

REQUEST FOR BIDDING INTERPRETATION (RFBI)

(Email no later than December 19, 2025, 5:00 p.m.)

PMDB RFBI No.: 05

Requestor RFBI No.: 05

Request Date: 12/19/2025

From (Bidder): McCarthy

To: Jenny Li, Project Director
Project Management and Development Branch
Real Estate Services Division
Phone: 916-206-3264

Email: jenny.li@dgs.ca.gov

Contact: Adam Osantowski

Phone: 916-532-5140

Fax: _____

Email: AOsantowski@McCarthy.com

All RFBI's received prior to deadline identified above, and responses from the State will be published on <http://www.caleprocure.ca.gov>. Click on "Start Search." In the event name field, enter the project number and click search. While viewing the Event Details, click on "View Event Package" to view RFBI responses.

Project No.: 000000000009324

Project Name: OES Security Upgrades

Location: Mather, Sacramento County, CA

Drawing Reference: _____ Project Manual Reference: _____

Question:

Please provide a complete template copy of the Builder's Risk policy that would be used for this project, including all standard terms, conditions, exclusions, and endorsements.

DGS Response:

Attached is the draft template redacted Master Builder's Risk (MBR) policy. The actual policy can be released as a redacted copy for a specific project following enrollment for that specific policy term. The actual policy for a specific project will depend on the policy form and insurance carrier for that specific time frame and policy term following project enrollment.

- Jenny Li, Project Director, DGS, 12/22/2025

Bidder's Authorized Signature: Adam Osantowski

[] Check here if additional pages attached

Page 1 of 79

[REDACTED]
[REDACTED]
[REDACTED]
RE: [REDACTED]
[REDACTED]

Enclosed please find the original and copies of the captioned policy. Please check to see that everything is in order, and let us know if there are any discrepancies or if you have any questions. Attached to this policy is the U.S Treasury Department's Office Of Foreign Assets Control ("OFAC") Advisory Notice to Policyholder.

Thank you for working with us on the placement of this risk. We appreciate your support and look forward to working with you in the future.

Regards,
[REDACTED]

*Please be advised that we do not review Certificates of Insurance issued by you, or by any party, relating to this policy of insurance either for content or accuracy. Accordingly, we request that you do not provide copies of certificates to us for review or for our records. Authority is granted to you for the limited purpose of issuing **unmodified ACORD Certificates (ACORD 25-S for Casualty and ACORD 24, Accord 27 or Accord 28 for Property and Inland Marine) only**. It is your responsibility to see that any Certificate provides an accurate representation of the coverage form and endorsements applicable to this policy at the time the Certificate is issued. **Any modification of the approved ACORD forms specifically set forth above, or the issuance of a non-approved Certificate of Insurance ACORD or other is prohibited**. Certificates of Insurance are never recognized as endorsements or policy change requests. You must submit a separate written request if an endorsement or policy change (including but not limited to adding additional insureds, loss payees and mortgagees and/or alteration of notice requirements for cancellation) is requested. In the event a policy change is requested, the underwriter will advise if the request is acceptable to the Company.*

Illinois Union Insurance Company

525 West Monroe Street
Suite 700
Chicago, IL 60661

NOTICE

POLICY NO. [REDACTED]

NAME OF INSURED: [REDACTED]

ADDRESS: [REDACTED]

We are pleased to enclose your policy for this account.

Please be advised that by binding this risk with the above referenced Surplus Lines Insurance Company, you agree that as the Surplus Lines Broker responsible for the placement of this insurance policy, it is your obligation to comply with all States Surplus Lines Laws including completion of any declarations/affidavits that must be filed as well as payment of any and all Surplus Lines taxes that must be remitted to the State(s). We will look to you for indemnification if controlling Surplus Lines Laws are violated by you as the Surplus Lines broker responsible for the placement.

You further confirm that any applicable state requirement concerning a diligent search for coverage by admitted carriers has been fulfilled in accordance with state law.

Thank you for this placement and your regulatory compliance.

Date: 7/08/2025

- ☒ Illinois Union Insurance Company
☐ Westchester Surplus Lines Insurance Company
☐

Insured:
The State of California Department of General Services
707 3rd Street
West Sacramento, CA 95605

Attached To Policy No.: Io884866A 008

Effective Date: 05/01/2025

**CALIFORNIA SURPLUS LINES NOTIFICATION
IMPORTANT NOTICE:**

- 1. The insurance policy that you (have purchased) (are applying to purchase) is being issued by an insurer that is not licensed by the State of California. These companies are called “nonadmitted” or “surplus line” insurers.**
- 2. The insurer is not subject to the financial solvency regulation and enforcement that apply to California licensed insurers.**
- 3. The insurer does not participate in any of the insurance guarantee funds created by California law. Therefore, these funds will not pay your claims or protect your assets if the insurer becomes insolvent and is unable to make payments as promised.**
- 4. The insurer should be licensed either as a foreign insurer in another state in the United States or as a non-United States (alien) insurer. You should ask questions of your insurance agent, broker, or “surplus line” broker or contact the California Department of Insurance at the toll-free number 1-800-927-4357 or internet website www.insurance.ca.gov. Ask whether or not the insurer is licensed as a foreign or non-United States (alien) insurer and for additional information about the insurer. You may also visit the NAIC's internet website at www.naic.org. The NAIC—the National Association of Insurance Commissioners—is the regulatory support organization created and governed by the chief insurance regulators in the United States.**
- 5. Foreign insurers should be licensed by a state in the United States and you may contact that state's department**

of insurance to obtain more information about that insurer. You can find a link to each state from this NAIC internet website: https://naic.org/state_web_map.htm.

6. For non-United States (alien) insurers, the insurer should be licensed by a country outside of the United States and should be on the NAIC's International Insurers Department (IID) listing of approved nonadmitted non-United States insurers. Ask your agent, broker, or “surplus line” broker to obtain more information about that insurer.

7. California maintains a “List of Approved Surplus Line Insurers (LASLI).” Ask your agent or broker if the insurer is on that list, or view that list at the internet website of the California Department of Insurance: www.insurance.ca.gov/01-consumers/120-company/07-lasli/lasli.cfm.

8. If you, as the applicant, required that the insurance policy you have purchased be effective immediately, either because existing coverage was going to lapse within two business days or because you were required to have coverage within two business days, and you did not receive this disclosure form and a request for your signature until after coverage became effective, you have the right to cancel this policy within five days of receiving this disclosure. If you cancel coverage, the premium will be prorated and any broker’s fee charged for this insurance will be returned to you.

NOTHING HEREIN CONTAINED SHALL BE HELD TO VARY, ALTER, WAIVE OR EXTEND ANY OF THE TERMS, CONDITIONS, OR LIMITATIONS OF THE POLICY TO WHICH THIS NOTICE IS ATTACHED OTHER THAN AS STATED ABOVE.

Applicant Signature _____ Date _____

Owner of completed structure

11

The premium for this policy is indicated below next to the applicable Coverage Form(s).

