

**AMERICAN NATIONAL LLOYDS INSURANCE COMPANY**

Credit Insurance Division

**INVESTOR PROPERTY DECLARATIONS**

**PENNSYLVANIA**

<b>Policy Number:</b>	1518060100	<b>Surplus Lines Agent Name:</b>	Gary Dudley
<b>Named Insured:</b>	Stateside APM	<b>Mailing Address:</b>	9311 San Pedro, Ste 600 San Antonio, TX 78216
<b>Mailing Address:</b>	6445 Citation Dr., Ste F Clarkston, MI 48346	<b>License Number:</b>	415613

<b>POLICY PERIOD</b>		<b>Producing Agent Name:</b>	Southwest Business Corporation Insurance Services
<b>Effective Date:</b>	June 01, 2018	<b>Expiration Date:</b>	June 01, 2019
		<b>Mailing Address:</b>	9311 San Pedro, Ste 600 San Antonio, TX 78216
12:01 A.M. Local Standard Time at the address of the Named Insured		<b>Agent Number:</b>	S27586

COVERAGE TYPE	MAXIMUM LIMIT OF LIABILITY	DEDUCTIBLE	PREMIUM/RATE
Residential	\$5,000,000	See Schedule	See Schedule
Commercial	\$5,000,000	See Schedule	See Schedule

<b>Coverage</b>	The insurance afforded is only with respect to such of the described coverages as are indicated by a specific premium charge or charges. The limit of our liability, deductible, rate and premium applicable to each such coverage shall be as stated herein, subject to all the terms of this Declarations having referenced thereto.
<b>Property Insured</b>	Coverage applies only to eligible real properties upon which you have requested we provide coverage, for which you have paid a premium, and in which you have an insurable interest as the investor or investor group. This insurance does not cover land.
<b>Coverages Provided</b>	All coverages, terms and conditions for are set forth in the Investor Property Master Policy and in all attached policy forms.
<b>Limit of Liability</b>	The maximum limit of liability applicable to all eligible real properties insured under this policy is stated above, subject to all policy terms and conditions.

**SURPLUS LINES TAXES, FEES, SURCHARGES AND ASSESSMENTS**

Surplus Lines Premium Tax:	3.00%
Surplus Lines Stamping Fee:	\$20 per policy
Policy Fee:	\$250

<b>Surplus Lines Disclosure</b>	The insurer which has issued this insurance is not licensed by the Pennsylvania Insurance Department and is subject to limited regulation. This insurance is NOT covered by the Pennsylvania Property and Casualty Insurance Guaranty Association.
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<b>Policy Forms &amp; Endorsements</b>	Investor Property Master Policy Investor Property Residential Property Policy Form Investor Property Commercial Property Policy Form Wind, Hail & Hurricane Deductible Endorsement TRIA Coverage Endorsement Service of Suit Endorsement Coinsurance Valuation Endorsement
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Maximum Term per each Certificate of Insurance – 12 Months

**INVESTOR PROPERTY  
Excess & Surplus Lines Rate Schedule  
Stateside APM**

**Surplus Lines Residential & Commercial Property Rates & Deductibles\***

*PROPERTIES IN PUERTO RICO AND THE U.S. VIRGIN ISLANDS ARE NOT COVERED UNDER THIS POLICY.*

**Residential Property Rates**

\$0.40 Per \$100 All States (Except as Listed Below)

\$1.16 Per \$100 Florida

\$0.93 Per \$100 Tier 1 Counties in AL, LA, MS, and TX

\$0.70 Per \$100 Tier 1 Counties in GA, SC and NC

\$0.70 Per \$100 Hawaii

**Commercial Property Rates**

\$1.08 Per \$100 All States (Except as Listed Below)

\$1.84 Per \$100 Florida

\$1.61 Per \$100 Tier 1 Counties in AL, LA, MS and TX

\$1.38 Per \$100 Tier 1 Counties in GA, SC and NC

\$1.38 Per \$100 Hawaii

**Deductibles (Per Location/Per Occurrence)**

**All Other Perils – Excluding Theft, Vandalism & Malicious Mischief AND Windstorm, Hail or Hurricane**

Residential & Commercial Property \$2,500

**Theft, Vandalism & Malicious Mischief Deductible**

Residential & Commercial Property \$15,000

**Windstorm, Hail or Hurricane Deductibles**

1. The deductible shall be the greater of 5% of the scheduled value or \$5,000 for residential and commercial properties located in Hawaii and in Tier 1 counties in AL, FL, GA, LA, MS, NC, SC and TX (including Harris and Tarrant Counties in Texas).

The deductible shall be the greater of 2% of the scheduled value or \$2,500 for residential and commercial properties located in remaining Florida counties.

The deductible shall be the greater of 1% of the scheduled value or \$2,500 for residential and commercial properties located in remaining counties in all other states listed above.

2. The deductible shall be the greater of 2% of the scheduled value or \$2,500 for residential properties located in Oklahoma.

The deductible shall be the greater of 5% of the scheduled value or \$2,500 for commercial properties located in Oklahoma.

**Territory Definitions**

*Tier 1 counties are defined as those counties which are contiguous with the Gulf of Mexico and/or the Atlantic Ocean in the states covered under this policy (including Harris and Tarrant Counties in Texas).*

*\*Plus Surplus Lines Premium Taxes and Fees*

**AMERICAN NATIONAL LLOYDS INSURANCE COMPANY  
INVESTOR PROPERTY MASTER POLICY**

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**INSURING AGREEMENT**

We will provide the insurance described in this Policy in return for the premium and compliance with all applicable provisions of this Policy. Coverage shall apply to all residential and commercial property for which a specific request for coverage is received from you in accordance with procedures herein defined.

**DEFINITIONS**

Throughout this Policy:

- A. "You" and "your" refer to the Investor or Investor Group shown in the Policy Declarations as the Named Insured.
- B. "We", "us" and "our" refer to the Company providing this insurance.
- C. "Policy" shall include the Investor Property Master Policy and all coverage forms and endorsements attached.

**GENERAL PROVISIONS**

- A. **Term:** Coverage shall apply to each insured property from the effective date requested by you upon payment of premium. If the property afforded insurance by this Policy is also covered by other insurance terminating at noon on the inception date of our coverage, insurance under this Policy shall not become effective until such other insurance has terminated
- B. **Property Insured:** Coverage applies only to eligible properties upon which you have requested we provide coverage, for which you have paid a premium and in which you have an insurable interest as the Investor or Investor Group.
  - 1. Residential - Buildings used exclusively for personal family housing purposes for 1 to 4 families.
  - 2. Commercial - Buildings used for multi-family housing purposes for 5 or more families, small businesses and all other occupancies.
  - 3. Business Personal Property - Business Personal Property is eligible for coverage if a limit and premium are shown in in the Declarations page.
- C. **Coverage Provided:** This Policy insures against direct physical loss or damage to insured property. All coverages, terms and conditions for residential property are as set forth in this Investor Property Master Policy and the attached Residential Property Policy Form. All coverages, terms and conditions for commercial property are as set forth in this Investor Property Master Policy and the attached Commercial Property Policy Form.
- D. **Limits of Recovery:** Our liability shall not exceed the least of the following after application of the deductible stated in this Policy:
  - 1. The amount stated on the policy declarations for each location of residential and commercial property insured by this policy.
  - 2. The amount of insurance specifically requested in your application for coverage under this Policy.
  - 3. The settlement options stated in Residential Property Policy Form applicable to residential property and Commercial Property Policy Form applicable to commercial property attached to this Policy.
- E. **Deductible:** For each loss covered under this Policy, we shall be liable for loss only in excess of the appropriate deductible specified on the Declarations page which shall not be recoverable under this Policy.
- F. **Other Insurance:** THIS INSURANCE IS EXCESS INSURANCE. If there is any other valid and collectible insurance which would attach if the insurance provided under this Policy had not been effected, this insurance shall apply only as excess insurance and in no event as contributing insurance, and then only after all other insurance has been exhausted.
- G. **Loss Payable:** Loss, if any, shall be made payable to you as your interest appears.
- H. **Salvage and Recoveries:** When, in connection with any loss covered by this Policy, any salvage or recovery is received subsequent to the payment of such loss, the loss shall be refigured on the basis on which it would have been settled had the amount of salvage or recovery been known at the time the amount of loss was originally determined. Any amounts thus found to be due any party shall be promptly paid.

