

AGENDA

A Action
I Information
1 Attached
2 Hand Out
3 Separate Cover
4 Verbal

MEETING: Board of Directors Meeting
 Schools Program Alliance
 Teleconference Meeting

DATE/TIME: August 2, 2021 at 11:00 AM PDT

LOCATION VIA TELECONFERENCE: Toll Free [\(888\) 475 4499](tel:8884754499) or [\(669\) 900-6833](tel:6699006833) US Toll Meeting number (access code): 936 6479 1470
<https://alliantinsurance.zoom.us/j/93664791470?pwd=RXkrdlFqcjA1UIBoVnFnMHIHVU9wQT09>

<i>PAGE</i>	A. CALL TO ORDER, ROLL CALL, QUORUM	A 4
	B. APPROVAL OF AGENDA AS POSTED	A 4
	C. PUBLIC COMMENTS <i>The public is invited at this point to address the Board of Directors on issues of interest to them.</i>	I 4
	D. CONSENT CALENDAR <i>The Board of Directors may take action on the items below as a group except a Board Member may request an item be withdrawn from the Consent Calendar for discussion and action.</i>	A 1
<i>Pg. 4</i> <i>Pg. 8</i>	<ol style="list-style-type: none"> 1. Minutes of SPA Board Meeting June 7, 2021 2. Gilbert 2021 Audit Engagement Letter 	
	E. ADMINISTRATIVE REPORTS	
	<ol style="list-style-type: none"> 1. Alliant Update <i>The Board will receive an update on matters pertinent to SPA.</i> 	
	F. GENERAL ADMINISTRATION	
<i>Pg. 14</i>	<ol style="list-style-type: none"> 1. Loss Control Update <i>Members will be provided with an update regarding Loss Control and may approve additional activities.</i> 	A 1
<i>Pg. 57</i>	<ol style="list-style-type: none"> 2. Potential Topics for Long Range Planning Meeting <i>Members will consider topics for the upcoming Long Range Planning meeting.</i> 	A 1
<i>Pg. 58</i>	<ol style="list-style-type: none"> 3. Property MOC <i>Members will receive a copy of the MOC and highlights of any changes.</i> 	I 1
	G. INFORMATION ITEMS AND DISCUSSION <i>This is an opportunity for a Board Member to discuss a topic of interest or seek guidance and input from the group about a current issue, risk management topic or exposure the Member is experiencing.</i>	I 4

H. ADJOURNMENT

A 4

IMPORTANT NOTICES AND DISCLAIMERS:

Per Government Code 54954.2, persons requesting disability related modifications or accommodations, including auxiliary aids or services in order to participate in the meeting, are requested to contact Michelle Minnick at Alliant Insurance at (916) 643-2715 twenty-four (24) hours in advance of the meeting.

The Agenda packet will be posted at each member's site. Documents and material relating to an open session agenda item that are provided to the SPA members less than 72 hours prior to a regular meeting will be available for public inspection and copying at 2180 Harvard Street, Suite 460, Sacramento, CA 95815.

Access to some buildings and offices may require routine provisions of identification to building security. However, SPA does not require any member of the public to register his or her name, or to provide other information, as a condition to attendance at any public meeting and will not inquire of building security concerning information so provided. See Government Code section 54953.3.

Item No: D.

CONSENT CALENDAR**ACTION ITEM**

ISSUE: Items on the Consent Calendar are to be reviewed. If any item requires clarification, discussion, or amendment by any member of the Board, such item(s) may be pulled from Consent Calendar and placed on the agenda for separate discussion.

Items pulled from the Consent Calendar will be placed on the agenda in an order determined by the President.

RECOMMENDATION: Adoption of items presented on the Consent Calendar after review by the Board.

FISCAL IMPACT: As indicated on any item included.

BACKGROUND: Items of importance that may not require discussion are included on the Consent Calendar for adoption.

ATTACHMENTS:

1. Minutes of SPA Board Meeting June 7, 2021
2. Gilbert 2021 Audit Engagement Letter

SCHOOLS PROGRAM ALLIANCE

June 7, 2021 Teleconference Meeting Minutes

Members Present:

Butte Schools Self-Funded Programs (BSSP)	Christy Patterson
North Bay Schools Insurance Authority (NBSIA)	Janet Selby
North Bay Schools Insurance Authority (NBSIA)	Brandon Schlenker
Redwood Empire Schools Insurance Group (RESIG)	Rose Burcina
Redwood Empire Schools Insurance Group (RESIG)	Steven Fields
Redwood Empire Schools Insurance Group (RESIG)	Chris Spenser
Schools Insurance Authority (SIA)	Martin Brady
Schools Insurance Authority (SIA)	Debrah Sherrington
Schools Insurance Authority (SIA)	Brooks Rice
Schools Insurance Group (SIG)	Cindy Wilkerson
Schools Insurance Group (SIG)	Nancy Mosier

Consultants & Guests

Dan Madej, Alliant Insurance Services	Jaesa McCulligan, Sedgwick
Michelle Minnick, Alliant Insurance Services	Jim Wilkey, ABD
Marcus Beverly, Alliant Insurance Services	Mark Stokes, ABD
Dennis Mulqueeney, Alliant Insurance Services	

A. CALL TO ORDER, ROLL CALL, QUORUM

Mr. Martin Brady called the meeting to order at 9:01 a.m. The above-mentioned members were present constituting a quorum.

B. APPROVAL OF AGENDA AS POSTED

A motion was made to approve the Agenda as posted, and approve the Consent Calendar.

MOTION: Janet Selby

SECOND: Cindy Wilkerson

**MOTION CARRIED
UNANIMOUSLY**

C. PUBLIC COMMENT

There were no public comments.

D. CONSENT CALENDAR

This item was approved as part of the prior items.

E. ADMINISTRATIVE REPORTS

1. Alliant Update

The Board was thanked for their flexibility in making this meeting happen.

F. GENERAL ADMINISTRATION

F.1.A. Excess Liability Program – ABD Brokerage Services Agreement

James Wilkey provided the Board with an update as it relates to the Excess Liability Program for the participating members which includes SIA and BASIC (not including SIG). The agreement is being presented with changes recommended by the Alliant staff.

The board asked to review item F.1.B. at this time.

F.1.B. Excess Liability Program – ABD Brokerage Services Agreement

James Wilkey provided the Board with an update as it relates to the Excess Liability Program. Members were reminded that the Board approved excess limits from \$5M to \$25M and that coverage has been bound as ABD explored limits over \$25M. After a discussion it was generally agreed that the Board would be interested in binding coverage of a \$5M excess of \$25M bringing the total limit to \$30M.

A motion was made to accept the ABD agreement that was presented and give ABD authority to bind coverage \$5M excess of \$25M bringing the total limit to \$30M on a not to exceed \$310,000.

MOTION: Rose Burcina

SECOND: Janet Selby

**MOTION CARRIED
UNANIMOUSLY**

F.2. Property Program Renewal – Funding Allocation

George Magguy from AmWins provided the board with a summary update regarding the coverage, indicating that coverage has been bound while they are still negotiating some of the terms and conditions. He provided a review of the coverage changes from the prior year including potential changes to the sublimits for Accidental Contamination (dropping from \$1M to \$500,000), it was also mentioned the Auto Acquisition sublimit will be dropping from \$50M to \$25M. One of the last changes highlighted was the Course of Construction sublimit which will be changing slightly with a \$25M limit (except \$10M for wood frame projects which will need to be underwritten). Members provided program administration with direction to develop some standards regarding builders risk projects so as they come up so members can notify AmWins accordingly.

Dan Madej provided the Board with a summary of the FY 21/22 rates and noted that members will need to select the Retained layer funding amount (either \$3M, \$1.5M or \$750K) which will determine the ultimate funding.

A motion was made to fund the retained layer at \$1.5M for FY 21/22.

MOTION: Janet Selby

SECOND: Cindy Wilkerson

**MOTION CARRIED
UNANIMOUSLY**

A motion was made to delegate authority to the Managing member to bind coverage for the APD program once quotes are received.

MOTION: Cindy Wilkerson

SECOND: Janet Selby

**MOTION CARRIED
UNANIMOUSLY**

It was requested the Board review item F.4. at this time.

F.4. Long Range Planning Date

Dan Howell offered the Board the option to hold the Long Range Planning meeting over two days during August and it was suggested the Sonoma as the location, after a discussion it was generally agreed to have an in person meeting and Program Administration was asked to set up a location.

A motion was to delegate authority to the managing member to set the date of either the week August 23-24th or the week of August 30-31st as the meeting date.

MOTION: Janet Selby

SECOND: Cindy Wilkerson

**MOTION CARRIED
UNANIMOUSLY**

F.3. Alliant Deadly Weapons Response Program

Dan Howell noted that the coverage purchased through AmWins and reminded the board that this is coverage placed through London. It was noted that the coverage we purchased through AmWins but noted that we are paying \$50k and the Alliant program provided an estimate of \$110k. Dennis Mulqueeny noted with the ADWRP there is a liability component where the current program is property based (physical damage and associated expenses).

A motion was made to have this be a topic of discussion for the Long Range Planning meeting to determine if the program should be expanded in the future.

MOTION: Janet Selby

SECOND: Christy Patterson

**MOTION CARRIED
UNANIMOUSLY**

G. INFORMATION ITEMS AND DISCUSSION

Cindy Wilkerson noted that SIG will be doing an RFI for training options, it was suggested that we wait until the LRP to discuss in further detail and asked for feedback from the group. It was generally agreed that we could wait until the Long Range Planning session to discuss in greater detail.

H. ADJOURNMENT

A motion to adjourn was made at 10:20 A.M.

MOTION: Cindy Wilkerson

SECOND: Janet Selby

**MOTION CARRIED
UNANIMOUSLY**

Absent: Rose Burcina

The meeting was adjourned at 10:20 A.M.

NEXT MEETING DATE: Monday June 14, 2021 10 A.M.

Respectfully Submitted,

Martin Brady, Secretary

Date

DRAFT

July 14, 2021



To the Board and Management
Schools Program Alliance
2180 Harvard Street, Suite 460
Sacramento, CA 95815

We are pleased to confirm our understanding of the services we are to provide Schools Program Alliance (SPA) for the period ended June 30, 2021. We will audit the financial statements, including the related notes to the financial statements, which collectively comprise the basic financial statements of SPA as of and for the period ended June 30, 2021. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management’s discussion and analysis (MD&A), to supplement SPA’s basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to SPA’s RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by U.S. generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

- 1) Management’s Discussion and Analysis.
- 2) Claims Development Information

Audit Objective

The objective of our audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with generally accepted accounting. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and will include tests of the accounting records and other procedures we consider necessary to enable us to express such an opinion. We will issue a written report upon completion of our audit of SPA’s financial statements. Our report will be addressed to management and the Board of SPA. We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion or add an emphasis-of-matter or other-matter paragraphs. If our opinion is other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express an opinion or may withdraw from this engagement.

Audit Procedures—General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether

from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards. In addition, an audit is not designed to detect immaterial misstatements, or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

Audit Procedures—Internal Control

Our audit will include obtaining an understanding of the government and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of SPA's compliance with the provisions of applicable laws, regulations, contracts, and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.

Other Services

We will also prepare the financial statements of SPA in conformity with U.S. generally accepted accounting principles based on information provided by you. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statement services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

Management Responsibilities

Management is responsible for designing, implementing, and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material

misstatement, whether due to fraud or error, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with U.S. generally accepted accounting principles.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, including identification of all related parties and all related-party relationships and transactions, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws and regulations.

You are responsible for the preparation of the supplementary information in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities include acknowledging to us in the representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

You agree to assume all management responsibilities for financial statement preparation services and any other nonattest services we provide; oversee the services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

Engagement Administration, Fees, and Other

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing.

The audit documentation for this engagement is the property of Gilbert CPAs and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to a regulatory agency or its designee. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Gilbert CPA personnel. Furthermore, upon request, we may provide

copies of selected audit documentation to a regulatory agency or its designee. The regulatory agency or its designee may intend or decide to distribute the copies or information contained therein to others, including other governmental agencies.

We expect to begin our audit on approximately August 23, 2021 and to issue our reports no later than December 31, 2021. Kevin S. Wong, CPA, is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

Our fee for these services will not exceed \$10,000. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. The fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs. Our fees and costs will be billed monthly, and are payable upon receipt. Invoices unpaid 30 days past the billing date may be deemed delinquent, and are subject to an interest charge of .83% per month. We reserve the right to suspend our services or to withdraw from this engagement in the event that any of our invoices are deemed delinquent. In the event that any collection action is required to collect unpaid balances due us, you agree to reimburse us for our costs of collection, including attorneys' fees.

If we elect to terminate our services for nonpayment, or for any other reason provided for in this letter, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended, and to reimburse us for all of our out-of-pocket costs, through the date of termination.

In connection with this engagement, we may communicate with you or others via email transmission. As emails can be intercepted and read, disclosed, or otherwise used or communicated by an unintended third party, or may not be delivered to each of the parties to whom they are directed and only to such parties, we cannot guarantee or warrant that emails from us will be properly delivered and read only by the addressee. Therefore, we specifically disclaim and waive any liability or responsibility whatsoever for interception or unintentional disclosure of emails transmitted by us in connection with the performance of this engagement. In that regard, you agree that we shall have no liability for any loss or damage to any person or entity resulting from the use of email transmissions, including any consequential, incidental, direct, indirect, or special damages, such as loss of revenues or anticipated profits, or disclosure or communication of confidential or proprietary information.

You are responsible to notify us in advance of your intent to reproduce our report for any reason, in whole or in part, and to give us the opportunity to review any printed material containing our report before its issuance. Such notification does not constitute an acknowledgement on our part of any third party's intent to rely on the financial statements. With regard to financial statements published electronically on your internet website, you understand that electronic sites are a means to reproduce and distribute information. We are not required to read the information contained in your sites, or to consider the consistency of other information in the electronic site with the original document.

In the event we are required to respond to a subpoena, court order or other legal process for the production of documents and/or testimony relative to information we obtained and/or prepared during the course of this engagement, you agree to compensate us at our hourly rates for the time we expend in connection with such response, and to reimburse us for all of our out-of-pocket costs incurred in that regard.

In the event that we are or may be obligated to pay any cost, settlement, judgment, fine, penalty, or similar award or sanction as a result of a claim, investigation, or other proceeding instituted by any third party, then to the extent that such obligation is or may be a direct or indirect result of your intentional or knowing

To the Board and Management
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misrepresentation or provision to us of inaccurate or incomplete information in connection with this engagement, and not any failure on our part to comply with professional standards, you agree to indemnify us, defend us, and hold us harmless as against such obligations.

If any dispute arises among the parties hereto, the parties agree first to try in good faith to settle the dispute by mediation administered by the American Arbitration Association under its Rules for Professional Accounting and Related Services Disputes before resorting to litigation. The costs of any mediation proceeding shall be shared equally by all parties.

Client and accountant both agree that any dispute over fees charged by the accountant to the client will be submitted for resolution by arbitration in accordance with the Rules for Professional Accounting and Related Services Disputes of the American Arbitration Association. Such arbitration shall be binding and final. In agreeing to arbitration, we both acknowledge that in the event of a dispute over fees charged by the accountant, each of us is giving up the right to have the dispute decided in a court of law before a judge or jury and instead we are accepting the use of arbitration for resolution.

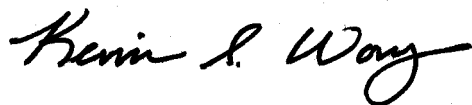
Any litigation arising out of this engagement, except actions by us to enforce payment of our professional invoices, must be filed within one year from the completion of the engagement, notwithstanding any statutory provision to the contrary.

This engagement letter is contractual in nature, and includes all of the relevant terms that will govern the engagement for which it has been prepared. The terms of this letter supersede any prior oral or written representations or commitments by or between the parties. Any material changes or additions to the terms set forth in this letter will only become effective if evidenced by a written amendment to this letter, signed by all of the parties.

We appreciate the opportunity to be of service to SPA and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,

Gilbert CPAs



Kevin S. Wong, CPA
Shareholder

RESPONSE:

This letter correctly sets forth the understanding of Schools Program Alliance.

Management signature:

Title:

Date:

To the Board and Management
Schools Program Alliance
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Governance signature: _____

Title: _____

Date: _____

Item No: F.1.

LOSS CONTROL UPDATE

ACTION ITEM

ISSUE: Members continue to support wildfire risk mitigation efforts as a major component of the loss control services offered through SPA. We are currently using two different consultants and have a new option to consider as well.

XMR Fire Consulting - Napa, Calistoga, and Angwin schools are complete but reports are pending, scheduling is underway for Paradise.

Industrial Emergency Council – assignment for Paradise USD complete – summary and sample location report are attached for review.

Fireline Defense, LLC – new firm with information attached. Will explore use and cost for possible test location.

The program managers recommend moving forward with more inspections with IEC at this time. They are able to complete them timely and for a reasonable cost (\$1,500 for Paradise USD). The attached list of potential inspection sites is provided for feedback from the members and authorization from the Board.

RECOMMENDATION: Review and provide authorization to continue inspections per feedback from members.

FISCAL IMPACT: Expect IEC to charge \$1,500 per site. Recommend additional budget up to \$20,000 for additional inspections.

BACKGROUND: SPA members have dedicated a portion of the budget for loss control services with an emphasis on wildfire risk mitigation and updating property insurance appraisals.

ATTACHMENTS:

1. Sample IEC Report – Summary and one location
2. Fireline Defense, LLC – PowerPoint introduction
3. List of potential inspection sites ranked by Risk Score

Mike Crandall
1301 Shoreway Rd. #375
Belmont, Ca. 94002
mcrandall@iectraining.org

07/12/2021

Marcus Beverly
First Vice President
Alliant Insurance Services, Inc.
2180 Harvard St. #460

Dear Mr. Beverly:

Overview of District:

The Paradise Unified School District should focus on annual grass removal and canopy separation from structures. The greatest threat to most of the buildings is ember cast from a deep-seated fire traveling up the drainages that encompass the town. Fire behavior like the devastating Camp fire is still a threat. The removal of receptive fuel beds IE; annual grass component and leaf litter within the immediate zone (5' from foundation), on roofs and, within gutters, would greatly strengthen the ability for the buildings to survive a wildfire event.

Please find attached, a summary of each property of the Paradise Unified School District. Within the brief we have addressed the greatest threat and summarized the immediate mitigation needs of each address. As a tool for triaging, the brief can identify the most pressing needs and give the client an idea of the potential fiscal impact that can arise with aggressive vegetation removal.

Also, we have converted the long forms to PDF and have attached.

Sincerely,

Mike Crandall, CWMS

5911 MAXWELL ROAD

SUMMARY

The greatest threat to the buildings on this site comes from the nearby canyon that contains the west fork of the feather river. A fast-moving fire like the Camp Fire can occur again in the area. With a recent example of how quickly fire can spread from such an extreme event a large amount of vegetative removal has been occurring in the area with the larger timber and shrub component being prioritized. Currently the potential for a crown fire or wall of flame encroaching into the site has been eliminated by the previous destruction from the Camp Fire. The greatest threat now comes from a fire deep seated in the valley and pushing towards the towns edge with large amounts of heat and volume. This push will produce a potential cast of embers that can travel the ½ mile to the site and drop into any receptive fuel bed such as leaf litter in gutters and on the roof in valleys and areas of wind eddies. Annual grass can be easily ignited and threaten the structures if allowed to propagate in the immediate and intermediate zones.

MITIGATION

Immediate need

- Remove all annual grass and decorative shrubs and trees from the immediate zones around all campus structures. This is the space that extends out five feet from the foundational walls.
- Maintain all gutters and channels free of vegetative material.
- Remove all annual grass from the intermediate zone that extends out to thirty feet from the immediate zone boundary.
- Remove the vegetation from the immediate and intermediate zones of the lower ballfield detached buildings to prevent loss [59111-11][5911-12][5911-13]
- Trim back the overhanging pine trees that are encroaching over the modular structures [5911-7] [5911-8][5911-10] on the west side of the campus by 10' and trim 1/3 the height of the tree. Look at removing several of the smaller diameter trees to provide canopy separation of 12' in this area of the intermediate zone to the primary buildings.

5657 RECREATION DRIVE

SUMMARY

The greatest threat to the buildings on this site comes from the nearby Butte Fork tributary that contains the Little Butte Creek and the Middle Butte Creek drainages. The recent Camp Fire shows the possibility of an extreme wildfire threatening the area by ember cast and radiant heat transfer through torching and crowning. A fast-moving fire like the Camp Fire can occur again in the area.

MITIGATION

Immediate need

- Remove all annual grass and decorative shrubs and trees from the immediate zones around all campus structures [5657-5] [5657-6] and trim back any overhanging limbs or limbs that encroach within 10' of any structure.
- Maintain all gutters and channels free of vegetative material.

6400 COLUMBINE ROAD

SUMMARY

The greatest threat to the buildings on the site comes from the nearby Butte Fork Tributary that contains the Little Butte Creek and the Middle Butte Creek drainages. The recent Camp Fire shows the possibility of an extreme wildfire threatening the area by ember cast and radiant heat transfer through torching and crowning. A fast-moving fire like the Camp Fire can occur again in the area. The secondary threat comes from the north and western undeveloped areas that sit adjacent to the location. Due to the large separation distances between the campus buildings and the existing tree lines along the perimeter of the parcels the greatest threat overall is ember cast from a high intensity wildfire coming from the canyon or undeveloped acreage.

MITIGATION

Immediate need

- Remove all annual grass and decorative shrubs and trees from the immediate zones around all campus structures. This is the space that extends out five feet from the foundational walls.
- Maintain all gutters, roof valleys and channels free of vegetative material.
- Clear all leaf litter and debris from the immediate zone around the foundations of the modular and continue around the primary buildings.

6593 PENTZ ROAD

SUMMARY

The greatest threat to the buildings on the site comes from the nearby canyon that contains the west fork of the feather river. A fast-moving fire like the Camp Fire can occur again in the area. With a recent example of how quickly fire can spread from such an extreme event a large amount of vegetative removal has been occurring in the area with the larger timber and shrub component being prioritized. Currently the potential for a crown fire or wall of flame encroaching into the site has been eliminated by the previous destruction from the Camp Fire. The greatest threat now comes from a fire deep seated in the valley and pushing towards the towns edge with large amounts of heat and volume. This push will produce a potential cast of embers that can travel the ½ mile to the site and drop into any receptive fuel bed such as leaf litter in gutters and on the roof in valleys and areas of wind eddies. Annual grass can be easily ignited and threaten the structures if allowed to propagate in the immediate and intermediate zones.

MITIGATION

Immediate need

- Remove all annual grass and decorative shrubs and trees from the immediate zones around all campus structures. This is the space that extends out five feet from the foundational walls.
- Maintain all gutters and channels free of vegetative material.
- Remove all annual grass from the intermediate zone that extends out to thirty feet from the immediate zone boundary.

6696 CLARK ROAD

SUMMARY

The greatest threat to the building comes from the nearby Butte Fork tributary that contains the Little Butte Creek and the Middle Butte Creek drainages. The recent Camp Fire shows the possibility of an extreme wildfire threatening the area by ember cast and radiant heat transfer through torching and crowning. A fast-moving fire like the Camp Fire can occur again in the area.

MITIGATION

Immediate need

- Remove all annual grass and decorative shrubs from the immediate zone and replace with native species with a mature growth height of less than 18” or keep clear with decorative aggregate.
- Maintain all gutters and channels free of vegetative material.

610 PEARSON DRIVE

SUMMARY

The greatest threat to the buildings on the site comes from the nearby Butte Fork tributary that contains the Little Butte Creek and the Middle Butte Creek drainages. The recent Camp Fire shows the possibility of an extreme wildfire threatening the area by ember cast and radiant heat transfer through torching and crowning. A fast-moving fire like the Camp Fire can occur again in the area.

MITIGATION

Immediate need

- Remove all annual grass and decorative shrubs and trees from the immediate zones around the north detached building.
- Maintain all gutters and channels free of vegetative material.
- Remove all annual grass from the intermediate zone that extends out to thirty feet from the immediate zone boundary.
- Remove all annual grass from around the parking structures along the south and west parcel lines.

13878 COMPTON ROAD/13835 W. PARK DRIVE

SUMMARY

The greatest threat to the buildings on the site comes from the nearby butte fork tributary that contains the little butte creek and the middle butte creek drainages. The recent Camp Fire shows the possibility of an extreme wildfire threatening the area by ember cast and radiant heat transfer through torching and crowning. A fast-moving fire like the Camp Fire can occur again in the area. The secondary threat comes from the north and western undeveloped areas that sit adjacent to the location. Due to the large separation distances between the campus buildings and the existing tree lines along the perimeter of the parcels the greatest threat overall is ember cast from a high intensity wildfire coming from the canyon or undeveloped acreage.

MITIGATION

Immediate need

- Remove all annual grass and decorative shrubs and trees from the immediate zones around all campus structures. This is the space that extends out five feet from the foundational walls.
- Remove the shrubs that are located directly in front of the picture window of the office [13878-3].
- Maintain all gutters, roof valleys and channels free of vegetative material.
- Remove all annual grass from the intermediate zone that extends out to thirty feet from the immediate zone boundary [13878-12].
- Clear all leaf litter and debris from the immediate zone around the foundations of the modular and continue around the primary buildings [13878-2].
- Enclose all ventilation openings that have been removed or damaged with 1/8" metallic screening [13878-2].

7881 GYPSUM STREET

SUMMARY

The greatest threat to the building comes from a surface fire extending from Skyway or Gypsum St. The threat of a larger timber fire has been decreased by the active management of the shaded fuel break surrounding the town and by Sierra Pacific's clear-cut islands. The mitigation efforts that have been instituted in the area help reduce this possibility, however as we have seen with the Camp Fire a large timber fire cannot be ruled out as a threat.

MITIGATION

Immediate need

- Remove all annual grass and decorative shrubs and trees from the immediate zone.
- Remove all annual grass, shrubs, and small diameter trees from the intermediate zone on the east side of the building [7881-2]. This poses the greatest threat to the structure from surface flame spread emanating from Skyway.

13878 COMPTON ROAD/13835 W. PARK DRIVE

Overview of the Surrounding Environment

Location

The GPS coordinates, address, boundary setbacks and road access to primary structure. All secondary structures identified by location to primary building. Distance to bordering lands and primary buildings within the extended zone identified.

The site located at 13878 Compton Rd. in Magalia at 39.81/-121.60 is shared with 13835 W. Park Dr. Both facilities are utilized as an educational campus for Paradise Unified School District (PUSD). The north boundary line abuts twelve parcels of single-family residences that are accessed from Ponderosa Way. The primary buildings are set back 900' from the northern parcel line and have a parking lot and access road providing significant separation [13878-1]. The east parcel line abuts eight single-family residential parcels accessed from W. Park Dr. The eastern wall of 13835 W. Park Dr. shares a common boundary with a single-family residential parcel addressed 13865 W. Park Dr. The south boundary fronts an undeveloped area with a setback of 1000' containing the ballfield and circular driveway. The western parcel line abuts an undeveloped area and has a setback from the western foundational walls of 900'.

Alignment

Alignment of the structure in relation to predominant topographical features such as aspect, flat open areas, ridges, saddles, steep slopes, natural chimneys like steep narrow draws, or small canyons, that will increase the ignition potential of the structure.

The site is located at an elevation of 2230'. The topography is relatively flat with open areas of terrain having <15% dominant gradient throughout the Ignition Hazard Zone. Threatening topographical features to the zone comes from the Little Butte Creek tributary and the Middle Butte Creek canyon area that parallel the Town of Magalia on the west and east side. This area burned recently in the Camp Fire and shows significant potential to carry embers from an extreme event into the assessment site. Slope alignment with the southwest corner of the property from the Butte Creek Canyon is the greatest threat for ember cast to the primary building's ignition hazard zone.

Local weather influences and trends

Predominant weather conditions, including wind, relative humidity, temperature, and fine fuel moisture content. Trends of drought, stability, or precipitation.

For this address the summers are hot, dry, and mostly clear and the winters are cold, wet, and partly cloudy. Over the course of the year, the temperature typically varies from 35°F to 91°F and is rarely below 27°F or above 99°F. The hottest annual temperatures typically occur between June and September with the lowest relative humidity coinciding. The current trend in this area is projected to be escalating drought.

Please see: <https://www.sfgate.com/bayarea/article/California-drought-data-natural-flow-Jeanine-Jones-16184234.php>Narrative

Nearby Structures

Structures nearby that can influence fire spread using the same criteria as the primary structure.

The campus layout includes twenty-eight structures utilized for classroom, administration, and assembly. The distance between the buildings foundational walls varies from 10'-50' with distance between eaves in some locations less than 10'. The proximity allows for radiative heat transfer to occur if one or several of the buildings were to become involved in fire. Several of the structures are wood framed modular type with flammable exterior siding and roof overlay and are extremely susceptible to heat transfer from other sources such as surface fires from the annual grass component and leaf litter that was evident between the structures. [13878-2]

Recommendations

Immediate Zone (5' from foundation wall)

Remove all annual grass and decorative shrubs and trees [13878-3] from within the 5' immediate zones of each building on campus. Replace decorative vegetation with native species of less than a maximum 18" mature growth height in island configuration or completely eliminate and replace with rock or other decorative mineral.

Intermediate Zone (30' from end of Immediate Zone)

Within the Intermediate Zone continue with annual grass removal to prevent fire from spreading to the buildings from a receptive fuel bed. Keep trees trimmed back 10' from all eaves and eliminate any overhanging branches that can drop leaf litter onto the roof. Remove smaller trees to provide 12' canopy spacing. Remove any piles of dead and down debris [13878-6].

Neighboring Properties

Neighboring properties that could impact the ignition zone of the property being assessed.

The neighboring properties along the parcel lines were all lost in the Camp Fire. New construction is occurring with several of the lots; however, they do not affect the fire spread potential around the site. The adjacent parcels have an annual grass component that has been mitigated in some areas and allowed to grow in others, however the separation created by the surrounding ballfield, driveway, and parking lots prevents a low intensity surface fire from extending into the immediate zone of the campus structures.

Structure's location to greatest potential exposure

Location on the slope relative to the structure's greatest potential exposure to heat from a wildland fire.

The greatest potential threat to this site will come from a fire in the nearby canyons of the Butte Creek Tributary. The potential to reburn is significant as the surrounding timber and shrub component remaining from the Camp fire contains numerous standing dead trees with continuous canopy continuity. Torching potential is increased in the areas of standing dead fuel located in proximity to the perimeter of the site and can produce short range spotting. Ember cast from both torching and potential reburn of the canyons remaining vegetation will impact this site significantly in a wildfire.

The secondary potential threat are the undeveloped areas found along the north and west perimeters. Both locations have adequate acreage for a small fire to quickly advance into the dry canopies producing torching and ember cast.

Recommendations

Remove all annual grass and decorative shrubs and trees [13878-7] from within the 5' immediate zones of each building on campus. Remove all leaf litter within the immediate zone and replace any missing or damaged foundational ventilation screens with 1/8-inch mesh [13878-2]. Replace decorative vegetation with native species of less than a maximum 18" mature growth height in island configuration or completely eliminate and replace with rock or other decorative mineral [13878-3]

Clear eaves, valleys and hidden spaces of leaf litter and other combustible materials from all roofs of campus buildings on a routine basis.

From Chimney to Eaves.

Chimneys/exhaust systems

As this is a site assessment the dominant building construction of the primary buildings will be addressed.

The buildings were all equipped with HVAC systems without a heat exhaust discharge on the roof assemblies.

Roof

Type, condition, and construction of roofing materials.

Most of the buildings had metal roof systems. The metal panel system is very effective at eliminating heat transfer from hot embers and radiant heat. This should be looked at for all the roof assemblies to comply with the Class A rated recommendation found in NFPA 1144's guidelines.

Condition of roof

Condition of roofing materials and assemblies.

The roof materials and assemblies were in good condition.

Recommendations

If possible, replace remaining roof systems that do not adhere to NFPA guidelines; Roof assemblies located in the wildland Urban Interface should be Class A rated.

Skylights/Openings

Skylights/Openings in roof assemblies.

Skylights were located on the roof systems of several of the buildings and were in intact and in good condition [13878-9].

Recommendations

Keep area around skylights free of leaf litter and debris. Prevent openings from being covered from the interior as this lends to fire spread from radiant heat.

Gutters

Roof gutters and areas where exterior walls meet roof or deck surfaces to collect litter on surfaces or in crevices.

Construction materials of gutters, downspouts, and connectors.

The gutters were located primarily over pedestrian areas. They were of metal construction and in good condition. All downspouts and connectors were intact.

Recommendations

Keep gutters and assemblies such as downspouts and attachments free of combustible material. The gutters of any building are susceptible to collecting combustible material and becomes the primary threat to most structures in a wildfire.

Eaves

Materials and construction used in eaves of the roof overhangs. Soffits used or not?

The eaves are of ordinary wood framing with a 5' protrusion from the exterior wall forming cover for the walkways that front several of the primary buildings. The eaves had been built utilizing soffits, which add an extra layer of protection from heat transfer.

Top of Exterior Wall to Foundation.

Walls

The materials and construction used in exterior walls and exterior siding.

The exterior walls of the primary campus buildings were non-combustible cement lap siding. The secondary buildings had combustible T-111 siding. Picture 13878-8 depicts both types of siding utilized on campus buildings and the vegetation that needs to be eliminated between the structures.

Recommendations

Keep 5' immediate zone free of combustible material and eliminate all vegetation between the modular buildings as the siding on these structures is susceptible to radiant heat ignition.

Downspouts and connectors

Materials used for gutter downspouts and connectors on exterior walls.

The downspouts for the campus were metal with proper non-combustible connectors in good condition.

Recommendations

Always maintain downspouts in proper order and keep free of combustible material.

Windows

Materials used in windows and other openings in vertical surfaces.