Coverage Form

Construction Risk Coverage Form ACE0728 (11/21)	\$	0
---	----	---

**As Reported to the
Company**

TRIPRA

\$	Company
----	---------

\$

\$

§

\$

\$

\$

\$ _____

\$ 0

Total Premium: \$ 0

Total Assessments, Fees, Surcharges, Taxes:	\$	0.00
--	-----------	-------------

Total Amount Due: \$ 0


Minimum Earned Premium: \$ 0

Attached Forms Information

See Forms Schedule CPfs2

Authorization Information

Date: 7/08/2025



JOHN J. LUPICA, President

Authorized Representative

These Declarations together with the Coverage Declarations, Common Policy Conditions and Coverage Conditions (if applicable), Coverage Form(s) and Forms and Endorsements, if any, issued to form a part thereof, complete the above numbered policy.

Forms Schedule

Company: Illinois Union Insurance Company
 SYM: IMC Policy ID: I0884866A 008

Policy Period	When Coverage Begins: 05/01/2025	12:01 A.M. Local Time At Named Insured's Address
	When Coverage Ends: 05/01/2027	12:01 A.M. Local Time At Named Insured's Address

Applicable to all Coverage Parts	<u>Form No. and Description</u>
	WSG-084 (05/11)-Surplus Lines Broker Notice
	SL-17888 (01/20)-California Surplus Lines Notification
	BB-5W58a (09/11)-Common Policy Declarations
	ALL-21101 (11/06)-Trade or Economic Sanctions Endorsement
	IL 09 52 (01/15)-Cap on Losses From Certified Acts Of Terrorism
	SL-34255b (04/23)-Service of Suit Endorsement
	TR-45231a (08/20)-Policyholder Disclosure Notice Of Terrorism Insurance Coverage
	ALL-20887 (10/06)-CHUBB Producer Compensation Practices & Policies
	IL P 001 (01/04)-U.S. Treasury Departments' Office of Foreign Assets Control ("OFAC") Advisory Notice to Policyholders

Commercial Inland Marine	<u>Form No. and Description</u>
	ACE0727 (11/21)-Construction Risk Declarations
	ACE0728 (11/21)-Construction Risk Coverage Form
	ACE0987 (11/21)-Definitions - Construction Classifications and Renovations
	ACE0210 (01/08)-Nuclear, Biological, Chemical, Radiological Exclusion
	ACE0729 (11/21)-Delay In Opening Endorsement
	ACE0935 (03/23)-Earth Movement Hazard Zones Definition Endorsement
	ACE0936 (12/18)-Flood Hazard Zones Definition Endorsement
	ACE0937 (12/18)-Named Windstorm Hazard Zones Definition Endorsement
	ACE0974 (04/20)-Exclusion Of Loss Due To Virus, Bacteria Or Microorganism That Induce Physical Distress, Illness Or Disease
	ACE1122 (05/24)-Electronic Data and Electronic Media Exclusion
	MS-403377.1 (5/25)-Sub-Limits Of Insurance Amended
	MS-403377.2 (5/25)-Extension Of Insured Project(s) Term Of Insurance Endorsement
	MS-403377.3 (5/25)-Reporting Endorsement
	MS-403377.4 (5/25)- Rates, Deductibles and Maximum Per Project Sub-limits of Insurance Schedule Endorsement (2025-2026)
	MS-403377.5 (5/25)- Rates, Deductibles and Maximum Per Project Sub-limits of Insurance Schedule Endorsement (2026-2027)
	MS-403377.6 (5/25)-Multi-Year Program Conditions Endorsement, Loss Ratio Clause set at 40%, Acquisition Clause set at NA
	MA-608255p (04/15)-Claims Directory Property and Inland Marine
	LD-5S231 (10/24)-Signatures

[REDACTED]

[REDACTED]

**Policy
Period**

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

**General
Policy
Information**

In return for the payment of premium and subject to all the terms and conditions of this Policy, the Company agrees to provide the insurance as stated in this Policy.

Whenever "NCP" is shown below it denotes no coverage has been purchased and no coverage is provided. Whenever "NA" is shown below it denotes "Not Applicable" to that coverage, deductible, Sub-limit of Insurance, or other policy provision.

I. Description, Location and Estimated Completed Value of the INSURED PROJECT at Policy Inception

- A. Estimated construction contract price: \$ As Reported to the Company
- B. Value of all property not declared in A. above to be insured by this Policy and intended for installation under the construction contract, whether supplied by the INSURED PROJECT owner(s) or others(s): \$ As Reported to the Company
- C. Estimated COMPLETED VALUE of the INSURED PROJECT at Policy Inception: \$ As Reported to the Company
- D. Value of the EXISTING PROPERTY at Policy Inception: \$ As Reported to the Company

E. INSURED PROJECT Name: As Reported to the Company

F. INSURED PROJECT Description/Construction:

Various new and renovation construction projects as reported and endorsed to this policy

G. INSURED PROJECT Site: As Reported to the Company within the State of California

II. Limits of Insurance

\$ [REDACTED]

The Company will pay no more for direct physical LOSS in any one OCCURRENCE than the above Limit of Insurance. In addition, the Company will not pay for more than its proportionate share (100.00 %) of the following Sub-limits of Insurance and Annual Aggregate Sub-limits of Insurance, which are part of, and not in addition to, the Limit of Insurance above:

Sub-limits of Insurance

A. Physical LOSS to the INSURED PROJECT	\$ See MS-403377.1
B. Delay in Opening (per Form Number ACE0729)	\$ See MS-403377.1
C. EXISTING PROPERTY	\$ See MS-403377.1
D. Damage to the Owner's EXISTING PROPERTY - Limited	\$ See MS-403377.1
E. Property in Transit per Conveyance	\$ See MS-403377.1
F. Temporary Off-site Storage and Off-site Staging Areas, any one location	\$ See MS-403377.1
G. Expediting Expenses and Extra Expenses	\$ See MS-403377.1
H. Debris Removal	\$ See MS-403377.1
I. Trees, Shrubs, Plants and Lawns	\$ See MS-403377.1
J. Protection Service Charges	\$ See MS-403377.1
K. Fire Protective Equipment Recharge	\$ See MS-403377.1
L. Valuable Papers and Records	\$ See MS-403377.1
M. Claim Preparation Expenses	\$ See MS-403377.1
N. Protection of Insured Property Pre-LOSS	\$ See MS-403377.1
O. Architects and Engineers Fees	\$ See MS-403377.1
P. Office and Construction Trailers/Semi-trailers and their Contents	\$ See MS-403377.1
Q. Ordinance or Law	\$ See MS-403377.1

R. TESTING

\$ See MS-403377.4 & MS-403377.5

As Reported, but not to exceed
\$ [REDACTED] at any one INSURED
PROJECT site.

