

GENERAL PROPERTY FORM-CF 00 11 (Ed. 01 83)

Insurance applies only to item(s) specifically described in this policy for which an amount of insurance is shown and, unless otherwise provided, all provisions and stipulations of this form and policy shall apply separately to each such item.

SECTION I-PROPERTY COVERED

When the insurance under this policy covers "Building(s)", "Personal Property of the Insured", or "Personal Property of Others" such insurance shall cover in accordance with the following description(s) of coverage.

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

COVERAGE B-PERSONAL PROPERTY OF THE INSURED: Personal property of the Insured means only business personal property, owned by the named Insured usual to the occupancy of the named Insured, including bullion manuscripts, furniture, fixtures, equipment and supplies, not otherwise covered under this policy, and shall also include the named Insured's interest in personal property owned by others to the extent of the value of labor, materials and charges furnished, performed or incurred by the named Insured; all while (1) in or on the described buildings, or (2) in the open (including within vehicles) on or within 100 feet of the described premises.

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

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

This Company shall not be liable for a greater proportion of such debris removal expense than the amount of insurance under this policy bears to the whole amount of insurance covering the property against the peril causing the loss, whether or not other insurance covers such expense.

This coverage shall also include Tenant's Improvements and Betterments, when not otherwise specifically covered. Tenant's Improvements and Betterments means the named Insured's use interest in fixtures, alterations, installations or additions comprising a part of the buildings occupied but not owned by the named Insured and made or acquired at the expense of the named Insured exclusive of rent paid by the named Insured, but which are not legally subject to removal by the named Insured.

COVERAGE C-PERSONAL PROPERTY OF OTHERS: This Insurance shall cover for the account of the owner(s) (other than the named Insured) personal property belonging to others in the care, custody or control of the named Insured, while (1) in or on the described buildings, or (2) in the open (including within vehicles) on or within 100 feet of the described premises.

Loss shall be adjusted with the named Insured for the account of the owner(s) of the property, except the right to adjust such loss with the owner(s) is reserved to this Company and the receipt(s) of the owner(s) in satisfaction thereof shall be in full satisfaction of any claim by the named Insured for which payment(s) has been made. This coverage shall not otherwise benefit the named Insured nor any carrier or other bailee.

SECTION II-PROPERTY NOT COVERED

A. THIS POLICY DOES NOT COVER:

1. Animals and pets;
2. Aircraft; watercraft, including motors, equipment and accessories (except rowboats and canoes while out of water and on the described premises);
3. Growing crops and lawns;
4. Personal property while waterborne;
5. Property which is more specifically covered in whole or in part by this or any other contract of insurance, except for the amount of loss which is in excess of the amount due from such more specific insurance;
6. Personal property in which parties other than the named Insured also have an insurable interest, when the named Insured's interest in said property is otherwise covered by insurance.

B. THIS POLICY DOES NOT COVER THE FOLLOWING PROPERTY UNLESS SPECIFICALLY DESCRIBED ON THE FIRST PAGE OF THIS POLICY OR BY ENDORSEMENT:

1. Vehicles designed for use on public thoroughfares;

2. Outdoor signs, whether or not attached to a building or structure;
3. Outdoor trees, shrubs and plants, except as provided in Section III-Extensions of Coverage;
4. Outdoor swimming pools; fences; piers, wharves and docks; beach or diving platforms or appurtenances; retaining walls not constituting a part of buildings; walks, roadways and other paved surfaces

C. THIS POLICY DOES NOT COVER THE FOLLOWING PROPERTY WHEN SECTION IV-COINSURANCE CLAUSE APPLIES, UNLESS ADDED BY ENDORSEMENT:

1. Cost of excavations, grading or filling;
2. Foundations of buildings, machinery, boilers or engines which foundations are below the undersurface of the lowest basement floor, or where there is no basement, below the surface of the ground;
3. Pplings, piers, pipes, flues and drains which are underground;
4. Pplings which are below the low water mark.

THE ABOVE EXCLUSIONS SHALL NOT APPLY TO THE FOLLOWING PROPERTY WHEN HELD FOR SALE OR SOLD BUT NOT DELIVERED:

1. Animals and pets;
2. Watercraft, including motors, equipment and accessories, while not afloat;
3. Outdoor trees, shrubs and plants.