The windows for the buildings were dual pane tempered glass on the primary buildings with single pane sliding assemblies on the modular structures.

Recommendations

Look to replace all single pane windows with dual pane tempered glass. Dual pane windows can sustain greater heat impingement and provide a level of insulation from radiant heat that is greater than single paned windows.

Ventilation Openings

The location size, and screening of ventilation openings.

Foundational openings were located on the modular structures. They were compliance for screen diameter (1/8); however, several were in disrepair or missing [13878-2].

Recommendations

Replace all missing and damaged ventilations screens covering openings with 1/8-inch metallic screening.

Attachments to walls

Fence and gate assemblies attached to structures.

The fencing between the modular structures on the south side of the campus have barrier fencing that is directly attached to the combustible walls [13878-2].

Recommendations

Remove the wood fencing and replace with a metal alternative such as decorative bars or other appropriate replacement. Wood fencing attached directly to the siding provides a ladder for fire spreading to the structure from the surface fuels.

Accessory structure as part of primary

Attached accessory structures as part of the primary structure.

The campus has modular buildings throughout and although not attached directly to each other they are closely located to one another. The proximity will allow for direct flame contact and radiant heat spread to occur from one building to the next in the right conditions.

Recommendations

Remove all vegetation from the immediate zone to prevent a surface fire from spreading into one or several of the structures.

Areas of concern for leaf litter and debris

Areas next to or under a structure where combustible materials that present a source of flame exposure to the structure would collect.

Several campus structures had areas of leaf litter within the 5' immediate zone [13878-11][13878-10][13878-2]

Recommendations

Remove all leaf litter and debris down to mineral soil from the immediate zone of campus structures. Pay particular attention to areas that have combustible exterior walls such as the south side modular buildings to keep free of vegetation. Vigilance in maintenance of litter collection will keep the buildings in a ready state to prevent ignition from ember cast.

From Foundation to the Immediate Landscaped Area.

The structure assessment shall document the conditions of the following to observe construction and vegetation from the foundation to within 30' (9 m) of the structure as they place the structure in the most risk from ignition by a wildland fire.

Vegetative fuels

Vegetative fuels and other combustible materials adjacent to and within 30 ft (9 m) of the structure for their potential to contribute to the intensity and spread of wildland fire.

Several campus buildings have vegetative material adjacent to the structure. This places the buildings out of compliance with NFPA guidelines as to proximity of combustible materials to exterior walls. The first five feet from the foundation needs to be clear of combustible material. If decorative vegetation must be utilized, it should be a native species that has a mature growth less than 18" and spaced to prevent continuity. "Island" configuration is appropriate if not adjacent to the exterior walls. The best practice for the immediate zone is to eliminate any collection areas for leaf litter and debris by removing the decorative vegetation and filling in the planters with non-combustible fill such as rock or cement. Trim the canopy and remove any trees that overhang the buildings eaves that encroach within 10'. Remove small diameter trees of less than six inches that are found within the intermediate zone to comply with NFPA guidelines for canopy separation of 12'. Trim all remaining trees up to 1/3 of the height of the tree or a minimum of 10' from the ground whichever is more appropriate.

Heat Sources

The presence and location of all heat and flame sources within 30 ft (9 m) of the primary structure.

N/A

Projections

All projections attached to the primary structure.

The primary buildings have 5' eave extensions that cover walkways. They are in good condition and protected with soffits.

Vehicle Parking

Vehicle parking areas within 30 ft (9 m) of any surface of the structure.

The campus has several parking areas that encroach into the intermediate zone. With good maintenance and annual grass elimination the vehicles parked in the approved locations will not become involved in fire spread.

The proximity of the parking spaces is adequate to prevent radiant heat exposures to the exterior walls of the campus buildings and should not be a factor in flame spread to the buildings.

Recommendations

Maintain parking sites and prevent any illegal parking of vehicles that would allow the immediate zone to be encroached upon.

From the Immediate Landscaped Area to the Extent of the Structure Ignition Zone.

Transitional fuels from immediate zone to the extended zone

The structure assessment shall document vegetation within the area between the outer edge of the immediate landscaped area and the extent of the structure ignition zone as potential fuel that can convey the fire to the structure.

Transitional fuels consist of a shrub and timber component that remains active in the structure ignition zone of the campus. The recent Camp Fire has compromised many of the larger trees providing a receptive fuel bed for possible torching or small run canopy fires in the right conditions. The open areas on the north and west sides of the campus have enough area for a small fire to become active and threaten the campus.

Recommendations

Begin to remove smaller trees of less than six inches to begin canopy separation of the intermediate zone (12') and the extended zone (6'). Look at larger trees that have been damaged and remove as necessary to 100' from the foundational walls of the campus. Clear all shrubs from below the trees in the ignition zone and provide a 10' continuous clearance from the ground up to eliminate any torching potential from a moderate to high intensity surface fire. Maintain the annual grass component and keep it below 6" at all times. Remove any slash and leaf piles within the 100' ignition zone to eliminate heat sources for possible torching.

Vegetation

The structure assessment shall document the species and location of trees and the separation of tree crowns within the area between the outer edge of the immediate landscaped area and the extent of the structure ignition zone.

The campus is surrounded by a shrub and timber component. Major tree species include Douglas Fir, Ponderosa Pine, Incense Cedar, Live Oak, Black Oak, MacNab Cypress, and Foothill Pine. Brush species include Buck Brush, California Bay Laurel, Manzanita, and Non-native Scotch Broom.

Detached Structures

Detached structures within the area between the outer edge of the immediate landscaped area and the extent of the structure ignition zone that might be ignited by flames, radiant heat, or firebrands from wildland fires.

There are no permanent detached structures in the Ignition Zone.

Vehicle Parking

The structure assessment shall document vehicle parking areas within the area between the outer edges of the immediate landscaped area and the extent of the structure ignition zone.

The site is being utilized as an educational facility and has numerous parking areas located in the intermediate and extended zones. The surrounding areas are free from encroaching vegetation.

Projections

The structure assessment shall document all projections attached to the primary structure that extend beyond the immediate landscaped area.

N/A

Other Factors

Other factors that can affect the risk of ignition or the spread of wildland fire on improved property within the structure ignition zone, including the risk of structure fires spreading to vegetation.

All factors have been covered.

Fire Suppression

Fire Department for Location

The closest responding station is ST.33 located at 14164 Skyway approximately ½ mile from the site. Station 33 is a full-time staffed station. Station 33 (Upper Ridge) is a one engine County Station and houses Engine 33, a type 2 fire Engine. The Station has 1 Fire Captain, 2 Fire Apparatus Engineers, 3 Firefighters and responds to approximately 1600 calls for service each year. Upper Ridge station is in Magalia and protects the rural area in and around the Community of Magalia. Station 33 also works closely with the Upper Ridge Volunteers. The minimum standard response for a structure fire within Butte County: One Battalion Chief, one Safety Officer, four career-staffed Fire Engines, one Rescue Squad, two Water Tenders (3000 gallons minimum) and two Volunteer Companies. The engines responding may be a combination of an ICS Type II Engine (1500 gallons per minute pump, 600 gallons of water) and/or an ICS Type III Engine (500 gallons per minute pump, 500 gallons of water). Each of the responding apparatus are staffed full time with two firefighters but augmented to 3 firefighters during peak summer months (usually May to October). Fire hydrants are located on the site.

Community

The community was devastated by the Camp Fire. The town of Magalia, Butte Co and the PUSD have been involved in a Community Wildfire Protection Plan (CWPP) since adoption in 2017.

Please refer to the following for more information:

https://www.buttecounty.net/Portals/10/Docs/ZA/2017/2017-09-06/CEQA17-0004_ZA_Rpt.pdf

SUMMARY

Summarizing the findings to identify the greatest immediate threat to structures within the primary building's ignition zone and integrating a mitigation schedule that responds to an immediate, routine, and long-term strategy that is both Firewise and efficient.

The greatest threat to the buildings on the site comes from the nearby butte fork tributary that contains the little butte creek and the middle butte creek drainages. The recent Camp Fire shows the possibility of an extreme wildfire threatening the area by ember cast and radiant heat transfer through torching and crowning.

A fast-moving fire like the Camp Fire can occur again in the area. The secondary threat comes from the north and western undeveloped areas that sit adjacent to the location. Due to the large separation distances between the campus buildings and the existing tree lines along the perimeter of the parcels the greatest threat overall is ember cast from a high intensity wildfire coming from the canyon or undeveloped acreage.

Mitigation

Immediate need

- Remove all annual grass and decorative shrubs and trees from the immediate zones around all campus structures. This is the space that extends out five feet from the foundational walls.
- Remove the shrubs that are located directly in front of the picture window of the office [13878-3].
- Maintain all gutters, roof valleys and channels free of vegetative material.
- Remove all annual grass from the intermediate zone that extends out to thirty feet from the immediate zone boundary [13878-12].
- Clear all leaf litter and debris from the immediate zone around the foundations of the modular and continue around the primary buildings [13878-2].
- Enclose all ventilation openings that have been removed or damaged with 1/8" metallic screening [13878-2].

Routine

- Maintain the immediate zone and gutter assemblies free of vegetative matter. Maintain 18' canopy spacing of trees located in the immediate and 12' canopy space within the intermediate zone. Remove any overhanging limbs that encroach within 10' of the building's eaves [13878-11]. Prevent any new growth prior to June 1st from developing in the immediate and intermediate zone to stay ahead of fire season.
- As new growth emerges maintain canopy and tree lines from encroaching into the immediate zone and overhanging the eaves of the campus buildings. Maintain the surface fuel such as annual grasses. These can be kept below six inches for proper adherence.
- Maintain a shaded fuel break by limbing all trees in the extended zone (100') to within 10' of the surface. Remove all annual grass and shrubs in this area to prevent a high intensity surface fire from damaging the campus.

- Remove all small diameter trees of less than 6” in the intermediate and extended zone to assist in canopy separation.

Long-Term

- Look to fill in immediate zone areas with decorative rock or cement. Eliminate any areas of collection for leaf litter and debris by addressing these areas prior to fire season and possibly removing the collection points by blocking or filling.
- Add a Class A material to the roof areas that do not have that protection.
- Remove any standing dead vegetation in the extended zone.
- Replace the wood fencing between the south side modular and replace with metal components.
- Continue with the CWPP adopted in 2017.

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Fireline Defense, LLC

1. Established in 2020
2. Professional California Firefighters
 - Spenser Nail, Chief Executive Officer (CEO)
 - Justin Sentak, Chief Consulting Officer (CCO)
3. General Contractor
 - Nate Simiele, Chief Building Officer (CBO)
4. Veteran Utility Risk Manager
 - Dan Delac, Consultant and Business Development

Spenser Nail, Chief Executive Officer (CEO)

Entrepreneurial visionary of Fireline Defense, LLC

Four years professional CA firefighter (CALFIRE)

Four years Technical Rescue Specialist

B.S. Fire Protection Administration - CSULA

A.A. Bus. Admin & A.A. Comm Studies - Cerritos College

A.S. Fire Technology - Rio Hondo College

Life was saved as a two-year-old by a firefighter

Physical inspections/consultations in the field (FD LLC)



Justin Sentak, Chief Consulting Officer (CCO)

Originator of Fireline Defense Index (FDI) - score system

Seven years CALFIRE- fire apparatus engineer

Crew leader - defensible space inspections (CALFIRE)

Crew leader - vegetation management (CALFIRE)

A.S. Degree Fire Science Technology, Mendocino College

Four years U.S. Navy - crash and salvage squad leader

Physical inspections/consultations in the field (FD LLC)



Nate Simiele, Chief Building Officer (CBO)

Licensed California Class B Contractor

Eighteen years commercial & residential construction

Four years design/installation of radon detection systems

Volunteer I-TEC (International Technical Electrical Construction)
(Install Modular Solar Systems)

Energy systems and power lines in third world areas (Africa, Haiti)

A.A. Business Administration, Northwest Iowa Community College

Physical inspections/consultations in the field (FD LLC)



Dan Delac, Consultant & Business Development

Interface with public agencies and insurance industry

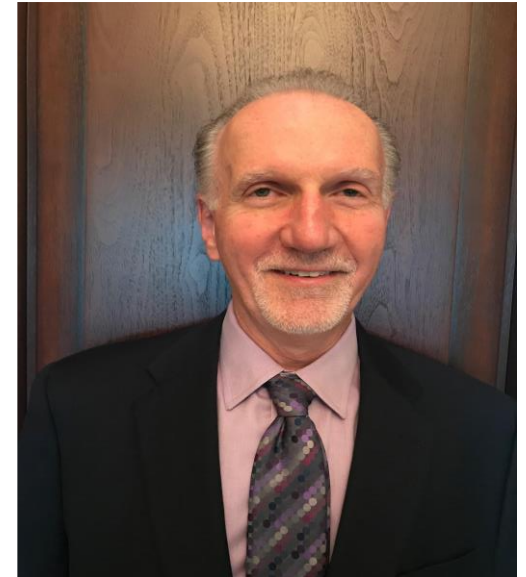
Thirty-eight years public agency risk management experience

Risk Manager of a \$1.8B publicly-owned electric utility

Manages all underwriting and claims functions

\$26M annual budget of property/casualty insurance programs

Specialist in wildfire mitigation and differentiation of insurable wildfire risks



Mission

FIRELINE DEFENSE, LLC *identifies wildfire risk and loss mitigation measures* for residential, commercial, and institutional properties.

1. Performs field inspections to identify specific wildfire hazards
2. Assigns numeric risk scores using Fireline Defense Index (FDI)
3. Recommends specific risk mitigation measures
4. Re-evaluates properties after mitigation, to provide new FDI ratings

Manageable Wildfire Risk Hazards

1. Fuels adjacent to or leading up to structures
2. Structures upslope or mid-slope from vegetation
3. Unmanaged vegetation on-site
4. Ladder fuels and tree crown proximity
5. Fire and ember access into the structures

Wildfire Risk Mitigation Techniques

1. Enhance defensible space
2. Reduce/manage fuel
3. Harden structures using fire resistive designs and materials
4. Establish proactive exterior fire suppression systems

On-Site Consultations

1. Performed by professional firefighters trained by Fireline Defense
2. More advanced than other defensible space inspection programs
3. Fireline Defense consultation reports identify:
 - a. Property type, location, address
 - b. Specific wildfire hazards in writing and with photos
 - c. Wildfire hazard FDI scores
 - d. Risk mitigation recommendations

Proprietary Wildfire Risk Score System

1. Proprietary Fireline Defense Index (FDI)
2. Each hazard is assigned points based on severity of wildfire risk
3. The higher the FDI score, the better the risk
4. Post-mitigation scores demonstrate reduced risk

On-Line App Used by Field Inspectors



< Fireline Defense Index (FDI) - Ac... Submit

Accessibility

Would you feel safe staying to defend this structure as a firefighter?

Street names and numbers are clearly marked or reflective.

Multi Photo


Long Text





Address is not viewable from street. >

Driveway complies with county or jurisdictional codes and is at least 12ft wide x 15ft high clearance.

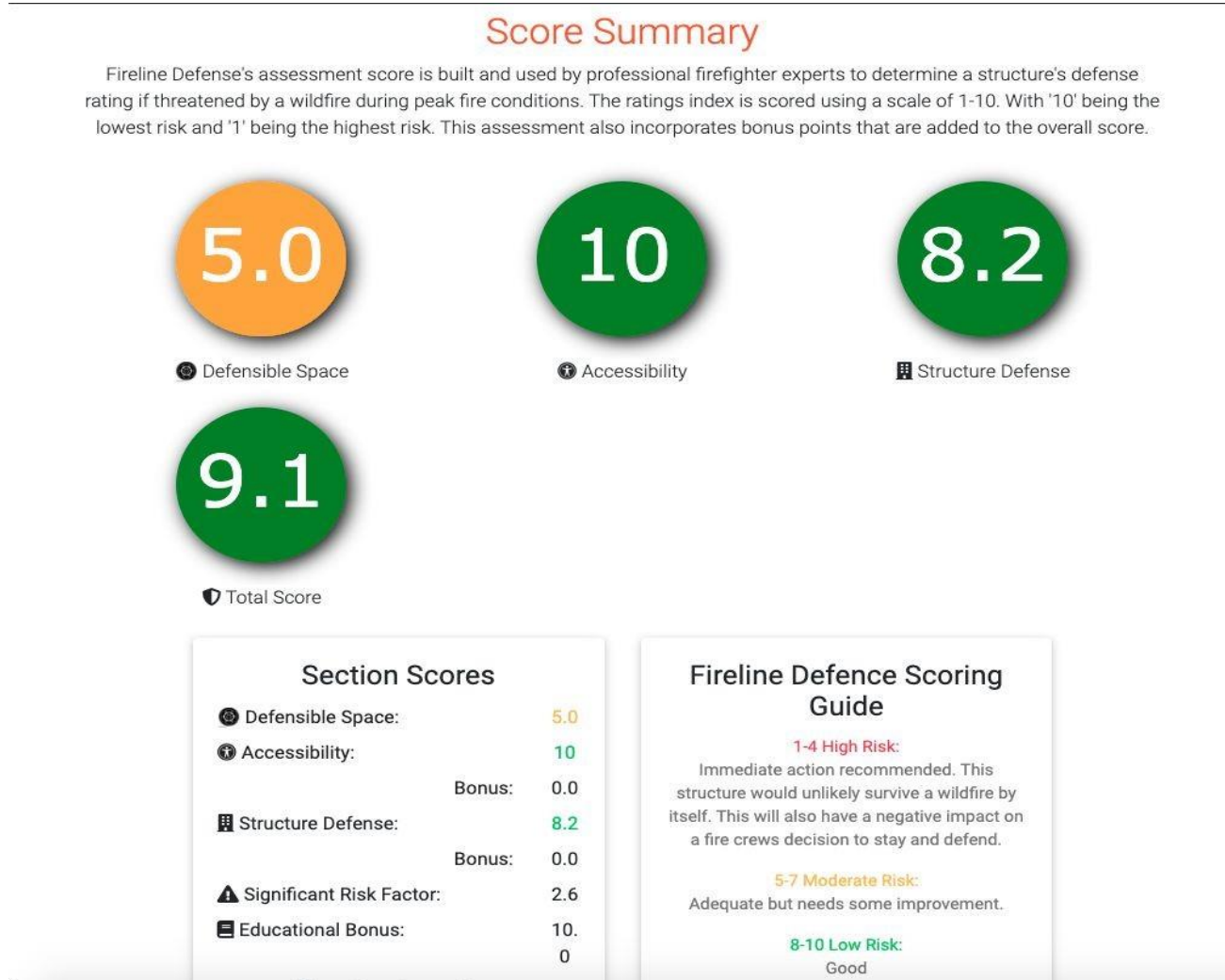
Water resource is greater or equal to 500 gallons within 500ft of structure.

Multi Photo



Inspection Reports Include Numeric Scores





FIRELINE
DEFENSE

Next Level in Wildfire Protection

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Fireline Defense offers consulting services to educate property owners regarding wildfire prevention and structure defense. Using the Fireline Defense Index (FDI), we rate your property on its wildfire survivability. Defensible space and structure hardening provide measurable results. Our experienced

RecordID	City	GeoStreet	GeoCity	PWF_RiskScore	PWF_RiskDescription	PWF_BrushfireRiskLevel	PWF_BrushfireNearestHighRiskLevel	PWF_FirebreakLandUseDensityClass	PWF_FirebreakLandUseDensityLevel	PWF_FirebreakDistanceWidlandFeet	PWF_AvgDaysHighWind	PWF_RecentlyBurned	PWF_NumPastFires
11				100	Very High	4	719	Wildland	9	0	11	No	6
577			Berry Creek	100	Very High	4	357	Wildland	9	0	1	No	7
865			Grizzly Flats	95	High	3	0	Wildland	9	0	1	No	5
890		52775 DONNER PASS RD	TRUCKEE	95	High	3	0	Scattered Residential	5	97	10	No	2
1006		6530 WENTWORTH SPRINGS RD	GEORGETOWN	95	Very High	4	1028	Scattered Residential	5	3681	2	No	4
1010		6540 Wentworth Springs Road	Georgetown	95	Very High	4	1015	Scattered Residential	5	4073	2	No	3
263		16661 Old Mill Road	Nevada City	94	Moderate	2	110	Scattered Residential	5	202	1	No	2
536		2701 AMBER TRL	POLLOCK PINES	94	High	3	0	Scattered Residential	5	389	2	No	6
926		5600 SLY PARK RD OFFICE OF	POLLOCK PINES	94	High	3	0	Scattered Residential	5	478	1	No	4
1026		6641 CAMPUS DR OFFICE OF	PLACERVILLE	94	High	3	0	Scattered Residential	5	500	3	No	5
136		12485 JOERGER DR	TRUCKEE	93	High	3	0	Scattered Residential	5	961	8	No	2
255		16229 DUGGANS RD	GRASS VALLEY	90	High	3	0	Scattered Residential	5	2598	1	No	3
554		2755 DONNER PASS RD	TRUCKEE	90	High	3	0	Scattered Residential	5	4093	7	No	1
859		5065 GARDEN VALLEY RD	GARDEN VALLEY	90	High	3	0	Scattered Residential	5	2721	3	No	6
1067		720 CHAMBERLAIN RD	SODA SPRINGS	90	Moderate	2	219	Wildland	9	0	10	No	1
817		4701 VOLCANOVILLE RD	GEORGETOWN	89	High	3	0	Low Density Residential	4	178	1	No	5
1280		42420 Emigrant Gap Road	Emigrant Gap	89	High	3	0	Low Density Residential	4	425	5	No	7
296		17700 MCCOURTNEY RD	GRASS VALLEY	88	High	3	0	Low Density Residential	4	849	2	No	3
321		18847 OAK TREE RD	NORTH SAN JUAN	88	Very High	4	116	Medium Density Residential	3	944	1	No	11
439		23319 FORESTHILL RD	FORESTHILL	88	High	3	0	Low Density Residential	4	680	1	No	7
591		2945 POLARIS RD	TAHOE CITY	88	Urban	1	1843	Scattered Residential	5	1023	6	No	1
615		3060 SNOWS RD	CAMINO	88	Urban	1	183	Scattered Residential	5	1025	7	No	4
964		6020 OMO RANCH RD	SOMERSET	88	Very High	4	98	Medium Density Residential	3	502	1	No	2
658		3333 GREENWOOD LN OFFICE OF	PLACERVILLE	87	High	3	0	Low Density Residential	4	1813	3	No	6
1033		6787 TYLER DR	GRIZZLY FLATS	87	Very High	4	896	Medium Density Residential	3	1989	1	No	3
1126		800 HOOVER LN	NEVADA CITY	87	Very High	4	213	Medium Density Residential	3	1361	1	No	2
3		1 Ishi Hills Way	Oroville	86	Urban	1	47	Scattered Residential	5	4600	3	No	13
231		15434 STATE HIGHWAY 49	NEVADA CITY	85	High	3	0	Low Density Residential	4	2166	1	No	3
239		1575 OLD RANCH RD OFFICE OF	PLACERVILLE	85	High	3	0	Low Density Residential	4	2665	2	No	4
415		22431 KINGSTON LN	GRASS VALLEY	85	High	3	0	Low Density Residential	4	6086	3	No	3
521		2651 LUMPKIN RD	OROVILLE	85	High	3	0	Medium Density Residential	3	11	1	No	10
827		4801 LUNEMAN RD	PLACERVILLE	85	High	3	0	Low Density Residential	4	3131	2	No	4
974		6181 PINE ST OFFICE OF	POLLOCK PINES	85	Very High	4	411	High Density Residential	2	4700	2	No	6
532		2700 AMBER TRL	POLLOCK PINES	84	Urban	1	18	Low Density Residential	4	740	2	No	6
163		1325 SUGAR LOAF AVE	KYBURZ	83	High	3	0	Medium Density Residential	3	802	1	No	8
298		Gypsum Street		83	High	3	0	Medium Density Residential	3	956	2	No	3
1174		860 CAVE VALLEY RD	COOL	83	Urban	1	89	Low Density Residential	4	1199	5	No	7
1176		8650 HORSESHOE CIR	LOOMIS	83	High	3	0	High Density Residential	2	921	3	No	5
1		1 FORRES WAY	INVERNESS	82	High	3	0	High Density Residential	2	1613	2	No	4
4			Washington	82	High	3	0	Medium Density Residential	3	1551	2	No	2
147		1286 KYBURZ AVE OFFICE OF	SOUTH LAKE TAHOE	82	High	3	0	High Density Residential	2	1687	11	No	6
154		1297 EMERALD BAY RD OFFICE OF	SOUTH LAKE TAHOE	82	High	3	0	High Density Residential	2	1932	11	No	6
545		2736 TUNNEL ST OFFICE OF	PLACERVILLE	82	High	3	0	High Density Residential	2	1420	5	No	7
732		400 HOOVER LN	NEVADA CITY	82	High	3	0	High Density Residential	2	1496	1	No	2
993		6400 COLUMBINE RD OFFICE OF	MAGALIA	82	High	3	0	High Density Residential	2	1740	4	No	7
1030		6701 GREEN VALLEY RD	PLACERVILLE	81	Urban	1	209	Scattered Residential	5	2137	3	No	6
1032		6767 GREEN VALLEY RD OFFICE OF	PLACERVILLE	81	Urban	1	200	Scattered Residential	5	2106	3	No	6
175		1371 LOZANOS RD	NEWCASTLE	80	Moderate	2	2	Medium Density Residential	3	4856	2	No	6
176		1373 LOZANOS RD OFFICE OF	NEWCASTLE	80	High	3	0	Medium Density Residential	3	4693	2	No	6
283		173 OAK ST	AUBURN	80	High	3	0	High Density Residential	2	2447	6	No	9
409		2227 PLEASANT VALLEY RD	DIAMOND SPRINGS	80	High	3	0	Medium Density Residential	3	2700	6	No	7
411		22319 FORESTHILL RD OFFICE OF	FORESTHILL	80	High	3	0	Medium Density Residential	3	2292	1	No	10
538		2702 AMBER TRL	POLLOCK PINES	80	Urban	1	127	Low Density Residential	4	440	2	No	7
886		525 WHITE COTTAGE RD N	ANGWIN	80	High	3	0	High Density Residential	2	3776	2	No	1
377		210 OAKVALE AVE	OROVILLE	79	Urban	1	209	Low Density Residential	4	904	2	No	10
80		10879 BARTLETT DR	GRASS VALLEY	78	Urban	1	890	High Density Residential	2	1064	1	No	

93	NEVADA COUNTY SUPERINTENDENT OF SCHOOLS	112 NEVADA CITY HWY	NEVADA CITY	78	Urban	1	121	Medium Density Residential	3	1954	1	No	2
178	ACKERMAN SCHOOL DISTRICT	13777 BOWMAN RD	AUBURN	78	Urban	1	73	Medium Density Residential	3	1936	2	No	8
431	FORESTHILL UNION SCHOOL DISTRICT	22888 FORESTHILL RD	FORESTHILL	78	Urban	1	101	Medium Density Residential	3	1757	1	No	7
634	EL DORADO COUNTY OFFICE OF EDUCATION	3171 PLEASANT VALLEY RD OFFICE OF	PLACERVILLE	78	Low	1	33	Medium Density Residential	3	5039	6	No	3
714	NEVADA COUNTY SUPERINTENDENT OF SCHOOLS	380 CROWN POINT CIR	GRASS VALLEY	78	Urban	1	98	Medium Density Residential	3	1764	1	No	1
81	TAHOE TRUCKEE UNIFIED SCHOOL DISTRICT	10931 ALDER DR	TRUCKEE	76	Urban	1	239	Low Density Residential	4	3466	7	No	2
260	PLACER HILLS UNIFIED SCHOOL DISTRICT	16505 PLACER HILLS RD	MEADOW VISTA	76	Urban	1	96	Medium Density Residential	3	2591	1	No	10
477	COLFAX SCHOOL DISTRICT	24825 BEN TAYLOR RD	COLFAX	76	Urban	1	167	Low Density Residential	4	3843	4	No	6
485	PLACER COUNTY OFFICE OF EDUCATION	24995 BEN TAYLOR RD OFFICE OF	COLFAX	76	Urban	1	522	Low Density Residential	4	2894	4	No	5
1025	BLACK MINE UNIFIED SCHOOL DISTRICT	6620 WENTWORTH SPRINGS RD	GEORGETOWN	76	Urban	1	842	Medium Density Residential	3	3814	2	No	3
1281	COLFAX SCHOOL DISTRICT	24825 Ben Taylor Road	Colfax	76	Urban	1	163	Low Density Residential	4	3847	4	No	6
214	PLEASANT VALLEY UNION SCHOOL DISTRICT	14804 PLEASANT VALLEY RD	PENN VALLEY	75	Moderate	2	200	Medium Density Residential	3	2315	1	No	7
215	PLEASANT VALLEY UNION SCHOOL DISTRICT	14806 PLEASANT VALLEY RD	PENN VALLEY	75	Moderate	2	200	Medium Density Residential	3	2315	1	No	7
667	ALTA-DUTCH FLAT SCHOOL DISTRICT	34050 Alta Bonnybrook Road	Alta	75	Moderate	2	142	Medium Density Residential	3	3246	2	No	1
1086	TAHOE TRUCKEE UNIFIED SCHOOL DISTRICT	740 TIMBERLAND LN	TAHOE CITY	75	Moderate	2	492	Low Density Residential	4	63	7	No	1
286	LAKE TAHOE UNIFIED SCHOOL DISTRICT	1735 Lake Tahoe Boulevard	South Lake Tahoe	74	Urban	1	243	Medium Density Residential	3	599	10	No	5
82	LAKE TAHOE UNIFIED SCHOOL DISTRICT	1095 West San Bernardino Avenue	South Lake Tahoe	73	Urban	1	128	Medium Density Residential	3	1354	7	No	3
106	NEVADA COUNTY SUPERINTENDENT OF SCHOOLS	11638 COLFAX HWY	GRASS VALLEY	73	Urban	1	240	High Density Residential	2	1255	1	No	1
472	FORESTHILL UNION SCHOOL DISTRICT	24750 MAIN ST	FORESTHILL	73	Urban	1	190	Medium Density Residential	3	1367	2	No	6
743	NEVADA CITY SCHOOL DISTRICT	405 HOOVER LN	NEVADA CITY	73	Urban	1	144	Medium Density Residential	3	1795	1	No	2
1050	NEVADA CITY SCHOOL DISTRICT	700 HOOVER LN	NEVADA CITY	73	Urban	1	221	High Density Residential	2	1657	1	No	2
265	PLACER COUNTY OFFICE OF EDUCATION	16801 PLACER HILLS RD OFFICE OF	MEADOW VISTA	71	Urban	1	135	Medium Density Residential	3	4288	0	No	10
276	LAKE TAHOE UNIFIED SCHOOL DISTRICT	1709 Remington Trail	South Lake Tahoe	71	Urban	1	129	High Density Residential	2	2714	10	No	4
423	PLEASANT RIDGE UNIFIED SCHOOL DISTRICT	22580 KINGSTON LN	GRASS VALLEY	71	Urban	1	153	Medium Density Residential	3	6038	3	No	3
710	MOTHER LODE UNION SCHOOL DISTRICT	3781 FORNI RD	PLACERVILLE	71	Urban	1	133	Medium Density Residential	3	3884	6	No	7
711	MOTHER LODE UNION SCHOOL DISTRICT	3783 FORNI RD	PLACERVILLE	71	Urban	1	224	Medium Density Residential	3	3471	6	No	8
1008	EL DORADO UNION HIGH SCHOOL DISTRICT	6540 COMMERCE WAY	DIAMOND SPRINGS	71	Urban	1	172	Medium Density Residential	3	7021	7	No	5
66	NEVADA COUNTY SCHOOL BUS AGENCY	10663 E BENNETT RD	GRASS VALLEY	70	Moderate	2	280	Low Density Residential	4	2804	1	No	3
118	TAHOE TRUCKEE UNIFIED SCHOOL DISTRICT	11911 DONNER PASS RD	TRUCKEE	68	Urban	1	338	Low Density Residential	4	1215	5	No	2
156	PLACER UNION HIGH SCHOOL DISTRICT	13000 NEW AIRPORT RD	AUBURN	68	Urban	1	545	Scattered Residential	5	1056	2	No	8
73	GRASS VALLEY SCHOOL DISTRICT	10821 SQUIRREL CREEK RD	GRASS VALLEY	66	Urban	1	439	Low Density Residential	4	2838	1	No	3
74	GRASS VALLEY SCHOOL DISTRICT	10837 ROUGH AND READY HWY	GRASS VALLEY	66	Urban	1	439	Low Density Residential	4	2838	1	No	3
77	GRASS VALLEY SCHOOL DISTRICT	10846 GILMORE WAY	GRASS VALLEY	66	Urban	1	439	Low Density Residential	4	2838	1	No	3
92	NEVADA JOINT UNION HIGH SCHOOL DISTRICT	11130 MAGNOLIA RD	GRASS VALLEY	66	Urban	1	286	Low Density Residential	4	5813	2	No	3
159	PLACER UNION HIGH SCHOOL DISTRICT	13101 BILL FRANCIS DR	AUBURN	65	Moderate	2	347	Medium Density Residential	3	2040	2	No	8
309	PLEASANT RIDGE UNIFIED SCHOOL DISTRICT	185 ANNIE DR	GRASS VALLEY	65	Moderate	2	345	Medium Density Residential	3	9189	1	No	2
642	EL DORADO UNION HIGH SCHOOL DISTRICT	3240 PONDORADO RD	CAMINO	65	Agriculture	1	563	Scattered Residential	5	2330	8	No	3
813	NEVADA CITY SCHOOL DISTRICT	470 SEARLS AVE	NEVADA CITY	65	Moderate	2	457	High Density Residential	2	3389	1	No	3
557	GOLDEN FEATHER UNION ELEMENTARY SCHOOL DISTRICT	2771 PENTZ RD	OROVILLE	64	Moderate	2	766	Scattered Residential	5	137	4	No	9
116	TAHOE TRUCKEE UNIFIED SCHOOL DISTRICT	11839 DONNER PASS RD	TRUCKEE	63	Urban	1	295	Medium Density Residential	3	1755	5	No	2
706	TAHOE TRUCKEE UNIFIED SCHOOL DISTRICT	375 GROVE ST	TAHOE CITY	63	Urban	1	588	High Density Residential	2	1072	6	No	1
160	MID-PLACER PUBLIC SCHOOLS TRANSPORTATION AGENCY	13121 BILL FRANCIS DR	AUBURN	61	Urban	1	254	Medium Density Residential	3	2505	2	No	8
580	EL DORADO COUNTY OFFICE OF EDUCATION	2871 SCHNELL SCHOOL RD OFFICE OF	PLACERVILLE	61	Urban	1	361	Medium Density Residential	3	7949	7	No	6
582	PLACERVILLE UNION SCHOOL DISTRICT	2877 SCHNELL SCHOOL RD	PLACERVILLE	61	Urban	1	429	Medium Density Residential	3	8053	7	No	6
1131	NEVADA CITY SCHOOL DISTRICT	805 LINDLEY AVE	NEVADA CITY	60	Moderate	2	512	Medium Density Residential	3	2170	1	No	2
371	MONTE RIO UNION SCHOOL DISTRICT	20700 FOOTHILL DR	MONTE RIO	59	Urban	1	713	High Density Residential	2	910	1	No	0
111	PLACER COUNTY OFFICE OF EDUCATION	11725 DONNER PASS RD OFFICE OF	TRUCKEE	58	Urban	1	745	Medium Density Residential	3	1852	5	No	2
752	GOLD OAK UNION ELEMENTARY SCHOOL DISTRICT	4120 PLEASANT VALLEY RD	PLACERVILLE	58	Urban	1	641	Medium Density Residential	3	1226	4	No	3
976	EL DORADO COUNTY OFFICE OF EDUCATION	6187 PLEASANT VALLEY RD OFFICE OF	EL DORADO	58	Urban	1	574	High Density Residential	2	1758	6	No	5
1009	EL DORADO UNION HIGH SCHOOL DISTRICT	6540 KOKI LN	EL DORADO	58	Urban	1	766	Scattered Residential	5	1060	5	No	6
1069	EUREKA UNION SCHOOL DISTRICT	7200 FULLER DR	GRANITE BAY	58	Urban	1	692	Medium Density Residential	3	1107	3	No	1
100	AUBURN UNION SCHOOL DISTRICT	1140 LARIAT RANCH RD	AUBURN	56	Urban	1	664	High Density Residential	2	6933	2	No	7
107	TAHOE TRUCKEE UNIFIED SCHOOL DISTRICT	11661 DONNER PASS RD	TRUCKEE	56	Urban	1	622	High Density Residential	2	2061	5	No	2
424	PLEASANT RIDGE UNIFIED SCHOOL DISTRICT	22600 KINGSTON LN	GRASS VALLEY	56	Urban	1	635	Medium Density Residential	3	6360	2	No	3
487	NEVADA COUNTY SUPERINTENDENT OF SCHOOLS	250 SIERRA COLLEGE DR	GRASS VALLEY	56	Urban	1	673	Medium Density Residential	3	5463	2	No	3
670	SANTA ROSA CITY SCHOOL DISTRICT	3435 BONITA VISTA LN	SANTA ROSA	56	Urban	1	518	High Density Residential	2	13115	2	No	4
858	NEVADA CITY SCHOOL DISTRICT	505 MAIN ST	NEVADA CITY	56	Urban	1	644	High Density Residential	2	5259	1	No	2
919	SCHOOLS INSURANCE GROUP	550 HIGH ST	AUBURN	56	Urban	1	682	High Density Residential	2	2656	7	No	10
1105	LATROBE SCHOOL DISTRICT	7680 S SHINGLE RD	SHINGLE SPRINGS	56	Low	1	1424	Scattered Residential	5	521	3	No	8

