

Excess Property Declarations - Participating

	Account #	<u>162179</u>
Lexington Insurance Company	Policy #	<u>043404713</u>
Everest Indemnity Insurance Company	Policy #	<u>8400011660-241</u>
Steadfast Insurance Company	Policy #	<u>BPP6799719</u>
Transverse Specialty Insurance Company	Policy #	<u> TSAHDC0001882-01</u>

Name and Address of the Insured	Producer
<u>SURFSIDE III COA</u>	<u>AMWINS INSURANCE BROKERAGE LLC -</u>
<u>600 SUNFISH WAY</u>	<u>LOS ANGELES</u>
<u>PORT HUENEME, CA 93041</u>	<u>725 SOUTH FIGUEROA ST.M 19TH</u>
	<u>FLOOR</u>
	<u>LOS ANGELES, CA 90017</u>

Effective From 7/8/2024 to 7/8/2025;

Both days at 12:01 AM; Local time at the location of the property involved

Insurance is effective with: Insurer(s) as stated on Form 0707XS (10/18) Excess Limit of Liability Insurer Participation Endorsement

This policy consists of the following coverage parts for which a premium is indicated.
This premium may be subject to adjustment.
COMMERCIAL PROPERTY COVERAGE PART

	Premium
Lexington Insurance Company	<u>\$15,444.00</u>
Everest Indemnity Insurance Company	<u>\$47,278.00</u>
Steadfast Insurance Company	<u>\$28,369.00</u>
Transverse Specialty Insurance Company	<u>\$18,909.00</u>
TOTAL	<u>\$110,000</u>
Catastrophe Analysis Fee	<u>\$1,200</u>
Inspection Fee	<u>\$0</u>

Minimum Earned Premium \$27,500.00 (plus fees)

Dated: August 02 2024

California Premium:	\$ 110,000.00
Amwins Service Fee:	\$
CAT Market Modeling Fee:	\$ 1,200.00
Market Inspection Fee:	\$
Surplus Lines Tax:	\$ 3,336.00
Stamping Fee:	\$ 200.16

EXCESS LIMIT OF LIABILITY INSURER PARTICIPATION ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

In consideration of the premium charged, the subscribing Company(ies) or Underwriter(s), hereinafter referred to as the "Insurers", do severally, but not jointly, agree to provide coverage to the Insured for the amount recoverable in accordance with the terms and conditions of this Policy, provided that:

1. The collective liability of all Insurers shall not exceed the Limit of Liability, any applicable Sublimit of Liability or Annual Aggregate limit set forth in (A) through (C) below, and;
2. The liability of each of the Insurers shall not exceed the Participation Limit for each Insurer set forth herein with the exception of loss adjustment expense which shall be borne solely by each Insurer that incurs such expense on each applicable layer of insurance.

The insurers' 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 Insurers are not responsible for the subscription of any co-subscribing insurer who for any reason does not satisfy all or part of its obligations.

Any sublimited coverage provided under this policy is limited to the same Insurer Participation proportional allocation as shown below under the Limit of Liability.

Nothing herein 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.

Limit of Liability - \$58,170,000 part of \$58,170,000 excess of \$10,000,000

- (A) The limit of liability of this policy in respect to each and every loss occurrence shall not exceed:
\$0.00
- (B) As respects loss or damage caused by or resulting from earthquake, the limit of liability during any one policy term shall not exceed:
\$58,170,000
- (C) As respects loss or damage caused by or resulting from flood, the limit of liability during any one policy term shall not exceed:
\$0.00

Participating insurer's shall be liable with respect to each and every loss occurrence for an amount not exceeding its proportion of the excess over and above a net loss per occurrence as shown above for primary and/or underlying insurance which in turn is excess over underlying deductibles and/or any Self Insured Retention, and in no event will respond until the loss exceeds the deductible and primary and/or underlying limits for the same perils, interests and locations covered by this policy.

Insurer Participation:

Insurer	Policy #	Participation Limit (excess of applicable deductibles per endorsement)	TRIA Coverage
Lexington Insurance Company	043404713	\$8,170,000 part of \$58,170,000 excess of \$10,000,000	Declined
Everest Indemnity Insurance Company	8400011660-241	\$25,000,000 part of \$58,170,000 excess of \$10,000,000	Declined
Steadfast Insurance Company	BPP6799719	\$15,000,000 part of \$58,170,000 excess of \$10,000,000	Declined
Transverse Specialty Insurance Company	TSAHDC0001882-01	\$10,000,000 part of \$58,170,000 excess of \$10,000,000	Declined

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SCHEDULE OF POLICY FORMS.

This endorsement modifies insurance provided under the following:

DIFFERENCE IN CONDITIONS

The following forms apply to all carriers designated on the policy declarations.

FORMS APPLICABLE TO ALL COVERAGE PARTS:

- BBINS Cover - COVER LETTER**
- 0100XS - EXCESS PROPERTY DECLARATIONS - PARTICIPATING**
- 0707XS - EXCESS LIMIT OF LIABILITY INSURER PARTICIPATION ENDORSEMENT**
- 0100A - SCHEDULE OF POLICY FORMS**
- 0102 - ADDITIONAL POLICY CONDITIONS**
- 0103 - CANCELLATION AND NONRENEWAL PROVISIONS**
- 0200 - DIFFERENCE IN CONDITIONS COVERAGE FORM**
- 0404 - REPLACEMENT COST**
- 0406 - STATEMENT OF VALUES**
- 0502A - TERRITORY COVERAGE LIMITATION**
- 0610 - ORDINANCE OR LAW COVERAGE**
- 0611 - ENSUING LOSS EXCLUSION**
- 0614 - AMENDED CANCELLATION PROVISION**
- 0616 - DEBRIS REMOVAL AMENDMENT**
- 0705 - UNDERLYING DEDUCTIBLE ENDORSEMENT**
- 0706A - DROP DOWN CLAUSE**
- 0800 - EARTHQUAKE LIMITATION ENDORSEMENT**
- 0999 - ENDORSEMENT NO. 1**
- 0999 - ENDORSEMENT NO. 2**
- 0999 - ENDORSEMENT NO. 3**
- D-2 - SURPLUS LINES PLACEMENT NOTICE**
- 0105 - OFAC NOTICE**
- 0106 - CYBER EXCLUSION ENDORSEMENT**
- 0107 - EXCLUSION OF CERTIFIED ACTS OF TERRORISM**
- 0108 - SANCTIONS EXCLUSION ENDORSEMENT**
- 0608 - MOLD EXCLUSION**
- 0627 - EXISTING DAMAGE EXCLUSION**
- CP 01 40 07 06 - EXCLUSION OF LOSS DUE TO VIRUS OR BACTERIA**
- AMND STEADFAST INSURANCE - STEADFAST INSURANCE COMPANY AMENDATORY**
- AMND EVEREST - EVEREST INDEMNITY INSURANCE COMPANY AMENDATORY**
- AMND LEXINGTON - LEXINGTON INSURANCE COMPANY AMENDATORY**
- AMND TRANSVERSE - TRANSVERSE SPECIALTY INSURANCE COMPANY AMENDATORY**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL POLICY CONDITIONS

This endorsement modifies insurance provided under the following:

**DIFFERENCE IN CONDITIONS COVERAGE FORM
EXCESS PROPERTY COVERAGE FORM**

A CHANGES

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

B PREMIUMS

The first Named Insured shown in the Declarations:

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

C TRANSFER OF THE NAMED INSURED'S RIGHTS AND DUTIES UNDER THIS POLICY

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

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CANCELLATION AND NONRENEWAL PROVISIONS

This endorsement modifies insurance provided under the following.

DIFFERENCE IN CONDITIONS COVERAGE FORM EXCESS PROPERTY INSURANCE FORM

A. CANCELLATION

1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to the Company advance written notice of cancellation.
2. The company may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
 - a) 10 days before the effective date of cancellation if the Company cancels for nonpayment of premium; or
 - b) 30 days before the effective date of cancellation if the Company cancels for any other reason.
3. The company will mail or deliver notice of cancellation to the first Named Insured's last mailing address known to the Company.
4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.

If this policy is cancelled, the Company will send the first Named Insured any premium refund due. If the Company cancels, the refund will be pro rata. If the Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if the Company has not made or offered a refund.

6. If notice is mailed, proof of mailing will be sufficient proof of notice.
7. Residential Property

This provision applies to coverage on real property which is used predominantly for residential purposes and consisting of not more than four dwelling units, and to coverage on tenants' household personal property in a residential unit, if such coverage is written.

If such coverage has been in effect for 60 days or less, and is not a renewal of coverage the Company

- a) previously issued, the Company may cancel this coverage for any reason, except as provided in b. and c. below.
- b) The Company may not cancel such coverage solely because the first Named Insured has accepted the Company's offer of earthquake coverage.

The Company may not cancel such coverage solely because corrosive soil conditions exist on the premises. This restriction (c.) applies only if the coverage form excludes loss or damage caused by or resulting from corrosive soil conditions.

8. Policies In Effect For More Than 60 Days

If this policy has been in effect for more than 60 days, or is a renewal of a policy the Company issued, the

a) Company may cancel this policy only upon occurrence, after the effective date of the policy, of one or more of the following:

(1) Nonpayment of premium, including payment due on a prior policy the Company issued and due during the current policy term covering the same risks.

(2) Discovery of fraud or material misrepresentation by:

a) Any insured or his or her representative in obtaining this insurance; or

b) A Named Insured or a Named Insured's representative in pursuing a claim under this policy.

A judgment by a court or an administrative tribunal that a Named Insured has violated a California or

(3) Federal law, having as one of its necessary elements an act which materially increases any of the risks insured against.

Discovery of willful or grossly negligent acts or omissions, or of any violations of state laws or

(4) regulations establishing safety standards, by a Named Insured or a Named Insured's representative, which materially increase any of the risks insured against.

Failure by a Named Insured or a Named Insured's representative to implement reasonable loss control requirements, agreed to by the insured as a condition of policy issuance, or which were conditions

(5) precedent to the Company's use of a particular rate or rating plan, if that failure materially increases any of the risks insured against.

(6) A determination by the Commissioner of Insurance that the:

a) Loss of, or changes in, the Company's reinsurance covering all or part of the risk would threaten the Company's financial integrity or solvency; or

b) Continuation of the policy coverage would:

(i) Place the Company in violation of California law or the laws of the state where the Company is domiciled; or

(ii) Threaten the Company's solvency.

A change by a Named Insured or a Named Insured's representative in the activities or property of the

(7) commercial or industrial enterprise, which results in a materially added, increased or changed risk, unless the added, increased or changed risk is included in the policy.

b) The Company will mail or deliver advance written notice of cancellation, stating the reason for cancellation, to the first Named Insured, and to the producer of record, at least:

- (1) 10 days before the effective date of cancellation if the Company cancels for a reason listed in paragraph 8.a)(1) or 8.a)(2).
- (2) 30 days before the effective date of cancellation if the Company cancels for any other reason listed in paragraph 8.a).