SECTION III-EXTENSIONS OF COVERAGE

(THIS SECTION IS APPLICABLE ONLY WHEN 80% OR HIGHER COINSURANCE CLAUSE APPLIES)

When the named Insured elects to apply the following Extensions of Coverage:

A. The liability of this Company for loss in anyone occurrence, including loss under these Extensions, shall not exceed the amount of insurance applicable to the coverage(s) being extended, except as provided under Extension No. 1.

B. This company shall not be liable for a greater proportion of any loss than would have been the case if all fire insurance policies covering the described property had contained an identical Extension of Coverage and the same election were made under all such policies.

C. When there is other insurance, whether collectible or not, this Company shall not be liable for more than its pro rata share of the amounts set forth in these Extensions of Coverage.

1. PERSONAL PROPERTY OF OTHERS: The named Insured may apply at each location up to 2%, but not exceeding \$2,000, of the amount of insurance for Coverage B-Personal Property of the Insured at such location, as an additional amount of insurance, to cover for the account of the owner(s) (other than the named Insured), direct loss by a peril insured against to personal property similar to that covered by this policy, belonging to others in the care, custody or control of the named Insured, while (1) in or on the described buildings, or (2) in the open (including within vehicles) on or within 100 feet of the described premises.

Loss shall be adjusted with the named Insured for the account of the owner(s) of the property, except that the right to adjust such loss with the owner(s) is reserved to this Company and the receipt(s) of the owner(s) in satisfaction thereof shall be in full satisfaction of any claim by the named Insured for which payment(s) has been made. This Extension of Coverage shall not otherwise benefit the named Insured nor any carrier or other bailee.

2. OFF-PREMISES: The named Insured may apply up to 2%, but not exceeding \$5,000 nor less than \$1,000, of the sum of the amount(s) of insurance for Coverage A-Building(s) and Coverage B-Personal Property of the In-

sured at a described location, to cover direct loss by a peril Insured against to such property, other than merchandise or stock (raw, in process, or finished), owned by the named Insured. Coverage for property under Coverage A-Building(s) applies only while such property is temporarily removed for purposes of cleaning, repairing, reconstruction or restoration.

This Extension of Coverage shall: (a) not apply to property in transit nor to property on any premises owned, leased, operated or controlled by the named Insured; (b) not apply except as excess over the amount due from any other insurance covering the property, whether collectible or not; (c) not directly or indirectly benefit any carrier or other bailee.

3. NEWLY ACQUIRED PROPERTY:

A. The named Insured may apply up to 10%, but not exceeding \$25,000, of the amount of insurance for Coverage A-Building(s) to cover direct loss by a peril insured against to the following described property:

(1) New buildings and new structures being constructed on the described premises and intended for similar occupancy. This coverage shall cease 30 days from the date construction begins or on the date the values of new construction are reported to this Company, or on the expiration date of the policy, whichever occurs first.

(2) Buildings acquired by the named Insured at any location, elsewhere than at the described premises, within the fifty states of the United States of America and the District of Columbia and used by him for similar occupancies or warehouse purposes. This coverage shall cease 30 days from the date of such acquisition or on the date values of the buildings are reported to this Company, or on the expiration date of the policy, whichever occurs first.

B. The named Insured may apply up to 10%, but not exceeding \$10,000, of the amount of insurance for Coverage B-Personal Property of the Insured to cover direct loss in anyone occurrence by a peril insured against to such property at any location (except fairs and exhibitions) acquired by the named Insured, elsewhere than at the described premises, within the fifty states of the United States of America and the District of Columbia. This coverage shall cease 30 days from the date of such acquisition or on the date values at such

locations are reported to this Company, or on the expiration date of the policy, whichever occurs first.

Additional premium shall be due and payable for values so reported from the date construction begins or the property is acquired.

4. PERSONAL EFFECTS: The named Insured may apply up to 5%, but not exceeding \$500, of the amount of insurance for Coverage B-Personal Property of the Insured to cover direct loss by a peril insured against to personal effects while located on the described premises, belonging to the named Insured, officers, partners or employees thereof, and limited to \$500 on personal effects owned by anyone individual. This Extension of Coverage does not apply if the loss is covered by any other insurance, whether collectible or not, or which would have been covered by such other insurance in the absence of this policy. At the option of this Company, loss under this Extension of Coverage may be adjusted with and payable to the named Insured.