1136	PLACER COUNTY OFFICE OF EDUCATION	8125 STEELHEAD AVE OFFICE OF	KINGS BEACH	56	Urban	1	651	Urban	6	2036	7	No	2
1202	NEVADA COUNTY SCHOOLS CENTRAL KITCHEN	900 GOLDEN GATE TER SUITE A	GRASS VALLEY	56	Urban	1	709	High Density Residential	2	3651	1	No	3
1004	EL DORADO UNION HIGH SCHOOL DISTRICT	6530 KOKI LN	EL DORADO	53	Urban	1	1355	Scattered Residential	5	1198	5	No	6
576	OROVILLE CITY ELEMENTARY SCHOOL DISTRICT	2858 WYANDOTTE AVE	OROVILLE	51	Urban	1	994	Low Density Residential	4	4060	3	No	14
585	OROVILLE CITY ELEMENTARY SCHOOL DISTRICT	2900 WYANDOTTE AVE	OROVILLE	51	Urban	1	780	Low Density Residential	4	4389	3	No	14
632	KASHIA SCHOOL DISTRICT	31510 SKAGGS SPRINGS RD	STEWART'S POINT	49	Moderate	2	1792	Scattered Residential	5	196	2	No	0
474	BUCKEYE UNION SCHOOL DISTRICT	2480 MERRYCHASE DR	SHINGLE SPRINGS	48	Urban	1	1313	Low Density Residential	4	1755	2	No	6
49	PLACERVILLE UNION SCHOOL DISTRICT	1032 THOMPSON WAY	PLACERVILLE	46	Urban	1	911	High Density Residential	2	5264	6	No	7
75	GRASS VALLEY SCHOOL DISTRICT	10838 GILMORE WAY	GRASS VALLEY	46	Urban	1	1002	Low Density Residential	4	3162	1	No	3
83	TAHOE TRUCKEE UNIFIED SCHOOL DISTRICT	10990 DORCHESTER DR	TRUCKEE	46	Urban	1	989	High Density Residential	2	2553	7	No	6
164	CALISTOGA JOINT UNIFIED SCHOOL DISTRICT	1327 BERRY ST	CALISTOGA	46	Urban	1	849	High Density Residential	2	3705	1	No	5
505	BUTTE COUNTY OFFICE OF EDUCATION	2565 MESA AVE OFFICE OF	OROVILLE	46	Urban	1	1259	Low Density Residential	4	4564	3	No	12
569	BUTTE COUNTY OFFICE OF EDUCATION	2800 WYANDOTTE AVE OFFICE OF	OROVILLE	46	Urban	1	1229	Low Density Residential	4	4259	3	No	14
1040	PIONEER UNION SCHOOL DISTRICT	6860 MT AUKUM RD	SOMERSET	46	Urban	1	1319	Low Density Residential	4	3076	2	No	5
1128	AUBURN UNION SCHOOL DISTRICT	800 PERKINS WAY	AUBURN	46	Urban	1	908	High Density Residential	2	2029	8	No	8
335	HARMONY UNIFIED SCHOOL DISTRICT	1935 BOHEMIAN HWY	OCCIDENTAL	45	Moderate	2	2034	Scattered Residential	5	4062	1	No	0
1041	PIONEER UNION SCHOOL DISTRICT	6862 MT AUKUM RD	SOMERSET	45	Moderate	2	2002	Scattered Residential	5	3700	2	No	5
317	MONTGOMERY SCHOOL DISTRICT	18620 FORT ROSS RD	CAZADERO	43	Moderate	2	1925	Low Density Residential	4	890	1	No	2
616	FORT ROSS SCHOOL DISTRICT	30600 SEAVIEW RD	CAZADERO	43	Moderate	2	2321	Low Density Residential	4	734	1	No	1
683	HORICON SCHOOL DISTRICT	35555 ANNAPOLIS RD	ANNAPOLIS	43	Moderate	2	1942	Low Density Residential	4	555	2	No	1
720	EL DORADO COUNTY OFFICE OF EDUCATION	3880 GREEN VALLEY RD OFFICE OF	RESCUE	43	Urban	1	1311	Medium Density Residential	3	1339	3	No	4
76	GRASS VALLEY SCHOOL DISTRICT	10840 GILMORE WAY	GRASS VALLEY	41	Urban	1	1282	High Density Residential	2	3480	1	No	3
88	PLACERVILLE UNION SCHOOL DISTRICT	1100 THOMPSON WAY	PLACERVILLE	41	Urban	1	1018	High Density Residential	2	5369	6	No	7
105	TAHOE TRUCKEE UNIFIED SCHOOL DISTRICT	11603 DONNER PASS RD	TRUCKEE	41	Urban	1	1437	Medium Density Residential	3	2331	5	No	2
201	NAPA COUNTY OFFICE OF EDUCATION	1432 EDDY ST OFFICE OF	CALISTOGA	41	Urban	1	1417	High Density Residential	2	4831	1	No	5
285	PLEASANT VALLEY UNION SCHOOL DISTRICT	17328 PENN VALLEY DR STE A	PENN VALLEY	41	Urban	1	1151	Medium Density Residential	3	4222	1	No	5
305	BUTTE COUNTY OFFICE OF EDUCATION	1801 STANFORD AVE OFFICE OF	OROVILLE	41	Urban	1	1290	High Density Residential	2	4911	3	No	11
395	GEYSERVILLE UNIFIED SCHOOL DISTRICT	21485 GEYSERVILLE AVE	GEYSERVILLE	41	Urban	1	1090	Medium Density Residential	3	3093	3	No	8
447	EL DORADO COUNTY OFFICE OF EDUCATION	2380 BASS LAKE RD OFFICE OF	RESCUE	41	Urban	1	1331	Medium Density Residential	3	2002	3	No	3
449	RESCUE UNION SCHOOL DISTRICT	2390 BASS LAKE RD	RESCUE	41	Urban	1	1194	Urban	6	2092	3	No	3
567	EL DORADO COUNTY OFFICE OF EDUCATION	2800 MOULTON DR OFFICE OF	PLACERVILLE	41	Urban	1	1214	High Density Residential	2	2429	4	No	7
811	EL DORADO UNION HIGH SCHOOL DISTRICT	4675 MISSOURI FLAT RD	PLACERVILLE	41	Urban	1	1491	Medium Density Residential	3	5666	7	No	5
1003	EL DORADO COUNTY OFFICE OF EDUCATION	6520 Oak Dell Road	Diamond Springs	41	Urban	1	2069	Scattered Residential	5	2544	6	No	6
1163	EL DORADO COUNTY OFFICE OF EDUCATION	842 PACIFIC ST OFFICE OF	PLACERVILLE	41	Urban	1	1184	High Density Residential	2	4899	6	No	8
1193	EL DORADO COUNTY OFFICE OF EDUCATION	889 COLD SPRINGS RD OFFICE OF	PLACERVILLE	41	Urban	1	2091	Scattered Residential	5	3685	3	No	6
1262	BUTTE COUNTY OFFICE OF EDUCATION	960 BRIDGE ST OFFICE OF	OROVILLE	41	Urban	1	1464	High Density Residential	2	4084	3	No	10
121	WEST SIDE UNION SCHOOL DISTRICT	1201 FELTA RD SIDE	HEALDSBURG	40	Moderate	2	3551	Scattered Residential	5	2704	2	No	1
155	FORT ROSS SCHOOL DISTRICT	1300 MOODY LN	GEYSERVILLE	40	Agriculture	1	1921	Scattered Residential	5	2763	4	Yes	7
453	BUTTE COUNTY OFFICE OF EDUCATION	2400 VIA CANELA OFFICE OF	OROVILLE	39	Urban	1	2711	Scattered Residential	5	751	2	No	10
726	BUTTE COUNTY OFFICE OF EDUCATION	3935 MORROW LN OFFICE OF	CHICO	38	Low	1	2765	Low Density Residential	4	77	5	No	10
579	EL DORADO COUNTY OFFICE OF EDUCATION	2860 SMITH FLAT SCHOOL RD OFFICE OF	PLACERVILLE	37	Moderate	2	1837	Medium Density Residential	3	1615	9	No	7
113	NEVADA JOINT UNION HIGH SCHOOL DISTRICT	11761 RIDGE RD	GRASS VALLEY	36	Urban	1	1721	Low Density Residential	4	4948	1	No	3
450	BUCKEYE UNION SCHOOL DISTRICT	2391 MERRYCHASE DR	SHINGLE SPRINGS	36	Urban	1	1957	Low Density Residential	4	2413	2	No	6
130	NEVADA JOINT UNION HIGH SCHOOL DISTRICT	12238 MCCOURTNEY RD	GRASS VALLEY	35	Moderate	2	2063	Medium Density Residential	3	2672	1	No	3
211	GUERNEVILLE SCHOOL DISTRICT	14630 ARMSTRONG WOODS RD	GUERNEVILLE	35	Moderate	2	1569	Medium Density Residential	3	2056	1	No	1
448	BUTTE COUNTY OFFICE OF EDUCATION	2380 LAS PLUMAS AVE OFFICE OF	OROVILLE	35	Low	1	3899	Low Density Residential	4	1646	2	No	11
1116	LATROBE SCHOOL DISTRICT	7900 S SHINGLE RD	SHINGLE SPRINGS	35	Urban	1	2529	Low Density Residential	4	477	3	No	9
497	EL DORADO COUNTY OFFICE OF EDUCATION	2540 GREEN VALLEY RD OFFICE OF	RESCUE	34	Urban	1	2124	Medium Density Residential	3	679	2	No	3
581	HAYWARD UNIFIED SCHOOL DISTRICT	28761 HAYWARD BLVD	HAYWARD	33	Low	1	2382	High Density Residential	2	2448	1	No	1
709	PLACER UNION HIGH SCHOOL DISTRICT	3775 RICHARDSON DR	AUBURN	33	Low	1	3318	Low Density Residential	4	5410	2	No	5
79	NEVADA COUNTY SUPERINTENDENT OF SCHOOLS	10862 SPENCEVILLE RD	PENN VALLEY	31	Urban	1	2401	Medium Density Residential	3	4091	1	No	5
161	ST. HELENA UNIFIED SCHOOL DISTRICT	1316 HILLVIEW PL	SAINT HELENA	31	Urban	1	1876	High Density Residential	2	5204	2	No	4
180	NEVADA JOINT UNION HIGH SCHOOL DISTRICT	140 PARK AVE	GRASS VALLEY	31	Urban	1	1763	High Density Residential	2	3420	1	No	3
224	CALISTOGA JOINT UNIFIED SCHOOL DISTRICT	1507 GRANT ST	CALISTOGA	31	Urban	1	2111	High Density Residential	2	4118	1	No	5
228	CALISTOGA JOINT UNIFIED SCHOOL DISTRICT	1520 LAKE ST	CALISTOGA	31	Urban	1	2412	High Density Residential	2	4234	1	No	5
230	OROVILLE UNION HIGH SCHOOL DISTRICT	1535 BRIDGE ST	OROVILLE	31	Urban	1	1587	High Density Residential	2	4272	3	No	11
238	CHICAGO PARK SCHOOL DISTRICT	15725 Mount Olive Road	Grass Valley	31	Urban	1	3991	Low Density Residential	4	3347	1	No	4
251	CALISTOGA JOINT UNIFIED SCHOOL DISTRICT	1608 LAKE ST	CALISTOGA	31	Urban	1	2127	High Density Residential	2	3936	1	No	5
389	OROVILLE UNION HIGH SCHOOL DISTRICT	2139 WASHINGTON AVE	OROVILLE	31	Urban	1	2066	High Density Residential	2	5905	3	No	11

414	EL DORADO COUNTY OFFICE OF EDUCATION	2240 Salisbury Drive	El Dorado Hills	31	Urban	1	1956	High Density Residential	2	3230	2	No	4
416	GRASS VALLEY SCHOOL DISTRICT	225 S AUBURN ST	GRASS VALLEY	31	Urban	1	2047	High Density Residential	2	3936	1	No	3
493	ROSEVILLE CITY SCHOOL DISTRICT	2501 ALEXANDRA DR	ROSEVILLE	31	Urban	1	1701	High Density Residential	2	4478	4	No	3
498	AUBURN UNION SCHOOL DISTRICT	255 EPPERLE LN	AUBURN	31	Urban	1	1802	High Density Residential	2	4314	6	No	10
499	NEVADA COUNTY SUPERINTENDENT OF SCHOOLS	255 S AUBURN ST	GRASS VALLEY	31	Urban	1	1817	High Density Residential	2	3613	1	No	3
547	PLACER UNION HIGH SCHOOL DISTRICT	275 ORANGE ST	AUBURN	31	Urban	1	2385	High Density Residential	2	3160	7	No	10
548	OROVILLE UNION HIGH SCHOOL DISTRICT	2750 MITCHELL AVE	OROVILLE	31	Urban	1	1838	High Density Residential	2	5677	3	No	12
560	BUTTE COUNTY OFFICE OF EDUCATION	2775 YARD ST OFFICE OF	OROVILLE	31	Urban	1	2105	High Density Residential	2	4785	3	No	12
566	OROVILLE CITY ELEMENTARY SCHOOL DISTRICT	2795 YARD ST	OROVILLE	31	Urban	1	2000	High Density Residential	2	4684	3	No	12
626	MARK WEST UNION SCHOOL DISTRICT	315 MARK WEST SPRINGS RD	SANTA ROSA	31	Urban	1	3976	Low Density Residential	4	5631	1	Yes	3
668	GRASS VALLEY SCHOOL DISTRICT	342 S SCHOOL ST	GRASS VALLEY	31	Urban	1	1931	High Density Residential	2	5273	1	No	3
684	GRASS VALLEY SCHOOL DISTRICT	356 S SCHOOL ST	GRASS VALLEY	31	Urban	1	1728	High Density Residential	2	5113	1	No	3
686	PLACER UNION HIGH SCHOOL DISTRICT	360 FINLEY ST	AUBURN	31	Urban	1	1902	High Density Residential	2	2590	7	No	10
797	RINCON VALLEY UNION SCHOOL DISTRICT	4550 RINCONADA DR	SANTA ROSA	31	Urban	1	1657	Urban	6	6262	2	No	5
928	EL DORADO UNION HIGH SCHOOL DISTRICT	561 CANAL ST	PLACERVILLE	31	Urban	1	1838	High Density Residential	2	3704	5	No	7
809	RINCON VALLEY UNION SCHOOL DISTRICT	4669 BADGER RD	SANTA ROSA	30	Moderate	2	3218	Medium Density Residential	3	4564	2	Yes	5
127	PLACER COUNTY OFFICE OF EDUCATION	12200 ROCK CREEK RD OFFICE OF	AUBURN	28	Urban	1	3931	Medium Density Residential	3	1553	2	No	6
721	BUTTE COUNTY OFFICE OF EDUCATION	3881 BENATAR WAY STE C	CHICO	28	Urban	1	3602	Medium Density Residential	3	1064	5	No	10
938	BUTTE COUNTY OFFICE OF EDUCATION	5737 AUTREY LN OFFICE OF	OROVILLE	28	Urban	1	3035	High Density Residential	2	1519	2	No	11
17	RINCON VALLEY UNION SCHOOL DISTRICT	1000 YULUPA AVE	SANTA ROSA	26	Urban	1	3076	High Density Residential	2	5675	2	No	3
44	LAKE TAHOE UNIFIED SCHOOL DISTRICT	1021 AL TAHOE BLVD	SOUTH LAKE TAHOE	26	Urban	1	3646	Medium Density Residential	3	3679	10	No	4
45	SANTA ROSA CITY SCHOOL DISTRICT	1023 CALISTOGA RD	SANTA ROSA	26	Urban	1	2733	Medium Density Residential	3	2896	2	No	5
141	SANTA ROSA HIGH SCHOOL DISTRICT	1250 HAHMAN DR	SANTA ROSA	26	Urban	1	3493	High Density Residential	2	6610	2	No	3
162	NAPA COUNTY OFFICE OF EDUCATION	1325 ADAMS ST OFFICE OF	SAINT HELENA	26	Urban	1	3321	High Density Residential	2	5056	1	No	4
193	ST. HELENA UNIFIED SCHOOL DISTRICT	1401 GRAYSON AVE	SAINT HELENA	26	Urban	1	3657	Medium Density Residential	3	6274	1	No	3
194	NAPA COUNTY OFFICE OF EDUCATION	1401 GRAYSON AVE OFFICE OF	SAINT HELENA	26	Urban	1	3657	Medium Density Residential	3	6274	1	No	3
200	NAPA COUNTY OFFICE OF EDUCATION	1428 SPRING ST OFFICE OF	SAINT HELENA	26	Urban	1	3757	High Density Residential	2	5117	1	No	3
219	AUBURN UNION SCHOOL DISTRICT	150 PALM AVE	AUBURN	26	Urban	1	3445	Medium Density Residential	3	5827	6	No	10
262	BUCKEYE UNION SCHOOL DISTRICT	1665 BLACKSTONE PKWY	EL DORADO HILLS	26	Urban	1	3473	Medium Density Residential	3	2188	3	No	6
274	ST. HELENA UNIFIED SCHOOL DISTRICT	1701 GRAYSON AVE	SAINT HELENA	26	Urban	1	2503	Medium Density Residential	3	4920	1	No	3
308	FOLSOM CORDOVA UNIFIED SCHOOL DISTRICT	1830 BONHILL DR	FOLSOM	26	Urban	1	3250	High Density Residential	2	3624	3	No	5
315	BUTTE COUNTY OFFICE OF EDUCATION	1859 BIRD ST OFFICE OF	OROVILLE	26	Urban	1	3853	High Density Residential	2	5107	3	No	10
318	BUTTE COUNTY OFFICE OF EDUCATION	1870 BIRD ST OFFICE OF	OROVILLE	26	Urban	1	3845	High Density Residential	2	4925	3	No	11
320	BUTTE COUNTY OFFICE OF EDUCATION	1876 BIRD ST OFFICE OF	OROVILLE	26	Urban	1	3745	High Density Residential	2	4891	3	No	11
327	RESCUE UNION SCHOOL DISTRICT	1901 Francisco Drive	El Dorado Hills	26	Urban	1	2712	High Density Residential	2	3299	2	No	4
329	SACRAMENTO COUNTY OFFICE OF EDUCATION	1915 GRASS VALLEY HWY # 400	AUBURN	26	Urban	1	3033	Medium Density Residential	3	5746	2	No	9
331	PLACER UNION HIGH SCHOOL DISTRICT	1919 GRASS VALLEY HWY STE 110	AUBURN	26	Urban	1	3374	Medium Density Residential	3	5415	2	No	9
349	PLACER HILLS UNIFIED SCHOOL DISTRICT	200 West Weimar Cross Road	Weimar	26	Urban	1	3247	Medium Density Residential	3	2404	3	No	7
433	KENWOOD UNIFIED SCHOOL DISTRICT	230 RANDOLPH AVE	KENWOOD	26	Urban	1	3966	High Density Residential	2	5291	1	Yes	1
503	EL DORADO COUNTY OFFICE OF EDUCATION	2561 Francisco Drive	El Dorado Hills	26	Urban	1	2520	High Density Residential	2	3963	2	No	4
511	EUREKA UNION SCHOOL DISTRICT	2625 LA CROIX DR	ROSEVILLE	26	Urban	1	3339	High Density Residential	2	4007	5	No	2
546	PLACER COUNTY OFFICE OF EDUCATION	275 PLACER ST OFFICE OF	AUBURN	26	Urban	1	3042	High Density Residential	2	4728	7	No	10
609	MARK WEST UNION SCHOOL DISTRICT	305 MARK WEST SPRINGS RD	SANTA ROSA	26	Urban	1	3490	High Density Residential	2	5389	1	Yes	3
664	EL DORADO COUNTY OFFICE OF EDUCATION	3371 Brittany Way	El Dorado Hills	26	Urban	1	3479	High Density Residential	2	3605	2	No	4
675	SANTA ROSA HIGH SCHOOL DISTRICT	3500 SONOMA AVE	SANTA ROSA	26	Urban	1	3139	High Density Residential	2	4581	2	No	3
676	LAKE TAHOE UNIFIED SCHOOL DISTRICT	3501 Spruce Avenue	South Lake Tahoe	26	Urban	1	3515	High Density Residential	2	4384	11	No	4
695	EL DORADO COUNTY OFFICE OF EDUCATION	3661 PONDEROSA RD OFFICE OF	SHINGLE SPRINGS	26	Urban	1	2989	Medium Density Residential	3	3417	4	No	2
808	SANTA ROSA HIGH SCHOOL DISTRICT	4650 BADGER RD	SANTA ROSA	26	Urban	1	2902	High Density Residential	2	5335	2	No	5
874	HEALDSBURG UNIFIED SCHOOL DISTRICT	520 MONTE VISTA AVE	HEALDSBURG	26	Urban	1	3966	Urban	6	5172	2	No	2
906	MARK WEST UNION SCHOOL DISTRICT	5350 FAUGHT RD	SANTA ROSA	26	Urban	1	2580	High Density Residential	2	3031	1	No	3
1046	SANTA ROSA HIGH SCHOOL DISTRICT	6975 MONTECITO BLVD	SANTA ROSA	26	Urban	1	2855	Medium Density Residential	3	3144	2	No	5
1082	PALERMO UNION ELEMENTARY SCHOOL DISTRICT	7350 BULLDOG WAY	PALERMO	26	Urban	1	3186	High Density Residential	2	4838	2	No	10
1084	BUTTE COUNTY OFFICE OF EDUCATION	7390 BULLDOG WAY OFFICE OF	PALERMO	26	Urban	1	3229	High Density Residential	2	4865	2	No	10
1204	RINCON VALLEY UNION SCHOOL DISTRICT	900 YULUPA AVE	SANTA ROSA	26	Urban	1	3093	High Density Residential	2	5412	2	No	3
1238	LAKE TAHOE UNIFIED SCHOOL DISTRICT	943 Tahoe Island Drive	South Lake Tahoe	26	Urban	1	2649	Urban	6	2428	9	No	6
1244	SAN JUAN UNIFIED SCHOOL DISTRICT	9460 OTTOMON WAY	ORANGEVALE	26	Urban	1	3550	Medium Density Residential	3	7714	8	No	0
1251	SONOMA COUNTY OFFICE OF EDUCATION	9500 BROOKS RD S OFFICE OF	WINDSOR	26	Urban	1	2898	High Density Residential	2	4186	1	No	3
13	EL DORADO COUNTY OFFICE OF EDUCATION	100 ROSASCHI RD OFFICE OF	YERINGTON	25	Moderate	2	43352	Wildland	9	0	0	No	1
170	HEALDSBURG UNIFIED SCHOOL DISTRICT	13557 HEALDSBURG AVE	HEALDSBURG	23	Low	1	4829	Low Density Residential	4	4751	2	No	2

Item No: F.2.

POTENTIAL TOPICS FOR LONG RANGE PLANNING MEETING**ACTION ITEM**

ISSUE: SPA will have its first Long Range Planning Session in Sonoma, CA on August 30-31. Staff will issue the agenda packet the week before the meeting. Staff has received interest in discussing the following topics:

- Property Program Retained Layer – Review of the function of the retained layer and long term funding goals
- Property Program Loss Control – Review of objectives, use of funding and new ideas
- Administration of Retained Layers for Property and Liability Programs – How should the member JPA’s interact with SPA – roles and responsibilities
- Learning Management System (LMS) Shared Procurement – Can SPA be a vehicle to assist member JPA’s in procuring and administering an LMS
- Potential for Other Shared Services – Discussion of ways SPA can support member JPA’s
- Potential New Programs – Are there other programs beyond core Property and Liability Programs that SPA can assist members with?
- New Member Marketing – Approach to identify, contacting and admitting new members
- Other topics?

RECOMMENDATION: The Program Administrator recommends that the SPA Board discuss the LRP agenda and provide direction as appropriate.

FISCAL IMPACT: None from this item.

BACKGROUND: This will be SPA’s first strategic planning meeting.

ATTACHMENTS: None.

Item No: F.3.

PROPERTY MEMORANDUM OF COVERAGE (MOC)

ACTION ITEM

ISSUE: The final SPA Memorandum of Coverage (MOC) is attached for review and approval by the Board.

Note each member of SPA may issue their own underlying MOC to the SPA MOC. Caution should be taken for any differences in the coverage terms to avoid a member inadvertently retaining risk they did not envision because of a difference in conditions.

RECOMMENDATION: Approve the attached Memorandum of Coverage for PY 21/22

FISCAL IMPACT: None.

BACKGROUND: During the placement process, underwriters do scrutinize the forms, especially newly created versions. SPA's proposed MOC underwent some coverage and limit modifications, driven by the underwriters and consistent with the hard market conditions. Substantially, the final version continues to provide equal or broader coverage than previous forms.

ATTACHMENTS: 2021 SPA Property MOC – Final

Schools Program Alliance
A California Joint Powers Authority

Memorandum of Coverage (MOC)
July 1, 2021 to July 1, 2022

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SECTION I - GENERAL PROVISIONS

A. COVERAGE AGREEMENT

In consideration of the premium paid by the Named Insured to the Company, the Company agrees to cover the following per the terms and conditions herein.

B. NAMED INSURED

As shown on the Declaration page, or as listed in the Declaration Schedule Addendum attached to this MOC.

Member(s), entity(ies), agency(ies), organization(s), enterprise(s) and/or individual(s) for whom the Named Insured is required or has agreed to provide coverage, or as so named in the "Named Insured Schedule" on file with Alliant Insurance Services, Inc., as their interests may appear which now exist or which hereafter may be created or acquired and which are owned, financially controlled or actively managed by the herein named interest, all jointly, severally or in any combination of their interests, for account of whom it may concern, are covered within the limits provided to the individual Named Insured.

Lessors and other party(ies) of interest in all property of every description covered hereunder are included herein as Insured's for their respective rights and interests, it being understood that the inclusion hereunder of more than one covered party shall not serve to increase the Company's limit of liability. Mortgagees to whom certificates of coverage have been issued are covered hereunder as Insured's in accordance with the terms and conditions of Form 438 BFU NS, CP12 18 1091, or equivalent as required by the mortgagee.

C. MAILING ADDRESS OF COMPANY

Schools Program Alliance
c/o Schools Insurance Authority
9800 Old Placerville Road
Sacramento, CA 95827

D. MOC PERIOD

From July 1st, 2021 to July 1st, 2022, beginning and ending at 12:01 AM

E. COVERAGE TERRITORY

The United States, its territories and possessions and Puerto Rico, including their respective coastal waters.

F. LIMITS OF LIABILITY

Subject to specific exclusions, modifications, and conditions hereinafter provided, the liability of the Company in any one occurrence regardless of whether one or more of the coverages of this MOC are involved shall not exceed:

1. LIMITS OF LIABILITY

The Specific Limits of Liability as described in the Declaration Page apply per occurrence unless indicated otherwise.

2. SUB-LIMITS OF LIABILITY

The following sub-limits of liability are provided as described in the Declaration Page and apply per occurrence unless indicated otherwise. Coverage is provided only if a sub-limit of liability is shown in the Declaration Page for that item, and do not increase the specific limits of liability. The absence of a sub-limit of liability amount in the Declaration Page means that no coverage is provided for that item.

\$100,000,000	Limit of Liability
\$50,000,000	Combined Business Interruption, Rental Income, Tax Interruption and Tuition income (and related fees)
\$500,000	Contingent Business Interruption
\$30,000,000	Extra Expense
No coverage provided	Per occurrence, as respects Vehicle Damage
\$5,000,000	Per occurrence, as respects Mobile Equipment
\$10,000,000	Per occurrence, and in the annual aggregate as respects the peril of flood, inclusive of
\$5,000,000	Per occurrence, and in the annual aggregate as respects the peril of flood in FEMA designated Special Flood Hazard Areas Zones A or V (SFHA) to be determined at the time of loss
No Coverage provided	Per occurrence, and in the annual aggregate as respects the peril of earthquake shock
Included	Per occurrence, as respects the peril of earthquake sprinkler leakage
\$25,000,000	Debris Removal
\$2,500,000	Decontamination Costs
\$25,000,000	Miscellaneous Unscheduled Property
Included	Automatic Acquisition, subject to the values of such additional property and/or interests not exceeding \$25,000,000
\$2,500,000	Outdoor Property, except \$50,000 max per item for Trees, Shrubs, Plants
Included	Electronic Data Processing Equipment and Hardware
\$10,000,000	Electronic Data Processing Data and Media – Physical Damage Only

\$25,000,000	Errors & Omissions
Included	Course of Construction (projects which exceed \$25,000,000 are subject to underwriting approval, prior to binding)
\$500,000	Builders Risk Property at Temporary Storage Location
\$500,000	Builders Risk, Property in Transit
\$1,000,000	Contractor's Equipment
\$5,000,000	Soft Costs
\$2,500,000	Scheduled and Unscheduled Fine Arts (as more fully defined herein)
\$1,000,000	Accidental Contamination
\$1,000,000	Unscheduled Tunnels, bridges, dams, catwalks (except those not for public use), roadways, highways, streets, sidewalks, culverts, street lights and traffic signals unless specific values for such items have been reported as part of a member(s) / entity(ies) schedule of values held on file with this company, excluding Federal Emergency Management Agency (F.E.M.A.) and/or any State Office of Emergency Services (O.E.S.) declared disasters
Included	Demolition and Increased Cost of Construction due to the enforcement of building codes / ordinance or law
\$10,000,000	Transit including Free Onboard Shipments
\$2,500,000	Fire Fighting Expenses
\$25,000,000	Off premises services interruption including extra expense resulting from a covered peril at non-owned/operated location(s)
\$1,000,000	Claim Preparation Expenses
Included	Expediting Expense
\$1,000,000	Personal Property of Students and Teachers, except \$10,000 any one item
\$10,000,000	Accounts Receivable
\$10,000,000	Valuable Papers and Records
\$500,000	Leasehold Interest;
\$2,500,000	Asbestos Cleanup and Removal
\$2,500,000	Mold & Fungus
\$100,000	Reimbursement or Master Key Costs

\$2,500,000	Upgrade to Green
No Coverage provided	Money and Securities
No coverage Provided	Communicable Disease
180 Days	Extended Period of Indemnity
\$2,500,000	Interruption by Civil or Military Authority, not to exceed 30 days (10 mile radius)
\$2,500,000	Ingress or Egress, not to exceed 30 days (10 mile radius)

BOILER AND MACHINERY SUB-LIMITS OF LIABILITY

\$100,000,000	Boiler Explosion and Machinery Breakdown
Included	Jurisdictional and Inspections
Included	Business Income Coverage Extension (BI)
Included	Extra Expense Coverage Extension (BI)
180 Days	Extended Period of Indemnity
Included	Spoilage Damage Coverage Extension including Utility Interruption Spoilage (SD & Refrigerant Contamination), Coverage is provided when the duration of the interruption is in excess of twenty four (24) hours
\$2,500,000	Off Premises Service Interruption including Service, Utility and Power, Coverage is provided when the duration of the interruption is in excess of twenty four (24) hours
\$3,000,000	Dependent Property Coverage Extension – All Direct Suppliers Dependent Property Locations; and Receivers
\$10,000,000	Expediting Expense
\$10,000,000	Hazardous Substances, Pollutants, Decontamination
\$10,000,000	Ordinance or Law including Demolition and Increased Cost of Construction
Included	Per Occurrence for Machine or Apparatus used for Research, Diagnosis, Medication, Surgical, Therapeutic, Dental or Pathological

TERRORISM (INCLUDING SABOTAGE) SUB-LIMITS OF LIABILITY

\$50,000,000	Per Occurrence and in the Aggregate
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ACTIVE ASSAILANT SUB-LIMITS OF LIABILITY

\$1,000,000	Per Occurrence and in the Aggregate. Property Damage, Business Interruption and Additional Special Coverages combined.
25% of limit, Max of \$250,000	Ingress/Egress
\$100,000	Public Relations Consultancy Costs
\$10,000	Counselling Costs; Per Person
\$10,000	Medical Expenses; Per Person
\$10,000	Employee Retraining Costs; Per Person
\$25,000	Security Costs
\$250,000	Funeral Services; \$25,000 Per Person
\$250,000	Cost of Demolition/Clearance Memorialization
\$250,000	Loss of Governmental Grants

The above limits are provided per Occurrence, regardless of the number of SPA Members involved in the Occurrence.

