

# PART I- ASSET PROTECTION

This Declaration Page is attached to and forms part of certificate provisions.

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Authority Reference No. B1262BW0024519	Certificate No. 0119040105
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**1** Name and address of the Assured

Stateside APM - Program 5  
6445 Citation Drive Ste F  
Clarkston, MI 48346

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**2** Effective from 04/01/2019 to 04/01/2020  
both days at 12:01 a.m. standard time

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**3** Insurance is effective with certain Percentage  
**UNDERWRITERS AT LLOYDS,**  
**LONDON** **100%**

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<b>4</b>	Amount	Coverage	Rate	Premium												
	<b>As per Monthly</b>	<b>Property Coverage</b>	<b>As per</b>	<b>Premium: *</b>												
	<b>Reporting form values filed by the Assured, but in no event for more than \$5,000,000 for any one location.</b>	<b>As per Attached Conditions and Endorsements.</b>	<b>Attached Rate Endorsement</b>	<table style="width: 100%; border: none;"> <tr> <td><b>Min. Earned Prem.:</b></td> <td style="text-align: right;"><b>\$0.00</b></td> </tr> <tr> <td><b>State Tax:</b></td> <td style="text-align: right;">2.50000 <b>\$0.00</b></td> </tr> <tr> <td><b>Stamping Fee:</b></td> <td style="text-align: right;">0.00000 <b>\$0.00</b></td> </tr> <tr> <td><b>Policy Fee:</b></td> <td style="text-align: right;"><b>\$62.00</b></td> </tr> <tr> <td><b>State Tax:</b></td> <td style="text-align: right;">0.00000 <b>\$0.00</b></td> </tr> <tr> <td><b>Stamping Fee:</b></td> <td style="text-align: right;">0.00000 <b>\$0.00</b></td> </tr> </table>	<b>Min. Earned Prem.:</b>	<b>\$0.00</b>	<b>State Tax:</b>	2.50000 <b>\$0.00</b>	<b>Stamping Fee:</b>	0.00000 <b>\$0.00</b>	<b>Policy Fee:</b>	<b>\$62.00</b>	<b>State Tax:</b>	0.00000 <b>\$0.00</b>	<b>Stamping Fee:</b>	0.00000 <b>\$0.00</b>
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<b>State Tax:</b>	0.00000 <b>\$0.00</b>															
<b>Stamping Fee:</b>	0.00000 <b>\$0.00</b>															

\* Premium as per Monthly Reports filed by the Assured.

**5. Deductibles**

- (a) **Residential Dwelling**      5000.00 any one location for each occurrence, for all covered perils, except as noted in the Hurricane, Wind and Hail Deductibles sections of this endorsement.
- (b)                                    **Commercial**      5000.00 any one location for each occurrence, for all covered perils, except as noted in the Hurricane, Wind and Hail Deductibles sections of this endorsement.

**Hurricane, Wind and Hail Deductibles**

- (a) **Residential Dwelling**                                    5000.00 any one location for each occurrence in the First Tier Counties of any designated State

- (b) **Residential Dwelling** 5000.00 any one location for each occurrence in the remaining counties of those designated States
- (c) **Commercial** 5000.00 any one location for each occurrence in the First Tier Counties of any designated State
- (d) **Commercial** 5000.00 any one location for each occurrence in the remaining counties of those designated States
- (e) **Residential Dwelling** 5000.00 any one location for each occurrence located in the State of Oklahoma
- (f) **Commercial** 5000.00 any one location for each occurrence located in the State of Oklahoma

5 Special Conditions

6 Service of Suit may be made upon: **Messrs, Mendes & Mount  
750 Seventh Ave  
New York, NY 10019-6829**

7. Property Rate

**RATES PROPERTY(S):**

Annual Rates:

*The annual property rates noted below are proposed on a per \$100 valuation*

<u>Classification</u>	<u>Coverage</u>	<u>REO</u>
Residential	AOP-All States Except FL & MI	\$0.40
Residential	AOP-Michigan	\$0.97
Residential	AOP-Florida +Wind	\$1.65
Residential	AL, LA, MS, TX-Tier 1 counties	\$1.20
Residential	GA, SC, NC- Tier 1 counties +state of HI	\$1.00
Commercial	AOP-All States Except FL & MI	\$1.00
Commercial	AOP-Michigan	\$1.60
Commercial	AOP-Florida +Wind	\$2.05
Commercial	AL, LA, MS, TX-Tier 1 counties	\$1.75
Commercial	GA, SC, NC- Tier 1 counties +state of HI	\$1.65

**RATES ARE TO BE REPORTED AND APPLIED SEPARATELY FOR EACH LOCATION AND VALUE FOR BUILDINGS, CONTENTS, RENTS, EXTRA EXPENSE OR OTHER COVERAGES ADDED BY ENDORSEMENT TO THIS POLICY.**

Dated: 5/1/2019

**SOUTHWEST BUSINESS CORPORATION**

**NATIONAL COLLATERAL PROTECTION, INC.**

At: **9311 San Pedro, Suite 550  
San Antonio, Texas 78216**

by Gary Dudley  
Correspondent

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MICHIGAN

This insurance has been placed with an insurer that is not licensed by the State of Michigan. In case of insolvency, payment of claims may not be guaranteed.

**MOBILE HOME PROPERTY EXCLUSION ENDORSEMENT**

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

Attached to and forming a part of Certificate No. 0119040105 of Underwriters at Lloyd's of London effective: 04/01/19 and issued to:

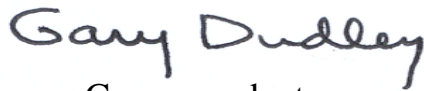
Stateside APM-Program 5  
6445 Citation Drive Ste F  
Clarkston, MI 48346

Underwriters shall not be liable for any loss to any Mobile Home properties. Any reference contained within this policy to insurance coverage of such properties is hereby deleted in its entirety.

**ALL OTHER TERMS AND CONDITIONS SHALL REMAIN UNCHANGED.**

DATE: 05/01/19

SOUTHWEST BUSINESS CORPORATION  
NATIONAL COLLATERAL PROTECTION, INC.



Correspondent

**ATTACHED TO AND FORMING PART OF CERTIFICATE NO. 0119040105  
EFFECTED WITH CERTAIN UNDERWRITERS AT LLOYD'S OF LONDON**

**SCHEDULE**

CERTIFICATE NUMBER: 0119040105  
PERIOD OF INSURANCE: 04/01/2019 **to** 04/01/2020  
NAMED ASSURED: Stateside APM - Program 5  
NAMED ASSURED ADDRESS: 6445 Citation Drive Ste F  
Clarkston, MI 48346

**INTEREST:** Subject to monthly reporting requirements, property coverage on Commercial and Residential property(s) as per attached property certificate conditions, terms and endorsements.

**LIMITS:** Property up to the maximum of \$5,000,000 any one location, under Authority Reference Number B1262BW0024519.

**DEDUCTIBLES:** As per attached endorsement(s).

**RATES:** As per attached endorsement(s).

SCH95

**SURPLUS LINES**

**MANDATORY ENDORSEMENT**

This endorsement forms a part of Certificate Number 0119040105 issued to

Stateside APM - Program 5  
6445 Citation Drive Ste F  
Clarkston, MI 48346

by NATIONAL COLLATERAL PROTECTION, INC. at its Agency located at 9311 San Pedro, Suite 550, San Antonio, Texas 78216 and is effective from 04/01/2019 to 04/01/2020 (12:01 am standard time).

(This information above is required only when this endorsement is issued subsequent to preparation of the policy.)

**BROKER FOR THE UNDERWRITERS AT LLOYD'S LONDON  
WHICH EFFECTED COVERAGE:**

**Underwriters at Lloyds, London  
c/o Arthur J. Gallagher UK Ltd t/a Capsicum Delegated Authority  
The Walbrook Building, 25 Walbrook, London, EC4N 8AW, United Kingdom**

This endorsement forms a part of the policy to which attached, effective from its date of issue unless otherwise stated herein. It is agreed that as of the effective date hereof the policy is amended IN ACCORDANCE WITH ARTICLE 1.14-2 AND AMENDMENTS. THE FOLLOWING INFORMATION BECOMES A PART OF THE CERTIFICATE TO WHICH IT IS ATTACHED:

**THIS INSURANCE CONTRACT IS WITH AN INSURER NOT LICENSED TO TRANSACT INSURANCE IN THIS STATE AND IS ISSUED AND DELIVERED AS A SURPLUS LINES COVERAGE PURSUANT TO THE ST INSURANCE STATUTES. THE STATE BOARD OF INSURANCE DOES NOT AUDIT THE FINANCES OR REVIEW THE SOLVENCY OF THE SURPLUS LINES INSURER PROVIDING THIS COVERAGE, AND THIS INSURER IS NOT A MEMBER OF ANY PROPERTY AND CASUALTY INSURANCE GUARANTY ASSOCIATION CREATED UNDER THE LAWS OF THIS STATE. THE INSURANCE CODE REQUIRES PAYMENT OF SURPLUS LINES TAX ON GROSS PREMIUM.**

SLC95

**COUNTERSIGNATURE ENDORSEMENT**  
**RESIDENT SURPLUS LINES AGENT**

This endorsement effective 12:01 a.m. standard time, 04/01/2019 forms a part of Certificate Number: 0119040105 issued to Stateside APM - Program 5 by Underwriters at Lloyds, London.

**EXCESS AND SURPLUS LINES ENDORSEMENT**

This policy/covernote was issued by Southwest Business corporation/National Collateral Protection, Inc. on behalf of: National Collateral Protection whose office is located at 9311 San Pedro, Suite 550 San Antonio, TX 78216, a surplus lines license holder, who is responsible for collecting and remitting all surplus lines taxes and fees and providing all required insurance documentation and filings to the State of MI.

The signature shown on this endorsement complies with countersignature laws, regulations, and excess and surplus laws of the state shown.

**ALL OTHER TERMS AND CONDITIONS SHALL REMAIN UNCHANGED.**

**ATTACHING TO AND FORMING PART OF CERTIFICATE NO. 0119040105**  
**Effected with Underwriters at Lloyd's, London.**

SIG795

**SYNDICATE ENDORSEMENT**

Attaching to and forming a part of Certificate No. 0119040105 issued on behalf of Underwriters at Lloyds, London to:

Stateside APM - Program 5  
6445 Citation Drive Ste F  
Clarkston, MI 48346

All other conditions remaining the same, this Certificate is secured by the Syndicates Underwriting the risk and the participation's thereof as shown below:

<b>Syndicate Number</b>	<b>Participation</b>
BRT	2987 43.6892%
BRT	2988 4.8544%
CNP	4444 14.5631%
AMA	1200 7.2816%
ARG	2121 6.7961%
APL	1969 3.3981%
KLN	510 4.8544%
ARK	4020 2.9126%
AES	1225 4.8544%
LIB	4472 3.8835%
QBE	1886 2.9126%
	<b>100.00%</b>

SYN090c



## ASSET PROTECTION PROGRAM

Insurance is issued by Underwriters at Lloyds, London (Underwriters) in consideration of the required premium payment for the property insurance's attached and for which a limit of insurance is shown on the Declarations. All terms and conditions apply to all sections of this policy, unless specifically superseded by the provisions of each section. All coverages are subject to the following:

### PROPERTY GENERAL CONDITIONS

#### (1) ASSURED

Stateside APM - Program 5  
6445 Citation Drive Ste F  
Clarkston, MI 48346

#### (2) POLICY TERM

This policy covers all property and/or interest at risk as of 12:01 AM (Standard Time at place of issuance) on 04/01/2019 and continues in force until 12:01 AM (Standard Time at place of issuance) on 04/01/2020.

#### (3) PREMIUM AND REPORTS

This policy is issued in consideration of payment of the minimum earned deposit premium which is equal to **the first month's premium** of the applicable mortgaged property in accordance with the Insuring Agreements hereof subject to the maximum amount of insurance set forth in Item 4 of the Declarations and subject to the Assured's required monthly report of values with respect to covered loss sustained by the Assured after 12:01 a.m. Standard time of the date set forth in Item 2 of the Declarations. Premiums are **fully earned** each month based on the Assured's report of values with respect to all covered Real and Personal Property of the Assured for which the Assured acquires and maintains an insurable interest as of the last day of each month for which coverage is afforded. Premium shall be charged by the Underwriters and applied against the Deposit or Monthly Premium until the same is exhausted, following which all further earned premium shall be due and payable to the Underwriters at the time of filing the monthly report on which the earned premium is due.

The Assured is authorized to request the Underwriters to bind coverage hereunder subject to all terms, limits, conditions and stipulations in this policy to be effective at 12:01 a.m. Standard time on the date as Reported to Underwriters by the Assured at the location of the property. **As to the property covered under this policy, it is a condition of this insurance that the Assured is required to report to Underwriters, on or before the tenth (10th) day of each month, a complete transaction report including the full replacement cost of each property to be insured, subject to the limit of liability stipulated within this policy. Reports shall indicate each property location when added, amended, or canceled for the preceding month. A calculation of the required premium and payment of premium is due each month, notwithstanding the reporting requirement.**

**It is agreed** that the report shall, at a minimum, include the following information for each property to be insured under this policy: **(1)** each exact physical property location or legal description, **(2)** each property type and class, **(3)** occupancy, **(4)** interest of Assured or Mortgagor, **(5)** addition/effective or cancellation/deletion date (if applicable) of each property, **(6)** full insurable value of each covered property, and **(7)** name and address of each Mortgagor, if any. If the Assured has failed to file with the Underwriters a report of values as required above, this policy shall cover the locations **for not more than** the amounts included in the last report of values herein required to be filed with premiums fully earned accordingly, subject otherwise to all of its terms and conditions.