B. NONRENEWAL

1. Subject to the provisions of paragraphs B.2. and B.3. below, if the Company elects not to renew this policy, the Company will mail or deliver written notice stating the reason for nonrenewal to the first Named Insured shown in the Declarations and to the producer of record, at least 60 days, but not more than 120 days, before the expiration or anniversary date.

2. Residential Property

This provision applies to coverage on real property used predominantly for residential purposes and consisting of not more than four dwelling units, and to coverage on tenants' household property contained in a residential unit, if such coverage is written.

- a) The Company may elect not to renew such coverage for any reason, except as provided in b. and c. below:
- b) The Company will not refuse to renew such coverage solely because the first Named Insured has accepted the Company's offer of earthquake coverage.

c) The Company will not refuse to renew such coverage solely because corrosive soil conditions exist on the premises. This restriction (c.) applies only if the coverage form excludes loss or damage caused by or resulting from corrosive soil conditions.

3. The Company is not required to send notice of nonrenewal in the following situations:

- a) If the transfer or renewal of a policy, without any changes in terms, conditions, or rates, is between the Company and a member of the Company's insurance group.
- b) If the policy has been extended for 90 days or less, provided that notice has been given in accordance with paragraph B.1.
- c) If the insured has obtained replacement coverage, or if the first Named Insured has agreed, in writing, within 60 days of the termination of the policy, to obtain that coverage.
- d) If the policy is for a period of no more than 60 days and a Named Insured is notified at the time of issuance that it will not be renewed.
- e) If the first Named Insured requests a change in the terms or conditions or risks covered by the policy within 60 days of the end of the policy period.

f) If the Company has made a written offer to the first Named Insured, in accordance with the timeframes shown in paragraph B.1, to renew the policy under changed terms or conditions or at an increased premium rate, when the increase exceeds 25%.

Policy Number: PER DECLARATIONS

Effective Date: 7/8/2024
12:01 A.M

Insured: SURFSIDE III COA

DIFFERENCE IN CONDITIONS COVERAGE

ITEM 1. Insuring Agreement - This policy insures against all risks of direct physical loss or damage to covered property from any external cause except as hereinafter excluded.

ITEM 2. Territorial Limits - This policy in no event shall cover beyond the territorial limits of the United States (including its territories and possessions), Puerto Rico, Canada, and as more fully set forth in ITEM 5. below.

ITEM 3. Property or Interest Covered - This policy covers property described in ITEM 3, subsections A, B, C, D, and E below, but no coverage attaches under any item unless an "X" is inserted in the box preceding that item:

A - On building(s) and/or structures, including additions and/or extensions in contact therewith and on all property belonging to and/or constituting a permanent part of said buildings and/or structures and pertaining to the service, upkeep, maintenance and operation thereof.

B - On stock, materials and supplies usual or incidental to the operations of the insured including the insured's interest in materials, labor and charges furnished, performed on, or incurred in connection with property of others.

C - On furniture, fixtures, equipment and machinery being property of the insured, or similar properties of others in the care, custody or control of the insured and for which the insured is legally liable in the event of loss.

D - On the insured's interest in Tenant's Improvements and Betterments to buildings, being fixtures, alterations, installations or additions comprising part of a building(s) occupied but not owned by the insured and made at the expense of the insured.

E - Loss of Business Income, (And Extra Expense) including Rental Value, as more specifically covered and defined in attached form:

ITEM 4. Limit of Liability

See Form 0707XS - Excess Limit of Liability Insurer Participation Endorsement

ITEM 5. Schedule of Locations Covered:

- (A) 1. 502 Ebbtide Circle (Multiple buildings), Port Hueneme, CA 93041
2.
3.
4.
5.

(B) \$ 0 on property at any other locations.

ITEM 6. Deductible Clause:

All claims for loss or damage arising out of a single occurrence shall be adjusted as one claim, and this company shall then be liable for the excess of the percentage(s) or amount(s) shown on the endorsement, but in no event to exceed the applicable policy limit. If two or more perils contribute to a single occurrence, the total deductible shall not exceed the largest deductible applicable. See endorsement: 0705.

**ITEM 7. Forms applicable to this coverage form:
Per Policy Declarations**

ITEM 8. Property Excluded:

- (A) Accounts, bills, currency, deeds, food stamps or other evidences of debt, money, notes, securities, stamps, original drawings and specifications, letters of credit, passports, tickets (including lottery tickets) or valuable papers;
- (B) Animals, growing plants, trees or shrubs (except when held for sale, or when used for decorative purposes inside buildings), growing crops or lawns, motor vehicles licensed or designed principally for highway use, watercraft, aircraft, motorcycles, motor scooters and other similar vehicles licensed or designed principally for highway use;
- (C) Property sold by the insured under conditional sales, trust agreements, installment payments or other deferred payment plans after delivery to customers;
- (D) Property in transit;
- (E) Steam boilers, steam pipes, steam turbines, or steam engines owned, leased or operated by the insured against loss by bursting, rupture or explosion of such objects;
- (F) Machines or machinery against loss by rupture, bursting or disintegrating of rotating or moving parts;
- (G) Contractor's equipment;
- (H) Jewelry, watches, watch movements, jewels, pearls, precious and semiprecious stones, bullion, gold, silver, platinum and other precious metals or alloys, furs, and articles trimmed with fur;
- (I) Electronic data processing equipment including computers, electronic accounting machines, all supporting machinery, magnetic tapes, discs, cards, any storage device and all software including procedures, programs or source material of any kind;
- (J) Property in the course of construction, including materials and supplies thereof;
- (K) Power transmission and/or feeder lines not on the insured's premises;
- (L) Land (including but not limited to land on which the insured property is located), air or water, howsoever and wherever located, or any interest or right therein;

- (M) Contraband, or property in the course of illegal transportation or trade;
- (N) The cost to research, replace or restore the information on valuable papers and records, including those which exist on electronic or magnetic media;
- (O) The following property while outside of buildings:
 - (1) Grain, hay, straw or other crops;
 - (2) Fences, radio or television antennas, including their lead-in wiring, (including satellite dishes), masts or towers, signs (other than signs attached to buildings), trees, shrubs or plants;
- (P) Bridges, culverts, dams, trestles, tunnels, roadways, walks, patios or other paved surfaces;
- (Q) The cost of excavations, grading, backfilling or filling;
- (R) 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;
- (S) Bulkheads, pilings, piers, wharves or docks;
- (T) Retaining walls that are not part of a building described in this coverage form;
- (U) Underground pipes, flues or drains.
- (V) Railroad rolling stock and roadbeds.
- (W) Underground mining equipment.
- (X) Antiques, objects of art, property of artistic, historical or scientific significance whether or not constituting part of the covered buildings; or any item scheduled under a Fine Arts or other scheduled property floater.

ITEM 9. Perils Excluded:

This policy does not insure against:

- (A)
 - (1) Fire, Lightning, Explosion, Vandalism, Sprinkler Leakage and:
 - (2) Windstorm or Hail, Smoke, Aircraft or Vehicles, Riot or Civil Commotion, Sinkhole Collapse whether or not insurance for such perils is being maintained by the insured at the time of the loss and whether or not such a loss or damage is directly or indirectly caused by or contributed to by a peril covered under this policy;
 - (3) Other perils as defined and limited, under policies insuring against perils carried by the insured under any other more specific insurance arranged for and in the name of the insured;
 - (4) Any perils covered by a standard all risk insurance policy approved by the authority having jurisdiction, whether purchased or not.
 - (5) Theft (including but not limited to burglary and robbery).
- (B) Loss or damage caused by or resulting from water below the surface of the ground including that which exerts pressure on or flows, seeps, or leaks through sidewalks, driveways, foundations, walls, floors or paved surfaces, or through doors, windows or any other openings in such sidewalks, driveways, foundations, walls, floors or paved surfaces;
- (C) Loss or damage caused by or resulting from mere disappearance of property or loss or shortage of property disclosed on taking inventory;
- (D) Loss or damage caused by or resulting from wear and tear, mechanical breakdown, derangement, inherent vice, latent defect, gradual deterioration, smog, moth, vermin, rodents, termites or other insects including larvae or pupae thereof;

- (E) Loss or damage caused by or resulting from smoke, vapor or gas from agricultural smudging, or industrial operations;
- (F) Loss or damage caused by or resulting from dampness of atmosphere, dryness of atmosphere, changes in or extremes of temperature, shrinkage, evaporation, loss of weight, leakage of contents, breakage of glass or similar fragile materials (other than lenses of photographic or scientific instruments), marring, scratching, rust or corrosion, exposure to light, contamination, change in flavor or color or texture or finish;
- (G) Dishonest or criminal act by any insured, partner, employee (including leased employee), director, trustee, authorized representative, or anyone to whom an insured entrusts property for any purpose:
 - (1) Acting alone or in collusion with others; or
 - (2) Whether or not occurring during the hours of employment;
- (H) Loss or damage caused by or resulting from any fraudulent scheme, trick, device or false pretense practiced upon the insured or upon any person(s) to whom the property may be entrusted;
- (I) Loss or damage caused by or resulting from electrical injury or disturbance to electrical appliances, fixtures or wiring caused by electrical currents artificially generated, except with respect to ensuing loss caused by or resulting from a peril not otherwise excluded;
- (J) Loss or damage caused by or resulting from:
 - (1) Normal settling, cracking, shrinking or expansion in foundations, walls, floors, or ceilings, or subsidence. Such loss or damage is excluded regardless of whether any covered cause or peril other than earthquake contributes concurrently or in any sequence to the loss;
 - (2) Earth movement. Earth movement includes but is not limited to loss or damage caused by, resulting from, contributing to or aggravated by landslide, subsidence, mudflow, rockslide, earth sinking, rising, shifting or settling, or the eruption, explosion, or effusion of any volcano, but does not include earthquake as defined in this policy. This exclusion applies even though the loss or damage is contributed to in any manner by perils other than earthquake which are insured against in this policy;
 - (3) The negligent act or omission of any person;
 - (4) Enforcement of any ordinance or law regulating the reconstruction, repair or demolition of any real property insured hereunder. This exclusion applies even though the loss or damage is contributed to in any manner by perils which are insured against in this policy;
- (K) Loss or damage caused by or resulting from:
 - (1) Hostile or warlike action in time of peace or war, including action in hindering, combating or defending against an actual, impending or expected attack (a) by any government or sovereign power (de jure or de facto), or by any authority maintaining or using military, naval or air forces; or (b) by military, naval or air forces; or (c) by any agent of any such government, power, authority or forces;
 - (2) Any weapon of war employing atomic fission or radioactive force whether in time of peace or war; Insurrection, rebellion, revolution, civil war, usurped power or action taken by governmental authority in hindering, combating or defending against any such occurrence, seizure or destruction under quarantine or customs regulation, confiscation by order of any government or public authority, or risks of contraband or illegal transportation or trade;
 - (3) In hindering, combating or defending against any such occurrence, seizure or destruction under quarantine or customs regulation, confiscation by order of any government or public authority, or risks of contraband or illegal transportation or trade;
- (L) 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 stress, illness or disease;
 - (3) Chemical hazard – including, but not limited to, any chemical agent, material, product or substance; or
 - (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.

