09/09/11

Application # CDSF11-50040996

Harnett County Central Permitting
PO Box 65 Lillington NC 27546
910 893 7525 Fax 910 893 2793 www harnett org/permits

Each section below to be filled out by whomever performing work Must be owner or licensed contractor Address company name & phone must match

Application for Residential Building and Trades Permit

Owner s Name Michael & Jessica Attier Date

Site Address 220 Gentle Valley Way Fuquay Varina Phone 734-573-3233

Directions to job site from Lillington

Subdivision Lot

Description of Proposed Work New house building with pool # of Bedrooms

Heated SF Unheated SF Finished Bonus Room? Yes Crawl Space X Slab

General Contractor Information

Genesis Construction — Building Contractor s Company Name
919-377-8809 — Telephone
1018 Morrisville Parkway Suite F — Address
Genesisconstruction2016@gmail.com — Email Address
79629 — License #

Electrical Contractor Information

Description of Work Service Size Amps T-Pole Yes No

Seagroves Electrical Service Inc. — Electrical Contractor s Company Name
919-772-7124 — Telephone
8517 Applecross Circle — Address
Seagroveselectrical@gmail.com — Email Address
11000-4 — License #

Mechanical/HVAC Contractor Information

Description of Work

Airetime — Mechanical Contractor s Company Name
919-337-5824 — Telephone
36 Dianne Street — Address
Keith@airetimenc.com — Email Address
23922 — License #

Plumbing Contractor Information

Description of Work # Baths

Raleigh Plumbing — Plumbing Contractor s Company Name
919-821-2300 — Telephone
5060 Trademark Place — Address
Gary@Raleighplumbing.com — Email Address
17542 — License #

Insulation Contractor Information

Prime Energy Group 2300 Westinghouse Blvd — Insulation Contractor s Company Name & Address
919-338-6137 — Telephone

***NOTE General Contractor must fill out and sign the second page of this application**

I hereby certify that I have the authority to make necessary application that the application is correct and that-the construction will conform to the regulations in the Building Electrical Plumbing and Mechanical codes and the Harnett County Zoning Ordinance I state the information on the above contractors is correct as known to me and that **by signing below I have obtained all subcontractors permission to obtain these permits** and if **any** changes occur including listed contractors site plan number of bedrooms building and trade plans Environmental Health permit changes or proposed use changes I certify it is my responsibility to notify the Harnett County Central Permitting Department of any and all changes

EXPIRED PERMIT FEES - 6 Months to 2 years permit re-issue fee is $150 00 After 2 years re-issue fee is as per current fee schedule

Signature of Owner/Contractor/Officer(s) of Corporation _____ Date 8/6/18

Affidavit for Worker's Compensation N C G S 87-14

The undersigned applicant being the

X General Contractor _____ Owner _____ Officer/Agent of the Contractor or Owner

Do hereby confirm under penalties of perjury that the person(s) firm(s) or corporation(s) performing the work set forth in the permit

X Has three (3) or more employees and has obtained workers compensation insurance to cover them

_____ Has one (1) or more subcontractors(s) and has obtained workers compensation insurance to cover them

_____ Has one (1) or more subcontractors(s) who has their own policy of workers compensation insurance covering themselves

_____ Has no more than two (2) employees and no subcontractors

While working on the project for which this permit is sought it is understood that the Central Permitting Department issuing the permit may require certificates of coverage of worker s compensation insurance prior to issuance of the permit and at any time during the permitted work from any person firm or corporation carrying out the work

Company or Name Genesis Construction

Sign w/Title _____ owner Date 8/6/18

B3506 - P75

For Registration Kimberly S. Hargrove
Register of Deeds
Harnett County, NC
Electronically Recorded
2017 May 19 02:50 PM NC Rev Stamp: $ 100.00
Book: 3506 Page: 75 - 76 Fee: $ 26.00
Instrument Number: 2017007205

HARNETT COUNTY TAX ID#
08-0643-0014-02

05-19-2017 BY CW

NORTH CAROLINA GENERAL WARRANTY DEED

Excise Tax: $100.00

Parcel Identifier No. 080643 0014 02 Verified by _____ County on the ____ day of _____, 20____
By: _____

Mail/Box to: Grantee

This instrument was prepared by Hervey & Hervey, PA

Brief description for the Index: _____

THIS DEED made this 19th day of May, 2017, by and between

GRANTOR	GRANTEE
Mae Langston Cotten f/k/a Mae W. Langston, and husband, **John Stanley Cotten**	**Michael Altier** and wife, **Jessica Altier**
275 Country Folks Lane Holly Springs, NC 27540	6700 Sandwell Lane, Apt 201 Raleigh, NC 27607

The designation Grantor and Grantee as used herein shall include said parties, their heirs, successors, and assigns, and shall include singular, plural, masculine, feminine or neuter as required by context.

WITNESSETH, that the Grantor, for a valuable consideration paid by the Grantee, the receipt of which is hereby acknowledged, has and by these presents does grant, bargain, sell and convey unto the Grantee in fee simple, all that certain lot or parcel of land situated in Harnett County, North Carolina and more particularly described as follows:

> BEING all of Lot 2-B, approximately 3.687 acres, more or less, as shown on a map entitled "Division of Heirs and Lot Recombination Owned by and Surveyed for Craven A. and Mae W. Langston" and recorded in Book of Maps 2004, Page 1338, Harnett County Registry.
>
> Together with that access easement over and across that 50' Access Easement known as Green Valley Lane as shown on that plat recorded in Book of Maps 2004, Page 1338 and Book of Maps 2010, Page 289, Harnett County Registry.

The property hereinabove described was acquired by Grantor by instrument recorded in Book 1969, Page 582 & Book 2528, Page 865, Harnett County Registry.

The property herein conveyed does not include the primary residence of a Grantor.

B3506 - P76

TO HAVE AND TO HOLD the aforesaid lot or parcel of land and all privileges and appurtenances thereto belonging to the Grantee in fee simple.

And the Grantor covenants with the Grantee, that Grantor is seized of the premises in fee simple, has the right to convey the same in fee simple, that title is marketable and free and clear of all encumbrances, and that Grantor will warrant and defend the title against the lawful claims of all persons whomsoever, other than the following exceptions:

1) Ad Valorem taxes for the current year and subsequent years.
2) All easements, covenants, and restrictions of record.
3) Zoning regulations and ordinances.

IN WITNESS WHEREOF, the Grantor has duly executed the foregoing as of the day and year first above written.

Mae Langston Cotten

Mae Langston Cotten

John Stanley Cotten

John Stanley Cotten

State of North Carolina
County of Wake

I, the undersigned Notary Public of the County of Wake and State aforesaid, certify that Mae Langston Cotten and John Stanley Cotten, personally appeared before me this day and acknowledged the due execution of the foregoing instrument for the purposes therein expressed.

Witness my hand and Notarial stamp or seal this 19th day of May, 2017.

Notary Public

My Commission Expires: 9-7-2018

BENJAMIN H. HERVEY
NOTARY PUBLIC
WAKE COUNTY, NC
My Commission Expires 9-7-2018

ACORD®

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY) 07/10/2018

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER
Capital Insurance & Financial Services, Inc.
3701 Lake Boone Trail, Suite 200
Raleigh NC 27607

CONTACT NAME: Kate Gay
PHONE (A/C, No, Ext): 919-571-0685 FAX (A/C, No): (919)571-0684
E-MAIL ADDRESS: kgay@capital-ins.com

INSURER(S) AFFORDING COVERAGE	NAIC #
INSURER A: Erie Insurance	
INSURER B:	
INSURER C:	
INSURER D:	
INSURER E:	
INSURER F:	

INSURED
Durazzo Enterprizes LLC DBA Genesis Construction
1204 Chessway
Morrisville NC 27560

COVERAGES CERTIFICATE NUMBER: REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	X COMMERCIAL GENERAL LIABILITY CLAIMS-MADE OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: X POLICY PRO-JECT LOC OTHER:	N	N	Q302200882	06/22/2018	06/22/2019	EACH OCCURRENCE	$ 1000000
							DAMAGE TO RENTED PREMISES (Ea occurrence)	$ 1000000
							MED EXP (Any one person)	$ 5000
							PERSONAL & ADV INJURY	$ 1000000
							GENERAL AGGREGATE	$ 2000000
							PRODUCTS - COMP/OP AGG	$ 2000000
								$
	AUTOMOBILE LIABILITY ANY AUTO OWNED AUTOS ONLY HIRED AUTOS ONLY SCHEDULED AUTOS NON-OWNED AUTOS ONLY						COMBINED SINGLE LIMIT (Ea accident)	$
							BODILY INJURY (Per person)	$
							BODILY INJURY (Per accident)	$
							PROPERTY DAMAGE (Per accident)	$
								$
	UMBRELLA LIAB OCCUR EXCESS LIAB CLAIMS-MADE DED RETENTION $						EACH OCCURRENCE	$
							AGGREGATE	$
								$
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) Y/N Y If yes, describe under DESCRIPTION OF OPERATIONS below	N/A	N	Q293121000	05/31/2018	05/31/2019	X PER STATUTE OTH-ER	
							E.L. EACH ACCIDENT	$ 1000000
							E.L. DISEASE - EA EMPLOYEE	$ 1000000
							E.L. DISEASE - POLICY LIMIT	$ 1000000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