#### (4) LIMIT OF LIABILITY

This policy will respond for the limits reported by the Assured **but in no event** for more than **\$5,000,000** total values at any one location as shown in Item 4 of the Declarations. Coverage for Residential Appurtenant Structures is limited to ten percent (10%) of the dwelling value, but does not increase the limit of coverage at any one location.

## (5) DEDUCTIBLES

All claims for loss damage or expense arising out of any occurrence shall be adjusted separately for each reported location, and from the amount of such adjusted claim the following shall be deducted, It is hereby agreed that the deductibles stated in the Declaration shall apply to all loss arising out of direct physical loss or damage to any property or to interest hereunder, except as amended or excluded under the Certificate

### Hurricane, Wind and Hail Deductibles

- (a) For any **residential** properties located in the First Tier Counties of any designated State, or any additional counties listed, the deductible for the perils of Hurricane, Wind or Hail for any one location for each occurrence is the **amount specified in the Declaration or five percent (5%) of the scheduled value, whichever is greater.**
- (b) Furthermore, for the remaining counties of those States, the deductible for the perils of Hurricane, Wind or Hail for any one location for each occurrence is the **amount specified in the Declaration or one percent (1%) of the scheduled value, whichever is greater / in the State of Florida - two percent (2%) of the scheduled value, whichever is greater.**
- (c) For any **commercial** properties located in the First Tier Counties of any designated State, or any additional counties listed, the deductible for the perils of Hurricane, Wind or Hail, for any one location for each occurrence is the **amount specified in the Declaration or five percent (5%) of the scheduled value, whichever is greater.**
- (d) Furthermore, for the remaining counties of those States, the deductible for the perils of Hurricane, Wind or Hail for any one location for each occurrence is the **amount specified in the Declaration or one percent (1%) of the scheduled value, whichever is greater / in the State of Florida - two percent (2%) of the scheduled value, whichever is greater.**
- (e) For purposes of this Policy, the States designated are: **Alabama, Florida, Georgia, Louisiana, Mississippi, North Carolina, South Carolina, Texas (including Harris County) as well as Hawaii, Puerto Rico and the U.S. Virgin Islands.**
- (f) For any **residential** properties located in the State of Oklahoma the deductible for the perils of Hurricane, Wind or Hail for any one location for each occurrence is the **amount specified in the Declaration or two percent (2%) of the scheduled value, whichever is greater.**
- (g) For any **commercial** properties located in the State of Oklahoma the deductible for the perils of Hurricane, Wind or Hail for any one location for each occurrence is the **amount specified in the Declaration or five percent (5%) of the scheduled value, whichever is greater.**

## (6) VALUATION

At the time of loss, the basis of adjustment unless otherwise endorsed herein shall be as follows:

- (a) The insurance under this policy applicable to property described under the Reporting Forms is hereby extended to cover such item(s) for their **replacement cost** without deduction for depreciation at the time of loss **except as provided below or by endorsement.** The Underwriters shall not be liable for more than an amount greater than the insurable interest of the Assured at the time of loss under this policy, or for more than the limit of the liability that applies as reported and requested by the Assured. 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.

**(b)** This policy **does not cover** the following property on a replacement cost basis, but rather on a **depreciated actual cash value** basis at the time of loss:

- (i)** mobile homes;
- (ii)** personal property;
- (iii)** furniture, fixtures or contents, stock (raw, in process or finished) or merchandise, including materials and supplies in connection therewith;
- (iv)** books of account, abstracts, manuscripts, drawings, card index systems and other records (including film, tape, disc, drum, cell and other magnetic recording or storage media);
- (v)** paintings, etchings, pictures, tapestries, statuary, marbles, bronzes, antique furniture, rare books, antique silver, porcelains, rare glassware and bric-a-brac or other articles of art, rarity or antiquity;
- (vi)** carpeting or other floor coverings, cloth awnings, drapes, cabinetry, domestic appliances or outdoor equipment;
- (vii)** heating or air conditioning units, water heaters.

**(c)** This Underwriter's liability to the Assured for loss under this policy **shall not exceed** the lesser of the following amounts after application of deductible:

- (i)** the amount of coverage reported and provided under this policy; or
- (ii)** the replacement cost of item(s), or any part thereof, identical with item(s) described herein and insured hereunder for replacement cost, without deduction for depreciation, on the same premises, intended for the same occupancy and use at the time of loss, if at the time of loss, the reported coverage limit of liability is eighty percent (80%) or more of the replacement cost of the insured item immediately before the loss; or
- (iii)** the amount actually and necessarily expended in repairing or replacing with like kind and quality the item(s) described herein and insured hereunder for replacement cost without deduction for depreciation, or any part thereof, on the same premises, intended for the same occupancy and use, if at the time of loss, the reported coverage limit of liability is eighty percent (80%) or more of the replacement cost of the insured item immediately before the loss; or
- (iv)** the actual value of that part of the property damaged with deduction for depreciation of that part of the building or property damaged but not exceeding the limit of liability under this policy applying, if at the time of loss, the reported coverage limit of liability is not eighty percent (80%) or more of the replacement cost of the insured item immediately before the loss; or
- (v)** the insurable interest of the Assured and Mortgagor.

**(d)** The Underwriters **shall not be liable** for:

- (i)** any loss occasioned by the enforcement of any federal, state or municipal law, ordinance or ruling regulating the construction, reconstruction, condemnation, seizure, confiscation or repair of buildings, or loss due to the assessment of fire department service charges;
- (ii)** the replacement cost of any loss under this policy unless and until the damaged property is actually repaired or replaced on the same premises with due diligence and dispatch, and in any event, unless repair or replacement is completed within one hundred-eighty (180) days after the destruction or damage, or within such further time as the Underwriters may during the one hundred eighty days (180) in writing allow. Upon completion of repairs or replacement completed within one hundred-eighty (180) days Underwriters will pay the additional replacement cost amount claimed beyond the depreciated actual cash value.

## **(8) VACANCY, ALTERATIONS AND USE**

Except as otherwise provided, permission is hereby granted for any buildings to be and remain vacant and unoccupied without limit of time, and permission is hereby granted to repair any buildings. The Assured must specify with each report of values each vacant location.

To insure alterations and additions to any existing building under this policy, such alterations and additions must be specifically identified, reported, and added by Underwriters consent and addition by endorsement wording to this policy

## **COVERAGES**

## **(9) PROPERTY COVERED**

The Assured shall be indemnified in respect to loss, up to the date of settlement of such loss, by reason of all covered perils resulting in direct physical loss or damage to and property described and scheduled under this policy in the Declarations which is not otherwise excluded for Residential Dwellings (not to exceed four (4) living units), Commercial Buildings and Structures, including scheduled on premise Business Personal Property and Personal Property located within scheduled Residential Dwellings or Commercial Buildings and Structures scheduled under this policy, which includes Residential and Commercial No Show or Force Place Property, Foreclosed Real and Personal Property being Real Estate Owned Property including, but not limited to, Mobile Homes, Condominiums and Co-ops, Town Houses, Row Houses and Appurtenant Structures (including the Assured's Mortgage interest in a legal or fiduciary capacity in such property) against which the Assured granted a mortgage or to which the Assured has taken title, or property in which the Assured retains an interest when sold under a conditional sales agreement, a deed of trust, or any other instrument whereby title remains in the Name of the Assured, or the Assured's interest in cooperative loans on property in which the Assured has requested coverage by providing Underwriters monthly reports of values **except** second mortgages and equity lines **unless** such property is specifically reported and added by Underwriter's addition for loss due to fire, smoke, lightning, windstorm or hail, explosion, vehicles or aircraft, or volcanic action by endorsement wording to this policy.

Property insured under this clause shall include:

- (i)** Real and Personal Property for which the Assured may be liable as a mortgage servicing agent through written agreement, or for which the Assured may have an insurable interest as mortgagee and which the Assured has requested that Underwriters provide coverage in the monthly report furnished by the Assured. This clause applies to insured properties on which the Assured has requested coverage by providing Underwriters monthly reports of values.
- (ii)** Mortgaged Property in which the Assured acquires an insurable ownership interest or controlling interest and on which the Assured has requested coverage by providing Underwriters required reports of values.

## **(10) EXTRA EXPENSE**

Insurance provided by this policy shall indemnify the Assured for direct and actual extra expense loss sustained only if the building(s) are individually and previously reported and described, provided such loss results from extra expense by the Perils insured against. The Assured shall report separately the direct and actual extra expense for each separate location and a premium shall be charged separately for each location using the applicable property(s) rate. The Underwriters will in consideration of the agreed premium rate and reporting of extra expense values, indemnify the Assured up to the individually reported and described values for extra expense for each location managed and/or operated by the Assured for the extra and reasonable reported expense incurred by the Assured in order to continue as nearly as practicable the normal operation of the business following damage to or destruction of real or personal property by the perils insured against during the term of this policy, which property is on a premise owned but not occupied by the Assured. The term "Extra Expense," as used herein, is defined as the excess (if any) of the total cost incurred during the period of restoration chargeable to the operation of the Assured's business, over and above the total cost that would normally have been incurred to conduct the business during the same period had no damage or destruction occurred. Extra Expense does not mean loss of income. Any salvage value of property obtained for temporary use during the period of restoration which remains after the resumption of normal operations shall be taken into consideration in the adjustment of any loss hereunder. Underwriters will not insure or cover loss under this clause due to delay caused any governmental order or loss due to delay by strikes or anyone else at a location of rebuilding, replacing or repairing any damaged building when the delay otherwise prevents use of that property location.

The foregoing as respects extra expense is subject to the following conditions:

- (i)** The Underwriters shall be liable for such necessary Extra Expense incurred for only such length of time, hereinafter referred to as the "period of restoration," as would be required with the exercise of due diligence and dispatch to rebuild, repair, or replace such part of the property herein described that has been damaged or destroyed, commencing with the date of damage or destruction and not limited by the date of expiration of this policy; further
- (ii)** resumption of operation is required. As soon as practicable, the Assured shall resume normal operation of the business and shall dispense with such Extra Expense; and

(iii) this extension of coverage does not increase the limit of insurance provided by this policy.

## (11) RENTAL TERMS AND CONDITIONS

Insurance provided by this policy shall indemnify the Assured for direct and actual loss of rents sustained only if the building(s) are individually and previously reported and described, provided such loss results from the interruption of business by the Perils insured against. Total liability hereunder shall not exceed the amount specified under "Total Insurance" as described in Clause 4: LIMIT OF LIABILITY and Clause 6: VALUATION, nor shall the liability each month exceed the amount specified, scheduled and set forth in the limits of liability for each premise of this policy or a proportionate part for less than a month. The term "Rents and, or Rental Value" shall mean the gross rental receipts less such charges and expenses that do not necessarily continue from tenant occupancy.

The Assured shall report separately the gross rental receipts for each separate location and a premium shall be charged separately for each location using the applicable property(s) rate. It is hereby provided that if said premises or any part thereof shall be rendered untenable by any of the Perils insured against, the Underwriters shall thereupon become liable for the rental value of such untenable portions as to the amount of all legal obligations of the tenants and which would otherwise be obligations of the Assured up to the individual rental value reported by the Assured at each location. Loss shall be computed from the date of loss only until such time as the building could, with reasonable diligence and dispatch, be rendered again tenable, although the period may extend beyond the expiration of this policy; except if only a portion of the building is rendered untenable, the number of months for which this Underwriters is liable **shall not exceed** the number of months for which this Underwriters would have been liable in the event the entire building had been rendered untenable.

If this insurance covers rents or rental value of more than one building, for any one location, the monthly liability and the total liability shall apply to each building in the same proportion that the rent or rental value of each building bears to the total rent or rental value of all buildings. In determining rents, due consideration shall be given to the rental experience before the date of damage or destruction and the probable experience thereafter had no loss occurred. Underwriters will not insure or cover loss under this clause due to delay caused by any governmental order or loss due to delay by strikes or anyone else at a location of rebuilding, replacing or repairing any damaged building when the delay otherwise prevents renting of that property location.

## (12) DEBRIS REMOVAL EXTENSION

THIS EXTENSION CONTAINS PROVISIONS WHICH MAY LIMIT OR PREVENT RECOVERY UNDER THIS POLICY FOR LOSS WHERE COSTS OR EXPENSES FOR DEBRIS REMOVAL ARE INCURRED.

Nothing contained in this Extension shall override any Seepage and/or Pollution and/or Contamination Exclusion or any Radioactive Contamination Exclusion or any other Exclusion applicable to this Policy.