The provisions of subparagraphs L(2) and L(3) will not apply where the agent, material, product or substance at issue is utilized in the course of business by an insured.

- (M) Loss or damage caused by or resulting from the freezing of plumbing, sprinkler or heating systems in vacant properties;
- (N) Loss or damage caused by or resulting from pilferage, burglary, larceny, theft, or attempted theft if the described property had been vacant beyond a period of thirty (30) days immediately preceding the loss;
- (O) Loss or damage caused by or resulting from errors in design, errors in processing, faulty workmanship or faulty materials, unless the collapse of the property or a part thereof ensues and then only the ensuing loss;
- (P) Loss or damage to property while actually being worked upon and directly resulting therefrom, except ensuing loss from a peril not otherwise excluded by this policy;
- (Q) Loss or damage caused by or resulting from exposure to elements of the weather where any covered personal property is left in the open or not contained in buildings or permanent foundations;
- (R) Loss or damage caused by or resulting from delay, loss of market, loss of use, interruption of business, consequential loss of any nature; unless specifically insured under Item 3, subsection E;
- (S) Any loss or any increase in loss caused by or resulting from any of the following:
 Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body;
 Faulty, inadequate or defective:
 - Planning, zoning, development, surveying, siting;
 - Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
 - Materials used in repair, construction, renovation, or remodeling; or
 - Maintenance of part or all of any property on or off the described premises;
- (T) Loss caused by or resulting from the failure of power or other utility service supplied to the described premises, however caused, if the failure occurs away from the described premises;
- (U) Loss or damage caused by or resulting from water that backs up or overflows from a sewer sump or drain;
- (V) Loss or damage caused by or resulting from continuous or repeated seepage or leakage of water that occurs over a period of 14 days or more;
- (W) Loss of or damage to the interior of any building or structure, or to personal property in the building or structure, caused by or resulting from rain, snow, sleet, ice, sand or dust, whether driven by wind or not, unless:
 - (1) The building or structure first sustains damage by a covered peril to its roof or walls through which the rain, snow, sleet, ice, sand or dust enters; or
 - (2) The loss or damage is caused by or results from thawing of snow, sleet or ice on the building or structure;
- (X) (1) Loss caused by or resulting from the discharge, dispersal, seepage, migration, release or escape of "pollutants"
 (2) Loss or expense to:
 - (a) Extract "pollutants" from land, air or water; or
 - (b) Remove, restore or replace polluted land, air or water
 - (c) Investigate or defend any loss, injury, or damage, or for any cost, fine, or penalty or for any expense or claim or suit related to any of the above.
 is not covered.

"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;

- (Y) Any loss or increase in loss caused by or resulting from:
 - (1) Asbestos, dioxin, or polychlorinated biphenols removal, encapsulation, covering, or any manner of control or abatement from any goods, products, or structure;
 - (2) Demolition, increase cost of construction, repair, debris removal or loss of use necessitated by the enforcement of any law or ordinance regulating asbestos, dioxins, or polychlorinated biphenols;
 - (3) Any governmental direction or request declaring that asbestos 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; or
 - (4) The presence of asbestos in any building or structure as defined in Item 3. subsection A. of this policy;
- (Z) Loss or damage caused by or resulting from water, other liquids, powder or molten material that leaks or flows from plumbing, heating, air conditioning, fire protective systems, or other equipment and whether or not such loss or damage is directly or indirectly caused by or contributed to by a peril covered under this policy;
- (AA) Theft or burglary of fragile articles such as glassware, statuary, marbles, chinaware and porcelains;
- (BB) Loss of or damage to gutters and downspouts caused by or resulting from weight of snow, ice or sleet.
- (CC) Loss or damage caused by explosion, bursting or rupture of steam boilers, steam pipes, steam engines or steam turbines owned or leased by the insured, or operated under the insured's control.

ITEM 10. Other Insurance - This policy does not attach to or become insurance against any peril upon property herein described, which at the time of any loss is covered by other insurance (meaning insurance in the name of the insured but not written upon the identical plan, terms, conditions and provisions contained in this policy) until the liability of such other insurance has been exhausted, and then cover only such loss as may exceed the amount due from such other insurance (whether collectible or not) after application of any contribution, coinsurance, average or distribution or other clauses contained in policies of such other insurance affecting the amount collectible thereunder, not, however, exceeding the limits as set forth herein.

ITEM 11. Single Loss Clause - Each loss by earthquake shall constitute a single claim hereunder, provided, if more than one earthquake shock occurs within any period of 168 hours during the term of this policy, such earthquake shocks shall be deemed to be a single earthquake within the meaning hereof. This company shall not be liable for any loss caused by any earthquake shock occurring before the effective date and time of this policy, nor for any loss occurring after the expiration date and time of this policy.

In no event shall this company be liable for any loss caused directly or indirectly by fire, explosion or other excluded perils whether the same be caused by or attributable to earthquake or otherwise.

All "Floods" that occur within any 72-hour period will constitute a single "loss". The expiration of this policy will not reduce the 72-hour period.

- ITEM 12. Subrogation Waiver** - This insurance shall not be prejudiced by agreement made by the named insured releasing or waiving the named insured's right to recovery against third parties responsible for the loss, except under the following circumstances only:
- (A) If made before loss has occurred, such written agreement may run in favor of any third party;
 - (B) If made after loss has occurred, such written agreement may run only in favor of a third party falling within one of the following categories at the time of loss:
 - A third party insured under this policy; or
 - A business firm
 - owned or controlled by the named insured or in which the named insured owns capital stock or other proprietary interest; or
 - that owns or controls the named insured or owns or controls capital stock or other proprietary interest in the named insured;
 - (C) Whether made before or after loss has occurred, such agreement must release or waive the entire right of recovery of the named insured against such third party.
- ITEM 13. Loss Clause** - Any loss hereunder shall not reduce the amount of this policy except as respects earthquake and flood as per ITEM 4 limit of liability of this form.
- ITEM 14. Misrepresentation and Fraud** - This entire policy shall be void if, whether before or after a loss, the insured has concealed or misrepresented any material fact or circumstance concerning this insurance or the subject thereof, or the interest of the insured therein, or in case of any fraud or false swearing by the insured relating thereto.
- ITEM 15. Notice of Loss** - The insured shall as soon as practicable report in writing to the company or its agent every loss, damage or occurrence which may give rise to a claim under this policy and shall also file with the company or its agent within ninety (90) days from date of discovery of such loss, damage or occurrence, a detailed sworn proof of loss.
- ITEM 16. Examination Under Oath** - The insured, as often as may be reasonably required, shall exhibit to any person designated by the company all that remains of any property herein described, and shall submit, and in so far as is within his or their power cause his or their employees, members of the household and others to submit to examinations under oath by any person named by the company and subscribed the same; and, as often as may be reasonably required, shall produce for examination all writing, books of account, bills, invoices and other vouchers, or certified copies thereof if originals be lost, at such reasonable time and place as may be designated by the company or its representative, and shall permit extracts and copies thereof to be made. No such examinations under oath or examination of books or documents, nor any other act of the company or any of its employees or representatives in connection with the investigation of any loss or claim hereunder, shall be deemed a waiver of any defense which the company might otherwise have with respect to any loss or claim, but all such examinations and acts shall be deemed to have been made or done without prejudice to the company's liability.
- ITEM 17. Privilege To Adjust With Owner** - In the event of loss or damage to property of others held by the insured for which claim is made upon the company, the right to adjust such loss or damage with the owner or owners of the damaged property is reserved to the company and the receipt of such owner or owners in satisfaction thereof shall be in full satisfaction of any claim of the insured for which such payment has been made. If legal proceedings be taken to enforce a claim against the insured as respects any such loss or damage, the company reserves the right at its option without expense to the insured, to conduct and control the defense on behalf of and in the name of the insured. No action of the company in such regard shall increase the liability of the company under this policy, nor increase the limits of liability specified in the policy.

- ITEM 18. Settlement of Loss** - All adjusted claims shall be paid or made good to the insured within sixty (60) days after presentation and acceptance of satisfactory proof of interest and sworn proof of loss at the office of the company. No loss shall be paid or made good if the insured has collected the same from others.
- ITEM 19. No Benefit To Bailee** - This insurance shall in no way inure directly or indirectly to the benefit of any carrier or other bailee.
- ITEM 20. Pair, Set Or Parts** - In event of loss of or damage to:
- (A) Any article or articles which are a part of a pair or set, the measure of loss of or damage to such article or articles shall be a reasonable and fair proportion of the total value of the pair or set, giving consideration to the importance of said article or articles, but in no event shall such loss or damage be construed to mean total loss of the pair or set, or
 - (B) Any part of property covered consisting, when complete for use or sale, or several parts, the company shall only be liable for the value of the part lost or damaged.
- ITEM 21. Records and Inventory** - The insured shall keep accurate books, records and accounts in the following manner:
A detailed and itemized inventory record of all property covered hereunder shall be maintained and physical inventory shall be taken periodically at intervals not more than twelve (12) months apart.
- ITEM 22. Examination of Records** - The insured shall, as often as may be reasonably required during the term of this policy and for one (1) year thereafter, produce for examination by the company or its duly authorized representative all the books and records, inventories and accounts relating to the property covered hereunder.
- ITEM 23. Suit** - No suit, action or proceeding for the recovery of any claim under this policy shall be sustainable in any court of law or equity unless the same be commenced within twelve (12) months next after discovery by the insured of the occurrence which gives rise to the claim, provided however, that if by the laws of the state within which this policy is issued such limitation is invalid, then any such claims shall be void unless such action, suit or proceeding be commenced within the shortest limit of time permitted by the laws of such state.
- ITEM 24. Appraisal** - If the insured and the company fail to agree as to the value of the property or amount of loss, each shall, on the written demand of either, made within sixty (60) days after receipt of proof of loss by the company, select a competent and impartial appraiser, and the appraisal shall be made at a reasonable time and place. The appraisers shall first select a competent and impartial umpire, and failing for fifteen (15) days to agree upon such umpire, then, on the request of the insured or the company, such shall be selected by a judge of a court of record in the state in which such appraisal is pending. The appraisers shall then appraise the loss, stating separately the actual cash value at the time of loss and the amount of loss, and failing to agree shall submit their differences to the umpire. An award in writing of any two shall determine the amount of loss. The insured and the company shall each pay his or its chosen appraiser and shall bear equally the other expenses of the appraisal and umpire. The company shall not be held to have waived any of its rights by any act relating to appraisal.
- ITEM 25. Company's Options** - It shall be optional with the company to take all, or any part, of the property at the agreed or appraised value, or to repair, rebuild or replace the property destroyed or damaged with other property of like kind and quality within a reasonable time, on giving notice of its intention to do so within sixty (60) days after the receipt of the sworn proof of loss herein required.
- ITEM 26. Abandonment** - There can be no abandonment of any property to the Company.
- ITEM 27. Claims Against Third Parties** - In the event of any loss of or damage to the property covered hereunder the insured shall immediately make claim in writing against the carrier(s), bailee(s) or others involved.