5. VALUABLE PAPERS AND RECORDS: The named Insured may apply up to 5%, but not exceeding \$500, of the amount of insurance for Coverage B-Personal Property of the Insured at a described location to cover direct loss by a peril insured against under this policy to valuable papers and records. This Extension of Coverage covers only the cost of research and other expense necessarily incurred by the named Insured to reproduce, replace, or restore such valuable papers and records consisting of computer programs and books of account, manuscripts, abstracts, drawings, card index systems, film, tape, disc, drum, cell and other magnetic recording or storage media for electronic data processing, and other records, all the property of the named Insured at such location(s).

6. OUTDOOR TREES, SHRUBS AND PLANTS: The named Insured may apply up to 5%, but not exceeding \$1,000, of the sum of the amount(s) of insurance for Coverage A-Building(s) and Coverage B-Personal Property of the Insured to cover outdoor trees, shrubs and plants at the location(s) described in this policy against direct loss in any one occurrence by the perils of fire, lightning, explosion, riot, civil commotion or aircraft, but only to the extent such perils are insured against. This Company shall not be liable for more than \$250 on any one tree, shrub or plant, including debris removal expense.

SECTION IV-COINSURANCE CLAUSE

(THIS CLAUSE VOID UNLESS A PERCENTAGE IS SPECIFIED IN THE APPROPRIATE SPACE ON THE FIRST PAGE OF THIS POLICY OR BY ENDORSEMENT)

This Company shall not be liable for a greater proportion of any loss to the property covered than the amount of insurance under this policy for such property bears to the amount produced by multiplying the actual cash value of such property at the time of the loss by the coinsurance percentage applicable (specified on the first page of this policy, or by endorsement).

In the event that the aggregate claim for any loss is both less than \$10,000 and less than 5% of the total amount of insurance applicable to the

property involved at the time such loss occurs, no special inventory or appraisal of the undamaged property shall be required, providing that nothing herein shall be construed to waive the application of the first paragraph of this clause.

The value of property covered under Extensions of Coverage, and the cost of the removal of debris, shall not be considered in the determination of actual cash value when applying the Coinsurance Clause.

SECTION V-DEDUCTIBLE CLAUSE

The sum of \$100 shall be deducted from the amount of loss to property in any one occurrence resulting from any of the perils insured against. This deductible shall apply separately to each building (including personal property therein), separately to personal property in each building if no coverage is provided on the containing building and separately to personal

property in the open (including within vehicles). The aggregate amount of this deductible in any one occurrence shall not exceed \$1,000.

This deductible shall not apply to insurance covering Business Interruption, Tuition Fees, Extra Expense, Additional Living Expense, Rent or Rental Value or leasehold Interest.

SECTION VI-PERILS INSURED AGAINST

This policy insures against all direct loss caused by:

1. FIRE OR LIGHTNING,

2. REMOVAL, meaning loss by removal of the property covered hereunder from premises endangered by the perils insured against, and the amount of insurance applies pro rata for 5 days at each proper place to which such property shall necessarily be removed for preservation from the perils insured against.

This policy is extended to insure against direct loss by Windstorm, Hail, Smoke, Explosion, Riot, Riot Attending A Strike, Civil Commotion, Aircraft And Vehicles as hereinafter provided, only when premium for EXTENDED COVERAGE is shown on the first page of this policy or by endorsement.

3. WINDSTORM OR HAIL, excluding loss caused directly or indirectly by frost or cold weather, or ice (other than hail), snow or sleet, whether driven by wind or not.

A. This Company shall not be liable for loss to the interior of the building(s) or the property covered therein caused:

(1) by rain, snow, sand or dust, whether driven by wind or not, unless the building(s) covered or containing the property covered shall first sustain an actual damage to roof or walls by the direct action of wind or hail and then shall be liable for loss to the interior of the building(s) or the property covered therein as may be caused by rain, snow, sand or dust entering the building(s) through openings in the roof or walls made by direct action of wind or hail: or (2) by water from sprinkler equipment

or from other piping, unless such equipment or piping be damaged as a direct result of wind or hail.