S. Business Personal Property

\$ [REDACTED]

T. Contract Penalty

\$ [REDACTED] NCP

U. TOWER CRANE Re-Erection Expense

\$ See MS-403377.1

V. NAMED WINDSTORM

\$ See MS-403377.4 & MS-403377.5

Annual Aggregate Sub-limits of Insurance

A. FLOOD

Per OCCURRENCE

\$ See MS-403377.4 & MS-403377.5

Annual Aggregate

\$ See MS-403377.4 & MS-403377.5

B. EARTH MOVEMENT

Per OCCURRENCE

\$ See MS-403377.4 & MS-403377.5

Annual Aggregate

\$ See MS-403377.4 & MS-403377.5

C. Pollution or
Contamination Clean-
Up

Per OCCURRENCE

\$ [REDACTED]

Annual Aggregate

\$ [REDACTED]

D. Limited Coverage for
FUNGUS, Wet Rot,
Dry Rot or Bacteria

Per OCCURRENCE

\$ [REDACTED]

Annual Aggregate

\$ [REDACTED]

III. Escalation Clause

The Sub-limit of Insurance for Physical LOSS to the INSURED PROJECT stated above is considered an estimate. Should any increase in the Estimated Completed Value of the INSURED PROJECT occur, the Sub-limit of Insurance for Physical LOSS to the INSURED PROJECT will automatically increase to reflect the change concurrently, subject to a maximum increase of 5% of the original Sub-limit of Insurance stated above. The Per OCCURRENCE Limit of Insurance stated above will increase by the same amount.

This clause does not apply to other Sub-limits of Insurance, including Delay in Opening, if endorsed to this Policy, nor does it apply to the Annual Aggregate Sub-limits of Insurance.

IV. Deductibles

\$ See MS-403377.4 & MS-403377.5 direct physical LOSS in any one OCCURRENCE except;

A. LOSS in any one OCCURRENCE caused by or resulting from FLOOD

\$ See MS-403377.4 & MS-403377.5

Subject to a maximum deductible of:

\$ NA

B. LOSS in any one OCCURRENCE caused by or resulting from EARTH MOVEMENT

\$ See MS-403377.4 & MS-403377.5

Subject to a maximum deductible of:

\$ NA

C. LOSS in any one OCCURRENCE

caused by or resulting from WATER DAMAGE

\$ See MS-403377.4 & MS-403377.5

Subject to a maximum deductible of:

\$ NA

D. LOSS in any one OCCURRENCE caused by or resulting from NAMED WINDSTORM

\$ See MS-403377.4 & MS-403377.5

Subject to a maximum deductible of:

\$ NA

E. LOSS in any one OCCURRENCE caused by or resulting from TESTING

\$ See MS-403377.4 & MS-403377.5

F. LOSS in any one OCCURRENCE caused by or resulting from NCP

\$ NA or NA %

G. LOSS in any one OCCURRENCE caused by or resulting from NCP

\$ NA or NA %

H. LOSS in any one OCCURRENCE caused by or resulting from NCP

\$ NA or NA %

V. Rates and Adjustment Coverage Type

Coverage Type	Rate	Annual Premium	Term Deposit Premium
INSURED PROJECT Physical LOSS	\$ <u>Various</u> Per \$100 <u>Annual</u>	\$ <u>0</u>	\$ <u>0</u>
Delay in Opening	\$ <u>Various</u> Per \$100 <u>Annual</u>	\$ <u>Included</u>	\$ <u>Included</u>
TESTING (<u>90</u> days)	\$ <u>Included</u> Per \$100 <u>Annual</u>	\$ <u>Included</u>	\$ <u>Included</u>
TESTING (<u>Included</u> days) Delay in Opening	\$ <u>NA</u> Per \$100 <u>Annual</u>	\$ <u>NA</u>	\$ <u>NA</u>
Total Deposit Premium			\$ <u>0</u>

Subject to a minimum earned premium of \$0

VI. Extension of Term

This Policy may be extended for a period not to exceed See MS-403377.2 (05/25) days from the original expiration date shown above, subject to the same terms and conditions in effect at the time of the extension, and subject to a pro-rata additional premium, exclusive of TESTING.

NOTE: Premium rates applicable to coverage during the period of June 1st through November 30th (NAMED WINDSTORM Season) may differ from rates applicable during the period December 1st through May 31st, and additional premium for extensions will reflect those pricing differences.

The TESTING PERIOD may be extended for a period not to exceed 0 days from the number of days for TESTING stated in V. Rates and Adjustment above, subject to the same terms and conditions in effect at the time of the extension, and subject to an additional premium based upon the number of days of the extension period.

The NAMED INSURED must request these extensions in writing and receive acceptance from the Company prior to the original expiration date of this Policy. If the NAMED INSURED does not provide the aforementioned written extension request(s), coverage provided hereunder shall terminate on the original expiration date stated in this Policy.

VII. Additional NAMED INSURED Information

As Reported Per Project

VIII. Mortgagee and Loss Payee Information

As Reported Per Project

CONSTRUCTION RISK COVERAGE FORM

Please read the entire policy carefully to determine rights, duties and what is and is not covered.

Words and phrases that appear in CAPITALS are defined in this Coverage Form. Refer to PART F. DEFINITIONS section in this Policy. Throughout this Coverage Form, the term "Company" means the company providing this insurance as shown on the Construction Risk Declarations.

PART A INSURING AGREEMENT

This Policy, subject to the terms, conditions and exclusions stated herein or endorsed hereto, insures against direct physical LOSS to property of every kind and description intended to become a permanent part of, or be consumed in, the construction, fabrication, assembly, installation, erection, or alteration of the INSURED PROJECT, as described on the Construction Risk Declarations and for which values have been declared and deposit premium paid. If not covered by other insurance and if values have been declared to the Company for deposit premium calculation, this Insuring Agreement shall also apply to TEMPORARY STRUCTURES.

PART B LIMITS OF INSURANCE

The Company will pay no more for direct physical LOSS in any one OCCURRENCE than the amount stated under section II. of the Construction Risk Declarations, subject to the following:

1. Sub-limits of Insurance

The Company will pay no more for direct physical LOSS in any one OCCURRENCE than the Sub-limit of Insurance stated under section II of the Declarations for each applicable Coverage or Extension of Coverage.

If a Sub-Limit of Insurance for NAMED WINDSTORM or TESTING is stated on the Construction Risk Declarations that does not state "Included" or is less than the Limit of Insurance Per OCCURRENCE stated on the Construction Risk Declarations, the most the Company will pay for under this Policy in any one OCCURRENCE from a NAMED WINDSTORM or TESTING for all Coverage(s) and Extensions of Coverage in or endorsed on this Policy, including the Delay in Opening Coverage, is the Sub-limit of Insurance for NAMED WINDSTORM or TESTING stated on the Construction Risk Declarations.

2. Annual Aggregate Sub-limits of Insurance

Notwithstanding the foregoing, and irrespective of the stated Limit of Insurance or Sub-limits of Insurance on the Construction Risk Declarations, the most the Company will pay for direct physical LOSS in any one OCCURRENCE, and in the aggregate for direct physical LOSS from all OCCURRENCES in any one Policy year for all Coverage(s) and Extensions of Coverage in or endorsed on this Policy, including, if purchased, coverage under the Delay in Opening Endorsement, is the Annual Aggregate Sub-limit(s) of Insurance stated on the Construction Risk Declarations.

These Sub-limits of Insurance and Annual Aggregate Sub-limits of Insurance are part of, and not in addition to, the Limit of Insurance per OCCURRENCE stated on the Construction Risk Declarations.

PART C EXTENSIONS OF COVERAGE

This Policy, subject to all the terms, conditions and exclusions stated herein or endorsed hereto, is extended to insure the following extensions of coverage if a dollar value is stated in the applicable Sub-limit(s) of Insurance or Annual Aggregate Sub-limit(s) of Insurance on the Construction Risk Declarations.