CERTIFICATE HOLDER

Town of Harnett County
108 East Front Street
Lillington NC 27546

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE
Angie Cox

Fax: Email:

CENTRAL INSURANCE COMPANIES

Fulfilling the Promise Since 1876

CENTRAL MUTUAL INSURANCE COMPANY
800 S. WASHINGTON ST
VAN WERT, OHIO 45891-2381
www.central-insurance.com

BUILDERS RISK POLICY COMMON DECLARATIONS

NAMED INSURED AND MAILING ADDRESS
DURAZZO ENTERPRIZES LLC
1018 MORRISVILLE PKWY
MORRISVILLE, NC 27560-0308

AGENT VJ02 NEW
CAPITAL INSURANCE & FINANCIAL SERVICES INC
707 N WOODROW ST
FUQUAY VARINA, NC 27526-1746
(919)552-5645
www.capital-ins.com

POLICY NUMBER: CLP 9919037 10

POLICY PERIOD: FROM 07/10/2018 TO 07/10/2019
AT 12:01 A.M. STANDARD TIME AT YOUR MAILING ADDRESS SHOWN ABOVE

BUSINESS DESCRIPTION: BUILDERS RISK
FORM OF BUSINESS: LIMITED LIABILITY COMPANY

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

	PREMIUM
COMMERCIAL INLAND MARINE COVERAGE PART	$1,068
THE ADVANCE PREMIUM DUE AT INCEPTION IS -- THIS PREMIUM MAY BE SUBJECT TO ADJUSTMENT	$1,068

THESE COMMON DECLARATIONS AND THE COMMON POLICY CONDITIONS, TOGETHER WITH THE COVERAGE PART COVERAGE FORM(S), AND FORMS AND ENDORSEMENTS, IF ANY, ISSUED TO FORM A PART THEREOF, COMPLETE THE ABOVE NUMBERED POLICY.

COMMERCIAL LINES POLICY DECLARATIONS (continued)

NAMED INSURED
DURAZZO ENTERPRIZES LLC

POLICY NUMBER
CLP 9919037 10

FORMS AND ENDORSEMENTS APPLICABLE TO POLICY CLP 9919037 10 ON 07/10/2018

COMMON DECLARATIONS

FORM NBR	EDITION	FORM TITLE
* IL0017	1198	COMMON POLICY CONDITIONS
* IL0269	0908	NORTH CAROLINA CHANGES - CANCELLATION AND NONRENEWAL
* IL0952	0115	CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM
* IL0986	0115	EXCLUSION OF CERTIFIED ACTS OF TERRORISM INVOLVING NUCLEAR, BIOLO
* 20-1768	0891	MUTUAL POLICY CONDITIONS-APPLICABLE TO CENTRAL MUTUAL
* 20-1769	0891	PROVISIONS APPLICABLE TO CENTRAL MUTUAL & ALL AMERICA INS CO
* 20-2118	0315	POLICYHOLDER DISCLOSURE NOTICE (TERRORISM INS & VIRUS)
* 20-2143	0614	AVAILABLE PAY PLANS
* 20-2288	0210	REINSTATEMENT AND NON-SUFFICIENT FUNDS FEE NOTICE
* 20-2375	0315	NOTICE TO POLICYHOLDERS - NBCR EXCLUSION

INLAND MARINE COVERAGE PART DECLARATIONS

FORM NBR	EDITION	FORM TITLE
* CL0100	0399	COMMON POLICY CONDITIONS
* CL0158	0101	NC-AMENDATORY ENDORSEMENT
* CM0001	0904	COMMERCIAL INLAND MARINE CONDITIONS
* CM0103	0214	NORTH CAROLINA CHANGES
* IM2067	0906	AMENDATORY ENDORSEMENT NORTH CAROLINA
* 7-1235	1185	QUICK REF-COML IM COVERAGE PART
* 7-1459	1215	BUILDERS RISK NOTICE TO POLICYHOLDERS - ONE YEAR POLICY
* 14-2819	0517	BUILDERS RISK COVERAGE

* DENOTES FORMS ATTACHED WITH THIS TRANSACTION

COMMERCIAL INLAND MARINE COVERAGE PART DECLARATIONS

NAMED INSURED
DURAZZO ENTERPRIZES LLC

POLICY NUMBER
CLP 9919037 10

COVERAGE PROVIDED

INSURANCE AT THE DESCRIBED PREMISES APPLIES ONLY FOR COVERAGE FOR WHICH A LIMIT OF INSURANCE IS SHOWN.

PREMISES 001 **BUILDING** 001 220 GENTLE VALLEY LN, FUQUAY VARINA, NC 27526

COVERAGE	LIMIT OF INSURANCE	DEDUCTIBLE
BUILDERS RISK (RESIDENTIAL) - RC		$1,000 EA. OCC.
ESTIMATED COMPLETED VALUE	$589,000	
EARTHQUAKE, FLOOD, AND SEWER BACKUP SCHEDULE		
EARTHQUAKE	NO COVERAGE	
FLOOD	NO COVERAGE	
EXPANDED SEWER BACKUP	NO COVERAGE	

PER POLICY COVERAGES - ALL LOCATIONS

COVERAGE	LIMIT OF INSURANCE	VALUATION	DEDUCTIBLE	COINSURANCE OR LIMITATION
CERTIFIED ACTS OF TERRORISM UNDER THE TERRORISM RISK INSURANCE ACT			PREMIUM $8	

PRESIDENT

SECRETARY

July 10, 2018
DATE

COMMON POLICY CONDITIONS

All Coverage Parts included in this policy are subject to the following conditions.

A. CANCELLATION

1. The first Named Insured shown in the Declarations or Change Endorsement may cancel this policy by mailing or delivering to us advance written notice of cancellation.
2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
   a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
   b. 30 days before the effective date of cancellation if we cancel for any other reason.
3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
5. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
6. If notice is mailed, proof of mailing will be sufficient proof of notice.

B. CHANGES

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

C. EXAMINATION OF YOUR BOOKS AND RECORDS

We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward.

D. INSPECTIONS AND SURVEYS

1. We have the right to:
   a. Make inspections and surveys at any time;
   b. Give you reports on the conditions we find; and
   c. Recommend changes.
2. We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:
   a. Are safe or healthful; or
   b. Comply with laws, regulations, codes or standards.
3. Paragraphs **1.** and **2.** of this condition apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.
4. Paragraph **2.** of this condition does not apply to any inspections, surveys, reports or recommendations we may make relative to certification, under state or municipal statutes, ordinances or regulations, of boilers, pressure vessels or elevators.

E. PREMIUMS

The first Named Insured shown in the Declarations or Change Endorsement:

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

F. TRANSFER OF YOUR RIGHTS AND DUTIES UNDER THIS POLICY

Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual named insured.

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

Provisions Applicable To

CENTRAL MUTUAL INSURANCE COMPANY

MUTUAL POLICY CONDITIONS

This policy is issued by a Mutual Company. We have special regulations that apply by law to our organization, membership, policies and contracts. The following forms a part of your policy:

This policy is nonassessable. You are not subject to any contingent liability nor liable for any assessment.

The Board of Directors, at their discretion, may determine and pay you any unused premiums (dividends).

NOTICE OF ANNUAL MEETING

You are hereby notified that by virtue of this policy, you are a member of the Central Mutual Insurance Company and are entitled to vote either in person or by proxy at any and all meetings of our Company. The annual meetings are held at our home office, Van Wert, Ohio, on the second Wednesday of May in each year at two o'clock P.M.

PROVISIONS APPLICABLE TO CENTRAL MUTUAL AND ALL AMERICA INSURANCE COMPANIES

IN WITNESS WHEREOF, we have executed and attested this policy. If required by state law, this policy is not valid unless it is countersigned by our authorized representative.