B. This Company shall not be liable for Windstorm or Hail damage to the following property:

(1) Windmills, wind pumps or their towers:

(2) Crop silos or their contents:

(3) Metal smokestacks; or

(4) When outside of buildings,

(a) Grain, hay, straw or other crops,

(b) Trees, shrubs or plants,

(c) Awnings of fabric or slat construction, canopies of fabric or slat construction, including their supports,

(d) Radio or television antennas, including their lead-in wiring, masts or towers.

4. SMOKE, meaning sudden and accidental damage from smoke, other than smoke from agricultural smudging or industrial operations.

5. EXPLOSION, including direct loss resulting from the explosion of accumulated gases or unconsumed fuel within the firebox (or combustion chamber) of any fired vessel or within the flues or passages which conduct the gases of combustion therefrom.

A. This Company shall not be liable for loss by explosion of steam boilers, steam pipes, steam turbines or steam engines, if owned by, leased by or operated under the control of the Insured.

B. The following are not explosions within the intent or meaning of these provisions:

- (1) Shock waves caused by aircraft, generally known as "sonic boom",
- (2) Electric arcing,
- (3) Rupture or bursting of rotating or moving parts of machinery caused by centrifugal force or mechanical breakdown,
- (4) Water hammer,
- (5) Rupture or bursting of water pipes,
- (6) Rupture or bursting due to expansion or swelling of the contents of any building or structure, caused by or resulting from water,
- (7) Rupture, bursting or separation of pressure relief devices,

6. RIOT, RIOT ATTENDING A STRIKE OR CIVIL COMMOTION, including direct loss by acts of striking employees of the owner or tenant(s) of the described building(s) while occupied by said striking employees and shall also include direct loss from pillage and looting occurring during and at the immediate place of a riot, riot attending a strike or civil commotion. This Company shall not be liable for loss resulting from damage to or destruction of property due to change in temperature or humidity or interruption of operations whether or not such loss is covered by this policy as to other perils.

7. AIRCRAFT OR VEHICLES, meaning only direct loss resulting from actual physical contact of an aircraft or a vehicle with the property covered or with the building(s) containing the property covered, except that loss by aircraft includes direct loss by objects falling therefrom.

This Company shall not be liable for loss:

- A. by any vehicle owned or operated by an Insured or by any tenant of the described premises;
- B. by any vehicle to fences, driveways, walks, or when outside of buildings, to trees, shrubs or plants;
- C. to any aircraft or vehicle including its contents other than stocks of aircraft or vehicles in process of manufacture or for sale.

The word "vehicles" means vehicles running on land or tracks but not aircraft. The word "aircraft" shall include self-propelled missiles and spacecraft.

This policy is extended to insure against direct loss by Vandalism or Malicious Mischief as hereinafter provided, only when premium for VANDALISM AND MALICIOUS MISCHIEF is shown on the first page of this policy or by endorsement.

8. VANDALISM OR MALICIOUS MISCHIEF, meaning only the willful and malicious damage to or destruction of the property covered.

This Company shall not be liable for loss-

- A. to glass (other than glass building blocks) constituting part of a building, structure or an outside sign;
- B. by pilferage, theft, burglary or larceny, except that this Company shall be liable for willful damage to the building(s) covered caused by burglars in gaining entrance to or exit from the building(s) or any part of the building(s);
- C. by explosion of steam boilers, steam pipes, steam turbines or steam engines, if owned by, leased by, or operated under the control of the named Insured; or by rupture or bursting of rotating or moving parts of machinery caused by centrifugal force or mechanical breakdown;
- D. from depreciation or deterioration;
- E. if the described building(s) had been vacant or unoccupied beyond a period of 30 consecutive days immediately preceding the loss, whether or not such period commenced prior to the inception date of insurance against these perils; but a building in process of construction shall not be deemed vacant or unoccupied, nor shall the unoccupancy provision be applicable to private dwelling property or to such unoccupancy as is usual or incidental to the described occupancy. (The words "vacant" and "unoccupied" are defined in Section IX, paragraph 8.)