- ITEM 28. Labels** - In the event of loss of or damage to labels, capsules or wrappers, the loss shall be adjusted on the basis of an amount sufficient to pay the cost of new labels, capsules or wrappers.
- ITEM 29. Assistance and Cooperation Of The Insured** - In the event this policy covers the insured's liability, the insured shall cooperate with the company and, upon the company's request, shall attend hearings and trials and shall assist in effecting settlements, securing and giving evidence, obtaining the attendance of witnesses and in the conduct of suits. The insured shall not, except at his own cost, voluntarily make payment, assume any obligation or incur any expense without the written consent of the company.
- ITEM 30. Preservation of Property** - In case of actual or imminent physical loss or damage of the type insured against by this policy, the expenses incurred by the Insured in taking reasonable and necessary actions for the temporary protection and preservation of property insured hereunder shall be added to the total physical loss or damage otherwise recoverable under the policy and be subject to the applicable deductible and without increase of any Limit of Liability contained in this policy.
- ITEM 31. Debris Removal:**
- (A) This policy covers expenses incurred in the removal of debris of the property caused by or resulting from a covered peril that occurs during the policy period, subject to ITEM 31. subsection B., and except as indicated in ITEM 31. subsections C. (1), (2), and (3) below. The expenses will be paid only if they are reported to the company within 180 days or the earlier of:
 - (1) The date of direct physical loss or damage; or
 - (2) The end of the policy period;
 - (B) The most that will be paid under this coverage is 25% of:
 - (1) The amount paid for the direct physical loss or damage to property covered; plus
 - (2) The deductible in this policy applicable to that loss or damage;
 - (C) This company shall not be liable under this policy and this clause for:
 - (1) Any greater proportion of such expense that the amount of insurance hereunder bears to the total amount of all insurance, whether all such insurance contains this clause or not;
 - (2) Loss occasioned by the enforcement of any state or municipal law or ordinance which necessitates the demolition of any portion of the building covered hereunder which has not suffered damage by any of the perils insured against in this policy unless such liability is otherwise specifically insured by this policy; nor
 - (3) Any loss or expense to extract "pollutants" from land or water; or remove, restore or replace polluted land or water.
"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.
- ITEM 32. Cancellation** - This policy may be cancelled by the insured by mailing or delivering to the company advance written notice stating when thereafter such cancellation shall be effective. This policy may be cancelled by the company by mailing or delivering to the insured at the address shown in this policy or last known address written notice of cancellation stating when not less than thirty (30) days thereafter such cancellation shall be effective; however, cancellation due to non-payment of premium shall require ten (10) days written notice of cancellation. The mailing of notice as aforementioned shall be sufficient proof of notice and the effective date of cancellation stated in the notice shall become the end of the policy period.
- ITEM 33. All Other Matters** - All matters not provided for herein or by endorsement hereon shall be governed by the terms and conditions of the company's printed policy form to which this form is attached and which has been issued in conjunction herewith. The foregoing clauses shall, however, be considered to supersede and annul any clauses therein which may be of the same or similar nature.

- ITEM 34. Statutory Requirements** - It is hereby agreed that if property covered under this policy is located in a state that requires a statutory policy or standard form(s) at variance with this policy or the form(s) attached hereto, then this insurance shall cover such property in accordance with the provisions of such required policy or form(s).
- ITEM 35. Valuation** - This company shall not be liable for more than the actual cash value of the property at the time any loss or damage occurs and the loss or damage shall be ascertained or estimated according to such actual cash value with proper deduction for depreciation, however caused, and shall in no event exceed what it would then cost to repair or replace the same with material of like kind and quality, nor the amount for which the insured may be liable.
- ITEM 36. Definition of Earthquake** - Wherever in this policy the term "earthquake"; occurs, it shall be held to mean earth movement, meaning sudden natural faulting of land masses, not including landslide, rockslide, mudflow, earth rising, earth sinking or earth shifting unless as a direct result of such earthquake.
- ITEM 37. Definition of Flood** - Wherever in this policy the term "flood" occurs, it shall be held to mean the rising, overflowing, or breaking of boundaries of rivers, lakes, streams, ponds or similar natural or manmade bodies of water, or from waves, tidal waves, tidal waters, surface waters, rain accumulation or run off, or by spray from any of the foregoing all whether driven by wind or not.
- ITEM 38. Excess Insurance** - Permission is granted the insured to have excess insurance over the limit of liability set forth in this policy without prejudice to this policy and the existence of such insurance, if any, shall not reduce any liability under this policy.
- ITEM 39. Salvage and Recoveries** - All salvage, recoveries and payments recovered or received subsequent to the loss settlement under this policy shall be applied as if recovered or received prior to the said settlement and all necessary adjustments shall be made by the parties hereto.
- ITEM 40. Inspection of Property and Operations** - This company and any person or organization making inspections on the company's behalf shall be permitted, but not obligated, to inspect the insured's property and operations at any time. Neither the right of this company and any person or organization to make such inspection, nor the making thereof, nor any report thereon shall constitute an undertaking, on behalf of or for the benefit of the insured or others, to determine or warrant that such property or operations are safe or healthful, or comply with any laws, rules or regulations.
- ITEM 41. Notification of Claims** - Claims should be reported to:
American Claims Management

Claims Department Mailing Address:
PO Box 9060
Carlsbad, CA 92018-9060

Toll Free: 888-799-2919
General Fax: 619-744-5094

ACM Website:
www.ACMclaims.com

Reporting a Claim by Email:
NewLossesCL@ACMclaims.com
- ITEM 42. Underlying All Risk Coverage** - It is understood and agreed that the insured hereby represents that the property insured hereunder will be covered by standard all risk insurance, as approved by the authority having jurisdiction, during the term of this policy.
- ITEM 43. Minimum Earned Premium** - In the event of cancellation at the insured's request or for non-payment of premium, the Policy minimum earned premium will be 25% of the policy premium.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

REPLACEMENT COST

This endorsement modifies insurance provided under the following:

DIFFERENCE IN CONDITIONS COVERAGE FORM EXCESS PROPERTY INSURANCE FORM

- A.** Replacement Cost (without deduction for depreciation) replaces the actual cash value provision of Difference In Conditions Coverage form 0200, Item 35. Valuation.
- B.** This Optional Coverage does not apply to:
1. Property of others;
 2. Contents of a residence;
 3. Manuscripts;
 4. Works of art, antiques or rare articles, including but not limited to etchings, pictures, statuary, marbles, bronzes, porcelains and bric-a-brac; or

"Stock", unless the Including "Stock" option is marked in the Coverage Form.
 5. "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.
- 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 coverage this Optional Coverage provides if the insured notifies us of their intent to do so within 180 days after the loss or damage.
- D.** The company will not pay more for loss or damage on a replacement cost basis than the least of:
1. The Limit of Insurance applicable to the lost or damaged property;
 2. The cost to replace, at the same location, 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 the insured actually spends that is necessary to repair or replace the lost or damaged property.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

STATEMENT OF VALUES

This endorsement modifies insurance provided under the following:

DIFFERENCE IN CONDITIONS COVERAGE FORM EXCESS PROPERTY INSURANCE

The premium for this policy is based upon the statement of values and/or the application for insurance on file with the company dated 4/9/2024 or attached to this policy including amendments and endorsements thereto. In the event of loss hereunder, liability of the company shall be limited to the least of the following:

- A. The actual adjusted amount of loss, less applicable deductible(s).
- B. 100% of the stated values for the items involved, as shown on the latest statement of values and/or the latest application for insurance on file with this company, including amendments and endorsements thereto, less applicable deductible(s).
- C. The limit of liability or amount of insurance shown in the coverage form of this policy or endorsed onto this policy. In no event shall the liability of this company exceed this limit or amount in any one disaster, casualty, or event, irrespective of the number of items or locations involved.
- D. The remaining amount of the applicable annual limit for earthquake or flood shown in the coverage form of this policy.

POLICY NUMBER: PER DECLARATIONS

**DIFFERENCE IN CONDITIONS
EXCESS PROPERTY**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

TERRITORY COVERAGE LIMITATION

This endorsement modifies insurance provided under the following:

**DIFFERENCE IN CONDITIONS COVERAGE FORM
EXCESS PROPERTY INSURANCE FORM**

It is agreed that the coverage territory under this policy is limited to:

STATE OF CALIFORNIA ONLY.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**ORDINANCE OR LAW COVERAGE
COVERAGE A - LOSS TO THE UNDAMAGED PORTION OF THE BUILDING**

This endorsement modifies insurance provided under the following:

DIFFERENCE IN CONDITIONS COVERAGE FORM

SCHEDULE

Coverage A

\$25,000,000 SUBLIMIT

A. COVERAGE

In the event of direct physical loss of or damage to Building property at covered locations caused by or resulting from a Covered Peril, the company shall also be liable as follows:

1. Coverage A - Coverage For Loss to the Undamaged Portion of the Building

The company will pay for loss to the undamaged portion of the building caused by enforcement of any ordinance or law that:

- a. Requires the demolition of parts of the same property not damaged by a Covered Peril;
- b. Regulates the construction or repair of buildings, or establishes zoning or land use requirements at the described location(s); and
- c. Is in force at the time of loss.

This coverage extension is subject to the limit of liability shown above and is included within the Limit of Liability applicable to covered Building property.

2. Under Coverage A - Coverage For Loss to the Undamaged Portion of the Building

- a. If the Replacement Cost endorsement is attached to this policy and the property is repaired or replaced, at the same or at another location, the company will not pay more for loss or damage to Covered Property, including loss caused by enforcement of an ordinance or law, than the lesser of:
 - i. The amount the insured actually spends to repair, rebuild or reconstruct the building, but not for more than the amount it would cost to restore the building at the same location and to the same height, floor area, style and comparable quality of the original property insured; or
 - ii. The Limit of Liability applicable to the covered Building property.
- b. i. If the Replacement Cost endorsement is attached to this policy and the property is **not** repaired or replaced; or
- ii. If the Replacement Cost coverage option does not apply,

the company will not pay more for loss or damage to Covered Property, including loss caused by enforcement of an ordinance or law, than the lesser of:

- (1) The actual cash value of the building at the time of loss; or
- (2) The Limit of Liability applicable to the covered Building property.

B. EXCLUSIONS

With regard to Building property, if covered hereunder, this policy does not insure against any of the following:

1. Pollution

Loss caused by or resulting from the discharge, dispersal, seepage, migration, release or escape of "pollutants". The company will not pay any loss, cost or expense associated with the enforcement of any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, restore, replace, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".