President

Secretary

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NORTH CAROLINA CHANGES – CANCELLATION AND NONRENEWAL

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART
COMMERCIAL GENERAL LIABILITY COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL LIABILITY UMBRELLA COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
CRIME AND FIDELITY COVERAGE PART
EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART
EQUIPMENT BREAKDOWN COVERAGE PART
FARM COVERAGE PART
FARM UMBRELLA LIABILITY POLICY
LIQUOR LIABILITY COVERAGE PART
MEDICAL PROFESSIONAL LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

A. Paragraph **2.** of the CANCELLATION Common Policy Condition is replaced by the following:

2. Cancellation Requirements

a. POLICIES IN EFFECT LESS THAN 60 DAYS

If this policy has been in effect for less than 60 days, we may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:

1) 15 days before the effective date of cancellation if we cancel for nonpayment of premium; or

2) 30 days before the effective date of cancellation if we cancel for any other reason.

b. POLICIES IN EFFECT MORE THAN 60 DAYS

If this policy has been in effect for 60 days or more, or is a renewal of a policy we issued, we may cancel this policy prior to the:

1) Expiration of the policy term; or

2) Anniversary date,

stated in the policy only for one or more of the following reasons:

a) Nonpayment of premium;

b) An act or omission by the insured or his or her representative that constitutes material misrepresentation or nondisclosure of a material fact in obtaining this policy, continuing this policy or presenting a claim under this policy;

c) Increased hazard or material change in the risk assumed that could not have been reasonably contemplated by the parties at the time of assumption of the risk;

d) Substantial breach of contractual duties, conditions or warranties that materially affects the insurability of the risk;

e) A fraudulent act against us by the insured or his or her representative that materially affects the insurability of the risk;

f) Willful failure by the insured or his or her representative to institute reasonable loss control measures that materially affect the insurability of the risk after written notice by us;

g) Loss of facultative reinsurance, or loss of or substantial changes in applicable reinsurance as provided in G.S. 58-41-30;

h) Conviction of the insured of a crime arising out of acts that materially affect the insurability of the risk;

i) A determination by the Commissioner of Insurance that the continuation of the policy would place us in violation of the laws of North Carolina; or

j) You fail to meet the requirements contained in our corporate charter, articles of incorporation or by-laws when we are a company organized for the sole purpose of providing members of an organization with insurance coverage in North Carolina.

We will mail or deliver written notice of cancellation to the first Named Insured at least:

i) 15 days before the effective date of cancellation if we cancel for nonpayment of premium; or

ii) 30 days before the effective date of cancellation if we cancel for any other reason.

c. Cancellation for nonpayment of premium will not become effective if you pay the premium amount due before the effective date of cancellation.

d. We may also cancel this policy for any reason not stated above provided we obtain your prior written consent.

B. The following provisions are added and supersede any other provisions to the contrary:

1. **NONRENEWAL**

a. If we elect not to renew this policy, we will mail or deliver to the first Named Insured shown in the Declarations written notice of nonrenewal at least 45 days prior to the:

1) Expiration of the policy if this policy has been written for one year or less; or

2) Anniversary date of the policy if this policy has been written for more than one year or for an indefinite term.

b. We need not mail or deliver the notice of nonrenewal if you have:

1) Insured property covered under this policy, under any other insurance policy;

2) Accepted replacement coverage; or

3) Requested or agreed to nonrenewal of this policy.

c. If notice is mailed, proof of mailing will be sufficient proof of notice.

2. The written notice of cancellation or nonrenewal will:

a. Be mailed or delivered to the first Named Insured and any designated mortgagee or loss payee at their addresses shown in the policy, or if not indicated in the policy, at their last known addresses; and

b. State the reason or reasons for cancellation or nonrenewal.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM

This endorsement modifies insurance provided under the following:

BOILER AND MACHINERY COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
EQUIPMENT BREAKDOWN COVERAGE PART
FARM COVERAGE PART
STANDARD PROPERTY POLICY

A. Cap On Certified Terrorism Losses

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

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

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

B. Application Of Exclusions

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF CERTIFIED ACTS OF TERRORISM INVOLVING NUCLEAR, BIOLOGICAL, CHEMICAL OR RADIOLOGICAL TERRORISM; CAP ON COVERED CERTIFIED ACTS LOSSES

This endorsement modifies insurance provided under the following:

BOILER AND MACHINERY COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
CRIME AND FIDELITY COVERAGE PART
EQUIPMENT BREAKDOWN COVERAGE PART
FARM COVERAGE PART
STANDARD PROPERTY POLICY

SCHEDULE *

The **Exception Covering Certain Fire Losses** (Paragraph **C**) applies to property located in the following state(s), if covered under the indicated Coverage Form, Coverage Part or Policy:

State(s)	Coverage Form, Coverage Part Or Policy

*** (Information required to complete this endorsement, if not shown above, will be shown in the Declarations or Change Endorsement.)**

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

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

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

B. The following exclusion is added:

LIMITED EXCLUSION OF CERTIFIED ACTS OF TERRORISM

We will not pay for loss or damage caused directly or indirectly by a "certified act of terrorism". Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss. But this exclusion applies only when one or more of the following are attributed to such act:

1. The terrorism is carried out by means of the dispersal or application of radioactive material, or through the use of a nuclear weapon or device that involves or produces a nuclear reaction, nuclear radiation or radioactive contamination; or
2. Radioactive material is released, and it appears that one purpose of the terrorism was to release such material; or

3. The terrorism is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical material; or
4. Pathogenic or poisonous biological or chemical material is released, and it appears that one purpose of the terrorism was to release such material.

When this terrorism exclusion applies in accordance with the terms of Paragraph **B.1.** or **B.2.**, the terrorism exclusion applies without regard to the Nuclear Hazard Exclusion in this Coverage Part or Policy.

C. Exception Covering Certain Fire Losses

The following exception to the exclusion in Paragraph **B.** applies only if indicated and as indicated in the Schedule of this endorsement, Declarations or Change Endorsement.

If a "certified act of terrorism" excluded under Paragraph **B.** results in fire, we will pay for the loss or damage caused by that fire, subject to all applicable policy provisions including the Limit of Insurance on the affected property. Such coverage for fire applies only to direct loss or damage by fire to Covered Property. Therefore, for example, the coverage does not apply to insurance provided under Business Income and/or Extra Expense coverage forms or endorsements that apply to those coverage forms, or to the Legal Liability Coverage Form or the Leasehold Interest Coverage Form.

D. Cap On Certified Terrorism Losses

The following limitation applies to coverage for any one or more "certified acts of terrorism" that are not excluded by the terms of the exclusion in Paragraph **B.** and to any loss or damage that is covered and to which the exception in Paragraph **C.** applies:

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

This Paragraph, **D.**, does not apply to insurance provided under the Crime And Fidelity Coverage Part.

E. Application Of Exclusions

The terms and limitations of any terrorism exclusion, or the non-applicability or omission of a terrorism exclusion, do not serve to create coverage for any loss which would otherwise be excluded under this Coverage Part or Policy, such as losses excluded by the War And Military Action Exclusion.

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QUICK REFERENCE
COMMERCIAL INLAND MARINE COVERAGE PART

READ YOUR POLICY CAREFULLY

The Commercial Inland Marine Coverage Part in your policy consists of Declarations, one or more Coverage Forms, Commercial Inland Marine Conditions, Common Policy Conditions and Endorsements, if applicable. Following is a Quick Reference indexing of the principal provisions contained in each of the components making up this Coverage Part.

COMMERCIAL INLAND MARINE CONDITIONS

The following conditions apply in addition to the Common Policy Conditions and applicable Additional Conditions in Commercial Inland Marine Coverage Forms:

LOSS CONDITIONS

A. Abandonment

There can be no abandonment of any property to us.

B. Appraisal

If we and you disagree on the value of the property or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the value of the property and amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

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

If there is an appraisal, we will still retain our right to deny the claim.

C. Duties In The Event Of Loss

You must see that the following are done in the event of loss or damage to Covered Property:

1. Notify the police if a law may have been broken.
2. Give us prompt notice of the loss or damage. Include a description of the property involved.
3. As soon as possible, give us a description of how, when and where the loss or damage occurred.
4. Take all reasonable steps to protect the Covered Property from further damage, and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.
5. You will not, except at your own cost, voluntarily make a payment, assume any obligation, or incur any expense without our consent.
6. As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.

   Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.
7. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.
8. Send us a signed, sworn proof of loss containing the information we request to settle the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.
9. Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or suit.
10. Cooperate with us in the investigation or settlement of the claim.

D. Insurance Under Two Or More Coverages

If two or more of this policy's coverages apply to the same loss or damage, we will not pay more than the actual amount of the loss or damage.