Any provision within this Policy (or within any other Endorsement which forms part of this Policy) which insures debris removal is canceled and replaced by the following:

- (i) In the event of direct physical damage to or destruction of property, for which Underwriters hereon agree to pay, or which but for the application of a deductible or underlying amount they would agree to pay (hereinafter referred to as 'Damage or Destruction'), this Policy also insures, within the sum insured, subject to the limitations and method of calculation below, and to all the other terms and conditions of the Policy, costs or expenses;
  - (a) which are reasonably and necessarily incurred by the Assured in the removal, from the premises of the Assured at which the Damage or Destruction occurred, of debris which results from the Damage or Destruction; and
  - (b) of which the Assured becomes aware and advises the amount thereof to Underwriters hereon within one year of the commencement of such Damage or Destruction.
- (ii) In calculating the amount, if any, payable under this Policy for loss where costs or expenses for removal of debris are incurred by the Assured (subject to the limitations in paragraph (i) above):

- (a) the maximum amount of such costs or expenses that can be included in the method of calculation set out in (b) below shall be the greater of U.S. \$10,000 (ten thousand dollars) or 10% (ten percent) of the amount of the Damage or Destruction from which such costs or expenses result; and
- (b) the amount of such costs or expenses as limited in (a) above shall be added to:
  - (A) the amount of the Damage or Destruction, and
  - (B) all other amounts of loss, which arise as a result of the same occurrence, and for which Underwriters hereon also agree to pay, or which but for the application of a deductible or underlying amount they would agree to pay; and the resulting sum shall be the amount to which any deductible or underlying amount to which this Policy is subject and the limit (or applicable sub-limit) of this Policy, shall be applied.

### (13) PROPERTY EXCLUDED

**This policy does not cover the Assured's or Mortgagor's interest in:**

- (i) watercraft, aircraft, including engines, motors, equipment and accessories; automobiles, motor trucks, trailers, semi-trailers, motorcycles snowmobiles, nor other vehicles whether motorized or not, **except for** watercraft which must be specifically reported and added by Underwriter's addition for loss due to fire, smoke, lightning, windstorm or hail, explosion, vehicles or aircraft, flood, earth movement or volcanic action by endorsement wording to this policy;
- (ii) buildings or dwellings condemned or demolished by any governmental authority;
- (iii) land, growing crops, trees, shrubs, lawns, plants, grain, hay, straw or other crops or animals;
- (iv) shipments which have been laden on board export conveyance or have come under the protection of ocean marine insurance, whichever first occurs; or shipments until fully discharged from import conveyance or until ocean marine insurance has ceased to cover, whichever last occurs; or any property in transit; or registered mail, parcel post or shipments by mail;
- (v) currency, money, bullion, jewelry, watches, furs, evidence of debt, deeds, notes and securities;
- (vi) outdoor swimming pools, fences, piers, wharves, docks, beach or diving platforms or appurtenances; machinery or equipment; windmills, wind pumps or towers; crop silos or their contents; radio or television antenna towers or masts including their lead wiring; satellite dishes, yard fixtures; light or flag poles; retaining wall(s) not constituting a part of buildings; foundations, walks, roadways, pavements and other paved surfaces; **unless** such property is specifically reported and added by Underwriter's addition for loss due to fire, smoke, lightning, windstorm or hail, explosion, vehicles or aircraft, flood, earth movement or volcanic action by endorsement wording to this policy;
- (vii) all Real and Personal Property used or held as operational facilities of the Assured;
- (viii) all Real and Personal Property with previously unrepaired damage caused by risks of direct physical loss occurring prior to the cancellation of other insurance or mortgagee's interest in force for the property location;
- (ix) property while in the course of construction **unless** such property is specifically reported and added by Underwriter's addition for loss due to fire, smoke, lightning, windstorm or hail, explosion, vehicles or aircraft, flood, earth movement or volcanic action by endorsement wording to this policy;
- (x) property while being tested, nor property being installed or worked on if the loss results directly or indirectly from the work or installation.
- (xi) steam boilers, commercial air compressors and miscellaneous electrical apparatus, all whether permanently attached to the building or dwelling structure or not unless such property is specifically reported and added by Underwriter's addition for loss due to fire, smoke, lightning, windstorm or hail, explosion, vehicles or aircraft, flood, earth movement or volcanic action by endorsement wording to this policy

### CAUSES OF LOSS

## (16) PERILS INSURED

This policy covers against all risks of loss arising out of direct physical loss or damage to property or to interest hereunder, except as herein amended or excluded.

## (17) PERILS EXCLUDED

Notwithstanding anything to the contrary contained herein, this policy **does not cover loss** resulting in damage to or destruction of the described property directly or indirectly caused by or resulting from:

**(i) Earth Movement including**

- 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.

This Exclusion applies regardless of whether any of the above, in (i)A. through (i)D., is caused by an act of nature or is otherwise caused. However, direct loss by fire, explosion or theft resulting from any of the above, in 2(i)A. through (i)D., is covered.

**(ii) Water including**

- A. Flood, surface water, waves, including tidal wave and tsunami, tides, tidal water, overflow of any body of water, or spray from any of these, all whether or not driven by wind, including storm surge;
- B. Water which:
  - (1) Backs up through sewers or drains; or
  - (2) Overflows or is otherwise discharged from a sump, sump pump or related equipment;
- C. Water below the surface of the ground, including water which exerts pressure on, or seeps, leaks or flows through a building, sidewalk, driveway, patio, foundation, swimming pool or other structure; or
- D. Waterborne material carried or otherwise moved by any of the water referred to in (ii) A. through (ii) C. of this exclusion.

This Exclusion 3. applies regardless of whether any of the above, in (ii) A. through (ii) D., is caused by an act of nature or is otherwise caused. This Exclusion applies to, but is not limited to, escape, overflow or discharge, for any reason, of water or waterborne material from a dam, levee, seawall or any other boundary or containment system. However, direct loss by fire, explosion or theft resulting from any of the above, in (ii) A. through (ii) D., is covered.

**(iii) wear and tear, marring, deterioration, rust or corrosion, mold, wet or dry rot; inherent vice or latent defect; neglect; animals, birds, rodents, vermin, termites or other insects; smog, rust or corrosion; smoke, vapor or gas from agricultural or industrial operations; consequential loss; discharge, dispersal, seepage, migration, release or escape of pollutants; mechanical breakdown including rupture or bursting caused by centrifugal force; settling, shrinkage, bulging or expansion including resultant cracking of pavements, foundations, patios, walls, floors, roofs or ceilings; unless such cracking, shrinkage bulging or expansion is directly caused by fire, lightning, smoke, windstorm, hurricane, hail, explosion, aircraft, vehicles, vandalism, malicious mischief, riot, civil commotion and falling objects;**

**(iv) any happening through or in consequence of war, invasion, acts of foreign enemies, hostilities (whether to be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power or confiscation or nationalization or requisition or destruction of or damage to property by or under the order of any government or public or local authority;**

**(v) from nuclear reaction, nuclear radiation or radioactive contamination however such nuclear reaction, nuclear radiation or radioactive contamination may have been caused, NEVERTHELESS if Fire is an insured peril and a Fire arises directly or indirectly from nuclear reaction, nuclear radiation or radioactive contamination any loss or damage arising directly from that Fire shall (subject to the provisions of this policy) be covered EXCLUDING however all loss or damage caused by nuclear reaction, nuclear radiation or radioactive contamination arising directly or indirectly from that Fire;**

- (vi) intentional acts, infidelity, criminal, malicious acts, or dishonesty by the Assured or Mortgagor or any of the Assured's partners, officers, directors, trustee, agent or employee; nor anyone contracted with the Assured, nor any party with any interest in said property, nor any unexplained loss, mysterious disappearance, or loss, or shortage disclosed; nor any loss if the Assured or Mortgagor has intentionally concealed or misrepresented any material fact or circumstance or made any false statement or engaged in fraudulent conduct relating to this insurance before or after a loss;
- (vii) errors in design, errors on processing, faulty workmanship or faulty materials; nor delay, loss of market, loss of use, faulty, inadequate or defective planning zoning, development, surveying, sitting, design, specifications, workmanship, repair construction, renovation, remodeling, grading, compaction, materials or maintenance; and/or interruption of business, extra expense or increased cost (except as stated in Clause (10): EXTRA EXPENSE of this policy form);
- (viii) power interruption; electrical or magnetic injury or disturbance to electrical appliances, electronic data processing or computer equipment or media or data on media or programming records, devices, or wiring from artificial causes, nor mechanical or machinery breakdown, dampness of atmosphere, extremes or changes of temperature, unless a loss by fire or explosion not otherwise excluded ensues, and then the Underwriters shall be liable for only such ensuing loss **unless** such coverage is specifically added by Underwriter's addition by endorsement wording to this policy;
- (ix) Loss or damage resulting from freeze of plumbing, appliances, air conditioning, heating or fire protection systems in buildings that have been vacant beyond a period of thirty (30) consecutive days immediately preceding the loss or if the Assured, at any time during the policy period and whether vacant or occupied, has not used reasonable care to maintain heat in the building prior to the loss or neglected to use proper care and preventative maintenance of plumbing, appliances, air conditioning, heating or fire protection systems unless such coverage is specifically added by Underwriter's addition by endorsement wording to this policy;
- (x) explosion or rupture or bursting of steam boilers, steam pipes, steam turbines, gas turbines or steam engines owned or operated by the Assured or Mortgagor, but not excluding resulting loss or damage from a peril not otherwise excluded hereunder. Liability is specifically assumed for loss resulting from explosion or accumulated gases or unconsumed fuel within the firebox (or the combustion chamber) of any fired vessel, or within the flues and passages which conduct the gases of combustion therefrom; **unless** such coverage is specifically added by Underwriters' consent and addition by endorsement wording to this policy;
- (xi) water which backs up through sewers or drains or loss by continued or repeated seepage or leakage of water or steam from within a plumbing, heating or air conditioning system or from an appliance which occurs over a period of time beyond a period of ten (10) consecutive days immediately preceding the loss;
- (xii) vandalism and malicious mischief loss to the insured property if the Assured has failed to secure the property and conduct periodic property inspections of the interior and exterior of the property; or vandalism and malicious mischief loss on properties during the period following the commencement of foreclosure proceedings until the date the Assured acquires full possession, control, and title; or vandalism and malicious mischief loss on property insured by another insurer that has denied coverage because of vacancy **unless** blanket vandalism coverage is specifically added by Underwriter's addition by endorsement wording to this policy.
- (xiii) any loss occurring while the hazard is increased by any means within the Assured's or Mortgagor's knowledge or control; nor any loss by neglect, meaning neglect of the Assured or Mortgagor to use all reasonable means to save and preserve property at and after the time of loss, or when property is endangered by a Peril insured against, nor any loss after the property is sold or given to someone unless the loss was first reported prior to the release of the property;
- (xiv) any loss due to concealment or Fraud of the Assured or Mortgagor. This entire policy is void if the Assured or Mortgagor has 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, nor any loss due to trick, false pretense or other fraudulent scheme. Such acts or act by the Mortgagor, without the Assured's knowledge, shall bar recovery by the Assured as their interest may appear.



**(xv)** any loss due to the suspension, lapse or cancellation of any lease, lien, contract or order.

**(xvi)** any loss caused directly or indirectly by illegal or illicit trade regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

**(xvii)** any loss caused by the mysterious disappearance or breakage of personal property or contents.

**(xviii)** loss caused by rain, snow, sand or dust, whether driven by wind or not, to the interior of the buildings unless (1) the buildings shall first sustain an actual damage to roof or walls made by direct action of wind or hail, and then the Underwriters shall be liable for loss to the interior of the buildings as may be caused by rain, snow, sand, or dust entering the buildings through openings in the roof or walls made by direct action of wind or hail; or (2) such loss results from fire, lightning, aircraft, vehicles, explosion, vandalism, malicious mischief, weight of ice, snow, or sleet to the extent that such perils are insured against in this policy.

**(xix)** the peril of sinkhole is excluded. Sinkhole collapse means the settlement of systematic weakening of the land supporting the building(s) including the foundations, when such settlement to systematic weakening results from movement of ravelling of soils, sediments, or rock materials in the subterranean voids created by the effect of water on a limestone or similar rock formation. Notwithstanding the excluded peril the policy does insure the peril of Catastrophic Ground Collapse which is defined as follows: Catastrophic ground collapse means geological activity that result in an abrupt collapse of ground causing a depression in the cover clearly visible to the naked eye that causes structural damage to the building (s) including the foundations.

**(xx)** Asbestos (LMA5019 amended)

**(i)** This policy/certificate only insures asbestos physically incorporated in an insured building or structure, and then only that part of the asbestos which has been physically damaged during the policy period by one of these Listed Perils: Fire; Explosion; Lightning; Hail; Direct Impact of Vehicle, Aircraft or Vessel; Riot or Civil Commotion; Vandalism or Malicious Mischief; or Accidental Discharge of Fire Protective Equipment.

This coverage is subject to limitations in the policy to which this endorsement is attached and, in addition to each of the following specific limitations:

1. The said building or structure must be insured under this policy for damage by that Listed Peril.
2. The Listed Peril must be the immediate, sole cause of the damage to the asbestos.
3. The Assured must report to Insurers the existence and cost of the damage as soon as practicable after the Listed Peril first damaged the asbestos. However this policy does not insure such damage first reported to the Underwriters more than 12 (twelve) months after the expiration, or termination, of the policy period
4. Insurance under this policy in respect of asbestos shall not include any sum relating to:
  - (i)** any faults in the design or manufacture or installation of the asbestos.
  - (ii)** asbestos not physically damaged by the Listed Perils including any governmental or regulatory authority direction or request of whatsoever nature relating to undamaged asbestos.