1. EXISTING PROPERTY

The Company will pay for direct physical LOSS by an insured peril to the EXISTING PROPERTY at the INSURED PROJECT site.

For the purposes of this Extension of Coverage, EXISTING PROPERTY does not include any personal property or underground utilities of any kind.

2. Damage to the Owner's EXISTING PROPERTY – Limited

If the First NAMED INSURED is a General Contractor, the Company will pay for direct physical LOSS by an insured peril to the INSURED PROJECT owner's EXISTING PROPERTY at the INSURED PROJECT Site. Coverage for such EXISTING PROPERTY of the INSURED PROJECT owner applies only: (1) when, at the time of direct physical LOSS, the insured property is contained within or is attached to the EXISTING PROPERTY; and (2) to the extent direct physical LOSS arises out of the contractor's performance of work on or within the EXISTING PROPERTY.

The Company shall have the right but not the duty to defend any claim alleging damage to such EXISTING PROPERTY.

For the purposes of this Extension of Coverage, EXISTING PROPERTY does not include personal property or underground utilities of any kind.

The Company will not pay for LOSS to EXISTING PROPERTY caused by or resulting from the following:

- A. Mechanical breakdown, including rupture or bursting caused by centrifugal force;
- B. Electrical injury or disturbance caused by artificially generated electrical currents;
- C. Interruption of incoming electricity, fuel, water, gas, steam, refrigerant, or other services except as specifically covered in this policy or unless such interruption of services directly result in physical LOSS not otherwise excluded by this policy.
- D. Explosion, rupture or bursting of steam boilers, steam pipes, steam turbines or steam engines owned, leased or operated under any NAMED INSURED's or Additional Insured's control. Direct physical LOSS caused by or resulting from explosion of gases or fuel within the furnace or any fired vessel or within the flues or passages through which the gases or combustion pass is covered.
- E. LOSS caused by or resulting from site work or demolition work.
- F. LOSS caused by or resulting from EARTH MOVEMENT, FLOOD, NAMED WINDSTORM or the peril of wind.
- G. Any Delay in Opening coverage, including, but not limited to; Loss of RENTAL INCOME, Loss of BUSINESS INCOME, SOFT COSTS/ADDITIONAL EXPENSES.
- H. Any Extension of Coverage for Expediting Expenses and Extra Expenses.

Exclusions A, B and C apply unless direct physical LOSS by an insured peril ensues and then this policy insures only such ensuing direct physical LOSS.

3. Property in Transit

Property in due course of transit that is intended to become a permanent part of, or be consumed in the INSURED PROJECT and subject to the following additional conditions:

- A. Coverage shall attach upon commencement of loading and cease upon completion of unloading.
- B. No coverage is provided for airborne shipments.

- C. No coverage is provided for waterborne shipments except on coastal and inland waterways.
- D. This Extension of Coverage shall be void if the NAMED INSURED enters into any agreement with a carrier, releasing them from their common law or statutory liability or agreeing that this Policy shall in any way inure to the benefit of such carriers. However, the NAMED INSURED may, without prejudice to this Extension of Coverage, accept such bills of lading, receipts, or contracts of transportation as are ordinarily issued by carriers containing a limitation as to the value of insured property.

4. Temporary Off-Site Storage and Off-Site Staging Areas

Property to be used in, or incidental to, completion of the INSURED PROJECT while located in temporary off-site storage or off-site staging areas away from the INSURED PROJECT site anywhere within the Policy territory, excluding property:

- A. Located at the manufacturer's or supplier's site while being manufactured or processed; or
- B. While in due course of transit if such equipment is the property of, or in the care, custody and control of a manufacturer or supplier.

5. Expediting Expenses and Extra Expenses

In the event of direct physical LOSS insured hereunder, and occurring during the Policy period, the Company will pay for:

A. Expediting Expenses

The reasonable and necessary extra costs to make temporary repairs, and to expedite the permanent repair or replacement of the insured property which is damaged by an insured peril; including:

- 1. Additional wages for overtime, night work, and work on public holidays;
- 2. The extra costs of express freight or other rapid means of transportation;
- 3. The extra costs of rental equipment;
- 4. Other reasonable expenses necessarily incurred to expedite repairs.

B. Extra Expenses

The reasonable and necessary extra costs incurred during the period of restoration and repair of the damaged insured property that are over and above the total costs that would normally have been incurred during the same period of time had no direct physical LOSS occurred. Extra Expenses shall mean:

- 1. Equipment rental;
- 2. Emergency expenses;
- 3. Temporary use of other property;
- 4. Demobilization and remobilization of equipment and facilities;
- 5. Other reasonable extra expenses necessarily incurred to reduce the amount payable for LOSS under this Policy;

However, for the purposes of this Extension of Coverage, any costs, expenses, or loss amounts which are otherwise covered elsewhere in this Policy are expressly excluded herein.

6. Debris Removal

The Company will pay the expense incurred in the removal of debris of the damaged insured property under this Policy, as a result of direct physical LOSS to insured property by an insured peril.

The Company will not pay the expense to:

- A. Extract CONTAMINANTS OR POLLUTANTS from the debris; or

- B. Extract CONTAMINANTS OR POLLUTANTS from land or water; or
- C. Remove, restore, or replace contaminated or polluted land or water; or
- D. Remove or transport any property or debris to a site for storage or decontamination required because the property or debris is affected by CONTAMINANTS OR POLLUTANTS whether or not such removal, transport, or decontamination is required by law or regulation.

It is a condition precedent to recovery under this Extension of Coverage that the Company shall have paid or agreed to pay for direct physical LOSS to the insured property hereunder, and that the NAMED INSURED shall give written notice to the Company of intent to claim for cost of removal of debris not later than twelve months after the date of such direct physical LOSS.

Upon exhaustion of the Debris Removal Sub-limit of Insurance and the per OCCURRENCE Limit of Insurance shown on the Construction Risk Declarations, the Company will pay up to an additional \$2,500,000 per OCCURRENCE and in the aggregate for debris removal.

7. Trees, Shrubs, Plants and Lawns

The Company will pay for direct physical LOSS by an insured peril to trees, shrubs, plants, and lawns, which are part of the INSURED PROJECT, and which have been installed, are in the process of being installed or awaiting installation at the INSURED PROJECT site.

8. Protection Service Charges

When a fire department, police department or other governmental authority is called to save or protect insured property from direct physical LOSS by an insured peril, the Company will pay the charges that result from:

- A. A written contract or agreement between the NAMED INSURED and a fire department, police department or other governmental authority and signed prior to the direct physical LOSS; or
- B. Application of a local ordinance, if required.

9. Fire Protective Equipment Recharge

The Company will pay for the cost to recharge or refill any fire protective equipment owned, in the control of, or used to protect insured property of the NAMED INSURED, when discharged:

- A. To prevent or control direct physical LOSS by an insured peril;
- B. Accidentally; or
- C. As a result of malfunction of the equipment.

In respect of items B. and C. above, the Company will pay for amounts in excess of amounts recoverable under any manufacturer's or supplier's warranty.