G. DEDUCTIBLE PROVISIONS

Basic Deductible: USD250,000 per occurrence, which will apply in the event a more specific deductible is not applicable to a loss.

Retention A – Excess of the basic deductible: USD 250,000, Additional Self-Insured Retention per occurrence and USD 1,000,000 in the annual aggregate which in turn

Retention B – Excess of Retention A: USD 2,000,000 Self-Insured Retention per occurrence and in the annual aggregate;

Except as follows:

Wildfire

USD 5,000,000 per occurrence in respect of Butte Schools Self-Funded Programs
USD 2,500,000 per occurrence in respect of Redwood Empire Schools' Insurance Group
USD 250,000 per occurrence for all other members.

In the event that either BUTTE and/or RESIG and another member / other members are affected by the same Wildfire occurrence, both deductibles will apply to their respective loss.

High Hazard Flood

USD 500,000 per occurrence in respect of locations situated wholly or partially within a Special Flood Hazard Area (SFHA), areas as defined by the Federal Emergency Management Agency (FEMA).

- Service Interruption:
Coverage is provided when the duration of the interruption is in excess of twenty four (24) hours. When the waiting period has expired, coverage will apply excess of the applicable deductible.
- Boiler and Machinery Breakdown: USD100,000 per occurrence
- Boiler & Machinery, Flood and Wildfire losses do not contribute to the erosion of SPA's Self-Named Insured Retentions.
- Terrorism (Including Sabotage): \$10,000 per occurrence. Ingress/Egress 12 hours
- Active Assailant: \$10,000 per occurrence. Ingress/Egress 12 hours

Other than Wildfire, If two or more deductible amounts provided in the Declaration Page apply for a single occurrence the total to be deducted shall not exceed the largest per occurrence deductible amount applicable.

Deductibles are shown on the Declaration Page, or by endorsement and may vary by SPA Member

Unless a more specific deductible is applicable for a particular loss, the \$250,000 Basic Deductible shown above, shall apply per occurrence. The company will not pay for loss or damage in any one occurrence until the amount of the loss or damage exceeds the applicable deductible.

"Vehicle Physical Damage deductible" - if Off-Premises coverage is included/purchased, the stated deductible will apply to vehicle physical damage both on and off premises on a per occurrence basis, unless otherwise stated. If "Off-Premises" coverage is not included, On-Premises/In-Yard coverage is subject to the All Risk "Basic Deductible".

H. UNIT OF COVERAGE DEFINED

In the application of the Earthquake Shock, or specified Wind deductibles, in accordance with the provisions of this MOC, each of the following shall be considered a Separate Unit of Coverage:

1. Each Separate Building or Structure;
2. The Contents of each Building or Structure;
3. Applicable Time Element Coverage of each separate Building or Structure; and
4. Property in each Yard.

The Company shall not be liable for loss to any Unit of Coverage covered hereunder unless such loss exceeds the percentages stated in this MOC of the replacement values of such Unit of Coverage at the time when such loss shall happen, and then only for its proportion of such excess.

I. PRIORITY OF PAYMENTS

In the event of loss caused by or resulting from more than one peril or coverage, the limit of liability of the primary / underlying coverage shall apply first to the peril(s) or coverage(s) not insured by the excess layers and the remainder, if any, to the peril(s) or coverage(s) insured hereunder. Upon exhaustion of the limit of liability of the primary / underlying coverage, the excess layers shall then be liable for loss uncollected from the peril(s) or coverage(s) insured hereunder, subject to the limit of liability and the other terms and conditions as specified.

SECTION II - PROPERTY DAMAGE

A. COVERAGE

Subject to the terms, conditions and exclusions hereinafter contained, this MOC insures all property of every description both real and personal (including improvements, betterments and remodeling), of the Named Insured, or property of others in the care, custody or control of the Named Insured, for which the Named Insured is liable, or under the obligation to insure.

B. EXTENSIONS OF COVERAGE

All coverage extensions are subject to the terms, conditions and exclusions of the MOC except insofar as they are explicitly providing additional coverage.

1. PERSONAL EFFECTS

This MOC is extended to cover only such personal effects and wearing apparel of any of the officials, employees, students and personal effects of the Named Insured named in this MOC for which the Named Insured may elect to assume liability while located in accordance with the coverage hereof, but loss, if any, on such property shall be adjusted with and payable to the Named Insured.

2. PROPERTY IN COURSE OF CONSTRUCTION AND ADDITIONS

It is understood and agreed that as respects course of construction projects and additions, this MOC will provide automatic coverage subject to the following conditions:

- a. Project involves only real property on new or existing locations (excluding dams, roads, and bridges).
- b. Value of the project at the location does not exceed USD as per Declaration Page. Projects that exceed this amount are subject to underwriting approval, prior to binding. However, inadvertent failure to report projects within USD as per Declaration Page shall not void coverage of said Project.

Additional Expenses - Soft Costs: This extension applies to new buildings or structures in the course of construction up to the time that the new building(s) or structure(s) is initially occupied or put to its intended use whichever occurs first.

The Company will cover the additional expenses (soft costs) of the Named Insured as defined below for up to 25% of the estimated completed value of the project which results from a delay in the completion of the project beyond the date it would have been completed had no loss or damage occurred. The delay must be due to direct physical loss or damage to property insured and be caused by or result from a peril not excluded by this MOC. The Company will pay covered expenses when they are incurred.

- a. Additional Interest Coverage – The Company will pay the additional interest on money the Named Insured borrows to finance construction or repair.
- b. Rent or Rental Value Coverage – The Company will pay the actual loss of net rental income that results from delay beyond the projected completion date. But the Company will not pay more than the reduction in rental income less charges and expenses that do not necessarily continue.

- c. Additional Real Estate Taxes or Other Assessments – The Company will pay the additional real estate taxes or other assessments the Named Insured incurs for the period of time that construction is extended beyond the completion date.
- d. Additional Advertising and Promotional Expenses – The Company will pay the additional advertising and promotional expense that becomes necessary as a result of a delay in the completion of the project.
- e. Additional Commissions Expense – The Company will pay the additional expenses, which result from the renegotiating of leases following an interruption in the project.
- f. Additional Architectural and Engineering Fees – The Company will pay the additional architectural and engineering fees that become necessary as a result of a delay in the completion of the project.
- g. Additional License and Permit Fees – The Company will pay the additional license and permit fees that become necessary as a delay in the completion of the project.
- h. Legal and Accounting Fees – The Company will pay the additional legal and accounting fees the Named Insured incurs as a result of a delay in the completion of the project.

3. FIRE FIGHTING EXPENSES

It is understood and agreed that the Company shall be liable for the actual charges of fire fighting expenses including but not limited to those charged by municipal or private fire departments responding to and fighting fire in / on, and/or protecting property included in coverage provided by this MOC.

4. OFF PREMISES SERVICES INTERRUPTION

It is understood and agreed that coverage under this MOC is extended to include physical damage, business interruption loss and/or extra expense incurred and/or sustained by the Named Insured as a result of physical damage to or destruction of property, by the perils insured against occurring during the MOC period of any suppliers furnishing heat, light, power, gas, water, telephone or similar services to a Named Insured's premises. The coverage provided by this clause is sub-limited to USD as per Declaration Page, and Section 1 (General Provisions) of this form.

5. ARCHITECTS AND ENGINEERS FEES AND LOSS ADJUSTMENT EXPENSES

This MOC also insures as a direct result of physical loss or damage insured hereunder, any of the following:

- a. Architects and engineers fees
- b. Loss adjustment expenses including, but not limited to, auditors, consultants and accountants. However, the expenses of public adjusters are specifically excluded.

6. EXPEDITING EXPENSES

In the event of physical loss or damage insured hereunder, it is understood and agreed that coverage under this MOC includes the reasonable extra cost of temporary repair and of expediting the repair of such damaged property of the Named Insured, including overtime and the extra costs of express

or other rapid means of transportation. This coverage provided by this clause is sub-limited to USD as per the Declaration Page.

7. DEBRIS REMOVAL

This MOC also covers expenses incurred in the removal of debris of the property covered hereunder from the premises of the Named Insured that may be destroyed or damaged by a covered peril(s). This debris removal coverage does not apply to the cost to extract pollutants from land or water, or to remove, restore or replace polluted land or water.

8. BUILDING LAWS

This MOC is extended to include physical damage, business interruption loss, loss of interest and/or extra expense incurred and/or sustained by the Named Insured as a result of physical damage to or destruction of property, by the perils insured against occurring during the MOC period and occasioned by the enforcement of any local or state ordinance or law regulating the construction, repair or demolition of buildings or structures, which is in force at the time such a loss occurs, which necessitates the demolition of any portion of the covered building not damaged by the covered peril(s).

The Company shall also be liable for loss due to the additional period of time required for repair or reconstruction in conformity with the minimum standards of such ordinance or law of the building(s) described in this MOC damaged by a covered peril.

The Company shall not be liable under this clause for more than the limit of liability as shown elsewhere in this MOC.

9. DEMOLITION COST

In the event of physical damage to property insured by a covered peril, this MOC is extended to cover the cost of demolishing any undamaged portion of the covered property including the cost of clearing the site thereof, caused by loss from any covered peril(s) under this MOC and resulting from enforcement of any local or state ordinance or law regulating the construction, repair or demolition of buildings or structures and in force at the time of loss which necessitates such demolition.

10. INCREASED COST OF CONSTRUCTION

In the event of physical damage to property insured by a covered peril, this MOC is extended to cover the increased cost of repair or replacement occasioned by the enforcement of any local or state ordinance or law including written guidelines used by the department of corrections in any state regulating the construction, repair or demolition of buildings or structures, which is in force at the time such a loss occurs or which comes into force within 6 months after such a loss occurs, which necessitates in repairing or replacing the building covered hereunder which has suffered damage or destruction by the covered peril(s) or which has undergone demolition, limited, however, to the minimum requirements of such ordinance or law.

11. DECONTAMINATION COSTS

Notwithstanding the provisions of any exclusion contained herein or any provision respecting pollution and/or contamination, if property insured is contaminated as a result of direct physical loss, damage or destruction by a peril insured by this MOC and there is in force at the time of the loss any law or ordinance regulating contamination, including but not limited to the presence of pollutants or contaminants, this MOC insures, as a result of enforcement of such law or ordinance,

the increased cost of decontamination and/or removal of such contaminated property insured in a manner to satisfy such law or ordinance. This provision applies only to that part of insured property contaminated as a result of insured direct physical loss, damage or destruction by a peril insured by this MOC.

12. ERRORS & OMISSIONS

No unintentional errors or unintentional omissions in description, location of property or valuation of property will prejudice the Named Insured's right of recovery but will be reported to the Company as soon as practicable when discovered. The coverage provided by this clause is sub-limited to USD as per Declaration Page, and Section 1 (General Provisions) Clause E of this form. This extension does not increase any more specific limit stated elsewhere in this MOC or Declaration.

13. VALUABLE PAPERS

This MOC is extended to cover Valuable Papers or the cost to reconstruct valuable papers (including but not limited to research, redrawing or duplicating) physically lost or damaged by a peril insured against during the term of this MOC.

14. TRANSIT

This MOC is extended to cover Personal Property of the Named Insured or property held by the Named Insured in trust or on commission or on consignment for which the Named Insured may be held legally liable while in due course of transit, worldwide, against all risks of Direct Physical Loss or Damage not excluded by this MOC to the property insured occurring during the period of this MOC. The coverage provided by this clause is sub-limited to USD as per Declaration Page, and Section 1 (General Provisions) Clause E. of this form.

15. VEHICLES WHILE ON INSURED PREMISES

This MOC is extended to cover vehicles while on premises of the Insured against physical loss or damage by a peril insured against during the term of this MOC.

16. ASBESTOS CLEAN UP AND REMOVAL

This MOC specifically excludes asbestos materials clean up or removal, unless asbestos is itself damaged by a peril covered by this MOC, then asbestos cleanup or removal within the damaged area, and applicable time element coverages, will be covered by this MOC.

In no event will coverage be extended to cover undamaged asbestos, including undamaged asbestos in any portion of the building mandated by any governmental direction or request declaring that asbestos material present in any undamaged portion of the Named Insured's property must be removed or modified, or;

- a) any loss or expense including investigation or defense costs, caused by, resulting from, or arising out of asbestos, exposure to asbestos, or any product containing asbestos, or;
- b) any loss or expense normally provided by demolition, increased cost or building ordinance.

The Named Insured must report to Underwriters the existence of the damage as soon as practicable after the loss. However, this MOC does not insure any such damage first reported to the Underwriters more than thirty six (36) months after the expiration, or termination, of this MOC.

17. PROTECTION AND PRESERVATION OF PROPERTY

In the event of loss likely to be covered by this MOC, the Named Insured shall endeavor to protect covered property from further damage and shall separate the damaged and undamaged personal property and store in the best possible order, and shall furnish a complete inventory of the destroyed, damaged and undamaged property to the Company.

In case of actual or imminent physical loss or damage of the type insured against by this MOC, the expenses incurred by the Named Insured in taking reasonable and necessary actions for the temporary protection and preservation of property Named Insured hereunder shall be added to the total physical loss or damage otherwise recoverable under the MOC and be subject to the applicable deductible and without increase in the limit provisions contained in this MOC.

Due to the unique nature of Health Care Facilities and Jails where it is deemed necessary to evacuate patients or inmates from the premises in order to reduce the physical loss potential from an actual or imminent loss or damage by a peril not excluded herein, all terms and conditions of this clause will apply to the expenses incurred as a result of the evacuation.

18. LEASEHOLD INTEREST

In the event of physical loss or damage of the type insured against by this MOC to real property of the type insured this MOC, which is leased by the Named Insured, this MOC is extended to cover:

- (1) If as a result of such loss or damage the property becomes wholly un-tenantable or unusable and the lease agreement requires continuation of the rent, the Company shall indemnify the Named Insured for the actual rent payable for the unexpired term of the lease; or
- (2) If as a result of such loss or damage the property becomes partially un-tenantable or unusable and the lease agreement requires continuation of the rent, the Company shall indemnify the Named Insured for the proportion of the rent applicable thereto; or
- (3) If as a result of such loss or damage the lease is cancelled by the lessor pursuant to the lease agreement or by operation of law, the Company shall indemnify the Named Insured for its Lease Interest for the first three months following such loss or damage and for its Net Lease Interest for the remaining unexpired term of the lease;

provided, however, that the Company shall not be liable for any increase in the amount recoverable hereunder resulting from the suspension, lapse or cancellation of any license, or from the Named Insured exercising an option to cancel the lease; or from any act or omission of the Named Insured which constitutes a default under the lease; and provided further that the Named Insured shall use any suitable property or service owned or controlled by the Named Insured or obtainable from another source to reduce the loss hereunder.

The following definitions shall apply to this coverage:

- (1) Lease Interest means the excess rent paid for the same or similar replacement property over actual rent payable plus cash bonuses or advance rent paid (including any maintenance or operating charges) for each month during the unexpired term of the Named Insured's lease.
- (2) Net Lease Interest means that sum which placed at 8% interest compounded annually would equal the Lease Interest (less any amounts otherwise payable hereunder).

19. AUTOMATIC ACQUISITION AND REPORTING CONDITIONS

This MOC is automatically extended to insure additional property and/or interests as described in the MOC, which may be acquired or otherwise become at the risk of the Named Insured, during the Policy term, within the United States of America, subject to the values of such additional property and/or interests not exceeding \$25,000,000 or the member's Policy Limit of Liability if less than \$25,000,000 any one acquisition excluding licensed vehicles, for which a limit of \$10,000,000 applies or the member's Policy Limit of Liability of less than \$10,000,000.

In the event of coverage being required for additional property and/or interest where the value exceeds \$25,000,000 or the member's Policy Limit of Liability if less than \$25,000,000 any one acquisition, details of said property and/or interest are to be provided to the Company for its agreement not later than (120) days from the date of the said additional property and/or interest having become at the risk of the Named Insured, this MOC providing coverage automatically for such period of time up to a maximum limit of \$100,000,000 or the member's Policy Limit of Liability if less than \$100,000,000. The Company retains the right to determine the acceptability of all such property(ies). Additional premium will be calculated from the date of acquisition.

In the event that the Named Insured fails to comply with the above reporting provision, then coverage hereunder is sublimited to \$25,000,000 or the member's Policy Limit of Liability if less than \$25,000,000 any one occurrence.

Additional, or return premium due for endorsements issued during the policy term, such as those for additions or deletions of values within or greater than that which is provided in any "Automatic Acquisition sublimit" will be processed on a quarterly basis. Issuance of the endorsements and calculation of pro-rata or return premium, for these changes will be processed as of, and at the time of the transaction.

If Flood coverage is purchased for all scheduled locations, this extension will extend to include Flood coverage for any location not situated in Flood Zones A or V. In the event that coverage for Flood for any location situated in Flood Zones A or V is required, it is to be agreed by the Company prior to attachment hereunder.

The addition of new members must be reported at the time of binding.

20. MISCELLANEOUS UNNAMED LOCATIONS

Coverage is extended to include property at locations (including buildings or structures, owned, occupied or which the Named Insured is obligated to maintain coverage) located within the territorial limitations set by this MOC. Coverage provided by this clause is limited to any sub-limit noted on the Declaration Page attached to this form, and by terms and conditions of this MOC form. This coverage extension does not apply to the peril of Earthquake in the states of California, or Alaska. If Flood coverage is purchased for scheduled locations, this extension will extend to include Flood coverage for any location not situated in Flood Zones A or V.

21. ACCIDENTAL CONTAMINATION

This MOC is hereby extended to cover Business Interruption and Property Damage loss as a result of accidental contamination, discharge or dispersal from any source to Covered Property, including expenses necessarily incurred to clean up, remove and dispose of contaminated substances so as to restore the Covered Property to the same condition as existed prior to loss. The coverage provided is sub-limited to \$1,000,000 per occurrence as per Declaration page.

If such contamination or dispersal is itself caused by fire, lightning, impact from aircraft, explosion, riot, civil commotion, smoke, collapse, vehicles, windstorm, hail, vandalism, malicious mischief or leakage and accidental discharge from automatic fire protective systems whereupon this extension shall provide coverage up to full limit of liability provided by this MOC.

For the purposes of this Accidental Contamination clause only, the term "Covered Property", as covered by this MOC, is held to include Land (and Land Values) on which Covered Property is located whether or not the same are excluded by this MOC.

It is further understood and agreed that this coverage clause shall not override anything contained in Asbestos Clean Up and Removal in this MOC.

C. PROPERTY NOT COVERED

Except as for that which may be provided as an Extension of Coverage, this MOC does not cover:

1. Aircraft, Watercraft over 27 feet in length (other than watercraft held for sale by the insured), and rolling stock, except scheduled watercraft, and rolling stock, light rail vehicles, subway trains and related track maintenance vehicles for light rail and subway lines.
2. Standing timber, bodies of water, growing crops.
3. Land (including land on which covered property is located), and land values (except athletic fields, landscaping, artificial turf, sand traps, tees and greens).
4. Property in due course of ocean marine transit.
5. Shipment by mail after delivery into the custody of the United States Post Office.
6. Power transmission lines and feeder lines more than 1,000 feet from the premises of the Insured unless scheduled and specifically approved by the Company.
7. Underground pipes more than 1,000 feet from the premises of the Insured unless scheduled and specifically approved by the Company.
8. Offshore property, oilrigs, underground mines, caverns and their contents. Railroad track is excluded unless values have been reported by the Named Insured.
9. Waterborne shipments to and from the U.S. mainland, Puerto Rico, United States Virgin Islands, Alaska, Hawaii; and shipments via Panama Canal.
10. Motor vehicles licensed for highway use except while at an insured location.
11. Furs, jewelry, precious metals and precious stones.
12. Earthen dikes and dams.
13. Money and Securities.
14. Unmanned aircraft.

D. LOSS PAYMENT BASIS / VALUATION

In case of loss to property of a Named Insured covered hereunder, the basis of adjustment shall be as of the time and place of loss as follows:

1. On all real and personal property, including property of others in the care or control of the Named Insured at the replacement cost (as defined below) at the time of the loss without deduction for depreciation. If property is not replaced within a reasonable period of time, then the actual cash value shall apply.
2. On improvements and betterments at the replacement cost at time of loss without deduction for depreciation. If property is not repaired or replaced within a reasonable period of time, then the actual cash value shall apply. If replaced or repaired by others for the use of the Named Insured, there shall be no liability hereunder. The Company agrees to accept and consider the Named Insured as sole and unconditional owner of all improvements and betterments, any contract or lease the Named Insured may have made to the contrary notwithstanding.
3. On manuscripts, mechanical drawings, patterns, electronic data processing media, books of accounting and other valuable papers, the full replacement cost of the property at the time of loss (including expenses incurred to recreate the information lost, damaged or destroyed, except as may be limited by any separate MOC provision) or what it would then cost to repair, replace or reconstruct the property with other of like kind and quality. If not repaired, replaced or reconstructed within a reasonable period of time, then not to exceed the cost of blank or unexposed material.
4. On antique, restored or historical buildings, the cost of acquisition, relocation to the site and renovation or reconstruction. In the event of a partial loss, replacement cost for antique, restored or historical buildings shall mean the cost of repairing, replacing, constructing or reconstructing (whichever is less) the property on the same site using materials of like kind and quality necessary to preserve or maintain a buildings' historical significance without deduction for depreciation.
5. On property of others for which the Named Insured is liable under contract or lease agreement the Company's liability in the event of loss is limited to the Named Insured's obligation as defined in said contract or lease agreement but not to exceed the replacement cost.
6. On Vehicles, on or off premises, where Replacement Cost (New) values are specified, loss or damage shall be based on 100% of the Replacement Cost (New) at the time of loss. Partial losses shall be based on the cost of repairing or replacing the damaged portion, up to the fair market value of the Vehicle and/or Equipment. However, should these costs exceed the fair market value then recovery shall be based upon the Replacement Cost (New).

If the values, provided by the Named Insured, provides a valuation based on Replacement Cost (New), then recovery will be on the same basis, if replaced. If not replaced, the basis of recovery shall be Actual Cash Value.

8. Landscaping, artificial turf, sand traps, tees, putting greens and athletic fields; the actual replacement cost of sod, shrubs, sand, plants and trees; however the Company's liability for replacement of trees, plants and shrubs will be limited to the actual size of the destroyed plant, tree or shrub at the time of the loss up to a maximum size of 25 gallons per item but not to exceed USD50,000 per item.

For the purpose of determining coverage under this MOC landscaping, trees, plants and shrubs are only insured if their position and planting was undertaken by human agency for cosmetic effect.

The aforementioned valuations shall also be used for the purpose of any minimum earned premium and/or quarterly adjustments incurred.

Wherever the term "actual cash value" is used as respects real property or improvements and betterment's in this clause, or elsewhere herein, it shall mean replacement cost less depreciation.

"Replacement Cost" shall mean the cost of repairing, replacing, constructing or reconstructing (whichever is the least) the property on the same site, using new materials of like kind and quality and for like occupancy without deduction for depreciation, subject to the following:

- (i) Until the property is actually repaired, replaced or reconstructed, the maximum amount recoverable shall be the actual cash value of the lost or damaged property;
- (ii) Replacement shall be effected by the Named Insured with due diligence and dispatch;
- (iii) Replacement need not be on same site, or of same or similar construction or occupancy provided that the Company shall not be liable for any additional costs that are directly attributable to the inclusion of this provision.
- (iv) For historical buildings as more specifically defined in this Section.
- (v) In no event shall the Company's liability exceed the amount actually and necessarily expended in repairing or replacing (whichever is less) Covered Property or any part thereof.

It is understood and agreed that as respects replacement cost, the Named Insured shall have the option of replacement with electrical and mechanical equipment having technological advantages and/or representing an improvement in function and/or forming part of a program of system enhancement provided that such replacement can be accomplished without increasing the Company's liability. The Company shall be allowed to dispose of, as salvage, any non-proprietary property deemed unusable by the Named Insured.

In the event the Named Insured should fail to comply with any of the foregoing provisions settlement shall be made as if this Replacement Cost provision had not been in effect.

E. UPGRADE TO GREEN

The coverages and valuation provision provided by this endorsement only apply if direct physical loss or damage to covered real and/or personal property is caused by any of the perils covered by the MOC and replacement cost valuation applies. This coverage does not apply to: (1) personal property of others in the Insured's care, custody, and control, (2) leased personal property, and/or (3) finished or unfinished stock.

In no event, does this endorsement increase or change the per occurrence limit of liability shown in the declarations or the annual aggregate for specified perils.

1. Notwithstanding the Valuation Provision of this MOC or limits of liability applicable to specific locations or perils, if replacement cost valuation applies to real and/or personal property, then the Company's liability for loss applicable to this endorsement shall be the cost to repair or replace the

covered damaged property, subject to the applicable limit of liability, plus the least of the following amounts:

- A. The reasonable and necessary amount to upgrade to green the covered damaged property as described in Coverage Section A - Non-LEED® Certified Coverage or as described in Coverage Section B - LEED® Certified Coverage, whichever is applicable; or
- B. An additional 25% of the applicable limit of liability for the building and/or business personal property shown in the Statement of Values or similar schedule to upgrade to green; or
- C. \$2,500,000 to upgrade to green.

At the Insured's sole discretion, the Insured may elect not to upgrade to green any or all property for which upgrade to green coverage is provided under this endorsement. In such case, the Company will adjust the claim in accordance with the standard provisions of the MOC, as modified by all other applicable endorsements.

Subject to the least of A., B., or C. above, if business interruption coverage is provided as part of this MOC, if necessary, the Period of Restoration shall be increased to allow for additional time to upgrade to green the damaged property plus up to an additional two week period to meet the requirements set forth in 4.B.

2. COVERAGE SECTION A: NON-LEED CERTIFIED COVERAGE

In the event of direct physical loss or damage by any of the perils covered by the MOC to a building that is not LEED certified at the time of the loss, or to the personal property within such a building, the Company will pay to repair or replace damaged or destroyed:

A. Loss Settlement for Personal Property

- (1) "Appliances" or "Office Equipment" with products of like kind and quality that have been identified as "ENERGY STAR®" or equivalent products of such energy efficiency. If there are no such products available at the time of the loss, this upgrade to green coverage does not apply.
- (2) "Systems Furniture" or "Seating", with products of like kind and quality that are certified as GREENGUARD Indoor Air Quality Certified® or products with similar emissions characteristics. If there are no such products available at the time of the loss, this upgrade to green coverage does not apply.

B. Loss Settlement for Your Building

(1) Interior Finish Materials Upgrade

- a. Lower Emissions Products Upgrade Coverage
"Defined Building Materials" with products of like kind and quality that have "Lower Emissions". If there are no such products available at the time of the loss, this upgrade to green coverage does not apply.
- b. Environmentally Preferable Products Upgrade Coverage
Interior wood, carpeting and flooring with products of like kind and quality that have "Lower Emissions", are "Sustainably Produced", are "Rapidly Renewable" or include

"Recycled Content". If there are no such products available at the time of the loss, this upgrade to green coverage does not apply.

(2) Interior Plumbing Systems Upgrade Coverage

Interior plumbing fixtures including, but not limited to, toilets, shower heads, and lavatory faucets with products of like kind and quality that are more "Water Efficient". If there are no such products available at the time of the loss, this upgrade to green coverage does not apply. For damaged or destroyed faucets, the Company will also pay to install occupant sensors to reduce the potable water demand.

(3) Lighting Systems Upgrade Coverage

Lighting systems, with products of like kind and quality that have been identified as "ENERGY STAR" or equivalent products of such energy efficiency. If there are no such products available at the time of the loss, this upgrade to green coverage does not apply. The Company will also pay to repair or replace damaged light bulbs with light bulbs which have low mercury content.

(4) Efficient Heating and Cooling Equipment Upgrade Coverage

- (5) "Heating and cooling equipment" with products of like kind and quality that have been identified as "ENERGY STAR" or equivalent products of such energy efficiency. If there are no such products available at the time of the loss, this upgrade to green coverage does not apply.

(6) Building Reconstruction Following Total Loss

- a. Solely with respect to a "Total Loss" to a building, the Company will pay to replace the building on its existing foundation using the most cost effective techniques, products and materials that should satisfy the prerequisites and earn the minimum number of points required to qualify for LEED Silver certification using the LEED New Construction (LEED NC®) Rating System.

b. Certification Expenses

The Company will pay the reasonable and necessary registration and certification fees charged by the United States Green Building Council (USGBC) that the Insured incurs should the Insured decide to seek LEED Silver certification. However, the Company will not pay to modify the reconstructed structure if it is not certified.

The Sublimit of Coverage for this coverage is \$50,000.

3. COVERAGE SECTION B: LEED CERTIFIED COVERAGE

In addition to all Coverages provided in Coverage Section A (with the exception of 2.B. (5) Building Reconstruction Following a Total Loss) and in the event of direct physical loss or damage by any of the perils covered by the MOC to a building that is LEED certified at the time of the loss, or to the personal property within such building, the Company will pay to repair or replace damaged or destroyed:

- A. Loss Settlement for Trees, Shrubs, and Vegetative Roofs

- (1) Trees and shrubs planted specifically to secure the Heat Island Effect: Non-Roof point as described in LEED NC. For the purposes of this coverage only, notwithstanding any other provision of the MOC to the contrary, trees and shrubs are Covered Property. The sublimit of coverage for this coverage is \$3,000 per tree or \$3,000 per shrub up to a maximum of \$50,000.
- (2) Vegetative roofs on LEED certified buildings. Notwithstanding any other provision of the MOC to the contrary, vegetative roofs are Covered Property.

B. Loss Settlement for Your Building

(1) Recertification Expenses

- a. In the event of direct physical loss or damage by any of the perils covered by the MOC that necessitates recertification of the damaged building, the Company will pay the reasonable and necessary registration and certification fees charged by the USGBC that the Insured incurs as a result of the recertification process.
- b. The Sublimit of Coverage for this coverage is \$50,000.

(2) Building Reconstruction Following Total Loss

- a. Solely with respect to a "Total Loss" to a building that is LEED certified at the time of the loss, the Company will pay to replace the building on its existing foundation using the most cost effective techniques, products and materials that would satisfy the prerequisites and should earn the minimum number of points required to qualify for LEED certification at two levels above the certification in effect at the time of the loss using the LEED NC Rating System.
- b. Certification Expenses

The Company will pay the reasonable and necessary registration and certification fees charged by the USGBC that the Insured incurs should the Insured decide to seek LEED certification. However, the Company will not pay to modify the reconstructed structure if it is not certified.

The Sublimit of Coverage for this coverage is \$50,000.

4. COVERAGES INCLUDED WITHIN COVERAGE SECTIONS A OR B AND APPLICABLE TO LEED® AND NON-LEED® CERTIFIED BUILDINGS

In the event of direct physical loss or damage by any of the perils covered by the MOC to a LEED or Non-LEED certified building:

A. Recycling Expenses

- (1) The Company will pay the Insured's expenses to clean-up, sort, segregate, and transport debris from the Insured's damaged building to recycling facilities, if such debris can be recycled.
- (2) The Sublimit of Coverage for this coverage is \$50,000 and is in addition to the debris removal expense sublimit provided by the MOC, if any.

(3) Any income or remuneration derived from this recycling shall be used to reduce the loss.

B. Air Testing and Outdoor Air Ventilation of the Reconstructed Space

(1) In accordance with the requirements for the Construction IAQ Management Plan: Before Occupancy Credit as described in the LEED NC rating system (hereinafter, "Construction IAQ"), the Company will pay to conduct air testing and a building flush-out (if required because of a failure to meet air quality standards set forth in the Construction IAQ) and follow-up air testing for a total period of time not to exceed two weeks.