- I. **Inspection and Audit:** We shall be permitted at all reasonable times to inspect the insured property and to examine your books and records at any time during the term of this Policy. Within one year after final settlement of any claim, we shall be permitted at all reasonable times to examine your books and records so far as the books and records relate to any payments made because of losses happening during the term of this Policy. We waive no rights and undertake no responsibility by reason of such inspection or examination or the omission thereof.

We shall also be permitted at all reasonable times to audit your records to verify the number of existing properties for which coverage has been requested.

- J. **Reinstatement:** A loss to the property reduces the Limits of Recovery by the amount of the loss. Upon repair or replacement of the property, the Limits of Recovery will return to their original amount.

- K. **Request for Coverage:** When you desire coverage on any real property in which you have an insurable interest, you will request insurance by providing us with the following information: loan number, property ID number, address of property to be insured, class of property, effective date and amount of insurance requested. Coverage shall automatically become effective upon receipt of request for coverage and payment of premium and shall remain in force until terminated by either you or us.

L. **Cancellation and Nonrenewal:**

1. You may cancel coverage on any individual location by notifying us of the desired effective date of cancellation but no more than 120 days prior to the date of notification to us, without approval of the company.
2. You may cancel this policy at any time by returning it to us or by notifying us in writing of the date cancellation is to take effect, but no more than 120 days prior to the date of notification to us, without the approval of the company.
3. We may cancel this Policy or coverage on an individual location by giving you at least 30 days advance written notice of the date cancellation is to take effect, with the exception of cancellation for nonpayment of premium which shall be a minimum of 10 days advance written notice.
4. Cancellation shall be processed immediately and any return premiums shall be reflected in the next monthly report and premium billing. The return premium will be pro-rata.
5. Cancellation of this policy by either you or us will not affect coverage on any individual location insured under this policy. Coverage on individual locations shall remain in force until expiration unless sooner cancelled.
6. We may elect not to renew this Policy. We may do so by delivery to you or mailing to you at your mailing address shown in the Declarations, written notice at least 30 days before the expiration date of this Policy. Proof of mailing shall be sufficient proof of notice. Our failure to send such a notice within the time prescribed obligates us to renew coverages if you pay the premium before the expiration date.

- M. **Reports and Premium Billings:** Within 10 days of the last day of each month, you will provide a complete listing of all properties upon which coverage is provided showing loan number, property ID number, address of insured property, class of property, coverage effective date, amount of insurance requested, cancellation date (if applicable). If you are required to calculate premium, payment of total net premium is due and payable with this report.

- N. **Concealment and Fraud:** This entire Policy is void if you have intentionally concealed or misrepresented any material fact or circumstance relating to any aspect of this insurance or acted fraudulently or made false statements relating to any aspect of this insurance, whether before or after a loss. Such acts or act by you will bar recovery by any person except as provided in this Policy with respect to your interest.

- O. **You and the Tenant's Duties After Loss:** In case of a loss to which this insurance may apply, you and the tenant shall see that the following duties are performed:

1. Give us immediate written notice;
2. Protect the property from further damage, making necessary and reasonable repairs to protect the property, and keep an accurate record of repair expenditures. If you or the tenant fail to do so, we will not pay for any further damage. We will not reimburse for the costs of repairs unless records and receipts are provided;
3. Make a list of all damaged or destroyed property showing in detail quantities, costs, actual cash value, amount of loss claimed and any other information we may require. Attach all bills, receipts and related documents that substantiate the figures in the list;
4. Send to us within 60 days after loss the above list and a proof of loss signed and sworn to by you, including:
  - a) the time and cause of loss;
  - b) the interest of you, the tenant and all others in the property;
  - c) all encumbrances on the property;
  - d) other insurance which may cover the loss;
  - e) changes in title, use occupancy or possession of the property; and
  - f) if required, any plans and specifications of the damaged buildings.

5. Exhibit the damaged property to us or our representative as often as may be required;
6. As often as we may require, submit to examinations under oath by any person named by us and sign the transcript of the examinations;
7. Produce for examination, with permission to copy, all records and documents that we may require;
8. In the event of a loss by theft, vandalism or malicious mischief, report the occurrence to the police immediately.

**P. Loss Settlement:** Covered Property Losses are settled as follows:

1. Residential

- a) Other Structures that are not buildings at actual cash value at the time of loss but not exceeding the amount necessary to repair or replace;
- b) Roofs (except for fire peril), carpeting, domestic appliances, awnings, outdoor equipment, whether or not attached to buildings, and outdoor antennas, at actual cash value at the time of loss but not exceeding the amount necessary to repair or replace;
- c) Buildings under **Coverage A or B:**
  - 1) At repair or replacement cost without deduction for depreciation, but not exceeding the smaller of the following amounts:
    - a. the repair or replacement cost of that part of the building damaged using commonly used building materials to place the property in a habitable condition for use on the same premises; or
    - b. the amount actually and necessarily spent to repair or replace the damaged building.
  - 2) If you decide not to repair or replace the damaged property, at our option, we may make settlement on an actual cash value basis. You may make claim within 180 days after the loss for any additional payment on a repair or replacement cost basis.

2. Commercial

- a) All property except tenant's Improvements and Betterments at actual cash value except as provided below or by endorsement.
- b) Tenant's Improvements and Betterments:
  - 1) If repaired or replaced at the expense of you or the tenant within a reasonable time after loss, the actual cash value of the damaged or destroyed improvements and betterments limit.

If not repaired or replaced at the expense of you or the tenant within a reasonable time after loss, that proportion of the original cost at the time of installation of the damaged or destroyed property which the unexpired term of the lease or rental agreement, whether written or oral, in effect at the time of loss bears to the periods from the date such improvements or betterments

**Q. Loss to a Pair, Set, Series of Objects or Interior or Exterior Panels:** In case of loss to a pair or set we may elect to:

1. Repair or replace any part to restore the pair or set to its value before the loss; or
2. Pay the difference between actual cash value of the property before and after the loss.

We cannot guarantee the availability of parts or of replacements. We will not be obligated to repair or replace the entire pair, set or series of objects, piece or panel when a part is lost or damaged.