E. Loss Payment

1. We will give notice of our intentions within 30 days after we receive the sworn proof of loss.
2. We will not pay you more than your financial interest in the Covered Property.
3. We may adjust losses with the owners of lost or damaged property if other than you. If we pay the owners, such payments will satisfy your claim against us for the owners' property. We will not pay the owners more than their financial interest in the Covered Property.
4. We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.
5. We will pay for covered loss or damage within 30 days after we receive the sworn proof of loss if you have complied with all the terms of this Coverage Part and:
   a. We have reached agreement with you on the amount of the loss; or
   b. An appraisal award has been made.
6. We will not be liable for any part of a loss that has been paid or made good by others.

F. Other Insurance

1. You may have other insurance subject to the same plan, terms, conditions and provisions as the insurance under this Coverage Part. If you do, we will pay our share of the covered loss or damage. Our share is the proportion that the applicable Limit of Insurance under this Coverage Part bears to the Limits of Insurance of all insurance covering on the same basis.
2. If there is other insurance covering the same loss or damage, other than that described in **1.** above, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not. But we will not pay more than the applicable Limit of Insurance.

G. Pair, Sets Or Parts

1. **Pair Or Set**

   In case of loss or damage to any part of a pair or set we may:

   a. Repair or replace any part to restore the pair or set to its value before the loss or damage; or
   b. Pay the difference between the value of the pair or set before and after the loss or damage.

2. **Parts**

   In case of loss or damage to any part of Covered Property consisting of several parts when complete, we will only pay for the value of the lost or damaged part.

H. Recovered Property

If either you or we recover any property after loss settlement, that party must give the other prompt notice. At your option, the property will be returned to you. You must then return to us the amount we paid to you for the property. We will pay recovery expenses and the expenses to repair the recovered property, subject to the Limit of Insurance.

I. Reinstatement Of Limit After Loss

The Limit of Insurance will not be reduced by the payment of any claim, except for total loss or damage of a scheduled item, in which event we will refund the unearned premium on that item.

J. Transfer Of Rights Of Recovery Against Others To Us

If any person or organization to or for whom we make payment under this Coverage Part has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair them. But you may waive your rights against another party in writing:

1. Prior to a loss to your Covered Property.
2. After a loss to your Covered Property only if, at time of loss, that party is one of the following:
   a. Someone insured by this insurance; or
   b. A business firm:

1) Owned or controlled by you; or

2) That owns or controls you.

This will not restrict your insurance.

GENERAL CONDITIONS

A. Concealment, Misrepresentation Or Fraud

This Coverage Part is void in any case of fraud, intentional concealment or misrepresentation of a material fact, by you or any other insured, at any time, concerning:

1. This Coverage Part;
2. The Covered Property;
3. Your interest in the Covered Property; or
4. A claim under this Coverage Part.

B. Control Of Property

Any act or neglect of any person other than you beyond your direction or control will not affect this insurance.

The breach of any condition of this Coverage Part at any one or more locations will not affect coverage at any location where, at the time of loss or damage, the breach of condition does not exist.

C. Legal Action Against Us

No one may bring a legal action against us under this Coverage Part unless:

1. There has been full compliance with all the terms of this Coverage Part; and
2. The action is brought within 2 years after you first have knowledge of the direct loss or damage.

D. No Benefit To Bailee

No person or organization, other than you, having custody of Covered Property will benefit from this insurance.

E. Policy Period, Coverage Territory

We cover loss or damage commencing:

1. During the policy period shown in the Declarations or Change Endorsement; and
2. Within the coverage territory.

F. Valuation

The value of property will be the least of the following amounts:

1. The actual cash value of that property;
2. The cost of reasonably restoring that property to its condition immediately before loss or damage; or
3. The cost of replacing that property with substantially identical property.

In the event of loss or damage, the value of property will be determined as of the time of loss or damage.

COMMON POLICY CONDITIONS

1. **Assignment** – This policy may not be assigned without "our" written consent.

2. **Cancellation** – "You" may cancel this policy by returning the policy to "us" or by giving "us" written notice and stating at what future date coverage is to stop.

   "We" may cancel this policy, or one or more of its parts, by written notice sent to "you" at "your" last mailing address known to "us." If notice of cancellation is mailed, proof of mailing will be sufficient proof of notice.

   If "we" cancel this policy for nonpayment of premium, "we" will give "you" notice at least ten days before the cancellation is effective. If "we" cancel this policy for any other reason, "we" will give "you" notice at least 30 days in advance of cancellation. The notice will state the time that the cancellation is to take effect.

   "Your" return premium, if any, will be calculated according to "our" rules. It will be refunded to "you" with the cancellation notice or within a reasonable time. Payment or tender of the unearned premium is not a condition of cancellation.

3. **Change, Modification, or Waiver of Policy Terms** – A waiver or change of the "terms" of this policy must be issued by "us" in writing to be valid.

4. **Inspections** – "We" have the right, but are not obligated, to inspect "your" property and operations at any time. This inspection may be made by "us" or may be made on "our" behalf. An inspection or its resulting advice or report does not warrant that "your" property or operations are safe, healthful, or in compliance with laws, rules, or regulations. Inspections or reports are for "our" benefit only.

5. **Examination of Books and Records** – "We" may examine and audit "your" books and records that relate to this policy during the policy period and within three years after the policy has expired.

This endorsement changes the policy
– PLEASE READ THIS CAREFULLY–

AMENDATORY ENDORSEMENT
NORTH CAROLINA

1. Under Common Policy Conditions, Cancellation is deleted and replaced by the following:

   Cancellation – "You" may cancel this policy by returning the policy to "us" or by giving "us" written notice and stating at what future date coverage is to stop.

   "We" may cancel this policy or one or more of its parts by written notice to "you." The notice will be sent to the addresses shown in the policy or, if not indicated in the policy, to the last addresses known to "us." "We" will also send a notice to any mortgagee, loss payee, and agent or broker of record.

   The notice will state the precise reason for cancellation and the time cancellation is to take effect. Proof of mailing will be sufficient proof of notice.

   If this policy has been in effect less than 60 days, "we" may cancel for any reason.

   If the policy has been in effect for 60 days or more, or if it is a renewal policy issued by "us," "we" may cancel this policy only on the anniversary date, or if one or more of the following reasons apply:

   a. nonpayment of premium in accordance with the policy "terms";

   b. an act or omission by "you" or "your" representative that constitutes material misrepresentation or nondisclosure of a material fact in obtaining the policy, continuing the policy, or presenting a claim under the policy;

   c. increased hazard or material change in the risk assumed that could not have been reasonably contemplated by the parties at the time of assumption of risk;

   d. substantial breach of contractual duties, conditions, or warranties that materially affect the insurability of the risk;

   e. a fraudulent act against "us" by "you" or "your" representative that materially affects the insurability of the risk;

   f. willful failure by "you" or "your" representative to institute reasonable loss control measures that materially affect the insurability of the risk after written notice by "us";

   g. loss of facultative reinsurance, or loss of or substantial changes in applicable reinsurance as provided in the North Carolina statutes;

   h. "your" conviction of a crime arising out of acts that materially affect the insurability of the risk;

   i. a determination by the Commissioner that the continuation of the policy would place "us" in violation of the laws of this state; or

   j. "you" fail to meet the requirements contained in "our" corporate charter, articles of incorporation, or bylaws when "we" are a company organized for the sole purpose of providing members of an organization with insurance coverage in this state.

   "We" will give "you" notice at least 15 days before cancellation is effective.

   "Your" return premium, if any, will be calculated according to "our" rules. It will be refunded to "you" with the cancellation notice or within a reasonable time. Payment or tender of the unearned premium is not a condition of cancellation.

2. Under the Common Policy Conditions, the following condition is added:

   Nonrenewal – If "we" decide not to renew this policy, "we" will mail or give "you" written notice of nonrenewal at least 45 days prior to the expiration date or anniversary date of the policy.

   The notice of nonrenewal must state the precise reason for nonrenewal. Notice is not required if "you" have insured elsewhere, accepted replacement coverage, or have requested or agreed to nonrenewal.

Notice of nonrenewal will be sent to "you" and to any mortgagee, loss payee, and agent or broker of record at the addresses shown in the policy or, if not indicated in the policy, to the last addresses known to "us."

3. Under the Common Policy Conditions, the following condition is added:

Renewal — If "we" intend to renew the policy with premium or coverage changes, "we" will mail or give "you" the renewal "terms" and a statement of the premium due at least 45 days prior to the expiration date or anniversary date of the policy.