10. Valuable Papers and Records

The Company will pay the cost incurred by the NAMED INSURED to research, replace, restore, or copy those valuable papers, records, documents, blueprints, plans or drawings that are directly related to the INSURED PROJECT, as a result of direct physical LOSS by an insured peril.

11. Claim Preparation Expenses

The Company will pay necessary and reasonable expenses incurred by the NAMED INSURED for preparing and certifying details of a claim resulting from a direct physical LOSS which would be payable under this Policy, provided that the total amount of the direct physical LOSS exceeds the applicable Deductible shown on the Construction Risk Declarations.

However, in the event the direct physical LOSS does not exceed the applicable Deductible shown on the Construction Risk Declarations and this Policy is endorsed to provide Delay in Opening Coverage, the Company will pay necessary and reasonable expenses incurred by the NAMED INSURED for preparing and certifying details of a claim if the claim results in a DELAY which exceeds the applicable WAITING PERIOD.

Claim Preparation Expenses do not include:

- a. Salary or wages of employees of the NAMED INSURED or any of its affiliates;
- b. Fees or expenses of public adjusters or lawyers; or
- c. Fees or expenses of representatives or employees of any broker or agent.

Paragraph c. above does not apply to employees of a forensic accounting practice affiliated with the NAMED INSURED's broker or agent.

12. Protection of Insured Property Pre-LOSS

If it is necessary to protect or move insured property from an INSURED PROJECT site, off-site storage location or off-site staging area to preserve and protect it from sustaining imminent direct physical LOSS by an insured peril, the Company will pay for those reasonable and necessary expenses incurred by the NAMED INSURED in an effort to protect or remove insured property, including moving and storage expenses, but only to the extent that such expenses reduced direct physical LOSS which would otherwise be recoverable under this Policy.

The foregoing shall be subject to the deductible provisions of this Policy.

13. Architects and Engineers Fees

In the event of direct physical LOSS by an insured peril and occurring during the Policy period, the Company will pay necessary and reasonable compensation for architect's and engineer's services and expenses incurred by the NAMED INSURED in connection with the repair or replacement of the INSURED PROJECT, but excluding any costs relating to improvements and betterments to any insured property.

This Extension of Coverage shall not apply to and shall not modify, amend, or alter the Delay in Opening Architect and Engineers Fees Coverage when a value is stated and endorsed to this Policy.

14. Office and Construction Trailers/Semi-trailers and their Contents

The Company will pay for direct physical LOSS to office and construction trailers/semi-trailers and their contents, owned by the NAMED INSURED or in the NAMED INSURED's care, custody, or control while in, on or within 1,000 feet of the INSURED PROJECT site.

This coverage includes furniture, fixtures, data processing equipment, fax systems and phone systems but this Extension of Coverage does not apply to direct physical LOSS to tools or other contractor's equipment, jewels, jewelry, watches, money, stamps, deeds, letters of credit, documents, tickets, plans, blueprints, specifications, or other valuable papers.

This Policy is excess over any other valid or collectible insurance available to the owner of the property.

15. Ordinance or Law

If the repair of direct physical LOSS to insured property caused by an insured peril becomes subject to the enforcement of any ordinance or law that is in force at the time of direct physical LOSS and that:

- A. Requires the demolition of parts of the undamaged insured property; or
- B. Regulates the construction or repair of damaged insured property;

then the Company will pay for:

- 1. The cost of demolishing the undamaged insured property and clearing the site of debris from such demolition; and
- 2. The value of such undamaged part of the insured property that must be demolished; and
- 3. The increased cost of repair and/or reconstruction of the damaged and undamaged insured property on the same site, but such payment will be limited to the minimum requirements of such ordinance or law regulating the repair or reconstruction of the damaged insured property on the same site. However, the Company will not pay for any increased cost of repair or reconstruction unless the damaged insured property is actually rebuilt or replaced.

The Company will not pay the following costs:

- i. Cost of demolition or increased cost of repair or reconstruction, debris removal, or other consequential loss caused by the enforcement of any ordinance or law regulating asbestos or other hazardous material;
- ii. Cost of any governmental direction or request declaring that asbestos or other hazardous material present in, part of or utilized on any damaged or undamaged portion of insured property that can no longer be used for the purpose for which it was intended or installed and must be removed, modified, or abated;
- iii. Cost of demolition or increased cost of repair or reconstruction, debris removal, or other consequential loss caused by the enforcement of any ordinance or law regulating CONTAMINANTS OR POLLUTANTS; or
- iv. Cost of compliance with the enforcement of any ordinance or law which the NAMED INSURED or owner would have otherwise been required to comply by nature of such ordinance or law in the absence of any direct physical LOSS covered by this Policy.

16. TESTING

The Company will pay for direct physical LOSS to insured property by an insured peril while such property is undergoing TESTING during the TESTING PERIOD. Coverage shall continue on such insured property following the completion of TESTING subject to PART E POLICY CONDITIONS, Item 4. Term of Insurance.

Each of the following is a condition precedent to coverage for TESTING:

- A. All specified protective materials, systems and instrumentation are installed, activated and operational.
- B. No supervisory or safety system has been deliberately circumvented, unless such circumvention is necessary for the conduct of testing activities as recommended by written testing procedures and/or manufacturer's specifications and provided that such circumvention does not extend beyond that necessary for conduct of said individual activities.

17. Business Personal Property

The Company will pay for direct physical LOSS by an insured peril to business personal property intended to be placed in the INSURED PROJECT. This property is insured while in transit and while located at the INSURED PROJECT site. For the purposes of this Extension of Coverage, business personal property includes furniture and fixtures to be placed in but not permanently installed as part of the INSURED PROJECT, including but not limited to business personal property such as beds, desks, chairs, dressers, nightstands, televisions, and phones.

18. Contract Penalty

If the First NAMED INSURED is a General Contractor, the Company will pay the applicable contract penalties the first NAMED INSURED is required to pay for late completion or non-completion of the INSURED PROJECT as a result of direct physical LOSS to insured property by an insured peril. The penalties must be specified in the construction contract, signed prior to the start of construction.

It is a condition precedent to recovery under this Extension of Coverage that the NAMED INSURED use due diligence and dispatch in restoring the damaged property to the condition existing prior to the direct physical LOSS.

This Extension of Coverage shall not apply to and shall not modify, amend or alter, if purchased, coverage under the Delay in Opening Endorsement.

19. Reward

At the Company's option, the NAMED INSURED may be reimbursed for rewards paid, other than to the NAMED INSURED, or any of the NAMED INSURED's partners, members, managers or officers, for information leading to the conviction of any one or more persons responsible for direct physical LOSS insured under this Policy. The Company will be the sole judge as to the payment and amount of the reimbursement.

The most the Company will pay in any one OCCURRENCE under this Extension of Coverage is \$15,000.

20. TOWER CRANE Re-Erection Expense

If a TOWER CRANE not covered under this Policy is damaged as a result of direct physical LOSS by an insured peril while at the INSURED PROJECT Site, the Company will pay the reasonable and necessary costs incurred by the NAMED INSURED to re-erect a TOWER CRANE if necessary, to complete the INSURED PROJECT.

This Extension of Coverage shall not apply to and shall not modify, amend, or alter any other coverage insured by this Policy, Extension of Coverage or, if purchased, coverage under the Delay in Opening Endorsement.