**R. Glass Replacement:** Covered loss to glass shall be settled on the basis of replacement with safety glazing materials when required by ordinance or law.

**S. Appraisal:** If you and we fail to agree on the amount of loss, either may demand an appraisal of the loss. In this event, each party will choose a competent and impartial appraiser within 20 days after receiving a written request from the other. The two appraisers will choose an umpire. If they cannot agree upon an umpire within 15 days, you or we may request that the choice be made by a judge of a court of record in the state where the Described Location is located. The appraisers will separately set the amount of loss. If the appraisers submit a written report of an agreement to us, the amount agreed upon will be the amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will set the amount of loss.

Each party will:

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

- T. **Subrogation.** You may waive in writing before a loss all rights of recovery against any person. If not waived, we may require an assignment of rights of recovery for a loss to the extent that payment is made by us. If an assignment is sought, you shall sign and deliver all related papers and cooperate with us in any reasonable manner.
- U. **Suit Against Us.** No action can be brought against us unless there has been full compliance with all of the terms under this policy and the action is started within two years after the date of loss.
- V. **Abandonment of Property:** We need not accept any property abandoned by you or others.
- W. **No Benefit to Bailee:** We will not recognize any assignment or grant any coverage that benefits a person or organization holding, storing or moving property for a fee regardless of any other provision of this policy.
- X. **Liberalization Clause:** If we adopt any revision which would broaden the coverage under this Policy without additional premium within 60 days prior to or during the Policy period, the broadened coverage will immediately apply to this Policy.
- Y. **Waiver or Change of Policy Provisions:** A waiver or change of any provision of this Policy must be in writing by us to be valid.
- Z. **Assignment:** Assignment of this Policy shall not be valid unless we give our written consent.
- AA. **Your Interest:** Your interest will not be impaired by any act or neglect of the tenant, provided you:
1. Notify us of any change in occupancy, ownership, or substantial change in risk as soon as you become aware of such change; and
  2. Pay any premium when due under this Policy.

Subrogation will not impair your right to recover the full amount of your claim.

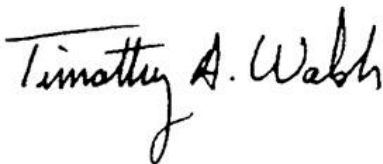
BB. **Nuclear Hazard Clause:**

1. "Nuclear Hazard" means any nuclear reaction, radiation or radioactive contamination, all whether controlled or uncontrolled or how ever caused, or any consequence of any of these.
2. Loss caused by the nuclear hazard shall not be considered loss caused by fire, explosion or smoke, whether these perils are specifically named in or otherwise included within the Perils Insured Against.
3. This Policy does not apply to loss caused directly or indirectly by nuclear hazard, except that direct loss by fire resulting from the nuclear hazard is covered.

CC. **Our Option:**

We may at our option replace the property with property of similar kind, quality and value. If as the result of your loss we pay in cash or by replacement an amount equal to the actual cash value of the property before the loss, at our option, we have the right to take legal title to the property.

IN WITNESS WHEREOF, this Company has caused this policy to be signed by Authorized Officers.



Authorized Officer



Authorized Officer

**AMERICAN NATIONAL LLOYDS INSURANCE COMPANY  
INVESTOR PROPERTY  
RESIDENTIAL PROPERTY POLICY FORM**

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**AGREEMENT**

We will provide the insurance described in this Policy in return for the premium and compliance with all applicable provisions of this Policy. This Residential Property Policy Form is attached to and forms part of the Investor Property Master Policy.

**DEFINITIONS**

- A. Throughout this Policy, "you" and "your" refer to the Named Insured shown in the Declarations. "We", "us" and "our" refer to the Company providing this insurance.
- B. "Dwelling" means any building used exclusively for personal family housing purposes for 1 to 4 families.

**COVERAGES**

This insurance applies to the requested location. This insurance does not cover land.

**A. COVERAGE A - DWELLING**

We cover:

- 1. the dwelling on the requested location, used principally for dwelling purposes;
- 2. structures attached to the dwelling;
- 3. materials and supplies on or adjacent to the requested location for use in the construction, alteration or repair of the dwelling or Other Structures on this location; and
- 4. building equipment and outdoor equipment used for the service of and located on the requested location.

**B. COVERAGE B - OTHER STRUCTURES**

We cover Other Structures on the requested location, separated from the dwelling by clear space. Structures connected to the dwelling by only a fence, utility line or similar connection, are considered to be Other Structures. You may use up to 10% of the Coverage A Limit of Recovery for loss by a Peril Insured Against to Other Structures described in this Coverage B. Payment under this coverage reduces the Coverage A Limit of Recovery.

We do not cover structures:

- 1. used in whole or in part for commercial, manufacturing or farming purposes; or
- 2. rented to or held for rental for any person not a tenant of the dwelling, unless used solely as a private garage; or
- 3. such as fences, satellite dishes, antennas, or radio and television towers separated from the dwelling.

**C. OTHER COVERAGES**

- 1. **Debris Removal** - We will pay the reasonable expenses incurred for the removal of debris from a property loss covered by this Policy. Payment under this coverage reduces the Limit of Recovery applying to the damaged property. This coverage does not increase the limit of liability that applies to the damaged covered property.
- 2. **Reasonable Repairs**
  - a. In the event that covered property is damaged by a Peril Insured Against, we will pay the reasonable cost incurred by you for necessary measures taken solely to protect against further damage.
  - b. If the measures taken involve repair to other damaged property, we will pay for those measures only if that property is covered under this Policy and the damage to that property is caused by a Peril Insured Against. This coverage does not:

- (1) Increase the limit of liability that applies to the covered property; or
- (2) Relieve you of your duties, in case of a loss to covered property, as set forth in General Provisions, You and the Tenant's Duties After Loss.

c. This coverage does not increase the limit of liability that applies to the damaged covered property.

### 3. Collapse

a. With respect to this Other Coverage:

- (1) Collapse means an abrupt falling down or caving in of a building or any part of a building with the result that the building or part of the building cannot be occupied for its current intended purpose.
- (2) A building or any part of a building that is in danger of falling down or caving in is not considered to be in a state of collapse.
- (3) A part of a building that is standing is not considered to be in a state of collapse even if it has separated from another part of the building.
- (4) A building or any part of a building that is standing is not considered to be in a state of collapse even if it shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.

b. We insure for direct physical loss to covered property involving collapse of a building or any part of a building if the collapse was caused by one or more of the following:

- (1) The Perils Insured Against;
- (2) Decay that is hidden from view, unless the presence of such decay is known to you prior to collapse;
- (3) Insect or vermin damage that is hidden from view, unless the presence of such damage is known to you prior to collapse;
- (4) Weight of contents, equipment, animals or people;
- (5) Weight of rain which collects on a roof; or
- (6) Use of defective material or methods in construction, remodeling or renovation if the collapse occurs during the course of the construction, remodeling or renovation.

c. Loss to an awning, fence, patio, deck, pavement, swimming pool, underground pipe, flue, drain, cesspool, septic tank, foundation, retaining wall, bulkhead, pier, wharf or dock is not included under **b.(2)** through **(6)** above unless the loss is a direct result of the collapse of a building or any part of a building.

d. This coverage does not increase the limit of liability that applies to the damaged covered property.