**(ii)** Except as forth above, this policy does not insure asbestos or any sum relating thereto.

**(xxi)** Seepage and/or Pollution and/or Contamination

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

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

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

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

- (a) seepage of, or pollution and/or contamination by, anything, including but not limited to, any material designated as a 'hazardous substance' by the United States Environmental Protection Agency or as a 'hazardous material' by the United States Department of Transportation, or defined as a 'toxic substance' by the Canadian Environmental Protection Act for the purposes of Part II of that Act, or any substance designated or defined as toxic, dangerous, hazardous or deleterious to persons or the environment under any other Federal, State, Provincial, Municipal or other law, ordinance or regulation; and
- (b) the presence, existence, or release of anything which endangers or threatens to endanger the health, safety or welfare of persons or the environment.

**(xxii) Land, Water and Air (NMA 2340)**

Notwithstanding any provision to the contrary within the Policy of which this Exclusion forms part (or within any other Endorsement which forms part of this Policy), this Policy does not insure land (including but not limited to land on which the insured property is located), water or air, however and wherever occurring, or any interest or right therein.

**(xxiii) Authorities**

This policy does not cover expenses, fines, penalties or costs incurred or sustained by the Assured or Mortgagor or imposed on the Assured or Mortgagor at the order of any Government Agency, Court or other Authority, in connection with any kind or description of environmental impairment including seepage or pollution or contamination from any cause. Nothing in this Exclusion shall override any radioactive contamination exclusion in the Policy to which this Exclusion is attached.

**(xxiv) Electronic Data**

Notwithstanding any provision to the contrary within the Policy or any endorsement thereto, it is understood and agreed as follows:

- (a) This Policy does not insure loss, damage, destruction, distortion, erasure, corruption or alteration of ELECTRONIC DATA from any cause whatsoever (including but not limited to COMPUTER VIRUS) or loss of use, reduction in functionality, cost, expense of whatsoever nature resulting therefrom, regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

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

COMPUTER VIRUS means a set of corrupting, harmful or otherwise unauthorised instructions or code including a set of maliciously introduced unauthorised instructions or code, programmatic or otherwise, that propagate themselves through a computer system or network of whatsoever nature. COMPUTER VIRUS includes but is not limited to 'Trojan Horses', 'worms' and 'time or logic bombs'.

- (b) However, in the event that a peril listed below results from any of the matters described in paragraph (a) above, this Policy, subject to all its terms, conditions and exclusions, will cover physical damage occurring during the Policy period to property insured by this Policy directly caused by such listed peril.

Listed Perils

Fire

Explosion

(c) Electronic Data Processing Media Valuation

Notwithstanding any provision to the contrary within the Policy or any endorsement thereto, it is understood and agreed as follows:

Should electronic data processing media insured by this Policy suffer physical loss or damage insured by this Policy, then the basis of valuation shall be the cost of the blank media plus the costs of copying the ELECTRONIC DATA from back-up or from originals of a previous generation. These costs will not include research and engineering nor any costs of recreating, gathering or assembling such ELECTRONIC DATA. If the media is not repaired, replaced or restored the basis of valuation shall be the cost of the blank media. However this Policy does not insure any amount pertaining to the value of such ELECTRONIC DATA to the Assured or any other party, even if such ELECTRONIC DATA cannot be recreated, gathered or assembled.

**(xxv) Electronic Date Recognition Exclusion (Listed Perils)**

This Policy does not cover any loss, damage, cost, claim or expense, whether preventative, remedial or otherwise, directly or indirectly arising out of or relating to:

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

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

**POLICY CONDITIONS**

**(18) SUE AND LABOR**

In case of actual or imminent loss or damage, it shall be lawful and necessary for the Assured, their factors, servants or assigns, to sue, labor or travel for, in and about the defense, safeguard and recovery of the property insured hereunder, or any part thereof, without prejudice of this insurance; nor shall the acts of the Assured or the Underwriters in recovering, saving and preserving the property insured in case of loss or damage, be considered a waiver or acceptance of an abandonment; to the charges whereof, the Underwriters will contribute according to their proportion of the sum hereby insured.

**(19) SERVICE OF SUIT 14/09/2005 (LMA5020)**

This service of suit will not be read to conflict with or override the obligations of the parties to arbitrate their disputes as provided for any Arbitration provision within this Policy. The Clause is intended as an aid to compelling arbitration or enforcing such arbitration or arbitral award not as an alternative to such Arbitration provision for resolving disputes arising out of this contract of insurance (or reinsurance).

It is agreed that in the event of the failure of the Underwriters hereon to pay any amount claimed to be due hereunder, the Underwriters hereon, at the request of the Assured (or Reinsured), will submit to the jurisdiction of a Court of competent jurisdiction within the United States. Nothing in this clause constitutes or should be understood to constitute a waiver of Underwriters' rights to commence an action in any court of competent jurisdiction in the United States, to remove an action to a United States District Court, or to seek a transfer of a case to another Court as permitted by the laws of the United States or of any State in the United States.

It is further agreed that service of process in such suit may be made upon the firm or person named in the Declaration, and that in any suit instituted against any one of them upon this Contract. Underwriters will abide by the final decision of such Court or of any Appellate Court in the event of an appeal.

The above mentioned are authorized and directed to accept service of process on behalf of Underwriters in any such suit and/or upon the request of the Assured (or Reinsured) to give a written undertaking to the Assured (or Reinsured) that they will enter a general appearance upon Underwriters' behalf in the event of such a suit shall be instituted.

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

**(20) CONTRIBUTING INSURANCE**

Permission is granted for other policies written upon the same plan, terms, conditions, and provisions as those contained in this policy. This policy shall contribute to the total of each loss otherwise payable herein to the extent of the participation of this policy to the total limit of liability of all policies.

**(21) EXCESS PERMISSION**

Permission is granted for the Assured or Mortgagor to have excess insurance over the limit of liability in this policy without prejudice to this policy and the existence of such insurance, if any, shall not reduce any liability under this policy.

**(22) OTHER INSURANCE**

Except as referred to in Clause 20: CONTRIBUTING INSURANCE and Clause 21: EXCESS PERMISSION above, if any property included in the terms of this policy shall at the time of any loss be more specifically insured, this policy shall extend to cover such property only so far as related to any excess of insured property only for such loss as shall be in excess of the amount payable and recoverable from such more specific insurance.

The Underwriters shall not be liable for a greater proportion of any loss less the amount of the deductible than the amount of this policy applying to the insured item(s) bears to the total insurance on such insured item(s) whether or not such other insurance covers in the same manner and to the same extent as this policy as extended by Endorsement, and whether such other insurance is collectible or not.

**(23) BREACH OF WARRANTY**

If a breach of any warranty, duty, application, representation, responsibility, report or condition in any form or endorsement attached to or made a part of this insurance shall occur, such breach, by the term of such warranty, duty or condition, shall operate to void this insurance. It is agreed that such suspension or avoidance due to such breach shall be effective only during the continuance of such breach, and then only as to the building or contents therein or other separate locations to which such warranty or condition has reference and as respects to which such breach occurs.

**(24) NO CONTROL - NEGLIGENCE**

This insurance shall not be prejudiced by any act or neglect of the owner of any building if the Assured is not the owner thereof, nor by any act or neglect of any occupancy of any building, when such an act or neglect of the owner or occupant is not within the control of the Assured, nor by failure of the Assured to comply with any warranty or condition contained in any form or endorsement attached to this policy with regard to any portion of the premises over which the Assured has no control.

**(25) REQUIRED BY LAW**

Any provisions, required by law to be stated in policies issued by a subscriber hereto, shall be deemed to have been stated herein.

**(26) TITLES OF PARAGRAPHS**

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

**(27) CONFLICT OF WORDING - CHANGES**

Changes in this policy may be made only by attaching a written endorsement properly executed by Underwriters' authorized representative. No provision of the policy may be waived unless the terms of this policy allow the provision to be waived. Underwriters' request for an appraisal or examination will not waive any of the Underwriters' rights.

**(28) INSPECTION, SURVEYS AND AUDIT**

The Underwriters shall be permitted but not obligated to inspect any insured property at any time; give the Assured or Mortgagor reports on the conditions Underwriters find; and recommend changes relating to insurability and make changes to rates being charged. Neither the Underwriters' right to make inspection, nor the making thereof, nor any reports therein shall constitute an undertaking, on behalf of, or to the benefit of the Assured or Mortgagor or others, to determine or warrant that such property or operations are safe or healthful, or in compliance with any law, rule or regulation. Underwriters waive no rights and undertake no responsibility by reason of such inspection or examination or the omission thereof. The Assured must keep accurate records of the information Underwriters need to compute the Assured's premium. The Assured agrees to send to the Underwriters reports or copies of any and all records which are used at any time Underwriters request them. The Underwriters may examine and audit the Assured's books and records as far as they relate to the subject matter of this insurance, and charge an additional premium or credit a refund premium at any reasonable time during the original policy period and extensions thereof, and within three (3) years after the final termination of this policy.

**(29) TRANSFER OF RIGHTS**

The rights and duties of the named Assured under this policy may not be transferred without the express written consent of Underwriters by endorsement of this policy.

**(30) NOTICE OF LOSS, DUTIES AND RESPONSIBILITIES**

The Assured shall immediately report in writing, to the Underwriters, a description of every claimed loss or damage which occurs and may become a claim under this insurance immediately after it becomes known to the Assured. You may make a claim for loss or damage covered under this policy/certificate if you notify Underwriters, but in no case, later than 30 days following the date of loss or damage.

Further, the Assured must immediately:

- (1) notify the police in case of loss by theft or vandalism, (2) protect the property from further damage or loss, (3) make reasonable and necessary repairs to protect from further damage or loss, (4) keep an accurate record or repair expenses necessary to protect the property from further damage or loss, (5) make a list of all damaged or destroyed property showing in detail cost quantities, costs, actual cash value, amount of loss claimed and any other information Underwriters may require, (6) attach all bills, receipts and related documents that substantiate the figures in the list, (7) exhibit the damaged property as often as Underwriters may require, (8) submit to an examination under oath, and (9) do everything possible to preserve any rights to recover loss from others. If the Assured should do anything to impair the rights of recovery by Underwriters, the loss will not be covered. Underwriters will not reimburse for the costs of any repairs or reconstruction unless records and receipts are provided.

**(31) PROOF AND PAYMENT OF LOSS**

A detailed sworn proof of loss shall be filed by the Assured with the Underwriters, in writing, within sixty (60) days of Underwriters' request including:

- (1) The date and time of loss;
- (2) The interest of the Assured and all others with an interest in property;
- (3) All encumbrances on the property;
- (4) Other insurance which may cover the loss;
- (5) Changes in title, use occupancy or possession of the property and if required,

(6) Any plans and specifications of the damaged property.

Loss shall be adjusted with the Assured and all adjusted claims shall be paid to the Assured after presentation and acceptance of sworn proof of loss by the Underwriters or its appointed representatives. No loss payment shall be made until Underwriters have received the required Proof of Loss. Underwriters will make payments for covered losses to the Assured or any mortgage holder based on the financial interest each has in the covered property at the time of the loss as shown in the Proof of Loss.

If Underwriters give the Assured written notice within thirty (30) days after receipt of the signed sworn statement of loss from the Assured, Underwriters may repair or replace any part of the property damaged with equivalent property. For loss adjustment purposes on insured property, the Assured as their interests appear shall be considered as sole unconditional owners of the insured property, any contract or lease to the contrary notwithstanding.

If a covered location is damaged by a covered loss and the property is sold or given to a third party before the claim is settled, Underwriters will continue to adjust the loss with the Assured and make payments due to the Assured. There can be no abandonment of property to Underwriters. No rights to a claim under this policy can or will transfer to a third party or buyer.

### **(32) NON - REDUCTION OF LIMITS OF LIABILITY**

Any loss hereunder shall not reduce the limit(s) of liability under this contract; except as noted under the limit of liability provisions as respects flood and earth movement and, if purchased and a part of this policy, the aggregate limit of liability.

### **(33) SUBROGATION AND SUBROGATION WAIVER**

It is agreed that upon payment of any loss, the Underwriters are subrogated to all the rights of the Assured or Mortgagor to the extent of such payment. Any written release or waiver of liability entered into by the Assured or Mortgagor in the course of their business prior to loss hereunder, shall not affect this insurance nor the right of the Assured or Mortgagor to recover hereunder.

### **(34) ARBITRATION AND APPRAISAL**

If all terms and conditions of this policy have been adhered to, and if the Assured and the Underwriters fail to agree on the amount of loss, each, upon written demand either of the Assured or the Underwriters made within (60) days after a receipt of proof of loss by the Underwriters, shall select a competent and disinterested appraiser. The appraisers shall then select a competent and disinterested umpire.

If they should fail for fifteen (15) days to agree upon such umpire, then upon the request of the Assured or of the Underwriters, such umpire shall be selected by a judge of a court of record in the county and state in which such appraisal is pending. Then, at a reasonable time and place, the appraisers shall appraise the loss, stating separately the value at the time of loss and the amount of loss.

If the appraisers fail to agree, they shall submit their differences to the umpire. An award in writing by any two of these three shall determine the amount of loss. Such award shall be binding on the Assured and Underwriters. The Assured and the Underwriters shall each pay the expenses of his or its chosen appraiser and shall both bear equally the other expenses of the umpire.