21. Pollution or Contamination Clean-Up

The Company will pay necessary and reasonable expenses incurred by the NAMED INSURED to clean-up and remove CONTAMINANTS OR POLLUTANTS from land or water confined to the INSURED PROJECT site(s) if the release, discharge, or dispersal is caused by or results in direct physical LOSS that occurs during the Policy period, and which is not excluded by this Policy.

The Company will not pay for the costs to test for, monitor or assess the existence, concentration or effects of CONTAMINANTS OR POLLUTANTS except for testing which is performed in the course of clean-up and removal of the CONTAMINANTS OR POLLUTANTS from the land or water.

No liability shall exist under this provision unless such expenses are reported to the Company within 180 days of the date of direct physical LOSS.

22. Limited Coverage for FUNGUS, Wet Rot, Dry Rot or Bacteria

- A. The coverage described below in B. only applies when FUNGUS, wet rot, dry rot or bacteria results directly from an OCCURRENCE that is insured by this Policy, which takes place during the policy period and only if all reasonable means were used to save and preserve the property from further direct physical LOSS at the time of and after that OCCURRENCE.
- B. Under this Extension of Coverage, the Company will pay for:
1. Direct physical LOSS to insured property at the INSURED PROJECT caused by FUNGUS, wet rot, dry rot or bacteria, including the cost of removal of the FUNGUS, wet rot, dry rot or bacteria;
 2. The cost to tear out and replace any part of a building or other insured property as needed to gain access to FUNGUS, wet rot, dry rot or bacteria; and
 3. The cost of testing performed after removal, repair, replacement, or restoration of the damaged insured property is completed, provided there is a reason to believe that FUNGUS, wet rot, dry rot or bacteria are present.

If there is insured direct physical LOSS to the INSURED PROJECT, that is not caused by FUNGUS, wet rot, dry rot or bacteria, payment will not be limited by the terms of this Extension of Coverage, except to the extent that FUNGUS, wet rot, dry rot or bacteria causes an increase in the direct physical LOSS. Any such increase in the direct physical LOSS will be subject to the terms of this Extension of Coverage.

PART D EXCLUSIONS

Property Excluded

This Policy does not insure:

1. Land and land values and the value of cut, fill and backfill materials existing at the INSURED PROJECT site prior to project commencement; however, to the extent included in the contract bid documents and declared for premium purposes, the value of fill and backfill materials purchased for use in the completion of the INSURED PROJECT is not excluded.

Notwithstanding the foregoing, labor and material charges incurred to move, remove, place, or otherwise handle cut, fill and backfill materials, whether insured or uninsured in the foregoing, are covered to the extent such charges are included in the contract bid documents and declared for premium purposes;

2. Construction tools and construction equipment;
3. Vehicles or equipment licensed for highway use, watercraft, or aircraft;
4. Railroad rolling stock;
5. Water, animals of any kind, standing timber, and growing crops;
6. Trees, shrubs, plants, and lawn except as provided under the Extension of Coverage for Trees, Shrubs, Plants and Lawns;
7. Accounts, bills, currency, stamps, deeds, evidence of debt, checks, money, securities, or other property of a similar nature;
8. EXISTING PROPERTY at the INSURED PROJECT site, unless the value of same is declared to the Company and if a Sub-limit of Insurance is shown on the Construction Risk Declarations;

9. Property at locations other than at the INSURED PROJECT site, except Property that is in Transit or at Temporary Off-site Storage and Off-site Staging Areas if a Sub-limit of Insurance is shown on the Construction Risk Declarations;
10. Prototype, developmental, used machinery and equipment or any catalysts while undergoing any form of TESTING;
11. Refractory linings and brickwork during TESTING from the time of the first application of heat, unless LOSS directly results from physical LOSS to other insured property by an insured peril;
12. TRANSMISSION AND DISTRIBUTION LINES outside of the INSURED PROJECT site.
13. Any property while located at any site which stores, processes, or otherwise handles or makes use of radioactive materials unless reported to and accepted by the Company. The foregoing shall not apply to locations or property making use of radioactive isotopes contained within equipment used for diagnostic or testing purposes.

Excluded Causes of LOSS

I. This Policy does not insure LOSS caused directly or indirectly by any of the following, and such LOSS is excluded regardless of any other cause or event that contributes concurrently, or in any sequence to the LOSS:

1. A. Hostile or warlike action in time of peace or war, including action in hindering, combating, or defending against an actual, impending, or expected attack:
 1. By any government or sovereign power (de jure or de facto) or by any authority maintaining or using military, naval, or air forces; or
 2. By military, naval, or air forces; or
 3. By an agent of any such government, power, authority, or forces; it being understood that any discharge, explosion or use of any weapon of war employing nuclear fission or fusion will be conclusively presumed to be such a hostile or warlike action by such government, power, authority, or forces;
- B. Insurrection, rebellion, revolution, civil war, usurped power, or action taken by governmental authority in hindering, combating, or defending against such occurrence.
2. LOSS, damage, costs, expenses, fines, or penalties incurred or sustained by or imposed on any NAMED INSURED at the order of any government agency, court or authority arising from any cause whatsoever, except physical destruction of insured property by order of public authority to prevent spread of fire or explosion.
3. Nuclear reaction or radiation or radioactive contamination however caused. If fire ensues, liability is specifically assumed for direct physical LOSS by such ensuing fire, but not including any direct physical LOSS due to nuclear reaction, nuclear radiation, or radioactive contamination.
4. Dishonest or criminal act committed by:
 - A. the NAMED INSURED or by any of the NAMED INSURED's partners, employees, directors, trustees, or authorized representatives;
 - B. a manager or a member, or their partners, employees, directors, or authorized representatives, if the NAMED INSURED is a limited liability company;
 - C. anyone else with an interest in the insured property, or their employees or representatives; or
 - D. anyone else to whom the insured property is entrusted for any purpose.

This Excluded Cause of LOSS applies whether or not such persons are acting alone or in collusion with other persons or such acts occur during the hours of employment.

This Excluded Cause of LOSS does not apply to insured property that is entrusted to others who are carriers for hire or to acts of destruction by employees of the NAMED INSURED. But theft by employees of the NAMED INSURED is excluded.