### 4. Ordinance Or Law

a. The Ordinance Or Law limit of liability shall be limited to 10% of the Coverage **A** limit of liability that applies at each Described Location. This coverage shall apply with respect to the increased costs you incur due to the enforcement of any ordinance or law which requires or regulates:

- (1) The construction, demolition, remodeling, renovation or repair of that part of a covered building or other structure damaged by a Peril Insured Against;
- (2) The demolition and reconstruction of the undamaged part of a covered building or other structure, when that building or other structure must be totally demolished because of damage by a Peril Insured Against to another part of that covered building or other structure; or
- (3) The remodeling, removal or replacement of the portion of the undamaged part of a covered building or other structure necessary to complete the remodeling, repair or replacement of that part of the covered building or other structure damaged by a Peril Insured Against.

b. You may use all or part of this ordinance or law coverage to pay for the increased costs you incur to remove debris resulting from the construction, demolition, remodeling, renovation, repair or replacement of property as stated in **a.** above.

c. We do not cover:

- (1) The loss in value to any covered building or other structure due to the requirements of any ordinance or law; or
- (2) The costs to comply with any ordinance or law which requires you or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, pollutants in or on any covered building or other structure.

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.



- d. This coverage does not increase the limit of liability that applies to the damaged covered property.

## PERILS INSURED AGAINST

### COVERAGE A DWELLING & COVERAGE B OTHER STRUCTURES

#### A. Coverage A – Dwelling And Coverage B – Other Structures

1. We insure against risk of direct physical loss to property described in Coverages A and B.
2. We do not insure, however, for loss:
  - a. Excluded under General Exclusions;
  - b. Involving collapse, except as provided in Other Coverages 3. Collapse; or
  - c. Caused by:
    - (1) Freezing of a plumbing, heating, air conditioning or automatic fire protective sprinkler system or of a household appliance, or by discharge, leakage or overflow from within the system or appliance caused by freezing. This provision does not apply if you have used reasonable care to:
      - (a) Maintain heat in the building; or
      - (b) Shut off the water supply and drain all systems and appliances of water;

However, if the building is protected by an automatic fire protective sprinkler system, you must use reasonable care to continue the water supply and maintain heat in the building for coverage to apply.

For purposes of this provision a plumbing system or household appliance does not include a sump, sump pump or related equipment or a roof drain, gutter, downspout or similar fixtures or equipment.

- (2) Freezing, thawing, pressure or weight of water or ice, whether driven by wind or not, to a:
  - (a) Fence, pavement, patio or swimming pool;
  - (b) Footing, foundation, bulkhead, wall, or any other structure or device, that supports all or part of a building or other structure;
  - (c) Retaining wall or bulkhead that does not support all or part of a building or other structure; or
  - (d) Pier, wharf or dock;
- (3) Theft of property not part of a covered building or structure;
- (4) Theft in or to a dwelling or structure under construction;
- (5) Wind, hail, ice, snow or sleet to:
  - (a) Outdoor radio and television antennas and aerials including their lead-in wiring, masts or towers; or
  - (b) Trees, shrubs, plants or lawns;
- (6) Constant or repeated seepage or leakage of water or steam over a period of weeks, months, or years from within a plumbing, heating, air conditioning or automatic fire protective sprinkler system or from within a household appliance.

For purposes of this provision, a plumbing system or household appliance does not include a sump, sump pump or related equipment or a roof drain, gutter, downspout or similar fixtures or equipment;

- (7) Any of the following:
  - (a) Wear and tear, marring, deterioration;
  - (b) Mechanical breakdown, latent defect, inherent vice, or any quality in property that causes it to damage or destroy itself;
  - (c) Smog, rust or other corrosion, mold, wet or dry rot;
  - (d) Smoke from agricultural smudging or industrial operations;
  - (e) Discharge, dispersal, seepage, migration release or escape of pollutants unless the discharge, dispersal, seepage, migration, release or escape is itself caused by a Peril Insured Against.  
Pollutants mean 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;

- (f) Settling, shrinking, bulging or expansion, including resultant cracking, of bulkheads, pavements, patios, footings, foundations, walls, floors, roofs or ceilings; or
- (g) Birds, vermin, rodents, insects or domestic animals.

**Exception to c. (7)**

Unless the loss is otherwise excluded, we cover loss to property covered under Coverage A or B resulting from an accidental discharge or overflow of water or steam from within a:

- (i) Storm drain, or water, steam or sewer pipe, off the Described Location; or
- (ii) Plumbing, heating, air conditioning or automatic fire protective sprinkler system or household appliance on the Described Location. This includes the cost to tear out and replace any part of a building, or other structure, on the Described Location, but only when necessary to repair the system or appliance. However, such tear out and replacement coverage only applies to other structures if the water or steam causes actual damage to a building on the Described Location.

We do not cover loss to the system or appliance from which this water or steam escaped.

For the purposes of this provision, a plumbing system or household appliance does not include a sump, sump pump or related equipment or roof drain, gutter, down spout or similar fixtures or equipment.

General Exclusion A.3. Water Damage, Paragraphs a. and c. that apply to surface water and water below the surface of ground do not apply to loss by water covered under c.(7) above.

Under 2.b. and c. above, any ensuing loss to property described in Coverages A and B not excluded in this Policy is covered.

**GENERAL EXCLUSIONS**

**A.** We do not insure for loss caused directly or indirectly by any of the following. Such loss is excluded regardless of any other cause or event contributing concurrently or in any sequence to the loss. These exclusions apply whether or not the loss event results in widespread damage or affects a substantial area.

**1. Ordinance Or Law**

Ordinance Or Law means any ordinance or law:

- a. Requiring or regulating the construction, demolition, remodeling, renovation or repair of property, including removal of any resulting debris. This Exclusion A.1.a. does not apply to the amount of coverage that may be provided under Other Coverage 4. Ordinance Or Law;
- b. The requirements of which result in a loss in value to property; or
- c. Requiring you or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, pollutants.

Pollutants mean 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 Exclusion A.1. applies whether or not the property has been physically damaged.

**2. Earth Movement**

Earth Movement means:

- a. Earthquake, including land shock waves or tremors before, during or after a volcanic eruption;
- b. Landslide, mudslide or mudflow;
- c. Subsidence or sinkhole; or
- d. Any other earth movement including earth sinking, rising or shifting;

caused by or resulting from human or animal forces or any act of nature unless direct loss by fire or explosion ensues and then we will pay only for the ensuing loss.

**3. Water Damage**

Water Damage means:

- a. Flood, surface water, waves, tidal water, overflow of a body of water or spray from any of these, whether or not driven by wind;
- b. Water or water-borne material which backs up through sewers or drains or which overflows or is discharged from a sump, sump pump or related equipment; or

- c. Water or water-borne material below the surface of the ground, including water which exerts pressure on or seeps or leaks through a building, sidewalk, driveway, foundation, swimming pool or other structure;

caused by or resulting from human or animal forces or any act of nature. Direct loss by fire or explosion resulting from water damage is covered.

**4. Power Failure**

Power Failure means the failure of power or other utility service if the failure takes place off the Described Location. But if the failure of power or other utility service results in a loss, from a Peril Insured Against on the Described Location, we will pay for the loss caused by that Peril Insured Against.