(2) After the two week period of increased outdoor air ventilation of the reconstructed space, the Company will pay to replace the filtration media with new media.

(3) The Sublimit of Coverage for this coverage is \$50,000.

C. Professional Services

The Company will pay reasonable and necessary expenses to hire a LEED Accredited architect or engineer to participate in the design and/or construction administration of the damaged portion of the building or the entire building, whichever is applicable.

The Sublimit for this coverage is \$50,000.

D. Building Commissioning Expenses

In the event of direct physical loss or damage to mechanical, electrical, or electronic building systems, by any of the perils covered by the MOC which necessitates the commissioning or re-commissioning of those systems, the Company will pay reasonable and necessary expenses of a Professional Engineer to commission or re-commission those damaged systems in accordance with LEED protocols.

The Sublimit of Coverage for this coverage is \$50,000.

5. Additional Definitions

A. "Appliances" means products including, but not limited to, dishwashers, refrigerators, freezers, ovens, microwave ovens, room air conditioners, room air cleaners and water heaters.

B. "Defined Building Materials" means: (1) all carpet and floor coverings, including, adhesives to affix them to the floor, (2) all interior paints, architectural coatings, primers, undercoatings, adhesives, sealants, and (3) permanently installed composite wood fixtures, including, counters, cabinets, and partitions.

C. "ENERGY STAR" means any product that has been identified by the United States Government Department of Energy, Environmental Protection Agency as ENERGY STAR qualified at the time of the loss.

D. "Heating and Cooling Equipment" means products including, but not limited to, heat pumps, boilers, central air conditioning, ceiling fans, dehumidifiers, exhaust fans, furnaces, thermostats, and ventilating fans.

E. "Lower emissions" means:

- (1) With respect to adhesive and sealant products, such as, general construction adhesives, flooring adhesives, fire-stopping sealants, caulking, duct sealants, plumbing adhesives, and cove base adhesives, products that meet the requirements of South Coast Air Quality Management District (SCAQMD) Rule #1168; with respect to aerosol adhesives, products that meet Green Seal Standard GS-36 requirements;
 - (2) With respect to architectural paints, coatings, and primers, products that do not exceed the volatile organic compound (VOC) content limits established in Green Seal Standard GS-11, with respect to anti-corrosive and anti-rust paints, products that do not exceed the VOC content limits established in Green Seal Standard GS-03; and with respect to clear wood finishes, floor coatings, stains, and shellacs, products that do not exceed the VOC content limits established by SCAQMD Rule #1113;
 - (3) With respect to carpet and carpet cushion, products that meet the requirements of the Carpet and Rug Institute's Green Label Plus Program; and
 - (4) With respect to composite wood and agrifiber products such as particleboard, medium density fiberboard (MDF), plywood, wheatboard, strawboard, panel substrates and door cores as well as laminating adhesives used to fabricate on-site and shop-applied composite wood and agrifiber assemblies, products that contain no added urea- formaldehyde resins.
- F. "Office Equipment" means electronic products including, but not limited to, desktop computers, laptop computers, monitors, printers, fax machines, scanners, copiers, and telephones.
- G. "Recycled Content" means those products that contain at least 20% postconsumer recycled content.
- H. "Rapidly Renewable" means products that are made from plant resources that are harvested within a ten-year cycle or shorter, including, but not limited to, bamboo, eucalyptus, wheat straw, sunflower hulls, cork oak, wheatboard, linoleum, and sorghum.
- I. "Seating" means task and guest chairs used with "System Furniture".
- J. "Sustainably Produced" means those products certified by the Forest Stewardship Council ("FSC").
- K. "System Furniture" means either a panel-based workstation comprised of modular interconnecting panels, hang-on components and drawer/filing components of a freestanding grouping of furniture items and their components that have been designed to work in concert.
- L. "Total Loss" means:
1. The covered building is completely destroyed regardless of whether any damage is done to the foundation or slab, or
 2. The covered building is in such condition after the loss that the standard method of rebuilding or repairing the covered building is to raze the structure except for the foundation or slab or including all or part of the foundation or slab and rebuild the entire structure, whether such structure is actually rebuilt or not.
- M. "Water Efficient" means dry fixtures such as composting toilet systems and non-water using urinals, flush toilets using no more than 1.6 gallons of water per flush, and shower heads and faucets with a flow rate of no more than 2.2 gallons per minute.

SECTION III - BUSINESS INTERRUPTION

Subject to the terms, conditions and exclusions stated elsewhere herein, this MOC provides coverage for:

A. COVERAGE

1. BUSINESS INTERRUPTION

Against loss resulting directly from interruption of business, services or rental value caused by direct physical loss or damage, as covered by this MOC to real and/or personal property insured by this MOC, occurring during the term of this MOC.

In the event of such loss or damage the Company shall be liable for the actual loss sustained by the Named Insured for gross earnings as defined herein and rental value as defined herein resulting from such interruption of business, services, or rental value; less all charges and expenses which do not necessarily continue during the period of restoration. Due consideration shall be given to the continuation of normal charges and expenses including payroll expenses to the extent necessary to resume operations of the Named Insured with the same quality of service which existed immediately preceding the loss.

With respect to business interruption for power generation facilities, the coverage provided hereunder is sub-limited to USD as per Declaration Page.

Notwithstanding the foregoing it is hereby understood and agreed that solely as respects Universities, hospitals or other institutions of learning the following shall apply:

In determining the amount of tuition income and related fees covered hereunder for the purpose of ascertaining the amount of loss sustained, due consideration shall be given to:

- (i) Tuition income and related fees which are prevented from being earned or received. (ii) Other income derived from:
 - (a) routine and special services;
 - (b) other operating and non-operating revenues, including but not limited to:
 - (1) research grants
 - (2) income under research contracts all dependent on continued operations.
- (iii) Donations and fund raising proceeds:
 - (a) If a regularly scheduled fund raising drive for the sole benefit of the Named Insured occurs during the period of interruption of operations, the revenue produced by such drive shall be considered as follows in determining the amount of loss:
 - (1) If the drive fails to produce an amount at least equal to the same drive in the most recent prior solicitation, the shortage, to the extent that it can be attributed to the interruption of the Named Insured's operations, shall be considered as loss of income;
 - (2) If the drive produces an amount equal to the same drive in the most recent prior solicitation, there shall be considered no loss of income from this source of revenue;

- (3) If the drive produces an amount larger than the same drive in the most recent prior solicitation, the excess shall be applied to reduce the loss from other sources of revenue;
 - (4) If the drive is cancelled or postponed, such loss of revenue shall not be considered as loss of income.
- (b) The following shall be disregarded in determining the amount of loss:
- (1) Donations and contributions which are a direct result of the interruption of the Named Insured's operations and are received by the Named Insured during the period of interruption.
 - (2) Proceeds for fund raising drives or solicitations which are for the sole benefit of the Named Insured and occur as a result of interruption of the Named Insured's operations.

2. **EXTRA EXPENSE**

This MOC is extended to cover the necessary and reasonable extra expenses at any location as hereinafter defined, incurred by the Named Insured in order to continue as nearly as practicable the normal operation of the Named Insured's business following damage to or destruction of covered property by a covered peril occurring during the term of this MOC which is on premises owned, leased or occupied by the Named Insured. In the event of such damage or destruction, the Company shall be liable for such necessary extra expense incurred for only such length of time as would be required with the exercise of due diligence and dispatch to rebuild, repair or replace such part of the property as has been damaged or destroyed commencing with the date of damage or destruction and not limited by the date of expiration of this MOC (hereinafter referred to as the period of restoration).

B. **EXTENSIONS OF COVERAGE**

1. **INGRESS / EGRESS**

This MOC is extended to insure the actual loss sustained during the period of time not exceeding 30 days when, as a direct result of physical loss or damage caused by a covered peril(s) specified by this MOC and occurring at property located within a 10 mile radius of covered property, ingress to or egress from the covered property covered by this MOC is prevented. Coverage under this extension is subject to a 24-hour waiting period.

2. **INTERRUPTION BY CIVIL AUTHORITY**

This MOC is extended to include the actual loss sustained by the Named Insured, as covered hereunder during the length of time, not exceeding 30 days, when as a direct result of damage to or destruction of property by a covered peril(s) occurring at property located within a 10 mile radius of covered property, access to the covered property is specifically prohibited by order of a civil authority. Coverage under this extension is subject to a 24-hour waiting period.

3. **DEMOLITION AND INCREASED TIME TO REBUILD**

The Company shall, in the case of loss covered under this MOC, be liable also for loss to the interest covered by the MOC, occasioned by the enforcement of any local or state ordinance or law regulating the construction, repair or demolition of buildings or structures and in force at the time

such loss occurs, which necessitates the demolition of any portion of the described building(s) not damaged by the covered peril(s). The Company shall also be liable for loss due to the additional period of time required for repair or reconstruction in conformity with the minimum standards of such ordinance or law of the building(s) described in this MOC damaged by a covered peril.

THE COMPANY SHALL NOT BE LIABLE UNDER THIS CLAUSE FOR:

- a. More than the limit of liability as shown elsewhere in this MOC.
- b. Any greater proportion of any loss to the interest covered by this MOC than the amount covered under this MOC on said interest bears to the total coverage and coverage on said interest, whether all such coverage contains this clause or not.
- c. Any cost necessitated by the enforcement of any law or ordinance regulating any form of pollutants or contaminants.

4. **CONTINGENT TIME ELEMENT COVERAGE**

Business interruption, rental income, tuition income and extra expense coverage provided by this MOC is extended to cover loss directly resulting from physical damage to property of the type not otherwise excluded by this MOC at direct supplier or direct customer locations that prevents a supplier of goods and/or services to the Named Insured from supplying such goods and/or services, or that prevents a recipient of goods and/or services from the Named

Insured from accepting such goods and/or services. The coverage provided by this clause separately as respects each of these coverage's is sub-limited to USD as per Declaration Page.

5. **TAX REVENUE INTERRUPTION**

Except as hereinafter or heretofore excluded, this MOC insures against loss resulting directly from necessary interruption of sales, property or other tax revenue including, but not limited to Tribal Incremental Municipal Services Payments collected by or due the Named Insured caused by damage or destruction to property which is not operated by the Named Insured and which wholly or partially prevents the generation of revenue for the account of the Named Insured.

The Company shall be liable for the actual loss sustained for only the length of time as would be required with exercise of due diligence and dispatch to rebuild, replace or repair the contributing property commencing with the date of damage to the contributing property, but not limited by the expiration date of this MOC.

If the Named Insured has reported Tax Revenue Interruption values for which premium has been charged, such loss recovery after deductible shall be limited to whichever is the least of:

1. The limit insured on the MOC;
2. The actual loss sustained;

If the Named Insured has not reported Tax Revenue Interruption values, such loss recovery after deductible shall be limited to whichever is the least of:

1. The limit insured on the MOC;
2. The actual loss sustained;

DEDUCTIBLE: Each loss or series of losses arising out of one event at each location shall be adjusted separately and from the aggregate amount of all such losses 2.50% of the annual revenue value shall be deducted.

6. EXTENDED PERIOD OF INDEMNITY

Business interruption including rental income, tax interruption, tuition income and extra expense coverage provided by this MOC is extended for the additional length of time required to restore the business of the Named Insured to the condition that would have existed had no loss occurred commencing on either;

- a. the date on which the Company's liability would otherwise terminate or;
- b. the date on which rebuilding, repairing or replacement of such property as has been lost, damaged or destroyed is actually completed, whichever is later.

The Company's liability under this extension shall terminate no later than the number of days indicated in the Declaration Page for this item.

7. EXPENSES TO REDUCE LOSS

This MOC also covers such expenses as are necessarily incurred for the purpose of reducing loss under this section (except incurred to extinguish a fire); but in no event to exceed the amount by which loss is thereby reduced.

C. EXCLUSIONS

- 1. The Company shall not be liable for any increase of loss which may be occasioned by the suspension, lapse, or cancellation of any lease or license, contract or order, unless such suspension, lapse, or cancellation results directly from the interruption of business caused by direct physical loss or damage covered by this MOC and, then the Company shall only be liable for such loss as affects the Named Insured's earnings during and limited to, the period of indemnity covered under this MOC.
- 2. With respect to loss resulting from damage to or destruction of media for, or programming records pertaining to, electronic data processing or electronically controlled equipment, including data thereon, by the perils insured against, the length of time for which the Company shall be liable hereunder shall not exceed:
 - i. Thirty (30) consecutive calendar days or the time required with exercise of due diligence and dispatch to reproduce the data thereon from duplicates or from originals of the previous generation, whichever is less; or,
 - ii. the length of time that would be required to rebuild, repair or replace such other property herein described as has been damaged or destroyed, but not exceeding eighteen (18) calendar months, whichever is the greater length of time.

D. CONDITIONS APPLICABLE TO THIS SECTION

If the Named Insured could reduce the loss resulting from the interruption of business:

- 1. by complete or partial resumption of operation of the property whether or not such property be lost or damaged, or;

2. by making use of merchandise or other property at the Named Insured's location or elsewhere; such reduction shall be taken into account in arriving at the amount of the loss hereunder.

E. DEFINITIONS

1. GROSS EARNINGS

"Gross Earnings" is defined as the sum of:

- a. total net sales and;
- b. other earnings derived from the operation of the business less the cost of;
- c. merchandise sold including packaging materials and;
- d. materials and supplies consumed directly in supplying the service(s) sold by the Named Insured, and;
- e. service(s) purchased from outside (not employees of the Named Insured) for resale that does not continue under contract.

No other cost shall be deducted in determining gross earnings.

In determining gross earnings, due consideration shall be given to the experience of the business before the date of loss or damage and the probable experience thereafter, had no loss occurred.

In the event that Real and/or Personal Property that does not normally produce an income, sustains damage covered under this MOC, the actual recovery under this MOC shall be the continuing fixed charges and expenses directly attributable to such non-productive property.

2. MERCHANDISE

Shall be understood to mean, goods kept for sale by the Named Insured, which are not the products of manufacturing operations conducted by the Named Insured.

3. EXTRA EXPENSE

The term "extra expense", whenever used in this MOC, is defined as the excess (if any) of the total cost incurred during the period of restoration chargeable to the operation of the Named Insured'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. 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.

4. RENTAL VALUE

The term "rental value" is defined as the sum of:

- a. the total anticipated gross rental income from tenant occupancy as furnished and equipped by the Named Insured, and;

- b. the amount of all charges which are the legal obligation of the tenant(s) and which would otherwise be obligations of the Named Insured, and;
- c. the fair rental value of any portion of said property which is occupied by the Named Insured, and;
- d. any amount in excess of a., b. and c. (above) which is an obligation due under the terms and conditions of any revenue bond, certificate of participation or other financial instrument.

In determining rental value, due consideration shall be given to the experience before the date of loss or damage and the probable experience thereafter had no loss occurred.

5. PERIOD OF RESTORATION

The period during which business interruption and or rental interruption applies will begin on the date direct physical loss occurs and interrupts normal business operations and ends on the date that the damaged property should have been repaired, rebuilt or replaced with due diligence and dispatch, but not limited by the expiration of this MOC.

SECTION IV - GENERAL CONDITIONS

A. PERILS COVERED

Subject to the terms, conditions and exclusions stated elsewhere herein, this MOC provides coverage against all risk of direct physical loss or damage occurring during the period of this MOC.

B. EXCLUSIONS

This MOC does not insure against any of the following:

1. Loss or damage caused by or resulting from moths, vermin, termites, or other insects, inherent vice, latent defect, faulty materials, error in design, faulty workmanship, wear, tear or gradual deterioration, rust, corrosion, wet or dry rot, unless physical loss or damage not otherwise excluded herein ensues and then only for such ensuing loss or damage.
2. Physical loss or damage by normal settling, shrinkage or expansion in building or foundation.
3. Delay or loss of markets (this exclusion shall be inapplicable to the extent inconsistent with any time element coverage provided elsewhere herein).
4. Breakdown or derangement of machinery and/or steam boiler explosion, unless physical loss or damage not otherwise excluded herein ensues and then only for such ensuing loss.
5. Loss or damage caused by or resulting from misappropriation, conversion, inventory shortage, unexplained disappearance, infidelity or any dishonest act on the part of the Named Insured, its employees or agents or others to whom the property may be entrusted (bailees and carriers for hire excepted) or other party of interest.
6. Loss or damage caused by or resulting from electrical injury or disturbance from artificial causes to electrical appliances, devices of any kind or wiring, unless physical loss or damage not otherwise excluded herein ensues and then only for such ensuing loss. This exclusion does not apply to data processing equipment or media.
7. Loss or damage to personal property resulting from shrinkage, evaporation, loss of weight, leakage, breakage of fragile articles, marring, scratching, exposure to light or change in color, texture or flavor, unless such loss is caused directly by fire or the combating thereof, lightning, windstorm, hail, explosion, strike, riot, or civil commotion, aircraft, vehicles, breakage of pipes or apparatus, sprinkler leakage, vandalism and malicious mischief, theft, attempted theft, flood or earthquake shock (Earthquake Shock, and Flood, in the states of Alaska, or California shall only apply to locations that are scheduled for Earthquake Shock and Flood).
8. Loss or damage caused by rain, sleet or snow to personal property in the open (except in the custody of carriers or bailees for hire).
9. Loss caused directly or indirectly, by:
 - a. War, hostile or warlike action in time of peace or war, including action in hindering, combating or defending against an actual, impending or expected attack
 - i. by any government or sovereign power (de jure or de facto), or by any Authority maintaining or using military, naval or air forces; or

- ii. by military, naval or air forces; or
 - iii. by an agent of any such government, power, authority or forces;
- b. any weapon of war employing atomic fission or radioactive force whether in time of peace or war;
 - c. insurrection, rebellion, revolution, civil war, usurped power, or action taken by governmental Authority in hindering, combating or defending against such an occurrence, seizure or destruction under quarantine or customs regulations, confiscation by order of any government or public authority, or risks of contraband or illegal transportation or trade.
10. Nuclear reaction or nuclear radiation or radioactive contamination from any cause, all whether direct or indirect, controlled or uncontrolled, proximate or remote, or is contributed to or aggravated by a Covered Cause of Loss. However:
- a. If fire not otherwise excluded results, the Company shall be liable for the direct physical loss or damage by such resulting fire, but not including, any loss or damage due to nuclear reaction, nuclear radiation, or radioactive contamination, and
 - b. This MOC does insure against physical loss or damage caused by sudden and accidental radioactive contamination, including resultant radiation damage, from material used or stored or from processes conducted on the Named Insured premises, provided that, at the time of such loss or damage, there is neither a nuclear reactor nor any new or used nuclear fuel on the Named Insured premises.
11. As respects course of construction, the following exclusions shall apply:
- a. The cost of making good: faulty or defective workmanship, materials, construction and/or design, but this exclusion shall not apply to damage by a peril not excluded resulting from such faulty or defective workmanship, materials, construction and/or design.
 - b. The cost of non-compliance of, or delay in completion of contract.
 - c. The cost of non-compliance with contract conditions.
 - d. Contractors' equipment or tools not a part of or destined to become a part of the installation.
12. Loss or damage caused by Earthquake Shock
13. Loss or damage caused by Flood unless a limit is shown on the Declarations for Flood this exclusion will apply.
14. Loss, damage, cost, claim or expense, whether preventative, remedial or otherwise, directly or indirectly arising out of or relating to:

- a. the recognition, interpretation, calculation, comparison, differentiation, sequencing or processing of data involving one or more dates or times, by any computer system, hardware, program or software, or any microchip, integrated circuit or similar device in computer equipment or non-computer equipment, whether the property of the Named Insured or not; or
- b. any change, alteration, correction or modification involving one or more dates or times, to any such computer system, hardware, program or software, or any microchip, integrated circuit or similar device in computer equipment or non-computer equipment, whether the property of the Named Insured or not.

Except as provided in the next paragraph, this Electronic Date Recognition Clause shall apply regardless of any other cause or event that contributes concurrently or in any sequence to the loss, damage, cost, claim or expense.

If direct physical loss or damage not otherwise excluded by this MOC results, then subject to all its terms and conditions, this MOC shall be liable only for such resulting loss or damage. Such resulting loss or damage shall not include physical loss or damage to data resulting directly from a) or b) above, nor the cost, claim or expense, whether preventative, remedial, or otherwise, arising out of or relating to any change, alteration, correction or modification relating to the ability of any damaged computer system, hardware, program or software, or any microchip, integrated circuit or similar device in computer equipment or non-computer equipment to recognize, interpret, calculate, compare, differentiate sequence or process any data involving one or more dates or times.

- 15. Loss or damage in the form of, caused by, arising out of, contributed to, or resulting from fungus, mold(s), mildew or yeast; or any spores or toxins created or produced by or emanating from such fungus, mold(s), mildew or yeast;
 - a. fungus includes, but is not limited to, any of the plants or organisms belonging to the major group fungi, lacking chlorophyll, and including mold(s), rusts, mildews, smuts and mushrooms;
 - b. mold(s) includes, but is not limited to, any superficial growth produced on damp or decaying organic matter or on living organisms, and fungi that produce mold(s);
 - c. spores means any dormant or reproductive body produced by or arising or emanating out of any fungus, mold(s), mildew, plants, organisms or microorganisms, regardless of any other cause or event that contributes concurrently or in any sequence to such loss.

“This exclusion shall not apply to any loss or damage in the form of, caused by, contributed to or resulting from fungus, mold(s), mildew or yeast, or any spores or toxins created or produced by or emanating from such fungus, mold(s), mildew or yeast which the Insured establishes is a direct result of a Covered Loss not otherwise excluded by the MOC, provided that such fungus, mold(s), mildew or yeast loss or damage is reported to the Company within twelve months from the expiration date of the MOC.”

- 16. Loss, damage, 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.
- 18. Loss, damage, costs or expenses in connection with any kind or description of seepage and/or pollution and/or contamination, direct or indirect, arising from any cause whatsoever. Except as provided in Section II Property Damage, B. Extension of Coverage, 21. Accidental Contamination.

Nevertheless if fire is not excluded from this MOC and a fire arises directly or Indirectly from seepage and/or pollution and/or contamination, any loss or damage covered under this MOC arising directly from that fire shall (subject to the terms, conditions and limitations of the MOC) be covered.

However, if the covered property is the subject of direct physical loss or damage for which the Company has paid or agreed to pay, then this MOC (subject to its terms, conditions and limitations) insures against direct physical loss or damage to the property covered hereunder caused by resulting seepage and/or pollution and/or contamination.

The Named Insured shall give notice to the Company of intent to claim NO LATER THAN TWELVE (12) MONTHS AFTER THE DATE OF THE ORIGINAL PHYSICAL LOSS OR DAMAGE.

Notwithstanding the provisions of the preceding exclusions or any provision respecting seepage and/or pollution and/or contamination, and/or debris removal and/or cost of clean up in the MOC, in the event of direct physical loss or damage to the property covered hereunder, this MOC (subject otherwise to its terms, conditions and limitations, including but not limited to any applicable deductible) also insures, within the sum covered:

- (a) expenses reasonably incurred in removal of debris of the property hereunder destroyed or damaged from the premises of the Named Insured; and/or;
- (b) cost of clean up at the premises of the Named Insured made necessary as a result of such direct physical loss or damage;

PROVIDED that this MOC does not insure against the costs of decontamination or removal of water, soil or any other substance on or under such premises.

19. Authorities Exclusion:

Fines, penalties or cost incurred or sustained by the Named Insured or imposed on the Named Insured 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.

20. The following exclusion applies to Terrorism:

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

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

If the Company allege that by reason of this exclusion, any loss, damage, cost or expense is not covered by this coverage the burden of proving the contrary shall be upon the Named Insured.

In the event any portion of this exclusion is found to be invalid or unenforceable, the remainder shall remain in full force and effect. All other terms and conditions remain unaltered.

21. Loss or damage caused by errors in manufacturing, processing, renovating, testing, packaging as part of operations; recall.
22. Loss or damage resulting from indirect or remote loss.
23. Loss or damage resulting from fraudulent or dishonest acts committed by officer, director or employee.

C. STATUTES

If any of the articles of this MOC conflict with the laws or statutes of any jurisdictions in which this MOC applies this MOC is amended to conform to such laws or statutes.

D. TERRITORIAL LIMITS

This MOC insures Real and Personal Property within the United States of America. The coverage provided by this clause for Personal Property is sub-limited to USD as per Declaration Page.

E. REINSTATEMENT

Any reduction in the amount insured hereunder due to payment of any loss or losses shall be automatically reinstated for the balance of the term of this contract except as respects to the perils of Earthquake Shock and Flood.

F. FREE ON BOARD (F.O.B.) SHIPMENTS

The Company shall be liable for the interest of the Named Insured at sole option of the Named Insured, the interest of the consignee in merchandise, which has been sold by the Named Insured under terms of F.O.B. point of origin or other terms usually regarded as terminating shippers' responsibility short of point of delivery.

G. BREACH OF CONDITIONS

If any breach of a clause, condition or warranty of this MOC shall occur prior to a loss affected thereby under this MOC, such breach shall not void the MOC nor avail the Company to avoid liability unless such breach shall exist at the time of such loss under this contract or MOC, and be a contributing factor to the loss for which claim is presented hereunder, it being understood that such breach of clause or condition is applicable only to the property affected thereby. Notwithstanding the foregoing, if the Named Insured establishes that the breach, whether contributory or not, occurred without its knowledge or permission or beyond its control, such breach shall not prevent the Named Insured from recovering under this MOC.

H. PERMITS AND PRIVILEGES

Anything in the printed conditions of this MOC to the contrary notwithstanding, permission is hereby granted:

1. to maintain present hazards and hazards which are consistent with the current operation of insured facilities;
2. to make additions, alterations, extensions, improvements and repairs, to delete, demolish,

construct and reconstruct, and also to include all materials, equipment and supplies incidental to the foregoing operations of the property covered hereunder, while in, on and/or about the premises or adjacent thereto;

3. for such use of the premises as usual and/or incidental to the business as conducted therein and to keep and use all articles and materials usual and/or incidental to said business in such quantities as the exigencies of the business require;
4. to be or become vacant or unoccupied. If a building becomes vacant or unoccupied, notice is to be given to the Company prior to the one-hundred twentieth (120th) consecutive day of vacancy or lack of occupancy. The giving, or failure to give such notice will not constitute a condition precedent to the Company's liability, but the Named Insured shall make a reasonable effort to comply with such requirement.

This MOC shall not be prejudiced by:

1. any error in stating the name, number, street, or location of any building(s) and contents covered hereunder, or any error or omission involving the name or title of the Named Insured;
2. any act or neglect of the owner of the building, if the Named Insured hereunder is not the owner, or of any occupant of the within described premises other than the Named Insured, when such act or neglect is not within the control of the Named Insured, named herein; or
3. by failure of the Named Insured to comply with any of the warranties or conditions endorsed hereon in any portion of the premises over which the Named Insured has no control.

I. PROTECTIVE SAFEGUARDS

The Named Insured shall exercise due diligence in maintaining in complete working order all protective safeguard equipment and services.

J. NOTICE OF LOSS

In the event of loss or damage insured against under this MOC, the Named Insured shall give notice thereof to ALLIANT INSURANCE SERVICES, INC., 100 Pine Street, 11th Floor, San Francisco, CA 94111-1073. TEL NO. (877) 725-7695, FAX NO. (415) 403-1466 of such loss. Such notice is to be made as soon as practicable upon knowledge within the risk management or finance division of the insured that a loss has occurred.

K. ARBITRATION OF VALUE

In case the Named Insured and the Company shall fail to agree as to the amount of loss, then, on the written demand of either, each shall select a competent and disinterested appraiser and notify the other of the appraisers selected. The appraiser shall first select a competent and disinterested umpire, and failing to agree upon such umpire, then, on request of the Named Insured or the Company such umpire shall be selected by judge of a court of record in the state in which the property covered is located.

The appraisers shall as soon as practicable, appraise the loss stating separately the loss of each item and failing to agree, shall submit their differences only to the umpire. An award in writing so itemized, of any two appraisers when filed with the Company shall determine the amount of loss. The party selecting him shall pay each appraiser and the expenses of appraisal and umpire shall be paid by the parties equally.

L. PROOF OF LOSS

The Named Insured shall render a signed and sworn proof of loss as soon as practical after the occurrence of a loss, stating the time, place and cause of loss, the interest of the Named Insured and of all others in the property, the value thereof and the amount of loss or damage thereto.

M. SUBROGATION

In the event of any loss payment under this MOC, the Company, shall be subrogated to all the Named Insured's rights of recovery thereof against any person or organization and the Named Insured shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. As respects subrogation it is agreed that, after expenses incurred in subrogation are deducted, the Named Insured and the Company shall share proportionately to the extent of their respective interests as determined by the amount of their net loss. Any amount thus found to be due to either party from the other shall be paid promptly.

Notwithstanding the above wording, the Named Insured has the right to enter into an agreement that releases or waives the Named Insured's right to recovery against third parties responsible for the loss if made before the loss occurred.

N. CANCELLATION

This MOC may be cancelled by the Named Insured at any time by written notice or surrender of this MOC. This MOC may also be cancelled by or on behalf of the Company by delivering to the Named Insured or by mailing to the Named Insured, by registered, certified or other first class mail at the Named Insured's address as shown in this MOC, written notice, not less than ninety (90) days prior to the effective date of cancellation. The mailing of such notice as aforesaid shall be sufficient proof and this MOC and shall terminate at the date and hour specified in such notice. Notwithstanding what has been stated above, however, should this MOC be cancelled for non- payment of assessment, the Company shall only be required to give the Named Insured ten (10) days notice.

If this coverage in total shall be cancelled by the Named Insured, the Company shall retain the customary short rate proportion of the premium hereon. If the Company elects to cancel coverage mid-term, then such cancellation shall be handled on a pro-rata basis without short rate penalty.

In the event of cancellation the aggregate retention and specific limit amount shall be applied pro rata with the balance, if any, to be paid to the Named Insured.

Payment or tender of any unearned premium by the Company shall not be condition precedent to the effectiveness of cancellation but such payment shall be made forthwith.

Cancellation shall not affect coverage on any shipment in transit on date of cancellation. Coverage will continue in full force until such property is safely delivered and accepted at place of final destination.

It is understood and agreed that if the Named Insured cancels this MOC, the MOC is subject to 25% minimum earned premium regardless of the length of time coverage is in force.

O. ABANDONMENT

There shall be no abandonment to the Company of any property.

P. ASSIGNMENT

Assignment or transfer of this MOC shall not be valid except with the written consent of the Company.

Q. SALVAGE

When, in connection with any loss hereunder, any salvage is received prior or subsequent to the payment of such loss, the loss shall be figured on the basis on which it would have been settled had the amount of salvage been known at the time the loss was originally determined. The salvage value will be deducted from the claim or returned to the Company.

R. OTHER INSURANCE

Permission is hereby granted to the Named Insured to carry more specific insurance on any property covered under this MOC. This MOC shall not attach or become insurance upon any property which at the time of loss is more specifically described and covered under any other MOC form until the liability of such other insurance has first been exhausted and shall then cover only the excess of value of such property over and above the amount payable under such other insurance, whether collectible or not. This MOC, subject to its conditions and limitations, shall attach and become insurance upon such property as respects any peril not covered by such other insurance and not otherwise excluded herein.

In the event of a loss that is covered by other insurance, wherein this MOC is excess of any amount paid by such other insurer, the other insurance shall be applied to the deductible amount stated elsewhere. Should the amount paid by such other insurance exceed these deductibles, no further deductibles shall be applied under this MOC.

S. EXCESS INSURANCE

Permission is granted for the Named Insured to maintain excess insurance over the limit of liability set forth in this MOC without prejudice to this MOC and the existence of such insurance, if any, shall not reduce any liability under this MOC. Also it is understood and agreed as respects earthquake shock or flood, that in the event of reduction or exhaustion of the aggregate limits of liability under the underlying MOC(s) by reason of loss(es) hereunder, this MOC shall:

1. in the event of reduction, pay out excess of the reduced underlying limit and;
2. in the event of exhaustion, continue in force as the underlying MOC.

T. RIGHT TO REVIEW RECORDS FOLLOWING AN INSURED LOSS

The Named Insured as often as may be reasonably required, shall submit and so far as within their power, cause all other persons interested in the property or employees to submit to examination under oath by any person named by the Company relative to any and all matters in connection with a claim, and produce for examination all books of account, bills, invoices and other vouchers or certified copies thereof if originals be lost, at such reasonable time and place as may be designated by the Company or their representatives and shall permit extracts and copies thereof to be made.

U. CONCEALMENT AND FRAUD

This entire MOC shall be void, if whether before or after a loss, the Named Insured has willfully concealed or misrepresented any material facts or circumstance concerning this MOC of the subject thereof, or the interest of the Named Insured therein, or in case of any fraud or false swearing by the Named Insured relating thereto.

V. FULL WAIVER

The terms and conditions of this form and any approved endorsements supersede any MOC jacket that may be attached hereto.

W. SUIT AGAINST COMPANY

No suit, action or proceeding for the recovery of any claim under this MOC shall be sustainable in any court of law or equity unless the Named Insured shall have complied with all the requirements of this MOC, nor unless the suit is commenced within twelve (12) months after the date that the Company has made its final offer of settlement or denial of the loss.

However, that if under the laws of the jurisdiction in which the property is located such limitation is invalid, then any such claims shall be void unless such action, suit or proceedings be commenced within the shortest limit of time permitted by the laws of such jurisdiction.

X. LENDER'S LOSS PAYABLE

The following provisions (or equivalent) apply as required by "mortgages" and "lenders" to whom certificates of coverage have been issued.

