817

SAN DIEGO  
350 10th Avenue, Ste. 1450  
San Diego, CA 92101  
00+1 (619) 659-7166  
License No. 0167798

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# U.S. TREASURY DEPARTMENT'S OFFICE OF FOREIGN ASSETS CONTROL ("OFAC") ADVISORY NOTICE TO POLICYHOLDERS

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No coverage is provided by this Policyholder Notice nor can it be construed to replace any provisions of your policy. You should read your policy and review your Declarations page for complete information on the coverages you are provided.

This Notice provides information concerning possible impact on your insurance coverage due to directives issued by OFAC. Please read this Notice carefully.

The Office of Foreign Assets Control (OFAC) administers and enforces sanctions policy, based on Presidential declarations of "national emergency". OFAC has identified and listed numerous:

- Foreign agents;
- Front organizations;
- Terrorists;
- Terrorist organizations; and
- Narcotics traffickers;

as "Specially Designated Nationals and Blocked Persons". This list can be located on the United States Treasury's web site – <http://www.treas.gov/ofac>.

In accordance with OFAC regulations, if it is determined that you or any other insured, or any person or entity claiming the benefits of this insurance has violated U.S. sanctions law or is a Specially Designated National and Blocked Person, as identified by OFAC, this insurance will be considered a blocked or frozen contract and all provisions of this insurance are immediately subject to OFAC. When an insurance policy is considered to be such a blocked or frozen contract, no payments nor premium refunds may be made without authorization from OFAC. Other limitations on the premiums and payments also apply.

Contract No: CTW007673  
Named Insured: Grenada Terrace Apartments LP

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# TEXAS SURPLUS LINES NOTICE

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## TEXAS SURPLUS LINES NOTICE

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

LMA9079

## TEXAS COMPLAINTS NOTICE

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Figure: 28 TAC § 1.601(a)(2)(B)

### Have a complaint or need help?

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

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

#### **Catalytic Risk Managers & Insurance Agency, LLC**

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

**Call: Sam Ramsey at (619) 659-7166**

Email: [sramsey@catalyticrisk.com](mailto:sramsey@catalyticrisk.com)

Mail: 350 10<sup>th</sup> Avenue, Suite 1450  
San Diego, CA 92101

#### **The Texas Department of Insurance**

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

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

File a complaint: [www.tdi.texas.gov](http://www.tdi.texas.gov)

Email: [ConsumerProtection@tdi.texas.gov](mailto:ConsumerProtection@tdi.texas.gov)

Mail: Consumer Protection, MC: CO-CP, Texas Department of Insurance, PO Box 12030, Austin, TX 78711-2030



## CLAIMS HANDLING NOTICE

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We, much like you, hope you never have a loss that results in a claim. However, should you have a claim we want to make sure it is handled promptly and professionally and that you receive the benefits owed under your policy. This notice will help to generally explain the claims process and what to expect. Every claim is unique and we will triage your claim upon receipt to tailor its handling to the specific circumstances presented.

Our goal is to provide the best customer service to you through prompt and transparent claim service.

When a loss occurs, please notify us or your agent as soon as possible. You can report a claim:

- By telephone: 800-208-1806
- By email: [claims@catalyticrisk.com](mailto:claims@catalyticrisk.com)

Upon receipt of the claims notice, we will assign it to an examiner who will contact you or your designated representative to collect additional facts about the loss, review policy coverage and discuss claim investigation steps. Based on the information received from you regarding the loss, we will create a claims investigation plan which may include the use of a field adjuster to visit the property to document the scope and nature of the loss, and provide us with damage repair estimates. We will identify for you the independent adjusting firm retained for the field investigation and they will contact you to coordinate the inspection date and time.

The policy requires you to take reasonable steps to protect the property from further damage at the time of loss, and we request that you begin loss mitigation as soon as possible. It is important to keep records of the work done, including all expenses incurred, for consideration in the settlement of the claim. Understand that we cannot provide advice on whether the loss is covered, including remediation expenses incurred, until our investigation is complete and authority has been granted from the appropriate insurance carrier(s).

Throughout the process, it is important that you share all documents, photographs, reports or other information you have regarding the loss. This will help us in promptly moving the claim to resolution. Our goal is to work with you to create an appropriate claims investigation plan which will result in resolution as soon as practical.

Upon review of the field adjuster report, we may discover additional components of the claim that may need investigation and the examiner will discuss these with you. Sometimes, additional experts are needed in the investigation, and we will identify the experts retained and they contact you to coordinate their investigation (site visit or collection of information).

Once the claim investigation is complete, we will evaluate all information and the coverage provided by the policy and make a recommendation to the appropriate carrier(s) seeking authority to resolve your claim. Upon receipt of authority from the carrier(s), we will contact you to discuss the claims outcome.

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# U.S. TERRORISM RISK INSURANCE ACT OF 2002 AS AMENDED NOT PURCHASED CLAUSE

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This Clause is issued in accordance with the terms and conditions of the "U.S. Terrorism Risk Insurance Act of 2002" as amended as summarized in the disclosure notice.

It is hereby noted that the Insurer(s) have made available coverage for "insured losses" directly resulting from an "act of terrorism" as defined in the "U.S. Terrorism Risk Insurance Act of 2002", as amended ("TRIA") and the Insured has declined or not confirmed to purchase this coverage.

This Insurance therefore affords no coverage for losses directly resulting from any "act of terrorism" as defined in TRIA except to the extent, if any, otherwise provided by this policy.

All other terms, conditions, insured coverage and exclusions of this Insurance including applicable limits and deductibles remain unchanged and apply in full force and effect to the coverage provided by this Insurance.

# TERRORISM EXCLUSION ENDORSEMENT

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It is hereby understood and agreed that this insurance excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any act of terrorism regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

For the purpose of this endorsement an act of terrorism means an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organization(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear.

This endorsement also excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to any act of terrorism.

If the Insurer(s) allege that by reason of this exclusion, any loss, damage, cost or expense is not covered by this insurance the burden of proving the contrary shall be upon the Insured.

In the event any portion of this endorsement is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

## DECLARATIONS PAGE

Contract Number: **CTW007673**

1. Name and Address of the Insured:

Grenada Terrace Apartments LP  
11911 San Vicente Boulevard, Suite 355  
Los Angeles, CA 90049

2. Policy Term:

Effective from: 6/30/2024 to: 6/30/2025

Effective from 12:01 a.m. Standard Time at the Insured's Covered Location

3. Insurance is effective with certain insurer(s) outlined in the Participation Schedule on CAT3045, Participation Page.

|  |                        |   |           |
|--|------------------------|---|-----------|
| 4. Amount:   | Per Participation Page | Property Premium:                       | \$115,000 |
| Part of  | Per Participation Page | TRIA Premium:                           | Rejected  |
| Excess of:   | Per Participation Page | Equipment Breakdown:                    | N/A       |
| Amount is excess of deductibles(s) and is per occurrence and policy term aggregate as applicable |                        | State tax: (Producer Responsibility)    |           |
| Total Insured Value:   |                        | Stamping fee: (Producer Responsibility) |           |
| Perils:  |                        | Catastrophe Fee:                        | \$1,000   |
| Coinsurance:   |                        | Inspection Fee:                         | \$600     |
| Coverage:  |                        | Total:                                  | \$116,600 |
| Windstorm or Hail Causes of Loss Excluding Earthquake and Flood                                  |                        |   |           |
| NIL  |                        |   |           |
| Building(s), Business Personal Property, Rental Value  |                        |   |           |

5. Forms attached hereto and special conditions: See schedule of forms attached

Situate: Per Schedule of Values on file with Insurer(s)

Monthly Limit of Indemnity: 1/12th

Property Valuation: Replacement Cost

Primary deductible(s) or Underlying Limits: See Section III – Policy Deductibles of the Diamond Commercial Property Form.

6. Service of Suit may be made upon: As per forms attached

7. In the event of a claim, please notify the following:

Catalytic Risk Managers  
Attn: Claims Department  
350 10<sup>th</sup> Avenue, Suite 1450  
San Diego, CA 92101

[claims@catalyticrisk.com](mailto:claims@catalyticrisk.com) – email notification  
(800) 208-1806 – phone notification  
Website: <http://www.catalyticrisk.com/Claims/Home>

8. The following are the authorized signatures for certain Underwriters at Lloyd's of London and other Insurers, all as applicable.



Ian Fitt



Jon Knouse

## PARTICIPATION PAGE

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It is hereby understood and agreed that in consideration of the premium charged, the subscribers hereto, hereinafter referred to as the Insurer(s), do severally, but not jointly, agree to indemnify the Insured for the amount recoverable in accordance with the terms and conditions of the policy. Provided that:

1. The collective liability of the Insurer(s) shall not exceed the Limit of Insurance or any appropriate Sublimit of Insurance or any policy term aggregate limit.
2. The liability of each of the Insurer(s) shall not exceed the Participation Limit set against its name with the exception of loss adjustment expense which cost shall be 100% assumed by the Insurer(s) on each applicable layer of insurance.

### Several Liability Notice

The liability of an Insurer under this contract is several and not joint with other Insurer(s) party to this contract. An Insurer is liable only for the proportion of liability it has underwritten. An Insurer is not jointly liable for the proportion of liability underwritten by any other Insurer. Nor is an Insurer otherwise responsible for any liability of any other Insurer that may underwrite this contract.

The proportion of liability under this contract underwritten by an Insurer (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of the syndicate taken together) is shown in this contract.

In the case of a Lloyd's syndicate, each member of the syndicate (rather than the syndicate itself) is an Insurer. Each member has underwritten a proportion of the total shown for the syndicate (that total itself being the total of the proportions underwritten by all the members of the syndicate taken together). The liability of each member of the syndicate is several and not joint with other members. A member is liable only for that member's proportion. A member is not jointly liable for any other member's proportion. Nor is any member otherwise responsible for any liability of any other Insurer that may underwrite this contract. The business address of each member is Lloyd's, One Lime Street, London EC3M 7HA. The identity of each member of a Lloyd's syndicate and their respective proportion may be obtained by writing to Market Services, Lloyd's, at the above address.

Although reference is made at various points in this clause to "this contract" in the singular, where the circumstances so require this should be read as a reference to contracts in the plural.

- a. If as outlined below, the Participants on this policy are only Lloyd's Syndicates, then the following Several Liability Notice applies:

The subscribing Insurer(s) obligations under contracts of insurance to which they subscribe are several and not joint and are limited solely to the extent of their individual subscriptions. The subscribing Insurer(s) are not responsible for the subscription of any co-subscribing Insurer(s) who for any reason does not satisfy all or part of its obligations.

### Application of Underlying Insurance Sublimits

1. Unless specifically shown on or endorsed to this policy, coverage is excluded by this policy for any peril, coverage, or location for which the Underlying Insurance policy(ies) imposes a sublimit less than the total limit over which this policy is excess.
2. For the purpose of attachment of coverage, sublimited peril, coverage, or location excluded by this policy but covered by the Underlying Insurance policy(ies), shall be recognized by this policy as eroding or exhausting the limit of liability of the Underlying Insurance policy(ies). Nothing herein, however, shall be deemed to extend coverage in this policy to include loss, damage, or expense from such sublimited peril, coverage, or location.

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

Contract No: CTW007673  
Named Insured: Grenada Terrace Apartments LP

| Peril   | Insurer                                     | Agreement / Policy #                     | Participation<br>(excess of deductibles per primary layer) |             |           | Premium  | TRIA Coverage |
|---|---|--|--|-------------|-----------|----------|---------------|
|   |   |  | Limit  | Part of     | Excess of |          |               |
| Windstorm, Named Windstorm and Hurricane only | HDI Global Specialty SE (A XV)              | B0429BA2306845<br>Section 1<br>HDW001667 | \$212,300  | \$5,000,000 | \$0       | \$4,883  | Rejected      |
| Windstorm, Named Windstorm and Hurricane only | GuideOne National Insurance Company (A- X)  | 553000561                                | \$1,244,901  | \$5,000,000 | \$0       | \$28,633 | Rejected      |
| Windstorm, Named Windstorm and Hurricane only | Summit Specialty Insurance Company (A VIII) | SMW002019                                | \$372,230  | \$5,000,000 | \$0       | \$8,561  | Rejected      |
| Windstorm, Named Windstorm and Hurricane only | Summit Specialty Insurance Company (A VIII) | ARW000313                                | \$620,383  | \$5,000,000 | \$0       | \$14,269 | Rejected      |
| Windstorm, Named Windstorm and Hurricane only | Underwriters at Lloyd's, London (A XV)      | B2429BW2402280<br>Section 3<br>QBW00537  | \$74,446   | \$5,000,000 | \$0       | \$1,712  | Rejected      |
| Windstorm, Named Windstorm and Hurricane only | Underwriters at Lloyd's, London (A XV)      | B2429BW2403201<br>Section 1<br>XLW00486  | \$165,435  | \$5,000,000 | \$0       | \$3,805  | Rejected      |
| Windstorm, Named Windstorm and Hurricane only | Underwriters at Lloyd's, London (A XV)      | B2429BW2404657<br>Section 2<br>TRW00251  | \$206,794  | \$5,000,000 | \$0       | \$4,756  | Rejected      |
| Windstorm, Named Windstorm and Hurricane only | Underwriters at Lloyd's, London (A XV)      | B0429BA2204667<br>Section 1<br>BAW00494  | \$655,951  | \$5,000,000 | \$0       | \$15,087 | Rejected      |
| Windstorm, Named Windstorm and Hurricane only | Underwriters at Lloyd's, London (A XV)      | B1868HT2400296<br>RRW00549               | \$1,447,560  | \$5,000,000 | \$0       | \$33,294 | Rejected      |
|   |   | Named Windstorm<br>Total Limit:          | \$5,000,000  |             |           |          |               |
|   |   | Named Windstorm<br>Total Premium:        | \$115,000  |             |           |          |               |

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## CERTAIN UNDERWRITERS AT LLOYD'S SYNDICATE LIST

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It is hereby understood and agreed that if Certain Underwriter's at Lloyds, London are listed as security on the Participation Page attached to this policy, the list of syndicates is shown below:

| Syndicate Number | Syndicate Abbreviation |
|------------------|------------------------|
| 2003             | AXL                    |
| 2987             | BRT                    |
| 1618             | Kii                    |
| 457              | MRS                    |
| 1886             | QBE                    |
| 1458             | RNR                    |
| 5000             | TRV                    |

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# GUIDEONE NATIONAL INSURANCE COMPANY

## AMENDATORY ENDORSEMENT

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It is hereby agreed and understood that the following carrier-specific policy language applies to this policy:

**1. Notices**

- a. Except as otherwise indicated in this policy, all notices to the Insurer required by this policy from any insured shall be given in writing, delivered, by prepaid express courier, or by certified mail to:

Catalytic Risk Managers  
350 10<sup>th</sup> Avenue, Suite 1450  
San Diego, CA 92101

- b. If the Insurer must give to the Insured any notice under this policy, and the time period or method of delivery provided for such notice is established by controlling law as a different period or method of delivery than that set forth in this policy, then the period or method of delivery set forth in this policy shall be deemed to be amended so as to be equal to the minimum period of limitation or method of delivery established by the controlling law.

**2. Claims Reporting**

Except as otherwise indicated in this policy, all notices to the Insurer required by this policy from any insured shall be given in writing, delivered, by prepaid express courier, or by certified mail to:

Catalytic Risk Managers  
350 10<sup>th</sup> Avenue, Suite 1450  
San Diego, CA 92101  
Office: (800) 208-1806  
Claims@catalyticrisk.com

**3. Notice of Service of Suit**

Pursuant to any statute of any state, territory or District of the United States which makes provision therefore, the Insurer hereby designates the Superintendent, Commissioner or Director of Insurance or other officer specified for that purpose in the statute, or his successor or successors in office, as the Insurer's true and lawful attorney upon whom may be served any lawful process in any action, suit or proceeding instituted by or on behalf of the Named Insured, arising out of this policy.

Service of Suit may also be delivered to:

CT Corporation System

The most current address for CT Corporation System applicable in the Insured's state may be provided by the Insured's agent or found at the web address below:

<https://ct.wolterskluwer.com/sop-locations>



# HDI GLOBAL SPECIALTY SE AMENDATORY ENDORSEMENT

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This Insurance is effected with HDI Global Specialty SE as a company market insurer and various Lloyd's syndicates (the underwriters).

The Insured is requested to read this Certificate, and if it is not correct, return it immediately to the Correspondent for appropriate alteration.

It is hereby agreed and understood that the following carrier-specific policy language applies to the HDI Global Specialty SE proportion of this policy:

## 1. Notices

- a. Except as otherwise indicated in this policy, all notices to the Insurer(s) required by this policy from any Insured shall be given in writing, delivered, by prepaid express courier, or by certified mail to:

Catalytic Risk Managers  
350 10<sup>th</sup> Avenue, Suite 1450  
San Diego, CA 92101

- b. If we must give to you any notice under this policy, and the time period or method of delivery provided for such notice is established by controlling law as a different period or method of delivery than that set forth in this policy, then the period or method of delivery set forth in this policy shall be deemed to be amended so as to be equal to the minimum period of limitation or method of delivery established by the controlling law.

## 2. Claims Reporting

Except as otherwise indicated in this policy, all notices to the Company required by this policy from any Insured shall be given in writing, delivered, by prepaid express courier, or by certified mail to:

Catalytic Claims Services  
350 10<sup>th</sup> Avenue, Suite 1450  
San Diego, CA 92101  
Office: (800) 208-1806  
Claims@catalyticrisk.com

## 3. Notice of Service of Suit

It is agreed that in the event of the failure of the underwriters hereon to pay any amount claimed to be due hereunder, the underwriters hereon, at the request of the Insured, will submit to the jurisdiction of a court of competent jurisdiction within the United States. Nothing in this clause constitutes or should be understood to constitute a waiver of underwriters' rights to commence an action in any court of competent jurisdiction in the United States, to remove an action to a United States district court, or to seek a transfer of a case to another court as permitted by the laws of the United States or of any state in the United States. It is further agreed that service of process in such suit may be made upon Mendes & Mount, 750 Avenue, New York, NY, 10019-6829 for HDI Global Specialty SE's proportion of any suit instituted against underwriters. HDI Global Specialty SE will abide by the final decision of such court or of any appellate court in the event of an appeal.

The above-named are authorized and directed to accept service of process on behalf of HDI Global Specialty SE in any such suit and/or upon the request of the Insured to give a written undertaking to the Insured that they will enter a general appearance upon HDI Global Specialty SE's behalf in the event such a suit shall be instituted.

Further, pursuant to any statute of any state, territory, or district of the United States which makes provision therefore, underwriters hereon hereby designate the superintendent, commissioner or director of insurance or other officer specified for that purpose in the statute, or his successor or successors in office, as their true and lawful attorney upon whom may be served any lawful procession, any action, suit or proceeding instituted by or on behalf of the Insured or any beneficiary hereunder arising out of this contract of insurance, and hereby designate the above-named as the person to whom the said officer is authorized to mail such process or a true copy thereof.

#### 4. Applicable Law

This insurance shall be subject to the applicable state law to be determined by the court of competent jurisdiction as determined by the provisions of the service of suit clause (U.S.A.)

#### 5. Sanction Limitation Clause

No (re) insurer shall be deemed to provide cover and no (re)insurer shall be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment or such claim or provision of such benefit would expose that (re)insurer to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanction, laws or regulations of the European Union, United Kingdom or United States of America.

#### 6. Privacy Notice

HDI Global Specialty SE is an insurance company whose registered office address is Podbielskistraße 396, 30659 Hannover, Germany. It is a Data Controller and Data Processor as defined under the EU General Data Protection Regulation ('GDPR').

HDI Global Specialty SE's notice on how it may collect and deal with your data may be found at the following link: <https://www.hdi-specialty.com/int/en/legals/privacy>

#### 7. Additional Certificate Provisions

a. In respect of California Risks:

This Certificate shall not be valid unless signed by the Correspondent on the attached Declaration Page.

The Correspondent is not an Insurer of the insurance described herein and neither is nor shall be liable for any loss or claim whatsoever. The Insurers of such insurance are those Underwriters at Lloyd's, London and company markets, whose names can be ascertained as hereinbefore set forth. As used in this Certificate "Underwriters" shall be deemed to include incorporated as well as unincorporated persons or entities that are Underwriters at Lloyd's, London and company markets.

The insurance described herein shall not be assigned either in whole or in part without the written consent of the Correspondent endorsed hereon.

The Certificate is intended for use as evidence of the placement of the insurance described herein, in accordance with Section 1764 of the California Insurance Code.

**8. Cancellation.** If this certificate provides for cancellation and this Certificate is cancelled after the inception date, earned premium must be paid for the time the insurance has been in force.