**5. Neglect**

Neglect means your neglect to use all reasonable means to save and preserve property at and after the time of a loss.

**6. War**

War includes the following and any consequence of any of the following:

- a. Undeclared war, civil war, insurrection, rebellion or revolution;
- b. Warlike act by a military force or military personnel;
- c. Destruction or seizure or use for a military purpose.

Discharge of a nuclear weapon will be deemed a warlike act even if accidental.

**7. Nuclear Hazard**

This Exclusion A.7. pertains to Nuclear Hazard to the extent set forth in the Nuclear Hazard Clause of the General Provisions.

**8. Intentional Loss**

Intentional Loss means any loss arising out of any act you or any person or organization named as an additional insured commits or conspires to commit with the intent to cause a loss.

In the event of such loss, neither you nor any such person or organization is entitled to coverage, even those who did not commit or conspire to commit the act causing the loss.

**9. Governmental Action**

Governmental Action means the destruction, confiscation or seizure of property described in A and B by order of any governmental or public authority.

This exclusion does not apply to such acts ordered by any governmental or public authority that are taken at the time of a fire to prevent its spread, if the loss caused by fire would be covered under this Policy.

- B.** We do not insure for loss to property described in Coverages A and B caused by any of the following. However, any ensuing loss to property described in Coverages A and B not precluded by any other provision in this Policy is covered.

- 1. Weather conditions. However, this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in A. above to produce the loss.
- 2. Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.
- 3. Faulty, inadequate or defective:
  - a. Planning, zoning, development, surveying, siting;
  - b. Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
  - c. Materials used in repair, construction, renovation or remodeling; or
  - d. Maintenance;

of part or all of any property whether on or off the Described Location.

**AMERICAN NATIONAL LLOYDS INSURANCE COMPANY  
INVESTOR PROPERTY  
COMMERCIAL PROPERTY POLICY FORM**

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**AGREEMENT**

We will provide the insurance described in this Policy in return for the premium and compliance with all applicable provisions of this Policy. This Commercial Property Policy Form is attached to and forms part of the Investor Property Master Policy.

**DEFINITIONS**

Throughout this Policy, "you" and "your" refer to the Named Insured shown in the Declarations. "We", "us" and "our" refer to the Company providing this insurance.

**SECTION I - PROPERTY COVERED**

The insurance under this Policy covers "Building(s)" in accordance with the following description(s) of coverage. This insurance does not cover land.

Coverage A - Building(s): Building(s) or structure(s) shall include attached additions and extensions; fixtures, machinery and equipment constituting a permanent part of and pertaining to the service of the building; yard fixtures; personal property of the tenant used for the maintenance or service of the described building(s), including fire extinguishing apparatus, outdoor furniture, floor coverings and appliances for refrigerating, ventilating, cooking, dishwashing and laundering (but not including other personal property in apartments or rooms furnished by you as landlord); all while as the described location(s).

Debris Removal: This insurance covers expense incurred in the removal of debris of the property covered, which may be occasioned by loss caused by any of the perils insured against in this Policy.

The total liability under this Policy for both loss to property and debris removal expense shall not exceed the amount of insurance applying under this Policy to the property covered.

**SECTION II - PROPERTY NOT COVERED**

This Policy does not cover:

1. Covered Property does not include:
  - a. Accounts, bills, currency, food stamps or other evidences of debt, money, notes or securities. Lottery tickets held for sale are not securities;
  - b. Animals;
  - c. Automobiles held for sale;
  - d. Bridges, roadways, walks, patios or other paved surfaces;
  - e. Contraband, or property in the course of illegal transportation or trade;
  - f. The cost of excavations, grading, backfilling or filling;
  - g. 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;
  - h. Land (including land on which the property is located), water, growing crops or lawns;
  - i. Personal property while airborne or waterborne;
  - j. Bulkheads, pilings, piers, wharves or docks;
  - k. Property that is covered under another coverage form of this or any other policy in which it is more specifically described, except for the excess of the amount due (whether you can collect on it or not) from that other insurance;
  - l. Retaining walls that are not part of a building;
  - m. Underground pipes, flues or drains;
  - n. Electronic data, except as provided under the Additional Coverage, Electronic Data. Electronic data means information, facts or computer programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs, referred to in the foregoing description of electronic data, means a set of related electronic instructions which direct the operations and functions of a computer or device connected to it, which enable the computer or device to receive, process, store, retrieve or send data. This paragraph, n., does not apply to your "stock" of prepackaged software;
  - o. The cost to replace or restore the information on valuable papers and records, including those which exist as electronic data. Valuable papers and records include but are not limited to proprietary information, books of account, deeds, manuscripts, abstracts, drawings and card index systems. Refer to the Coverage Extension for Valuable Papers And Records (Other Than Electronic Data) for limited coverage for valuable papers and records other than those which exist as electronic data;

- p. Vehicles or self-propelled machines (including aircraft or watercraft) that:
    - (1) Are licensed for use on public roads; or
    - (2) Are operated principally away from the described premises. This paragraph does not apply to:
      - (a) Vehicles or self-propelled machines or autos you manufacture, process or warehouse;
      - (b) Vehicles or self-propelled machines, other than autos, you hold for sale;
      - (c) Row boats or canoes out of water at the described premises; or
      - (d) Trailers, but only to the extent provided for in the Coverage Extension for Non-owned Detached Trailers;
  - q. The following property while outside of buildings:
    - (1) Grain, hay, straw or other crops;
    - (2) Fences, radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers, trees, shrubs or plants (other than "stock" of trees, shrubs or plants), all except as provided in the Coverage Extensions.
2. In addition to the properties listed in item 1 a. through q. above any Ineligible Properties appearing in the Declarations of the Investor Property Master Policy are also excluded.

### SECTION III - PERILS INSURED AGAINST

This Policy insures against all direct loss caused by:

- 1. **Fire.**
- 2. **Lightning.**
- 3. **Explosion**, including the explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass. This cause of loss does not include loss or damage by:
  - a. Rupture, bursting or operation of pressure-relief devices; or
  - b. Rupture or bursting due to expansion or swelling of the contents of any building or structure, caused by or resulting from water.
- 4. **Windstorm or Hail**, but not including:
  - a. Frost or cold weather;
  - b. Ice (other than hail), snow or sleet, whether driven by wind or not; or
  - c. Loss or damage to the interior of any building or structure, or the property inside the building or structure, caused by rain, snow, sand or dust, whether driven by wind or not, unless the building or structure first sustains wind or hail damage to its roof or walls through which the rain, snow, sand or dust enters.
- 5. **Smoke** causing sudden and accidental loss or damage. This cause of loss does not include smoke from agricultural smudging or industrial operations.
- 6. **Aircraft or Vehicles**, meaning only physical contact of an aircraft, a spacecraft, a self-propelled missile, a vehicle or an object thrown up by a vehicle with the described property or with the building or structure containing the described property. This cause of loss includes loss or damage by objects falling from aircraft.  
We will not pay for loss or damage caused by or resulting from vehicles you own or which are operated in the course of your business.
- 7. **Riot or Civil Commotion**, including:
  - a. Acts of striking employees while occupying the described premises; and
  - b. Looting occurring at the time and place of a riot or civil commotion.
- 8. **Vandalism**, meaning willful and malicious damage to, or destruction of, the described property.  
We will not pay for loss or damage caused by or resulting from theft, except for building damage caused by the breaking in or exiting of burglars.
- 9. **Sprinkler Leakage**, meaning leakage or discharge of any substance from an Automatic Sprinkler System, including collapse of a tank that is part of the system.  
If the building or structure containing the Automatic Sprinkler System is Covered Property, we will also pay the cost to:
  - a. Repair or replace damaged parts of the Automatic Sprinkler System if the damage:
    - (1) Results in sprinkler leakage; or
    - (2) Is directly caused by freezing.
  - b. Tear out and replace any part of the building or structure to repair damage to the Automatic Sprinkler System that has resulted in sprinkler leakage.  
Automatic Sprinkler System means:
    - (1) Any automatic fire-protective or extinguishing system, including connected:
      - (a) Sprinklers and discharge nozzles;
      - (b) Ducts, pipes, valves and fittings;
      - (c) Tanks, their component parts and supports; and
      - (d) Pumps and private fire protection mains.
    - (2) When supplied from an automatic fire-protective system:
      - (a) Non-automatic fire-protective systems; and
      - (b) Hydrants, standpipes and outlets.