1. Loss or damage, if any, under this MOC, shall be paid to the Payee named on the first page of this MOC, its successors and assigns, hereinafter referred to as "the Lender", in whatever form or capacity its interests may appear and whether said interest be vested in said Lender in its individual or in its disclosed or undisclosed fiduciary or representative capacity, or otherwise, or vested in a nominee or trustee of said Lender.
2. The insurance under this MOC, or any rider or endorsement attached thereto, as to the interest only of the Lender, its successors and assigns, shall not be invalidated nor suspended:
 - (a) by any error, omission, or change respecting the ownership, description, possession, or location of the subject of the coverage or the interest therein, or the title thereto;
 - (b) by the commencement of foreclosure proceedings or the giving of notice of sale of any of the property covered by this MOC by virtue of any mortgage or trust deed;
 - (c) by any breach of warranty, act, omission, neglect, or non-compliance with any of the provisions of this MOC, including any and all riders now or hereafter attached thereto, by the Named Insured, the borrower, mortgagor, trustor, vendee, owner, tenant, warehouseman, custodian, occupant, or by the agents of either or any of them or by the happening of any event permitted by them or either of them, or their agents, or which they failed to prevent, whether occurring before or after the attachment of this endorsement, or whether before or after a loss, which under the provisions of this MOC of coverage or of any rider or endorsement attached thereto would invalidate or suspend the coverage as to the Named Insured, excluding here from, however, any acts or omissions of the Lender while exercising active control and management of the property.
3. In the event of failure of the Named Insured to pay any premium or additional premium which shall be or become due under the terms of this MOC or on account of any change in occupancy or increase in hazard not permitted by this MOC, the Company agrees to give written notice to the Lender of such non-payment of premium after sixty (60) days from and within one hundred and twenty (120) days after due date of such premium and it is a condition of the continuance of the rights of the Lender hereunder that the Lender when so notified in writing by this

Company of the failure of the Named Insured to pay such premium shall pay or cause to be paid the premium due within ten (10) days following receipt of the Company's demand in writing therefore. If the Lender shall decline to pay said premium or additional premium, the rights of the Lender under this Lender's Loss Payable Endorsement shall not be terminated before ten (10) days after receipt of said written notice by the Lender.

4. Whenever the Company shall pay to the Lender any sum for loss or damage under this MOC and shall claim that as to the Named Insured no liability therefore exists, the Company, at its option, may pay to the Lender the whole principal sum and interest and other indebtedness due or to become due from the Named Insured, whether secured or unsecured, (with refund of all interest not accrued), and the Company, to the extent of such payment, shall thereupon receive a full assignment and transfer, without recourse, of the debt and all rights and securities held as collateral thereto.
5. If there be any other insurance upon the within described property, the Company shall be liable under this MOC as to the Lender for the proportion of such loss or damage that the sum hereby insured bears to the entire insurance of similar character on said property under policies held by, payable to and expressly consented to by the Lender. Any Contribution Clause included in any Fallen Building Clause Waiver or any Extended Coverage Endorsement attached to this contract of insurance is hereby nullified, and also any Contribution Clause in any other endorsement or rider attached to this contract of insurance is hereby nullified except Contribution Clauses for the compliance with which the Named Insured has received reduction in the rate charged or has received extension of the coverage to include hazards other than fire and compliance with such Contribution Clause is made a part of the consideration for insuring such other hazards. The Lender upon the payment to it of the full amount of its claim, will subrogate the Company (pro rata with all other insurers contributing to said payment) to all of the Lender's rights of contribution under said other insurance.
6. The Company reserves the right to cancel this MOC at any time, as provided by its terms, but in such case this MOC shall continue in force for the benefit of the Lender for ten (10) days after written notice of such cancellation is received by the Lender and shall then cease.
7. This MOC shall remain in full force and effect as to the interest of the Lender for a period of ten (10) days after its expiration unless an acceptable MOC in renewal thereof with loss there under Payable to the Lender in accordance with the terms of this Lender's Loss Payable Endorsement, shall have been issued by some insurance company and accepted by the Lender.
8. Should legal title to and beneficial ownership of any of the property covered under this MOC become vested in the Lender or its agents, insurance under this MOC shall continue for the term thereof for the benefit of the Lender but, in such event, any privileges granted by this Lender's Loss Payable Endorsement which are not also granted the Named Insured under the terms and conditions of this MOC and/or under other riders or endorsements attached thereto shall not apply to the insurance hereunder as respects such property.
9. All notices herein provided to be given by the Company to the Lender in connection with this MOC and this Lender's Loss Payable Endorsement shall be mailed to or delivered to the Lender at its office or branch described on the first page of the MOC.

Approved: Board of Fire Underwriters of the Pacific; California Bankers' Association – Committee on Insurance

Y. LOSS PAYABLE PROVISIONS

A. LOSS PAYABLE

For covered property in which both insured and a Loss Payee have an insurable interest, the Company will:

1. Adjust losses with the Named Insured, and;
2. Pay any claim for loss or their damage jointly to the Named Insured and the Loss Payee, as interests may appear.

B. LENDER'S LOSS PAYABLE

1. The Loss Payee is a creditor, including a mortgage holder or trustee, whose interest in Covered Property is established by such written instruments as:

- a. Warehouse receipts;
- b. A contract for deed;
- c. Bills of lading;
- d. Financing statements or;
- e. Mortgages, deeds of trust or security agreements.

2. For Covered Property in which both the Named Insured and a Loss Payee have an insurable interest:

- a. We will pay for covered loss or damage to each Loss Payee in their order of precedence, as interests may appear.
- b. The Loss Payee has the right to receive loss payment even if the Loss Payee has started foreclosure or similar action on the Covered Property.
- c. If the Company deny the Named Insured claim because of the insured act or because the Named Insured have failed to comply with the terms of the Coverage Part, the Loss Payee will still have the right to receive loss payment if the Loss Payee:
 - (1) Pays any premium due under this Coverage Part at our request if the Named Insured have failed to do so;
 - (2) Submits a signed, sworn proof of loss within ninety (90) days after receiving notice from us of the Named Insured failure to do so, and;
 - (3) Has notified us of any change in ownership, occupancy or substantial change in risk known to the Loss Payee.

All of the terms of this Coverage Part will then apply directly to the Loss Payee.

- d. If the Company pays the Loss Payee for any loss or damage and deny payment

to the Named Insured because of the Named Insured acts or because the Named Insured have failed to comply with the terms of this Coverage Part:

- (1) The Loss Payee's rights will be transferred to us to the extent of the amount the Company pays and;
- (2) The Loss Payee's rights to recover the full amount of the Loss Payee's claim will not be impaired.

At our option, the Company may pay to the Loss Payee the whole principal on the debt plus any accrued interest. In this event, the Named Insured will pay the insureds' remaining debt to us.

3. If the Company cancels this MOC, the Company will give written notice to the Loss Payee at least:
 - a. Ten (10) days before the effective date of cancellation if the Company cancels for the insured non-payment of premium or;
 - b. Thirty (30) days before the effective date of cancellation if the Company cancels for any other reason.
4. If the Company elects not to renew this MOC, the Company will give written notice to the Loss Payee at least ten (10) days before the expiration date of this MOC.

C. CONTRACT OF SALE

1. The Loss Payee is a person or organization the Named Insured have entered a contract with for the sale of Covered Property.
2. For Covered Property in which both the Named Insured and the Loss Payee have an insurable interest the Company will:
 - a. Adjust losses with the Named Insured and;
 - b. Pay any claim for loss or damage jointly to the Named Insured and the Loss Payee, as interests may appear.
3. The following is added to the OTHER INSURANCE Condition:

For Covered Property that is the subject of a contract of sale, the word "the Insured" includes the Loss Payee.

Z. ELECTRONIC DATA

1. Electronic Data Exclusion

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

- a. This MOC 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 program, 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 unauthorized instructions or code including a set of maliciously introduced unauthorized instructions or code, programmatic or otherwise, that propagate themselves through a computer system or network of 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 MOC, subject to all its terms, conditions and exclusions will cover physical damage occurring during the MOC period to property insured by this MOC directly caused by such listed peril.

- Listed Perils
- Fire; explosion; smoke; direct impact of vehicle, vandalism or malicious mischief; leakage or accidental discharge of fire protection equipment; collapse; falling objects; water damage; "Boiler and Machinery"; sudden and accidental discharge, leakage, backup, or overflow of liquids or molten material from confinement within piping, plumbing systems, tanks, equipment or other containment located at the insured "location"; "Flood."

2. Electronic Data Processing Media Valuation

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

Should electronic data processing media insured by this MOC suffer physical loss or damage insured by this MOC, then the basis of valuation shall be the cost to repair, replace or restore such media to the condition that existed immediately prior to such loss or damage, including the cost of reproducing any ELECTRONIC DATA contained thereon, providing such media is repaired, replaced or restored. Such cost of reproduction shall include all reasonable and necessary amounts, not to exceed **USD10,000,000** any one loss, incurred by the Named Insured in recreating, gathering and 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 MOC does not insure any amount pertaining to the value of such ELECTRONIC DATA to the Named Insured or any other party, even if such ELECTRONIC DATA cannot be recreated, gathered or assembled.

AA. LOSS ADJUSTMENT SERVICES

McLarens Young, International, 180 Montgomery Street, Suite 2100, San Francisco, California 94104-4231 is hereby authorized to represent the Company in the investigation and adjustment of any loss or damage under this MOC at the expense of the Company and without regard to the amount of loss or damage and/or applicable deductible if any. However, the Company reserves the right to utilize other adjusting firms at its discretion.

BB. DEFINITIONS

1. OCCURRENCE

Each occurrence is defined as a loss, incident or series of losses or incidents not otherwise excluded by this MOC and arising out of a single event or originating cause and includes all resultant or concomitant insured losses. When the term applies to loss or losses from earthquake shock, flood and/or windstorm, the following provisions shall apply:

a. Windstorm

Each loss by windstorm shall constitute a single claim hereunder; provided, if more than one windstorm shall occur within any period of one hundred sixty-eight (168) hours during the term of this MOC, such windstorm shall be deemed to be a single windstorm within the meaning thereof. The Named Insured may elect the moment from which each of the aforesaid periods of one hundred sixty-eight (168) hours shall be deemed to have commenced but no two such one hundred sixty-eight (168) hour periods shall overlap. The Company shall not be liable for any loss occurring before the effective date and time of the MOC. The Company will be liable for any losses occurring for a period of up to one hundred sixty-eight (168) hours after the expiration of this MOC provided that the first windstorm loss or damage within that one hundred sixty-eight (168) hours occurs prior to the date and time of expiration of this MOC.

In the event of there being a difference of opinion between the Named Insured and the Company as to whether or not all windstorm losses sustained by the Named Insured during an elected period of one hundred sixty-eight (168) hours arose out of, or was caused by a single atmospheric disturbance, the stated opinion of the National Weather Service or comparable Authority in any other country or locality shall govern as to whether or not a single atmospheric disturbance continued throughout the period at the location(s) involved.

b. Flood

Each loss by flood shall constitute a single loss hereunder.

1. If any flood occurs within a period of the continued rising or overflow of any river(s) or stream(s) and the subsidence of same within the banks of such river(s) or stream(s) or;
2. If any flood results from any tidal wave or series of tidal waves caused by any one disturbance;

such flood shall be deemed to be a single occurrence within the meaning of this MOC.

Should any time period referred to above extend beyond the expiration date of this MOC and commence prior to expiration, the Company shall pay all such flood losses occurring during such period as if such period fell entirely within the term of this MOC.

The Company shall not be liable, however, for any loss caused by any flood occurring before the effective date and time of this MOC or commencing after the expiration date and time of this MOC.

Flood shall mean a general condition of partial or complete inundation of normally dry land area from:

1. overflow of inland or tidal water;
2. unusual and rapid accumulation or run off of surface waters from any natural source.

Flood shall also mean mudslide or mudflow, which is a river or flow of liquid mud caused by flooding as defined in 1. or 2. above.

The definition of flood does not include ensuing loss or damage by fire, explosion, or sprinkler leakage.

c. Flood Zone A and V

Flood zones A and V as referenced in this MOC is defined by FEMA as being inclusive of all 100 year high risk flood areas. A one-hundred-year flood is a flood event that has a 1% probability of occurring in any given year.

d. Earthquake Shock

The term earthquake shock is defined as: earth movement meaning natural faulting of land masses, but not including subsidence, landslide, rock slide, earth rising, earth sinking, earth shifting or settling and tsunami unless as a direct result of such earth movement. The definition of earthquake shock does not include ensuing loss or damage by fire, explosion or sprinkler leakage. Further Earthquake Sprinkler Leakage is covered outside of the "Earthquake Shock" definition and subject to the basic peril deductible.

e. Wildfire

As regards wildfires, firestorms, brush fires and any other fires or series of fires, irrespective of origin, which spread through trees, grassland or other vegetation (hereinafter "fire(s)"), all individual losses sustained by the Insured arising out of and directly occasioned by fire(s) which occur during any period of one hundred sixty eight (168) hours.

The term wildfire is defined as: A wildfire is a fire at some time burning uncontained or uncontrolled on lands covered wholly or in part by timber, brush, grass, grain or other flammable vegetation but which also may consume structures or other human developments, and is declared as a major disaster or emergency pursuant to the Stafford Disaster Relief and Emergency Assistance Act of 1988.

2. PERSONAL PROPERTY OF OTHERS

Means, any property (other than real property) belonging to others for which a Named Insured has assumed liability. This includes but is not limited to:

- Articles of Clothing
- Jewelry
- Sound Equipment
- Fine Arts (up to the sub-limit of unscheduled fine arts)
- EDP Media & Hardware
- Valuable Papers
- Portable Electronic Equipment
- Employee Tools

3. IMPROVEMENTS AND BETTERMENTS

Means, additions or changes made by a Named Insured / lessee at their own expense to a building they are occupying that enhance the building's value.

4. VALUABLE PAPERS AND RECORDS

Means, all inscribed, printed, or written; documents, manuscripts or records; including but not limited to abstracts, books, deeds, drawing, films, maps, or mortgages. Valuable Papers are not money, securities, stamps or converted data program or instructions used in the Named Insured's data processing operations including the materials on which data is recorded.

CC. ADDITIONAL INSURED'S / LOSS PAYEES

It is hereby understood and agreed that the interest of Additional Insured's and/or Loss Payees is automatically included, as per schedule held on file with Alliant Insurance Services, Inc.

SECTION V - FINE ARTS

A. COVERAGE

This MOC insures against all risks of physical loss of or damage except as hereafter excluded occurring during the MOC period to fine arts, which are the property of the Named Insured or the property of others in the custody or control of the Named Insured while on exhibition or otherwise within the limits of the United States.

If any of the property covered by this Section is also covered under any other provisions of the MOC of which this Section is made a part, those provisions are hereby amended to exclude such property, the intent being that the coverage under this Section is the sole coverage on such property.

1. PROPERTY COVERED

Objects of art of every kind and description, and property incidental thereto, which are the property of the Named Insured, or the property of others in the custody and control of the Named Insured, or in transit at the Named Insured's risk, and property in which the Named Insured shall have a fractional ownership interest which are owned by or have been leased, loaned, rented or otherwise made available to the Named Insured. "Property" shall mean paintings, drawings, etchings, prints, rare books, manuscripts, rugs, tapestries, furniture, pictures, bronzes, potteries, porcelains, marbles statuary and all other bonafide works of art and other objects of rarity, historic value, cultural interest or artistic merit, which are part of the collections of the Named Insured, or in the care, custody or control of the Named Insured, and their frames, glazing and shadow boxes.

2. "WALL TO WALL" ("NAIL TO NAIL") COVERAGE

This Section covers the Named Insured's property on a "Wall to Wall" ("Nail to Nail") basis, or domicile to domicile basis, as applicable, from the time said property is removed from its normal repository incidental to shipment until returned thereto or other point designated by the owner or owner's agent prior to return shipment, including while in transit to or from points of consolidation or deconsolidation, packing, repacking or unpacking, while at such locations during such processes or awaiting shipment.

Coverage shall terminate upon arrival of the covered property at the final destination designated by the owner or owner's agent, or upon expiration of this MOC, whichever may occur first, except that expiration of this MOC shall not prejudice coverage of any risk then in transit.

B. EXCLUSIONS

1. Loss or damage occasioned by: wear and tear, gradual deterioration, insects, vermin, inherent vice or damage sustained due to and resulting from any repairing, restoration or retouching process;
2. Loss or damage caused by or resulting from:
 - a. War, hostile or warlike action in time of peace or war, including action in hindering, combating or defending against an actual, impending or expected attack;
 - i. by any government or sovereign power (de jure or de facto), or by any authority maintaining or using military, naval or air forces or;
 - ii. by military, naval or air forces; or
 - iii. by an agent of any such government, power, authority or forces;

- b. Any weapon of war employing atomic fission or radioactive force whether in time of peace or war;
 - c. Insurrection, rebellion, revolution, civil war, usurped power, or action taken by governmental authority in hindering, combating or defending against such an occurrence, seizure or destruction under quarantine or customs regulations, confiscation by order of any government or public authority, or risks of contraband or illegal transportation or trade.
3. Nuclear reaction or nuclear radiation or radioactive contamination from any cause, all whether direct or indirect, controlled or uncontrolled, proximate or remote, or is contributed to or aggravated by a Covered Cause of Loss. However:
- a. If fire not otherwise excluded results, the Company shall be liable for the direct physical loss or damage by such resulting fire, but not including, any loss or damage due to nuclear reaction, nuclear radiation, or radioactive contamination, and
 - d. This MOC does insure against physical loss or damage caused by sudden and accidental radioactive contamination, including resultant radiation damage, from material used or stored or from processes conducted on the Named Insured premises, provided that, at the time of such loss or damage, there is neither a nuclear reactor nor any new or used nuclear fuel on the Named Insured premises.
4. Any dishonest, fraudulent or criminal act by the Named Insured, a partner therein or an officer, director employee or trustee thereof, whether acting alone or in collusion with others. For the purpose of this exclusion an act of vandalism or malicious damage by an employee shall not constitute a dishonest, fraudulent or criminal act.

C. LOSS PAYMENT BASIS / VALUATION

The valuation of each article of property covered by this Section shall be determined as follows:

- a. Property of the Named Insured shall be covered for and valued at the current fair market value of each article indicated on the books and records of the Named Insured prior to loss, according to the Named Insured's valuation of each object covered.
- b. Property of others loaned to the Named Insured and for which the Named Insured may be legally liable, or which the Named Insured has been instructed to insure, shall be covered for and valued at the amount agreed upon for each article by the Named Insured and owner(s) as recorded on the books and records of the Named Insured prior to loss.
- c. Otherwise, in the absence of recorded current fair market values or agreed values for each article covered, the Company shall not be liable beyond the fair market value of the property at the time any loss or damage occurs. Said value shall be ascertained by the Named Insured and the Company or, if they differ, then the amount of value or loss shall be determined as provided in the following appraisal clause.

D. SPECIAL CONDITIONS

- 1. Misrepresentation and Fraud: This entire Section shall be void if, whether before or after a loss, the Named Insured has concealed or misrepresented any material fact or circumstance concerning this MOC or the subject thereof, or the interest of the Named Insured therein, or in case of any fraud or false swearing by the Named Insured relating thereto.

2. Notice of Loss: The Named Insured shall as soon as practicable report in writing to the Company or its agent every loss, damage or occurrence which may give rise to a claim under this Section and shall also file with the Company or its agent within ninety (90) days from the date of discovery of such loss, damage or occurrence, a detailed sworn proof of loss.
3. Examination under Oath: The Named Insured, as often as may be reasonably required, shall exhibit to any person designated by the Company all that remains of any property herein described, and shall submit, and insofar as is within its power cause its employees, Named Insured and others to submit to examination under oath by any person named by the Company and subscribe the same; and, as often as may be reasonably required, shall produce for examination all writings, books of account, bills, invoices and other vouchers, or certified copies thereof if originals be lost, at such reasonable time and place as may be designated by the Company or its representative and shall permit extracts and copies thereof to be made. No such examination under oath or examination of books or documents, nor any act of the Named Insured or any of its employees or representatives in connection with the investigation of any loss or claim hereunder, shall be deemed a waiver of any defense which the Named Insured might otherwise have with respect to any loss or claim, but all such examinations and acts shall be deemed to have been made or done without prejudice to the Company's liability.
4. Settlement of Loss: All adjusted claims shall be paid or made good to the Named Insured within sixty (60) days after presentation and acceptance of satisfactory proof of interest and loss at the office of the Company. No loss shall be paid or made good if the Named Insured has collected the same from others.
5. No Benefit to Bailee: This Section shall in no way inure directly or indirectly to the benefit of any carrier or other bailee.
6. Subrogation or Loan: If in the event of loss or damage the Named Insured shall acquire any right of action against any individual, firm or corporation for loss of, or damage to, property covered hereunder, the Named Insured will, if requested by the Company, assign and transfer such claim or right of action to the Company or, at the Company's option, execute and deliver to the Company the customary form of loan receipt upon receiving an advance of funds in respect of the loss or damage; and will subrogate the Company to, or will hold in trust for the Company, all such rights of action to the extent of the amount paid or advanced, and will permit suit to be brought in the Named Insured's name under the direction of and at the expense of the Company.
7. Loss Clause: Any loss hereunder shall not reduce the amount of this Section, except in the event of payment of claim for total loss of an item specifically scheduled hereon.
8. Protection and Preservation of Property: In case of actual or imminent physical loss or damage of the type insured against by this MOC, the expenses incurred by the Named Insured in taking reasonable and necessary actions for the temporary protection and preservation of property insured hereunder shall be added to the total physical loss or damage otherwise recoverable under the MOC and be subject to the applicable deductible and without increase in the limit provisions contained in this MOC.
9. Appraisal: If the Named Insured and the Company fail to agree as to the amount of loss, each shall on the written demand of other, made within sixty (60) days after receipt of proof of loss by the Company, select a competent and disinterested appraiser, and the appraisal shall be made at a reasonable time and place. The appraisers shall first select a competent and disinterested umpire, and failing for fifteen (15) days to agree upon such umpire, then on the request of the Named Insured or the Company, such umpire shall be selected by a judge of a court of record in the state in which such appraisal is pending. The appraisers shall then appraise the loss, stating separately the

fair market value at the time of loss and the amount of loss, and failing to agree shall submit their differences to the umpire. An award in writing of any two shall determine the amount of loss. The Named Insured and the Company shall each pay their chosen appraiser and shall bear equally the other expenses of the appraisal and umpire. The Named Insured shall not be held to have waived any of its rights by any act relating to appraisal.

10. Civil Authority: Property covered under this Section against the peril of fire is also covered against the risk of damage or destruction by Civil authority during a conflagration and for the purpose of retarding the same; provided that neither such conflagration nor such damage or destruction is caused or contributed to by a peril otherwise excluded herein.
11. Changes: Notice to any agent or knowledge possessed by any agent or by any other person shall not effect a waiver or a change in any part of this Section or stop the Named Insured from asserting any right under the terms of this Section, nor shall the terms of this Section be waived or changed except by endorsement issued to form a part of this Section.
12. Additional Covered Party(ies): Corporations, associations, firms, institutions, museums, persons and others who own or control collections, objects or articles who make them available to the Named Insured, and temporary borrowers or custodians (but not carriers, packers or shippers) of property covered, are additional Named Insured(s) hereunder, but only as respects coverage afforded to said Named Insured's property.
13. Packing: It is agreed by the Named Insured that the property covered hereunder be packed and unpacked by competent packers.
14. Other Insurance: This fine arts floater Section is excess coverage over any other valid and collectible insurance which may apply to any objects of art for which coverage would apply under this MOC.
15. Pair And Set: In the event of the total loss of any article or articles which are a part of a set, the Company agrees to pay the Named Insured the full amount of the value of such set and the Named Insured agrees to surrender the remaining article or articles of the set to the Company.

SECTION VI - CONTRACTORS EQUIPMENT

A. COVERAGE

This MOC insures contractors equipment, whether self propelled or not, including equipment thereof while attached thereto or located thereon, such as bulldozers, drag lines, power shovels, derricks, drills, concrete mixers and other machinery of a similar nature, and not subject to motor vehicle registration.

If any of the property covered by this Section is also covered under any other provisions of the MOC of which this Section is made a part, those provisions are hereby amended to exclude such property, the intent being that the coverage under this Section is the sole coverage on such property.

B. PERILS EXCLUDED

This Section insures against all risks of direct physical loss or damage occurring during the MOC period to the above described property from any external cause except as provided below.

1. Loss or damage due to wear, tear, rust, corrosion, latent defect, mechanical breakage or improper assemblage.
2. Loss or damage due to the weight of the load imposed on the machine exceeding the capacity for which such machine was designed.
3. Loss or damage to crane or derrick boom(s) and jib(s) of lattice construction while being operated unless directly caused by fire, lightning, hail, windstorm, earthquake shock, explosion, riot, riot attending a strike, civil commotion, actual physical contact with an aircraft or airborne missile including objects falling therefrom, collision with other vehicles or other contractors equipment whether or not such other equipment is covered hereunder, landslide, or upset of the unit of which it is a part (but only when and to the same extent that such other perils are covered by the MOC).
4. Loss or damage due to explosion arising from within steam boilers.
5. Loss or damage to dynamos, exciters, lamps, switches, motors or other electrical appliances or devices, including wiring, caused by lightning or other electrical currents (artificial or natural) unless fire ensues and then for the loss by fire only.
6. Loss or damage due to dishonesty of Named Insured's employees or persons to whom the Named Insured's property is entrusted.
7. Loss or damage caused by or contributed to failure of the Named Insured to keep and maintain the property in a thorough state of repair.
8. Loss or damage caused by or resulting from:
 - a. War, hostile or warlike action in time of peace or, including action in hindering, combating or defending against an actual, impending or expected attack;
 - i. by any government or sovereign power (de jure or de facto) or by any authority maintaining using military, naval or air forces or;
 - ii. any military, naval or air forces or;
 - iii. by an agent of any such government, power, authority or forces;

- b. any weapon of war employing atomic fission or radioactive force whether in time of peace or war;
- c. insurrection, rebellion, revolution, civil war, usurped power, or action taken by governmental authority in hindering, combating or defending against such an occurrence, seizure or destruction under quarantine or customs regulations, confiscation by order of any government or public authority, or risks of contraband or illegal transportation or trade;
- d. Loss by nuclear reaction or nuclear radiation or radioactive contamination, all whether controlled or uncontrolled, and whether such loss be direct or indirect, proximate or remote, or be in whole or in part caused by, contributed to, or aggravated by the peril(s) covered against in this endorsement; however, subject to the foregoing and all provisions of this MOC, direct loss by fire resulting from nuclear reaction or nuclear radiation or radioactive contamination is covered against by this MOC.

C. PROPERTY EXCLUDED

- 1. Automobiles, motorcycles, motor trucks, or parts thereof.
- 2. Buildings
- 3. Machinery or equipment or building materials to be installed in any building for the purpose of becoming a part thereof; nor on any property which has become a permanent part of any structure.
- 4. Property that is located underground.
- 5. Property while waterborne except while being transported on any regular ferry.
- 6. The storage risk of property not owned or required to be insured by the Named Insured at premises controlled or leased by the Named Insured, except where incidental to the regular or frequent use of the equipment or property.
- 7. Plans, blue prints, designs or specifications.
- 8. Piers, docks and wharves.

D. LOSS PAYMENT BASIS / VALUATION

On Contractors Equipment (whether self propelled or not), on or off premises, where Replacement Cost (New) values are specified, loss or damage shall be based on 100% of the Replacement Cost (New) at the time of loss. Partial losses shall be based on the cost of repairing or replacing the damaged portion, up to the fair market value of the Contractors Equipment.

However, should these costs exceed the fair market value then recovery shall be based upon the Replacement Cost (New).

If the values, provided by the Named Insured, provides a valuation based on replacement cost, then recovery will be on the same basis, if replaced. If not replaced, the basis of recovery shall be actual cash value.

E. SPECIAL CONDITIONS

This section covers property only within the limits of the United States of America. It is a condition of this MOC that all articles covered hereunder are in sound condition at the time of attachment of this MOC.

SECTION VII - ACCOUNTS RECEIVABLE

A. COVERAGE

This MOC covers the loss of or damage resulting from insured perils to the Named Insured's records of accounts receivable as defined below, occurring during the MOC period.

B. EXCLUSIONS

In addition to the exclusions in the General Conditions, this coverage does not apply:

1. To loss due to any fraudulent, dishonest or criminal act by the Named Insured, a partner therein, or an officer, director, employee or trustee thereof, while working or otherwise and whether acting alone or in collusion with others.

For the purpose of this exclusion an act of vandalism or malicious damage by an employee shall not constitute a dishonest, fraudulent or criminal act.

2. To loss due to bookkeeping, accounting or billing errors or omissions.
3. To loss, the proof of which as to factual existence, is dependent upon an audit of records or an inventory computation; but this shall not preclude the use of such procedures in support of claim for loss which the Named Insured can prove through evidence wholly apart therefrom, is due solely to a risk of loss to records of accounts receivable not otherwise excluded hereunder.
4. To loss due to alteration, falsification, manipulation, concealment, destruction or disposal of records of accounts receivable committed to conceal the wrongful giving, taking, obtaining or withholding of money, securities or other property, but only to the extent of such wrongful giving, taking, obtaining or withholding.

C. LOSS PAYMENT BASIS / VALUATION

When there is proof that a loss covered by this MOC has occurred but the Named Insured cannot accurately establish the total amount of accounts receivable outstanding as of the date of such loss, such amount shall be based on the Named Insured's monthly statements and shall be computed as follows:

- a. Determine the amount of all outstanding accounts receivable at the end of the same fiscal month in the year immediately preceding the year in which the loss occurs;
- b. Calculate the percentage of increase or decrease in the average monthly total of accounts receivable for the twelve (12) months immediately preceding the month in which the loss occurs as compared with such average for the months of the preceding year;
- c. The amount determined under (a) above, increased or decreased by the percentage calculated under (b) above, shall be the agreed total amount of accounts receivable as of the last day of the fiscal month in which said loss occurs;
- d. The amount determined under (c) above shall be increased or decreased in conformity with the normal fluctuations in the amount of accounts receivable during the fiscal month involved, due consideration being given to the experience of the business since the last day of the last fiscal month for which statement has been rendered.

There shall be deducted from the total amount of accounts receivable, however established, the amount of such accounts evidenced by records not lost or damaged or otherwise established or collected by the Named Insured, and an amount to allow for probable bad debts which would normally have been uncollectible by the Named Insured. All unearned interest and service charges shall be deducted.

D. DEFINITIONS:

ACCOUNTS RECEIVABLE

- a. All sums due to the Named Insured from customers provided the Named Insured is unable to effect collection thereof as the direct result of loss or damage to records of accounts receivable.
- b. Interest charges on any loan to offset impaired collections pending repayment of such sums made uncollectible by such loss or damage.
- c. Collection expense in excess of normal collection cost and made necessary because of such loss or damage.
- d. Other expenses, when reasonably incurred by the Named Insured, in re-establishing records of accounts receivable following such loss or damage.

SECTION VIII - BOILER AND MACHINERY BREAKDOWN EXTENSION

1. Perils Insured

In consideration of the premium paid and subject to the terms, conditions and Exclusions of the MOC to which this Extension is attached, and to the following terms and conditions, this Coverage is extended to cover direct damage to Covered Property caused by a Covered Cause of Loss.

2. Additional Coverage

(a) Hazardous Substance

The additional expense incurred for cleanup, repair or replacement or disposal of damaged, contaminated or polluted property as a result of an Accident, which causes property to become damaged, contaminated or polluted by a substance declared hazardous to health by an authorized governmental agency. The coverage provided by this clause is sub-limited to USD as per Declaration Page. For the purpose of this coverage "Additional expense" means any expense that would not have incurred, if no substance hazardous to health had been involved in the accident

(b) Ammonia Contamination

The loss, including salvage expense, incurred with respect to damage by ammonia contacting or permeating property under refrigeration or in process requiring refrigeration, as a result of any one Accident to one or more Objects. The coverage provided by this clause is sub-limited to USD as per Declaration Page.

(c) Water Damage

The loss, including salvage expense, with respect to property damaged by water, resulting from any one Accident. The coverage provided by this clause is sub-limited to USD as per Declaration Page.

(d) Media Coverage

The loss to all forms of electronic, magnetic and optical tapes and discs used in any electronic computer or electronic data processing equipment directly damaged by an Accident to an Object. The coverage provided by this clause is sub-limited to USD as per Declaration Page. For the purpose of this coverage, the valuation basis for "Media" is as follows:

- i. For "Media" that are mass-produced and commercially available, at the replacement cost.
- ii. For all other "Media", at the cost of blank material for reproducing the records.

(e) Consequential Damage

The "Consequential Damage" to refrigerated and frozen goods of the Named Insured or for which the Named Insured is legally liable or under the Named Insured's care, custody or control caused solely by an Accident to an Object. For the purpose of this coverage, "Consequential Damage" is defined as loss due to spoilage from lack of power, light, heat, steam or refrigeration, resulting from Accident. The coverage provided by this clause is sub-limited to USD as per Declaration Page.

(f) Utility Interruption

The loss caused by an Accident to an Object that is owned, operated or controlled by a public or private entity that the Named Insured has contracted with to furnish them with electrical utility service including all direct electrical suppliers. The coverage provided by this clause is sub-limited to USD as per Declaration Page.

(g) CFC Refrigerants and Halon

The replacement of any CFC (chlorofluorocarbon) refrigerant used in refrigeration or air conditioning equipment or Halon used in a fire suppression system due to an "Accident" to an Object.