**9. Short Rate Cancellation Table for Term of One Year.** If the attached provisions provide for cancellation, the table below will be used to calculate the short rate proportion of the premium when applicable under the terms of cancellation.

| Days Insurance<br>in Force | Percent of one<br>year Premium | Days Insurance<br>in Force | Percent of one<br>year Premium | Days Insurance<br>in Force | Percent of one<br>year Premium | Days Insurance<br>in Force | Percent of one<br>year Premium |
|----------------------------|--------------------------------|----------------------------|--------------------------------|----------------------------|--------------------------------|----------------------------|--------------------------------|
| 1                          | 5%                             | 66 - 69                    | 29%                            | 154 - 156                  | 53%                            | 256 - 260                  | 77%                            |
| 2                          | 6%                             | 70 - 73                    | 30%                            | 157 - 160                  | 54%                            | 261 - 264                  | 78%                            |
| 3 - 4                      | 7%                             | 74 - 76                    | 31%                            | 161 - 164                  | 55%                            | 265 - 269                  | 79%                            |
| 5 - 6                      | 8%                             | 77 - 80                    | 32%                            | 165 - 167                  | 56%                            | 270 - 273 (9 Mo.)          | 80%                            |
| 7 - 8                      | 9%                             | 81 - 83                    | 33%                            | 168 - 171                  | 57%                            | 274 - 278                  | 81%                            |
| 9 - 10                     | 10%                            | 84 - 87                    | 34%                            | 172 - 175                  | 58%                            | 279 - 282                  | 82%                            |
| 11 - 12                    | 11%                            | 88 - 91 (3 Mo.)            | 35%                            | 176 - 178                  | 59%                            | 283 - 287                  | 83%                            |
| 13 - 14                    | 12%                            | 92 - 94                    | 36%                            | 179 - 182 (6 Mo.)          | 60%                            | 288 - 291                  | 84%                            |
| 15 - 16                    | 13%                            | 95 - 98                    | 37%                            | 183 - 187                  | 61%                            | 292 - 296                  | 85%                            |
| 17 - 18                    | 14%                            | 99 - 102                   | 38%                            | 188 - 191                  | 62%                            | 297 - 301                  | 86%                            |
| 19 - 20                    | 15%                            | 103 - 105                  | 39%                            | 192 - 196                  | 63%                            | 302 - 305 (10 Mo.)         | 87%                            |

Contract No: CTW007673  
 Named Insured: Grenada Terrace Apartments LP

|                 |     |                   |     |                   |     |                    |      |
|-----------------|-----|-------------------|-----|-------------------|-----|--------------------|------|
| 21 - 22         | 16% | 106 - 109         | 40% | 197 - 200         | 64% | 306 - 310          | 88%  |
| 23 - 25         | 17% | 110 - 113         | 41% | 201 - 205         | 65% | 311 - 314          | 89%  |
| 26 - 29         | 18% | 114 - 116         | 42% | 206 - 209         | 66% | 315 - 319          | 90%  |
| 30 - 32 (1 Mo.) | 19% | 117 - 120         | 43% | 210 - 214 (7 Mo.) | 67% | 320 - 323          | 91%  |
| 33 - 36         | 20% | 121 - 124 (4 Mo.) | 44% | 215 - 218         | 68% | 324 - 328          | 92%  |
| 37 - 40         | 21% | 125 - 127         | 45% | 219 - 223         | 69% | 329 - 332          | 93%  |
| 41 - 43         | 22% | 128 - 131         | 46% | 224 - 228         | 70% | 333 - 337 (11 Mo.) | 94%  |
| 44 - 47         | 23% | 132 - 135         | 47% | 229 - 232         | 71% | 338 - 342          | 95%  |
| 48 - 51         | 24% | 136 - 138         | 48% | 233 - 237         | 72% | 343 - 346          | 96%  |
| 52 - 54         | 25% | 139 - 142         | 49% | 238 - 241         | 73% | 347 - 351          | 97%  |
| 55 - 58         | 26% | 143 - 146         | 50% | 242 - 246 (8 mo.) | 74% | 352 - 355          | 98%  |
| 59 - 62 (2 Mo.) | 27% | 147 - 149         | 51% | 247 - 250         | 75% | 356 - 360          | 99%  |
| 63 - 65         | 28% | 150 - 153 (5 Mo.) | 52% | 251 - 255         | 76% | 361 - 365 (12 Mo.) | 100% |

Rules applicable to insurance with terms less than or more than one year:

- A. If insurance has been in force for one year or less, apply the short rate table for annual insurance to the full annual premium determined as for Insurance written for a term of one year.
  - B. If insurance has been in force for more than one year:
    1. Determine full annual premium as for insurance written for a term of one year.
    2. Deduct such premium from the full insurance premium, and on the remainder calculate the pro rata earned premium on the basis of the ratio of the length of time beyond one year the insurance has been in force to the length of time beyond one year for which the policy was originally written.
    3. Add premium produced in accordance with items (1) and (2) to obtain earned premium during full period insurance has been in force
10. **Attached Conditions Incorporated.** This Certificate is made and accepted subject to all the provisions, conditions and warranties set forth herein, attached or endorsed, all of which are to be considered as incorporated herein.

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# SUMMIT SPECIALTY INSURANCE COMPANY

## AMENDATORY ENDORSEMENT

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It is hereby agreed and understood that the following carrier-specific policy language applies to this policy:

**1. Notices**

- a. Except as otherwise indicated in this policy, all notices to the Insurer required by this policy from any insured shall be given in writing, delivered, by prepaid express courier, or by certified mail to:

Catalytic Risk Managers  
350 10<sup>th</sup> Avenue, Suite 1450  
San Diego, CA 92101

- b. If the Insurer must give to the Insured any notice under this policy, and the time period or method of delivery provided for such notice is established by controlling law as a different period or method of delivery than that set forth in this policy, then the period or method of delivery set forth in this policy shall be deemed to be amended so as to be equal to the minimum period of limitation or method of delivery established by the controlling law.

**2. Claims Reporting**

Except as otherwise indicated in this policy, all notices to the Insurer required by this policy from any insured shall be given in writing, delivered, by prepaid express courier, or by certified mail to:

Catalytic Risk Managers  
350 10<sup>th</sup> Avenue, Suite 1450  
San Diego, CA 92101  
Office: (800) 208-1806  
Claims@catalyticrisk.com

**3. Notice of Service of Suit**

Pursuant to any statute of any state, territory or District of the United States which makes provision therefore, the Insurer hereby designates the Superintendent, Commissioner or Director of Insurance or other officer specified for that purpose in the statute, or his successor or successors in office, as the Insurer's true and lawful attorney upon whom may be served any lawful process in any action, suit or proceeding instituted by or on behalf of the Named Insured, arising out of this policy.

Service of Suit may also be delivered to:

CT Corporation System

The most current address for CT Corporation System applicable in the Insured's state may be provided by the Insured's agent or found at the web address below:

<https://ct.wolterskluwer.com/sop-locations>



# UNDERWRITERS AT LLOYD'S AMENDATORY ENDORSEMENT

**This Insurance** is effected with certain Underwriters at Lloyd's, London

**This Certificate** is issued in accordance with the limited authorization granted to the Resident Agent by certain Underwriters at Lloyd's, London whose names and the proportions underwritten by them can be ascertained from the office of the said Resident Agent (such Underwriters being hereinafter called "Underwriters") and in consideration of the premium specified herein, Underwriters do hereby bind themselves each for his own part, and not one for another, their heirs, executors and administrators.

**The Assured** is requested to read this Certificate, and if it is not correct, return it immediately to the Correspondent for appropriate alteration.

It is hereby agreed and understood that the following carrier-specific policy language applies to this policy:

## 1. Notices

a. Except as otherwise indicated in this policy, all notices to the Company required by this policy from any Insured shall be given in writing, delivered, by prepaid express courier, or by certified mail to:

Catalytic Risk Managers  
350 10<sup>th</sup> Avenue, Suite 1450  
San Diego, CA 92101

b. If we must give to you any notice under this policy, and the time period or method of delivery provided for such notice is established by controlling law as a different period or method of delivery than that set forth in this policy, then the period or method of delivery set forth in this policy shall be deemed to be amended so as to be equal to the minimum period of limitation or method of delivery established by the controlling law.

## 2. Claims Reporting

Except as otherwise indicated in this policy, all notices to the Company required by this policy from any Insured shall be given in writing, delivered, by prepaid express courier, or by certified mail to:

Catalytic Risk Managers  
350 10<sup>th</sup> Avenue, Suite 1450  
San Diego, CA 92101  
Office: (800) 208-1806  
Claims@catalyticrisk.com

## 3. Notice of Service of Suit

It is agreed that in the event of the failure of the underwriters hereon to pay any amount claimed to be due hereunder, the underwriters hereon, at the request of the Insured, will submit to the jurisdiction of a court of competent jurisdiction within the United States. Nothing in this clause constitutes or should be understood to constitute a waiver of underwriters' rights to commence an action in any court of competent jurisdiction in the United States, to remove an action to a United States district court, or to seek a transfer of a case to another court as permitted by the laws of the United States or of any state in the United States. It is further agreed that service of process in such suit may be made upon Lloyd's America, Inc., Attention: Legal Department, 280 Park Avenue, East Tower, 25<sup>th</sup> Floor, New York, NY 10017 U.S.A., and that in any suit instituted against any one of them upon this contract. Underwriters will abide by the final decision of such court or of any appellate court in the event of an appeal.

The above-named are authorized and directed to accept service of process on behalf of underwriters in any such suit and/or upon the request of the Insured to give a written undertaking to the Insured that they will enter a general appearance upon underwriters' behalf in the event such a suit shall be instituted.

Further, pursuant to any statute of any state, territory, or district of the United States which makes provision therefore, underwriters hereon hereby designate the superintendent, commissioner or director of insurance or other officer specified for that purpose in the statute, or his successor or successors in office, as their true and lawful attorney upon whom may be served any lawful process, any action, suit or proceeding instituted by or on behalf of the Insured or any beneficiary hereunder arising out of this contract of insurance, and hereby designate the above-named as the person to whom the said officer is authorized to mail such process or a true copy thereof.

#### **4. Applicable Law**

This insurance shall be subject to the applicable state law to be determined by the court of competent jurisdiction as determined by the provisions of the service of suit clause (U.S.A.)

#### **5. Sanction Limitation Clause**

No (re) insurer shall be deemed to provide cover and no (re)insurer shall be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment or such claim or provision of such benefit would expose that (re)insurer to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanction, laws or regulations of the European Union, United Kingdom or United States of America.

#### **6. Notice of Information Practices (Privacy)**

The certain underwriters at Lloyd's, London want you to know how we protect the confidentiality of your non-public personal information. We want you to know how and why we use and disclose the information that we have about you. The following describes our policies and practices for securing the privacy of our current and former customers.

The non-public personal information that we collect about you includes, but is not limited to:

- Information contained in applications or other forms that you submit to us, such as name, address, and social security number
- Information about your transactions with our affiliates or other third-parties, such as balances and payment history
- Information we receive from a consumer-reporting agency, such as creditworthiness or credit history

We disclose the information that we have when it is necessary to provide our products and services. We may also disclose information when the law requires or permits us to do so.

Only our employees and others who need the information to service your account have access to your personal information. We have measures in place to secure our paper files and computer systems.

You have a right to request access to or correction of your personal information that is in our possession.

If you have any questions about this privacy notice or would like to learn more about how we protect your privacy, please contact the agent or broker who handled this insurance. We can provide a more detailed statement of our privacy practices upon request.

#### **7. Additional Certificate Provisions**

##### **a. In respect of California Risks:**

This Certificate shall not be valid unless signed by the Correspondent on the attached Declaration Page.

The Correspondent is not an Insurer of the insurance described herein and neither is nor shall be liable for any loss or claim whatsoever. The Insurers of such insurance are those Underwriters at Lloyd's, London, whose names can be ascertained as hereinbefore set forth. As used in this Certificate "Underwriters" shall be deemed to include incorporated as well as unincorporated persons or entities that are Underwriters at Lloyd's, London.

The insurance described herein shall not be assigned either in whole or in part without the written consent of the Correspondent endorsed hereon.

The Certificate is intended for use as evidence of the placement of the insurance described herein, in accordance with Section 1764 of the California Insurance Code.

##### **b. In respect of Illinois Risks:**

This Certificate shall not be valid unless signed by the Correspondent and countersigned by the Lloyd's Illinois, Inc. on the attached Schedule.

Neither the Correspondent nor Lloyd's Illinois, Inc. is an Insurer hereunder and neither is nor shall be liable for any loss or claim whatsoever. The Insurers hereunder are those individual Underwriters at Lloyd's London whose names can be ascertained as set forth herein.

Contract No: CTW007673  
Named Insured: Grenada Terrace Apartments LP

It is agreed that in the event of failure of the Underwriters hereon to pay any amount claimed to be due hereunder, the Underwriters hereon, at the request of the Insured, will submit to the jurisdiction of a court of competent jurisdiction within the United States. Nothing in this clause constitutes or should be understood to constitute a waiver of Underwriters' rights to commence an action in any court of competent jurisdiction in the United States, to remove an action to a United States District Court, or to seek a transfer of a case to another court as permitted by the laws of the United States or any State in the United States. In the event of any litigation arising out of insurance assumed hereunder, Lloyd's Illinois, Inc. and the Director of Insurance of the State of Illinois and his successors in office are hereby appointed agents to accept service of process for Underwriters.

The insolvency or bankruptcy of the Insured shall not release Underwriters from their obligations under this insurance.

If you have any complaints concerning your insurance, please contact the Correspondent. If he is unable to resolve the matter, you may contact Lloyd's Illinois, Inc. You may also seek the assistance of the Illinois Department of Financial and Professional Regulation Division of Insurance, 320 W. Washington Street, Springfield, Illinois 62767-0001.

Rules applicable to insurance with terms less than or more than one year:

- A. If insurance has been in force for one year or less, apply the short rate table for annual insurance to the full annual premium determined as for an insurance written for a term of one year.
- B. If insurance has been in force for more than one year:
  1. Determine full annual premium as for insurance written for a term of one year.
  2. Deduct such premium from the full insurance premium, and on the remainder calculate the pro rata earned premium on the basis of the ratio of the length of time beyond one year the insurance has been in force to the length of time beyond one year for which the insurance was originally written.
  3. Add premium produced in accordance with items (1) and (2) to obtain earned premium during full period insurance has been in force.

**8. Cancellation.** If this certificate provides for cancellation and this Certificate is cancelled after the inception date, earned premium must be paid for the time the insurance has been in force.

**9. Short Rate Cancellation Table for Term of One Year.** If the attached provisions provide for cancellation, the table below will be used to calculate the short rate proportion of the premium when applicable under the terms of cancellation.

| Days Insurance<br>in Force | Percent of one<br>year Premium | Days Insurance<br>in Force | Percent of one<br>year Premium | Days Insurance<br>in Force | Percent of one<br>year Premium | Days Insurance<br>in Force | Percent of one<br>year Premium |
|----------------------------|--------------------------------|----------------------------|--------------------------------|----------------------------|--------------------------------|----------------------------|--------------------------------|
| 1                          | 5%                             | 66 - 69                    | 29%                            | 154 - 156                  | 53%                            | 256 - 260                  | 77%                            |
| 2                          | 6%                             | 70 - 73                    | 30%                            | 157 - 160                  | 54%                            | 261 - 264                  | 78%                            |
| 3 - 4                      | 7%                             | 74 - 76                    | 31%                            | 161 - 164                  | 55%                            | 265 - 269                  | 79%                            |
| 5 - 6                      | 8%                             | 77 - 80                    | 32%                            | 165 - 167                  | 56%                            | 270 - 273 (9 Mo.)          | 80%                            |
| 7 - 8                      | 9%                             | 81 - 83                    | 33%                            | 168 - 171                  | 57%                            | 274 - 278                  | 81%                            |
| 9 - 10                     | 10%                            | 84 - 87                    | 34%                            | 172 - 175                  | 58%                            | 279 - 282                  | 82%                            |
| 11 - 12                    | 11%                            | 88 - 91 (3 Mo.)            | 35%                            | 176 - 178                  | 59%                            | 283 - 287                  | 83%                            |
| 13 - 14                    | 12%                            | 92 - 94                    | 36%                            | 179 - 182 (6 Mo.)          | 60%                            | 288 - 291                  | 84%                            |
| 15 - 16                    | 13%                            | 95 - 98                    | 37%                            | 183 - 187                  | 61%                            | 292 - 296                  | 85%                            |
| 17 - 18                    | 14%                            | 99 - 102                   | 38%                            | 188 - 191                  | 62%                            | 297 - 301                  | 86%                            |
| 19 - 20                    | 15%                            | 103 - 105                  | 39%                            | 192 - 196                  | 63%                            | 302 - 305 (10 Mo.)         | 87%                            |
| 21 - 22                    | 16%                            | 106 - 109                  | 40%                            | 197 - 200                  | 64%                            | 306 - 310                  | 88%                            |
| 23 - 25                    | 17%                            | 110 - 113                  | 41%                            | 201 - 205                  | 65%                            | 311 - 314                  | 89%                            |
| 26 - 29                    | 18%                            | 114 - 116                  | 42%                            | 206 - 209                  | 66%                            | 315 - 319                  | 90%                            |
| 30 - 32 (1 Mo.)            | 19%                            | 117 - 120                  | 43%                            | 210 - 214 (7 Mo.)          | 67%                            | 320 - 323                  | 91%                            |

Contract No: CTW007673  
 Named Insured: Grenada Terrace Apartments LP

|                 |     |                   |     |                   |     |                    |      |
|-----------------|-----|-------------------|-----|-------------------|-----|--------------------|------|
| 33 - 36         | 20% | 121 - 124 (4 Mo.) | 44% | 215 - 218         | 68% | 324 - 328          | 92%  |
| 37 - 40         | 21% | 125 - 127         | 45% | 219 - 223         | 69% | 329 - 332          | 93%  |
| 41 - 43         | 22% | 128 - 131         | 46% | 224 - 228         | 70% | 333 - 337 (11 Mo.) | 94%  |
| 44 - 47         | 23% | 132 - 135         | 47% | 229 - 232         | 71% | 338 - 342          | 95%  |
| 48 - 51         | 24% | 136 - 138         | 48% | 233 - 237         | 72% | 343 - 346          | 96%  |
| 52 - 54         | 25% | 139 - 142         | 49% | 238 - 241         | 73% | 347 - 351          | 97%  |
| 55 - 58         | 26% | 143 - 146         | 50% | 242 - 246 (8 mo.) | 74% | 352 - 355          | 98%  |
| 59 - 62 (2 Mo.) | 27% | 147 - 149         | 51% | 247 - 250         | 75% | 356 - 360          | 99%  |
| 63 - 65         | 28% | 150 - 153 (5 Mo.) | 52% | 251 - 255         | 76% | 361 - 365 (12 Mo.) | 100% |

Rules applicable to insurance with terms less than or more than one year:

- A. If insurance has been in force for one year or less, apply the short rate table for annual insurance to the full annual premium determined as for Insurance written for a term of one year.
- B. If insurance has been in force for more than one year:
  1. Determine full annual premium as for insurance written for a term of one year.
  2. Deduct such premium from the full insurance premium, and on the remainder calculate the pro rata earned premium on the basis of the ratio of the length of time beyond one year the insurance has been in force to the length of time beyond one year for which the policy was originally written.
  3. Add premium produced in accordance with items (1) and (2) to obtain earned premium during full period insurance has been in force

**10. Attached Conditions Incorporated.** This Certificate is made and accepted subject to all the provisions, conditions and warranties set forth herein, attached or endorsed, all of which are to be considered as incorporated herein.



## SCHEDULE OF FORMS

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It is hereby understood and agreed that in consideration of the premium charged, the following forms and endorsements are attached and incorporated into the policy:

CAT7135 - Wind Subscription Policy Cover Page  
CAT-OFAC - U.S. Treasury Notice OFAC  
CAT-TX SL - Texas Surplus Lines Notice  
CAT-TX Complaints - Texas Complaint Notice  
CAT8011 - Claims Handling Notice  
CAT3023 - U.S. Terrorism Risk Insurance Act of 2002 Not Purchased Clause  
CAT3024 - Terrorism Exclusion Endorsement  
CAT3050 - Declarations Page  
CAT3045 - Subscription Participation Page  
CAT8010 - Lloyds Syndicate List  
CATAMEND-GO - GuideOne National Insurance Company Amendatory Endorsement  
CATAMEND-HDI - HDI Amendatory Endorsement  
CATAMEND-SUM - Summit Specialty Insurance Company Amendatory Endorsement  
CATAMEND-L - Underwriters at Lloyd's Amendatory Endorsement  
CAT3044 - Schedule of Forms  
CAT3002 - Absolute Fungus Microorganisms Mold or Spores Exclusion  
CAT7141 - Asbestos Endorsement  
CAT7134 - Earth Movement Exclusion  
CAT7034 - Earthquake Exclusion  
CAT8002 - Electronic Date Recognition Exclusion EDRE  
CAT8003 - Exclusion of Certain Computer Related Losses  
CAT3037 - Exclusion of Loss Due to Virus or Bacteria  
CAT7145 - Exterior Cosmetic Damage Exclusion  
CAT7035 - Flood Exclusion  
CAT8001 - Nuclear Biological Exclusion  
CAT3018 - Pre-Existing Damage Exclusion  
CAT8000 - Property Cyber and Data Exclusion  
CAT3032 - Seepage and or Pollution and or Contamination Exclusion  
CAT7079 - Sinkhole Loss Exclusion Endorsement  
CAT7053 - Toxic Drywall Exclusion  
CAT3020 - Toxic Materials Exclusion  
CAT8009 - War and Civil War Exclusion  
CATDIAMOND - Diamond Commercial Property Form  
CAT7007 - Causes of Loss - Windstorm or Hail  
CAT7147 - Hurricane Minimum Earned Premium Endorsement  
CAT3003 - Additional Conditions Endorsement  
CAT3008 - Equipment Breakdown Exclusion  
CAT3009 - Joint or Disputed Loss Agreement  
CAT7129 - Roof Surfacing Coverage Limitation Endorsement

# ABSOLUTE FUNGUS, MICROORGANISMS, MOLD, OR SPORES EXCLUSION

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It is hereby understood and agreed that this exclusion replaces and supersedes any provisions in the policy that provide insurance, in whole or in part, for **fungus**, microorganisms, mold or spores.