10. **Sinkhole Collapse**, meaning loss or damage caused by the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite. This cause of loss does not include:
  - a. The cost of filling sinkholes; or
  - b. Sinking or collapse of land into man-made underground cavities.
11. **Volcanic Action**, meaning direct loss or damage resulting from the eruption of a volcano when the loss or damage is caused by:
  - a. Airborne volcanic blast or airborne shock waves;
  - b. Ash, dust or particulate matter; or
  - c. Lava flow.

All volcanic eruptions that occur within any 168-hour period will constitute a single occurrence.  
This cause of loss does not include the cost to remove ash, dust or particulate matter that does not cause direct physical loss or damage to the described property.
12. **Falling Objects**  
But we will not pay for loss or damage to:
  - a. Personal property in the open; or
  - b. The interior of a building or structure, or property inside a building or structure, unless the roof or an outside wall of the building or structure is first damaged by a falling object.
13. **Weight Of Snow, Ice Or Sleet**  
But we will not pay for loss or damage to personal property outside of buildings or structures.
14. **Water Damage**
  - a. Water Damage, meaning accidental discharge or leakage of water or steam as the direct result of the breaking apart or cracking of a plumbing, heating, air conditioning or other system or appliance, that is located on the described premises and contains water or steam.  
However, Water Damage does not include:
    - (1) Discharge or leakage from:
      - (a) An Automatic Sprinkler System;
      - (b) A sump or related equipment and parts, including overflow due to sump pump failure or excessive volume of water; or
      - (c) Roof drains, gutters, downspouts or similar fixtures or equipment;
    - (2) The cost to repair any defect that caused the loss or damage;
    - (3) Loss or damage caused by or resulting from continuous or repeated seepage or leakage of water, or the presence or condensation of humidity, moisture or vapor, that occurs over a period of 14 days or more; or
    - (4) Loss or damage caused by or resulting from freezing, unless:
      - (a) You do your best to maintain heat in the building or structure; or
      - (b) You drain the equipment and shut off the water supply if the heat is not maintained.
  - b. If coverage applies subject to a. above, and the building or structure containing the system or appliance is Covered Property, we will also pay the cost to tear out and replace any part of the building or structure to repair damage to the system or appliance from which the water or steam escapes. But we will not pay the cost to repair any defect that caused the loss or damage.

#### SECTION IV - EXCLUSIONS

1. We will not pay for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.
  - a. **Ordinance Or Law**  
The enforcement of any ordinance or law:
    - (1) Regulating the construction, use or repair of any property; or
    - (2) Requiring the tearing down of any property including the cost of removing its debris.

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

    - (a) An ordinance or law that is enforced even if the property has not been damaged; or
    - (b) The increased costs incurred to comply with an ordinance or law in the course of construction, repair, renovation, remodeling or demolition of property, or removal of its debris, following a physical loss to that property.
  - b. **Earth Movement**
    - (1) Earthquake, including any earth sinking, rising or shifting related to such event;
    - (2) Landslide, including any earth sinking, rising or shifting related to such event;
    - (3) Mine subsidence, meaning subsidence of a man-made mine, whether or not mining activity has ceased;
    - (4) Earth sinking (other than sinkhole collapse), rising or shifting including soil conditions which cause settling, cracking or other disarrangement of foundations or other parts of realty. Soil conditions include contraction, expansion, freezing, thawing, erosion, improperly compacted soil and the action of water under the ground surface.

But if Earth Movement, as described in b.(1) through (4) above, results in fire or explosion, we will pay for the loss or damage caused by that fire or explosion.

    - (5) Volcanic eruption, explosion or effusion. But if volcanic eruption, explosion or effusion results in fire, building glass breakage or Volcanic Action, we will pay for the loss or damage caused by that fire, building glass breakage or Volcanic Action.

c. **Governmental Action**

Seizure or destruction of property by order of governmental authority.

But we will pay for loss or damage caused by or resulting from acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread, if the fire would be covered under this Coverage Part.

d. **Nuclear Hazard**

Nuclear reaction or radiation, or radioactive contamination, however caused.

But if nuclear reaction or radiation, or radioactive contamination, results in fire, we will pay for the loss or damage caused by that fire.

e. **Utility Services**

The failure of power, communication, water or other utility service supplied to the described premises, however caused, if the failure:

- (1) Originates away from the described premises; or
- (2) Originates at the described premises, but only if such failure involves equipment used to supply the utility service to the described premises from a source away from the described premises.

Failure of any utility service includes lack of sufficient capacity and reduction in supply.

Loss or damage caused by a surge of power is also excluded, if the surge would not have occurred but for an event causing a failure of power.

But if the failure or surge of power, or the failure of communication, water or other utility service, results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

Communication services include but are not limited to service relating to Internet access or access to any electronic, cellular or satellite network.

f. **War And Military Action**

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

g. **Water**

- (1) Flood, surface water, waves, tides, tidal waves, overflow of any body of water, or their spray, all whether driven by wind or not;
- (2) Mudslide or mudflow;
- (3) Water that backs up or overflows from a sewer, drain or sump; or
- (4) Water under the ground surface pressing on, or flowing or seeping through:
  - (a) Foundations, walls, floors or paved surfaces;
  - (b) Basements, whether paved or not; or
  - (c) Doors, windows or other openings.

But if Water, as described in **g.(1)** through **g.(4)** above, results in fire, explosion or sprinkler leakage, we will pay for the loss or damage caused by that fire, explosion or sprinkler leakage.

h. **"Fungus", Wet Rot, Dry Rot And Bacteria**

Presence, growth, proliferation, spread or any activity of "fungus", wet or dry rot or bacteria.

But if "fungus", wet or dry rot or bacteria results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

This exclusion does not apply:

- (1) When "fungus", wet or dry rot or bacteria results from fire or lightning; or
- (2) To the extent that coverage is provided in the Additional Coverage – Limited Coverage For "Fungus", Wet Rot, Dry Rot And Bacteria with respect to loss or damage by a cause of loss other than fire or lightning.