"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.

2. Demolition Cost

The cost of demolishing any undamaged portion of the insured property, including the cost of clearing the site thereof, caused by loss from any peril insured against under this policy and resulting from enforcement of any local or state ordinance or law regulating the construction, repair or demolition of buildings or structures and in force at the time of loss which necessitates such demolition.

Notwithstanding the above exclusion, the underlying aggregates can be reduced or exhausted by coverage provided thereunder, and this policy will drop down and provide coverage but only to the extent insured herein.

3. Increased Cost of Construction

The increased cost of repair or replacement occasioned by the enforcement of any local or state ordinance or law regulating the construction, repair or demolition of buildings or structures which necessitates, in repairing or replacing the building covered hereunder which has suffered damage or destruction by the peril(s) insured against which has undergone demolition, a greater cost of repair or replacement.

Notwithstanding the above exclusion, the underlying aggregates can be reduced or exhausted by coverage provided thereunder, and this policy will drop down and provide coverage but only to the extent insured herein.

POLICY NUMBER: PER DECLARATIONS

**DIFFERENCE IN CONDITIONS
EXCESS PROPERTY**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ENSUING LOSS EXCLUSION

This endorsement modifies insurance provided under the following:

**DIFFERENCE IN CONDITIONS COVERAGE FORM
EXCESS PROPERTY INSURANCE FORM**

In no event shall this Company be liable for any loss caused directly or indirectly by fire, explosion or other excluded perils whether the same be caused by or attributable to earthquake or otherwise.

POLICY NUMBER: PER DECLARATIONS

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AMENDED CANCELLATION PROVISION

This endorsement modifies insurance provided under the following:

**DIFFERENCE IN CONDITIONS COVERAGE FORM
EXCESS PROPERTY INSURANCE FORM**

This policy is amended as follows:

- 1. 0103 - CANCELLATION AND NON-RENEWAL PROVISIONS is amended as follows:
A. CANCELLATION, Item 2. b) is amended from 30 to 60 days.**
- 2. 0200 - DIFFERENCE IN CONDITIONS COVERAGE FORM - ITEM 32 CANCELLATION is amended to 60 days
in lieu of 30 days.**

POLICY NUMBER: PER DECLARATIONS

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DEBRIS REMOVAL AMENDMENT

This endorsement modifies insurance provided under the following:

DIFFERENCE IN CONDITIONS COVERAGE FORM

This policy is amended as follows:

0200 - DIFFERENCE IN CONDITIONS COVERAGE FORM is amended as follows:

Item 31., Debris Removal - is deleted in its entirety and replaced with:

ITEM 31. Debris Removal:

- (A) This policy covers expenses incurred in the removal of debris of the property caused by or resulting from a covered peril that occurs during the policy period, subject to ITEM 31. subsection B., and except as indicated in ITEM 31. subsections C. (1) and (2) below. The expenses will be paid only if they are reported to the company within 180 days or the earlier of:
 - (1) The date of direct physical loss or damage; or
 - (2) The end of the policy period;

- (B) The most that will be paid under this coverage is 25% of:
 - (1) The amount paid for the direct physical loss or damage to property covered; plus
 - (2) The deductible in this policy applicable to that loss or damage;

- (C) This company shall not be liable under this policy and this clause for:
 - (1) Any greater proportion of such expense that the amount of insurance hereunder bears to the total amount of all insurance, whether all such insurance contains this clause or not;
 - (2) Any loss or expense to extract "pollutants" from land or water; or remove, restore or replace polluted land or water.
"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.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

UNDERLYING DEDUCTIBLE ENDORSEMENT

This endorsement modifies insurance provided under the following:

EXCESS PROPERTY INSURANCE FORM

Should this policy be asked to respond in the event of a loss as covered herein, the following deductibles will be applied regardless of, but not in addition to, the deductibles pertaining to the primary and/or underlying policies:

All claims for loss or damage arising out of a single occurrence shall be adjusted as one claim, and this company shall then be liable for the excess of the amount(s) shown below, but in no event to exceed the applicable policy limit. If two or more perils contribute to a single occurrence, the total deductible shall not exceed the largest deductible applicable.

CA Earthquake:	10	% of the total insurable values of each unit at the time when such loss occurs, subject to
	\$ 25,000	minimum per occurrence.

The following shall be considered a separate unit of insurance:

- a) Each Separate Building or Structure
- b) Contents in each Separate Building or Structure
- c) Property in the Yard
- d) Business Income/Extra Expense

POLICY NUMBER: PER DECLARATIONS

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCESS LIMIT OF LIABILITY DROP DOWN CLAUSE

This endorsement modifies insurance provided under the following:

EXCESS PROPERTY INSURANCE FORM

It is agreed and understood that in the event of reduction or exhaustion of the underlying aggregate limit or limits, this policy shall apply in excess of the reduced underlying limit, or if such limit is exhausted, shall apply as underlying insurance, notwithstanding anything to the contrary in the terms and conditions of this policy. In no event shall a reduction in underlying limits be recognized if this reduction is a result of paid claims for locations, interests or perils not covered by this policy.

In no event, however, shall this company be liable for more than the limits of liability specified in the policy form.

It is a condition of this policy that the policy or policies of the primary and underlying excess insurers shall be maintained in full effect during the currency of this policy except for any reduction or exhaustion of the aggregate limits contained therein solely by payment of losses during the policy year.

Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, or limitations of the policy to which this endorsement is attached other than as above stated.

POLICY NUMBER: PER DECLARATIONS

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EARTHQUAKE LIMITATION ENDORSEMENT

This endorsement modifies insurance provided under the following:

DIFFERENCE IN CONDITIONS COVERAGE FORM

- A. **ITEM 1. Insuring Agreement** in Difference in Conditions Coverage form 0200 is deleted and replaced with the following:

Insuring Agreement - This policy insures against direct physical loss or damage to covered property caused by the peril of "earthquake" as defined in this policy.

This policy does not insure against loss or damage caused directly or indirectly by any peril other than the peril of "earthquake". This policy does not insure against loss or damage caused directly or indirectly by any other peril even if attributable to an "earthquake".

NAMED INSURED: SURFSIDE III COA
POLICY NUMBER: PER DECLARATIONS

**DIFFERENCE IN CONDITIONS
EXCESS PROPERTY**

EFFECTIVE DATE: 7/8/2024 **ENDORSEMENT
NUMBER:** 1

This endorsement modifies insurance provided under the following:

**DIFFERENCE IN CONDITIONS COVERAGE FORM
EXCESS PROPERTY INSURANCE FORM**

This policy is amended as follows:

Form 0406 - STATEMENT OF VALUES item B. is deleted in its entirety.

NAMED INSURED: SURFSIDE III COA
POLICY NUMBER: PER DECLARATIONS
EFFECTIVE DATE: 7/8/2024

**DIFFERENCE IN CONDITIONS
EXCESS PROPERTY**

ENDORSEMENT NUMBER: 3

This endorsement modifies insurance provided under the following:

**DIFFERENCE IN CONDITIONS COVERAGE FORM
EXCESS PROPERTY INSURANCE FORM**

This policy is amended as follows:

This insurance does not apply to "bodily injury", "property damage", "time element" or "personal and advertising injury" arising out of the actual or alleged transmission of a communicable disease caused by either virus or bacteria whether engineered or naturally occurring.

IMPORTANT NOTICE:

- 1. The insurance policy that you have purchased is being issued by an insurer that is not licensed by the State of California. These companies are called “nonadmitted” or “surplus line” insurers.**
- 2. The insurer is not subject to the financial solvency regulation and enforcement that apply to California licensed insurers.**
- 3. The insurer does not participate in any of the insurance guarantee funds created by California law. Therefore, these funds will not pay your claims or protect your assets if the insurer becomes insolvent and is unable to make payments as promised.**
- 4. The insurer should be licensed either as a foreign insurer in another state in the United States or as a non-United States (alien) insurer. You should ask questions of your insurance agent, broker, or “surplus line” broker or contact the California Department of Insurance at the toll-free number 1-800-927-4357 or internet website www.insurance.ca.gov. Ask whether or not the insurer is licensed as a foreign or non-United States (alien) insurer and for additional information about the insurer. You may also visit the NAIC’s internet website at www.naic.org. The NAIC—the National Association of Insurance Commissioners—is the regulatory support organization created and governed by the chief insurance regulators in the United States.**
- 5. Foreign insurers should be licensed by a state in the United States and you may contact that state’s department of insurance to obtain more information about that insurer. You can find a link to each state from this NAIC internet website: https://naic.org/state_web_map.htm.**
- 6. For non-United States (alien) insurers, the insurer should be licensed by a country outside of the United States and should be on**

the NAIC’s International Insurers Department (IID) listing of approved nonadmitted non-United States insurers. Ask your agent, broker, or “surplus line” broker to obtain more information about that insurer.

7. California maintains a “List of Approved Surplus Line Insurers (LASLI).” Ask your agent or broker if the insurer is on that list, or view that list at the internet website of the California Department of Insurance: www.insurance.ca.gov/01-consumers/120-company/07-lasli/lasli.cfm.

8. If you, as the applicant, required that the insurance policy you have purchased be effective immediately, either because existing coverage was going to lapse within two business days or because you were required to have coverage within two business days, and you did not receive this disclosure form and a request for your signature until after coverage became effective, you have the right to cancel this policy within five days of receiving this disclosure. If you cancel coverage, the premium will be prorated and any broker’s fee charged for this insurance will be returned to you.

D-2 (Effective January 1, 2020)

OFAC Notice

Office of Foreign Assets Control (“OFAC”) Regulations

Advisory notice to policyholders regarding the U.S. Treasury Department’s Office of Foreign Assets Control (“OFAC”) regulations

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 the U.S. Treasury Department’s Office of Foreign Assets Control (“OFAC”).

Please read this Notice carefully.

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.treasury.gov/about/organizational-structure/offices/Pages/Office-of-Foreign-Assets-Control.aspx>.

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 restrictions. When an insurance policy is considered to be such a blocked or frozen contact, no payments or premium refunds may be made without authorization from OFAC. Other limitations on premiums and payments also apply.

CYBER EXCLUSION ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Words appearing in **bold** in this endorsement have special meaning and are defined below.

A. CYBER EXCLUSION

Notwithstanding any other terms or provisions contrary within this policy, the following exclusion is added to the policy to which it is attached and shall supersede any existing **Electronic Data**, media, programs, software, cyber, **Computer Virus** or similar provisions or language in the policy, whether included in an Exclusion Section or otherwise and whether within the policy or any endorsement.