This policy does not apply to:

1. Loss or damage caused by or resulting from the actual or threatened existence, growth, release, transmission, migration, dispersal, or exposure to **fungus**, microorganisms, mold, or spores;
2. The cost of repair, replacement, removal, clean-up, abatement, restoration, decontamination, disposal, relocation or replacement of Insured property which has been contaminated by **fungus**, microorganisms, mold, or spores and by law or civil authority must be restored, disposed of, or decontaminated; and
3. The cost or expense of testing for, or monitoring, **fungus**, microorganisms, mold, or spores.
4. Any such loss, damage, claim, cost or expense described above or other sum directly or indirectly arising out of or relating to **fungus**, microorganisms, mold, or spores.

This exclusion applies regardless whether there is:

1. Any physical loss or damage to Covered Property;
2. Any **covered cause of loss**, whether or not contributing concurrently or in any sequence;
3. Any loss of use, occupancy, or functionality of Covered Property; or
4. Any action required, including but not limited to repair, replacement, removal, clean-up, abatement, restoration, decontamination, disposal, relocation or replacement of Covered Property, or steps taken to address medical or legal concerns.

**Fungus** means any type or form of fungus, including mold or mildew, wet rot or dry rot, scents or by-products produced or released by fungi, other than mycotoxins, of any type, nature, or description, including but not limited to any substance whose presence poses an actual or potential threat to human health.

The Insurer(s) will not pay for loss or damage which would not have occurred in the absence of one or more of the following excluded events. The Insurer(s) does not insure for such loss regardless of: (a) the cause of the excluded event; or (b) other causes of the loss; or (c) whether other causes of acted concurrently or in any sequence with the excluded event to produce the loss; or (d) whether the event occurs suddenly or gradually, involves isolated or widespread damage, is caused by an act of nature or is otherwise caused by external forces, or occurs as a result of any combination of these.

## ASBESTOS ENDORSEMENT

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- A. This policy only insures asbestos physically incorporated in an insured building or structure, and then only that part of the asbestos which has been physically damaged during the policy period and is only insured against the risks of direct physical loss or damage to Covered Property from the perils described in the Causes of Loss form attached to the policy, except as otherwise excluded. .

This coverage is subject to each of the following specific limitations:

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

# EARTH MOVEMENT EXCLUSION

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It is hereby understood and agreed that the Insurer(s) will not pay for loss or damage caused directly or indirectly by **earth movement**. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

**Earth Movement:**

- 1) Landslide, including any earth sinking, rising or shifting related to such event;
- 2) Mine subsidence, meaning subsidence of a man-made mine, whether or not mining activity has ceased;
- 3) Earth sinking, rising or shifting including soil conditions which cause settling, cracking or other disarrangement of foundations or other parts of realty. Soil conditions include contraction, expansion, freezing, thawing, erosion, improperly compacted soil and the action of water under the ground surface.
- 4) Volcanic eruption, explosion or effusion. But if volcanic eruption, explosion or effusion results in fire, building glass breakage or Volcanic Action, the Insurer(s) will pay for the loss or damage caused by that fire, building glass breakage or Volcanic Action.

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

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

All volcanic eruptions that occur within any 72 hour period will constitute a single occurrence.

Volcanic action does not include the cost to remove ash, dust or particulate matter that does not cause direct physical loss or damage to the Covered Property.

The Insurer(s) will not pay for loss or damage which would not have occurred in the absence of one or more of the following excluded events. The Insurer(s) does not insure for such loss regardless of: (a) the cause of the excluded event; or (b) other causes of the loss; or (c) whether other causes acted concurrently or in any sequence with the excluded event to produce the loss; or (d) whether the event occurs suddenly or gradually, involves isolated or widespread damage, is caused by an act of nature or is otherwise caused by external forces, or occurs as a result of any combination of these.

## EARTHQUAKE EXCLUSION

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It is hereby understood and agreed that the Insurer(s) will not pay for loss or damage caused directly or indirectly by **earthquake**. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

**Earthquake:**

**Earthquake**, meaning the natural faulting of land masses, excluding subsidence, rock slide, mud flow, earth sinking, shifting or settling, unless as a direct result of such earthquake.

But if **earthquake** results in fire or explosion, the Insurer(s) will pay for the loss or damage caused by that fire or explosion.

The Insurer(s) will not pay for loss or damage which would not have occurred in the absence of one or more of the following excluded events. The Insurer(s) does not insure for such loss regardless of: (a) the cause of the excluded event; or (b) other causes of the loss; or (c) whether other causes acted concurrently or in any sequence with the excluded event to produce the loss; or (d) whether the event occurs suddenly or gradually, involves isolated or widespread damage, is caused by an act of nature or is otherwise caused by external forces, or occurs as a result of any combination of these.

## ELECTRONIC DATE RECOGNITION EXCLUSION (EDRE)

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It is hereby understood and agreed that this Policy does not cover any loss, damage, cost, claim or expense, whether preventative, remedial or otherwise, directly or indirectly arising out of or relating to:

1. The calculation, comparison, differentiation, sequencing or processing of data involving the date change to the year 2000, or any other date change, including leap year calculations, by any computer system, hardware, program or software and/or any microchip, integrated circuit or similar device in computer equipment or non-computer equipment, whether the property of the Insured or not, or
2. Any change, alteration or modification involving the date change to the year 2000, or any other date change, including leap year calculations, to any such computer system, hardware, program or software and/or any microchip, integrated circuit or similar device in computer equipment or non-computer equipment, whether the property of the Insured or not.

The Insurer(s) will not pay for loss or damage which would not have occurred in the absence of one or more of the following excluded events. The Insurer(s) does not insure for such loss regardless of: (a) the cause of the excluded event; or (b) other causes of the loss; or (c) whether other causes acted concurrently or in any sequence with the excluded event to produce the loss; or (d) whether the event occurs suddenly or gradually, involves isolated or widespread damage, is caused by an act of nature or is otherwise caused by external forces, or occurs as a result of any combination of these.

## EXCLUSION OF CERTAIN COMPUTER-RELATED LOSSES

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It is hereby understood and agreed that the following exclusion applies to this policy:

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

due to the inability to correctly recognize, process, distinguish, interpret or accept one or more dates or times. An example is the inability of computer software to recognize the year 2000.
  2. Any advice, consultation, design, evaluation, inspection, installation, maintenance, repair, replacement or supervision provided or done by the Insured or for the Insured to determine, rectify or test for, any potential or actual problems described in Paragraph A.1. of this exclusion.

The Insurer(s) will not pay for loss or damage which would not have occurred in the absence of one or more of the following excluded events. The Insurer(s) does not insure for such loss regardless of: (a) the cause of the excluded event; or (b) other causes of the loss; or (c) whether other causes acted concurrently or in any sequence with the excluded event to produce the loss; or (d) whether the event occurs suddenly or gradually, involves isolated or widespread damage, is caused by an act of nature or is otherwise caused by external forces, or occurs as a result of any combination of these.

## EXCLUSION OF LOSS DUE TO VIRUS OR BACTERIA

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It is hereby understood and agreed that the following exclusion applies to this policy:

- A. The exclusion set forth in Paragraph B. applies to all coverage under all forms and endorsements that comprise this policy, including but not limited to forms or endorsements that insure Covered Property and forms or endorsements that insure Business Income Coverages.
- B. The Insurer(s) will not pay for loss, damage, claim, cost, expense or other sum caused by or resulting from any virus, bacterium or other micro-organism that induces or is capable of inducing physical distress, illness or disease.

However, this exclusion does not apply to loss or damage caused by or resulting from **fungus**.

- C. With respect to any loss, damage, claim, cost, expense or other sum subject to the exclusion in Paragraph B., such exclusion supersedes any exclusion relating to **pollutants**.
- D. The terms of the exclusion in Paragraph B., or the inapplicability of this exclusion to a particular loss, do not serve to create coverage for any loss that would otherwise be excluded under this policy.

The Insurer(s) will not pay for loss or damage which would not have occurred in the absence of one or more of the following excluded events. The Insurer(s) does not insure for such loss regardless of: (a) the cause of the excluded event; or (b) other causes of the loss; or (c) whether other causes acted concurrently or in any sequence with the excluded event to produce the loss; or (d) whether the event occurs suddenly or gradually, involves isolated or widespread damage, is caused by an act of nature or is otherwise caused by external forces, or occurs as a result of any combination of these.



## EXTERIOR COSMETIC DAMAGE EXCLUSION

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It is hereby understood and agreed that the following exclusion applies to the policy:

The following applies with respect to direct physical loss or damage from a **covered cause of loss** to a building or structure as shown on the latest Statement of Values on file with the Insurer(s).

Under this policy, the Insurer(s) will not pay for **cosmetic damage** to any **exterior surface** caused by a **covered cause of loss**.

As used in this endorsement, the following definitions apply:

**Cosmetic damage** means marring, pitting or other superficial damage that alters the appearance of the **exterior surface**, but such damage does not prevent the **exterior surface** from continuing to function as a barrier to entrance of the elements to the same extent as it did before the **cosmetic damage** occurred.

**Exterior surface** includes but is not limited to the shingles, tiles (including clay, concrete or any other type), cladding, metal or synthetic sheeting or similar materials covering any roof, and includes all materials used in securing any roof surface and all materials applied to or under any roof surface for moisture protection, as well as roof flashing, windows and window surfaces, doors, handrails and all exterior siding.

The Insurer(s) will not pay for loss or damage which would not have occurred in the absence of one or more of the following excluded events. The Insurer(s) does not insure for such loss regardless of: (a) the cause of the excluded event; or (b) other causes of the loss; or (c) whether other causes acted concurrently or in any sequence with the excluded event to produce the loss; or (d) whether the event occurs suddenly or gradually, involves isolated or widespread damage, is caused by an act of nature or is otherwise caused by external forces, or occurs as a result of any combination of these.

## FLOOD EXCLUSION

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It is hereby understood and agreed that the Insurer(s) will not pay for loss or damage caused directly or indirectly by **flood** or tsunami. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

1. **Flood**, meaning a general and temporary condition of partial or complete inundation of normally dry land areas due to:
  - a. The overflow of a body of water, inland or tidal waters, or the spray from any of these, all whether driven by wind or not;
  - b. The unusual or rapid accumulation or runoff of surface waters from any source; including the spray from surface water, whether driven by wind or not; or
  - c. Mudslides or mudflows which are caused by the overflow of a body of water, inland or tidal waters or rapid accumulation or runoff of surface waters, including the spray from any of these, all whether driven by wind or not. A mudslide or mudflow involves a river of liquid and flowing mud on the surface of normally dry land areas as when earth is carried by a current of water and deposited along the path of the current.
  - d. **Flood** includes direct physical loss or damage caused by water, or other waterborne materials that back up or overflow through a sewer, drain, sump, sump pump, or related equipment when caused by or resulting directly from flood as defined in paragraph a., b. and c. of the definition above.

All flooding in a continuous or protracted event will constitute a single **flood**.
2. Tsunami

The Insurer(s) will not pay for loss or damage which would not have occurred in the absence of one or more of the following excluded events. The Insurer(s) does not insure for such loss regardless of: (a) the cause of the excluded event; or (b) other causes of the loss; or (c) whether other causes acted concurrently or in any sequence with the excluded event to produce the loss; or (d) whether the event occurs suddenly or gradually, involves isolated or widespread damage, is caused by an act of nature or is otherwise caused by external forces, or occurs as a result of any combination of these.

## NUCLEAR, BIOLOGICAL, CHEMICAL AND RADIOLOGICAL HAZARDS EXCLUSION

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It is hereby understood and agreed that the following exclusion applies to this policy:

- A. The Insurer(s) will not pay for any loss, damage, cost or expense, whether real or alleged, that is caused, results from, is exacerbated by or otherwise impacted by, either directly or indirectly, any of the following:
- 1) Nuclear Hazard – including, but not limited to, nuclear reaction, nuclear detonation, nuclear radiation, radioactive contamination and all agents, materials, products or substances, whether engineered or naturally occurring, involved therein or released thereby;
  - 2) Biological Hazard – including, but not limited to, any biological and/or poisonous or pathogenic agent, material, product or substance, whether engineered or naturally occurring, that induces or is capable of inducing physical distress, illness, or disease;
  - 3) Chemical Hazard – including, but not limited to, any chemical agent, material, product or substance;
  - 4) Radioactive Hazard – including, but not limited to, any electromagnetic, optical, or ionizing radiation or energy, including all generators and emitters thereof, whether engineered or naturally occurring.

This exclusion applies regardless of any other cause or event that contributes concurrently or in any sequence to any such loss, damage, cost, claim, or expense.

## PRE-EXISTING DAMAGE EXCLUSION

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It is hereby understood and agreed that this policy shall exclude any loss or damage directly or indirectly caused by, resulting from or contributed to by any pre-existing damage to any Covered Property, at the time of the loss.

The Insurer(s) will not pay for loss or damage which would not have occurred in the absence of one or more of the following excluded events. The Insurer(s) does not insure for such loss regardless of: (a) the cause of the excluded event; or (b) other causes of the loss; or (c) whether other causes acted concurrently or in any sequence with the excluded event to produce the loss; or (d) whether the event occurs suddenly or gradually, involves isolated or widespread damage, is caused by an act of nature or is otherwise caused by external forces, or occurs as a result of any combination of these.

# PROPERTY CYBER AND DATA EXCLUSION

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It is hereby understood and agreed that any provision to the contrary within this policy or any endorsement thereto this policy excludes any:

1. Cyber Loss;
2. Loss, damage, liability, claim, cost, expense of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any loss of use, reduction in functionality, repair, replacement, restoration or reproduction of any **data**, including any amount pertaining to the value of such **data**;

Regardless of any other cause or event contributing concurrently or in any other sequence thereto.

In the event any portion of this endorsement is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

This endorsement supersedes and, if in conflict with any other wording in the policy or any endorsement thereto having a bearing on **cyber loss** or **data**, replaces that wording.

## Definitions

**Cyber Loss** means any loss, damage, liability, claim, cost or expense of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any **cyber act** or **cyber incident** including, but not limited to, any action taken in controlling, preventing, suppressing, or remediating any **cyber act** or **cyber incident**.

**Cyber Act** means an unauthorized, malicious or criminal act or series of related unauthorized, malicious or criminal acts, regardless of time and place, or the threat or hoax thereof involving access to, processing of, use of or operation of any **computer system**.

**Cyber Incident** means:

1. Any error or omission or series of related errors or omissions involving access to, processing of, use of or operation of any **computer system**; or
2. Any partial or total unavailability or failure or series of related partial or total unavailability or failures to access, process, use or operate any **computer system**.

**Computer System** means:

1. Any computer, hardware, software, communications system, electronic device (including, but not limited to, smart phone, laptop, tablet, wearable device), server, cloud or microcontroller including any similar system or any configuration of the aforementioned and including any associated input, output, data storage device, networking equipment or back up facility,
2. Owned or operated by the Insured or any other party.

**Data** means information, facts, concepts, code or any other information of any kind that is recorded or transmitted in a form to be used, accessed, processed, transmitted or stored by a **computer system**.

The Insurer(s) will not pay for loss or damage which would not have occurred in the absence of one or more of the following excluded events. The Insurer(s) does not insure for such loss regardless of: (a) the cause of the excluded event; or (b) other causes of the loss; or (c) whether other causes acted concurrently or in any sequence with the excluded event to produce the loss; or (d) whether the event occurs suddenly or gradually, involves isolated or widespread damage, is caused by an act of nature or is otherwise caused by external forces, or occurs as a result of any combination of these.

# SEEPAGE AND/OR POLLUTION AND/OR CONTAMINATION EXCLUSION

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It is hereby understood and agreed within the policy of which this exclusion forms part (or within any other endorsement which forms part of this policy), this policy does not insure land (including but not limited to land on which the covered property is located), water or air, howsoever and wherever occurring, or any interest or right therein.

## **Seepage And/Or Pollution And/Or Contamination Exclusion**

Notwithstanding any provision to the contrary within the policy of which this endorsement forms part (or within any other endorsement which forms part of this policy), this policy does not insure:

1. Any loss, damage, cost or expense, or
2. Any increase in insured loss, damage, cost or expense, or
3. Any loss, damage, cost, expense, fine or penalty, which is incurred, sustained or imposed by order, direction instruction or request of, or by any agreement with, any court, government agency or any public, civil or military authority, or threat thereof, (and whether or not as a result of public or private litigation),

which arises from any kind of seepage or any kind of pollution and/or contamination, or threat thereof, whether or not caused by or resulting from a **covered cause of loss**, or from steps or measures taken in connection with the avoidance, prevention, abatement, mitigation, remediation, clean-up or removal of such seepage or pollution and/or contamination or threat thereof.

The term any kind of seepage or any kind of pollution and/or contamination as used in this endorsement includes (but is not limited to):

1. Seepage of, or pollution and/or contamination by anything, including but not limited to, any material designated as a **hazardous substance** by the United States Environmental Protection Agency or a **hazardous material** by the United States Department of Transportation, or defined as a **toxic substance** by the Canadian Environmental Protection Act for the purposes of part II of that act, or any substance designated or defined as toxic, dangerous, hazardous or deleterious to persons or the environment under any other federal, state, provincial, municipal or other law ordinance or regulation; and
2. The presence, existence, or release of anything which endangers or threatens to endanger the health, safety or welfare of persons or the environment.

**Hazardous Substance** means any such substance shown on the current List of Lists Appendix E: CERCLA Hazardous Substances – Chemical Categories, as maintained by the United States Environmental Protection Agency.

**Hazardous Material** means any such material so designated by the United State Department of Transportation.

**Toxic Substance** means any such substance shown on the List of substances, as maintained by the Canadian Environmental Protection Act environmental registry.

The Insurer(s) will not pay for loss or damage which would not have occurred in the absence of one or more of the following excluded events. The Insurer(s) does not insure for such loss regardless of: (a) the cause of the excluded event; or (b) other causes of the loss; or (c) whether other causes acted concurrently or in any sequence with the excluded event to produce the loss; or (d) whether the event occurs suddenly or gradually, involves isolated or widespread damage, is caused by an act of nature or is otherwise caused by external forces, or occurs as a result of any combination of these.

# SINKHOLE LOSS EXCLUSION ENDORSEMENT

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It is hereby understood and agreed that this policy does not cover any loss, damage, cost, or expense directly or indirectly arising out of or in connection with a **sinkhole loss**. Such loss, damage, cost, claim or expense is excluded regardless of any other cause or event contributing concurrently or in any sequence to such loss.

**Sinkhole Loss** means **structural damage** to the **covered building** or structure, including the foundation, that is caused by settlement or systematic weakening of the earth supporting the **covered building**, only if the settlement or systematic weakening results from contemporaneous movement or raveling of soils, sediments or rock materials into subterranean voids created by the effect of water on limestone, dolomite, or similar rock formations.

**Structural Damage** means a **covered building** or structure, regardless of the date of its construction, has experienced any of the following:

1. Interior floor displacement or deflection in excess of acceptable variances as defined in ACI 117-90 or the Florida Building Code, which results in settlement related to damage to the interior such that the interior building structure or members become unfit for service or represent a safety hazard as defined within the Florida Building Code.
2. Foundation displacement or deflection in excess of acceptable variances as defined in ACI 318-95 or the Florida Building Code, which results in settlement related damage to the **primary structural members** or **primary structural systems** and that prevents those members or systems from supporting the loads and forces they were designed to support to the extent that stresses in those **primary structural members** or **primary structural systems** exceed one and one third the nominal strength allowed under the Florida Building Code for new buildings of similar structure, purpose, or location.
3. Damage that results in listing, leaning, or buckling of the exterior load bearing walls or other vertical **primary structural members** to such an extent that a plumb line passing through the center of gravity does not fall inside the middle third of the base as defined within the Florida Building Code.
4. Damage that results in the building, or any portion of the building containing **primary structural members** or **primary structural systems**, being significantly likely to imminently collapse because of the movement or instability of the ground within the influence zone of the supporting ground within the sheer plane necessary for the purpose of supporting such building as defined within Florida Building Code; or
5. Damage occurring on or after October 15, 2005, that qualifies as substantial structural damage as defined in the Florida Building Code.