5. Shortage found upon taking inventory.
6. Mysterious Disappearance.
7. Infestation, disease, freeze, drought and hail, weight of ice or snow, or any damage caused by insects, vermin, rodents, or animals, but only as respects Trees, Shrubs, Plants and Lawns.
8. Consequential loss, damage or expense of any kind or description, whether caused by an insured peril or otherwise, including but not limited to:
 - A. Loss of market or delay, loss of use, loss of warranty, liquidated damages, performance penalties, penalties for non-completion, delay in completion, or non-compliance with contract conditions;
 - B. General conditions, extended general conditions, or contractor's or subcontractor's overhead or profit pertaining to work at the INSURED PROJECT Site other than such costs or expenses which are reasonable and necessary to repair or replace such part of the INSURED PROJECT which has been damaged;
 - C. Resequencing of construction activities at the INSURED PROJECT Site;
 - D. Inefficiencies of construction activities at the INSURED PROJECT Site.
9. LOSS covered under any written or implied guarantee or warranty by any manufacturer or supplier.
10. Asbestos Hazard:
 - A. Asbestos, asbestos-containing product, or asbestos-containing material.
 - B. LOSS, cost, expense, fine or penalty resulting from or arising out of:
 1. Asbestos remediation, including removal or modification, of any asbestos, asbestos-containing product, or asbestos-containing material, from a building or structure of any kind, whether damaged or undamaged, and regardless of the reason such removal is undertaken, whether voluntary or compelled by government directive.
 2. Demolition or increased cost of reconstruction, repair, debris removal or loss of use when caused by, arising out of, or undertaken due to the enforcement of any law, regulation, rule, or ordinance that in any manner regulates asbestos, asbestos-containing product, or asbestos-containing material, except to the extent that coverage is provided under the Ordinance or Law Extension of Coverage.
 3. Any fault in the design, manufacture, or installation of asbestos, asbestos-containing product, or asbestos-containing material.
 4. Any governmental direction or request declaring that asbestos, asbestos-containing product, or asbestos-containing material present in or part or utilized on any undamaged portion of the insured property can no longer be used for the purpose for which it was intended or installed and must be removed or modified.
 - C. Notwithstanding the exclusions set forth above, this Policy insures direct physical LOSS to asbestos, asbestos-containing product and asbestos-containing material which is physically incorporated into

an insured building or structure, including the necessary costs to remove or remediate such damaged asbestos, but only when such damage occurring during the policy period is directly and solely caused by the following perils, and then only that part of such asbestos which incurs direct physical LOSS: fire, lightning, aircraft impact, explosion, riot, civil commotion, smoke, vehicle impact, windstorm or hail, vandalism, malicious mischief, leakage or accidental discharge from automatic fire protective systems.

11. LOSS caused by, resulting from, contributed to, or made worse by actual, alleged or threatened release, discharge, escape or dispersal of CONTAMINANTS OR POLLUTANTS, all whether direct or indirect, proximate, or remote or in whole or in part caused by, contributed to, or aggravated by any physical damage insured by this Policy.

Nevertheless, if fire is not excluded from this Policy and a fire arises directly or indirectly from the release, discharge, escape or dispersal of CONTAMINANTS OR POLLUTANTS, any covered LOSS which arises directly from that fire shall (subject to the terms, conditions, and limitations of this Policy) be insured.

This Excluded Cause of LOSS shall not apply when direct physical LOSS is directly caused by fire, lightning, aircraft impact, explosion, riot, civil commotion, vandalism, malicious mischief, smoke, vehicle impact, windstorm, or hail. This Excluded Cause of LOSS shall also not apply when direct physical LOSS is directly caused by leakage or accidental discharge from automatic fire protective systems.

12. The increased cost to comply with the enforcement of any ordinance or law that:

- A. Requires the demolition of parts of undamaged insured property;
- B. Regulates the construction or repair of damaged insured property;

This Excluded Cause of LOSS does not apply to the extent coverage is provided in the EXTENSIONS OF COVERAGE – Ordinance or Law.

13. LOSS, destruction, distortion, erasure, corruption, alteration, diminishment in value, or loss of use or usefulness of:

- A. ELECTRONIC DATA by any cause whatsoever (including but not limited to COMPUTER VIRUS or MALICIOUS PROGRAMMING); and/or

- B. ELECTRONIC MEDIA caused by or resulting from the LOSS, destruction, distortion, erasure, corruption, alteration, diminishment in value, or loss of use or usefulness of ELECTRONIC DATA;

regardless of any other cause or event that contributes concurrently or in any sequence to the LOSS, damage, destruction, distortion, erasure, corruption, alteration, diminishment in value, or loss of use or usefulness of ELECTRONIC DATA or ELECTRONIC MEDIA.

This Excluded Cause of LOSS does not apply to direct physical LOSS of ELECTRONIC DATA or ELECTRONIC MEDIA caused by or resulting from the perils of Fire, Lightning, Explosion, Aircraft or Vehicle Impact, Falling Objects, Windstorm, Hail, Tornado, NAMED WINDSTORM, EARTH MOVEMENT or Volcanic Action, FLOOD, Freeze or Weight of Snow, Theft, or Riot, if, and to the extent, such peril causing the direct physical LOSS is otherwise covered by this Policy.

14. Any LOSS or expense consisting of, caused by, contributed to, or aggravated by FUNGUS, wet rot, dry rot, or bacteria, whether directly or indirectly the result of an insured peril. This includes, but is not limited to, the cost for investigation, testing, remediation services, extra expense, or business interruption. Such LOSS is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the LOSS.

If direct physical LOSS otherwise covered by this Policy occurs, and the cost of removal of debris is increased due to the presence of FUNGUS, wet rot, dry rot or bacteria, this Policy will only be liable for the costs of debris removal which would have been incurred had no such factors been present in, on, or about the insured property to be removed.

This Excluded Cause of LOSS does not apply to the extent coverage is provided in the EXTENSIONS OF COVERAGE – Limited Coverage for FUNGUS, Wet Rot, Dry Rot or Bacteria.

15. FLOOD, unless a dollar value or “Included” is stated in the applicable FLOOD Annual Aggregate Sub-limits of Insurance on the Construction Risk Declarations. This exclusion does not apply to direct physical LOSS by fire or explosion resulting from FLOOD nor does it apply to Property in Transit.
16. EARTH MOVEMENT, unless a dollar value or “Included” is stated in the applicable EARTH MOVEMENT Annual Aggregate Sub-limits of Insurance on the Construction Risk Declarations. This exclusion does not apply to direct physical LOSS by fire or explosion resulting from EARTH MOVEMENT nor does it apply to Property in Transit.
17. Any LOSS to insured property caused by, resulting from or while undergoing TESTING, unless a dollar value or “Included” is stated in the applicable TESTING Sub-limit of Insurance on the Construction Risk Declarations.

II. This Policy does not insure LOSS caused by or resulting from any of the following, unless direct physical LOSS by an insured peril ensues and then this Policy insures only such ensuing direct physical LOSS:

1. Corrosion, decay, deterioration, erosion, evaporation, inherent vice, latent defect, leakage, loss of weight, rust, shrinkage, wear and tear or any quality in property which causes it to damage or destroy itself.
2. Normal settling, shrinking, cracking, expansion, or contraction.
3. Dryness or dampness of atmosphere.
4. Extremes or changes in temperature.
5. Heat, humidity, or condensation.

III. Cost of Making Good

This Policy does not insure the costs that would have been incurred to rectify any of the following had such rectification been effected immediately prior to the LOSS:

- A. Fault, defect, error, deficiency or omission in design, plans, specifications, engineering, or surveying;
- B. Faulty or defective workmanship, supplies, or material;

However, if direct physical LOSS by an insured peril ensues, then this Policy will provide cover for such ensuing LOSS only.

For the purpose of this Policy and not merely this Excluded Cause of LOSS, insured property, or any portion thereof, shall not be regarded as damaged solely by virtue of the existence of any condition stated under A. or B. above.

PART E POLICY CONDITIONS

These Policy Conditions apply to the entire Policy, including any endorsements attached to or made part of this Policy. However, to the extent that these Policy Conditions are in conflict with any State Changes or State Amendatory endorsements attached to or made part of this Policy, the conditions of the State Changes or State Amendatory endorsements shall take precedence.