### **(35) SALVAGE AND RECOVERIES**

Any property for which the Underwriters have indemnified the Assured or Mortgagor by payment or replacement shall become the property of the Underwriters, but **there shall be no abandonment of property to the Underwriters**. In any case, where one loss exceeds the total amount of all valid and collectable insurance applicable thereto, the Assured or Mortgagor shall be entitled to such part of any property recovered as is necessary to reimburse him in full for his excess loss; and the remainder, if any, belongs to the Underwriters except that the party obtaining or making the recovery shall retain therefrom the actual cost of obtaining or making the same.

**(36) BRANDS AND LABELS**

If branded or labeled merchandise covered by this policy be damaged and the Underwriters elects to take all or any part of the property at the agreed or appraised value, the Assured may stamp "salvage "on the merchandise or its containers, or may remove the brands or labels if such a stamp or removal will not physically damage the merchandise. The expense of such stamping or removal will be charged to salvaging expenses.

**(37) ASSISTANCE AND COOPERATION OF THE ASSURED**

The Assured shall cooperate with the Underwriters, and upon the Underwriter's request shall attend hearings and trials and shall assist in affecting settlements, securing and giving evidence, obtaining the attendance of witnesses, and in the conducts of suits.

**(38) CANCELLATION CLAUSE (NMA1331)**

NOTWITHSTANDING anything contained in this Insurance to the contrary this Insurance may be cancelled by the Assured at any time by written notice or by surrendering of this Contract of Insurance. This Insurance may also be cancelled by or on behalf of the Underwriters by delivering to the Assured or by mailing to the Assured, by registered, certified or other first class mail, at the Assured's address as shown in this Insurance, written notice stating when, not less than **60** days thereafter, the cancellation shall be effective. The mailing of notice as aforesaid shall be sufficient proof of notice and this Insurance shall terminate at the date and hour specified in such notice.

If this Insurance shall be cancelled by the Assured the Underwriters shall retain the customary short rate proportion of the premium hereon, except that if this Insurance is on an adjustable basis the Underwriters shall receive the Earned Premium hereon or the customary short rate proportion of any Minimum Premium stipulated herein whichever is the greater.

If this Insurance shall be cancelled by or on behalf of the Underwriters the Underwriters shall retain the pro rata proportion of the premium hereon, except that if this Insurance is on an adjustable basis the Underwriters shall receive the Earned Premium hereon or the pro rata proportion of any Minimum Premium stipulated herein whichever is the greater.

Payment or tender of any Unearned Premium by the Underwriters shall not be a condition precedent to the effectiveness of Cancellation but such payment shall be made as soon as practicable.

If the period of limitation relating to the giving of notice is prohibited or made void by any law controlling the construction thereof, such period shall be deemed to be amended so as to be equal to the minimum period of limitation permitted by such law.

**(39) SANCTION LIMITATION AND EXCLUSION CLAUSE (LMA3100)**

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

**(40) TERRITORIAL LIMITS**

This policy covers within the fifty (50) states comprising the United States of America including the District of Columbia.

**(41) CONDEMNED PROPERTY**

In the event that, prior to the date of loss, the property had already been condemned by Civil Authority, the value will be deemed to be reduced to zero and unearned premium paid by the Assured from the date of condemnation will be returned in full.

## **FREEZE MAINTENANCE ENDORSEMENT**

Attached to and forming a part of Certificate No. 0119040105 of Underwriters at Lloyds, London effective 04/01/2019 and issued to:

Stateside APM - Program 5

This Certificate is amended as of 04/01/2019 as follows:

The policy wording as applies to Section (17) Perils Excluded, Item (g):

freezing or thawing of plumbing, appliances, air conditioning, heating or fire protection systems in buildings that have been vacant beyond a period of thirty (30) consecutive days immediately preceding the loss **unless** such coverage is specifically added by Underwriter's addition by endorsement wording to this policy;


is hereby replaced as follows:

Loss or damage resulting from freeze of plumbing, appliances, air conditioning, heating or fire protection systems in buildings that have been vacant beyond a period of thirty (30) consecutive days immediately preceding the loss or if the Assured, at any time during the policy period and whether vacant or occupied, has not used reasonable care to maintain heat in the building prior to the loss or neglected to use proper care and preventative maintenance of plumbing, appliances, air conditioning, heating or fire protection systems **unless** such coverage is specifically added by Underwriter's addition by endorsement wording to this policy;

All other terms and conditions shall remain unchanged.

DATE: 5/1/2019

**SOUTHWEST BUSINESS CORPORATION  
NATIONAL COLLATERAL PROTECTION, INC.**

  
\_\_\_\_\_  
Correspondent

ATTACHED TO AND FORMING PART OF CERTIFICATE NO. 0119040105  
Effected with Certain Underwriters at Lloyds, London.



## **(42) LLOYD'S PRIVACY POLICY STATEMENT (LSW1135B)**

### UNDERWRITERS AT LLOYD'S, LONDON

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

### INFORMATION WE COLLECT

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

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

### INFORMATION WE DISCLOSE

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

### CONFIDENTIALITY AND SECURITY

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

### RIGHT TO ACCESS OR CORRECT YOUR PERSONAL INFORMATION

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

### CONTACTING US

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

## PART II - COMMERCIAL GENERAL LIABILITY CERTIFICATE

**This Declaration Page is attached to and forms part of certificate provisions.**

Certificate Number: 0119040105

Authority Reference Number: B1262BW0024519

UNDERWRITERS AT LLOYDS

LONDON 100%

Named insured and mailing address: Stateside APM - Program 5  
6445 Citation Drive Ste F  
Clarkston, MI 48346

Policy Period: From 04/01/2019 to 04/01/2020 at 12:01 A.M. Standard Time at your mailing address shown above.

IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS POLICY, WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY.

<b>LIMITS OF INSURANCE</b>		
General Aggregate Limit	<b>\$2,000,000</b>	
Personal and Advertising Injury Limit	<b>\$1,000,000</b>	
Each Occurrence Limit	<b>\$1,000,000</b>	
Fire Damage Limit	<b>\$50,000</b>	Any One Fire
Medical Expense Limit	<b>\$5,000</b>	Any One Person
<b>RETROACTIVE DATE (CG 00 02 only )</b>		
Coverage A of this Insurance does not apply to "bodily injury" or "property damage" which occurs before the Retroactive Date if any shown here:		
<b>DESCRIPTION OF BUSINESS AND LOCATION OF PREMISES</b>		
<b>Form of Business:</b>		
<input type="checkbox"/> Individual <input type="checkbox"/> Joint Venture <input type="checkbox"/> Partnership <input checked="" type="checkbox"/> Organization (Other than Partnership or Joint Venture)		
<b>Business Description:</b>		
<b>Description of Professional Services:</b>		
<input type="checkbox"/> Financial Institution or Related Services <input type="checkbox"/> Property Management or Related Services		
<input type="checkbox"/> Real Estate or Related Services		
<b>Location of All Premises You Own: As per monthly reporting form values filed by the Assured.</b>		
<b>Service of Suit may be made upon:</b>	<b>Messrs, Mendes &amp; Mount 750 Seventh Ave New York, NY 10019-6829</b>	

PREMIUM							
Classification.		Code No.	Premium Basis	Rate		Advance Premium	
				Pr/Co	All Other	Pr/Co	All Other
Property locations including vacant land.							
Premium shown is payable: \$0 at inception. Total Advance Premium: \$0							
<b>FORMS AND ENDORSEMENTS</b> Forms and Endorsements applying to this Policy and made part of this policy at time of issue:							

By Gary Dudley  
Correspondent

# COMMERCIAL GENERAL LIABILITY COVERAGE FORM

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

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations, and any other person or organization qualifying as a Named Insured under this policy. The words "we", "us" and "our" refer to the company providing the insurance.

The word "insured" means any person or organization qualifying as such under WHO IS AN INSURED (SECTION II).

Other words and phrases that appear in quotation marks have special meaning. Refer to DEFINITIONS (SECTION VI).

## SECTION I - COVERAGE

### COVERAGE A - BODILY INJURY AND PROPERTY DAMAGE LIABILITY

#### 1. Insuring Agreement.

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury" or "property damage" to which this insurance applies. We will have the right and duty to defend any "suit" seeking those damages. We may at our discretion investigate any "occurrence" and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in LIMITS OF INSURANCE (SECTION III); and
- (2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B or medical expenses under Coverage C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under SUPPLEMENTARY PAYMENTS - COVERAGES A AND B.

- b. This insurance applies to "bodily injury" and "property damage" only if:

- (1) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory"; and
- (2) The "bodily injury" or "property damage" occurs during the policy period.

- b. Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury."

#### 2. Exclusions.

This insurance does not apply to:

##### a. Expected or Intended Injury

"Bodily injures" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" resulting from the use of reasonable force to protect persons or property.

##### b. Contractual Liability

"Bodily injury" or "property damage" for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages:

- (1) Assumed in a contract or agreement that is an "insured contract", provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement; or
- (2) That the insured would have in the absence of the contract or agreement.

##### c. Liquor Liability

"Bodily injury" or "property damage" for which any insured may be held liable by reason of:

- (1) Causing or contributing to the intoxication of any person;
- (2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
- (3) Any statute ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies only if you are in the business of manufacturing, distributing, selling, serving or furnishing alcoholic beverages.

##### d. Workers Compensation and Similar Laws

Any obligation of the insured under a workers compensation disability benefits or unemployment compensation law or any similar law.

##### e. Employer's Liability

"Bodily injury" to:

- (1) An "employee" of the insured arising out of and in the course of:
  - (a) Employment by the insured; or

- (b) Performing duties related to the conduct of the insured's business; or
- (2) The spouse, child, parent, brother or sister of that "employee" as a consequence of paragraph (1) above.

This exclusion applies:

- (1) Whether the insured may be liable as an employer or in any other capacity; and
  - (2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.
- This exclusion does not apply to liability assumed by the insured under an "insured contract".

#### f. **Pollution**

to any loss, whether indemnification or legal defense for any loss, due to

- (1) "Bodily Injury" or "Property Damage" which would have or has arisen or occurred in whole or part arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of pollutants at any time.
- (2) Any loss, cost or expense arising out of any:
  - (i) request demand or order that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of pollutants; or
  - (ii) Claim or suit by or on behalf of any governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of pollutants.
- (3) It is further agreed and clarified that this policy provides no coverage for and will not respond to any claim, demand, liability, action, judgment, cost attorneys fees or expense connected therewith that may arise out of any actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of pollutants at any time.

Pollutants are hereby defined as, but not limited to, any solid, liquid, gaseous, or thermal irritant or contaminant including smoke, vapors, soot, fumes, acids, alkalis, chemicals, liquids or gases, waste materials or other irritants, contaminants or pollutants into or upon the land, the atmosphere or any water course or body of water. Waste includes material to be recycled, reconditioned or reclaimed.

#### g. **Aircraft, Auto or Watercraft**

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft owned or operated by or rented or loaned to any insured. Use includes operation and "loading or unloading".

This exclusion does not apply to:

- (1) A watercraft while ashore on premises you own or rent;
- (2) A watercraft you do not own that is:
  - (a) Less than 26 feet long; and
  - (b) Not being used to carry persons or property for a charge;
- (3) Parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the insured;
- (4) Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft or watercraft; or
- (5) "Bodily injury" or "property damage" arising out of the operation of any of the equipment listed in Section VI - Definition, paragraph 11, f.(2) or f.(3).

#### h. **Mobile Equipment**

"Bodily injury" or "property damage" arising out of:

- (1) The transportation of "mobile equipment" by an "auto" owned or operated by or rented or loaned to any insured; or
- (2) The use of "mobile equipment" in, or while in practice for, or while being prepared for, any prearranged racing, speed, demolition, or stunting activity.

#### i. **War**

"Bodily injury" or "property damage" due to war, whether or not declared, or any act or condition incident to war. War includes civil war, insurrection, rebellion or revolution. This exclusion applies only to liability assumed under a contract or agreement.

#### j. **Damage to Property**

"Property damage" to:

- (1) Property you own, rent, or occupy;
- (2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;
- (3) Property loaned to you;

- (4) Personal property in the care, custody or control of the insured.
- (5) That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the “property damage” arises out of those operations; or
- (6) That particular part of any property that must be restored, repaired or replaced because “your work” was incorrectly performed on it.

Paragraph (2) of this exclusion does not apply if the premises are “your work” and were never occupied, rented or held for rental by you.

Paragraphs (3), (4), (5) and (6) of this exclusion do not apply to liability assumed under a sidetrack agreement.

**k. Damage to Your Product**

“Property damage” to “your product” arising out of it or any part of it.

**l. Damage to Your Work**

“Property damage” to “your work” arising out of it or any part of it.

This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor.

**m. Damage to Impaired Property or Property Not Physically Injured**

“Property damage” to “impaired property” or property that has not been physically injured, arising out of:

- (1) A defect, deficiency, inadequacy or dangerous condition in “your product” or “your work”; or
- (2) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to “your product” or “your work” after it has been put to its intended use.

**n. Recall of Products, Work or Impaired Property**

Damages claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

- (1) “Your product”;
- (2) “Your work”; or
- (3) “Impaired property”;

if such product, work, or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

**o. Professional Services**

With respect to any professional services shown under the ‘Description of Professional Services’ in the Declaration, any costs, interest or damages attributable to “bodily injury” or “property damage” due to the rendering or failure to render any professional service as a financial institution, credit union, banker, servicing agent, real estate agent/broker, real estate appraiser, consultant or mortgage company/banker.