**Primary structural member** means a structural element designed to provide support and stability for the vertical or lateral loads of the overall structure.

**Primary structural system** means an assemblage of **primary structural members**.

The Insurer(s) will not pay for loss or damage which would not have occurred in the absence of one or more of the following excluded events. The Insurer(s) does not insure for such loss regardless of: (a) the cause of the excluded event; or (b) other causes of the loss; or (c) whether other causes acted concurrently or in any sequence with the excluded event to produce the loss; or (d) whether the event occurs suddenly or gradually, involves isolated or widespread damage, is caused by an act of nature or is otherwise caused by external forces, or occurs as a result of any combination of these.

## TOXIC DRYWALL EXCLUSION

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It is hereby understood and agreed that this policy does not apply to any loss, damage, cost or expense arising out of, caused by, or attributable to, whether in whole or in part, the manufacture, sale, distribution, use, installation, repair, removal, disposal, presence of or service of sheetrock, gypsum board, wallboard, or any similar **toxic drywall** product.

**Toxic drywall** means drywall (also known as plasterboard, wall board, gypsum paneling, gypsum boarding or sheet rock) that:

1. Was manufactured in or distributed from China; or
2. Emits hydrogen sulfide (H<sub>2</sub>S), sulfur dioxide (SO<sub>2</sub>), strontium sulfide (SrS), or carbonyl sulfide (COS).

In addition, there is no coverage under the policy for the following:

1. **Toxic drywall** material removal unless the **toxic drywall** is itself first damaged by a **covered cause of loss**;
2. Demolition or increased cost of construction, repair, debris removal or loss of use necessitated by the enforcement of any law or ordinance regulating **toxic drywall** material;
3. Any governmental direction or request declaring that **toxic drywall** material present in or part of or utilized on any undamaged portion of the Insured's property can no longer be used for the purpose for which it was intended or installed and must be removed or modified; and
4. The cost or expense of testing of or monitoring emissions.

The Insurer(s) shall have no duty to defend or indemnify any insured against any loss, claim, **suit** or other proceeding alleging damages to which this exclusion applies.

The Insurer(s) will not pay for loss or damage which would not have occurred in the absence of one or more of the following excluded events. The Insurer(s) does not insure for such loss regardless of: (a) the cause of the excluded event; or (b) other causes of the loss; or (c) whether other causes acted concurrently or in any sequence with the excluded event to produce the loss; or (d) whether the event occurs suddenly or gradually, involves isolated or widespread damage, is caused by an act of nature or is otherwise caused by external forces, or occurs as a result of any combination of these.



## TOXIC MATERIALS EXCLUSION

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It is hereby understood and agreed that this policy does not cover loss or damage including cost or expense caused by or resulting from the actual, alleged or threatened release or escape of any solid, liquid or gaseous material that is toxic or poisonous to humans or animals, (toxic materials), including but not limited to dioxin, polychlorinated biphenyls and lead.

This exclusion also applies to:

1. The removal of toxic materials from any structure, fixture, item of personal property or product;
2. Any demolition or increased cost of construction, repair, debris removal or loss of use necessitated by the enforcement of any law or ordinance regulating toxic materials;
3. Any governmental direction or request declaring that toxic materials present in or part of or utilized on any undamaged portion of the Insured's property can no longer be used for the purpose for which it was intended or installed and must be removed or modified; and
4. The testing for or monitoring toxic materials.

The Insurer(s) will not pay for loss or damage which would not have occurred in the absence of one or more of the following excluded events. The Insurer(s) does not insure for such loss regardless of: (a) the cause of the excluded event; or (b) other causes of the loss; or (c) whether other causes acted concurrently or in any sequence with the excluded event to produce the loss; or (d) whether the event occurs suddenly or gradually, involves isolated or widespread damage, is caused by an act of nature or is otherwise caused by external forces, or occurs as a result of any combination of these.

## WAR AND CIVIL WAR EXCLUSION CLAUSE

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It is hereby understood and agreed that this policy does not cover loss or damage directly or indirectly occasioned by, happening through or in consequence of war, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power or confiscation or nationalization or requisition or destruction of or damage to property by or under the order of any government or public or local authority.

The Insurer(s) will not pay for loss or damage which would not have occurred in the absence of one or more of the following excluded events. The Insurer(s) does not insure for such loss regardless of: (a) the cause of the excluded event; or (b) other causes of the loss; or (c) whether other causes acted concurrently or in any sequence with the excluded event to produce the loss; or (d) whether the event occurs suddenly or gradually, involves isolated or widespread damage, is caused by an act of nature or is otherwise caused by external forces, or occurs as a result of any combination of these.

# DIAMOND COMMERCIAL PROPERTY FORM

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Words that appear in **bold** type are specifically defined. See **Section X – Policy Definitions**.

In consideration of the premium charged, it is hereby understood and agreed that this policy covers direct physical loss or damage to the Covered Property caused by a **covered cause of loss** occurring during the policy period. Coverage is subject to the terms, conditions, provisions, limitations, exclusions and definitions contained in this policy.

## Section I – Coverages and Limits of Insurance

### A. Coverage Territory

The coverage territory is the United States of America.

### B. Limit of Insurance – The total maximum liability in any one occurrence as a result of all **covered causes of loss** or damage, regardless of the number of locations, coverages, or perils insured under this policy shall not exceed each Insurer(s) proportional share of:

\$5,000,000

The limit of insurance above and the structure of the program is further defined on the Declarations Page and Participation Page of this policy.

### C. Occurrence Limit of Insurance

1. The limit of insurance shown in B. Limit of Insurance, is the total limit of the Insurer(s)'s liability applicable per occurrence, as hereafter defined and which will be subject to Section II - Sublimits of Insurance. Notwithstanding any other terms and conditions of this policy to the contrary, in no event shall the liability of the Insurer(s) exceed this limit or amount irrespective of the number of locations, coverage or perils insured involved.

The term occurrence shall mean any one loss, disaster, casualty or series of losses, disasters, or casualties, arising out of one event first occurring in the policy period. When the term applies to loss or losses from the perils of tornado, cyclone, **hurricane, windstorm, named windstorm**, hail, riot, riot attending a strike, civil commotion, and vandalism and malicious mischief one event shall be construed to be all losses arising during a continuous period of 72 hours. When filing proof of loss, the Insured may elect the moment at which the 72 hour period shall be deemed to have commenced, which shall not be earlier than when the first loss to the Covered Property occurs.

#### Occurrence for Flood

Occurrence shall mean all losses, whenever occurring, which arise between the time of movement of water into, onto, or over the property insured hereunder and the receding of the same, regardless of the period of time so embraced; EXCEPT, no occurrence shall be deemed to commence earlier than the date and time of the happening of the first recorded individual loss to the Insured in that occurrence during the policy period nor to extend to beyond thirty days after the expiry of this policy.

2. The premium for this policy is based upon the Statement of Values on file with the Insurer(s). In the event of loss hereunder, liability of the Insurer(s), subject to the terms of paragraph one C.1. above, shall be limited to the least of the following:
- a. The actual adjusted amount of loss, less applicable deductible(s).
  - b. 100 percent of the individually stated value for each scheduled item of property insured, as shown on the latest Statement of Values on file with the Insurer(s), less applicable deductible(s).
  - c. The Insurer(s) proportional share of the limit of insurance or amount of insurance shown in Section B. Limit of Insurance after the application of policy deductibles.

☐ If box is checked, it is understood and agreed that item 2.b. above is deleted in its entirety.

## Section II – Sublimits of Insurance

The sublimit amounts stated below are included within, and not in addition to, the applicable limit of insurance shown elsewhere in this policy. Insurer(s) shall not be liable for more than the proportional share of the sublimit amounts in any one occurrence. Each sublimit for a specified interest listed below is the total limit recoverable for that specified interest for all loss, damage or expense from a **covered cause of loss** per occurrence, subject to all other policy provisions. Where the sublimit of insurance listed below is for a **covered cause of loss**, such as Earthquake, Earthquake Sprinkler Leakage & Volcanic Eruption or Flood, any sublimit for loss, damage or expense to a specified interest listed below will apply to all loss, damage or expense to that specified interest caused by such **covered cause of loss**. The total maximum liability in any one occurrence as a result of a **covered cause of loss** listed below, regardless of the number of sublimits listed below, shall not exceed each Insurer(s) proportional share of the sublimit of insurance for that **covered cause of loss**. If the words NOT COVERED are shown instead of a limit, sublimit or number of days, then no coverage is provided for that coverage or **covered cause of loss**, and no Coverage Extension or Coverage Endorsement will be attached to the policy. If the word INCLUDED is shown, then full coverage is provided based on the Statement of Values on file with Insurer(s).

|    |   |             |   |
|----|---|-------------|---|
| A. | Accounts Receivable   | NOT COVERED | See Accounts Receivable Coverage Extension attached to policy.  |
| B. | Business Personal Property Temporarily in Portable Storage Units        | \$10,000    |   |
| C. | Contingent Time Element   | NOT COVERED |   |
| D. | Debris Removal Additional Expense                                       | \$25,000    |   |
| E. | <b>Earthquake, Earthquake Sprinkler Leakage &amp; Volcanic Eruption</b> | NOT COVERED | Limit is policy term <b>aggregate</b> . See Earthquake, Earthquake Sprinkler Leakage & Volcanic Eruption Coverage Endorsement attached to policy. |
| F. | Electronic Data and Media   | \$2,500     |   |
| G. | Errors and Omissions  | \$5,000     |   |
| H. | Expediting Expense  | \$5,000     |   |
| I. | Extended Time Element (Extended Period of Indemnity)                    | NOT COVERED |   |
| J. | Fine Arts   | NOT COVERED |   |
| K. | Fire Department Service Charge  | \$1,000     |   |
| L. | Fire Extinguishing Recharge   | \$5,000     |   |
| M. | <b>Flood</b>  | NOT COVERED | Limit is policy term <b>aggregate</b> . See Flood Coverage Endorsement attached to policy.  |
| N. | Incidental Additions and Renovations                                    | \$100,000   |   |
| O. | Increased Cost of Construction  | NOT COVERED |   |

Contract No: CTW007673  
Named Insured: Grenada Terrace Apartments LP

|     |   |             |             |  |
|-----|---|-------------|-------------|--|
| P.  | Ingress/Egress  |             | NOT COVERED |  |
| Q.  | Interruption by Civil Authority                                     |             | NOT COVERED |  |
| R.  | <b>Fungus</b>   |             | NOT COVERED | Limit is policy term <b>aggregate</b> .  |
| S.  | Limited Pollution   |             | \$25,000    |  |
| T.  | Lost (Or Theft Of) Key Consequential Loss / Lock Replacement        |             | \$5,000     |  |
| U.  | Newly Acquired or Constructed Property - Building                   |             | \$250,000   |  |
| V.  | Newly Acquired or Constructed Property - Business Personal Property |             | \$100,000   |  |
| W.  | Non-Owned Detached Trailers   |             | \$5,000     |  |
| X.  | Ordinary Payroll  |             | NOT COVERED |  |
| Y.  | Personal Effects and Property of Others                             |             | \$2,500     |  |
| Z.  | Preservation of Property  | 30 Days and | \$5,000     |  |
| AA. | Property in Transit   |             | NOT COVERED |  |
| BB. | Property Off-Premises   |             | \$10,000    |  |
| CC. | Reward Reimbursement  |             | NOT COVERED |  |
| DD. | Royalties   |             | \$5,000     |  |
| EE. | Sewer Back Up   |             | NOT COVERED |  |
| FF. | Sinkhole  |             | NOT COVERED | See Florida or All Other States Sinkhole Loss Coverage Endorsement attached to policy. |
| GG. | Valuable Papers and Records   |             | NOT COVERED | See Valuable Papers and Records Coverage Extension attached to policy.                 |
| HH. | Wind Driven Rain  |             | NOT COVERED | See Wind Driven Rain Endorsement attached to policy.                                   |

### Section III – Policy Deductibles

In each case of loss covered by this policy, the Insurer(s) will be liable only if the Insured sustains a loss in a single occurrence greater than the applicable deductible specified below, and then only for that amount that exceeds the applicable deductible.

Unless otherwise stated below:

- A. A deductible that applies on a per location or per building basis will apply separately to each location or building where the physical loss or damage occurred regardless of the number of locations or buildings involved in the occurrence.
- B. Unless stated otherwise, if two or more peril deductibles apply in an occurrence, the total deducted will not exceed the largest applicable deductible. If two or more peril deductibles apply on a per location or per building basis in an occurrence, the largest peril deductible applying to each location or building will be applied separately to each such location or building.
- C. If a **time element** deductible and another deductible apply to a single occurrence, then the Insurer(s) shall apply both deductibles to the occurrence.

#### The applicable deductible applies where indicated:

##### Named Windstorm:

- ☐ Deductible applies on a calendar year basis if box is checked (See CAT7072).  
☐ Deductible applies on a policy term **aggregate** basis if box is checked (see CAT7118).

5% of total insured values as stated on the latest Statement of Values on file with insurer(s) per occurrence

- ☒ per building, subject to a minimum of \$100,000 per occurrence.  
☐ per location, subject to a minimum of N/A per occurrence.  
☐ per total insured values, subject to a minimum N/A per occurrence.

The **Named Windstorm** Deductible, as shown above, applies to covered loss or damage to Covered Property and **time element**/rental values by a **named windstorm**, regardless of any other cause or event that contributes concurrently or in any consequence to the damage or loss.

##### Hurricane:

- ☐ Deductible applies on a calendar year basis if box is checked (See CAT7073).  
☐ Deductible applies on a policy term **aggregate** basis if box is checked (see CAT7117).

N/A of total insured values as stated on the latest Statement of Values on file with insurer(s) per occurrence

- ☐ per building, subject to a minimum of N/A per occurrence.  
☐ per location, subject to a minimum of N/A per occurrence.  
☐ per total insured values, subject to a minimum N/A per occurrence.

The **Hurricane** Deductible, as shown above, applies to covered loss or damage to Covered Property and **time element**/rental values by a **hurricane**, regardless of any other cause or event that contributes concurrently or in any consequence to the damage or loss.

##### Windstorm:

\$100,000 per occurrence, or

N/A of total insured values as stated on the latest Statement of Values on file with insurer(s) per occurrence

- ☐ per building, subject to a minimum of N/A per occurrence.  
☐ per location, subject to a minimum of N/A per occurrence.  
☐ per total insured values, subject to a minimum N/A per occurrence.

The **Windstorm** Deductible, as shown above, applies to covered loss or damage to Covered Property and **time element**/rental values by **non-named windstorm**, regardless of any other cause or event that contributes concurrently or in any consequence to the damage or loss.

##### Wind Driven Rain:

N/A per occurrence, or

N/A of total insured values as stated on the latest Statement of Values on file with insurer(s) per occurrence

- ☐ per building, subject to a minimum of N/A per occurrence.  
☐ per location, subject to a minimum of N/A per occurrence.  
☐ per total insured values, subject to a minimum N/A per occurrence.

**Flood:**

N/A per occurrence, or

N/A of total insured values as stated on the latest Statement of Values on file with insurer(s) per occurrence

- ☐ per building, subject to a minimum of N/A per occurrence.  
☐ per location, subject to a minimum of N/A per occurrence.  
☐ per total insured values, subject to a minimum N/A per occurrence.

☐ N/A per occurrence, except the deductible shall be equivalent to the maximum available National Flood Insurance Program (NFIP) limits for the real or personal property at each building, whether or not such coverages is purchased or maintained, and whether or not the real or personal property at each building is covered per the terms and conditions of the National Flood Insurance Program. (Applicable when box is checked.)

N/A Day deductible for business income coverages at each building that is subject to the equivalent of the maximum available National Flood Insurance Program limits for real or personal property, whether or not such coverages is purchased or maintained, and whether or not the real or personal property at each building is covered per the terms and conditions of the National Flood Insurance Program.

**Earthquake and Earthquake Sprinkler Leakage:**

N/A per occurrence, or

N/A of total insured values as stated on the latest Statement of Values on file with insurer(s) per occurrence

- ☐ per building, subject to a minimum of N/A per occurrence.  
☐ per location, subject to a minimum of N/A per occurrence.  
☐ per total insured values, as contained in the Statement of Values on file with the Insurer(s), subject to a minimum N/A per occurrence.

**Water Damage:**

N/A per occurrence.

**All Other Perils:**

N/A per occurrence.

**Deductible Clause:**

A deductible amount is calculated and applied based on the amount or percentage as shown above:

- A. If the deductible is on a per building basis, the deductible is applied to the sum of building, business personal property and **time element**/rental values of each individual building. An additional deductible is applied separately to the sum of all other real property values declared in the latest Statement of Values on file with Insurer(s), including items covered under the Scheduled Property Coverage Extension.
- B. If the deductible is on a per location basis, the deductible is applied to all insured buildings, business personal property and **time element**/rental values, including all other property values declared in the latest Statement of Values on file with Insurer(s) and covered under the Scheduled Property Coverage Extension, at the location affected by loss or damage.
- C. If the deductible is on a % TIV basis, the deductible is applied to the total insured values, as contained in the latest Statement of Values on file with the Insurer(s), including items covered under the Scheduled Property Coverage Extension.
- D. If the deductible is on a per unit of insurance basis, each of the following shall be considered a separate unit of insurance and the % is applied to the total insured values for each separate unit of insurance shown below:
  - 1) Each separate building;
  - 2) The business personal property, including stock/inventory (if covered), of each separate building or structure;
  - 3) Business Income coverages (**time element**, rental value, extra expense, etc.) applicable at each covered location;
  - 4) The total of all Scheduled Property Coverage Extensions listed on CAT3053.

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Named Insured: Grenada Terrace Apartments LP

If the adjusted amount of loss is less than or equal to the deductible, the Insurer(s) will not pay for that loss. If the adjusted amount of loss exceeds the deductible, the Insurer(s) will then subtract the deductible from the adjusted amount of loss, and will pay the resulting amount or the limit of insurance or applicable sublimit of insurance, whichever is less.



Contract No: CTW007673  
Named Insured: Grenada Terrace Apartments LP

#### **Section IV – Covered Causes of Loss**

This policy insures against the risks of direct physical loss or damage to Covered Property from the perils described in the Causes Of Loss form attached to this policy, except as otherwise excluded.

## Section V – Covered Property

### A. Coverage

The Insurer(s) will pay for direct physical loss of or damage to Covered Property at the **premises** described on the Declarations Page caused by or resulting from any **covered cause of loss**.

#### 1. Covered Property

Covered Property, as used in this policy, means the type of property described in this section, A.1., and limited in A.2. Excluded Property, if the Covered Property is listed on the Declarations Page.

##### a. Building, meaning the building or structure, including:

- 1) Completed additions;
- 2) Fixtures, including outdoor fixtures
- 3) Permanently installed:
  - (a) Machinery; and
  - (b) Equipment;
  - (c) Fences;
  - (d) Pools and Pool Equipment; and
  - (e) Signs

Coverage for items a. 2) and 3) is limited to \$50,000 per occurrence unless a higher amount is shown on the Scheduled Property Coverage Endorsement (CAT3053).

##### b. The Insured's business personal property consists of the following property located in or on the building or structure described on the Statement of Values or in the open (or in a vehicle) within 100 feet of the **premises** described on the Statement of Values:

- 1) Furniture and fixtures;
- 2) Machinery and equipment;
- 3) **Stock;**
- 4) All other personal property owned by the Insured and used in the Insured's business;
- 5) Labor, materials or services furnished or arranged by the Insured on personal property of others;
- 6) The Insured's use interest as tenant in improvements and betterments. Improvements and betterments are fixtures, alterations, installations or additions:
  - (a) Made a part of the building or structure the Insured occupies but do not own; and
  - (b) The Insured has acquired or made at the Insured's expense but cannot legally remove;
- 7) Leased personal property for which the Insured has a contractual responsibility to insure, unless otherwise provided for under Coverage Extension, Personal Effects and Property of Others.

2. Excluded Property

Covered Property does not include:

- a. Accounts, bills, currency, food stamps or other evidences of debt, **money**, notes or **securities**. Lottery tickets held for sale are not **securities**;
- b. Animals;
- c. Automobiles held for sale;
- d. Bridges, dikes, levees and other surface containment structures;
- e. Roadways, walks, patios or other paved surfaces;
- f. Contraband, or property in the course of illegal transportation or trade;
- g. The cost of excavations, grading, backfilling or filling;
- h. Foundations of buildings, structures, machinery or boilers if their foundations are below:
  - 1) The lowest basement floor; or
  - 2) The surface of the ground, if there is no basement;
- i. Land and land values (including land on which the property is located);
- j. Water;
- k. Growing crops or lawns (other than lawns which are part of a vegetated roof);
- l. Personal property while airborne or waterborne;
- m. Bulkheads, pilings, piers, wharves or docks;
- n. Property that is covered under another policy in which it is more specifically described, except for the excess of the amount due (whether the Insured can collect on it or not) from that other insurance;
- o. Retaining walls that are not part of a building;
- p. Irrigations, electrical cabling and wires, conduits, pipes, flues, sewers, tanks, drains and any similar property, and any apparatus in connection beneath the surface of the ground on the **premises** insured;
- q. **Electronic data** and media, except as provided under the Additional Coverage, **Electronic Data** and Media;
- r. The cost to replace or restore the information on **valuable papers and records**, including those which exist as **electronic data**. **Valuable papers and records** include but are not limited to proprietary information, books of account, deeds, manuscripts, abstracts, drawings and card index systems.
- s. Vehicles or self-propelled machines (including aircraft or watercraft) that:
  - 1) Are licensed for use on public roads; or
  - 2) Are operated principally away from the described **premises**.