(h) Ordinance or Law

If an Accident to an Object at the Named Insured's location damages a building that is "Covered Property", the Company will pay for

- i. Loss to the Undamaged Portion of the Building, meaning loss to the undamaged portion of the building caused by enforcement of any ordinance or law that:
 - a. Requires the demolition of parts of the same building not damaged by the Accident to an Object; or
 - b. Regulates the construction or repair of buildings, or establishes zoning or land use requirements at the location of the building.
- ii. Demolition Cost meaning the cost to demolish and clear the site of undamaged parts of the building, caused by the enforcement of building, zoning, or land ordinance or use.
- iii. Increased Cost of Construction, meaning the increased cost to:
 - a. Repair or reconstruct damaged portions of the building; and
 - b. Reconstruct or remodel undamaged portions of the building whether or not demolition is required;

when the increased cost is a consequence of enforcement of building, zoning or land use ordinance or law. But the Company will only pay for this increased cost if the building is repaired, reconstructed or remodeled. Also, if the building is repaired, reconstructed or remodeled, it must be intended for similar occupancy as the current building, unless such occupancy is not permitted by zoning or land use ordinance or law.

Coverage under this section only applies with respect to ordinance or law that is in force at the time of the Accident to an Object. Coverage under this section does not apply to:

- a. Costs associated with the enforcement of any ordinance or law which requires any Named Insured or others to test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize, or in any way respond to, or assess the effects of substances declared to be hazardous to health by a governmental agency; or
- b. Loss due to any ordinance or law that:

- i. The Named Insured was required to comply with before the Accident to an Object even if the building was undamaged; and
- ii. The Named Insured failed to comply with.

The coverage provided by this clause is sub-limited to USD as per Declaration Page.

3. Definition of Accident

Accident shall mean a sudden and accidental breakdown of the Object, or a part thereof, which manifests itself at the time of its occurrence by physical damage to the Object that necessitates repair or replacement of the Object or part thereof; but Accident shall not mean:

- a. depletion, deterioration, corrosion, or erosion of material;
- b. wear and tear;
- c. leakage at any valve, fitting, shaft seal, gland packing, joint or connection;
- d. the breakdown of any vacuum tube, gas tube or brush;
- e. the breakdown of any structure or foundation supporting the Object or any part thereof;
- f. the functioning of any safety device or protective device.

4. Definition of Object

Except as otherwise specifically designated herein, Object as described below shall mean any equipment or apparatus which is owned by, leased by or operated under the control of the Named Insured subject to the Exclusions and Special Provisions specified herein:

- a. Any boiler, any fired vessel, any unfired vessel subject to vacuum or internal pressure other than static pressure of contents, any refrigerating and air conditioning vessels, or any piping and its accessory equipment, but such Object shall not include:
 - 1. Any boiler setting, any insulating or refractory material,
 - 2. Any sewer piping, any underground gas piping, any piping forming a part of a sprinkler system or any water piping other than
 - (a) Feed water piping between any boiler and its feed pumps or injectors
 - (b) Boiler condensate returning piping
- b. Any mechanical or electrical machine or electrical apparatus used for the generation, transmission or utilization of mechanical or electrical power, but Object shall not include
 - 1. Any structure or foundation other than a bedplate of a machine,
 - 2. Any vehicle, elevator, crane, hoist, power shovel or drag line, but not excluding any electrical equipment used with said machine or apparatus,
 - 3. Any refractory material, or

4. Any penstock or draft tube.

5. Covered Cause of Loss

A Covered Cause of Loss is an "Accident" to an Object insured hereon. An Object must be in use or connected ready for use at the time of the Accident.

6. Covered Property

Covered Property, as used in this Extension, means any property that:

- a. The Named Insured owns; or
- b. Is in the Named Insured's care, custody or control and for which they are legally liable

7. Special Provisions

- a. As respects any boiler, fired or unfired vessel, refrigerating system or piping, the Company shall not be liable for loss from an Accident while said Object is undergoing a hydrostatic, pneumatic or gas pressure test that exceeds manufacturers recommended limits.
- b. As respects any boiler of fired vessel, the Company shall not be liable for loss from an explosion of gas or unconsumed fuel within the furnace of such Object or within the passages from the furnace to the atmosphere, whether or not such explosion (a) is contributed to or aggravated by an Accident to any part of said Object that contains steam or water, or (b) is caused in whole or in part, directly or indirectly, by any Accident to any Object, or part thereof, nor shall the Company be liable for any loss from an Accident caused directly or indirectly by such explosion.
- c. As respects any unfired vessel which is used for the storage of gas or liquid and which is periodically filled, moved, emptied and refilled in the course of its normal service, such vessel shall be considered as "connected ready for use" within the terms of this Extension of the MOC.
- d. As respects any Object or part of an Object that is being dismantled, reassembled or is in storage, will be considered as "connected ready for use" within the terms of this Extension of the MOC.
- e. As respects any gas turbine of the internal combustion type, (a) the combustor or such Object shall not be considered to be a "furnace" as the word is used in the Definition of Accident or in Special Provision 2 above and (b) the Definition of Accident shall not mean the cracking of any part of the Turbine exposed to the production of combustion.
- f. As respects new turbine generator units, coverage shall not apply until the unit has been contractually accepted by the Named Insured, that all tests required by the contractor have been performed and satisfied and the unit has been placed in commercial operation.

9. Valuation

- a. The Company will pay the Named Insured the amount the Named Insured spends to repair or replace the property directly damaged by an Accident. The Company payment will be the smallest of:
 - 1) The Limit of Coverage;
 - 2) The cost at the time of the Accident to repair the damaged property with property of like kind, capacity, size and quality;

- 3) The cost at the time of the Accident to replace the damaged property on the same site with other property:
 - a) Of like kind, capacity, size and quality; and
 - b) Used for the same purpose
 - 4) The amount the Named Insured actually spends that is necessary to repair or replace the damaged property.
- b. As respects any Object if the cost of repairing or replacing only a part of the Object is greater than:
- 1) the cost of repairing the Object; or
 - 2) the cost of replacing the entire Object on the same site;
- The Company will pay only the smaller of (1) or (2). The repair parts or replacement Object must be:
- 1) of like kind, capacity, size and quality; and
 - 2) used for the same purpose.
- c. The Company will not pay:
- 1) if the loss or damage is to property that is obsolete or useless to the Named Insured; or
 - 2) for any extra cost if the Named Insured decides to repair or replace the damaged property with property of a better kind or quality or of larger capacity,
- d. If the Named Insured does not repair or replace the damaged property within 18 months after the date of the Accident then the Company will pay on the smaller of the:
- 1) cost it would have taken to repair; or
 - 2) actual cash value;
- at the time of the "accident".

Paragraph (d) does not apply to any time period beyond the 18 months that the Company agrees to in writing.

- e. As respects CFC (chlorofluorocarbon) refrigerant or Halon, the following valuation basis is applicable:
- 1) If the CFC refrigerant or Halon is replaceable, the Named Insured may, at their option, elect to:
 - a) Repair or replace the damaged refrigeration equipment, air conditioning equipment or fire suppression system and replace the lost CFC refrigerant or Halon subject to it being of like kind, capacity, size and quality and used for the same purpose; or
 - b) Change the refrigeration equipment, air conditioning equipment or fire suppression system, through modification or replacement, to:

- i. Refrigeration or air conditioning equipment that uses an approved non-CFC refrigerant;
or
- ii. A fire suppression system that uses an approved non – Halon agent.

But this option is available only if the change to the equipment or system is made within 18 months after the date of the Accident or within any extended time period that the Company agrees to in writing.

If Option 1) b) above is elected, the Company will not pay more than the least of the following amounts:

- a) The Limit of Coverage;
 - b) The cost at the time of the Accident to repair the damaged refrigeration equipment, air conditioning equipment or fire suppression system, retrofit the equipment or system to accept non – CFC refrigerant or non – Halon fire suppressant, and charge the equipment or system with that refrigerant or fire suppressant;
 - c) The cost at the time of the Accident to replace the damaged refrigeration equipment, air conditioning equipment or fire suppression system with equipment or a system that is functionally equivalent and uses an approved non – CFC refrigerant or non – Halon fire suppressant;
 - d) The amount that the Named Insured actually spend that is necessary to change the refrigeration equipment, air conditioning equipment or fire suppression system, through modification or replacement, to equipment or a system that uses an approved non – CFC refrigerant or non – Halon fire suppressant; or
 - e) One hundred twenty-five percent (125%) of the amount the Company otherwise would have paid for loss to the refrigeration equipment, air conditioning equipment or fire suppression system.
- f. If the CFC refrigerant or Halon is not replaceable and:
- (1) The Named Insured repairs or replaces the damaged equipment within 18 months after the date of the Accident or within any extended time that the Company agrees to in writing, the Company will pay the least of the following amounts:
 - (a) The Limit of Coverage;
 - (b) The cost at the time of the Accident to repair the damaged refrigeration equipment, air conditioning equipment or fire suppression system, retrofit the equipment or system to accept non – CFC refrigerant or non – Halon fire suppressant, and charge the equipment or system with that refrigerant or fire suppressant;
 - (c) The cost at the time of the Accident to replace the damaged refrigeration equipment, air conditioning equipment or fire suppression system with equipment or a system that is functionally equivalent and uses an approved non – CFC refrigerant or non – Halon fire suppressant;
 - (d) The amount that the Named Insured actually spend that is necessary to change the refrigeration equipment, air conditioning equipment or fire suppression system, through modification or replacement, to equipment or a system that uses an approved non – CFC refrigerant or non – Halon fire suppressant.

- (2) If the Named Named Insured does not replace the damaged equipment within 18 months after the date of the Accident or within the extended time period that the Company agrees to in writing, the Company will not pay more than the lesser of:
- (a) The amount that the Company would have paid if repair or replacement of the damaged equipment had been made as determined in F 1 above; or
 - (b) The actual cash value of the damaged equipment at the time of the Accident.
- g. As respects Coverage under Ordinance and Law, the most the Company will pay as a result of any one Accident for:
- a) Loss to the Undamaged portion of the building is included in the Limit of Coverage that otherwise applies to the damaged building. But in no event will the amount the Company pay for loss to the building, including the loss in value of the undamaged portion of the building due to enforcement of an ordinance or law to which this coverage applies, exceed:
 - i. The amount that the Named Insured actually spend to repair, rebuild or replace the building, but not more than the amount it would cost to restore the building on the same premises and to the same height, floor area, style and comparable quality of the original property insured; or
 - ii. The actual cash value of the building at the time of loss if the building is not repaired or replaced.
 - b) Demolition and Increased Cost of Construction is USD as per Declaration Page, subject to the following:
 - i. With respect to the coverage provided for Demolition Cost, the Company will not pay more than the amount the Named Insured actually spend to demolish and clear the site of the undamaged parts of the building;
 - ii. With respect to the coverage provided for Increased Cost of Construction:
 - (a) We will not pay for the Increased Cost of Construction:

Until the building is actually repaired or replaced at the same or another premises; and Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage, not to exceed 18 months. We may extend this period in writing during the 18 months.
 - (b) If the building is repaired or replaced at the same location, or if the Named Insured elect to rebuild at another location, the most the Company will pay for the increased cost of construction is the increased cost of construction at the same location.
 - (c) If the ordinance or law requires relocation to another location, the most the Company will pay for the increased cost of construction is the increased cost of construction at the new location.
- h. If a claim or "suit" is brought against the Named Insured alleging that the Named Insured is liable for damage to property of another that was caused by an Accident to an Object, the Company will either:

1. Settle the claim or "suit", or
2. Defend the Named Insured against the "suit" but reserve the right for themselves to settle at any point.

10. Exclusions

- a. To loss:
 - 1) from explosion of an Object other than:
 - a) Any steam boiler, steam piping, steam turbine, gas turbine, steam engine, or
 - b) Any machine when such loss is caused by centrifugal force or mechanical breakdown,
- b. Nuclear reaction or radiation or radioactive contamination however caused, however this exclusion shall not apply to nuclear medicine at covered hospitals,
- c. From fire concomitant with or following an Accident.
- d. From an Accident caused directly or indirectly by fire
- e. From a combustion explosion outside the Object concomitant with or following an Accident,
- f. From an Accident caused directly or indirectly by a combustion explosion outside an Object

11. Conditions:

- a. Inspection

The Company shall be permitted but not obligated to inspect the Named Insured's property and operations at any reasonable time. Neither the right to make inspections nor the making thereof nor any advice or report resulting therefrom 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.

- b. Suspension

Upon the discovery of a dangerous condition with respect to any Object, Alliant Insurance Services, Inc., may immediately suspend the coverage, with respect to an Accident to said Object, by written notice mailed or delivered to the Named Insured at the address of the Named Insured stated in the Declaration Page, or at the location of the Object, as stated for it in a schedule or endorsement. The coverage so suspended may be reinstated by the Company but only by an endorsement issued to form a part of this MOC. The Named Insured shall be allowed the unearned portion of the premium paid for such suspended coverage, pro- rata for the period of suspension.

- c. Notice of Accident and Adjustments

When an Accident occurs, written notice shall be given to the Company as soon as practicable. The Company shall be given like notice of any claim made on account of such Accident. The Company or their representative shall have reasonable time and opportunity to examine the property, and the Named Insured's Location of Risk, before repairs are undertaken or physical evidence of the Accident is removed, except for protection or salvage. Proof of loss shall be made in such form as the

Company may require. If suit is brought against the Named Insured for loss to which this Section of the MOC is applicable, any summons or other process served upon the Named Insured shall be forwarded immediately to the Company.

d. Deductible

In the event of an Accident to an Object as insured under this Extension that is concomitant with or followed by physical loss or damage incurred under the All Risks MOC that this Extension attaches to, the deductible to be applied to the total loss shall be the applicable Boiler & Machinery deductible.

SECTION IX – TERRORISM INCLUDING SABOTAGE EXTENSION

In consideration of the Named Insured paying or agreeing to pay the contribution, the Company agrees subject to the Definitions, Exclusions, Limits and Conditions of this MOC, to indemnify the Insured up to the Overall Limit of Liability stated in the schedule for:

- a) Damage to Property covered by an Act of Terrorism;
- b) Consequential Loss resulting from Damage by an Act of Terrorism, to any building or other property used by the Insured, for the purpose of the Business and property of type not excluded as defined in the Property section in respect of contingent coverage contained therein,
- c) Continuing hire charges as a result of Damage by an Act of Terrorism,

as more fully described and defined herein occurring during the Coverage Period as stated in the Schedule. Provided that the liability of the Company under this MOC shall not exceed the Overall Limit of Liability or in respect of any item its sum covered or any other relevant Limit of Liability. or Sub-limit stated in the Schedule. Payment of an indemnity under this clause is dependent upon the Insured maintaining the Property coverage in full force and effect for the duration of the Coverage Period.

This MOC incorporates the Schedule and Endorsements, which shall be read together as one contract. Words and expressions to which specific meaning is given in any part of this MOC shall have the same meaning wherever they appear.

APPLICATION OF PROPERTY COVERAGE

Except as otherwise provided herein at paragraphs a) to h) below, this MOC is subject to the same basis of settlement, warranties, terms and conditions, definitions, extensions and other provisions as the Property section, and it is agreed that those provisions are expressly incorporated from that section of the MOC into this section of the MOC.

The provisions which are not expressly incorporated from the Property section are as follows:

- a) the Contribution;
- b) the Overall Limit;
- c) any provision relating to the reinstatement of sums covered or limits;
- d) any terms which provide for adjustments of premium based upon declarations on expiry or during the Coverage Period;
- e) any terms which provide for the addition of locations in the Referral Areas which must be specifically agreed by the Company;
- f) the Deductible or Excess;
- g) any renewal or long term agreement;
- h) Exclusions.

For the avoidance of doubt, it is further agreed that the express provisions of this MOC shall prevail over any provisions incorporated from the Property section where such provisions are incompatible with each other.

GENERAL DEFINITIONS

1. The word - 'Damage' shall mean:
direct physical loss or destruction of or physical damage
2. The words - 'Consequential Loss' shall mean:
loss resulting from interruption of or interference with the Business carried on by the Named Insured in consequence of Damage caused by an Act of Terrorism, to property used by the

Named Insured for the purposes of the Business and property of type not excluded as defined in the Property section in respect of contingent coverage contained therein.

3. The words - 'Act of Terrorism' shall mean:
an act or series of acts, involving the use of force or violence, of any person or group of persons, whether acting alone or on behalf of or in connection with any organisation, 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. For the avoidance of doubt an 'Act of Terrorism' shall include an act of Sabotage.
4. The word - 'Sabotage' shall mean:
a subversive act or series of such acts committed for political, religious or ideological purposes including the intention to influence any government and/or to put the public in fear for such purposes.
5. The words - 'Property section ' shall mean:
the Property coverage issued by the Company as identified and set forth this MOC.
6. The word - 'Occurrence' shall mean:
any one loss and/or series of losses occasioned by, happening through, arising out of and in consequence of any one Act of Terrorism for the same purpose or cause. The duration and extent of any one Occurrence shall be limited to all losses sustained by the Named Insured during any period of 72 consecutive hours. However no such period of 72 consecutive hours **may extend beyond the expiration of this MOC unless Damage first occurs prior to expiration. No period of 72 consecutive hours shall commence prior to the attachment of this MOC.**
7. **The words "Referral Areas"** shall mean:

New York City -	10001 through to 10029, 10036, 10038, 10044, 10048, 10128
Chicago -	60601 through to 60611
San Francisco -	94102, 94103, 94104, 94105, 94107, 94108, 94109, 94110, 94111, 94112, 94114, 94115, 94116, 94117, 94118, 94121, 94122, 94123, 94124, 94127, 94129, 94131, 94132, 94133, 94134
Washington -	20001, 20004, 20005, 20006
Boston -	02108, 02109, 02110, 02111, 02113, 02114

EXCLUSIONS:

Notwithstanding the exclusions contained within the Property section this policy contains the following Exclusions and override any conflicting exclusion therein

This Contract does not cover:

1. Damage or Consequential Loss arising directly or indirectly from nuclear detonation, nuclear reaction, nuclear radiation or radioactive contamination, however caused.
2. Damage or Consequential Loss occasioned directly or indirectly by war, invasion or warlike operations (whether war be declared or not), hostile acts of sovereign or government entities, civil war, rebellion, revolution, insurrection, military or usurped power or martial law.
For the avoidance of doubt, the fact that an Act of Terrorism is committed by an agent of the sovereign or government entity operating covertly and not in connection with any operation of armed forces or where the Act of Terrorism is funded by a sovereign or government entity, will not of itself give rise to the application of this war exclusion.
3. Damage or Consequential Loss caused by or consisting of confiscation, requisition, detention, seizure, legal or illegal occupation, embargo, quarantine acts of contraband or illegal transportation or illegal trade or

any result of any order of public or government authority which deprives the Named Insured of the use or value of the property.

4.
 - a) Damage or Consequential Loss caused by chemical or biological release or exposure of any kind;
 - b) Damage or Consequential Loss directly or indirectly arising from or in consequence of the seepage and/or discharge of pollutants or contaminants including but not limited to any solid, liquid, gaseous or thermal irritant, contaminant or toxic or hazardous substance or any substance the presence, existence or release of which endangers or threatens to endanger the health, safety or welfare of persons or the environment unless otherwise specifically covered herein, but this shall not exclude Damage to Property Covered or Consequential Loss resulting therefrom caused by seepage and/or pollution and/or contamination (including that involving chemical and/or biological and/or mineral agent) which itself results from Damage caused by an Act of Terrorism. Provided that:
 - a) such Damage is derived from pollutants and/or contaminants owned by, or in the care, custody or control of the Named Insured, and
 - b) such pollutants and/or contaminants are covered by this Contract.
5. Damage or Consequential Loss caused by attacks by electronic means including computer hacking or the introduction of any form of computer virus or corrupting or unauthorized instructions or code or the use of any electromagnetic weapon.

This exclusion shall not operate to exclude losses (which would otherwise be covered under this MOC) arising from the use of any computer, computer system or computer software program or any other electronic system in the launch and/or guidance system and/or firing mechanism of any weapon or missile.
6. Damage or Consequential Loss caused by malicious damage, strikes, riots or civil commotion unless Damage is caused directly by an Act of Terrorism.
7. Loss or increased cost as a result of threat or hoax
8.
 - a) land or land values, soil, air or water.
 - b) aircraft or any other aerial device, or watercraft. However, this exclusion does not apply to spare parts, materials or aircraft engines for installation or repair, but not yet a part of the aircraft or aircraft engines attached to aircraft for the purpose of transit and not connected to any power and/or fuel source.
 - c) any land conveyance including vehicles, locomotives or rolling stock, other than whilst at the Premises at the time of its Damage.
 - d) animals, plants and living things of all types other than trees and plants which form part of landscaped areas at the Premises.

CONDITIONS

All as per the Property section except as herein expressly varied.

1. Any clause included in the Property section relating to the automatic reinstatement of sums covered or limits of liability does not apply to this MOC, when Policy Limit stated herein specifically states that the Policy Limit is in the Aggregate for the period of the policy. (annual or otherwise).
2. **Other Insurance**

This Contract shall be excess of any other insurance available to the Insured covering a loss covered hereunder except such other insurance that is written specifically as excess insurance over this MOC. When this MOC is written specifically in excess of other insurance covering the peril covered hereunder, this MOC

shall not apply until such time as the amount of the underlying insurance, (whether collectible or not), has been exhausted by loss and damage covered by this MOC.

3. Reasonable precautions

The Named Insured shall take all reasonable steps and precautions to prevent loss, destruction or damage.

4. Claims conditions

a) Notification

In the event of any Occurrence likely to give rise to a claim hereunder, the Insured shall as soon as reasonably practicable notify the Company and/or the Broker, named for that purpose herein.

b) In the event of Damage caused by an Act of Terrorism, the Insured must deliver to the Company all such relevant information and evidence as may reasonably be required including:

- (i) full information in writing of the property lost, destroyed or damaged and the amount of the Damage;
- (ii) details of any other insurances on any property hereby covered;
- (iii) all such proofs and information relating to the claim including time, place and cause of loss;
- (iv) if required by the Company, a statutory declaration of the truth of the claim and of any matters connected to it, which shall be submitted as soon as reasonably practical but in all cases this must be within 60 days of the Occurrence.

c) In the event of a claim being made under Business Interruption as included under this MOC, the Named Insured must deliver to the Company:

- (i) not later than 30 days after the expiry of the Indemnity Period or within such further time as the Company may allow, particulars of this claim together with details of all other insurances covering property used by the Named Insured at the Premises for the purpose of the Business or any part of it or any resulting Consequential Loss.
- (ii) deliver to the Company such books of account and other business books, vouchers, invoices, balance sheets, and other documents, proofs, information, explanation and other evidence as may reasonably be required by the Company for the purpose of investigating the claim together with, if demanded, a statutory declaration of the truth of the claim and of any matters connected with it.

d) The Named Insured must co-operate fully in the investigation or adjustment of any claim.

e) Proof of Loss

In any claim and/or action, suit or proceeding to enforce a claim for loss under this MOC, the burden of proving that the loss is recoverable under this MOC and that no limitation or exclusion of this MOC applies and the quantum of loss shall fall upon the Named Insured.

f) Subrogation

Any claimant under this MOC shall at the request of the Company take and permit to be taken all necessary steps for enforcing rights against any other party in the name of the Insured before or after any payment is made by the Company. In the event of a claim arising under this MOC the Company agree to waive any rights, remedies or relief to which they might be entitled by subrogation against:

- (i) a company standing in the relation of parent to subsidiary (or subsidiary to parent) to the Insured as defined in the Companies Act or Companies (Northern Ireland) Order (or any more

applicable legislation or regulations in the country in which the Insured is registered) current at the time of Damage or Consequential Loss.

- (ii) any company which is a subsidiary of a parent company of which the Insured are themselves a subsidiary within the meaning of the Companies Act or Companies (Northern Ireland) Order (or any more applicable legislation or regulations in the country in which the Insured is registered) current at the time of Damage or Consequential Loss.

Any release from liability entered into in writing by the Insured prior to loss hereunder shall not affect this MOC or the right of the Insured to recover hereunder. If any amount is recovered as a result of such proceedings, such amount shall be distributed in the following priorities:

- (iii) Any interest, (including the Insured's), exclusive of any excess or self-insured retention, suffering a loss of the type covered by this MOC and in excess of the coverage under this MOC shall be reimbursed up to the amount of such loss (excluding the amount of the excess);
- (iv) Out of the balance remaining, the Company shall be reimbursed to the extent of payment under this MOC;
- (v) The remaining balance, if any, shall inure to the benefit of the Insured, or the Company, with respect to the amount of such primary insurance, excess, self-insured retention, and/or loss of a type not covered by this MOC.

The expense of all proceedings necessary to the recovery of any such amount shall be apportioned between the interests concerned, including that of the Insured, in the ratio of their respective recoveries as finally settled. If there should be no recovery and proceedings are instituted solely on the initiative of the Company, the expense thereof shall be borne by the Company.

- g) **Payments on Account**
Payments on account will be made to the Insured if the Insured wishes, subject to any necessary adjustment at the termination of such period.

5. Fraud and Misrepresentation

This MOC shall be voidable in the event of fraud or if any fraudulent means or devices are used by the Insured or anyone acting on their behalf to obtain benefit under this MOC, or in the event of deliberate misrepresentation, misdescription or nondisclosure of any material particular relevant to the risk covered or any claim hereunder. The Company rights, in the event of non fraudulent non-disclosure or innocent or negligent misrepresentation or misdescription of material particulars relevant to the risk covered or any claim hereunder by the Insured are limited to the right to charge an increased contribution which could reasonably have been demanded had such non-disclosure, misrepresentation or misdescription not occurred.

6. Abandonment

There shall be no abandonment to the Company of any property.

7. Inspection and Audit

The Company shall be permitted but not obligated to inspect the Insured's property at any time. Neither the Company's right to make inspections nor the making thereof nor any report thereon shall constitute an undertaking, on behalf of or for the benefit of the Insured or others, to determine or warrant that such property is safe. The Company may examine and audit the Insured's books and records at any time up to

two years after the final termination of this MOC, as far as they relate to the subject matter of this coverage.

8. Cancellation

This MOC may be cancelled by the Named Insured at any time by written notice or surrender of this MOC. This MOC may also be cancelled by or on behalf of the Company by delivering to the Named Insured or by mailing to the Named Insured, by registered, certified or other first class mail at the Named Insured's address as shown in this MOC, written notice, not less than ninety (90) days prior to the effective date of cancellation.

The mailing of such notice as aforesaid shall be sufficient proof and this MOC and shall terminate at the date and hour specified in such notice. Notwithstanding what has been stated above, however, should this MOC be cancelled for non- payment of contribution, the Company shall only be required to give the Named Insured ten (10) days notice.

If this coverage in total shall be cancelled by the Named Insured, the Company shall retain the customary short rate proportion of the contribution hereon. If the Company elects to cancel coverage mid-term, then such cancellation shall be handled on a pro-rata basis without short rate penalty.

Payment or tender of any unearned contribution by the Company shall not be condition precedent to the effectiveness of cancellation but such payment shall be made forthwith.

Cancellation shall not affect coverage on any shipment in transit on date of cancellation. Coverage will continue in full force until such property is safely delivered and accepted at place of final destination.

It is understood and agreed that if the Named Insured cancels this MOC, the MOC is subject to 25% minimum earned contribution regardless of the length of time coverage is in force.

9. Arbitration

- (a) If any dispute, controversy or claim arises out of or in connection with this MOC, including any question regarding its existence, validity or termination (a Dispute) the parties shall use all reasonable endeavors to resolve the matter amicably. If one party gives the other party notice that a Dispute has arisen and the parties do not resolve the Dispute within thirty (30) days of service of the notice then the Dispute shall be referred to the representatives of the parties who shall, acting jointly and in good faith, attempt to resolve the Dispute. No party shall resort to arbitration against the other party under this MOC until thirty (30) days after such referral.
- (b) All Disputes, which are unresolved pursuant to (a) above and which a party wishes to have resolved, shall be referred upon the application of any party to and finally settled under the London Court of International Arbitration Rules (the Rules) in force at the time the proceedings are commenced, which Rules are deemed to be incorporated by reference to this Arbitration clause. The number of arbitrators shall be three (3), appointed in accordance with the Rules. The seat of the arbitration shall be as stated in the herein. The language of this arbitration shall be English and the award shall be final and binding upon the parties. The arbitrators shall interpret this MOC on the basis of the law identified herein.
- (c) The costs and expenses of the arbitration shall be borne by the Insured and the Company as ordered by the arbitration tribunal. Such legal costs and expenses will not be part of the Limit of Liability.
- (d) The Insured and the Company agree to keep confidential to themselves and their legal and other professional advisers the existence and details of any proceedings pursuant to this Arbitration clause, including their submissions and evidence and all and any awards (including their content, reasons and result) except to the extent that such documents or information are in the public domain or required by a legal duty to be disclosed or disclosure is reasonably necessary to protect or pursue a legal right or remedy or if required by any agency or authority in charge of regulating securities.

10. Jurisdiction

Any dispute which does not fall within the Arbitration clause of this Contract shall be determined under the exclusive jurisdiction of the courts as stated herein.

SECTION X – ACTIVE ASSAILANT EXTENSION

1 Coverage

The **Company** will indemnify the **Insured** up to the Overall Limit of Liability for the following losses occurring during the **Coverage Period**:

1.1 Property Damage

Damage to Property Insured at the **Premises** used in connection with the **Business**, solely and directly caused by an **Active Assailant Event** occurring during the **Coverage Period**.

1.2 Business Interruption

Business Interruption Loss and **Extra Expenses** at the **Premises** during the **Period of Restoration** solely and directly resulting from:

- (a) **Damage to Property Insured** covered by 1.1 above; and/or
- (b) bodily injury or death solely and directly caused by an **Active Assailant Event** occurring at the **Premises** and during the **Coverage Period**; and/or
- (c) a determination by the **Relevant Authority** that, in consequence of an **Active Assailant Event** occurring at the **Premises** during the **Coverage Period**, the **Insured's** operations conducted at the **Premises** must be temporarily or permanently ceased in whole or in part; and/or
- (d) **Ingress/Egress**; and/or
- (e) an **Active Assailant Event** occurring within three hundred and fifty (350) feet of the **Premises** during the **Coverage Period**.

1.3 Additional Special Coverages

The following extra costs and expenses (provided they are reasonable and necessary), solely and directly caused by an **Active Assailant Event** or **Ingress/Egress** occurring within three hundred and fifty (350) feet of the **Premises** during the **Coverage Period**, incurred by the **Insured**:

- (a) **Public Relations Consultancy Costs**
Reasonable and necessary public relations consultancy costs incurred with an **Company**-approved public relations consultant, to mitigate the adverse effects of the **Active Assailant Event** on the **Insured's Business**. Limited to a maximum of USD 100,000, and applicable only to such costs incurred within ninety (90) days of the **Active Assailant Event**.
- (b) **Relocation Expenses**
Relocation expenses for the **Employees** and contractors of the **Insured** for the purpose of relocation within the country where the **Active Assailant Event** first occurred, applicable only to such costs incurred within ninety (90) days of the **Active Assailant Event**.
- (c) **Counselling Costs**
Counselling and/or psychiatric care costs to mitigate the adverse effects of the **Active Assailant Event** for any **Employee**, visitor, customer, contractor, student and/or patient of the **Insured** physically present during the **Active Assailant Event**, limited to a maximum of USD 10,000 per person, and applicable only to such costs incurred within twenty four (24) months of the **Active Assailant Event**.
- (d) **Medical Expenses**
Medical expenses (other than counselling and/or psychiatric care costs) to mitigate the adverse effects of the **Active Assailant Event** for any **Employee**, visitor, customer, contractor, student and/or patient of the **Insured** physically present during the **Active Assailant Event**, limited to a maximum of USD 10,000 per person, and applicable only to such costs incurred within thirty (30) days of the **Active Assailant Event**.
- (e) **Employee Retraining Costs**

Job retraining costs for **Employees** physically present during and injured as a result of the **Active Assailant Event**, limited to a maximum of USD 10,000 per person, and applicable only to such costs incurred within ninety (90) days of the **Active Assailant Event**.

- (f) **Replacement Employee Recruitment Costs**
Recruitment costs to replace **Employees** physically present during and unable to continue working as a result of the **Active Assailant Event**, applicable only to such costs incurred within ninety (90) days of the **Active Assailant Event**.
- (g) **Security Costs**
Security costs for security measures to mitigate the adverse effects of the **Active Assailant Event** provided by an **Company**-approved security consultant. Limited to a maximum of USD 25,000, and applicable only to such costs incurred within thirty (30) days of the **Active Assailant Event**.
- (h) **Other Expenses**
Any other costs incurred with the prior written consent of the **Company** to mitigate the adverse effects of the **Active Assailant Event**.

2 Definitions

- 2.1 **Active Assailant** means a person or group of persons actively engaged in killing or attempting to kill or cause serious bodily injury to a person or group of persons.
- 2.2 **Active Assailant Event** means:
 - (a) a premeditated malicious physical attack by an **Active Assailant** who is physically present and armed with a **Hand-Held Weapon**; and
 - (b) any action of the **Relevant Authority** taken in suppressing, controlling or minimising the immediate consequences of such an attack;which causes **Damage** and/or bodily injury or death, and which affects three (3) or more persons (other than the **Active Assailant**) physically present during the attack.
- 2.3 **Business** means the **Insured's** business activities described on the Schedule.
- 2.4 **Business Interruption Loss** means the actual loss sustained by the **Insured** during the **Period of Restoration** resulting directly from the reasonable and necessary interruption of business at the **Premises**, but not exceeding the reduction in **Gross Earnings** less charges and expenses which are not necessarily incurred during the interruption of the business.
- 2.5 **Damage** means physical loss, physical destruction or physical damage.
- 2.6 **Employee** means:
 - (a) a person under a contract of employment or contract of service or apprenticeship with the **Insured**;
 - (b) a person deemed to be an employee under any workers' compensation, unemployment compensation, social security, disability or similar laws; or
 - (c) any volunteer or person undertaking work experience with the **Insured**; working for and under the control of the **Insured** in connection with the **Business**.
- 2.7 **Extra Expense** means the expenses that are reasonably and necessarily incurred for the purpose of reducing the **Business Interruption Loss** and such expenses, in excess of normal, as would necessarily be incurred in replacing any **Finished Stock** used by the **Insured** to reduce the **Business Interruption Loss**. **Extra Expense** is limited to the excess (if any) of the total cost during the **Period of Restoration** chargeable to the conduct of the **Insured's** business over and above the total cost that would normally have been incurred to conduct the **Insured's** business during the same period had no loss or **Damage** occurred
This provision applies in respect of any one **Occurrence** regardless of the number of locations or **Properties Insured** requiring **Extra Expense**.
- 2.8 **Finished Stock** means stock manufactured by the **Insured** which in the ordinary course of the **Insured's** businesses ready for packing, shipment or sale. For purpose of **Gross Earnings** calculations, **Finished Stock** means the value of **Raw Stock** and labor expenses, plus the proper proportion of manufacturing overhead charges.