SECTION VII-EXCLUSIONS

1. ELECTRICAL APPARATUS: This Company shall not be liable for any loss resulting from any electrical injury or disturbance to electrical appliances, devices, fixtures or wiring caused by electrical currents artificially generated unless fire as insured against ensues, and then this Company shall be liable for only its proportion of loss caused by the ensuing fire.

2. NUCLEAR CLAUSE (Not applicable in New York): The word "fire" in this policy or endorsements attached hereto is not intended to and does not embrace nuclear reaction or nuclear radiation or radioactive contamination, all whether controlled or uncontrolled, and loss by nuclear reaction or nuclear radiation or radioactive contamination is not intended to be and is not insured against by this policy or said endorsements, whether such loss be direct or indirect, proximate or remote, or be in whole or in part caused by, contributed to, or aggravated by "fire" or any other perils insured against by this policy or said endorsements; however, subject to the foregoing and all provisions of this policy, direct loss by "fire" resulting from nuclear reaction or nuclear radiation or radioactive contamination is insured against by this policy.

3. NUCLEAR CLAUSE (Applicable in New York): This policy does not cover loss or damage caused by nuclear reaction or nuclear radiation or radioactive contamination, all whether directly or indirectly resulting from an insured peril under this policy.

4. NUCLEAR EXCLUSION (Not applicable in New York): (This clause applies to all perils insured against hereunder except the perils of fire and lightning, which are otherwise provided for in the Nuclear clause above):

Loss by nuclear reaction or nuclear radiation or radioactive contamination, all whether controlled or uncontrolled, or due to any act or condition incident to any of the foregoing, is not insured against by this policy, whether such loss be direct or indirect, proximate or remote, or be in whole or in part caused by, contributed to, or aggravated by any of the perils insured against by this policy; and nuclear reaction or nuclear radiation or radioactive contamination, all whether controlled or uncontrolled, is not "explosion" or "smoke".

4. ORDINANCE OR LAW: This Company shall not be liable for loss, including debris removal expense, occasioned directly or indirectly by enforcement of any ordinance or law regulating the use, construction, repair or demolition of property, unless such liability is otherwise specifically assumed by endorsement.

6. POWER FAILURE: This Company shall not be liable for loss caused directly or indirectly by tile interruption of power or other utility service furnished to the described premises if the interruption takes place away from the described premises. If a peril insured against ensues on the described premises, this Company shall be liable for only its proportion of loss caused by the ensuing peril.

7. WAR RISK (This clause applies to all perils insured against hereunder except the perils of fire, lightning and removal which are otherwise provided for in this policy): This Company shall not be liable for loss caused directly or indirectly by:

A. hostile or warlike action in time of peace or war, including action in hindering, combating or defending against an actual, impending or expected attack,

- (1) by any government or sovereign power (de jure or de facto), or by any authority maintaining or using military, naval or air forces; or
- (2) by military, naval or air forces; or

(3) by an agent of any such government, power, authority or forces, it being understood that any discharge, explosion or use of any weapon of war employing nuclear fission or fusion shall be conclusively presumed to be such a hostile or warlike action by such a government, power, authority or forces;

B. insurrection, rebellion, revolution, civil war, usurped power, or action taken by governmental authority in hindering, combating or defending against such an occurrence.

8. WATER EXCLUSION: This Company shall not be liable for loss caused by, resulting from, contributed to or aggravated by any of the following:

A. flood, surface water, waves, tidal water or tidal wave, overflow of streams or other bodies of water, or spray from any of the foregoing, all whether driven by wind or not;

B. water which backs up through sewers or drains;

C. water below the surface of the ground including that which exerts pressure on or flows, seeps or leaks through sidewalks, driveways, foundations, walls, basement or other floors, or through doors, windows, or any other opening in such sidewalks, driveways, foundations, walls or floors:

unless fire or explosion as insured against ensues, and then this Company shall be liable for only its proportion of loss caused by the ensuing fire or explosion.

9. EARTH MOVEMENT: This Company shall not be liable for loss caused by, resulting from, contributed to or aggravated by earth movement, including but not limited to earthquake, landslide, mudflow, earth sinking, earth rising or shifting unless fire or explosion as insured against ensues and then this Company shall be liable for only loss caused by the ensuing fire or explosion.