This paragraph does not apply to:

- (a) Vehicles or self-propelled machines or autos the Insured manufactures, processes or warehouses;
- (b) Vehicles or self-propelled machines, other than autos, the Insured holds for sale;
- (c) Rowboats or canoes out of water at the described **premises**; or
- (d) Trailers, but only to the extent provided for in the Coverage Extension for Non-Owned Detached Trailers;

- t. Grass or lawns, grain, hay, straw or other crops; or
- u. Radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers, trees, shrubs or plants which are **stock** or are part of a vegetated roof), all except as provided in the coverage extensions.

3. Additional Coverages

a. Debris Removal

- 1) Subject to paragraphs 2), 3) and 4), the Insurer(s) will pay the Insured's expense to remove debris of Covered Property and other debris that is on the described **premises**, when such debris is caused by or results from a **covered cause of loss** that occurs during the policy period. The expenses will be paid only if they are reported to the Insurer(s) in writing within 180 days of the date of direct physical loss or damage.
- 2) Debris removal does not apply to costs to:
  - (a) Remove debris of property of the Insured's that is not insured under this policy, or property in the Insured's possession that is not Covered Property;
  - (b) Remove debris of property owned by or leased to the landlord of the building where the Insured's described **premises** are located, unless the Insured has a contractual responsibility to insure such property and it is insured under this policy;
  - (c) Remove any property that is Excluded Property, including property addressed under the Outdoor Property Coverage Extension;
  - (d) Remove property of others of a type that would not be Covered Property under this policy;
  - (e) Remove deposits of mud or earth from the grounds of the described location;
  - (f) Extract **pollutants** from land or water; or
  - (g) Remove, restore or replace polluted land or water.
- 3) Subject to the exceptions in Paragraph 4), the following provisions apply:
  - (a) The most the Insurer(s) will pay for the total of direct physical loss or damage including debris removal expense is the limit of insurance applicable to the Covered Property that has sustained loss or damage.
  - (b) Subject to (a) above, the amount the Insurer(s) will pay for debris removal expense is limited to 25% of the sum of the deductible plus the amount that the Insurer(s) pays for direct physical loss or damage to the Covered Property that has sustained loss or damage. However, if no Covered Property has sustained direct physical loss or damage, the most the Insurer(s) will pay for removal of debris of other property (if such removal is covered under this additional coverage) is \$5,000 at each location.
- 4) The Insurer(s) will pay up to an additional \$25,000 for debris removal expense, for each location, in any one occurrence of physical loss or damage to Covered Property, if one or both of the following circumstances apply:
  - (a) The total of the actual debris removal expense plus the amount the Insurer(s) pays for direct physical loss or damage exceeds the limit of insurance on the Covered Property that has sustained loss or damage.
  - (b) The actual debris removal expense exceeds 25% of the sum of the deductible plus the amount that the Insurer(s) pays for direct physical loss or damage to the Covered Property that has sustained loss or damage.

Therefore, if 4)(a) and/or 4)(b) applies, the Insurer(s)'s total payment for direct physical loss or damage and debris removal expense may reach but will never exceed the limit of insurance on the Covered Property that has sustained loss or damage, plus \$25,000, unless a higher amount is shown in **Section II – Sublimits of Insurance**.

b. Electronic Data and Media

- 1) Subject to the provisions of this additional coverage, the Insurer(s) will pay for the cost to replace or restore electronic media which has been destroyed or damaged by a **covered cause of loss**. To the extent that electronic media is not replaced or restored, the loss will be valued at the cost of replacement of the media on which the **electronic data** was stored, with blank media of substantially identical type.
- 2) This additional coverage does not apply to the Insured' **stock** of prepackaged software, or to **electronic data** which is integrated in and operates or controls the building's elevator, lighting, heating, ventilation, air conditioning or security system.

- 3) This policy does not insure loss, damage, destruction, distortion, erasure, corruption or alteration of **electronic data** from any cause whatsoever (including but not limited to **computer virus**) or loss of use, reduction in functionality, cost, expense of whatsoever nature resulting there from, regardless of any other cause or event contributing concurrently or in any other sequence to the loss.
- 4) The **covered causes of loss** applicable to the Insured's business personal property apply to this Additional Coverage, **Electronic Data and Media**, subject to the following:
  - (a) If the Causes Of Loss - Special Form applies, coverage under this additional coverage, **Electronic Data and Media**, is limited to the **specified causes of loss** as defined in that form and collapse as set forth in that form.
  - (b) If the Causes Of Loss form is endorsed to add a **covered cause of loss**, the additional **covered cause of loss** does not apply to the coverage provided under this additional coverage, **Electronic Data and Media**.
- 5) The most the Insurer(s) will pay under this additional coverage, **Electronic Data and Media**, is \$2,500, unless a higher amount is shown in **Section II – Sublimits of Insurance** for all loss or damage sustained in any one policy year, regardless of the number of occurrences of loss or damage or the number of **premises**, locations or computer systems involved. If loss payment on the first occurrence does not exhaust this amount, then the balance is available for subsequent loss or damage sustained in but not after that policy year. With respect to an occurrence which begins in one policy year and continues or results in additional loss or damage in a subsequent policy year(s), all loss or damage is deemed to be sustained in the policy year in which the occurrence began.

c. Fire Department Service Charge

When the fire department is called to save or protect Covered Property from a **covered cause of loss**, the Insurer(s) will pay up to \$1,000 for service at each **premises** described on the Statement of Values, unless a higher amount is shown in **Section II – Sublimits of Insurance**. Such limit is the most the Insurer(s) will pay regardless of the number of responding fire departments or fire units, and regardless of the number or type of services performed.

This additional coverage applies to the Insured's liability for fire department service charges:

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

No deductible applies to this additional coverage.

d. Fire Extinguisher Recharge

- 1) The Insurer(s) will pay for the loss and disposal of fire extinguishing materials expended for other than portable fire extinguishers, subject to \$5,000 per occurrence unless a higher amount is shown in **Section II – Sublimits of Insurance**.

e. Fungus

This policy is extended to cover the loss or damage to covered property caused by **fungus** arising directly from a specified cause of loss, including the cost of removal of the **fungus**. Coverage applies only if all reasonable means were used to save and preserve the property from further damage at the time of and after that occurrence.

As used in this additional coverage, loss or damage by **fungus** arising directly from a specified cause of loss means:

- 1) Direct physical loss or damage to covered property caused by **fungus**, including the cost of the removal of the **fungus**;
- 2) The cost to tear out and replace any part of the building or other property as needed to gain access to the **fungus**; and
- 3) The cost of testing performed after removal, repair, replacement or restoration of the damaged property is completed.

The most Insurer(s) will pay for loss or damage under this extension is shown in Section II – Sublimits of Insurance. Regardless of the number of claims, this limit is the most the Insurer(s) will pay for the total of all loss or damage arising out of all occurrences of specified causes of loss which take place during the policy period. With respect to a particular occurrence of loss which results in loss or damage by **fungus**, the Insurer(s) will not pay more than the amount shown in Section II – Sublimits of Insurance even if the fungus continues to be present or active, or recurs, in a later policy period.

f. Increased Cost of Construction

- 1) In the event of damage by a **covered cause of loss** to a building that is Covered Property, the Insurer(s) will pay the increased costs incurred to comply with the minimum standards of an ordinance or law in the course of repair, rebuilding or replacement of damaged parts of that property, subject to the limitations stated in e.(2) through e.(8) of this additional coverage.
- 2) The ordinance or law referred to in e.(1) of this additional coverage is an ordinance or law that regulates the construction or repair of buildings or establishes zoning or land use requirements at the described **premises** and is in force at the time of loss.
- 3) Under this additional coverage, the Insurer(s) will not pay any costs due to an ordinance or law that:
  - (a) The Insured was required to comply with before the loss, even when the building was undamaged; and
  - (b) The Insured failed to comply with.
- 4) Under this additional coverage, the Insurer(s) will not pay for:
  - (a) The enforcement of or compliance with any ordinance or law which requires demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by **pollutants** or due to the presence, growth, proliferation, spread or any activity of **fungus**, or bacteria; or
  - (b) Any costs associated with the enforcement of or compliance with an ordinance or law which requires any Insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of **pollutants**, **fungus**, or bacteria.
- 5) The most the Insurer(s) will pay under this additional coverage, for each described building insured under this policy, is \$10,000 or 5% of the limit of insurance applicable to that building, whichever is less. If a damaged building is covered under a blanket limit of insurance which applies to more than one building or item of property, then the most the Insurer(s) will pay under this additional coverage, for that damaged building, is \$10,000, unless a higher amount is shown in **Section II – Sublimits of Insurance**.
- 6) With respect to this additional coverage:
  - (a) The Insurer(s) will not pay for the increased cost of construction:
    - (i) Until the property is actually repaired or replaced at the same or another location; and
    - (ii) Unless the repair or replacement is made as soon as reasonably possible after the loss or damage, not to exceed two years. The Insurer(s) may extend this period in writing during the two years.
  - (b) If the building is repaired or replaced at the same location, or if the Insured elects to rebuild at another location, the most the Insurer(s) will pay for the increased cost of construction, subject to the provisions of e.(5) of this additional coverage, is the increased cost of construction at the same location.
  - (c) If the ordinance or law requires relocation to another location, the most the Insurer(s) will pay for the increased cost of construction, subject to the provisions of e.(5) of this additional coverage, is the increased cost of construction at the new location.
- 7) This additional coverage is not subject to the terms of the ordinance or law exclusion to the extent that such exclusion would conflict with the provisions of this additional coverage.
- 8) The costs addressed in the loss payment and valuation conditions in this policy, do not include the increased cost attributable to enforcement of or compliance with an ordinance or law. The amount payable under this additional coverage, as stated in e.(5) of this additional coverage, is not subject to such limitation.

g. Preservation of Property

If it is necessary to move Covered Property from the described **premises** to preserve it from loss or damage by a **covered cause of loss**, the Insurer(s) will pay for any direct physical loss or damage to that property:

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

- 3) The most the Insurer(s) will pay under this additional coverage is \$5,000 per occurrence, unless a higher amount is shown in **Section II – Sublimits of Insurance**.

4. Coverage Extensions

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

a. Business Personal Property Temporarily In Portable Storage Units

- 1) The insurance that applies to the Insured's business personal property is extended to apply to such property while temporarily stored in a portable storage unit (including a detached trailer) located within 100 feet of the building or structure described on the Statement of Values or within 100 feet of the **premises** described on the Statement of Values.
- 2) If the applicable Covered Causes Of Loss form or elsewhere in this policy contains a limitation or exclusion concerning loss or damage from sand, dust, sleet, snow, ice or rain to property in a structure, such limitation or exclusion also applies to property in a portable storage unit.
- 3) Coverage under this Extension:
  - (a) Will end 90 days after the business personal property has been placed in the storage unit;
  - (b) Does not apply if the storage unit itself has been in use at the described **premises** for more than 90 consecutive days, even if the business personal property has been stored there for 90 or fewer days as of the time of loss or damage.
- 4) The most the Insurer(s) will pay for the total of all loss or damage to business personal property is \$10,000, unless a higher amount is shown in **Section II – Sublimits of Insurance** regardless of the number of storage units. Such limit is part of, not in addition to, the applicable limit of insurance on the Insured's business personal property. Therefore, payment under this extension will not increase the applicable limit of insurance on business personal property.
- 5) This extension does not apply to loss or damage to the storage unit itself.

b. Fine Arts

The insurance that applies to the Insured's business personal property is extended to apply to loss or damage to fine arts. This extension applies to fine arts while:

- 1) Temporarily on display or exhibit away from the described **premises**; or
- 2) In transit between the described **premises** and a location where the fine arts will be temporarily on display or exhibit.

However, this extension does not apply to loss or damage to contraband or property in the course of illegal transportation or trade.

The most the Insurer(s) will pay for loss or damage under this extension is \$25,000 per occurrence, unless a higher amount is shown in **Section II – Sublimits of Insurance**.

c. Incidental Additions and Renovations

If not covered by other insurance:

- 1) Additions under construction, alterations and repairs to the building or structure;
- 2) Materials, equipment, supplies and temporary structures, on or within 100 feet of the described **premises**, used for making additions, alterations or repairs to the building or structure.

The most the Insurer(s) will pay for loss or damage under this extension is \$100,000 per occurrence, unless a higher amount is shown in **Section II – Sublimits of Insurance**.

d. Limited Pollution

- 1) This policy is extended to cover the necessary additional expense incurred to remove, dispose of, or clean-up the actual presence of **pollutants** from land or water at an insured location when such land or water is polluted due to physical damage to Covered Property by a **covered cause of loss** that occurs during the policy period.

- 2) There will be no coverage unless such expenses are reported to the Insurer(s) within 180 days of the date of direct physical loss or damage.
- 3) This coverage does not apply to test for, monitor or assess the existence, concentration or effects of **pollutants**. However, Insurer(s) will pay for testing which is performed in the course of extracting the **pollutants** from the land or water.

The most the Insurer(s) will pay for loss or damage under this extension is \$25,000 for the sum of all covered expenses arising from **covered causes of loss** occurring during the policy period, unless a higher amount is shown in **Section II – Sublimits of Insurance**.

e. Lost (or Theft of) Keys Consequential Loss / Lock Replacement

The Insurer(s) will pay for the loss or theft of keys to the Insured's **premises**. The coverage for lost or theft of keys applies only to:

- 1) The actual cost of the keys;
- 2) Adjustment of locks to accept new keys;
- 3) The cost of new locks. Including the cost of their installation; and
- 4) The necessary expense to repair or replace the exterior or interior door locks of a covered building
  - (a) If the door keys are stolen in a covered theft loss; or
  - (b) When the Covered Property is damaged and the door keys are stolen by burglars.

The most the Insurer(s) will pay for loss or damage under this extension is \$5,000 per occurrence unless a higher amount is shown in **Section II – Sublimits of Insurance**.

f. Newly Acquired or Constructed Property

1) Buildings

If this policy covers buildings, this policy is extended to apply to:

- (a) New buildings while being built on the described **premises**; and
- (b) Buildings the Insured acquire at locations, other than the described **premises**, intended for:
  - (i) Similar use as the building described on the Declarations Page; or
  - (ii) Use as a warehouse.

The most the Insurer(s) will pay for loss or damage under this extension is \$250,000 at each building, unless a higher amount is shown in **Section II – Sublimits of Insurance**.

2) Business Personal Property

- (a) If this policy covers business personal property, this policy is extended to apply to:
  - (i) Business personal property, including such property that the Insured newly acquires, at any location the insured acquires other than at fairs, trade shows or exhibitions; or
  - (ii) Business personal property, including such property that the Insured newly acquires, located at the Insured's newly constructed or acquired buildings at the location described on the Declarations Page.

The most the Insurer(s) will pay for loss or damage under this extension is \$100,000 at each building, unless a higher amount is shown in **Section II – Sublimits of Insurance**.

- (b) This extension does not apply to:
  - (i) Personal property of others that is temporarily in the Insured's possession in the course of installing or performing work on such property; or
  - (ii) Personal property of others that is temporarily in the Insured's possession in the course of the Insured's manufacturing or wholesaling activities.



3) Period of Coverage

With respect to insurance provided under this coverage extension for newly acquired or constructed property, coverage will end when any of the following first occurs:

- (a) This policy expires;
- (b) 30 days expire after the Insured acquires the property or begins construction of that part of the building that would qualify as Covered Property; or
- (c) The Insured reports values to the Insurer.

The Insurer(s) will charge the Insured additional premium for values reported from the date the Insured acquires the property or begins construction of that part of the building that would qualify as Covered Property.

g. Non-owned Detached Trailers

- 1) The insurance that applies to the Insured's business personal property is extended to apply to loss or damage to trailers that the Insured does not own, provided that:
  - (a) The trailer is used in the Insured's business;
  - (b) The trailer is in the Insured's care, custody or control at the **premises** described on the Statement of Values; and
  - (c) The Insured has a contractual responsibility to pay for loss or damage to the trailer.
- 2) The Insurer(s) will not pay for any loss or damage that occurs:
  - (a) While the trailer is attached to any motor vehicle or motorized conveyance, whether or not the motor vehicle or motorized conveyance is in motion;
  - (b) During hitching or unhitching **operations**, or when a trailer becomes accidentally unhitched from a motor vehicle or motorized conveyance.
- 3) The most the Insurer(s) will pay for loss or damage under this extension is \$5,000, unless a higher amount is shown in **Section II - Sublimits of Insurance**.
- 4) This insurance is excess over the amount due (whether the Insured can collect on it or not) from any other insurance covering such property.

h. Personal Effects and Property of Others

The insurance that applies to the Insured's business personal property is extended to apply to:

- 1) Personal effects owned by the Insured, Insured's officers, Insured's partners or members, Insured's managers or Insured's employees. This extension does not apply to loss or damage by theft.
- 2) Personal property of others in Insured's care, custody or control.
- 3) The most the Insurer(s) will pay for loss or damage under this extension is \$2,500 at each described **premises**, unless a higher amount is shown in **Section II – Sublimits of Insurance**. The Insurer(s)'s payment for loss of or damage to personal property of others will only be for the owner of the property. Tenants' improvements and betterments are not considered to be the personal property of others.

i. Property In Transit

This extension applies only to the Insured's personal property to which this form applies.

- 1) The Insured may extend the Insurance provided by this policy to their personal property (other than property in the care, custody or control of the Insured's salespersons) in transit more than 100 feet from the described **premises**. Property must be in or on a motor vehicle the Insured owns, leases or operates while between points in the coverage territory.
- 2) Loss or damage must be caused by or result from one of the following causes of loss:
  - (a) Fire, lightning, explosion, **windstorm** or hail, riot or civil commotion, or vandalism.

- (b) Vehicle collision, upset or overturn. Collision means accidental contact of the Insured's vehicle with another vehicle or object. It does not mean the Insured's vehicle's contact with the roadbed.
    - (c) Theft of an entire bale, case or package by forced entry into a securely locked body or compartment of the vehicle. There must be visible marks of the forced entry.
  - 3) The most Insurer(s) will pay for loss or damage under this extension is shown in **Section II – Sublimits of Insurance**.
- j. Property Off-Premises
- 1) The insurance provided by this policy is extended to apply to the Insured's Covered Property while it is away from the described **premises**, if it is:
    - (a) Temporarily at a location the Insured does not own, lease or operate;
    - (b) In storage at a location the Insured leases, provided the lease was executed after the beginning of the current policy term; or
    - (c) At any fair, trade show or exhibition.
  - 2) This extension does not apply to property:
    - (a) In or on a vehicle; or
    - (b) In the care, custody or control of the Insured's salespersons, unless the property is in such care, custody or control at a fair, trade show or exhibition.
  - 3) The most the Insurer(s) will pay for loss or damage under this extension is \$10,000, unless a higher amount is shown in **Section II – Sublimits of Insurance**.
- k. Reward Reimbursement
- 1) This policy is extended to cover the monetary rewards for information that leads to a criminal conviction in connection with the loss or damage to Covered Property by a **covered cause of loss**.
  - 2) The most the Insurer(s) will pay for reward reimbursement under this extension is shown in **Section II – Sublimits of Insurance**.
- l. Royalties
- 1) The insurance that applies to **time element** is extended to apply to loss sustained by the Insured under a royalty, licensing fee, or commercial agreement between the Insured and another party during the period of interruption directly resulting from physical loss or damage by a **covered cause of loss** to property of such other party.
  - 2) The most the Insurer(s) will pay for loss or damage under this extension is \$5,000 per occurrence, unless a higher amount is shown in **Section II – Sublimits of Insurance**.
  - 3) When determining the amount payable, the Insurer(s) will consider the amount of income derived by the Insured from such agreements before, and the probable amount of income after, the date of loss or damage.