- 2.9 **Gross Earnings** means for the assessment of premium and for adjustment in the event of loss, the sum of:
1. Total net sales value of production or sales of **Merchandise**; and
 2. Other earnings derived from the operations of the **Insured's** business;
- less the cost of:
3. **Raw Stock** from which production is derived;
 4. Supplies consisting of materials consumed directly in the conversion of such **Raw Stock** into **Finished Stock**, or in supplying the services sold by the **Insured**;
 5. **Merchandise** sold including packaging materials therefor;
 6. Materials and supplies consumed directly in supplying the service(s) sold by the **Insured**;
 7. Service(s) purchased from outsiders (not employees of the **Insured**) for resale which do not continue under contract; and
 8. The difference between the cost of production and the net selling price of **Finished Stock** which has been sold but not delivered.
- No other costs shall be deducted in determining **Gross Earnings**.
In determining **Gross Earnings** due consideration shall be given to the experience of the business before the date of loss or damage and the probable experience thereafter had loss not occurred.
- 2.10 **Hand-Held Weapon** means any hand-held instrument or hand-held explosive device or explosive device worn on the body that is used by the **Active Assailant** to cause direct physical loss or physical damage and/or bodily injury or death. Hand-Held Weapon includes any **Road Vehicle** that is used by the **Active Assailant** to cause, and is occupied by the **Active Assailant** at the time of, **Damage** and/or bodily injury or death.
- 2.11 **Indemnity Period** means one hundred and eighty (180) days from the start of an **Active Assailant Event**.
- 2.12 **Ingress/Egress** means a determination by the **Relevant Authority** that, in consequence of an **Active Assailant Event** occurring within one thousand five hundred (1,500) feet of the **Premises** during the **Coverage Period**, the **Insured's** operations conducted at the **Premises** must be temporarily or permanently ceased in whole or in part.
- 2.13 **Insured** means the entity named as such in the Schedule.
- 2.14 **Company** means the Company(s) named on the first page of this **MOC**.
- 2.15 **Occurrence** means any one loss and/or series of losses arising out of and directly occasioned by one **Active Assailant Event** or series of **Active Assailant Events** for the same purpose or cause. The duration and extent of any one **Occurrence** shall be limited to all **Damage to Property Insured** and/or bodily injury or death during any period of seventy two (72) consecutive hours arising out of the same purpose or cause.
However no such period of seventy two (72) consecutive hours may extend beyond the expiration of this **MOC** unless there is **Damage to Property Insured** and/or bodily injury or death by one **Active Assailant Event** or series of **Active Assailant Events** prior to expiration and within said period of seventy two (72) consecutive hours nor shall any period of seventy two (72) consecutive hours commence prior to the attachment of this **MOC**.
- 2.16 **Merchandise** means goods kept for sale by the **Insured** which are not the product of manufacturing operations conducted by the **Insured**.
- 2.17 **Period of Restoration** means the period of time commencing with the happening of the **Active Assailant Event** and ending when:
- (a) in respect of **Business Interruption Loss** and **Extra Expense** under 1.2(a), with the exercise of due diligence and dispatch, the repair, rebuilding or replacement of such part of the **Property Insured** as has been destroyed or damaged can be completed;
or
 - (b) in respect of **Business Interruption Loss** and **Extra Expense** under 1.2(b) and (e), the **Insured's** operations conducted at the **Premises** can be resumed; or

- (c) in respect of **Business Interruption Loss** and **Extra Expense** under 1.2(c) and (d), the **Relevant Authority** withdraws its determination that the **Insured's** operations conducted at the **Premises** must be temporarily or permanently ceased in whole or in part, but never more than thirty (30) days;

and not limited by expiration of this **MOC**.

This **MOC** also covers such additional length of time, limited to thirty (30) days, to restore the **Insured's** business to the condition that would have existed had no loss occurred, commencing with the date on which the liability of the **Company** would otherwise terminate in accordance with (a), (b) or (c) above.

However, the liability of the **Company** in respect of **Business Interruption Loss** and **Extra Expenses** shall never exceed the **Indemnity Period**.

- 2.18 **MOC** means this document, the Schedule and any endorsements attached to it.
- 2.19 **Coverage Period** means the period stated as such in the Schedule.
- 2.20 **Premises** means the location specified in the schedule of values provided to the Company, which is owned by or is the responsibility of the **Insured** and the location of any events organised by the **Insured** within the covered jurisdictions.
- 2.21 **Property Insured** means all real and personal physical property of every kind and description (except as specifically excluded) belonging to the **Insured** or for which the **Insured** is responsible or has assumed responsibility to insure prior to the occurrence of any loss or destruction or damage, as at the inception of this **MOC**.
- 2.22 **Raw Stock** means material in the state in which the **Insured** receives it for conversion into **Finished Stock**.
- 2.23 **Referral Area** means Afghanistan, Algeria, Burundi, Cabinda, Central African Republic, Colombia, Congo, Cuba, Democratic Republic of Congo, Ecuador, Egypt, Eritrea, Ethiopia, Georgia, Iraq, Ivory Coast, Jammu and Kashmir, Liberia, Libya, Mali, Mauritania, Myanmar, Nagorno-Karabakh, Nigeria, North Caucasian Federal District, Ukraine, Pakistan, Palestine, Russia, Somalia, South Sudan, Syria, The Republic of Sudan, Yemen, Boston 02108, 02109, 02110, 02111, 02116, Calgary T2, Chicago 60601 through to 60611, London Zone A (E1, E14, EC1, EC2, EC3, EC4, SE1, SW1, W1, WC1 and WC2), New York City 10001 through to 10029, 10036, 10038, 10047, 10048 and zip codes beginning 101 and 102, San Francisco 94102, 94103, 94104, 94105, 94107, 94108, 94109, 94110 and 94111, Singapore 01 through to 06, Toronto M5.
- 2.24 **Relevant Authority** means the present national or local authority with jurisdiction over the location of the **Active Assailant Event**, including any civil, law enforcement or military authority.
- 2.25 **Road Vehicle** means a private or commercial land-based vehicle intended for use on public roads, including motorcycles, automobiles, or trucks.

3 Conditions

3.1 Misrepresentation

If the **Insured** has not told **Company's** about or has misrepresented any facts or circumstances which might affect **Company's** decision to provide coverage or the terms of that coverage, **Company's** may refuse to pay a claim or **Company's** may treat this coverage as though it had never existed.

3.2 Proof of Loss

It is a condition precedent to the liability of the **Company** that the **Insured** proves that the **Insured** was:

- (a) wholly or partially prevented from producing **Merchandise**;
- (b) unable to make up lost production within a reasonable period of time, not limited to the **Period of Restoration**;
- (c) unable to continue operations during the **Period of Restoration**; and
- (d) able to demonstrate **Business Interruption Loss**.

- 3.3 **Abandonment**
There shall be no abandonment of any property to the **Company**.
- 3.4 **Assignment**
Assignment or transfer of this **MOC** or any claim hereunder shall not be valid except with the prior written consent of the **Company**.
- 3.5 **Burden of Proof**
In any claim and/or action, suit or proceeding to enforce a claim for loss under this **MOC**, the burden of proving that the loss is recoverable under this **MOC** and that no limitation or exclusion of this **MOC** applies and the quantum of loss shall fall upon the **Insured**.
- 3.6 **Cancellation**
This MOC may be cancelled by the Named Insured at any time by written notice or surrender of this MOC. This MOC may also be cancelled by or on behalf of the Company by delivering to the Named Insured or by mailing to the Named Insured, by registered, certified or other first class mail at the Named Insured's address as shown in this MOC, written notice, not less than ninety (90) days prior to the effective date of cancellation. The mailing of such notice as aforesaid shall be sufficient proof and this MOC shall terminate at the date and hour specified in such notice. Notwithstanding what has been stated above, however, should this MOC be cancelled for non- payment of assessment, the Company shall only be required to give the Named Insured ten (10) days notice.
If this coverage in total shall be cancelled by the Named Insured, the Company shall retain the customary short rate proportion of the premium hereon. If the Company elects to cancel coverage mid-term, then such cancellation shall be handled on a pro-rata basis without short rate penalty.
Payment or tender of any unearned premium by the Company shall not be condition precedent to the effectiveness of cancellation but such payment shall be made forthwith.
Cancellation shall not affect coverage on any shipment in transit on date of cancellation. Coverage will continue in full force until such property is safely delivered and accepted at place of final destination.
- 3.7 It is understood and agreed that if the Named Insured cancels this MOC, the MOC is subject to 25% minimum earned premium regardless of the length of time coverage is in force. **Change in Circumstances**
The **Insured** shall notify the **Company** of any change of circumstances which would materially affect this coverage as soon as possible on discovery.
- 3.8 **Claims Requirements**
- (a) If the **Insured** makes a claim under this **MOC** the **Insured** must give the **Company's** such relevant information and evidence as may reasonably be required and co-operate fully in the investigation or adjustment of the claim. If required by the **Company**, the **Insured** must submit to examination under oath by any person designated by the **Company**.
 - (b) The **Insured** must provide a signed and sworn proof of loss within sixty (60) days after the occurrence of any loss, damage, cost or expense (unless such period be extended by the written agreement of **Company**) stating full particulars of the amount including when and how it was incurred. The **Insured** shall also produce any documentary evidence, including but not limited to accounts and supporting documents, invoices and the like for the period of twenty four (24) months immediately preceding the occurrence of the **Active Assailant Event** through to the present time, as may be required by **Company's** and their representatives, to support their investigations, and shall afford them every assistance in their investigations.
 - (c) Following an **Active Assailant Event**, the **Insured** agrees to pursue any available recovery under any government compensation plan or other similar scheme for the benefit of the **Company's**.

- (d) The **Insured** will take all reasonable steps to mitigate its losses, such as by using alternative premises if possible and/or resuming normal business operations as soon as possible.

3.9 **Declared Values –Additions, Deletions and Changes**

a. The following is applicable throughout the **Coverage Period**.

- 3.9.1 Automatic coverage shall also apply, for no additional/return premium, to any:
 - (a) increases or reductions to insured values at following a revaluation of **Property Insured** at the **Premises** and/or due to any construction and/or renovation work at the **Premises**;
 - (b) additional property and/or interests of the type already insured by this **MOC** which may be acquired or otherwise become at the risk of the **Insured** during the **Coverage Period**;
 - (c) unintentional error in the valuation of **Property Insured**;provided always that:
 - 1. the total of any increase in insured values during the **Coverage Period** in respect of (a), (b) and (c) above does not exceed fifteen per cent (15%) of the total declared values at inception; and
 - 2. additional property and/or interests stated in (b) above shall not include any property located within a **Referral Area** or within countries not already covered on the schedule of locations declared at inception; and
 - 3. any increase in value and/or unintentional error in valuation of **Property Insured** at any individual location within a **Referral Area** does not exceed fifteen per cent (15%) of that individual declared location value; and
 - 4. any unintentional error in the valuation of the **Property Insured** must be reported by the **Insured** to the **Company's** as soon as possible on discovery and corrected.

3.10 **Dispute Resolution and Governing Law**

Any dispute, controversy or claim arising out of or relating to this **MOC**, including the formation, interpretation, breach or termination thereof, including whether the claims asserted are arbitrable, will be referred to and finally determined by arbitration in accordance with the JAMS International Arbitration Rules.

The tribunal will consist of a sole arbitrator. The place of the arbitration will be New York. The language to be used in the arbitral proceedings will be English. Judgment upon the award rendered by the arbitrator may be entered by any court having jurisdiction thereof.

The proper law of this contract, and of the arbitration agreement, shall be the law of the country or state specified in the Schedule.

3.11 **Due Diligence**

The **Insured** (and all of the **Insured's** agents, sub- or co-contractors) must use due diligence and do (and concur in doing and permit to be done) everything reasonably practicable, including but not limited to taking precautions to protect or remove the **Property Insured**, to avoid or diminish any loss, damage cost or expense of any nature herein insured and to secure compensation for any such loss, damage, cost or expense including taking or preserving action against other parties to enforce any rights and remedies or to obtain relief or indemnity.

The **Insured** agrees to pursue any available recovery under any government compensation plan or other similar scheme for the benefit of the **Company's**. The **Insured** shall allow **Company's** and their representatives access to all necessary information, documentation and accounting data in respect of any such recovery.

3.12 **Expert Fees**

This **MOC** includes, within the Overall Limit of Liability, the necessary and reasonable fees of architects, surveyors, consulting engineers and other professional experts which are incurred in repairing, replacing or reinstating the Property Insured following **Damage** insured under this **MOC**.

- 3.13 **Limits of Liability and Excess**
The **Company's** shall not be liable under this **MOC** for more than the Overall Limit of Liability stated in the Schedule in respect of any one **Occurrence** and in the aggregate for the **Coverage Period**.
Additional Special Coverages outlined in clause 1.3 above shall form part of and not be in addition to the Overall Limit of Liability stated in the Schedule.
Any payment by the **Company** is subject to the Waiting Period and/or Excess stated in the Schedule. During the Waiting Period, the **Company** will not be liable to make any payment which they would otherwise be required to make under the provisions of this **MOC**.
- 3.14 **Multiple Insureds**
Where there are multiple Insureds, the **Companies'** total liability for any loss, damage, cost or expense of any nature sustained by any one or more of the Insureds under this **MOC** will not exceed the Overall Limit of Liability shown in the Schedule.
- 3.15 **Notice of Loss**
The **Insured** must give notice of an **Active Assailant Event** to the **Company** as soon as reasonably practicable in writing, and in any event, within thirty (30) days from the final day of the **Coverage Period** during which the **Active Assailant Event** occurred.
- 3.16 **Other Insurance**
Where the **Insured** has the benefit of cover under any other policy or government pooling arrangement or otherwise, for losses insured under clause 1.1 and/or 1.2 above, this **MOC** shall apply only in respect of any excess beyond the amount which is or would have been covered under that other policy if this **MOC** had not been effected.
Where the **Insured** has the benefit of cover under any other policy for loss insured under clause 1.3 above, the **Company's** will deal with the claim under this **MOC** without waiting for the outcome of any contribution proceedings, but without prejudice to any right the **Company's** may have against the Company of that other policy.
- 3.17 **Sanctions**
The **Company's** shall not be deemed to provide cover and the **Company's** shall not 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 the **Company's** 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.
- 3.18 **Several Liability**
The **Companies'** obligations under this **MOC** are several and not joint and are limited solely to their individual subscriptions. The **Company's** are not responsible for the subscription of any co-subscribing Company who for any reason does not satisfy all or part of its obligations.
- 3.19 **Valuation**
The amount payable in respect of **Damage to Property Insured** shall, subject always to the Overall Limit of Liability, be the cost of repairing, replacing or reinstating (whichever is the least) on the same site, or nearest available site (whichever incurs the least cost) with material of like kind and quality without deduction for depreciation, subject to the following provisions:
(a) The repairs, replacement or reinstatement must be executed with due diligence and dispatch;
(b) Until repair, replacement or reinstatement has been effected the amount of liability under this **MOC** in respect of **Damage to Property Insured** shall be limited to the difference in cash value of the **Property Insured** immediately before and after the **Damage**;
(c) if repair, replacement or reinstatement with material of like kind and quality is restricted or prohibited by any by-laws, ordinance or law, any increased cost of replacement due thereto shall not be covered by this **MOC**.

3.20 **Protection Maintenance**

Any protection provided for the safety of the **Property Insured** shall be maintained in good order throughout the currency of this **MOC** and shall be in use at all relevant times, and such protection shall not be withdrawn or varied to the detriment of the **Company's** without their prior consent.

3.21 **False or Fraudulent claims**

If the **Insured** shall make any claim knowing the same to be knowingly false or fraudulent, as regards amount or otherwise, this **MOC** shall become void and all claims and benefit hereunder shall be forfeited.

3.22 **Third Party Rights**

This **MOC** is effected solely between the **Insured** and the **Company's**. This **MOC** shall not confer any benefits on any third parties, including shareholders or beneficial owners, and no such third party may enforce any term of this **MOC**.

3.23 **Subrogation Clause**

Any release from liability entered into in writing by the **Insured** prior to loss hereunder shall not affect this **MOC** or the right of the **Insured** to recover hereunder.

In the event of any payment under this **MOC**, the **Company's** shall be subrogated to the extent of such payment to all the **Insured's** right of recovery therefor. The **Insured** shall execute all papers required, shall cooperate with the **Company's** and, upon the **Company's** request, shall attend hearings and trials and shall assist in effecting settlements, securing and giving evidence, attaining the attendance of witnesses and in the conduct of suits and shall do anything that may be necessary to secure such right. The **Company's** will act in concert with all other interests concerned (including the **Insured**) in the exercise of such rights of recovery. If any amount is recovered as a result of such proceedings, such amount shall be distributed in the following priorities:

- (a) Any interest, (including the **Insured's**), exclusive of any deductible or self-insured retention, suffering a loss of the type covered by this **MOC** and in excess of the coverage under this **MOC** shall be reimbursed up to the amount of such loss (excluding the amount of the deductible);
- (b) Out of the balance remaining, the **Company's** shall be reimbursed to the extent of payment under this **MOC**;
- (c) The remaining balance, if any, shall inure to the benefit of the **Insured**, or any Company providing insurance primary to this **MOC**, with respect to the amount of such primary insurance, deductible, self-insured retention, and/or loss of a type not covered by this **MOC**.

The expense of all proceedings necessary to the recovery of any such amount shall be apportioned between the interests concerned, including that of the **Insured**, in the ratio of their respective recoveries as finally settled. If there should be no recovery and proceedings are instituted solely on the initiative of the **Company's**, the expense thereof shall be borne by the **Company's**.

4 Exclusions

4.1 This **MOC** does not cover loss, damage, cost or expense of any nature directly or indirectly caused by or arising from:

- (a) nuclear detonation, nuclear reaction, nuclear radiation or radioactive contamination, however caused.
- (b) war, invasion or warlike operations (whether war be declared or not), hostile acts of sovereign or government entities, civil war, rebellion, revolution, insurrection, military or usurped power or martial law.
- (c) chemical or biological release or exposure of any kind.

- (d) seepage and/or discharge of pollutants or contaminants including but not limited to any solid, liquid, gaseous or thermal irritant, contaminant or toxic or hazardous substance or any substance the presence, existence or release of which endangers or threatens to endanger the health, safety or welfare of persons or the environment.
- (e) attacks by electronic means including computer hacking or the introduction of any form of computer virus or corrupting or unauthorised instructions or code or the use of any electromagnetic weapon.
- (f) threat or hoax.
- (g) loss of use, delay or loss of markets, loss of income, loss of attraction, depreciation, fear and disinclination to travel, or reduction in functionality or any other consequential loss not specifically covered herein.
- (h) third party legal liability, employers' liability, or any other legal liability whether arising under workers compensation, unemployment compensation, social security or disability laws, statutes or regulations or otherwise.
- (i) any sexual misconduct, including without limitation, any physical acts, gestures, spoken or written words of a sexual nature, sexual molestation, sexual assault, sexual battery, sexual abuse, sexual harassment, or sexual exploitation.
- (j) gang or drug related crime or violence, organised crime or armed robbery, or fights or brawls.
- (k) strikes, labour unrest, riots or civil commotion.
- (l) any vehicle-borne or remotely detonated explosive device.
- (m) **Business Interruption Loss** caused by an **Active Assailant Event** at a facility supplying gas, electric, water or telephone to the **Premises**.

4.2 **Property Insured** shall not include:

- (a) land or land values.
- (b) power transmission, feeder lines or pipelines not on the **Premises**.
- (c) aircraft or any other aerial device, or watercraft.
- (d) any land conveyance, including vehicles, locomotives or rolling stock, unless such land conveyance is declared to the **Company's** and is located at the **Premises** at the time of **Damage**.
- (e) electronic data.
- (f) animals, plants or living things of all types.

**SECTION X – ACTIVE ASSAILANT EXTENSION, Endorsement 1
FUNERAL EXPENSES ENDORSEMENT**

Company's at no additional premium hereby agree to provide the **Insured** with a sub-limit of **USD 250,000** each and every **Active Assailant Event** for reasonable expense costs associated with the provision of **Funeral Expenses** in connection with an **Active Assailant Event**. Such expense costs are additionally sub-limited to an amount of **USD 25,000** for each deceased person.

This Endorsement additionally includes such expense costs associated with the provision of such **Funeral Expenses** of employees of the **Insured**, or of employees of any third party with whom the **Insured** has contracted for services, but only to the extent that such expense costs are not otherwise recoverable from any workers' compensation, employer's liability or any other similar insurance held by the **Insured** or such contracted third party.

This sub-limit(s) of expense costs is inclusive of all direct associated expenses with respect to the related funeral(s). Furthermore this sub-limit of liability is part of and not in addition to the limit of liability as stated within the schedule.

This Endorsement insures **Funeral Expenses** incurred in connection with an **Active Assailant Event** that occurs during the **Coverage Period**. This Endorsement does not insure any **Active Assailant Event** that first takes place prior to the inception date of this coverage, nor any **Active Assailant Event** that first takes place after the expiration date (or if cancelled, the cancellation date) of this coverage.

If a word is in boldface, please read the definitions section of the MOC to which this Endorsement is attached.

Funeral Expenses means the professional services that are provided and charged via a fixed fee in order to cover the full arrangement of a funeral(s). This includes:

- personal supervision of all the arrangements preceding, during and following the service, liaison with third parties, such as clergy, crematorium, cemetery and florists, use of the funeral home facilities, such as chapels and private rooms, preparing and attending to all essential documentation and provision of all necessary funeral staff to provide a dignified and personal service.
- Supplementary charges, which include bringing the deceased into the undertakers care, presentation of the deceased, provision of a hearse and repatriation of mortal remains.
- The cost of the coffin or casket.
- Additional charges such as limousines, additional mileage and cremation casket.
- Disbursements and other out-of-pocket expenses which are reasonably and necessarily incurred by the Insured, or on the Insured's behalf, in connection with any of the foregoing.

All other terms, conditions and exclusions of this MOC remain unchanged.

**SECTION X – ACTIVE ASSAILANT EXTENSION, Endorsement 2
DEMOLITION, CLEARANCE, AND MEMORIALISATION COSTS EXTENSION ENDORSEMENT**

In consideration of the premium paid, and subject to the terms, conditions, exclusions and definitions of the Active Assailant MOC to which this Endorsement is attached and, in addition, to the terms, conditions, and exclusions stipulated in this Endorsement, this MOC is extended to cover the reasonable and necessary costs, as described below, incurred by the **Insured** as a direct result of a **Active Assailant Event**, as defined by the Active Assailant MOC:

- 1) The costs incurred to demolish any portions of the building, structure, or detached outbuilding at the **Premises** of the **Insured** which has been the location of an **Active Assailant Event** insured under the Active Assailant MOC to which this Endorsement is attached, whether or not such building, structure or detached outbuilding has sustained physical loss or physical damage caused by the **Active Assailant Event**;
- 2) The costs incurred in the removal from the **Premises** of debris of such demolished building, structure or detached outbuilding, in the clearance of the site, and in the making good of the site as appropriate to the environment of the **Premises**.
- 3) The costs incurred to commission, acquire and install suitable memorial plaques, benches or similar articles in dedication to the victim(s) of the **Active Assailant Event**. If any such building, structure, or detached outbuilding described above is not demolished and cleared in accordance with paragraphs 1) and 2), then any costs incurred under this paragraph 3) shall be sublimited to an amount of USD 10,000 in respect of each and every **Active Assailant Event**.

This Endorsement insures **Active Assailant Event** that occurs during the **Coverage Period**. This Endorsement does not insure any **Active Assailant Event** that first takes place prior to the inception date of this coverage, nor any **Active Assailant Event** that first takes place after the expiration date (or if cancelled, the cancellation date) of this coverage.

If a word is in boldface, please read the definitions clause of this Demolition, Clearance, and Memorialisation Costs Extension Endorsement and the definitions section of the Deadly Weapon Protection MOC to which this Endorsement is attached.

LIMIT OF LIABILITY

The **Company's** maximum liability for loss under this Endorsement shall not exceed the smallest of the following amounts:

- a) USD 250,000 in respect of each and every **Active Assailant Event**. The limit of liability of this Extension is part of and not in addition to the limit as stated within the schedule.
- b) The amount(s) actually incurred by the **Insured** in accordance with the coverage provided by this Demolition, Clearance, and Memorialisation Costs Extension Endorsement.

All other terms, conditions and exclusions of this MOC remain unchanged.

**PROGRAM AND/OR NAMED INSURED AND/OR DECLARATION SPECIFIC
ENDORSEMENTS TO BE PROVIDED AFTER THE ABOVE PAGE**

ENDORSEMENT NO. 1 - COVERAGE TERRITORY ENDORSEMENT

This endorsement modifies coverage provided by the MOC:

The Company shall not be deemed to provide cover and the Company shall not 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 the Company, its parent company or its ultimate controlling entity to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union or the United States of America.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

PR4225 (07/13)

ENDORSEMENT NO. 2 - WAR AND TERRORISM EXCLUSION ENDORSEMENT

(Not applicable to Section IX TERRORISM INCLUDING SABOTAGE EXTENSION, or, Section X ACTIVE ASSAILANT EXTENSION)

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

- (1) war, invasion, acts of foreign enemies, hostilities or warlike operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power; or
- (2) any act of terrorism.

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

This endorsement also excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to (1) and/or (2) above.

If the Underwriters allege that by reason of this exclusion, any loss, damage, cost or expense is not covered by this coverage 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.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

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ENDORSEMENT NO. 3 - COMMUNICABLE DISEASE ENDORSEMENT

This endorsement modifies coverage provided by the MOC:

1. This MOC, subject to all applicable terms, conditions and exclusions, covers losses attributable to direct physical loss or physical damage occurring during the period of coverage. Consequently and notwithstanding any other provision of this MOC to the contrary, this MOC does not insure any loss, damage, claim, cost, expense or other sum, directly or indirectly arising out of, attributable to, or occurring concurrently or in any sequence with a Communicable Disease or the fear or threat (whether actual or perceived) of a Communicable Disease.
2. For the purposes of this endorsement, loss, damage, claim, cost, expense or other sum, includes, but is not limited to, any cost to clean-up, detoxify, remove, monitor or test:
 - 2.1. for a Communicable Disease, or
 - 2.2. any property insured hereunder that is affected by such Communicable Disease.
3. As used herein, a Communicable Disease means any disease which can be transmitted by means of any substance or agent from any organism to another organism where:
 - 3.1. the substance or agent includes, but is not limited to, a virus, bacterium, parasite or other organism or any variation thereof, whether deemed living or not, and
 - 3.2. the method of transmission, whether direct or indirect, includes but is not limited to, airborne transmission, bodily fluid transmission, transmission from or to any surface or object, solid, liquid or gas or between organisms, and
 - 3.3. the disease, substance or agent can cause or threaten damage to human health or human welfare or can cause or threaten damage to, deterioration of, loss of value of, marketability of or loss of use of property insured hereunder.
4. This endorsement applies to all coverage extensions, additional coverages, exceptions to any exclusion and other coverage grant(s).

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

ENDORSEMENT NO. 4 – AMENDMENTS TO THE MOC WORDING
(Only applies to London Supported Capacity)

- 1) **SECTION I – GENERAL PROVISIONS. F. LIMITS OF LIABILITY, 2. SUB-LIMITS OF LIABILITY** are amended as follows:

Included Electronic Data Processing Equipment and Hardware (refer to LMA5400)
\$10,000,000 Electronic Data Processing Data and Media – Physical Damage Only (refer to LMA 5400)

The following is added:

No Coverage
Provided Cyber Act (refer to LMA 5400)

- 2) **G. DEDUCTIBLE PROVISIONS** are amended as follows:

The following is deleted:

Wildfire

USD 5,000,000 per occurrence in respect of Butte Schools Self-Funded Programs
USD 2,500,000 per occurrence in respect of Redwood Empire Schools’ Insurance Group
USD 250,000 per occurrence for all other members.

In the event that two or more members are affected by the same Wildfire occurrence, only the largest deductible shall apply

And replaced with:

Wildfire

USD 5,000,000 per occurrence in respect of Butte Schools Self-Funded Programs
USD 2,500,000 per occurrence in respect of Redwood Empire Schools’ Insurance Group
USD 500,000 per occurrence in respect of Schools Insurance Authority and Schools Insurance Group
USD 250,000 per occurrence in respect of North Bay Schools Insurance Authority

If members with the same Wildfire deductible are affected by the same Wildfire occurrence only one deductible applies combined.

If members with different Wildfire deductibles are affected by the same Wildfire occurrence, both deductibles apply to their respective loss.

- 3) **SECTION II B. 21 ACCIDENTAL CONTAMINATION** is deleted and replaced with the following:

This MOC is hereby extended to cover Business Interruption and Property Damage loss as a result of accidental contamination, discharge or dispersal from any source to Covered Property, including expenses necessarily incurred to clean up, remove and dispose of contaminated substances so as to restore the covered property to the same condition as existed prior to loss. All accidental contamination, discharge or dispersal including that as a result is itself caused by physical damage to covered property by fire, lightning, flood, earth movement, impact from

aircraft, explosion, riot, civil commotion, smoke, collapse, vehicles, windstorm, hail, vandalism, malicious mischief or leakage and accidental discharge from automatic fire protective systems whereupon this extension shall provide coverage up to \$ 1,000,000 per occurrence for all properties combined.

For the purposes of this Accidental Contamination clause only, the term "Covered Property", as covered by this MOC, is held to include Land (and Land Values) on which Covered Property is located whether or not the same are excluded by this MOC.

It is further understood and agreed that this coverage clause shall not override anything contained in Asbestos Clean Up and Removal in this MOC.

- 4) **SECTION IV – GENERAL CONDITIONS. Z. ELECTRONIC DATA** is deleted in its entirety and is replaced with **ENDORSEMENT NO. 5 – PROPERTY CYBER AND DATA ENDORSEMENT.**

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

ENDORSEMENT NO. 5 - PROPERTY CYBER AND DATA ENDORSEMENT
(Only applies to London Supported Capacity)

This endorsement modifies coverage provided by the MOC:

- 1 Notwithstanding any provision to the contrary within this MOC or any endorsement thereto this MOC excludes any:
 - 1.1 Cyber Loss, unless subject to the provisions of paragraph 2;
 - 1.2 loss, damage, liability, claim, cost, expense of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any loss of use, reduction in functionality, repair, replacement, restoration or reproduction of any Data, including any amount pertaining to the value of such Data, unless subject to the provisions of paragraph 3;

regardless of any other cause or event contributing concurrently or in any other sequence thereto.
- 2 Subject to all the terms, conditions, limitations and exclusions of this MOC or any endorsement thereto, this MOC covers physical loss or physical damage to property insured under this MOC caused by any ensuing fire or explosion which directly results from a Cyber Incident, unless that Cyber Incident is caused by, contributed to by, resulting from, arising out of or in connection with a Cyber Act including, but not limited to, any action taken in controlling, preventing, suppressing or remediating any Cyber Act.
- 3 Subject to all the terms, conditions, limitations and exclusions of this MOC or any endorsement thereto, should Data Processing Media owned or operated by the Insured suffer physical loss or physical damage insured by this MOC, then this MOC will cover the cost to repair or replace the Data Processing Media itself plus the costs of copying the 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 the Data. If such media is not repaired, replaced or restored the basis of valuation shall be the cost of the blank Data Processing Media. However, this MOC excludes any amount pertaining to the value of such Data, to the Insured or any other party, even if such Data cannot be recreated, gathered or assembled.
- 4 In the event any portion of this endorsement is found to be invalid or unenforceable, the remainder shall remain in full force and effect.
- 5 This endorsement supersedes and, if in conflict with any other wording in the MOC or any endorsement thereto having a bearing on Cyber Loss, Data or Data Processing Media, replaces that wording.

Definitions

- 6 Cyber Loss means any loss, damage, liability, claim, cost or expense of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any Cyber Act or Cyber Incident including, but not limited to, any action taken in controlling, preventing, suppressing or remediating any Cyber Act or Cyber Incident.
- 7 Cyber Act means an unauthorised, malicious or criminal act or series of related unauthorised, malicious or criminal acts, regardless of time and place, or the threat or hoax thereof involving access to, processing of, use of or operation of any Computer System.

- 8 Cyber Incident means:
- 8.1 any error or omission or series of related errors or omissions involving access to, processing of, use of or operation of any Computer System; or
- 8.2 any partial or total unavailability or failure or series of related partial or total unavailability or failures to access, process, use or operate any Computer System.
- 9 Computer System means:
- 9.1 any computer, hardware, software, communications system, electronic device (including, but not limited to, smart phone, laptop, tablet, wearable device), server, cloud or microcontroller including any similar system or any configuration of the aforementioned and including any associated input, output, data storage device, networking equipment or back up facility,
- owned or operated by the Insured or any other party.
- 10 Data means information, facts, concepts, code or any other information of any kind that is recorded or transmitted in a form to be used, accessed, processed, transmitted or stored by a Computer System.
- 11 Data Processing Media means any property insured by this MOC on which Data can be stored but not the Data itself.

LMA5400
11 November 2019

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.