**p. Fiduciary Capacity Liability**

any costs, interest or damages attributable to “bodily injury” or “property damage” arising out of the ownership, maintenance or use, including all related operations, for property in which you are acting in a fiduciary or representative capacity in any trust guardianship or estate.

However, this exclusion does not apply to any person or organization which acts as a mortgage servicing agent through written agreement, or for which the Assured may have an insurable interest ownership interest or controlling interest which the Assured has requested coverage by providing Underwriters required reports of values.

**q. Operational facilities –Real and Personal property**

any costs, interest or damages attributable to “bodily injury” or “property damage” arising out of the ownership, maintenance or use of any Real or Personal Property used or held as operational facilities of the Assured, including all related operations in which you are acting in a fiduciary or representative capacity.

Furthermore, premises insured shall not include Real and Personal Property for which the Assured may be liable as a mortgage servicing agent through written agreement, or for which the Assured may have an insurable interest as mortgagee and which the Assured has requested that Underwriters provide coverage in the monthly report furnished by the Assured. This clause applies only insured properties on which the Assured has requested coverage by providing Underwriters monthly reports of values.

**r. Year Related Computer and other Electronic Problems**

directly or indirectly arising out of any actual or alleged failure, malfunction or inadequacy of:

- A. Any of the following, whether belonging to any insured or to others:
  - (i) Computer hardware, including microprocessors;

"Includes copyrighted material of Insurance Services Office, Inc with its permission".

- (ii) Computer application software;
- (iii) Computer operating systems and related software;
- (iv) Computer networks;
- (v) Microprocessors (computer chips) not part of any computer systems; or
- (vi) Any other computerized or electronic equipment or components; or

B. Any other products, and any services, data or functions that directly or indirectly use or Rely upon, in any manner, any of the items listed in Paragraph r. A (i) of this clause;  
due to the inability to correctly recognize, process, distinguish, interpret or accept the year 2000 and beyond.

**s. Advice and Consultation on Year Related Problems**

directly or indirectly arising out of any advice, consultation, design, evaluation, inspection, installation, maintenance, repair, replacement or supervision provided or done by you or for you to determine, rectify or test for any potential or actual problems described in Paragraph r. A above.

**t. Asbestos**

This insurance does not apply to "bodily injury", sickness, mental or emotional distress, disability, death or "property damage" caused by or arising out of the existence, inhalation or exposure to asbestos which may be, or may have been present in or on any of the premises covered under this insurance. The term "asbestos" shall include any compound, substance or product of fibers thereof generally referred to as "asbestos" or any allied compound which includes asbestos.

**u. Lead Poisoning**

This insurance does not apply to "bodily injury", sickness, mental or emotional distress, disability, death or "property damage" caused by or arising from the existence, inhalation, or exposure to lead whether as a base or ingredient in any form including but not limited to lead used as a paint, varnish or other "paint-like" covering material, which may be, or may have been present in or on any of the premises covered under this insurance.

**v. Communicable Disease**

This insurance does not apply to "bodily injury", sickness, mental or emotional distress, disability, arising out of the transmission of sickness or disease by an Assured through sexual contact.

**w. Radioactive Contamination**

This Certificate does not cover any loss or damage arising directly or indirectly from Nuclear Reaction, Nuclear Radiation or Radioactive Contamination, however, such Nuclear Reaction, Nuclear Radiation or Radioactive Contamination may have been caused.

Exclusions c. through n. do not apply to damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner. A separate limit of insurance applies to this coverage as described in LIMITS OF INSURANCE (Section III).

## COVERAGE B - ADVERTISING INJURY LIABILITY

### 1. Insuring Agreement.

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "advertising injury" to which this insurance applies. We will have the right and duty to defend any "suit" seeking those damages. We may at our discretion investigate any "occurrence" or offense and settle any claim or "suit" that may result. But:
- (1) The amount we will pay for damages is limited as described in LIMITS OF INSURANCE (SECTION III); and
  - (2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments settlements under Coverage A or B or medical expenses under Coverage C.
- No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under SUPPLEMENTARY PAYMENTS - COVERAGES A AND B.
- b. This insurance applies to "Advertising injury" caused by an offense committed in the course of advertising your goods, products or services, but only if the offense was committed in the "coverage territory" during the policy period.

### 2. Exclusions.

This insurance does not apply to:

- a. "advertising injury":
- (1) Arising out of oral or written publication of material, if done by or at the direction of the insured with knowledge of its falsity.
  - (2) Arising out of oral or written publication of material whose first publication took place before the beginning of the policy.
  - (3) Arising out of the willful violation of a penal statute or ordinance committed by or with the consent of the insured. or
  - (4) For which the insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement.
  - (5) directly or indirectly arising out of any actual or alleged failure, malfunction or inadequacy of:
    - A. Any of the following, whether belonging to any insured or to others:
      - (i) Computer hardware, including microprocessors;
      - (ii) Computer application software;
      - (iii) Computer operating systems and related software;
      - (iv) Computer networks;
      - (v) Microprocessors (computer chips) not part of any computer systems; or
      - (vi) Any other computerized or electronic equipment or components; or
    - B. Any other products, and any services, data or functions that directly or indirectly use or Rely upon, in any manner, any of the items listed in Paragraph (5)A(i) of this clause; due to the inability to correctly recognize, process, distinguish, interpret or accept the year 2000 and beyond.
  - (6) directly or indirectly arising out of any advice, consultation, design, evaluation, inspection, installation, maintenance, repair, replacement or supervision provided or done by you or for you to determine, rectify or test for any potential or actual problems described in Paragraph (5)A above.
  - (7) Breach of contract, other than misappropriation of advertising ideas under an implied contract;
  - (8) The failure of goods, products or services to conform with advertised quality or performance;
  - (9) The wrong description of the price of or goods, products or services: or
  - (10) An offense committed by an insured whose business is advertising, broadcasting, publishing or telecasting.



## COVERAGE C - MEDICAL PAYMENTS

### 1. Insuring Agreement.

- a. We will pay medical expenses as described below for "bodily injury" caused by an accident:
  - (1) On premises you own or rent;
  - (2) On ways next to premises you own or rent; or
  - (3) Because of your operations;provided that:
  - (1) The accident takes place in the "coverage territory" and during the policy period;
  - (2) The expenses are incurred and reported to us within one year of the date of the accident; and
  - (3) The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.
- b. We will make these payments regardless of fault. These payments will not exceed the applicable limit of insurance. We will pay reasonable expenses for:
  - (1) First aid administered at the time of an accident;
  - (2) Necessary medical, surgical, x-ray and dental services, including prosthetic devices; and
  - (3) Necessary ambulance, hospital, professional nursing and funeral services.

### 2. Exclusions.

We will not pay expenses for "bodily injury":

- a. To any insured.
- b. To a person hired to do work for or on behalf of any insured or a tenant of any insured.
- c. To a person injured on that part of premises you own or rent that the person normally occupies.
- d. To a person, whether or not an "employee" of any insured, if benefits for the "bodily injury" are payable or must be provided under a workers compensation or disability benefits law or a similar law.
- e. To a person injured while taking part in athletics.
- f. Excluded under Coverage A.
- g. Due to war, whether or not declared, or any act or condition incident to war. War includes civil war, insurrection, rebellion or revolution.

## SUPPLEMENTARY PAYMENTS - COVERAGES A AND B

We will pay, with respect to any claim or "suit" we defend:

- 1. All expenses we incur.
- 2. Up to \$250 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the Bodily Injury Liability Coverage applies. We do not have to furnish these bonds.
- 3. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.
- 4. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$100 a day because of time off from work.
- 5. All costs taxed against the insured in the "suit".
- 6. Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer.
- 7. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

These payments will not reduce the limits of insurance.

## SECTION II - WHO IS AN INSURED

1. If you are designated in the Declarations as:
  - a. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
  - b. A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.
  - c. An organization other than a partnership or joint venture, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.
2. Each of the following is also an insured:
  - a. Your "employees", other than your "executive officers", but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, no "employee" is an insured for:
    - (1) "Bodily injury":
      - (a) To you, to your partners or members (if you are a partnership or joint venture), or to a co - "employee" while in the course of his or her employment or while performing duties related to the conduct of your business;
      - (b) To the spouse, child, parent, brother or sister of that co - "employee" as a consequence of paragraph (1)(a) above;
      - (c) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in paragraphs(1)(a) or (b) above; or
      - (d) Arising out of his or her providing or failing to provide professional health care services.
    - (2) "Property damage" to property:
      - (a) Owned occupied or used by,
      - (b) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by you, any of your "employees" or, if you are a partnership or joint venture, by any partner or member.
  - b. Any person (other than your "employee"), or any organization while acting as your real estate manager.
  - c. Any person or organization having proper temporary custody of your property if you die, but only:
    - (1) With respect to liability arising out of the maintenance or use of that property; and
    - (2) Until your legal representative has been appointed.
  - d. Your legal representative if you die. but only with respect to duties as such. That representative will have all your rights and duties under this Coverage Part.
3. Any organization you newly acquire or form, other than a partnership or joint venture, and over which you maintain ownership or majority interest will qualify as a Named Insured if there is no other similar insurance available to that organization. However:
  - a. Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the policy period, whichever is earlier;
  - b. Coverage A does not apply to "bodily injury" or "property damage" that occurred before you acquired or formed the organization; and
  - c. Coverage B does not apply to "advertising injury" arising out of an offense committed before you acquired or formed the organization.

No person or organization is an insured with respect to the conduct of any current or past partnership or joint venture that is not shown as a Named Insured in the Declarations.

## SECTION III - LIMITS OF INSURANCE

1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
  - a. Insureds;
  - b. Claims made or "suits" brought; or
  - c. Persons or organizations making claims or bringing suits.
2. The General Aggregate Limit is the most we will pay for the sum of:
  - a. Medical expenses under Coverage C;
  - b. Damages under Coverage A, and
  - c. Damages under Coverage B.

3. Subject to 2. above, the Advertising Injury Limit is the most we will pay under Coverage B for the sum of all damages because of all "advertising injury" sustained by any one person or organization.
4. Subject to 2. above, whichever applies, the Each Occurrence Limit is the most we will pay for the sum of
  - a. Damages under Coverage A; and
  - b. Medical expenses under Coverage C
 because of all "bodily injury" and "property damage" arising out of any one "occurrence".
5. Subject to 4. above, the Fire Damage Limit is the most we will pay under Coverage A for damages because of "property damage" to premises, while rented to you or temporarily occupied by you with permission of the owner. arising out of any one fire.
6. Subject to 4. above, the Medical Expense Limit is the most we will pay under Coverage C for all medical expenses because of "bodily injury" sustained by any one person.

The Limits of Insurance of this Coverage Part apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

#### **SECTION IV - COMMERCIAL GENERAL LIABILITY EXCLUSIONS**

##### **1. Nuclear Incident Exclusion Clause-Liability-Direct (Broad) (U.S.A.)**

With respect to insurances of the following classifications in the U.S.A., it's Territories and Possessions, Puerto Rico and the Canal Zone:

Owners, Landlords and Tenants Liability, Contractual Liability, Elevator Liability, Owners or Contractors (including railroad) Protective Liability, Manufacturers and Contractors Liability, Product Liability, Professional and Malpractice Liability, Storekeepers Liability, Garage Liability, Automobile Liability (including Massachusetts Motor Vehicle or Garage Liability),

not being insurances of the classifications to which the Nuclear Incident Exclusion Clause-Liability-Direct (Limited) applies.

This Policy\* does not apply:

- I. Under any Liability Coverage, to injury, sickness, disease, death or destruction:
  - (a) with respect to which an insured under the Policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters or Nuclear Insurance Association of Canada, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or
  - (b) resulting from the hazardous properties of nuclear material and with respect to which (1) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or (2) the insured is, or had this Policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.
- II. Under any Medical Payments Coverage, or under any Supplementary Payments Provision relating to immediate medical or surgical relief, to expenses incurred with respect to bodily injury, sickness, disease or death resulting from the hazardous properties of nuclear material and arising out of the operation of a nuclear facility by any person or organization.
- III. Under any Liability Coverage, to injury, sickness, disease, death or destruction resulting from the hazardous properties of nuclear material, if:
  - (a) the nuclear material (1) is at any nuclear facility owned by, or operated by or on behalf of, an insured or (2) has been discharged or dispersed therefrom;

- (b) the nuclear material is contained in spent fuel or waste at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of an insured; or
- (c) the injury, sickness, disease, death or destruction arises out of the furnishing by an insured of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any nuclear facility, but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion (c) applies only to injury to or destruction of property at such nuclear facility.

IV. As used in this clause:

"hazardous properties" include radioactive, toxic or explosive properties; "nuclear material" 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 1954 or in any law amendatory thereof; "spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a nuclear reactor; "waste" means any waste material (1) containing by-product material and (2) resulting from the operation by any person or organization of any nuclear facility included within the definition of nuclear facility under paragraph (a) or (b) thereof; "nuclear facility" means:

- (a) any nuclear reactor,
- (b) any equipment or device designed or used for (1) separating the isotopes of uranium or plutonium, (2) processing or utilizing spent fuel, or (3) handling, processing or packaging waste,
- (c) any equipment or device used for the processing, fabricating or alloying of special nuclear material if at any time the total amount of such material in the custody of the insured at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235,
- (d) any structure, basin, excavation, premises or place prepared or used for the storage or disposal of waste,

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations; "nuclear reactor" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material. With respect to injury to or destruction of property, the word "injury" or "destruction" includes all forms of radioactive contamination of property.