## Section VI - Valuation

The Insurer(s) will determine the value of Covered Property in the event of loss or damage as follows on the basis of replacement cost value, actual cash value, agreed value, as shown on the Declarations Page unless more specifically described below:

### 1. Replacement Cost

- a. Replacement cost, without deduction for depreciation.
- b. This coverage does not apply to:
  - 1) Personal property of a residence;
  - 2) Works of art, antiques or rare articles, including etchings, pictures, statuary, marbles, bronzes, porcelains and bric-a-brac; these items will be valued at their **market value** at time of loss or damage; or
  - 3) **Stock**, unless the including **stock** including selling price option is listed on the Declarations Page as a coverage.
- c. The Insured may make a claim for loss or damage covered by this insurance on an actual cash value basis instead of on a replacement cost basis. In the event the Insured elects to have loss or damage settled on an actual cash value basis, the Insured may still make a claim for the additional replacement cost coverage provided the Insured notifies the Insurer(s) of the intent to do so within 180 days after the loss or damage.
- d. The Insurer(s) will not pay on a replacement cost basis for any loss or damage:
  - 1) Until the lost or damaged property is actually repaired or replaced; and
  - 2) Unless the repair or replacement is made as soon as reasonably possible after the loss or damage.

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

  - 3) If the conditions in d.(1) and d.(2) above are not met, the value of tenants' improvements and betterments will be determined as a proportion of the Insured's original cost, as set forth in the valuation loss condition of this policy; and
  - 4) The Insurer(s) will not pay for loss or damage to tenants' improvements and betterments if others pay for repairs or replacement.
- e. The Insurer(s) will not pay more for loss or damage on a replacement cost basis than the least of (1), (2) or (3), subject to f. below:
  - 1) The limit of insurance applicable to the lost or damaged property;
  - 2) The cost to replace the lost or damaged property with other property:
    - (a) Of comparable material and quality; and
    - (b) Used for the same purpose; or
  - 3) The amount actually spent that is necessary to repair or replace the lost or damaged property.

If a building is rebuilt at a new location, the cost described in e.2) above is limited to the cost which would have been incurred if the building had been rebuilt at the original location.
- f. The cost of repair or replacement does not include the increased cost attributable to enforcement of or compliance with any ordinance or law regulating the construction, use or repair of any property.

### 2. Actual Cash Value

- a. Actual cash value, replacement cost minus depreciation, shall apply at the time of loss or damage except as provided in b., c., d. and e. below.
- b. If the limit of insurance for building satisfies the condition, Coinsurance, and the cost to repair or replace the damaged building property is \$2,500 or less, the Insurer(s) will pay the cost of building repairs or replacement.

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

However, the following property will be valued at the actual cash value, even when attached to the building:

- 1) Awnings or floor coverings;
  - 2) Appliances for refrigerating, ventilating, cooking, dishwashing or laundering; or
  - 3) Outdoor equipment or furniture.
- c. **Stock** the Insured has sold but not delivered at the selling price less discounts and expenses the Insured otherwise would have had.
- d. Glass at the cost of replacement with safety-glazing material if required by law.
- e. Tenants' improvements and betterments at:
- 1) Actual cash value of the lost or damaged property if the Insured makes repairs promptly.
  - 2) A proportion of the Insured's original cost if the Insured does not make repairs promptly. The Insurer(s) will determine the proportionate value as follows:
    - (a) Multiply the original cost by the number of days from the loss or damage to the expiration of the lease; and
    - (b) Divide the amount determined in (a) above by the number of days from the installation of improvements to the expiration of the lease.
- If the Insured's lease contains a renewal option, the expiration of the renewal option period will replace the expiration of the lease in this procedure.
- 3) Nothing if others pay for repairs or replacement.
3. Agreed Value
- If agreed value is shown on the Declarations Page, this policy provides coverage on an agreed value basis as per the values shown on the latest Statement of Values on file with the Insurer(s).
4. Market Value
- Fine Arts which includes works of art, antiques or rare articles, including etchings, pictures, statuary, marbles, bronzes, and porcelains will be valued at their **market value** at the time of loss or damage. Bric-a-brac will be valued at their **market value** at the time of loss or damage.
5. Electronic Data and Media
- Valuation shall be the cost of the blank media plus the costs of copying the **electronic data** from back-up or from originals of a previous generation. These costs will not include research and engineering nor any costs of recreating, gathering or assembling such **electronic data**. If the **electronic data** is not repaired, replaced or restored the basis of valuation shall be the cost of any blank media. However, this policy does not insure any amount pertaining to the value of such **electronic data** to the Insured or any other party, even if such **electronic data and media** cannot be recreated, gathered or assembled.

## Section VII – Business Income Coverages

A. Coverage is provided as described and limited below for one or more of the following options if listed on the Declarations Page

1. Time Element
2. Civil Authority
3. Contingent Time Element
4. Extra Expense
5. Ingress/Egress
6. Rental Value

1. Time Element

If limits of insurance are shown under more than one of the above options, the provisions of this policy apply separately to each.

The Insurer(s) will pay for the actual loss of **time element** the Insured sustains due to the necessary **suspension** of the Insured's **operations** during the **period of restoration**. The **suspension** must exceed a 72 hour **waiting period** and be caused by direct physical loss of or damage to property at **premises** which are described on the Statement of Values and for which a **time element** limit of insurance is shown on the Declarations Page. The loss or damage must be caused by or result from a **covered cause of loss**. With respect to loss of or damage to personal property in the open or personal property in a vehicle, the described **premises** include the area within 100 feet of such **premises**.

With respect to the requirements set forth in the preceding paragraph, if the Insured occupies only part of a building, the Insured's **premises** means:

- (a) The portion of the building which the Insured rents, leases or occupies;
- (b) The area within 100 feet of the **premises** described on the Statement of Values with respect to loss of or damage to personal property in the open or personal property in a vehicle; and
- (c) Any area within the building or at the described **premises**, if that area services, or is used to gain access to, the portion of the building which the Insured rents, leases or occupies.

a. Extended Time Element

If the necessary **suspension** of the Insured's **operations** produces an extended **time element** loss payable under this policy, the Insurer(s) will pay for the actual loss of **time element** the Insured incurs during the period that:

- (a) Begins on the date property (except **finished stock**) is actually repaired, rebuilt or replaced and **operations** are resumed; and
- (b) Ends on the earlier of:
  - (i) The date the Insured could restore their **operations**, with reasonable speed, to the level which would generate the **time element** amount that would have existed if no direct physical loss or damage had occurred; or
  - (ii) 30 consecutive days after the date determined in c.(a) above, unless a higher amount is shown in **Section II – Sublimits of Insurance**.

However, extended **time element** does not apply to loss of **time element** incurred as a result of unfavorable business conditions caused by the impact of the **covered cause of loss** in the area where the described **premises** are located.

Loss of **time element** must be caused by direct physical loss or damage at the described **premises** caused by or resulting from any **covered cause of loss**.

2. Civil Authority

In this coverage, the described **premises** are **premises** to which this policy applies, as shown on the Statement of Values.

When a **covered cause of loss** causes damage to property other than property at the described **premises**, the Insurer(s) will pay for the actual loss of business income the Insured sustains caused by action of civil authority that prohibits access to the described **premises**, provided that both of the following apply:

- a. Access to the area immediately surrounding the damaged property is prohibited by civil authority as a result of the damage, and the described **premises** are within that area but are not more than five(5) statute miles from the damaged property; and
- b. The action of civil authority is taken in response to dangerous physical conditions resulting from the damage or continuation of the **covered cause of loss** that caused the damage, or the action is taken to enable a civil authority to have unimpeded access to the damaged property.

Coverage under this section only applies if the actual loss sustained exceeds a 72 hour **waiting period**. Coverage is not provided unless an amount of weeks is shown in **Section II – Sublimits of Insurance**.

3. Contingent Time Element

It is hereby understood and agreed that this policy is extended to include the actual loss sustained and **extra expense** incurred by the Insured during the period of this policy where the loss arises:

- a. Directly resulting from physical loss or damage from a **covered cause of loss**; and only
- b. To property of the type insured by this policy, at any location of direct suppliers or customers located within the territorial scope of this policy who are on file with the Insurer(s) at the time of such loss or damage.

It is further understood and agreed that the term suppliers or customers does not include any company supplying to or receiving from the Insured any electricity, fuel, gas, water, steam, refrigeration, sewage or telecommunications.

It is a requirement of this coverage that a schedule of the suppliers' or customers' locations must be on file with the Insurer(s) at the time of the loss or damage.

Coverage under this section only applies if the actual loss sustained exceeds a 72 hour **waiting period**. The most the Insurer(s) will pay for loss or damage under this coverage is shown in **Section II – Sublimits of Insurance**.

4. Extra Expense

The Insurer(s) will pay **extra expense** (other than the expense to repair or replace property) to:

- A. Avoid or minimize the **suspension** of business and to continue **operations** at the described **premises** or at replacement **premises** or temporary locations.
- B. Minimize the **suspension** of business if the Insured cannot continue **operations**.

The Insurer(s) will also pay **extra expense** to repair or replace property, and relocation expenses, but only to the extent it reduces the amount of loss that otherwise would have been payable under this policy.

Relocate any items necessary to avoid or minimize the **suspension** of the business and to continue **operations** at a replacement **premises** or temporary locations.

5. Ingress/Egress

In this coverage, the described **premises** are **premise** to which this policy applies, as shown on the Statement of Values.

The Insurer(s) will pay for the actual loss sustained during the period of time when, as a direct result of physical damage by a **covered cause of loss**, ingress to or egress from the insured **premises** is thereby prevented, whether there is direct damage to the Insured's property or not. The insured physical loss or damage must occur within five (5) statute miles from the Insured's covered location for coverage to apply. Coverage under this section only applies if the actual loss sustained exceeds a 72 hour **waiting period**. Coverage is not provided unless an amount of weeks is shown in **Section II – Sublimits of Insurance**

6. Rental Value

- a. The Insurer(s) will pay for the actual loss sustained by the Insured resulting directly from necessary untenantability, caused by damage to or destruction of the building(s) or structure(s) as furnished or equipped by the Insured, on the described **premises** by a **covered cause of loss** during the term of this policy; but not exceeding the reduction in **rental value** less charges and expenses which do not necessarily continue during the period of untenantability, for only such length of time as would be required with the exercise of due diligence and dispatch to rebuild, repair or replace such part of the property herein described as has been damaged or destroyed, commencing with the date of such damage or destruction and not limited by the date of expiration of this policy. Coverage under this section applies if the actual loss sustained exceeds a 72 hour **waiting period**.

With respect to Business Income Coverages 2. And 5., if a **covered cause of loss** results in coverage under both Business Income Coverages, the Insurer(s) will only pay for loss under one of the two Business Income Coverages, whichever the Insured selects.

B. Additional Coverages

1. Alterations and New Buildings

The Insurer(s) will pay for the actual loss of **time element** the Insured sustains and necessary **extra expense** the Insured incurs due to direct physical loss or damage at the described **premises** caused by or resulting from any **covered cause of loss** to:

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

If such direct physical loss or damage delays the start of **operations**, the **period of restoration** for **time element** coverage will begin on the date **operations** would have begun if the direct physical loss or damage had not occurred.

Coverage under this section only applies if the actual loss sustained exceeds a 72 hour **waiting period**.

2. Newly Acquired Locations

- a. This policy may extend insurance for the Insured(s) **time element** and **extra expense** coverages to apply to property at any location the Insured acquires other than fairs or exhibitions.
- b. Coverage under this section only applies if the actual loss sustained exceeds a 72 hour **waiting period**.
- c. The most the Insurer(s) will pay under this extension, for the sum of **time element** loss and **extra expense** incurred, is \$100,000 at each location.
- d. Insurance under this extension for each newly acquired location will end when any of the following first occurs:
  - 1) This policy expires;
  - 2) 30 days expire after the Insured acquires or begins to construct the property; or
  - 3) The Insured reports values to the Insurer(s).

The Insurer(s) will charge the Insured additional premium for values reported from the date the Insured acquires the property.

C. Special Exclusions

This policy does not cover any Business Income coverages arising from the:

- 1) Enforcement of any ordinance or law regulating the use, construction, repair or demolition of property; or
- 2) Interference at the described **premises** by strikers or other persons with rebuilding, repairing or replacing the property or with the reoccupancy of the **premises**; or
- 3) The suspension, lapse or cancellation of any lease, license, contract or order unless such suspension, lapse or cancellation results directly from the untenability of the **premises**, and then the Insurer(s) shall be liable for only such loss as affects the **rental value** of the **premises** during, and limited to, the period of indemnity covered under this policy.

Loss of **rental value** must be caused by direct physical loss or damage at the **premises** on the Statement of Values caused by or resulting from a **covered cause of loss**.

D. Covered Causes of Loss, Exclusions and Limitations

See applicable Causes Of Loss form as shown under **Section IV – Covered Causes of Loss**.

E. Limits of Insurance

The most the Insurer(s) will pay for loss in any one occurrence is the applicable limit of insurance shown on the Statement of Values. Payments under all of the Business Income Coverages will not increase the applicable limit of insurance:

The amounts of insurance stated in the newly acquired locations coverage extension apply in accordance with the terms of those coverages and are a part of the overall limit(s) of insurance shown on the Declarations Page for all other coverage.

F. Loss Conditions

The following conditions apply to this policy:

1. Loss Determination

- a. The amount of **time element** loss will be determined based on:
  - 1) The Net Income of the business before the direct physical loss or damage occurred;
  - 2) The likely Net Income of the business if no physical loss or damage had occurred, but not including any Net Income that would likely have been earned as a result of an increase in the volume of business due to favorable business conditions caused by the impact of the **covered cause of loss** on customers or on other businesses;
  - 3) The operating expenses, including payroll expenses, necessary to resume **operations** with the same quality of service that existed just before the direct physical loss or damage; and



4) Other relevant sources of information, including:

- (a) The Insured's financial records and accounting procedures;
- (b) Bills, invoices and other vouchers; and
- (c) Deeds, liens or contracts.

b. The amount of **extra expense** will be determined based on:

(1) All expenses that exceed the normal operating expenses that would have been incurred by **operations** during the **period of restoration** if no direct physical loss or damage had occurred. The Insurer(s) will deduct from the total of such expenses:

- (a) The salvage value that remains of any property bought for temporary use during the **period of restoration** once **operations** are resumed; and
- (b) Any **extra expense** that is paid for by other insurance, except for insurance that is written subject to the same plan, terms, conditions and provisions as this insurance; and

(2) Necessary expenses that reduce the **time element** loss that otherwise would have been incurred.

c. Resumption of Operations

The Insurer(s) will reduce the amount of the Insured's:

- 1) **Time element** loss, other than **extra expense**, to the extent the Insured can resume their **operations**, in whole or in part, by using damaged or undamaged property (including merchandise or **stock**) at the described **premises** or elsewhere.
- 2) **Extra expense** loss to the extent the Insured can return **operations** to normal and discontinue such **extra expense**.

If the Insured does not resume **operations**, or do not resume **operations** as quickly as possible, the Insurer(s) will pay based on the length of time it would have taken to resume **operations** as quickly as possible.

2. Loss Payment

The Insurer(s) will pay for covered loss within 30 days after the Insurer(s) receives the sworn proof of loss, if the Insured has complied with all of the terms of this policy, and:

- a. The Insurer(s) has reached agreement with the Insured on the amount of loss; or
- b. An appraisal award has been made.

G. Time Element Conditions

If shown as applicable on the Declarations Page, the following conditions apply separately to each item.

1. Monthly Limit Of Indemnity

- a. The additional condition, coinsurance, does not apply to this policy at the described **premises** to which this optional coverage applies.
- b. The most the Insurer(s) will pay for loss of **rental value** in each period of 30 consecutive days after the beginning of the **period of restoration** is:
  - 1) The limit of insurance, multiplied by
  - 2) The following fraction for this optional coverage: 1/12th.

2. Time Element Agreed Value

- a. To activate this optional coverage:
  - 1) A **time element** report/work sheet must be submitted to the Insurer(s) and must show financial data for the Insured's **operations**:
    - (a) During the 12 months prior to the date of the work sheet; and
    - (b) Estimated for the 12 months immediately following the inception of this optional coverage.

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- 2) The Declarations Page must indicate that the **time element** agreed amount optional coverage applies, and an agreed value must be shown on the Declarations Page. The agreed value should be at least equal to:
  - (a) The coinsurance percentage shown on the Declarations Page; multiplied by
  - (b) The amount of Net Income and operating expenses for the following 12 months the Insured reports on the work sheet.
- b. The additional condition, coinsurance, is suspended until:
  - 1) 12 months after the effective date of this optional coverage; or
  - 2) The expiration date of this policy; whichever occurs first.
- c. The Insurer(s) will reinstate the condition, Coinsurance, automatically if the Insured does not submit a new work sheet and agreed value:
  - 1) Within 12 months of the effective date of this optional coverage; or
  - 2) When the Insured requests a change in their **time element** limit of insurance.
- d. If the **time element** limit of insurance is less than the agreed amount, the Insurer(s) will not pay more of any loss than the amount of loss multiplied by:
  - 1) The **time element** limit of insurance; divided by
  - 2) The agreed value.

### Section VIII – Optional Coverages

Coverage for the following optional coverages are only provided if a sublimit of insurance is shown for such optional coverage under **Section II – Sublimits of Insurance**.

A. Errors and Omissions

It is hereby understood and agreed that any unintentional error or omission made by the Insured shall not void or impair the Insurance hereunder provided the Insured reports such error or omission as soon as reasonably possible after discovery.

The most the Insurer(s) will pay for loss or damage under this extension is \$5,000, unless a higher amount is shown in **Section II - Sublimits of Insurance**.

B. Expediting Expense

It is hereby understood and agreed that this policy covers the necessary costs incurred to pay for the temporary repair of insured damage to Covered Property and to expedite the permanent repair or replacement of such damaged property, including overtime and the extra costs of express or other rapid means of transportation.

This optional coverage does not cover the costs recoverable elsewhere in this policy or costs of permanent repair or replacement of damaged property.

The most the Insurer(s) will pay for loss or damage under this extension is \$5,000, unless a higher amount is shown in **Section II - Sublimits of Insurance**.

The specified perils insured against by this policy as respects this section are: Windstorm or Hail Causes of Loss Excluding Earthquake and Flood

C. Ordinary Payroll Extensions (With Exclusions)

It is hereby understood and agreed that the Insurer(s) shall be liable for any **ordinary payroll** expenses as hereinafter defined as payroll expenses which continue after a necessary interruption of business conducted by the Insured resulting from direct physical loss or damage to covered real or personal property, by a **covered cause of loss**. Liability is limited to such **ordinary payroll** expenses which continue during the interruption of business only to the extent necessary until employees can resume their business with the same quality of services which existed immediately preceding the loss.

The most the Insurer(s) will pay for loss or damage under this coverage is shown in **Section II – Sublimits of Insurance**.

D. Sewer Back Up

1. It is hereby understood and agreed that this policy covers direct physical loss or damage to Covered Property, caused by or resulting from discharge of waterborne material from a sewer, drain or sump located on the described **premises**, whether the loss or damage originates from on the Insured's **premises** or originates from off the Insured's **premises**, provided such discharge is not induced by **flood**.

For the purpose of this coverage, the term drain includes a roof drain and related fixtures.

2. There is no coverage if:

The discharge results from an Insured's failure to perform routine maintenance or repair necessary to keep a sewer or drain or a sump, sump pump or related equipment free from obstruction and in proper working condition; or

Sump pump failure is caused by or results from failure of power, unless this policy is endorsed to cover power failure affecting the described **premises**.

3. To the extent that the Water exclusion might conflict with the coverage provided under this section, the Water exclusion does not apply to such coverage.

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4. The Insurer(s) will not pay the cost of repairing or replacing a sewer, drain, sump, sump pump or any related parts or equipment.
5. The most the Insurer(s) will pay for loss or damage under this coverage is shown in **Section II – Sublimits of Insurance**.

#### Section IX - Conditions

A. Abandonment

There can be no abandonment of any property to the Insurer(s).

B. Appraisal

Any dispute as to the scope of damage to Covered Property from a Covered Loss, and any other coverage issues must be resolved through written agreement of the Insured and Insurer(s), or through a decision by a court of law, prior to either party making a written demand for appraisal. After such written agreement, or decision by court of law, has established the scope of damage to Covered Property from a Covered Loss, if the Insured and Insurer(s) disagree on the values of the Covered Property, the Insured's **time element, extra expense** or the amount of any loss or damage, either may make written demand for an appraisal of such values. In this event, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the value of the property, the amount of **time element, extra expense** and amount of loss or damage. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

1. Pay its chosen appraiser; and
2. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, the Insurer(s) will still retain their right to deny the claim, or any part of the claim, on the basis that it is not covered under the policy. No other disputes between the Insured and Insurer(s) will be subject to this provision.