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

2. We will not pay for loss or damage caused by or resulting from:

- a. Artificially generated electrical, magnetic or electromagnetic energy that damages, disturbs, disrupts or otherwise interferes with any:
  - (1) Electrical or electronic wire, device, appliance, system or network; or
  - (2) Device, appliance, system or network utilizing cellular or satellite technology.

For the purpose of this exclusion, electrical, magnetic or electromagnetic energy includes but is not limited to:

- (a) Electrical current, including arcing;
- (b) Electrical charge produced or conducted by a magnetic or electromagnetic field;
- (c) Pulse of electromagnetic energy; or
- (d) Electromagnetic waves or microwaves.

But if fire results, we will pay for the loss or damage caused by that fire.

- b. Explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control. But if explosion of steam boilers, steam pipes, steam engines or steam turbines results in fire or combustion explosion, we will pay for the loss or damage caused by that fire or combustion explosion.
- c. Mechanical breakdown, including rupture or bursting caused by centrifugal force. But if mechanical breakdown results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.
- d. Neglect of an insured to use all reasonable means to save and preserve property from further damage at and after the time of loss.

#### SECTION V – ADDITIONAL COVERAGE – COLLAPSE

The coverage provided under this Additional Coverage – Collapse applies only to an abrupt collapse as described and limited in **SECTION V - 1. through 7.**

- 1. For the purpose of this Additional Coverage – Collapse, abrupt collapse means an abrupt falling down or caving in of a building or any part of a building with the result that the building or part of the building cannot be occupied for its intended purpose.
- 2. We will pay for direct physical loss or damage to Covered Property, caused by abrupt collapse of a building or any part of a building that is insured under this Coverage Form or that contains Covered Property insured under this Coverage Form, if such collapse is caused by one or more of the following:
  - a. Fire; lightning; explosion; windstorm or hail; smoke; aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire-extinguishing equipment; sinkhole collapse; volcanic action; breakage of building glass; falling objects; weight of snow, ice or sleet; water damage, meaning accidental discharge or leakage of water or steam as the direct result of the breaking apart or cracking of a plumbing, heating, air conditioning or other system or appliance (other than a sump system including its related equipment and parts), that is located on the described premises and contains water or steam; all only as insured against in this Coverage Part;
  - b. Building decay that is hidden from view, unless the presence of such decay is known to an insured prior to collapse;
  - c. Insect or vermin damage that is hidden from view, unless the presence of such damage is known to an insured prior to collapse;
  - d. Weight of people or personal property;
  - e. Weight of rain that collects on a roof;
  - f. Use of defective material or methods in construction, remodeling or renovation if the abrupt collapse occurs during the course of the construction, remodeling or renovation. However, if such collapse occurs after construction, remodeling or renovation is complete and is caused in part by a cause of loss listed in 2.a. through 2.e., we will pay for the loss or damage even if use of defective material or methods, in construction, remodeling or renovation, contributes to the collapse.

This Additional Coverage – Collapse does not limit the coverage otherwise provided under this Causes of Loss Form for the causes of loss listed in 2.a.

- 3. This **Additional Coverage – Collapse** does **not** apply to:
  - a. A building or any part of a building that is in danger of falling down or caving in;
  - b. A part of a building that is standing, even if it has separated from another part of the building; or
  - c. A building that is standing or any part of a building that is standing, even if it shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.
- 4. With respect to the following property:
  - a. Outdoor radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers;
  - b. Awnings, gutters and downspouts;
  - c. Yard fixtures;
  - d. Outdoor swimming pools;
  - e. Fences;
  - f. Piers, wharves and docks;
  - g. Beach or diving platforms or appurtenances;
  - h. Retaining walls; and
  - i. Walks, roadways and other paved surfaces;



if an abrupt collapse is caused by a cause of loss listed in 2.b. through 2.f. we will pay for loss or damage to that property only if:

- (1) Such loss or damage is a direct result of the abrupt collapse of a building insured under this Coverage Form; and
- (2) The property is Covered Property under this Coverage Form.

5. If personal property abruptly falls down or caves in and such collapse is not the result of abrupt collapse of a building, we will pay for loss or damage to Covered Property caused by such collapse of personal property only if:

- a. The collapse of personal property was caused by a cause of loss listed in 2.a. through 2.f. above;
- b. The personal property which collapses is inside a building; and
- c. The property which collapses is not of a kind listed in 4., regardless of whether that kind of property is considered to be personal property or real property.

The coverage stated in this Paragraph 5. does not apply to personal property if marring and/or scratching is the only damage to that personal property caused by the collapse.

6. This Additional Coverage – Collapse does not apply to personal property that has not abruptly fallen down or caved in, even if the personal property shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.

7. This Additional Coverage – Collapse will not increase the Limits of Insurance provided in this Coverage Part.

8. The term Covered Cause of Loss includes the Additional Coverage – Collapse as described and limited in SECTION V - 1. through 7.

## SECTION VI - OTHER PROVISIONS

1. **Inspection of Property and Operations:** This Company and any person or organization making inspections on the Company's benefit shall be permitted but not obligated to inspect the property and operations at any time. Neither the right of this Company and any person or organization to make such inspections nor the making thereof nor any report thereon shall constitute an undertaking, on behalf of or for the benefit of the named insured or others, to determine or warrant that such property or operations are safe or healthful, or are in compliance with any law, rule or regulations.

2. **Permits and Use:** Except as otherwise provided, permission is granted:

- a. to make additions, alterations and repairs. This Policy insofar as it covers building(s) or structure(s), is extended to cover additions, alterations and repairs, when not otherwise covered by insurance, including temporary structures constructed on site, materials, equipment and supplies therefor on or within 100 feet of the described premises; and this Policy, insofar as it covers contents, is extended to cover such additions.
- b. for such unoccupancy as is usual or incidental to described occupancy. "Unoccupied" or "Unoccupancy" means containing contents pertaining to occupancy of the building while operations or other customary activities are suspended.

3. **Protective Safeguards:** It is a condition of this insurance that you and the tenant shall maintain so far as is within your or the tenant's control such protective safeguards as maybe set forth under the Investor Property Master Policy or by endorsement hereto.

Failure to maintain such protective safeguards shall suspend this insurance, only as respects the location or situation affected, for the time of such discontinuance.

**INVESTOR PROPERTY  
WINDSTORM/HAIL AND HURRICANE DEDUCTIBLE ENDORSEMENT**

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**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

It is hereby understood and agreed that a minimum deductible as shown on the Investor Property Master Policy Declarations shall apply to each occurrence caused by the perils of wind, hail, and hurricane.

This deductible applies in the event of direct physical loss to:

1. Residential dwellings, including other structures; and
2. Commercial buildings.

Such deductible applies regardless of any other cause or event contributing concurrently or in any sequence to the loss; however, this deductible does not apply to loss resulting from rain or wind-driven rain, except rain or wind-driven rain which enters the insured property or structure through an opening created by the force of wind, hail, or hurricane.

ALL OTHER PROVISIONS OF THE POLICY REMAIN UNCHANGED.