1. We will not provide coverage nor will we make any payments or provide any service or benefit to any insured for loss, damage, expense, cost, failure, distortion, corruption, deletion, copying, degradation, disappearance, or malfunction, of the insured's **Digital Assets** from any cause whatsoever, including but not limited to, any unauthorized access, misuse, negligent use, error, **Computer virus**, or **Denial of Service Attack**, perpetuated through:
 - a. a computer network;
 - b. an internet enabled device; or
 - c. a **Computer System**,
regardless of any other cause or event contributing concurrently or in any other sequence to the loss.
2. We will not provide coverage nor will we make any payments or provide any service or benefit to any insured for loss, damage, expense or cost due to any **Cyber Extortion Threat** regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

However, resulting physical loss or damage, to property insured by this policy, from fire, leakage or discharge from automatic fire protection systems, or explosion is covered subject to all terms, conditions and exclusions of the policy.

B. CONDITIONS

The term "policy" may be comprised of common policy terms and conditions, the declarations, notices, schedules, coverage parts, insuring agreements, applications, enrollment forms, and endorsements or riders, if any, for each coverage provided. Policy may also be referred to as contract or agreement.

We may be referred to as "insurer", "underwriter", "we", "us", and "our", or as otherwise defined in the policy, and shall mean the company providing the coverage.

Insured may be referred to as "policyholder", "named insured", "covered person", "additional insured", or as otherwise defined in the policy, and shall mean the party, person or entity having defined rights under the policy.

These definitions may be found in various parts of the policy and any applicable riders or endorsements.

C. DEFINITIONS applicable to this endorsement:

Computer System(s) – Computer hardware, associated input and output devices, data storage devices, networking equipment, components, file server, data processing equipment, computer memory, microchip, microprocessor (computer chip), integrated circuit or similar device in computer equipment, program, computer software or operating system.

Computer Virus – Any malicious programming instructions, code or data including, but not limited to any destructive program, computer code, worm, logic bomb, smurf attack, vandalism, Trojan Horse or any other data introduced into any electronic system that affects the operation or functionality of **Computer Systems**.

Cyber Extortion Threat – A threat or series of threats made to introduce a **Computer Virus** to cause a loss to **Digital Assets**.

Denial of Service Attack – A malicious attack by an authorized or unauthorized party which is designed to slow or completely interrupt an authorized party from gaining access to the Insured's **Computer Systems** or website.

Digital Assets – **Electronic Data**, programs, software, audio and image files. To the extent they exist as **Electronic Data** and only in that form, **Digital Assets** include the following: accounts, bills, evidence of debts, money, valuable papers, records, abstracts, deeds, manuscripts, **Personal Information**, or other documents.

Electronic Data – Data, information, programs, code or instructions of any kind that are recorded or transmitted in a form usable in electronic or electronically controlled equipment, **Computer Systems**, networks, integrated circuits or similar devices in non-computer equipment.

Personal Information – Any information from which an individual may be uniquely and reliably identified or contacted, including an individual's name, telephone number, email, social security number, medical or healthcare data or other protected health information, driver's license number or state identification number, account number, credit card number, debit card number, access code or password that would permit access to the individual's financial account or other non-public personal information.

EXCLUSION OF CERTIFIED ACTS OF TERRORISM

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

A. The following definition is added with respect to this endorsement:

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

1. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

B. The following exclusion is added:

Certified Act of Terrorism Exclusion

This policy does not insure against loss or damage caused directly or indirectly by a “Certified Act of Terrorism”. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

C. **Exception Covering Certain Fire Losses**

As respects to property located in states that have Standard Fire Policy or similar laws mandating that insurance companies provide coverage for “fire following” any Certified Acts of Terrorism, the following exception applies to the exclusion in Paragraph **B above**:

If a “Certified Act of Terrorism” results in fire, the company will pay for the loss or damage caused by that fire. Such coverage for fire applies only to direct loss or damage by fire to covered property. Therefore, for example, the coverage would not apply to insurance provided under Business Income and/or Extra Expense coverage forms or the endorsements which apply to those forms, or to the Legal Liability Coverage Form or the Leasehold Interest Coverage Form.

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

D. **Application of Other Exclusions**

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

ALL OTHER TERMS AND CONDITIONS OF THIS POLICY REMAIN UNCHANGED.

SANCTIONS EXCLUSION ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READIT CAREFULLY.

The following exclusion is added to the policy to which it is attached and supersedes any existing sanctions language in the policy, whether included in an Exclusion Section or otherwise:

SANCTIONS EXCLUSION

Notwithstanding any other terms under this policy, we shall not provide coverage nor will we make any payments or provide any service to benefit to any insured, beneficiary, or third party who may have any rights under this policy to the extent that such cover, payment, service, benefit, or any business or activity of the insured would violate any applicable trade or economic sanctions law or regulation.

The term policy may be comprised of common policy terms and conditions, the declarations, notices, schedule, coverage parts, insuring agreement, application, enrollment form, and endorsements or riders, if any, for each coverage provided. Policy may also be referred to as contract or agreement.

We may be referred to as insurer, underwriter, we, us, and our, or as otherwise defined in the policy, and shall mean the company providing the coverage.

Insured may be referred to as policyholder, named insured, covered person, additional insured or claimant, or as otherwise defined in the policy, and shall mean the party, person or entity having defined rights under the policy.

These definitions may be found in various parts of the policy and any applicable riders or endorsements.

ALL OTHER TERMS AND CONDITIONS OF THIS POLICY REMAIN UNCHANGED

MOLD EXCLUSION

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Notwithstanding any provision to the contrary within this policy, or within any other endorsement which forms part of this policy.

This policy does not insure against:

any loss, damage, increase in loss or damage claim, cost, expense or other sum cause by or resulting from:

mold, mildew, fungus, spores or other microorganism of any type, nature, or description, including but not limited to any substance whose presence poses an actual or potential threat to human health.

This exclusion applies regardless of whether there is (i) any physical loss or damage to covered property; (ii) any insured peril or cause, whether or not contributing concurrently or in any sequence; (iii) any loss of use, occupancy, or functionality; or (iv) any action required, or that may be required, including but not limited to repair, replacement, removal, cleanup, abatement, disposal, relocation, or steps taken to address medical or legal concerns.

This exclusion replaces and supersedes any provision in this policy that provides insurance, in whole or in part, for that which is excluded above.

ALL OTHER TERMS AND CONDITIONS OF THIS POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXISTING DAMAGE EXCLUSION

This endorsement modifies insurance provided under the following:

**DIFFERENCE IN CONDITIONS COVERAGE FORM
EXCESS PROPERTY INSURANCE FORM**

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

As used in this endorsement, "existing damage" means:

1. Any damages which occurred prior to the inception date of this Policy regardless of whether such damages were apparent at the time of the inception date of this Policy or at a later date;
2. Any damages arising out of workmanship, repairs, and/or lack of repairs arising from damages which occurred prior to the inception date of this Policy; or
3. Any damages resulting from a damage which occurred prior to the inception date of this Policy that have not been completely and properly repaired.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF LOSS DUE TO VIRUS OR BACTERIA

This endorsement modifies insurance provided under the following:

DIFFERENCE IN CONDITIONS COVERAGE

BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM

- A.** The exclusion set forth in Paragraph **B.** applies to all coverage under all forms and endorsements that comprise this Coverage Part or Policy, including but not limited to forms or endorsements that cover property damage to buildings or personal property and forms or endorsements that cover business income, extra expense or action of civil authority.
- B.** We will not pay for loss or damage 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", wet rot or dry rot. Such loss or damage is addressed in a separate exclusion in this Coverage Part or Policy.
- C.** With respect to any loss or damage subject to the exclusion in Paragraph **B.**, such exclusion supersedes any exclusion relating to "pollutants".
- D.** The following provisions in this Coverage Part or Policy are hereby amended to remove reference to bacteria:
 - 1. Exclusion of "Fungus", Wet Rot, Dry Rot And Bacteria; and
 - 2. Additional Coverage – Limited Coverage for "Fungus", Wet Rot, Dry Rot And Bacteria, including any endorsement increasing the scope or amount of coverage.
- E.** 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 Coverage Part or Policy.

STEADFAST INSURANCE COMPANY AMENDATORY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

With respect to the coverage provided by Steadfast Insurance Company the attached forms shall apply.

U-GU-873-A - DISCLOSURE STATEMENT

U-GU-874-A CW - DISCLOSURE STATEMENT

STF-GU-199-B - SERVICE OF SUIT AND IN WITNESS CLAUSE

U-GU-630-E CW - DISCLOSURE OF IMPORTANT INFORMATION RELATING TO TERRORISM RISK INSURANCE ACT

Disclosure Statement



It is our pleasure to present the enclosed policy to you
for presentation to your customer.

INSTRUCTION TO AGENT OR BROKER:

WE REQUIRE THAT YOU TRANSMIT THE ATTACHED/ENCLOSED DISCLOSURE STATEMENT TO THE CUSTOMER
WITH THE POLICY.

Once again, thank you for your interest, and we look forward to meeting your needs and those of your customers.

Disclosure Statement



NOTICE OF DISCLOSURE FOR AGENT & BROKER COMPENSATION

If you want to learn more about the compensation Zurich pays agents and brokers visit:

<http://www.zurichnaproducercompensation.com>

or call the following toll-free number: (866) 903-1192.

This Notice is provided on behalf of Zurich American Insurance Company
and its underwriting subsidiaries.



Important Notice

Service of Suit and In Witness Clause

Service of Suit

In the event an action or proceeding arises under the contract, it is agreed that the Company, at your request, will submit to the jurisdiction of a court of competent jurisdiction within the United States. Nothing in this condition constitutes or should be understood to constitute a waiver or limitation of the right to arbitration as set forth herein or 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. It is further agreed that service of process in such suit may be made upon Illinois Corporation Service Company, 801 Adlai Stevenson Drive, Springfield, IL 62703. In any suit instituted against the Company upon this policy, the Company will abide by the final decision of such court or of any appellate court in the event of an appeal.

Further, pursuant to any statute of any state, territory, or district of the United States which makes provision therefore, the Company hereby designates the Superintendent, Commissioner or Director of Insurance, other officer specified for that purpose in the statute, or his successors in office as its true and lawful attorney upon whom may be served any lawful process in any action, suit, or proceeding instituted by or on behalf of the Insured of any beneficiary hereunder arising out of this policy of insurance and hereby designates the above named Illinois Corporation Service Company as the entity to whom the said officer is authorized to mail such process or a true copy thereof.

In Witness Clause

In return for the payment of premium, and subject to the terms of this policy, coverage is provided as stated in this policy.

IN WITNESS WHEREOF, this Company has executed and attested these presents and, where required by law, has caused this policy to be countersigned by its duly Authorized Representative(s).

A handwritten signature in black ink, appearing to read 'Tom W.', written over a light blue horizontal line.

President

A handwritten signature in black ink, appearing to read 'Laura J. Kargacz', written over a light blue horizontal line.