C. Cancellation

1. The Insured may cancel this policy at any time during the policy period by mailing or delivering to the Insurer(s) advance written notice of cancellation.
2. The Insurer(s) may cancel this policy for any reason by mailing or delivering to the Insured written notice of cancellation at least 60 days, 10 days if their reason for cancellation is the Insured's non-payment of any premium when due, before the effective date of cancellation. The Insurer(s) will mail or deliver their notice to the Insured's last mailing address known to the Insurer(s).
3. The Insurer(s) will mail or deliver their notice to the first Named Insured's last mailing address known to the Insurer(s).
4. The cancellation will be effective even if the Insurer(s) has not made or offered a refund.
5. If notice is mailed, proof of mailing will be sufficient proof of notice.
6. If this insurance shall be canceled by the Insured the Insurer(s) shall retain the customary short rate proportion of the premium hereon, except that if this insurance is on an adjustable basis the Insurer(s) shall receive the earned premium hereon or the customary short rate proportion of any minimum premium stipulated herein, whichever is the greater.
7. If this insurance shall be canceled by or on behalf of the Insurer(s) the Insurer(s) shall retain the pro rata proportion of the premium hereon, except that if this insurance is on an adjustable basis the Insurer(s) shall receive the earned premium hereon or the pro rata proportion of any minimum premium stipulated herein, whichever is the greater.
8. Payment or tender of any unearned premium by the Insurer(s) shall not be a condition precedent to the effectiveness of cancellation, but such payment shall be made as soon as practicable. If the period of limitation relating to the giving of notice is prohibited or made void by any law controlling the construction thereof, such period shall be deemed to be amended so as to be equal to the minimum period limitation permitted by such law.

D. Changes

This policy contains all the agreements between the Insured and Insurer(s) concerning the insurance afforded. This policy's terms can be amended or waived only by endorsement issued by the Insurer(s) and made a part of this policy.

E. Coinsurance

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

1. Buildings, Personal Property

The Insurer(s) will not pay the full amount of any loss if the value of Covered Property at the time of loss multiplied by the coinsurance percentage stated on the Declarations Page is greater than the latest values for the Covered Property on the Statement of Values the Insurer(s) has on file. Instead, the Insurer(s) will determine the most they will pay using the following steps:

- a. Multiply the value of Covered Property at the time of loss by the coinsurance percentage;
- b. Divide the value on the Statement of Values of the Covered Property by the amount determined in step a;
- c. Multiply the total amount of loss for the Covered Property, before the application of any deductible, by the amount determined in step b; and
- d. Subtract the deductible from the amount determined in step c.

The Insurer(s) will pay the amount determined in step d, or the limit of insurance, whichever is less. For the remainder, the Insured will either have to rely on other insurance or self-insure the loss.

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

## 2. Time Element

- a. The Insurer(s) will not pay the full amount of any loss if the value on the Statement of Values for Covered Property for **time element** is less than the coinsurance percentage shown for **time element** on the Declarations Page; multiplied by the sum of:

- (1) The net income (net profit or loss before income taxes), and
- (2) All operating expenses, including payroll expenses

All of which would have been earned or incurred (had there been no occurrence) by the Insured's **operations** at the described **premises** for the 12 months immediately prior to the occurrence.

- b. Instead, the Insurer(s) will determine the most they will pay using the following steps:
  - (1) Multiply the net income and operating expense for the 12 months following the inception, or last previous anniversary date, of this policy by the coinsurance percentage;
  - (2) Divide the **time element** value on the Statement of Values for the described **premises** by the amount determined in step (1); and
  - (3) Multiply the total amount of loss by the amount determined in step (2).

The Insurer(s) will pay the amount determined in step (3), or the limit of insurance, whichever is less. For the remainder, the Insured will either have to rely on other insurance or self-insure the loss.

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

- (1) Prepaid freight – outgoing;
- (2) Returns and allowances;
- (3) Discounts;
- (4) Bad debts;
- (5) Collection expenses;
- (6) Cost of raw **stock** and factory supplies consumed (including transportation charges);
- (7) Cost of merchandise sold (including transportation charges);
- (8) Cost of other supplies consumed (including transportation charges);
- (9) Cost of services purchased from outsiders (not employees) to resell, that do not continue under contract;
- (10) Power, heat and refrigeration expenses that do not continue under contract (if Form CP 15 11 is attached);

(11) All payroll expenses or the amount of payroll expense excluded (if an amount appears under **Section II – Sublimits of Insurance**); and

(12) Special deductions for mining properties (royalties unless specifically included in coverage; actual depletion commonly known as unit or cost depletion – not percentage depletion; welfare and retirement fund charges based on tonnage; hired trucks).

This condition does not apply to **extra expense** coverage.

F. Concealment, Misrepresentation or Fraud

This policy is void in any case of fraud by the Insured at any time including fraud in any claim presented hereunder. It is also void if the Insured or any other insured, at any time, intentionally conceal or misrepresent a material fact concerning:

1. This Policy;
2. The Covered Property or any Covered Property;
3. The Insured's interest in the Covered Property; or
4. A claim under this policy.

G. Control of Property

Any act or neglect of any person other than the Insured beyond the Insured's direction or control will not affect this insurance.

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

H. Duties of the Named Insured In the Event of Loss or Damage

The Insured must see that the following are done in the event of loss or damage to Covered Property:

1. Notify the police if a law may have been broken.
2. Give the Insurer(s) prompt notice of the loss or damage, including a description of the Covered Property involved.
3. As soon as possible, give the Insurer(s) a description of how, when and where the loss or damage occurred.
4. Take all reasonable steps to protect the Covered Property from further damage, and keep a record of the Insured's expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the limit of insurance. However, the Insurer will not pay for any subsequent loss or damage resulting from a cause of loss that is not a **covered cause of loss**.
5. If feasible, set the damaged property aside and in the best possible order for examination. Also keep a record of the Insured's expenses for emergency and temporary repairs, for consideration in the settlement of the claim. This will not increase the limit of insurance.
6. At the Insurer(s)'s request, give the Insurer(s) complete inventories of the damaged and undamaged property. Include quantities, costs, values and amount of loss claimed.
7. Permit the Insurer(s) to inspect the property and records proving the loss or damage. Also permit the Insurer(s) to take samples of damaged and undamaged property for inspection, testing and analysis, and permit the Insurer(s) to make copies from the Insured's books and records.
8. If requested, permit the Insurer(s) to question the Insured under oath at such times as may be reasonably required about any matter relating to this insurance or the Insured's claim, including their books and records. In such event, the Insured's answers must be signed.
9. Send the Insurer(s) a signed, sworn statement in proof of loss containing the information the Insurer(s) requests to investigate the claim. The Insured must do this within 60 days after the Insurer(s)'s request. The Insurer(s) will supply the Insured with the necessary forms.
10. Cooperate with the Insurer(s) in the investigation or settlement of the claim.
11. Resume all or part of the Insured's **operations** as quickly as possible.

I. Examination of the Insured's Books and Records

The Insurer(s) may examine and audit the Insured's books and records as they relate to this policy at any time during the policy period and up to three years afterward.

J. Inspections and Surveys

The Insurer(s) has the right but are not obligated to:

1. Make inspections and surveys at any time;
2. Give the Insured reports on the conditions the Insurer(s) finds; and
3. Recommend changes.

Any inspections, surveys, reports or recommendations relate only to insurability and the premiums to be charged. The Insurer(s) does not make safety inspections. The Insurer(s) does not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public, and the Insurer(s) does not warrant that conditions are safe or healthful; or comply with laws, regulations, codes or standards.

K. Insurance Under Two or More Coverages

If two or more of this policy's coverages apply to the same loss or damage, the Insurer(s) will not pay more than the actual amount of the loss or damage. The Insurer(s) may allocate such loss or damage to any of such coverages at the Insurer(s)'s option and in their sole discretion.

L. Knowledge or Control

The Insurer(s) will not pay for loss or damage while the chance of loss or damage is increased by any means within the Insured's knowledge or control.

M. Legal Action Against The Insurer(s)

No one may bring a legal action against the Insurer(s) under this policy unless:

1. There has been full compliance with all of the terms of this policy; and
2. The action is brought within two (2) years after the occurrence that is the subject of a claim.

N. Liberalization

If the Insurer(s) adopts any revision that would broaden the coverage under this policy without additional premium within 45 days prior to or during the policy period, the broadened coverage will immediately apply to this policy.

O. Loss Payment

1. In the event of loss or damage covered by this policy, at the Insurer(s)'s option, the Insurer(s) will either:

- a) Pay the value of lost or damaged property;
- b) Pay the cost of repairing or replacing the lost or damaged property, subject to 2. below;
- c) Take all or any part of the property at an agreed or appraised value; or
- d) Repair, rebuild or replace the property with other property of like kind and quality, subject to 2. below.

The Insurer(s) will determine the value of lost or damaged property, or the cost of its repair or replacement, in accordance with the applicable terms of the valuation condition in this policy or any applicable provision which amends or supersedes the valuation condition.

2. The cost to repair, rebuild or replace does not include the increased cost attributable to enforcement of or compliance with any ordinance or law regulating the construction, use or repair of any property.
3. The Insurer(s) will give notice of their intentions within 30 days after the Insurer(s) receives the sworn proof of loss.
4. The Insurer(s) will not pay the Insured more than the Insured's financial interest in the Covered Property.



5. The Insurer(s) may adjust losses with the owners of lost or damaged property if other than the Insured. If the Insurer(s) pays the owners, such payments will satisfy the Insured's claims against the Insurer(s) for the owners' property. The Insurer(s) will not pay the owners more than their financial interest in the Covered Property.
6. The Insurer(s) may adjust losses with the owners of lost or damaged property if other than the Insured. If the Insurer(s) pays the owners, such payments will satisfy the Insured's claims against the Insurer(s) for the owners' property. The Insurer(s) will not pay the owners more than their financial interest in the Covered Property.
7. The Insurer(s) may elect to defend the Insured against suits arising from claims of owners of property. The Insurer(s) will do this at their expense.
8. The Insurer(s) will pay for covered loss or damage to Covered Property within 30 days after they receive the sworn proof of loss, if the Insured has complied with all of the terms of this policy, and:
  - a) The Insurer(s) has reached agreement with the Insured on the amount of loss; or
  - b) An appraisal award has been made.
9. A party wall is a wall that separates and is common to adjoining buildings that are owned by different parties. In settling covered losses involving a party wall, the Insurer(s) will pay a proportion of the loss to the party wall based on the Insured's interest in the wall in proportion to the interest of the owner of the adjoining building. However, if the Insured elects to repair or replace their building and the owner of the adjoining building elects not to repair or replace that building, the Insurer(s) will pay the Insured the full value of the loss to the party wall, subject to all applicable policy provisions including limits of insurance, the valuation and coinsurance conditions and all other provisions of this loss payment condition. The Insurer(s)'s payment under the provisions of this paragraph does not alter any right of subrogation they may have against any entity, including the owner or insurer(s) of the adjoining building.

P. Loss to a Pair, Set or Panels

In case of loss to a pair, set or panels, the Insurer(s) may elect to:

1. Repair or replace any part to restore the pair, set or panels to its value before the loss;
2. Pay the difference between actual cash value of the property before and after the loss;
3. Pay in any loss involving part of a series of pieces or panels:
  - a) The reasonable cost of repairing or replacing the damaged part to match the remainder as closely as possible; or
  - b) The reasonable cost of providing an acceptable decorative effect or utilization as circumstances may warrant.

However, the Insurer(s) does not guarantee the availability of replacements, and the Insurer(s) will not be liable, in the event of damage to or loss of a part, for the value, repair or replacement of the entire series of pieces or panels.

Q. Minimum Earned Premium

In the event this policy is cancelled, the following minimum earned premium condition applies:

1. **Hurricane** season effective date (June 1 – November 30<sup>th</sup>) – See Hurricane Minimum Earned Premium Endorsement CAT7147, attached to this policy for hurricane minimum earned premium.
2. Effective dates outside of **hurricane** season – 35% minimum earned premium.
3. All deductible buybacks – 100% minimum earned premium.

R. Mortgage Holders

1. The term mortgage holder includes trustee.
2. The Insurer will pay for covered loss of or damage to buildings or structures to each mortgage holder shown in the declarations in their order of precedence, as interests may appear.
3. The mortgage holder has the right to receive loss payment even if the mortgage holder has started foreclosure or similar action on the building or structure.

4. If the Insurer denies the Insured's claim because of their acts or because the Insured has failed to comply with the terms of this policy, the mortgage holder will still have the right to receive loss payment if the mortgage holder:

- a) Pays any premium due under this policy at the Insurer's request if the Insured has failed to do so;
- b) Submits a signed, sworn proof of loss within 60 days after receiving notice from the Insurer of the Insured's failure to do so; and
- c) Has notified the Insurer of any change in ownership, occupancy or substantial change in risk known to the mortgage holder.

All of the terms of this policy will then apply directly to the mortgage holder.

5. If the Insurer pays the mortgage holder for any loss or damage and deny payment to the Insured because of the Insured's acts or because the Insured has failed to comply with the terms of this policy:

- a) The mortgage holder's rights under the mortgage will be transferred to the Insurer to the extent of the amount the Insurer pays; and
- b) The mortgage holder's right to recover the full amount of the mortgage holder's claim will not be impaired.

At the Insurer's option, the Insurer may pay to the mortgage holder the whole principal on the mortgage plus any accrued interest. In this event, the Insured's mortgage and note will be transferred to the Insurer and the Insured will pay the Insured's remaining mortgage debt to the Insurer.

6. If the Insurer cancels this policy, the Insurer will give written notice to the mortgage holder at least:

- a) 10 days before the effective date of cancellation if the Insurer cancels for the Insured's nonpayment of premium; or
- b) 30 days before the effective date of cancellation if the Insurer cancels for any other reason.

7. If the Insurer elects not to renew this policy, the Insurer will give written notice to the mortgage holder at least 10 days before the expiration date of this policy.

S. No Benefit To Bailee

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

T. Other Insurance

The Insured may have other insurance subject to substantially the same plan, terms, conditions and provisions as the insurance under this policy. If the Insured does, the Insurer(s) will only pay their share of the covered loss or damage. The Insurer(s)'s share is the proportion that the applicable limit of insurance under this policy bears to the limits of insurance of all policies covering the loss on the same basis.

If there is other insurance covering the same loss or damage, other than that described above, the Insurer(s) will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, irrespective of whether the Insured can collect on it, but the Insurer(s) will not pay more than their applicable limit of insurance.

When the Insured is a condominium association, this insurance is primary and does not contribute to other insurance when a unit-owner has other insurance covering the same property.

U. Permission for Excess

- 1. Excess Insurance: Permission is hereby granted to purchase insurance in excess of the amount (limit of insurance) stated in this policy. Such excess insurance shall not be considered Other Insurance for the purposes of the Other Insurance clause.
- 2. Any reference to pro rata liability, pro rata distribution or any other apportionment clause is hereby deleted.
- 3. When, in connection with any loss hereunder, any salvage or recovery is received subsequent to the payment of such loss, the loss shall be recalculated on the basis on which it would have been settled had the amount of salvage or recovery been known at the time the loss was originally determined and the appropriate amount repaid from the Insured to the Insurer(s) as soon as possible.

V. Policy Period

The Insurer(s) covers loss or damage commencing during the policy period shown on the Declarations Page within the coverage territory.

W. Premiums

The first Named Insured shown on the Declarations Page:

1. Is responsible for the payment of all premiums; and
2. Will be the payee for any return premiums the Insurer(s) pays;

X. Recovered Property

If either the Insured or Insurer(s) recover any property after loss settlement, that party must give the other prompt notice. At the Insured's option, the property will be returned to the Insured. The Insured must then return to the Insurer(s) the amount the Insurer(s) paid to the Insured for the property. The Insurer(s) will pay recovery expenses and the expenses to repair the recovered property, subject to the limit of insurance.

Y. Statement of Values

The first Named Insured is responsible for providing to the Insurer(s) a revised Statement of Values for all Covered Property if the Insured wishes to add any additional Covered Property, and otherwise in the event that the value of Covered Property changes during the policy period.

The Insurer(s) shall review all revised Statement of Values, and it is within their sole discretion whether to approve any additions to the list of Covered Property, or any increase in the value of any Covered Property. No changes in coverage shall be effective unless and until the Insurer(s) has issued an endorsement reflecting approved changes to the Statement of Values. In the event the Insurer(s) agrees to changes in the Statement of Values, the Insurer(s) shall recalculate the Insured's premium and adjust it pro rata for the remainder of the policy period. In the event of a loss, the Insurer(s)'s liability will be calculated based upon the most recent Statement of Values approved by the Insurer(s) prior to the date of loss. Additionally, the Insurer(s) shall have the right at any time to perform their own appraisal of the value of Covered Property, and to adjust the Insured's premium and amend the Statement of Values if an amendment is warranted.

Z. Transfer of Rights of Recovery Against Others To the Insurer

If any person or organization to or for whom the Insurer(s) makes payment under this policy has rights to recover damages from another, those rights are transferred to the Insurer(s) to the extent of their payment. That person or organization must do everything necessary to secure the Insurer(s)'s rights and must do nothing after loss to impair them. Notwithstanding the foregoing, the Insured may waive their rights against another party in writing:

1. Prior to a loss to the Insured's Covered Property.
2. After a loss to the Insured's Covered Property only if, at time of loss, that party is one of the following:
  - a) Someone insured by this policy;
  - b) A business organization owned or controlled by the Insured;
  - c) That owns or controls the Insured; or
  - d) The Insured's tenant.

AA. Transfer of The Insured's Rights and Duties Under This Policy

The Insured's rights and duties under this policy may not be transferred without the Insurer(s)'s written consent except in the case of death of an individual Named Insured.

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

BB. Vacancy

1. Description Of Terms

- a. As used in this vacancy condition, the term building and the term vacant have the meanings set forth in 1) and 2) below:
  - 1) When this policy is issued to a tenant, and with respect to that tenant's interest in Covered Property, building means the unit or suite rented or leased to the tenant. Such building is vacant when it does not contain enough business personal property to conduct customary **operations**.

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

- a) Rented to a lessee or sublessee and used by the lessee or sublessee to conduct its customary **operations**; and/or
- b) Used by the building owner to conduct customary **operations**.

b. Buildings under construction or renovation are not considered vacant.

2. Vacancy Provisions

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

a. The Insurer(s) will not pay for any loss or damage caused by any of the following, even if they are **covered causes of loss**:

- 1) Vandalism;
- 2) Sprinkler leakage, unless the Insured has protected the system against freezing;
- 3) Building glass breakage;
- 4) **Water damage**;
- 5) Theft; or
- 6) Attempted theft.

b. With respect to **covered causes of loss** other than those listed in a.1) through a.6) above, the Insurer(s) will reduce the amount the Insurer(s) would otherwise pay for the loss or damage by 15%.

#### Section X – Policy Definitions

**Aggregate** means the limit or sublimit that is the most the Insurer(s) will pay in any one policy term (as shown on the Declarations Page) for the coverage, peril or location to which such aggregate limit or sublimit applies.

**Computer virus** means a set of corrupting, harmful or otherwise unauthorized instructions or code including a set of maliciously introduced unauthorized instructions or code, programmatic or otherwise, that propagate themselves through a computer system or network of any nature. Computer virus includes, but is not limited to, Trojan horses, worms and time or logic bombs.

**Covered cause(s) of loss** means risks of direct physical loss or damage to Covered Property from the covered perils described in the Causes Of Loss form attached to this policy.

**Earthquake** means natural faulting of land masses, excluding landslide, subsidence, rock slide, mud flow, earth sinking, earth rising, shifting or settling unless arising as a direct result of such **earthquake**.

**Electronic data** means facts, concepts and information converted to a form useable for communications, interpretation or processing by electronic and electromechanical data processing or electronically controlled equipment and includes programs, software and other coded instructions for the processing and manipulation of data or the direction and manipulation of such equipment.

**Extra expense** means necessary expenses the Insured incurs during the **period of restoration** that the Insured would not have incurred if there had been no direct physical loss or damage to property caused by or resulting from a **covered cause of loss**. Insurer(s) will pay **extra expense** (other than the expense to repair or replace property) which are incurred to:

1. Avoid or minimize the **suspension** of business and to continue **operations** at the described **premises** or at replacement **premises** or temporary locations, including relocation expenses and costs to equip and operate the replacement location or temporary location.
2. Minimize the **suspension** of business if the Insured cannot continue **operations**.

**Finished stock** means **stock** manufactured by the Insured which in the ordinary course of the Insured's business is ready for packing, shipment or sale.

**Flood** means a general and temporary condition of partial or complete inundation of normally dry land areas due to:

1. The overflow of a body of water, inland or tidal waters, or the spray from any of these, all whether driven by wind or not;
2. The unusual or rapid accumulation or runoff of surface waters from any source, including the spray from surface water, whether driven by wind or not; or
3. Mudslides or mudflows which are caused by the overflow of a body of water, inland or tidal waters or the unusual or rapid accumulation or runoff of surface waters, including the spray from any of these, all whether driven by wind or not. A mudslide or mudflow involves a river of liquid and flowing mud on the surface of normally dry land areas as when earth is carried by a current of water and deposited along the path of the current.
4. **Flood** includes direct physical loss or damage caused by water, or other waterborne materials that back up or overflow through a sewer drain, sump, sump pump, or related equipment when caused by or resulting directly from flood as defined in paragraphs 1., 2. and 3. of the definition above.

**Fungus** means any type or form of fungus, including mold or mildew, wet rot or dry rot, scents or by-products produced or released by fungi, of any type, nature, or description including but not limited to any substance whose presence poses an actual or potential threat to human health.

**Hurricane** means a storm system that has been declared to be a **hurricane** by the National Hurricane Center of the National Weather Service.