**2. Absolute Electromagnetism Exclusion**

It is agreed that this insurance shall not apply to any liability directly or indirectly caused by Electromagnetism.

**3. Employment Practices**

This insurance does not apply to "bodily injury" arising out of any:

- (a) Refusal to employ
- (b) Termination of employment
- (c) Coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination or other employment- related practices, policies, acts or omissions; or
- (d) Consequential "bodily injury" as a result of (a) through (c) above.

This exclusion applies whether the insured may be held liable as an employer or in any other capacity and to any obligation to share damages with or to repay someone else who must pay damages because of the injury.

**4. Abuse Or Molestation**

This insurance does not apply to "bodily injury" or "medical payments" arising out of:

- (1) The actual or threatened abuse or molestation by anyone of any person while in the care, custody or control of any insured; or
- (2) the negligent:
  - (a) employment;
  - (b) investigation;
  - (c) supervision;
  - (d) reporting to the proper authorities, or failure to so report; or
  - (e) retention

of a person for whom any insured is or ever was legally responsible and whose conduct would be excluded by (a) above.

#### **5. Punitive / Exemplary Damages Limitation**

Underwriters shall not have an obligation to pay for any costs, interest or damages attributable to punitive or exemplary damages beyond the limits of coverage afforded by this policy. It is agreed that if a suit shall have been brought against the Assured for claim falling within the coverage provided under this policy seeking compensatory, punitive or exemplary damages, then insurers will afford a defense to such action; however, it is hereby understood and agreed that the limit of liability is inclusive of the indemnification and/or defense of compensatory, punitive or exemplary damage only in those states where coverage is applicable.

#### **6. Property Entrusted Exclusion**

Underwriters shall not have an obligation to pay for any costs, interest or damages attributable to "property damage" to property of others entrusted to you for safekeeping; or on premises rented to you.

#### **7. Assault and Battery**

Underwriters shall not have an obligation to pay for any costs, interest or damages attributable to:

- A. Assault & Battery, whether caused by or at the instructions of, or at the direction of or negligence of the insured, his employees, or any causes whatsoever and;
- B. Allegations that the insured's negligent act, errors or omissions in connection with the hiring, retention, supervision or control of employees, agents or representatives caused, contributed to, related to or accounted for the assault and battery.

#### **8. Voluntary Labor**

This insurance does not apply to bodily injury to any member, associate, (affiliated) member, or to any person or persons loaned to volunteering services to the Assured, whether or not paid by the Assured, arising out of or in the course of work performed.

#### **9. Mold And Other Types of Fungi Exclusion**

Notwithstanding any other provision in this policy, this insurance does not apply to any loss, damage, cost, claim, expense, "bodily injury", medical payment, or liability of any nature directly or indirectly caused by, resulting from or in any way involving the actual, potential, suspected or alleged presence of any kind of mold, mildew or other fungi, or of any fungal by product. This exclusion shall apply regardless of any other cause or event that contributes concurrently or in sequence to any loss, damage, cost, claim, expense, bodily injury, medical payment or liability of any nature.

#### **10. Terrorism**

Notwithstanding any provision to the contrary within this insurance or any endorsement thereto it is agreed that this insurance excludes loss, damage, cost, or expense of whatsoever nature directly or indirectly caused by, resulting from, or in connection with any act of terrorism regardless of any other cause or event contributing or in any other sequence to the loss.

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

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

If the Underwriters allege that by reason of this exclusion, any loss, damage, cost, or expense is not covered by this insurance, the burden of proving the contrary shall be upon the Assured.

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

#### **11. Biological or Chemical Materials**

It is agreed that this Insurance excludes cover “bodily injury” or “property damage or any cost or expense of whatsoever nature, directly or indirectly caused by, resulting from or in connection with the actual or threatened malicious use of pathogenic or poisonous biological or chemical materials regardless of any other cause or event contributing concurrently or in any other sequence thereto.

## 12. War and Civil War

Notwithstanding anything to the contrary contained herein this Policy does not cover “bodily injury” or “property damage or any cost or expense of whatsoever nature, directly or indirectly occasioned by, happening through or in consequence of war, invasion, acts of foreign enemies, power or confiscation or nationalisation or requisition or destruction of or damage to property by or under the order of any government or public or local authority.

## 13. Products-completed operations hazard

This Insurance excludes “bodily injury” or “property damage” or any cost or expense of whatsoever nature directly or indirectly caused by or arising from products - completed operations hazard.

## 14. Personal Liability

This Insurance excludes “bodily injury” or “property damage” or any cost or expense of whatsoever nature, or any loss due to allegations which are groundless, false or fraudulent, due to:

- A. false arrest, detention or imprisonment, or malicious prosecution;
- B. the publication or utterance of a libel or slander or of other defamatory or disparaging material, or a publication or utterance in violation of an individual's right to privacy; including publications or utterances in the course of or relating to advertising, broadcasting or telecasting activities conducted by or on behalf of the named insured;
- C. wrongful entry or eviction, or other invasion of the right of private occupancy.

Further, this insurance does not apply;

- (a) to liability assumed by the insured under any contract or agreement;
- (b) to personal injury arising out of the willful violation of a penal statute or ordinance committed by or with the knowledge or consent of any insured;
- (c) to personal injury sustained by any person as a result of an offense directly or indirectly related to the employment of such personal by the named insured;
- (d) to personal injury arising out of any publication or utterance described in Group B, or
- (e) to personal injury arising out of a publication or utterance described in Group B concerning any person, organization or business enterprise, of his or its products or services, made by or at the direction of any insured with knowledge of the falsity thereof.

## SECTION V - COMMERCIAL GENERAL LIABILITY CONDITIONS

### 1. Bankruptcy

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of obligations under this Coverage Part.

### 2. Discovery Period

Notwithstanding anything else to the contrary in this policy, in consideration of the premium charged, it is understood and agreed by the Assured that the Underwriters hereunder are not liable, under any circumstances, for any commercial general liability loss, damage, injury, expense or claim of whatever nature, which is otherwise insured under the Insuring Agreements appearing in this policy, unless such loss, damage, injury, expense or claims occurs after the inception of the policy period and prior to the expiration thereof, and notice of such loss, damage, injury, expense or claim is asserted against the Assured in writing, or suit thereon is brought against the Assured, **not later than** twelve (12) months after **(i)** the expiration of the policy period by the Assured, **or (ii)** if this policy is cancelled during the policy period, (12) months after the effective date of such cancellation.

Provided however, that if any such notice is asserted, or any such suit is brought within the said period of time, then for the purpose of this clause and this insurance, any subsequent notice asserted against the Assured in writing, or any subsequent suit brought against the Assured, of or for loss, damage, injury, expense or claim arising out of or resulting from that same occurrence, shall be deemed to have been asserted against or brought against the Assured during said

period of time. If the aforesaid period of limitation relating to the giving of notice or to commencement of suit against the Assured is prohibited or made void by any law controlling the construction thereof, such period of time shall be deemed to be amended so as to be equal to the minimum period of limitation permitted by such law. It is understood and agreed by the Assured, in the event of any occurrence which may result in loss, damage, injury expense or claim for which the Underwriters hereunder are or may become liable under this policy, notice thereof shall be given to said Underwriters as soon as practicable and further, that any and every notice of claim, pleading and paper of any kind relating to such occurrence, shall be forwarded promptly on behalf of the Assured to these Underwriters.

### **3. Duties in the Event of Occurrence, Offense, Claim or Suit.**

- a. You must see to it that we are notified as soon as practicable of an "occurrence" or an offense which may result in a claim. To the extent possible, notice should include:
- (1) How, when and where the "occurrence" or offense took place;
  - (2) The names and addresses of any injured persons and witnesses; and
  - (3) The nature and location of any injury or damage arising out of the "occurrence" or offense.
- b. If a claim is made or "suit" is brought against any insured, you must:
- (1) Immediately record the specifics of the claim or "suit" and the date received; and
  - (2) Notify us as soon as practicable.
- You must see to it that we receive written notice of the claim or "suit" as soon as practicable.
- c. You and any other involved insured must:
- (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";
  - (2) Authorize us to obtain records and other information;
  - (3) Cooperate with us in the investigation, settlement or defense of the claim or "suit"; and
  - (4) Assist us, upon our request in the enforcement of any right against any person or organization which may be liable to the insured because of injury or damage to which this insurance may also apply.
- d. No insureds will, except at their own cost voluntarily make a payment, assume any obligation, or incur any expense other than for first aid, without our consent.

### **3. Legal Action Against Us.**

No person or organization has a right under this Coverage Part:

- a. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or
- b. To sue us on this Coverage Part unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured obtained after an actual trial; but we will not be liable for damages that are not payable under the terms of this Coverage Part or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

### **4. Other Insurance.**

If other valid and collectible insurance is available to the insured for a loss we cover under Coverages A or B of this Coverage Part, our obligations are limited as follows:

#### **a. Primary Insurance**

This insurance is primary except when b. below applies. If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in c. below.

#### **b. Excess Insurance**

This insurance is excess over any of the other insurance, whether primary, excess, contingent or on any other basis:

- (1) That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for "your work";
- (2) That is Fire insurance for premises rented to you; or
- (3) If the loss arises out of the maintenance or use of aircraft, "autos" or watercraft to the extent not subject to Exclusion g. of Coverage A (Section I).

When this insurance is excess, we will have no duty under Coverage A or B to defend any claim or "suit" that any other insurer has a duty to defend. If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

- (1) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and
- (2) The total of all deductible and self-insured amounts under all that other insurance.

We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of insurance shown in the Declarations of this Coverage Part.

**c. Method of Sharing**

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

**5. Premium Audit.**

- a. We will compute all premiums for this Coverage Part in accordance with our rules and rates.
- b. Premium shown in this Coverage Part as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period. Audit premiums are due and payable on notice to the first Named Insured. If the sum of the advance and audit premiums paid for the policy period is greater than the earned premium, we will return the excess to the first Named Insured.
- c. The first Named Insured must keep records of the information we need for premium computation, and send us copies at such times as we may request.

**6. Representations.**

By accepting this policy, you agree:

- a. The statements in the Declarations are accurate and complete;
- b. Those statements are based upon representations you made to us; and
- c. We have issued this policy in reliance upon your representations.

**7. Separation Of Insureds.**

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this Coverage Part to the first Named Insured, this insurance applies:

- a. As if each Named Insured were the only Named Insured; and
- b. Separately to each insured against whom claim is made or "suit" is brought.

**8. Transfer Of Rights Of Recovery Against Others To Us.**

If the insured has rights to recover all or part of any payment we have made under this Coverage Part, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request the insured will bring "suit" or transfer those rights to us and help us enforce them.

**9. When We Do Not Renew.**

Notwithstanding anything contained in this Insurance to the contrary, this insurance may be canceled by the Assured at any time by written notice or by surrender of this contract of insurance. This insurance may also be canceled in whole or on any individual location(s) or designated peril(s) within the Assureds report of property items and values by or on behalf of the Underwriters by delivering to the Assured or by mailing to the Assured, by registered, certified or other first class mail, at the Assureds address as shown in this Insurance, written notice at least:

- a. Ten (10) days before the effective date of cancellation for non-payment of premium.
- b. Thirty (30) days before the effective date of the cancellation for one or more of the following reasons:
  - (1) Fraud or material misrepresentation affecting this policy or a claim filed under this policy or a violation of any of the terms or conditions of this policy;
  - (2) Conditions which have materially increased the risk assumed; or,
  - (3) Any other reason by mailing written notice of cancellation.

The mailing of notice as aforesaid shall be sufficient proof of notice and this Insurance shall terminate at the date and hour specified in such notice. If this Insurance shall be canceled by the Assured, the Underwriters shall retain the customary short rate proportion of the premium hereon, except that if this Insurance is on an adjustable basis the Underwriters shall receive the earned premium hereon or the customary short rate proportion of any minimum premium stipulated herein whichever is the greater.



If this Insurance shall be canceled by or on behalf of the Underwriters, the Underwriters shall retain the pro rata proportion of the premium hereon, except that if this insurance is on an adjustable basis the Underwriters shall receive the earned premium hereon or the minimum premium stipulated herein whichever is the greater. Payment or tender of any earned premium by the Underwriters shall not be a condition precedent to the effectiveness of Cancellation but such payment shall be made as soon as practicable. If the period of limitation relating to the giving of notice is prohibited or made void by any law controlling the construction thereof, such period shall be deemed to be amended so as to be equal to the minimum period of limitation permitted by such law. The Assured is the sole payee for any return premium.

#### **10. Liability Rate**

It is hereby agreed that coverage and rates apply only to designated premises set out in the Declaration or held on file with the Underwriters and related operations other than structural alterations, new construction and demolition Commercial General Liability Coverage is attached and made a part of this policy/certificate as provided by the Underwriters:

##### **ANNUAL RATE**

\$122.00 Flat – Real Estate Owned Residential Properties  
\$300.00 Flat – Real Estate Owned Commercial Properties  
\$122.00 Flat – Real Estate Owned Residential Vacant Land  
\$300.00 Flat – Real Estate Owned Commercial Vacant Land

#### **15. U.S. Terrorism Risk Insurance Act Not Purchased Clause**

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

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

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

#### **16. Several Liability Clause**

The subscribing 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 subscribing 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.