Corporate Secretary

QUESTIONS ABOUT YOUR INSURANCE? Your agent or broker is best equipped to provide information about your insurance. Should you require additional information or assistance in resolving a complaint, call or write to the following (please have your policy or claim number ready):

Zurich in North America
Customer Inquiry Center
1299 Zurich Way
Schaumburg, Illinois 60196-1056
1-800-382-2150 (Business Hours: 8am - 4pm [CT])
Email: info.source@zurichna.com

THIS DISCLOSURE IS ATTACHED TO AND MADE PART OF YOUR POLICY.

DISCLOSURE OF IMPORTANT INFORMATION RELATING TO TERRORISM RISK INSURANCE ACT

SCHEDULE*

Premium attributable to risk of loss from certified acts of terrorism for lines of insurance subject to TRIA: Not applicable - Terrorism excluded
--

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

A. Disclosure of Premium

In accordance with the federal Terrorism Risk Insurance Act ("TRIA"), as amended, we are required to provide you with a notice disclosing the portion of your premium, if any, attributable to the risk of loss from terrorist acts certified under that Act for lines subject to TRIA. That portion of premium attributable is shown in the Schedule above. The premium shown in the Schedule above is subject to adjustment upon premium audit, if applicable.

B. Disclosure of Federal Participation in Payment of Terrorism Losses

You should know that where coverage is provided by this policy for losses resulting from certified acts of terrorism, the United States Government may pay up to 80% of insured losses exceeding the statutorily established deductible paid by the insurance company providing the coverage.

C. Disclosure of \$100 Billion Cap on All Insurer and Federal Obligations

If aggregate insured losses attributable to terrorist acts certified under TRIA exceed \$100 billion in a calendar year (January 1 through December 31) and an insurer has met its deductible under the program, that insurer shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of Treasury.

D. Availability

As required by TRIA, we have made available to you for lines subject to TRIA coverage for losses resulting from acts of terrorism certified under TRIA with terms, amounts and limitations that do not differ materially from those for losses arising from events other than acts of terrorism.

E. Definition of Act of Terrorism under TRIA

TRIA defines "act of terrorism" as any act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act ("TRIA"), to be an act of terrorism. The Terrorism Risk Insurance Act provides that the Secretary of Treasury shall certify an act of terrorism:

1. to be an act of terrorism;
2. to be a violent act or an act that is dangerous to human life, property or infrastructure;
3. To have resulted in damage within the United States, or outside of the United States in the case of an air carrier (as defined in section 40102 of Title 49, United States Code) or a United States flag vessel (or a vessel based principally in the United States, on which United States income tax is paid and whose insurance coverage is subject to regulation in the United States), or the premises of a United States mission; and
4. To have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

No act may be certified as an act of terrorism if the act is committed as part of the course of a war declared by Congress (except for workers' compensation) or if losses resulting from the act, in the aggregate for insurance subject to TRIA, do not exceed \$5,000,000.

EVEREST INDEMNITY INSURANCE COMPANY AMENDATORY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

With respect to the coverage provided by Everest Indemnity Insurance Company the attached forms shall apply.

EIL 00 502 04 15 - SIGNATURE PAGE

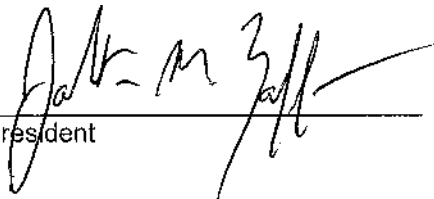
EIL 00 584 10 10 - SERVICE OF SUIT

EN IL S 5 10 18 - CALIFORNIA SUPPLEMENTAL DECLARATIONS PAGE


EN IL 2 CA 10 18 - NOTICE

This policy is signed by officers of the Company shown on the Declarations Page of this policy.

For: Everest Indemnity Insurance Company



President



Secretary

SERVICE OF SUIT

The Company agrees that in the event of our failure to pay any amount claimed to be due hereunder, we, at your request will submit to the jurisdiction of a court of competent jurisdiction within the United States. Nothing in this condition constitutes or should be understood to constitute a waiver of our 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 Counsel, Legal Department, Everest National Insurance Company, c/o Mt. McKinley Managers, L. L. C., Westgate Corporate Center, PO Box 830, Liberty Corner, NJ 07938-0830 or his or her representative, and that in any suit instituted against us upon this contract, we will abide by the final decision of such court or of any appellate court in the event of any appeal.

Further, pursuant to any statute of any state, territory, or district of the United States which makes provision therefor, we hereby designate the Superintendent, Commissioner, or Director of Insurance, other officer specified for that purpose in the statute, or his or her successor or successors in office as our true and lawful attorney upon whom may be served any lawful process in any action, suit, or proceeding instituted by or on behalf of you or any beneficiary hereunder arising out of this contract of insurance, and hereby designate the above named Counsel as the person to whom the said officer is authorized to mail such process or a true copy thereof

CALIFORNIA SUPPLEMENTAL DECLARATIONS PAGE

This insurance is issued pursuant to the California Insurance Code, Sections 1760 through 1780, and is placed in an insurer or insurers not holding a Certificate of Authority from or regulated by the California Insurance Commissioner.

NOTICE:

- 1. THE INSURANCE POLICY THAT YOU HAVE PURCHASED IS BEING ISSUED BY AN INSURER THAT IS NOT LICENSED BY THE STATE OF CALIFORNIA. THESE COMPANIES ARE CALLED “NONADMITTED” OR “SURPLUS LINE” INSURERS.**
- 2. THE INSURER IS NOT SUBJECT TO THE FINANCIAL SOLVENCY REGULATION AND ENFORCEMENT THAT APPLY TO CALIFORNIA LICENSED INSURERS.**
- 3. THE INSURER DOES NOT PARTICIPATE IN ANY OF THE INSURANCE GUARANTEE FUNDS CREATED BY CALIFORNIA LAW. THEREFORE, THESE FUNDS WILL NOT PAY YOUR CLAIMS OR PROTECT YOUR ASSETS IF THE INSURER BECOMES INSOLVENT AND IS UNABLE TO MAKE PAYMENTS AS PROMISED.**
- 4. THE INSURER SHOULD BE LICENSED EITHER AS A FOREIGN INSURER IN ANOTHER STATE IN THE UNITED STATES OR AS A NON-UNITED STATES (ALIEN) INSURER. YOU SHOULD ASK QUESTIONS OF YOUR INSURANCE AGENT, BROKER, OR “SURPLUS LINE” BROKER OR CONTACT THE CALIFORNIA DEPARTMENT OF INSURANCE AT THE FOLLOWING TOLL-FREE NUMBER 1-800-927-4357 OR INTERNET WEB SITE WWW.INSURANCE.CA.GOV. ASK WHETHER OR NOT THE INSURER IS LICENSED AS A FOREIGN OR NON-UNITED STATES (ALIEN) INSURER AND FOR ADDITIONAL INFORMATION ABOUT THE INSURER. YOU MAY ALSO CONTACT THE NAIC’S INTERNET WEB SITE AT WWW.NAIC.ORG.**
- 5. FOREIGN INSURERS SHOULD BE LICENSED BY A STATE IN THE UNITED STATES AND YOU MAY CONTACT THAT STATE’S DEPARTMENT OF INSURANCE TO OBTAIN MORE INFORMATION ABOUT THAT INSURER.**

6. FOR NON-UNITED STATES (ALIEN) INSURERS, THE INSURER SHOULD BE LICENSED BY A COUNTRY OUTSIDE OF THE UNITED STATES AND SHOULD BE ON THE NAIC'S INTERNATIONAL INSURERS DEPARTMENT (IID) LISTING OF APPROVED NONADMITTED NON-UNITED STATES INSURERS. ASK YOUR AGENT, BROKER, OR "SURPLUS LINE" BROKER TO OBTAIN MORE INFORMATION ABOUT THAT INSURER.
7. CALIFORNIA MAINTAINS A LIST OF APPROVED SURPLUS LINE INSURERS. ASK YOUR AGENT OR BROKER IF THE INSURER IS ON THAT LIST, OR VIEW THAT LIST AT THE INTERNET WEB SITE OF THE CALIFORNIA DEPARTMENT OF INSURANCE: *WWW.INSURANCE.CA.GOV* .
8. IF YOU, AS THE APPLICANT, REQUIRED THAT THE INSURANCE POLICY YOU HAVE PURCHASED BE BOUND IMMEDIATELY, EITHER BECAUSE EXISTING COVERAGE WAS GOING TO LAPSE WITHIN TWO BUSINESS DAYS OR BECAUSE YOU WERE REQUIRED TO HAVE COVERAGE WITHIN TWO

SF 199222.2 73670 00741 D-2 (Effective July 21, 2011)

BUSINESS DAYS, AND YOU DID NOT RECEIVE THIS DISCLOSURE FORM AND A REQUEST FOR YOUR SIGNATURE UNTIL AFTER COVERAGE BECAME EFFECTIVE, YOU HAVE THE RIGHT TO CANCEL THIS POLICY WITHIN FIVE DAYS OF RECEIVING THIS DISCLOSURE. IF YOU CANCEL COVERAGE, THE PREMIUM WILL BE PRORATED AND ANY BROKER'S FEE CHARGED FOR THIS INSURANCE WILL BE RETURNED TO YOU.

LEXINGTON INSURANCE COMPANY AMENDATORY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

With respect to the coverage provided by Lexington Insurance Company the attached forms shall apply.

PRG 2084 - SERVICE OF SUIT CONDITION
PRG 4020 - ADDENDUM TO THE DECLARATIONS
91222 - POLICYHOLDER NOTICE
118950 - TERRORISM EXCLUSION
LM138003 - COMMUNICABLE DISEASE EXCLUSION
CP 99 03 12 19 - CANNABIS EXCLUSION

ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SERVICE OF SUIT CONDITION

This endorsement modifies insurance provided under the policy:

The following condition is added to this policy and, if applicable, supersedes any Service of Suit Condition currently provided therein:

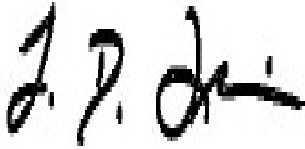
In the event of our failure to pay any amount claimed to be due hereunder, we, at your request, will submit to the jurisdiction of a court of competent jurisdiction within the United States. Nothing in this condition constitutes or should be understood to constitute a waiver of our rights to commence 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 Counsel, Legal Department, AIG Specialty Insurance Company, 1271 Avenue of the Americas FL 37, New York, NY 10020-1304 or his or her representative, and that in any suit instituted against us upon this Policy, we will abide by the final decision of such court or of any appellate court in the event of any appeal.

Further, pursuant to any statute of any state, territory, or district of the United States which makes provision therefor, we hereby designate the Superintendent, Commissioner or Director of Insurance, or other officer specified for that purpose in the statute, or his or her successors in office, as our true and lawful attorney upon whom may be served any lawful process in any action, suit, or proceeding instituted by you or on your behalf or any beneficiary hereunder arising out of this Policy of insurance, and hereby designates the above named Counsel as the person to whom the said officer is authorized to mail such process or a true copy thereof.