Notice of renewal with premium or coverage changes will be sent to "you" and to any mortgagee, loss payee, and agent or broker of record at the addresses shown in the policy or, if not indicated in the policy, to the last addresses known to "us."

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NORTH CAROLINA CHANGES

This endorsement modifies insurance provided under the following:

COMMERCIAL INLAND MARINE COVERAGE PART

A. Warranties

Wherever the words "warrants", "warranties", "warranted", or "warranty" appear in this Coverage Part, you and we agree that they are representations.

B. Protective Safeguards

The **Protective Safeguards** Additional Condition is replaced by the following:

You must maintain the protective safeguards stated by you to be in effect at a location when this coverage began.

You must notify us immediately when you fail to keep the protective safeguards:

1. In working condition at a location; and
2. In operation when you are closed to business.

C. General Condition **C. Legal Action Against Us** in the Commercial Inland Marine Conditions is replaced by the following:

C. Legal Action Against Us

No one may bring a legal action against us under this Coverage Part unless:

1. There has been full compliance with all the terms of this Coverage Part; and
2. The action is brought within three years after you first have knowledge of the direct loss or damage.

D. The following condition is added:

Time Period For Performance Of Contractual Obligations

Whenever a state of disaster is proclaimed for the state of North Carolina or for an area within this state in accordance with state law, or whenever a major disaster is declared for North Carolina or an area within this state by the President of the United States under the Stafford Act or its successors, the following provisions apply:

1. If the Covered Property that has sustained loss or damage is located within the geographic area designated in the disaster declaration or proclamation, the time period for your submission of a proof of loss (as set forth in the Duties In The Event Of Loss Condition or in an endorsement attached to this Coverage Part) shall be extended by a time period not exceeding the earlier of:
   - **a.** The expiration of the disaster proclamation or declaration and all renewals of the proclamation; or
   - **b.** The expiration of the Insurance Commissioner's order declaring action for the specific disaster, as determined by the Insurance Commissioner.
2. Except as otherwise provided in Paragraph **1.,** the following applies if you or we reside in or are located in the geographic area designated in the disaster declaration or proclamation:

   If this Coverage Part or an endorsement attached to this Coverage Part imposes a time limitation on you or us for a performance of:

   - **a.** A premium or debt payment; or
   - **b.** Any other duty or any act (including transmittal of information),

   under the terms of this Coverage Part and such performance would be required during the time period prior to the expiration of the Insurance Commissioner's order declaring action for the specific disaster, as determined by the Insurance Commissioner, your performance and our performance is subject to a deferral period of 30 days. The Commissioner of Insurance may extend such deferral period.

This endorsement changes the policy
– PLEASE READ THIS CAREFULLY–

AMENDATORY ENDORSEMENT
NORTH CAROLINA

1. Under Coverage Extensions, Defense Costs, if applicable, is amended to include the following:

   The expenses "we" incur under Defense Costs will not reduce the applicable "limit" for coverage described under Property Covered.

2. In all coverage forms except Cold Storage Locker Coverage, Motor Truck Cargo Legal Liability Coverage, and Warehouse Legal Liability Coverage, under Other Conditions, paragraph b. of Suit Against Us is deleted and replaced by the following:

   b. the suit has been brought within three years after "you" first have knowledge of the loss.

BUILDERS' RISK COVERAGE

AGREEMENT

In return for "your" payment of the required premium, "we" provide the Coverage described herein subject to all the "terms" of the Builders' Risk Coverage. This coverage is also subject to the "schedule of coverages" additional policy conditions relating to assignment or transfer of rights or duties, cancellation, changes or modifications, inspections, and examination of books and records. Endorsements and schedules may also apply.

They are identified on the "schedule of coverages." Refer to Definitions for words and phrases that have special meaning. These words and phrases are shown in quotation marks or bold type.

PROPERTY COVERED

"We" cover the following property unless the property is otherwise covered, excluded, or subject to limitations. "We" cover direct physical loss caused by a covered peril to buildings, structures, and property, at the "jobsites" described on the "schedule of coverages" while in the course of construction, building, or fabrication. This includes:

1. materials and supplies which will become a permanent part of the buildings or structures;
2. foundations, excavations, grading, filling, attachments, permanent fencing, and other permanent fixtures;
3. scaffolding, construction forms or temporary fencing at the described "jobsite";
4. temporary structures at the described "jobsite."
5. outdoor trees, shrubs, plants, and lawns, at the covered "jobsite" and that are a part of "your" construction, building, or fabrication project; and
6. vacant dwellings and model homes held for sale by "you" situated at various locations as reported under the provisions of this form.

PROPERTY NOT COVERED

1. Accounts, bills, currency, deeds, evidences of debt, money, notes, securities, plans, blueprints, designs, specifications or any similar property;
2. Aircraft or watercraft;
3. Automobiles or any self-propelled vehicles that are designed for highway use;
4. Contraband or property in the course of illegal transportation or trade;
5. Land including land on which covered property is located, including existing outdoor trees, shrubs, plants and lawns;
6. Machinery, tools, equipment and property of a similar nature not destined to become a permanent part of the installation or structure;
7. Property used or being installed in any bridge, tunnel, dam, or similar construction;
8. Property of others to which alterations or additions are being made;
9. Property located at any permanent warehouse or yard premises of yours. "We" will cover property at job site or temporary storage sites;
10. Property in the open against loss by rain, snow or sleet except while in custody of carriers for hire;
11. Property while waterborne except while in transit in the custody of a carrier for hire;
12. Any loss of use or occupancy; penalties for non-completion of or "delay" in completion of contract or non-compliance with contract conditions, or any other consequential loss;
13. Standing building or structure; part of a standing building or structure; or standing building or structure to which additions, alterations, improvements, or repairs are being made.

A standing building or structure means any building or structure that has been wholly or partially constructed, erected, or fabricated. A standing building or structure also means any building or structure that is in the process of construction, erection, or fabrication at the inception of the policy unless this policy is a renewal of a policy with this same Coverage Form and the existing building or structure was also covered on the prior policy.

14. Subsurface foundations and footings unless directly caused by fire, explosion, windstorm, collision of aircraft, vandalism or malicious mischief.

COVERAGE EXTENSIONS

Unless otherwise indicated the coverages provided below are part of and not in addition to the applicable "limit" for coverage.

The following Coverage Extensions indicate an applicable "limit." This "limit" may also be shown in the "schedule of coverages." If a different "limit" is indicated on the "schedule of coverages," that "limit" will apply instead of the "limit" shown below.

1. **Collapse** - "We" will pay for direct physical loss to Covered Property, caused by collapse of all or part of a building or structure insured under this Coverage Form, if the collapse is caused by one or more of the following:
   - **A.** Fire; lightning; windstorm; hail; explosion; smoke; aircraft; vehicles; riots; civil commotion; vandalism; breakage of glass, falling objects; weight of snow, ice or sleet; "water damage"; but only if the causes of loss are otherwise covered in the Coverage Form;
   - **B.** Hidden decay;
   - **C.** Hidden insect or vermin damage;
   - **D.** Weight of people or personal property;
   - **E.** Weight of rain that collects on a roof;
   - **F.** Use of defective materials or methods in construction, remodeling or renovation if the collapse occurs during the course of the construction, remodeling or renovation.

This Coverage Extension does not increase the "limit" for coverage provided in this Coverage Form.

2. **Debris Removal** - "We" pay the cost to remove the debris of covered property that is caused by a covered peril. This coverage does not include costs to:
   - **A.** extract "pollutants" from land or water; or
   - **B.** remove, restore, or replace polluted land or water.

   "We" will not pay more for loss to property and debris removal combined than the "limit" for the damaged property. However, "we" pay up to an additional $20,000 for debris removal expense when the debris removal expense exceeds the amount "we" pay for direct loss or when the loss to property and debris removal combined exceeds the "limit" for the damaged property. "We" do not pay any expenses unless they are reported to "us" in writing within 180 days from the date of direct physical loss to covered property.
3. **Emergency Removal** - "We" pay for any direct physical loss to covered property while it is moved or being stored to prevent a loss caused by a covered peril. This coverage applies for up to 30 days after the property is first moved, but does not extend past the date on which this policy expires.
4. **Emergency Removal Expenses** - "We" will pay for your expenses to move or store covered property to prevent a loss caused by a covered peril. This coverage does not extend past the date on which this policy expires.

   The most "we" will pay in any one occurrence for expenses to move or store covered property to prevent a loss is $10,000.