#### **17. Service of Suit and Applicable law**

It is agreed that in the event of the failure of the Underwriters hereon to pay any amount claimed to be due hereunder, the Underwriters hereon, at the request of the Assured (or Reinsured), will submit to the jurisdiction of a Court of competent jurisdiction within the United States and the applicable state law as determined by such court. Nothing in this clause constitutes or should be understood to constitute a waiver of Underwriters' rights to commence an action in any court of competent jurisdiction in the United States, to remove an action to a United States District Court, or to seek a transfer of a case to another Court as permitted by the laws of the United States or of any State in the United States.

It is further agreed that service of process in such suit may be made upon the firm or person named in the Declaration, and that in any suit instituted against any one of them upon this Contract. Underwriters will abide by the final decision of such Court or of any Appellate Court in the event of an appeal.

The above mentioned are authorized and directed to accept service of process on behalf of Underwriters in any such suit and/or upon the request of the Assured (or Reinsured) to give a written undertaking to the Assured (or Reinsured) that they will enter a general appearance upon Underwriters' behalf in the event of such a suit shall be instituted.

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

## SECTION VI - DEFINITIONS

1. "Advertising injury" means injury arising out of one or more of the following offenses:
  - a. Oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
  - b. Oral or written publication of material that violates a person's right of privacy;
  - c. Misappropriation of advertising ideas or style of doing business; or
  - d. Infringement of copyright, title or slogan.
2. "Auto" means a land motor vehicle, trailer or semi-trailer designed for travel on public roads, including any attached machinery or equipment. But "auto" does not include "mobile equipment."
3. "Bodily injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.
4. "Coverage territory" means:
  - a. The United States of America (including its territories and possessions), Puerto Rico and Canada;
  - b. International waters or airspace, provided the injury or damage does not occur in the course of travel or transportation to or from any place not included in a. above; or
  - c. All parts of the world if:
    - (1) The injury or damage arises out of:
      - (a) Goods or products made or sold by you in the territory described in a. above; or
      - (b) The activities of a person whose home is in the territory described in a. above, but is away for a short time on your business; and
    - (2) The insured's responsibility to pay damages is determined in a "suit" on the merits, in the territory described in a. above or in a settlement we agree to.
5. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".
6. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.
7. "Impaired property" means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:
  - a. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or
  - b. You have failed to fulfill the terms of a contract or agreement;if such property can be restored to use by:
  - a. The repair, replacement, adjustment or removal of "your product" or "your work"; or
  - b. Your fulfilling the terms of the contract or agreement.
8. "Insured contract" means:
  - a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily-occupied by you with permission of the owner is not an "insured contract";
  - b. A sidetrack agreement;
  - c. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
  - d. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
  - e. An elevator maintenance agreement;
  - f. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

Paragraph f. does not include that part of any contract or agreement:

    - (1) That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, crossing;
    - (2) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
      - (a) Preparing, approving or failing to prepare or approve maps, drawings, opinions, reports, surveys, change orders, designs or specifications; or

- (b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or
  - (3) Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in (2) above and supervisory, inspection or engineering services.
- 9. "Leased worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".
- 10. "Loading or unloading" means the handling of property:
  - a. After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "auto";
  - b. While it is in or on an aircraft, watercraft or "auto"; or
  - c. While it is being moved from an aircraft, watercraft or "auto" to the place where it is finally delivered;
  - d. but "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or "auto".
- 11. "Mobile equipment"; means any of the following types of land vehicles, including any attached machinery or equipment:
  - a. Bulldozers, farm machinery; forklifts and other vehicles designed for use principally off public roads;
  - b. Vehicles maintained for use solely on or next to premises you own or rent;
  - c. Vehicles that travel on crawler treads;
  - d. Vehicles whether self-propelled or not maintained primarily to provide mobility to permanently mounted:
    - (1) Power cranes, shovels, loaders, diggers or drills or
    - (2) Road construction or resurfacing equipment such as graders, scrapers or rollers;
  - e. Vehicles not described in a., b., c. or d. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
    - (1) Air compressors, pumps and generators including spraying, welding, building, cleaning, geophysical exploration, lighting and well servicing equipment; or
    - (2) Cherry pickers and similar devices used to raise or lower workers;
  - f. Vehicles not described in a., b., c. or d. above maintained primarily for purposes other than the transportation of persons or cargo.  
 However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":
    - (1) Equipment designed primarily for
      - (a) Snow removal;
      - (b) Road maintenance, but not construction or resurfacing; or
      - (c) Road cleaning;
    - (2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
    - (3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.
- 12. "Occurrence" means an accident; including continuous or repeated exposure to substantially the same general harmful conditions.
- 13. "Personal injury" means injury, other than "bodily injury", arising out of one or more of the following offenses:
  - a. False arrest detention or imprisonment;
  - b. Malicious prosecution;
  - c. wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies by or on behalf of its owner, landlord or lessor;
  - d. Oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services; or
  - e. Oral or written publication of material that violates a person's right of privacy.
- 14. a. "Products-completed operations hazard" includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:
  - (1) Products that are still in your physical possession, or
  - (2) Work that has not yet been completed or abandoned.
- b. "Your work" will be deemed completed at the earliest of the following times:
  - (1) When all of the work called for in your contract has been completed.
  - (2) When all of the work to be done at the site has been completed if your contract calls for work at more than one site.

**(3)**

**(4)** When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

**c.** This hazard does not include “bodily injury” or “property damage” arising out of:

**(1)** The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle created by the “loading or unloading” of it;

**(2)** The existence of tools, uninstalled equipment or abandoned or unused materials; or

**(3)** Products or operations for which the classification in this Coverage Part or in our manual of rules includes products or completed operations.

**15.** “Property damage” means:

**a.** Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or

**b.** Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the “occurrence” that caused it.

**16.** “Suit” means a civil proceeding in which damages because of “bodily injury”, “property damage” or “advertising injury” to which this insurance applies are alleged. “Suit” includes:

**a.** An arbitration proceeding in which such damages are claimed and to which you must submit or do submit with our consent; or

**b.** Any other alternative dispute resolution proceeding in which such damages are claimed and to which you submit with our consent

**17.** “Your product” means:

**a.** Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:

**(1)** You

**(2)** Others trading under your name; or

**(3)** A person or organization whose business or assets you have acquired; and

**b.** Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

“Your product” includes:

**a.** Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of “your product”; and

**b.** The providing of or failure to provide warnings or instructions.

“Your product” does not include vending machines or other property rented to or located for the use of others but not sold.

**18.** “Temporary worker” means a person who is furnished to you to substitute for a permanent “employee” on leave or to meet seasonal or short-term workload conditions.

**19.** “Your work” means:

**a.** Work or operations performed by you or on your behalf; and

**b.** Materials, parts or equipment furnished in connection with such work or operations.

“Your work” includes:

**a.** Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of “your work”; and

**b.** The providing of or failure to provide warnings or instructions.

2.

COMMERCIAL GENERAL LIABILITY

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

**ELIGIBILITY OF CERTAIN PREMISES**

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE**

It is agreed that this endorsement modifies insurance provided under the Commercial General Liability Insurance Coverage. Underwriters shall, subject to the terms and conditions of the attached policy, provide coverage for the following eligible premises:

Mortgaged Property in which the Assured acquires an insurable ownership interest or controlling interest through repossession, filing of repossession, foreclosure, receipt of deed in lieu of foreclosure or on property in which the Assured becomes "mortgagee in possession" on which the Assured has requested coverage by providing Underwriters required reports of values.

**ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.**

**ATTACHING TO AND FORMING PART OF CERTIFICATE NO. 0119040105  
Effected with Underwriters at Lloyds, London.**

## Policy Data Summary Sheet

**Authority Reference No.** B1262BW0024519  
**Certificate Number:** 0119040105  
**Policy Effective Date:** 04/01/2019  
**Policy Expiration Date:** 04/01/2020  
**Named Assured:** Stateside APM - Program 5  
**Address:** 6445 Citation Drive Ste F  
**City, State Zip:** Clarkston, MI 48346

### REO PROPERTY

#### Annual Rates:

*The annual property rates noted below are proposed on a per \$100 valuation*

<u>Classification</u>	<u>Coverage</u>	<u>REO</u>
Residential	AOP-All States Except FL & MI	\$0.40
Residential	AOP-Michigan	\$0.97
Residential	AOP-Florida +Wind	\$1.65
Residential	AL, LA, MS, TX-Tier 1 counties	\$1.20
Residential	GA, SC, NC- Tier 1 counties +state of HI	\$1.00
Commercial	AOP-All States Except FL & MI	\$1.00
Commercial	AOP-Michigan	\$1.60
Commercial	AOP-Florida +Wind	\$2.05
Commercial	AL, LA, MS, TX-Tier 1 counties	\$1.75
Commercial	GA, SC, NC- Tier 1 counties +state of HI	\$1.65

### COMMERCIAL GENERAL LIABILITY

#### Annual Rates:

\$122.00 Flat – Real Estate Owned Residential Properties  
\$300.00 Flat – Real Estate Owned Commercial Properties  
\$122.00 Flat – Real Estate Owned Residential Vacant Land  
\$300.00 Flat – Real Estate Owned Commercial Vacant Land

#### DEDUCTIBLES:

Residential	\$ 5000.00
Residential 1 <sup>st</sup> Tier	\$ 5000.00
Commercial	\$ 5000.00
Commercial 1 <sup>st</sup> Tier	\$ 5000.00
Flood	\$ N/A
Earthquake	\$ N/A

#### LIMITS

Per Location Limit			\$ 5,000,000.00
Annual Minimum Earned Premium			\$ 0.00
State Surplus Lines Tax	2.50000	%	\$ 0.00
State Stamping Fee	0.00000	%	\$ 0.00
Annual Policy Fee			\$ 62.00
State Surplus Lines Tax	0.00000	%	\$ 0.00
State Stamping Fee	0.00000	%	\$ 0.00

#### Additional Endorsements included with this policy:

**MOBILE HOME PROPERTY EXCLUSION ENDORSEMENT**



## **Privacy Promise**

**SWBC will never sell its customer lists or nonpublic personal information to any third party.**

SWBC respects your right to privacy, and we have always placed a high priority on protecting the personal information you provide us. We are proud of the trust our customers have placed in us to provide insurance, mortgage, investment and other financial services for over 25 years, to transact business honestly, with our customers' best interest at heart. SWBC collects and uses personal information for legitimate business purposes, and our Privacy Promise is to continue to protect your right to privacy.

SWBC agrees to maintain the confidentiality of personal consumer information solely for purposes of our Agreements, agrees that all confidential consumer information shall be held in strict confidence, using the same care as is used in handling its own confidential information, and agrees that it will not use such information to its own commercial advantage or in any other manner except in the performance of our Agreements.

## **Safeguarding Information**

Information about you is safeguarded in a number of ways. We use transport data encryption and storage password technology for storage of data in a controlled and secure environment, to protect personal information about you. We also employ a variety of physical, electronic and procedural safeguards in areas containing nonpublic personal information and maintain on-site supervision of these areas. Some of the measures taken to ensure the security of information about you include:

- Secure facilities with access controls at public points of entry, as well as the use of security systems;
- Access to customer records is restricted to employees whom we determine need the information in order to provide products and services to you, such as underwriting, claims processing and policyholder service;
- Contractually requiring business partners to safeguard and prevent the unauthorized use of personal information;
- Protecting information through security-enhancing software such as virus and intrusion detection software, and secure technologies to safeguard transmission of information through our Web sites;
- Auditing company security practices.

## **Information We May Collect**

We collect and use information we believe is necessary to administer our business, to advise you about our products, and to provide you with products and services and with customer service. We may collect and maintain several types of customer information needed for these purposes:

- Information you provide to us on applications and other forms;
- Information from your transactions with us or our affiliates;
- Information from industry databases and marketing data providers;



- Information from consumer or credit reporting agencies.

The types of information we receive may include addresses, Social Security numbers, family information and financial information.

### **Disclosure of Information**

SWBC will not share the nonpublic personal information of current or former customers with non-affiliated third parties except in these cases:

- As permitted by law. For example, providing information in response to a subpoena or to industry regulators, to law enforcement agencies, for fraud prevention, or to credit bureaus;
- With companies related to us by common control or ownership ("affiliates");
- With parties that assist SWBC in servicing your loan or account with us or provide services to you on our behalf, such as insurers, credit unions, banks, or investigators. It is SWBC's policy to include confidentiality and data protection provisions in the contracts we make with these companies. We provide them with the limited information they need to perform their services for SWBC;
- In entering joint marketing agreements with selected financial institutions such as insurance companies, credit unions, banks, automobile dealers, securities and investment companies and home mortgage companies, enabling SWBC to provide a wide array of products and services to our customers. For business purposes, the following types of personal information may be provided to them: information we receive from you such as name and address, and information about your account transactions with us, such as coverages and payment history. It is SWBC's policy to include confidentiality and data protection provisions in the contracts we make with these companies. We provide the limited information they need to perform their services.

**This statement is made on behalf of the financial and non-financial service providers in the SWBC family of companies that offer auto, property and life insurance, mortgages, banking services, and investments:** SWBC, SWBC Insurance Services Inc., Employees Life Insurance Company, SWBC Life Insurance Agency, Inc., SWBC Mortgage Corporation, Cotrak Insurance Service, Inc., Financial Services Acceptance Corporation, and SWBC Investment Company.