All other terms and conditions of the policy remain the same.

ADDENDUM TO THE DECLARATIONS

By signing below, the President and the Secretary of the Insurer agree on behalf of the Insurer to all the terms of this Policy.

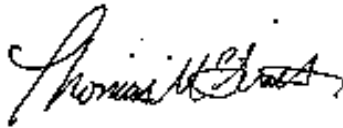


Lou Levinson
PRESIDENT



Tanya Kent
SECRETARY

This policy shall not be valid unless signed at the time of issuance by an authorized representative of the Insurer, either below or on the Declarations page of the policy.



Thomas McGrath
AUTHORIZED REPRESENTATIVE

POLICYHOLDER NOTICE

Thank you for purchasing insurance from a member company of American International Group, Inc. (AIG). The AIG member companies generally pay compensation to brokers and independent agents, and may have paid compensation in connection with your policy. You can review and obtain information about the nature and range of compensation paid by AIG member companies to brokers and independent agents in the United States by visiting our website at www.aig.com/producercompensation or by calling 1-800-706-3102.

TERRORISM EXCLUSION – CERTIFIED AND NON-CERTIFIED ACTS ENDORSEMENT

This endorsement modifies insurance provided by the Policy:

I. Certified Acts of Terrorism Exclusion

This insurance does not apply to any loss, injury, damage, claim or suit, arising directly or indirectly as a result of a **certified act of terrorism** as defined in the Terrorism Risk Insurance Act of 2002, as amended (hereinafter, "TRIA") regardless of any other cause or event contributing concurrently or in any sequence with a **certified act of terrorism**.

Certified act of terrorism means any act that is certified by the Secretary [of the Treasury], in consultation with the Secretary of Homeland Security, and the Attorney General of the United States:

- A. to be an act of terrorism;
- B. to be a violent act or an act that is dangerous to:
 - 1. human life;
 - 2. property; or
 - 3. infrastructure;
- C. to have resulted in damage within the United States, or outside of the United States in the case of:
 - 1. an air carrier or vessel [described in TRIA]; or
 - 2. the premises of a United States mission; and
- D. to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

II. Non-Certified Acts of Terrorism Exclusion

This insurance does not apply to any loss, injury, damage, claim or suit, arising directly or indirectly as a result of a **non-certified act of terrorism** regardless of any other cause or event contributing concurrently or in any sequence with a **non-certified act of terrorism**.

- A. **Non-certified act of terrorism** means any act that is not a **certified act of terrorism** as defined herein and:
 - 1. involves the use of force or violence against person or property; or

2. is dangerous to human life or property; or
 3. interferes with or disrupts an electronic or communication system; and
 4. is undertaken by any group or person, whether or not acting on behalf of or in any connection with any organization, government, power, authority or military force, when the effect is to intimidate, coerce or harm:
 - a. a government;
 - b. the civilian population of a country, state or community; or
 - c. to disrupt the economy of a country, state or community.
- B.** However, the exclusion provided under Subsection **II.A.** only applies when one or more of the following are attributed to an incident of a **non-certified act of terrorism.**
1. The **non-certified act of terrorism** involves the actual, alleged or threatened use, release, escape, dispersal, application and/or existence of:
 - a. Any nuclear reaction;
 - b. Radioactive materials or **nuclear materials** in any form and from any source;
 - c. Radionuclides;
 - d. Radiation emitted from any radioactive source whether natural or manmade; and/or
 - e. Electromagnetic pulses; or
 2. The **non-certified act of terrorism** involves the actual, alleged or threatened use, release, escape, dispersal, application and/or existence of pathogenic or poisonous chemical or **biological** materials, whether natural, manmade, living or dead; or
 3. The total insured industry-wide losses exceed \$25,000,000. In determining whether the \$25,000,000 threshold is exceeded, the Company will include all insured industry-wide loss or damage sustained by all persons and entities affected by the **non-certified act of terrorism.** For the purpose of this provision, insured industry-wide loss or damage means loss or damage that is covered by any insurance plus damage that would be covered by any insurance but for the application of any terrorism exclusions.

Multiple incidents of **non-certified acts of terrorism** which occur within a 72-hour period and objectively appear to be carried out in concert or to have a related purpose or common leadership will be deemed to be one incident, for the purpose of determining whether the thresholds in this Subsection **II.B.3.** are met.
 4. With respect to commercial liability policies, fifty or more persons sustain death or serious physical injury. For purposes of this provision, serious physical injury means:
 - a. Physical injury that involves substantial risk of death; or
 - b. Protracted and obvious physical disfigurement; or
 - c. Protracted loss of or impairment of the function of a bodily member or organ.

III. With respect to commercial property policies:

- A. If a **certified act of terrorism** or **non-certified act of terrorism** (hereinafter, collectively an **act of terrorism**) results in an ensuing fire, this Policy covers such loss or damage caused by such fire following, subject to the Policy's terms and conditions, but only if the covered property insured hereunder is located in a state of the United States, the District of Columbia, Puerto Rico or a territory or possession of the United States that, pursuant to an applicable standard fire policy statute, regulation or other law, prohibits the exclusion of fire following an **act of terrorism**. Such coverage for fire following an **act of terrorism** applies only to direct physical loss or damage to covered property insured hereunder, and to no other coverage provided by the Policy.
- B. Notwithstanding Subsection III.A. above, to the extent not prohibited by the law of the jurisdiction to which this Policy is subject, this Policy does not cover fire following an **act of terrorism** that involves the actual, alleged or threatened use, release, escape, dispersal, application and/or existence of any nuclear reaction; radioactive materials or **nuclear materials** in any form and from any source; radionuclides; radiation emitted from any radioactive source whether natural or manmade; electromagnetic pulses; and/or pathogenic or poisonous chemical or **biological** materials, whether natural, manmade, living or dead.
- C. Notwithstanding any other valuation provision of this Policy to the contrary, any covered property insured hereunder that sustains loss or damage due to fire following an **act of terrorism**, covered pursuant to Subsection III.A. above, shall be valued at Actual Cash Value at the time and place of the loss.

IV. **Application of Other Exclusions**

The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for any loss or damage which would otherwise be excluded under this Policy, such as losses excluded by a nuclear exclusion, pollution exclusion or war exclusion.

V. **Definitions:** The following definitions apply to this endorsement:

- A. **Nuclear materials** means **source material**, **special nuclear material** or **by-product material**. **Source material**, **special nuclear material**, and **by-product material** have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof.
- B. **Biological** materials include all microorganisms, viruses, rickettsia, prions, nucleic acids, toxins, toxin-producing agents, and poisons produced by biological organisms.

All other terms and conditions of the Policy remain the same.

COMMUNICABLE DISEASE EXCLUSION

This endorsement modifies insurance provided by this Policy:

Notwithstanding any other provision of this Policy to the contrary, the Company does not insure any loss, cost, damage or expense, arising out of, attributable to, or occurring concurrently or in any sequence with a **communicable disease**.

As used herein, **communicable disease** means any infectious or contagious substance:

1. Including, but not limited to, a virus, bacterium, parasite or other organism or any mutation thereof, whether deemed living or not, and
2. Regardless of the method of transmission, whether direct or indirect, including, but not limited to, airborne transmission, bodily fluid transmission, transmission from or to any surface or object, solid, liquid or gas or between humans, animals, or from any animal to any human or from any human to any animal,

that can cause or threaten damage to human health or human welfare or causes or threatens damage, deterioration, loss of value, marketability or loss of use to tangible or intangible property insured hereunder.

For avoidance of doubt, no coverage extension, additional coverage, global extension, exception to any exclusion or other coverage grant shall afford any coverage that would otherwise be excluded through this exclusion. For further avoidance of doubt, loss, cost, damage or expense, includes any cost to clean-up, detoxify, remove, monitor or test: (1) for a **communicable disease** or (2) any tangible or intangible property insured hereunder that is affected by such **communicable disease**.

All other terms and conditions of the Policy remain the same.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CANNABIS EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART
STANDARD PROPERTY POLICY

- A.** When this endorsement is attached to the Standard Property Policy, the terms Coverage Part and Coverage Form in this endorsement are replaced by the term Policy.
- B. Property Not Covered** is amended as follows:
"Cannabis" is added to **Property Not Covered**.
- C.** For the purpose of this endorsement, when Business Income (And Extra Expense) Coverage Form **CP 00 30**, Business Income (Without Extra Expense) Coverage Form **CP 00 32** and/or Extra Expense Coverage Form **CP 00 50** are indicated in the Declarations as being provided under this Policy, coverage under this Policy does not apply to that part of Business Income loss and/or Extra Expense incurred, due to a "suspension" of your "operations", which is attributable to the design, cultivation, manufacture, storage, processing, packaging, handling, testing, distribution, sale, serving, furnishing, possession or disposal of "cannabis".
- D.** For the purpose of this endorsement, the following definition is added:
"Cannabis":
- 1. Means:**
Any good or product that consists of or contains any amount of Tetrahydrocannabinol (THC) or any other cannabinoid, regardless of whether any such THC or cannabinoid is natural or synthetic.
 - 2. Paragraph D.1. above includes, but is not limited to, any of the following containing such THC or cannabinoid:**
 - a.** Any plant of the genus Cannabis L., or any part thereof, such as seeds, stems, flowers, stalks and roots; or
 - b.** Any compound, by-product, extract, derivative, mixture or combination, such as:
 - (1)** Resin, oil or wax;
 - (2)** Hash or hemp; or
 - (3)** Infused liquid or edible cannabis;
whether or not derived from any plant or part of any plant set forth in Paragraph **D.2.a.**

TRANSVERSE SPECIALTY INSURANCE COMPANY AMENDATORY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

With respect to the coverage provided by Transverse Specialty Insurance Company the attached forms shall apply.

TIC-001-0621 - SIGNATURE CLAUSE

TSIC-001-0521 - SERVICE OF SUIT

SIGNATURE CLAUSE

IN WITNESS WHEREOF, the Company has caused this policy to be signed by its Chief Executive Officer and Secretary, and where required by law, has caused this policy to be countersigned by a duly authorized representative.

A handwritten signature in black ink, appearing to read 'Bob W. B.', followed by a long horizontal line extending to the right.

Chief Executive Officer

A handwritten signature in black ink, appearing to read 'John A. ...', written in a cursive style.

Secretary

Service of Suit

Pursuant to any statute of any state, territory or district of the United States, which makes provision therefor, Transverse Specialty Insurance Company 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 their true and lawful attorney upon whom may be served any lawful process in any action, suit or proceeding instituted by or on behalf of the insured or any beneficiary hereunder arising out of this policy, and hereby designates Corporate Secretary, Transverse Specialty Insurance Company located at 155 Village Blvd., Suite 205, Princeton, NJ 08540 to whom the said state officer is authorized to mail such process or true copy thereof.

TSIC-001-0521