**Market value** means the price which the property might be expected to realize if offered for sale in a fair market.

**Money** means

1. Currency, coins and bank notes whether or not in current use; and
2. Travelers checks, register checks and **money** orders held for sale to the public.

**Named windstorm** means

1. A storm that is identified and named as a **hurricane**, tropical depression, cyclone or tropical storm by the National Hurricane Center of the U.S. National Weather Service; and
2. That is identified as a **hurricane**, tropical depression, cyclone or tropical storm at the time of landfall in the state in which the Insured's covered and damaged property is located.

**Operations** means the Insured's business activities occurring at the described **premises** and the tenantability of the described **premises**, if coverage for **time element** including **rental value** or **rental value** applies.

**Ordinary payroll** means the entire payroll expense for all employees of the insured, except officers, executives, department managers, employees under contract and other important employees. **Ordinary payroll** expenses include:

1. Payroll;
2. Employee benefits, if directly related to payroll;
3. FICA payments the Insured pays;
4. Union dues the Insured pays; and
5. Workers compensation premiums.

**Period of restoration** means the period of time that:

1. Begins with the date of direct physical loss or damage caused by or resulting from any **covered cause of loss** at the described **premises**; and
2. Ends on the earlier of:
  - a. The date when the property at the described **premises** should be repaired, rebuilt or replaced with reasonable speed and similar quality; or
  - b. The date when business is resumed at a new permanent location.

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

- a. Regulates the construction, use or repair, or requires the tearing down, of any property; or
- b. Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of **pollutants**.

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

**Perishable stock** means personal property:

1. Maintained under controlled conditions for its preservation; and
2. Susceptible to loss or damage if the controlled conditions change.

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

**Premises** means that portion of the building at the address shown on the Statement of Values that the Insured occupies for their business.

**Rental value** means **time element** that consists of:

1. The total anticipated gross rental income from tenant occupancy of the described property as furnished and equipped by the Insured, and
2. The amount of all charges which are the legal obligation of the tenant(s) and which would otherwise be obligations of the Insured, and
3. The fair **rental value** of any portion of said property, which is occupied by the Insured.

**Securities** means negotiable and non-negotiable instruments or contracts guaranteeing the payment of **money** and includes:

1. Tokens, tickets, revenue and other stamps whether or not in current use; and
2. Evidences of debt issued in connection with credit or charge cards, which cards are not of the Insured's own issue;

But does not include **money**.

**Sinkhole collapse** means the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone, dolomite, or similar rock formations. This cause of loss does not include:

1. The cost of filling sinkholes; or
2. Sinking or collapse of land into man-made underground cavities.

**Specified causes of loss** means the following: Fire; lightning; explosion; **windstorm** or hail; smoke; aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire extinguishing equipment; volcanic action; falling objects; weight of snow, ice or sleet; and **water damage**.

Falling objects does not include loss or damage to:

1. Personal property in the open; or
2. The interior of a building or structure, or property inside a building or structure, unless the roof or an outside wall of the building or structure is first damaged by a falling object.

**Stock** means merchandise held in storage or for sale, raw materials and in-process or finished goods, including supplies used in their packing or shipping.

**Suspension** means:

1. The slowdown or cessation of the Insured's business activities; or
2. That a part or all of the described **premises** is rendered untenable, if coverage for **time element** including **rental value** or **rental value** applies.

**Time element** means the:

1. Net income (net profit or loss before income taxes) that would have been earned or incurred; and
2. Continuing normal operating expenses incurred, including payroll.

**Valuable Papers and Records** means inscribed, printed or written documents, manuscripts or records, including abstracts, books, deeds, drawings, films, maps or mortgages.

**Waiting Period** means the period of time that begins from the date of loss or damage covered by this policy, during which the Insured sustains actual loss of Business Income.

**Water Damage** means accidental discharge or leakage of water or steam as the direct result of the breaking apart of water tanks, breaking apart or cracking of a plumbing, heating, air conditioning or other system or appliance (other than accidental discharge or leakage of water or steam due to materials that back up or overflow through a sewer, drain, sump, sump pump or related equipment), that is located on the described **premises** and contains water or steam.

**Wind Driven Rain** means rain, snow, sand or dust pressing on or flowing or seeping through the roofs, doors, windows, or other openings of the building or structure.

**Windstorm** means the direct action of wind – with or without precipitation, or the direct action of hail (regardless of whether hail is accompanied by wind) including such events as rainstorm, hailstorm, tornado, or any combination of the foregoing events. **Windstorm** is excluded if any of the foregoing is caused by **Named Windstorm**.

## CAUSES OF LOSS – WINDSTORM OR HAIL

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### A. Covered Causes of Loss

When Windstorm and Hail is shown on the Declarations Page, **covered causes of loss** means:

Risk of direct physical loss or damage to Covered Property only as the result of windstorm or hail, but not including:

1. Frost or cold weather;
2. Ice (other than hail), snow, sleet or water, whether driven by wind or not, and accumulation, freezing, thawing, pressure or weight of hail, ice, snow, sleet, rain, water or any other form of precipitation; or
3. Loss or damage to the interior of any building or structure, or the property inside the building or structure, caused by rain, snow, sand or dust, whether driven by wind or not, unless the building or structure first sustains wind or hail damage to its roof or walls through which rain, snow, sand or dust enters.

### B. Exclusions

1. The Insurer(s) will not pay for loss or damage which would not have occurred in the absence of one or more of the following excluded events. The Insurer(s) does not insure for such loss regardless of: (a) the cause of the excluded event; or (b) other causes of the loss; or (c) whether other causes acted concurrently or in any sequence with the excluded event to produce the loss; or (d) whether the event occurs suddenly or gradually, involves isolated or widespread damage is caused by an act of nature or is otherwise caused by external forces, or occurs as a result of any combination of these.

#### a. Ordinance Or Law

The enforcement of any ordinance or law:

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

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

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

#### b. Earthquake

**Earthquake** meaning the natural faulting of land masses, excluding subsidence, rock slide, mud flow, earth sinking, shifting or settling unless as a direct result of such **earthquake**.

#### c. Earth Movement

- 1) Landslide, including any earth sinking, rising or shifting related to such event;
- 2) Mine subsidence, meaning subsidence of a man-made mine, whether or not mining activity has ceased;
- 3) Earth sinking, rising or shifting including soil conditions which cause settling, cracking or other disarrangement of foundations or other parts of realty. Soil conditions include contraction, expansion, freezing, thawing, erosion, improperly compacted soil and the action of water under the ground surface.



- 4) Volcanic Action, meaning direct loss or damage resulting from the eruption of a volcano when the loss or damage is caused by:
- a) Airborne volcanic blast or airborne shock waves;
  - b) Ash, dust or particulate matter, including the cost to remove ash, dust or particulate matter; or
  - c) Lava flow.
- d. Exterior Insulation and Finish System (EIFS) Exclusion:
- Weather-related damage to Covered Property, which is directly or indirectly caused from the failure of any Exterior Insulation and Finish System (EIFS) or synthetic stucco, however caused, to keep out water or moisture from the interior of any building or structure. EIFS or synthetic stucco includes, but is not limited to Dryvit, Synergy, BASF, StoCorp, Parex and all commercial equivalents.
- e. **Sinkhole Collapse**, meaning the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone, dolomite, or similar rock formations.
- f. Governmental Action
- Seizure or destruction of property by order of governmental authority.
- g. Nuclear Hazard
- Nuclear reaction or radiation, or radioactive contamination, however caused.
- h. Utility Services
- The failure of power or other utility service including power surge, supplied to the **premises** described on the Declarations Page, however caused, if the failure occurs away from the **premises** described on the Declarations Page. Failure includes lack of sufficient capacity and reduction in supply.
- But if the failure of power or other utility service results in a **covered cause of loss**, the Insurer(s) will pay for the loss or damage caused by that **covered cause of loss**.
- This exclusion does not apply to the Time Element coverage or to Extra Expense coverage. Instead, the Special Exclusion in Paragraph B.3.(a) applies to these coverages.
- i. War And Military Action
- 1) War, including undeclared war or civil war;
  - 2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
  - 3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.
- j. **Flood**, meaning a general and temporary condition of partial or complete inundation of normally dry land areas due to:
- 1) The overflow of a body of water, inland or tidal waters, or the spray from any of these, all whether driven by wind or not;
  - 2) The unusual or rapid accumulation or runoff of surface waters from any source, including the spray from surface water, whether driven by wind or not; or
  - 3) Mudslides or mudflows which are caused by the overflow of a body of water, inland or tidal waters or rapid accumulation or runoff of surface waters, including the spray from any of these, all whether driven by wind or not. A mudslide or mudflow involves a river of liquid and flowing mud on the surface of normally dry land areas as when earth is carried by a current of water and deposited along the path of the current.
  - 4) **Flood** includes direct physical loss or damage caused by water, or other waterborne materials that back up or overflow through a sewer, drain, sump, sump pump, or related equipment when caused by or resulting directly from flood as defined in paragraph 1), 2) and 3) of the definition above.
- k. Tsunami

I. Water

- 1) Mudslide or mudflow;
- 2) Water that backs up or overflows or is otherwise discharged from a sewer, drain, sump; sump pump or related equipment;
- 3) Water under the ground surface pressing on, or flowing or seeping through:
  - a) Foundations, walls, floors or paved surfaces;
  - b) Basements, whether paved or not; or
  - c) Doors, windows or other openings;
- 4) Water or any other substance on the surface of the ground regardless of its source; or
- 5) Waterborne material carried or otherwise moved by any of the water related causes referred to in Paragraph 1), 2), 3), or 4).

This exclusion applies whether the loss or damage originates from on the Insured's **premises** or originates from off the Insured's **premises**.

m. Water Damage

**Water damage** means accidental discharge or leakage of water or steam as the direct result of the breaking apart or cracking of a plumbing, heating, air conditioning or other system or appliance (other than accidental discharge or leakage of water or steam due to materials that back up or overflow through a sewer, drain, sump, sump pump or related equipment), that is located on the described **premises** and contains water or steam.

n. Wind Driven Rain

- 1) The interior of any building or structure, or to personal property in the building or structure, caused by or resulting from rain, snow, sleet, ice, sand or dust, whether driven by wind or not, unless:
  - (a) The building or structure first sustains damage by a **covered cause of loss** to its roof or walls through which the rain, snow, sleet, ice, sand or dust enters; or

The loss or damage is caused by or results from thawing of snow, sleet or ice on the building or structure.

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

2. The Insurer(s) will not pay for loss or damage caused by or resulting from any of the following:

- a. Artificially generated electrical current, including electric arcing, that damages, disturbs or disrupts electrical devices, appliances or wires.
- b. Rupture or bursting of water pipes unless caused by a **covered cause of loss**.
- c. Leakage or discharge of water or steam from any part of a system or appliance containing water or steam, unless the leakage or discharge occurs because the system or appliance was damaged by a **covered cause of loss**.
- d. Explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by the Insured, or operated under the Insured's control.
- e. Mechanical breakdown, including rupture or busting caused by centrifugal force.
- f. Neglect of an insured to use all reasonable means to save and preserve property from further damage at and after the time of loss.

3. Special Exclusions

The following provisions apply only to time element, as shown in **Section VII – Business Income Coverages**.

The Insurer(s) will not pay for:

- a. Any loss caused directly or indirectly by the failure of power or other utility service supplied to the described **premises**, however caused, if the failure occurs outside of a **covered building**.

Failure includes lack of sufficient capacity and reduction in supply.

- b. Any loss caused by or resulting from:

- 1) Damage or destruction of **finished stock**; or
- 2) The time required to reproduce **finished stock**.

This exclusion does not apply to **extra expense**.

- c. Any loss caused by or resulting from direct physical loss or damage to radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers.

- d. Any increase of loss caused by or resulting from:

- 1) Delay in rebuilding, repairing or replacing the property or resuming **operations**, due to interference at the location of the rebuilding, repair or replacement by strikers or other persons; or
- 2) Suspension, lapse or cancellation of any license, lease or contract. But if the suspension, lapse or cancellation is directly caused by the **suspension of operations**, the Insurer(s) will cover such loss that affects the Insured's time element during the **period of restoration** and any extension of the **period of restoration** in accordance with the terms of the Extended Time Element additional Coverage and the Extended Period of Indemnity optional coverage or any variation of these.

- e. Any **extra expense** caused by or resulting from suspension, lapse or cancellation of any license, lease or contract beyond the **period of restoration**.

- f. Any other consequential loss.

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# HURRICANE MINIMUM EARNED PREMIUM ENDORSEMENT

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It is hereby understood and agreed that the following hurricane minimum earned premium terms and conditions apply to this policy:

- A. If the Insured cancels this policy, removes a location or reduces the amount of insurance on a location that coverage was in force at any time during the period of June 1<sup>st</sup> to November 30<sup>th</sup>, the amount of premium the Insurer(s) will return will be the unearned premium for the location. The unearned premium is the annual premium for the policy (or for the location removed or coverage reduced, as applicable) multiplied by the unearned factor noted below. The location premium is the 100% annual rate multiplied by the location value as shown on the most current Statement of Values on file with Insurer(s).

1 Year Policy

| <u>Days Policy<br/>In Force</u> | <u>Unearned Factor</u> |
|---------------------------------|------------------------|
| 1 to 180                        | 20%                    |
| 181 to 210                      | 15%                    |
| 211 to 240                      | 10%                    |
| 241 to 270                      | 7.5%                   |
| 271 to 300                      | 5.0%                   |
| 301 to 330                      | 2.5%                   |
| 331 to 365                      | 0.0%                   |

- B. If a location is added during the term of the policy and coverage was in force at any time during the period of June 1<sup>st</sup> to November 30<sup>th</sup>, the rate will be calculated as 100% of the annual required rate, based on new location risk characteristics and model metrics, less the unearned factor as calculated in A. above based upon the number of days remaining in the policy term.
- C. The provisions of this endorsement replace any short rate provisions stipulated in this policy and where coverage was in force at any time during the period of June 1<sup>st</sup> to November 30<sup>th</sup>.

## ADDITIONAL CONDITIONS ENDORSEMENT

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It is hereby understood and agreed that the following additional conditions apply to this policy:

Insured warrants no outstanding claims litigation nor outstanding public adjuster open claims.

Insurer(s) shall not be liable for more than the proportional share of the sublimit amounts offered by this policy in any one occurrence.

Newly Acquired Location(s) must be submitted for prior approval.

No clean room exposures.

Seawalls, bulkheads and retaining walls are excluded from coverage.

Spray polyurethane foam roofs are excluded from coverage as is any resulting loss or damage directly caused by the presence or failure of any spray polyurethane foam roof.

Stock and resulting business income loss are excluded.

Vacant buildings are excluded from coverage.

Vehicles and resulting business income loss are excluded

## EQUIPMENT BREAKDOWN EXCLUSION

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It is hereby understood and agreed that this policy does not cover loss or damage including cost or expense caused by or resulting from the breakdown or derangement of mechanical or electrical machinery and/or explosion or implosion of boilers and/or pressure and/or vacuum vessels, where such are owned and/or operated by the Insured; nor against the operation of any relief valve or other safety device.

The Insurer(s) will not pay for loss or damage which would not have occurred in the absence of one or more of the following excluded events. The Insurer(s) does not insure for such loss regardless of: (a) the cause of the excluded event; or (b) other causes of the loss; or (c) whether other causes acted concurrently or in any sequence with the excluded event to produce the loss; or (d) whether the event occurs suddenly or gradually, involves isolated or widespread damage, is caused by an act of nature or is otherwise caused by external forces, or occurs as a result of any combination of these.

## JOINT OR DISPUTED LOSS AGREEMENT

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It is hereby understood and agreed that the following applies to this policy:

- A. This endorsement is intended to facilitate payment of insurance proceeds when:
1. Both a boiler and machinery or equipment breakdown policy and this commercial property policy are in effect;
  2. Damage occurs to Covered Property that is insured by the boiler and machinery or equipment breakdown policy and this commercial property policy; and
  3. There is disagreement between the insurers as to whether there is coverage or as to the amount of the loss to be paid, if any, by each insurer under its own policies.
- B. This endorsement does not apply if:
1. Both the boiler and machinery or equipment breakdown insurer(s) and this insurer do not admit to any liability; and
  2. Neither the boiler and machinery or equipment breakdown insurer(s) nor this insurer contend that coverage applies under the other insurer's policy.
- C. The provisions of this endorsement apply only if all of the following requirements are met:
1. The boiler and machinery or equipment breakdown policy carried by the named insured, insuring the Covered Property, contains a similar provision at the time of the loss or damage, with substantially the same requirements, procedures and conditions as contained in this endorsement;
  2. The damage to the Covered Property was caused by a loss for which:
    - a. Both the boiler and machinery or equipment breakdown insurer(s) and this insurer admit to some liability for payment under the respective policies; or
    - b. Either:
      - 1) The boiler and machinery or equipment breakdown insurer(s) does not admit to any liability for payment, while this insurer contends that:
        - (a) All liability exists under the boiler and machinery or equipment breakdown policy; or
        - (b) Some liability exists under both the boiler and machinery or equipment breakdown policy and this commercial property policy;
      - 2) This insurer does not admit to any liability for payment, while the boiler and machinery or equipment breakdown insurer(s) contends that:
        - (a) All liability exists under this commercial property policy; or
        - (b) Some liability exists under both the boiler and machinery or equipment breakdown policy and this commercial property policy; or
    - 3) Both the boiler and machinery or equipment breakdown insurer(s) and this insurer:

- (a) Do not admit to any liability for payment; and
  - (b) Contend that some or all liability exists under the other insurer's policy; and
- 3. The total amount of the loss is agreed to by the Insured, the boiler and machinery or equipment breakdown insurer(s) and this insurer.
- D. If the requirements listed in Paragraph C. above are satisfied, this insurer and the boiler and machinery or equipment breakdown insurer(s) will make payments to the extent, and in the manner, described as follows:
  - 1. This insurer will pay, after the Insured's written request, the entire amount of loss that this insurer has agreed as being covered, if any, by this commercial property policy and one-half (1/2) the amount of the loss that is in disagreement.
  - 2. The boiler and machinery or equipment breakdown insurer(s) will pay, after the Insured's written request, the entire amount of loss that they have agreed as being covered, if any, by the boiler and machinery or equipment breakdown policy and one-half (1/2) the amount of loss that is in disagreement.
  - 3. Payments by the Insurer(s) of the amounts that are in disagreement, as described in Paragraphs 1. and 2., do not alter, waive or surrender any rights of any insurer against any other with regard to the portion of the loss for which each insurer is liable.
  - 4. The amount in disagreement to be paid by us under this endorsement shall not exceed the amount payable under the equivalent loss agreement(s) of the boiler and machinery or equipment breakdown policy.
  - 5. The amount to be paid under this endorsement shall not exceed the amount this insurer would have paid had no boiler and machinery or equipment breakdown policy been in effect at the time of loss. In no event will this insurer pay more than the applicable limit of insurance shown on the Declarations Page.
  - 6. Acceptance by the Insured of sums paid under this endorsement does not alter, waive or surrender any other rights against this insurer.
- E. Arbitration
  - 1. If the circumstances described in Paragraph C.2.a. exist and the boiler and machinery or equipment breakdown insurer(s) and this insurer agree to submit the differences to arbitration, the boiler and machinery or equipment breakdown insurer(s) and this insurer will determine the amount each will pay and will pay the Insured within 90 days. Arbitration will then take place within 90 days after payment of the loss under the terms of this endorsement.
  - 2. If any of the circumstances described in Paragraph C.2.b. exist, then the boiler and machinery or equipment breakdown insurer(s) and this insurer agree to submit the differences to arbitration within 90 days after payment of the loss under the terms of this endorsement.
  - 3. The Insured agrees to cooperate with any arbitration procedures. There will be three arbitrators: one will be appointed by this insurer, and another will be appointed by the boiler and machinery or equipment breakdown insurer(s). The two arbitrators will select a third arbitrator. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. A decision agreed to by two of the three arbitrators will be binding on both parties. Judgment on any award can be entered in any court that has jurisdiction.
- F. Final Settlement Between Insurers

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



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# ROOF SURFACING COVERAGE LIMITATION ENDORSEMENT

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SCHEDULE

| Premises Number | Building Number | Indicate Applicability  |
|-----------------|-----------------|---|
| All             | All             | Actual cash value applies for roof surfacing that is 12 years old or older. |
|                 |                 |   |
|                 |                 |   |

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

It is hereby understood and agreed that the following applies with respect to loss or damage from a **covered cause of loss** to a building or structure identified in the Schedule:

Replacement Cost valuation coverage (if otherwise applicable to such property) does not apply to **roof surfacing**. Instead, we will determine the value of **roof surfacing** at actual cash value as of the time of loss or damage.

For the purpose of this endorsement, **roof surfacing** means the shingles, tiles (including clay, concrete or any other type), cladding, metal or synthetic sheeting or similar materials covering the roof, and includes all materials used in securing the roof surface and all materials applied to or under the roof surface for moisture protection, as well as roof flashing.