10. VOLCANIC ERUPTION: This Company shall not be liable for loss caused by volcanic eruption unless direct loss by fire or breakage of glass or safety glazing material ensues. In this event, this company shall be liable for only the direct loss to the property insured caused by the ensuing fire and if an insured peril, the ensuing breakage of glass or safety glazing material.

Volcanic eruption means the eruption, explosion or effusion of a volcano.

SECTION VIII-VALUATION

The following bases are established for valuation of property:

1. All property at actual cash value, except as provided below or by endorsement.

2. The value of all stock actually sold but not delivered shall be the price at which it was sold, less all discounts and unincurred expenses.

3. Tenant's Improvements and Betterments:

A. If repaired or replaced at the expense of the named Insured within a reasonable time after loss, the actual cash value of the damaged or destroyed improvements and betterments.

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

C. If repaired or replaced at the expense of others for the use of the named Insured, there shall be no liability hereunder.

4. Valuable Papers and Records:

A. Books of account, manuscripts, abstracts, drawings, card index systems and other records (except film, tape, disc, drum, cell and other magnetic recording or storage media for electronic data processing) for not exceeding the cost of blank books, cards or other blank material plus the cost of labor incurred by the named Insured for transcribing or copying such records.

B. Film, tape, disc, drum, cell and other magnetic recording or storage media for electronic data processing for not exceeding the cost of such media in unexposed or blank form.

C. Computer programs for not exceeding the cost of labor incurred by the named Insured for transcribing or copying such programs.

SECTION IX-OTHER PROVISION

1. **APPORTIONMENT:** This Company shall not be liable for a greater proportion of any loss less the amount of the deductible, if any, from any peril or perils included in this policy than (A) the amount of insurance under this policy bears to the whole amount of fire insurance covering the property, or which would have covered the property except for the existence of this insurance, whether collectible or not, and whether or not such other fire insurance covers against the additional peril or perils insured against hereunder, nor (B) for a greater proportion of any loss less the amount of the deductible, if any, than the amount hereby Insured bears to all Insurance, whether collectible or not, covering in any manner such loss, or which would have covered such loss except for the existence of this Insurance: except if any type of Insurance other than fire extended to cover additional perils or windstorm insurance applies to any loss to which this insurance also applies, or would have applied to any such loss except for the existence of this insurance, the limit of liability of each type of insurance for such loss, hereby designated as "joint loss", shall first be determined as if it were the only insurance, and this type of insurance shall be liable for no greater proportion of joint loss than the limit of its liability for such loss bears to the sum of all such limits. The liability of this Company (under this policy) for such joint loss shall be limited to its proportionate part of the aggregate limit of this and all other insurance of the same type. The words "joint loss", as used in the foregoing, mean that portion of the loss in excess of the highest deductible, if any, to which this policy and other types of insurance above referred to both apply.

2. **CONTROL OF PROPERTY:** This insurance shall not be prejudiced by any act or neglect of any person (other than the named Insured), when such act or neglect is not within the control of the named Insured.

3. **DIVISIBLE CONTRACT CLAUSE:** If this policy covers two or more buildings or the contents of two or more buildings, the breach of any condition of the policy in any one or more of the buildings covered or containing the property covered shall not prejudice the right to recover for loss occurring in any building covered or containing the property covered, where at the time of loss a breach of condition does not exist.

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

5. **LIBERALIZATION:** If during the period that insurance is in force under this policy, or within 45 days prior to the inception date thereof, on behalf of this Company there be adopted or filed with and approved or accepted by the insurance supervisory authorities, all in conformity with law, any changes in the form attached to this policy by which this form of insurance could be extended or broadened without increased premium charge by endorsement or substitution of form, then such extended or broadened insurance shall inure to the benefit of the named Insured hereunder as though such endorsement or substitution of form had been made.

6. **LOSS CLAUSE:** Any loss hereunder shall not reduce the amount of this policy.

7. **MORTGAGE CLAUSE: (Not applicable in Minnesota):** (Applies only to building items and is effective only when policy is made payable to a named mortgagee or trustee.)