   The "limit" for Emergency Removal Expenses is separate from, and not part of, the applicable "limit" for coverage described under Property covered.
5. **Fraud And Deceit -**
   - **A. Coverage** - "We" cover theft of covered property when "you," "your" agents, customers, or consignees are fraudulently induced to part with the covered property:

1. to persons who falsely represent themselves as the proper persons to receive property;
2. by the acceptance of fraudulent bills of lading or shipping receipts; or
3. as a result of or directly related to the use of any electronic data processing hardware or software.

B. **Limit** - The most "we" pay in any one occurrence for theft of covered property under this Coverage Extension is $50,000.

6. **Limited Fungus Coverage -**

A. **Coverage** - "We" pay for direct physical loss to covered property caused by or relating to the existence of or any activity of "fungus."

B. **Coverage Limitation** - "We" only cover loss caused by "fungus."

1. when the "fungus" is the result of:
   a. a "specified peril" other than fire or lightning; or
   b. "flood" (if the Flood Coverage is provided under this policy):

   that occurs during the policy period; and
2. If all reasonable steps were taken to protect the property from additional damage at and after the time of the occurrence.

C. **Limit** - The most "we" pay for all losses at all building or structures is $15,000. unless another "limit" is indicated on the "schedule of coverages." The Limited Fungus Limit applies regardless of the number of claims made.

The Limited Fungus Limit applies regardless of the number of locations or building or structures insured under this policy.

The Limited Fungus Limit is the most that "we" pay for the total of all loss or damage arising out of all occurrences of "specified perils," other than fire or lightning, or "flood" (if applicable) during each separate 12-month period beginning with the inception date of this policy.

D. **If The Policy Period Is Extended** - If the policy period is extended for an additional period of less than 12 months, this additional period will be considered part of the preceding period for the purpose of determining the Limited Fungus Limit.

E. **Recurrence And Continuation Of Fungus** - Limited Fungus Limit is the most that "we" pay with respect to a specified occurrence of a loss which results in "fungus" even if such "fungus" recurs or continues to exist during this or any future policy period.

F. **Limit Applies To Other Costs Or Expenses** - Limited Fungus Limit also applies to any cost or expense to:

1. clean up, contain, treat, detoxify, or neutralize "fungus" on covered property or remove "fungus" from covered property;
2. remove and replace those parts of covered property necessary to gain access to "fungus"; and
3. test for the existence or level of "fungus" following the repair, replacement, restoration, or removal of damaged property if it is reasonable to believe that "fungus" is present.

G. **Loss Caused In Total Or In Part By Fungus** - The "terms" of this coverage extension do not apply to covered loss or damage to covered property that is not caused, in total or in part, by "fungus" except to the extent that "fungus" causes an increase in the loss. When "fungus" causes an increase in such a loss, that increase is subject to the "terms" of the coverage.

7. **Re-erection of Scaffold** - "We" will pay for the cost to re-erect scaffolding if the loss of the scaffolding is caused by or results from a covered peril.

This Coverage Extension does not increase the "limit" for coverage provided in this Coverage Form.

8. **Waterborne Property** - "We" will cover direct physical losses caused by a covered peril to covered property while waterborne.

The most "we" will pay in any one occurrence for loss to waterborne property is $10,000.

SUPPLEMENTAL COVERAGES

Unless otherwise indicated the coverages provided below are separate from and not part of the applicable "limit" for coverage described under Property Covered.

The following Supplemental Coverages indicate an applicable "limit." This "limit" may also be shown in the "schedule of coverages." If a different "limit" is indicated on the "schedule of coverages," that "limit" will apply instead of the "limit" shown below.

1. **Contract Change Order Coverage -** In addition to the Limit of Insurance for any covered structure scheduled on this policy, we will pay for the increase in estimated completed cost that results from a contract change order.

   The contract change order:

   A. must apply to the scheduled structure, be equipment that is to become a permanent part of the scheduled structure, or an included appurtenant structure;

   B. be made in accordance with the construction agreement, prior to any loss; and

   C. the work stated in the change order has been completed/installed before the loss.

We will not pay under this Supplemental Coverage:

A. until the property is actually repaired or replaced at the same or another premises; and

B. unless the repairs or replacement are made as soon as reasonably possible after the total loss or damages but no longer than 365 days from the date of the total loss or damage.

C. for increased costs incurred to comply with an ordinance or law.

The most we will pay is $25,000.

2. **Contract Penalty -**

   A. Coverage - "We" pay for the cost of contractual penalties for non-completion that "you" are assessed or are required to pay because "you" are unable to complete construction of a covered building or structure in accordance with the terms or conditions of the building contract.

   B. Coverage Limitation - "Your" inability to complete construction on time must be as a direct result of a loss by a covered peril to a covered building or structure.

   C. Limit - The most "we" pay in any one occurrence for all contractual penalties is $10,000.

3. **Fire Department Service Charges** - "We" pay up to $10,000 to cover "your" liability, assumed by contract or agreement prior to the loss, for fire department service charges. This coverage is limited to charges incurred when the fire department is called to save or protect covered property from a covered peril.

   No deductible applies.

4. **Pollutant Cleanup And Removal** - "We" pay "your" expense to extract "pollutants" from land or water if the discharge, dispersal, seepage, migration, release, or escape of the "pollutants" is caused by a covered peril that occurs during the policy period. The expenses are paid only if they are reported to "us" in writing within 180 days from the date the covered peril occurs. "We" do not pay the cost of testing, evaluating, observing, or recording the existence, level, or effects of "pollutants." However, "we" pay the cost of testing which is necessary for the extraction of "pollutants" from land or water. The most "we" pay for any one "jobsite" or location is $25,000 for the sum of all such expenses arising out of a covered cause of loss occurring during each separate 12 month period of this policy.

5. **Rewards -**

   A. Coverage - "We" pay a reward for information that leads to a conviction for:

   1. arson;

   2. theft; or

   3. vandalism.

   The conviction must involve a covered loss caused by arson, theft, or vandalism.

   B. Limit - The most "we" pay in any one occurrence for a reward for information is $1,000.

   C. Limit Is Not Increased By The Number Of Persons Providing Information - The amount "we" pay is not increased by the number of persons involved in providing the information.

6. **Sewer And Drain Backup** - "We" pay for any direct physical loss to covered property caused by water that backs up or overflows from a sewer, drain or sump at the reported location. The most we will pay for loss caused by back up of sewers and drains is $10,000.
7. **Soft Costs and Rental Income**

Soft Costs - We will pay for the actual "soft cost" expenses that arise out of a "delay" in the completion of an insured construction project, if such delay in completion is caused or results from direct physical loss or damage by a peril not otherwise excluded. The loss or damage must occur at, or within 1000 feet of, an insured construction project. This includes advertising and expediting expenses, fees, interest, leases and realty costs.

Rental Income - "We" pay for "your" actual loss of rental income that arises out of a "delay" in the completion of an insured construction project, if such delay is caused or results from the direct physical loss or damage by a peril not otherwise excluded.

Expenses that do not necessarily continue because of a "delay" will be deducted from the loss of rental income.

The most we will pay for "soft cost" expenses and loss of rental income is $25,000.

8. **Storage Locations** - "We" cover direct physical loss caused by a covered peril to materials and supplies which will become a permanent part of a covered building or structure in the course of construction, building, or fabrication while they are at a storage location. The most "we" pay for loss to property at a storage location in any one occurrence is $10,000 unless otherwise indicated on the Declarations or Change Endorsement.
9. **Testing -**
   A. **Coverage** - "We" cover direct physical loss to a covered building or structure caused by a covered peril that results from testing.

   Testing means start-up, performance, stress, pressure, or overload testing of materials, supplies, machinery, fixtures, and equipment that will become a permanent part of a covered building or structure.

   B. **Limit** - The most "we" pay in any one occurrence for loss resulting from testing is $10,000.
10. **Transit** - "We" cover direct physical loss caused by a covered peril to materials and supplies which will become a permanent part of a covered building or structure in the course of construction, building, or fabrication while they are in transit. The most "we" pay for loss to property in transit in any one occurrence is $25,000 unless otherwise indicated on the Declarations or Change Endorsement.
11. **Valuable Papers and Records** - "We" will pay for loss which is caused by or results from a covered peril that applies to your costs to Valuable Papers and Records meaning inscribed, printed, or written documents; records including deeds, drawings, maps, mortgages; and includes those which exist on electronic or magnetic media.

    "We" will pay the cost of blank materials for reproducing and labor to transcribe or copy when there is a duplicate.

    "We" will pay "your" cost to research, replace or restore the lost information on lost or damaged valuable papers or records for which duplicates do not exist.