**POLICYHOLDER DISCLOSURE  
NOTICE OF TERRORISM  
INSURANCE COVERAGE**

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Coverage for acts of terrorism is included in your policy. You are hereby notified that under the Terrorism Risk Insurance Act, as amended in 2015, the definition of act of terrorism has changed. As defined in Section 102 (1) of the Act: The term "act of terrorism" means any act or acts that are certified by the Secretary of Treasury – in consultation with the Secretary of Homeland Security and the Attorney General of the United States – to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion. Under your coverage, any losses resulting from certified acts of terrorism may be partially reimbursed by the United States Government under a formula established by the Terrorism Risk Insurance Act, as amended. However, your policy may contain other exclusions which might affect your coverage, such as exclusion for nuclear events. Under the formula, the United States Government generally reimburses 85% through 2015; 84% beginning on January 1, 2016; 83% beginning on January 1, 2017, 82% beginning on January 1, 2018; 81% beginning on January 1, 2019; 80% beginning on January 1, 2020, of covered terrorism losses exceeding the statutorily established deductible paid by the insurance company providing the coverage. The Terrorism Risk Insurance Act, as amended, contains a \$100 billion cap that limits U.S. Government reimbursement as well as insurers' liability for losses resulting from certified acts of terrorism when the amount of such losses exceeds \$100 billion in any one calendar year. If the aggregate insured losses for all insurers exceeds \$100 billion, your coverage may be reduced.

In accordance with the Act, we are providing you with this disclosure notice. The portion of your premium attributable to coverage for certified acts of terrorism under your policy is \$0.00 and does not include any charges for the portion of losses covered by the United States Government under the Act.

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**INVESTOR PROPERTY  
SERVICE OF SUIT**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

Service of Suit Endorsement: 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 successor or 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 or any beneficiary hereunder, arising out of this policy of insurance and hereby names the following Company Counsel as the person to whom said officer is authorized to mail such process or a true copy thereof:

American National Lloyds Insurance Company  
Attn: Counsel/Legal Department  
1949 East Sunshine Street  
Springfield, MO 65899-0001

In addition to the above named Company Counsel, the Company also designates the following persons to whom said officer is authorized to mail such process or a true copy thereof in the states listed below:

AK	CT Corporation System	9360 Glacier Highway Suite 202	Juneau	AK	99801
AR	The Corporation Company	124 West Capitol Ave., Suite 1900	Little Rock	AR	72201
CA	Nancy Flores c/o C T Corporation System	818 West Seventh Street	Los Angeles	CA	90017
CT	CT Corporation System	One Corporation Center	Hartford	CT	06103-3220
DE	The Corporation Trust Company	Corporation Trust Center, 1209 Orange St.	Wilmington	DE	19801
FL	Donna Moch c/o C T Corporation System	1200 South Pine Island Road	Plantation	FL	33324
IA	CT Corporation System	400 East Court Avenue	Des Moines	IA	50309
ID	CT Corporation System	921 S. Orchard St, Suite G	Boise	ID	83705
KS	The Corporation Company, Inc.	112 S.W. Seventh St., Suite C3	Topeka	KS	66603
KY	CT Corporation System	306 W. Main Street, Suite 512	Frankfort	KY	40601
LA	CT Corporation System	3867 Plaza Tower Dr.	Baton Rouge	LA	70816-4378
MD	The Corporation Trust Incorporated	351 West Camden Street	Baltimore	MD	21201
ME	CT Corporation System c/o Peter B. Webster	1536 Main Street	Readfield	ME	04355
MI	The Corporation Company	30600 Telegraph Road, Suite 2345	Bingham Farms	MI	48025-4350
MO	CT Corporation System	120 South Central Ave	Clayton	MO	63015
MS	CT Corporation System	645 Lakeland East Drive, Suite 101	Flowood	MS	39232
MT	CT Corporation System	3011 American Way	Missoula	MT	59808
NC	CT Corporation System	150 Fayetteville Street, Box 1011	Raleigh	NC	27601
ND	CT Corporation System	314 East Thayer Avenue	Bismarck	ND	58501
NH	CT Corporation System	9 Capitol Street	Concord	NH	03301
NJ	The Corporation Trust Company	820 Bear Tavern Road	West Trenton	NJ	08628
NM	CT Corporation System	206 S Coronado Ave.	Espanola	NM	87532-2792
OH	CT Corporation System	1300 East 9th Street	Cleveland	OH	44114
OK	The Corporation Company	1833 South Morgan Road	Oklahoma City	OK	73128
RI	CT Corporation System	450 Veterans Memorial Pkwy, Suite 7A	East Providence	RI	02914
SC	CT Corporation System	2 Office Park Court, Suite 103	Columbia	SC	29223
UT	CT Corporation System	1108 E. South Union Ave.	Midvale	UT	84047
WA	CT Corporation System	505 Union Avenue SE, Suite 120	Olympia	WA	98501

This endorsement does not change any other provision of the policy.

**INVESTOR PROPERTY  
COINSURANCE VALUATION ENDORSEMENT**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

It is hereby agreed and understood that this Coinsurance Valuation Endorsement is part of the Investor Property Master Policy. At the time of loss the basis of adjustment, unless otherwise endorsed herein, shall be as follows:

- a. We shall not be liable for more than an amount greater than the insurable interest of the Named Insured at the time of loss or for more than the limit of the liability that applies as reported and requested by the Named Insured. The Named Insured agrees to insure each reported property to a minimum of eighty percent (80%) of the Replacement Cost Value of the property. Should the Insured fail to insure a property to eighty percent (80%) of the Replacement Cost Value, then a Coinsurance Penalty will apply.
- b. In determining the amount of insurance required to equal eighty percent (80%) of the full replacement cost of the property insured, do not include the value of excavations, foundations, supports, underground pipes, flues, drains and wiring which are below the surface of the ground.

Settlement for losses insured to at least eighty percent (80%) of the Replacement Cost Value prior to the loss will be adjusted based upon the Loss Settlement provision in the Investor Property Master Policy.

**Coinsurance Calculation Example**

Insured Property Information:

Replacement Cost Value (RCV):	\$500,000
Coinsurance (Amount of Insurance) Required:	80% (of RCV)
Deductible:	\$1,000
Amount of Loss:	\$50,000

**Inadequate Limits of Coverage**

Amount of Insurance Carried - "Did"	\$350,000
Amount of Insurance Required (RCV x Coinsurance) - "Should" • (\$500,000 x 80%)	\$400,000
Coinsurance Penalty Calculation Factors 1. Did / Should (\$350,000 / \$400,000) 2. Loss Amount 3. Deductible	1. 0.875 2. \$50,000 3. 1,000
Coinsurance Penalty Calculation: (1.x 2.) - 3.	(0.875 x \$50,000) - \$1,000
Amount of Payment (From Coinsurance Penalty Calculation Above)	\$42,750
Amount of Coinsurance Penalty (ignoring deductible) Loss Amount - Payment Amount (before deductible) \$50,000 - \$43,750	\$6,250

We will determine the value covered property as follows:

If at the time of loss, the limit of liability applicable to the lost or damaged property is less than eighty percent (80%) of the full replacement cost value of the property immediately before the loss, we will pay the greater of the following amounts, but not more than the limit of liability that applies to the property:

- a. The actual cash value of the lost or damaged property; or
- b. A proportion of the cost to repair or replace the lost or damaged property, after application of the deductible. This proportion will equal the ratio of the applicable limit of liability to eighty percent (80%) of the cost of repair or replacement.