Loss or damage if any under this policy shall be payable to the mortgagee (or trustee), named on the first page of this policy, as interest may appear, under all present or future mortgages upon the property herein described in which the aforesaid may have an interest as mortgagee (or trustee) in order of precedence of said mortgages, and this insurance, as to the interest of the mortgagee (or trustee) only therein, shall not be invalidated by any act or neglect of the mortgagor or owner of the within described property, nor by any foreclosure or other proceedings or notice of sale relating to the property, nor by any change in the title or ownership of the property, nor by the occupation of the premises for purposes more hazardous than are permitted by this policy: provided, that in case the mortgagor or owner shall neglect to pay any premium due under this policy the mortgagee (or trustee) shall, on demand pay the same.

Provided, also, that the mortgagee (or trustee) shall notify this Company of any change of ownership or occupancy or increase of hazard which shall come to the knowledge of said mortgagee (or trustee) and, unless permitted by this policy, it shall be noted thereon and the mortgagee (or trustee) shall, on demand, pay the premium for such increased hazard for the term of the use thereof; otherwise this policy shall be null and void.

This Company reserves the right to cancel this policy at any time as provided by its terms, but in such case this policy shall continue in force for the benefit only of the mortgagee (or trustee) for 10 days after notice to the mortgagee (or trustee) of such cancellation and shall then cease, and this Company shall have the right on like notice to cancel this agreement.

Whenever this Company shall pay the mortgagee (or trustee) any sum for loss under this policy and shall claim that, as to the mortgagor or owner no liability therefore existed, this Company shall, to the extent of such payment, be thereupon legally subrogated to all the rights of the party to whom such payment shall be made, under all securities held as collateral to the mortgage debt, or may, at its option, pay to the mortgagee (or trustee) the whole principal due or to grow due on the mortgage with interest, and shall thereupon receive a full assignment and transfer of the mortgage and of all such other securities: but no subrogation shall impair the right of the mortgagee (or trustee) to recover the full amount of said mortgagee's (or trustee's) claim.

8. **PERMITS AND USE:** Except as otherwise provided, permission is granted:

A. to make additions, alterations and repairs. This policy insofar as it covers building(s) or structure(s), is extended to cover additions, alterations and repairs, when not otherwise covered by insurance, including temporary structures constructed on site, materials, equipment and supplies therefore on or within 100 feet of the described premises; and this policy, insofar as it covers contents, is extended to cover in such additions. This provision does not waive or modify any of the conditions of the Automatic Sprinkler Clause, if any, attached to this policy

B. for such unoccupancy as is usual or incidental to the described occupancy: but vacancy is limited to the 60 day period permitted by the policy conditions (Vacant or Vacancy means containing no contents pertaining to operations or activities customary to occupancy of the building. Unoccupied or Unoccupancy means containing contents pertaining to occupancy of the building while operations or other customary activities are suspended);

C. in the event of loss hereunder, to make reasonable repairs, temporary or permanent, provided such repairs are confined solely to the protection of the property from further damage, and provided further that the named Insured shall keep an accurate record of such repair expenditures. The cost of any such repairs directly attributable to damage by any peril insured hereunder shall be included in determining the amount of loss hereunder. Nothing herein contained is intended to modify the policy requirements applicable in case loss occurs, and in particular the requirement that, in case loss occurs, the named Insured shall protect the property from further damage.

9. **PROTECTIVE SAFEGUARDS:** It is a condition of this Insurance that the insured shall maintain so far as is within his control such protective safeguards as are set forth by endorsement hereto. Failure to maintain such protective safeguards shall suspend this insurance, only as respects the location or situation affected, for the time of such discontinuance.

10. **PROVISIONS APPLICABLE ONLY WHEN THIS POLICY COVERS BUSINESS INTERRUPTION, TUITION FEES, EXTRA EXPENSE, ADDITIONAL LIVING EXPENSE, RENT OR RENTAL VALUE, LEASEHOLD INTEREST OR OTHER CONSEQUENTIAL LOSS.** The term "direct" as applied to loss means loss as limited and conditioned in this policy, resulting from direct loss to described property from the peril(s) insured against. If the business of the owner or tenant(s) of the described building(s) is interrupted by a strike at the described location, this Company shall not be liable for any loss due to interference by any person(s) with building, repairing or replacing the property damaged or destroyed or with the resumption or continuation of business.

11. **SUBROGATION:** This insurance shall not be invalidated should the named Insured waive in writing prior to a loss any or all right of recovery against any party for loss occurring to the property described.