    The most we will pay under this Supplemental Coverage is $20,000.
12. **Ordinance Or Law, Demolition Of Undamaged Parts Of Buildings** - When a covered peril occurs to a covered building or structure, "we" cover loss caused by the enforcement of any ordinance, law, or decree that:
    A. requires the demolition of undamaged parts of a covered building or structure that are damaged or destroyed by a covered peril;
    B. regulates the construction or repair of a building or structure, or establishes building, zoning or land requirements at the "jobsite"; and
    C. is in force at the time of loss.

We do not cover:

the costs associated with the enforcement of any ordinance, law, or decree that requires "you" or anyone else to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize or in any way respond to or assess the effects of "pollutants";

loss or increased cost caused by the enforcement of any ordinance, law or decree that requires the

reconstruction, repair, replacement, remodeling, remediation or razing of property due to the existence of or any activity of "fungus"; or costs associated with the enforcement of any ordinance, law, or decree that requires "you" or anyone else to test for, monitor, clean up, remove, contain, treat, detoxify, neutralize, or in any way respond to or assess the effects of "fungus."

This coverage is part of and not in addition to the applicable "limit" for coverage described under Property Covered.

13. **Ordinance Or Law, Increased Cost To Repair And Cost To Demolish And Clear Site -** When a covered peril occurs to a covered building or structure, "we" cover:
    - **A.** the increased cost to repair, rebuild, or construct a covered building or structure as a result of the enforcement of building, zoning or land use ordinance, law, or decree. If a covered building or structure is repaired or built, it must be intended for similar occupancy as the current property, unless otherwise required by building zoning, or land use ordinance, law or or decree.
    - **B.** the cost to demolish and clear the site of undamaged parts of a covered building or structure that are damaged or destroyed by a covered peril as a result of the enforcement of a building, zoning or land use ordinance, law, or decree.

"We" do not cover the cost associated with the enforcement of any ordinance, law, or decree that requires "you" or anyone else to test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize or in any way respond to or assess the effects of "pollutants."

loss or increased cost caused by the enforcement of any ordinance, law, or decree that requires the reconstruction, repair, replacement, remodeling, remediation or razing of property due to the existence of or any activity of "fungus"; or

costs associated with the enforcement of any ordinance, law, or decree that requires "you" or anyone else to test for, monitor, clean up, remove, contain, treat, detoxify, neutralize, or in any way respond to or assess the effects of "fungus."

"We" do not cover the increased cost of construction until the covered building or structure is actually repaired or replaced and unless the repairs or replacement are made as soon as reasonably possible after the loss, not to exceed two years.

If the covered building or structure is repaired or replaced, "we" pay the lesser of:

- **A.** the amount "you" actually spend to demolish and clear the site, plus the amount "you" actually spend to repair, rebuild, or construct the property but not for more than a building or structure of the same height, floor area, and style; or
- **B.** $50,000.

If the covered building or structure is not repaired or replaced, "we" pay the lesser of:

- **A.** the amount "you" actually spend to demolish and clear the site, plus the cost to replace the damaged or destroyed property with other property;
  1. of like kind and quality;
  2. of the same height, floor area, and style; and
  3. used for the same purpose; or
- **B.** $50,000.

14. **Personal Property** - "We" cover direct physical loss caused by a covered peril to business personal property while being installed or stored in a covered building or structure but which will not become a permanent part of the building or structure.

    The most "we" pay for loss to personal property in any one occurrence is **$10,000**

WHEN ATTACHES AND COVERAGE CEASES

This insurance attaches when "you" are legally responsible for the covered property, covering continuously thereafter while in due course of transit, construction, fabrication, installation, erection, completion or testing, all within the Continental United States of America.

Coverage ends when one of the following first occurs:

- **A.** at such time that other permanent insurance attaches on the structure.

B. the covered building or structure, as described under Property Covered, is accepted by the purchaser by way of a financial closing or other transfer agreement, or the structure is leased or rented to others;

C. "your" interest in the covered property ceases;

D. "you" abandon construction with no intent to complete it;

E. at the end of twelve (12) months following the month for which the completed value of the property has been first reported, unless renewed by us.

VALUATIONS AND LIMITS OF LIABILITY

Replacement Cost - the value of covered property will be based on the replacement cost without any deduction for depreciation. Replacement cost includes labor, reasonable overhead and contractors profit, and delivery charges.

1. Replacement Cost Limitations - Replacement cost is limited to the cost of repair or replacement with similar materials on the same site and used for the same purpose.
2. Payment Limitation - The most "we" will pay for loss to any one structure is the lesser of the Limit of Insurance shown on the declarations or Change Endorsement for that structure or the "total estimated completed value" that was reported to "us" for that structure.

LOSS DEDUCTIBLE CLAUSE

Each claim for loss or damage shall be adjusted separately. A sum shall be deducted from the amount of each adjusted claim or the applicable "limit" of the liability, whichever is less. This deductible is shown on the declarations and shall apply separately to each building or structure and separately to personal property in the open.

PERILS INSURED

"We" cover all risks of direct physical loss or damage to "your" covered property from any external cause except as excluded.

PERILS EXCLUDED

1. The suspension of construction, installation or erection occasioned by ordinance or law or any order of governmental or municipal authority or by suspension, lapse, termination or cancellation of any license, lease or permit or by an injunction, or process of court, unless such suspension shall be due entirely to **damage to the property during the term from a covered peril;**
2. "Delay," loss of market, loss of use, consequential loss, extreme of temperature, wear, tear, moth, vermin, termites, deterioration, inherent vice, latent defect;
3. Shortage disclosed on taking inventory or unexplained loss or mysterious disappearance;
4. Blow-out, short circuit or other electrical disturbance (exclusive of lightning) within any electrically equipped property unless fire or explosion ensues. Then, "we" will pay only for the direct loss or damage caused by such ensuing fire or explosion;
5. Error, omission or deficiency in design, specifications, workmanship, or materials, unless fire or explosion ensues. Then, if the perils of fire and explosion are not excluded elsewhere in this policy, liability shall be limited to loss, damage or expense caused by or resulting from such fire or explosion;
6. **A.** "Flood," surface water, waves, tidal water or tidal wave, over flow of streams or other bodies of water, or spray from any of the foregoing, all whether driven by wind or not;

   B. Water which backs up through sewers or drains;

   C. Water below the surface of the ground, including that which exerts pressure on or flows, seeps or leaks through sidewalks, driveways, foundations, walls, basement or other floors, or through doors, windows, or other openings in such sidewalks, driveways, foundations, walls or floors, unless loss by fire or explosion ensues. Then, "we" will pay only for the direct loss or damage caused by such ensuing fire or explosion; but these exclusions shall not apply to property in due course of transportation;
7. Fungus - Except as provided under Coverage Extensions - Limited Fungus Coverage, "we" do not pay for loss, cost, or expense caused by or relating to the existence of or any activity of "fungus."

But if "fungus" results in a "specified peril," we cover the loss or damage caused by the "specified peril."

This exclusion does not apply to:

A. loss that results from fire or lightning; or

B. collapse caused by hidden decay.

8. Infidelity of "you" or of persons or parties, including "your" employees, to whom the covered property may be entrusted (carriers for hire excepted);

9. Settling, cracking, subsidence, expansion or contraction of any structure, building, or part thereof, in or on which covered property is or will be installed, unless fire or explosion ensues. Then, "we" will pay only for the direct loss or damage caused by such ensuing fire or explosion;

10. "Your" neglect to use all reasonable means to save and preserve the property at and after any covered loss;

11. Earthquake, landslide, or "earth movement," unless fire or explosion ensues. Then, "we" shall be liable for only such loss or damage caused by fire or explosion;

12. Loss, damage or expense caused by or resulting from explosion, rupture or bursting of steam boilers, steam pipes, steam turbines or steam engines, if owned by, or leased by, or operated under the control of "you" or rotating parts of machinery caused by centrifugal force unless fire ensures. Then, if the peril of fire is not excluded elsewhere in the policy, "we" will pay only for the loss, damage or expense caused by or resulting from such fire;

13. Loss, damage or expense caused by or resulting from wear and tear, inherent vice, gradual deterioration, or depreciation;

14. Loss or damage caused by termites or other insects. Loss or damage caused by contamination or deterioration, including corrosion, decay, rust, or any quality, fault or weakness in the covered property that causes it to damage or destroy itself.

15. Loss or damage resulting from inadequate packing or improper preparation for shipment;

16. 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 covered peril(s). However, subject to the foregoing and all provisions of this policy, direct loss by fire resulting from nuclear reaction or nuclear radiation or radioactive contamination is covered;

17. Loss or damage caused by or resulting from:

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

1. by any government or sovereign power or by any authority maintaining or using military, naval or air forces; or

2. by military, naval or air forces; or

3. by an agent of any such government, power, authority or forces;

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;

18. Except as provided in the Coverage Extensions swindling, trick, fraud or false pretense;

19. Except as provided under Supplemental Coverages - Ordinance or Law, "we" do not pay for loss or increased cost caused by enforcement of any code, ordinance, or law regulating the use, construction, or repair of any building or structure; or requiring the demolition of any building or structure including the cost of removing its debris.

"We" do not pay for loss regardless if the loss is caused by or resulting from the:

A. enforcement of any code, ordinance, or law even if a building or structure has not been damaged; or

B. increased costs that "you" incur because of "your" compliance with a code, ordinance, or law during the construction, repair, rehabilitation, remodeling, or razing of a building or structure, including the removal of debris, following a direct physical loss to the property.

20. Loss caused by mechanical breakdown or rupturing or bursting of moving parts of machinery caused by centrifugal force.

    But if a mechanical breakdown or rupturing or bursting of moving parts of machinery caused by centrifugal force results in a covered peril, "we" do cover the loss or damage caused by that covered peril.

    However, this exclusion does not apply to loss resulting from testing as specifically provided under Supplemental Coverages - Testing.

REPORTING PROVISIONS

1. The premium charged on each start is fully earned and no refund is due "you" when coverage ends. This provision applies even if coverage applies to a single location.
2. Each month "you" may report to "us" the "total estimated completed value" of new locations started during the previous month. Each location should be reported only once during the policy period and reports are only required once a location has been started.
3. Construction is considered to have commenced on the day that building material is placed on the premises of structures to be erected.
4. "You" must pay premium based on the "total estimated completed value" of each location. "We" must receive "your" report and the accompanying premium payments by the 15th of the month for starts commenced during the previous month for coverage to be effective.
5. "You" shall keep an accurate record of all covered property, including the completed value, and a record of all contracts and sales dealing with the covered property. Coverage starts at the time that "you" report the covered property and "total estimated completed value."
6. If, at the time of a loss "you" have not reported a building as required in this provision, "we" do not cover that building for that loss.
7. If a report is received late, coverage begins on the day the report is received and there is no coverage for loss that occurred before the report was received.
8. "Our" acceptance of a report of value does not waive or change any part of this policy or stop "us" from asserting any right under the "terms" of this policy.

CANCELLATION

The following is added to the Cancellation Condition in the Common Policy Conditions and applies to the coverage provided in this Coverage Form:

1. Cancellation by "us":

Cancellation of the policy by "us" shall not affect the insurance in force for structures in the course of construction reported in accordance with the "terms" and conditions of this policy and on which construction had commenced prior to receipt by "you" of the notice of cancellation provided the premium has been paid in full for that structure. Coverage for any specific structure under construction may be cancelled by "us" for underwriting reasons by giving thirty (30) days' notice in writing.

The premium for this coverage is fully earned and no refund is due when the policy is cancelled.

2. Cancellation by "you":

Unless advance written notice requests cancellation of coverage for structures already reported, such coverage will continue in accordance with the "terms" and conditions of this policy.

RECORDS AND INVENTORY

"You" agree to keep a detailed record of all property at risk. This record shall be open for inspection by "our" duly authorized representative's at all reasonable times during the policy period and for one year thereafter.

PROPERTY OF OTHERS

We agree to cover the interest of others in the covered property to include the interests of subcontractors and suppliers provided such property is situated at the construction site you reported to us. This condition does not impair our right of subrogation. If "we" pay the interests of the owner we do not have to pay "you."

OTHER INSURANCE

If at the time of loss or damage, there is available to "you" or an unnamed Insured or any other interested party any other insurance which would apply in the absence of this policy, the insurance under this policy shall apply only as excess insurance over such other insurance.

CONTROL OF PROPERTY

This insurance shall not be prejudiced by any act or neglect of any person (other than "you"), when such act or neglect is not within "your" control.

WAIVER OF SUBROGATION

This insurance shall not be invalidated should "you" waive in writing prior to a loss any or all right of recovery against any party for loss occurring to the covered property. However, this insurance shall be invalidated should "you" waive such right of recovery against any carrier for hire, warehouseman or bailee to whom the covered property has been entrusted.

LIBERALIZATION CLAUSE

If during the period that insurance is in force under this policy there be filed with and approved or accepted by the insurance supervisory authorities, all in conformity with law, any changes in the form attached to this policy by which this form of insurance could be extended or broadened without increased premium charge by endorsement or substitution of form, then such extended or broadened insurance shall insure to the benefit of the insured hereunder as though such endorsement or substitution of form had been made.

DEFINITIONS

1. The words "you" and "your" mean the persons or organizations named as the insured on the "schedule of coverages."
2. The words "we," "us," and "our" mean the company providing this coverage.
3. "Delay" means a delay in construction, erection, or fabrication of a building or structure.
4. "Earth movement" means any movement or vibration of the earth's surface (other than "sinkhole collapse") including but not limited to earthquake; landslide; mudflow; mudslide; mine subsidence; or sinking, rising, or shifting, of earth.
5. "Flood" means flood, surface water, waves, tidal water, or the overflow of a body of water whether driven by wind or not. This includes spray that results from these whether driven by wind or not.
6. "Fungus" means:
   - **A.** a fungus, including but not limited to mildew and mold;
   - **B.** protist, including but not limited to algae and slime mold;
   - **C.** wet rot and dry rot;
   - **D.** a bacterium; or
   - **E.** a chemical, matter, or compound produced or released by a fungus, a protist, wet rot, dry rot, or a bacterium, including but not limited to toxins, spores, fragments, and metabolites such as microbial volatile organic compounds.
7. "Jobsite" means any location, project, or work site where "you" are in the process of constructing, building, or fabricating a building or structure.
8. "Limit" means the amount of coverage that applies.
9. "Pollutants" mean:
   - **A.** any solid, liquid, gaseous, thermal, or radioactive irritant or contaminant, including acids, alkalis, chemicals, fumes, smoke, soot, vapor, and waste. Waste includes materials to be recycled, reclaimed, or reconditioned, as well as disposed of; and
   - **B.** electrical or magnetic emissions, whether visible or invisible, and sound emissions.
10. "Profit" means the difference between the selling price of the land and completed structure and "your" cost of

the land and completed structure. If "you" do not have a signed contract for the sale of the covered property and structure, the allowance for "profit" will be limited to no more than 20% of the cost.

11. "Schedule of coverages" means:

A. all pages labeled "schedule of coverages" or schedules which pertain to this coverage; and

B. declarations or supplemental declarations which pertain to this coverage.

12. "Sinkhole collapse" means the sudden settlement or collapse of earth supporting the covered property into subterranean voids created by the action of water on a limestone or similar rock formation. It does not include the value of the land or the cost of filling sinkholes.

13. "Soft Cost" expenses mean the necessary expenses relating to the construction, erection, or fabrication of buildings under construction that are over and above those costs which would have been incurred had there been no "delay." These costs consist of;

A. Advertising Expenses - additional advertising and professional expenses.

B. Expediting Expenses - Expediting expenses such as overtime and additional transportation or storage costs.

C. Fees - Additional fees for architects, engineers, consultants, attorneys, and accountants.

D. Interest - Additional interest on money borrowed to finance construction

E. Leases - The cost of administrative expenses and commissions which result from the re-negotiation of leases.

F. Realty Taxes - Additional realty taxes and other assessments which "you" incur for the period of time that construction has been extended beyond the projected completion dates.

14. "Specified perils" means aircraft; civil commotion; explosion; falling objects; fire; hail; leakage from fire extinguishing equipment; lightning; riot; "sinkhole collapse"; smoke; sonic boom; vandalism; vehicles; "volcanic action"; water damage; weight of ice, snow, or sleet; and windstorm. Falling objects does not include loss to personal property in the open or to the interior of buildings or structures or to personal property inside buildings or structures unless the exterior of the roof or walls are first damaged by a falling object. Water damage means the sudden or accidental discharge or leakage of water or steam as a direct result of breaking or cracking of a part of the system or appliance containing the water or steam.

15. "Terms" means all provisions, limitations, exclusions, conditions, and definitions that apply.

16. "Total Estimated Completed Value" means all costs associated with the building and designing of the covered property including labor, overhead and materials and if included, "profit."

17. "Volcanic action" means airborne volcanic blast or airborne shock waves; ash, dust, or particulate matter; or lava flow. It does not include the cost to remove ash, dust, or particulate matter that does not cause direct physical loss to the covered property.

18. "Water damage" means accidental discharge or leakage of water or steam as the direct result of the breaking apart or cracking of any part of a system or appliance (other than a sump system including its related equipment and parts) containing water or steam.