1. **First NAMED INSURED**

The first NAMED INSURED shown on the Construction Risk Declarations will be the sole agent for all other NAMED INSUREDS, Additional Insureds and any other person or entity insured under this Policy for the following: giving and receiving of notices under this Policy, including notice of cancellation or nonrenewal; receiving any return premium that becomes payable under the Policy; requesting or agreeing to amend terms and conditions of this Policy; and adjusting LOSS under this Policy.

2. **Additional Insureds**

To the extent required by any written contract or subcontract for the INSURED PROJECT, and then only as their respective interests may appear, all owners, all contractors, and subcontractors of every tier of the INSURED PROJECT, and any other individual or entity specified in such written contract or subcontract, are recognized as Additional Insureds hereunder. As respects architects, engineers, manufacturers and suppliers, their interest is limited to their site activities only.

3. **LOSS Payable**

LOSS, if any, shall be adjusted with and made payable to the NAMED INSURED, or as per order of the NAMED INSURED, whose receipt shall constitute a release in full of all liability under this Policy with respect to such LOSS.

4. **Term of Insurance**

Coverage provided hereunder shall attach as of the date shown on the Construction Risk Declarations and shall continue in full force and effect until:

- A. the expiration date shown on the Construction Risk Declarations,
 - B. final acceptance of the INSURED PROJECT by the owner,
 - C. abandonment of the INSURED PROJECT by the NAMED INSURED, or
 - D. the expiration of the NAMED INSURED's interest in the INSURED PROJECT;
- whichever first occurs.

Permission to Occupy

The owner may occupy the INSURED PROJECT for the purpose originally intended without the Company's written consent. The NAMED INSURED agrees that all planned fire protection and security systems will be installed, activated and operational on each floor of the building(s) or structure(s) to be occupied prior to and during such occupancy.

5. **Premium**

- A. **Deposit Premium:** The premium stated on the Construction Risk Declarations is a deposit premium and shall be adjusted in accordance with Paragraph 5.C. Premium Adjustment. The deposit premium shall be due and payable within thirty (30) days of the effective date shown or per the date noted on the invoice, whichever is earlier.

B. Reporting Provisions: Not later than thirty (30) days after the expiration, cancellation, or any requested extension of this Policy, the NAMED INSURED shall report to the Company the total COMPLETED VALUE of all property including, but not limited to, all wages, expenses, materials, supplies, equipment, and such other charges, all whether provided by the owner, contractor, or others, which became a part of or was expended in the INSURED PROJECT.

C. Premium Adjustment:

1. The final earned premium for this Policy shall be computed by applying the rates used for the purpose of computing the deposit premium to the actual term of coverage provided and the total COMPLETED VALUE declared in accordance with Paragraph E.5.B. Reporting Provisions.
2. If the premium so calculated shall differ from the deposit premium, such difference shall be due and payable to the NAMED INSURED or the Company, as the case may be.
3. If the final COMPLETED VALUE reported to the Company for the INSURED PROJECT varies by no more than 5% from the estimated COMPLETED VALUE at inception, then the Company and the NAMED INSURED agree that no Premium Adjustment will occur. Any variation in COMPLETED VALUE greater than 5% will require a Premium Adjustment per 1. and 2. above using the estimated COMPLETED VALUE of the INSURED PROJECT at inception as the base.

D. Minimum Earned Premium:

1. If the NAMED INSURED cancels this Policy before the expiration date of the Policy, the Company will charge a minimum earned premium as stated on the Construction Risk Declarations. If the Company cancels the Policy, no minimum earned premium applies.
2. If the NAMED INSURED cancels the Policy, the Company will calculate the return premium as determined by this Clause E.5. Premium, the Policy Reporting Endorsement, if any, and amendatory endorsements, if any, attached to this Policy. After the Company determines the return premium, the Company will subtract it from the Policy term premium to determine the earned premium.
3. The Company will then compare the earned premium to the minimum earned premium stated on the Construction Risk Declarations. If the earned premium is less than the minimum earned premium, the Company will return to the NAMED INSURED the difference between the Policy term premium and the minimum earned premium. If the earned premium is more than the minimum earned premium, the Company will return to the NAMED INSURED the difference between the Policy term premium and the earned premium as determined by this Clause 5. Premium, the Policy Reporting Endorsement, if any, and amendatory endorsements, if any, attached to this Policy.

6. Deductibles

The Company will adjust all direct physical LOSS arising out of any one OCCURRENCE as one LOSS. The Company will not pay for direct physical LOSS in any one OCCURRENCE until the amount of the adjusted direct physical LOSS exceeds the applicable deductible stated on the Construction Risk Declarations. The Company will then pay the amount of the direct physical LOSS in excess of the applicable deductible.

Where a percentage deductible is shown on the Construction Risk Declarations, the deductible shall be the greater of the dollar amount shown, or the stated percentage of the total insured values in place at the INSURED PROJECT site or sites sustaining direct physical LOSS in any one OCCURRENCE, unless a maximum deductible is listed.

In the event that more than one deductible shown on the Construction Risk Declarations, or provided in any endorsement, shall apply to covered direct physical LOSS in any one OCCURRENCE, only the largest deductible shall be applied.

However, if this Policy is extended to provide coverage for Delay in Opening, the deductible stated on the applicable endorsement will be applied separately and in addition to the deductible(s) for the other coverages provided in this Policy.

7. Valuation

At the time and place of direct physical LOSS, the basis of adjustment of a claim, unless otherwise endorsed herein, shall be as follows:

- A. Property Under Construction – The cost to repair or replace the insured property lost or damaged with material of like kind and quality, less betterment, including contractor's reasonable profit and overhead not exceeding the percentages in the original contract. If the insured property is not repaired or replaced, then direct physical LOSS shall be settled on the basis of ACTUAL CASH VALUE.
- B. EXISTING PROPERTY - The Company will pay the least of the following for direct physical LOSS to EXISTING PROPERTY:
 - 1. The ACTUAL CASH VALUE of the EXISTING PROPERTY;
 - 2. The cost of reasonably restoring the EXISTING PROPERTY to its condition immediately prior to the direct physical LOSS;
 - 3. The cost of replacing the EXISTING PROPERTY with substantially identical property unless replacement with substantially identical property is impossible or unnecessary. In such case, FUNCTIONAL REPLACEMENT COST would apply.
- C. Property of Others (Including Items Supplied by the Owner) – If Property of Others is new, the cost to repair or replace the insured property lost or damaged with material of like kind and quality, less betterment. If Property of Others is not new then, the Owner's cost or ACTUAL CASH VALUE, whichever is less.

If the Property of Others is not repaired or replaced, then direct physical LOSS shall be settled on the basis of ACTUAL CASH VALUE.
- D. TEMPORARY STRUCTURES – The cost to repair or replace the insured property lost or damaged with material of like kind, quality, and condition but in the event the insured property is not repaired or replaced recovery will not exceed the ACTUAL CASH VALUE.
- E. Valuable Papers and Records - The cost to reproduce the insured property with other property of like kind and quality including the cost of gathering or assembling information from back up data if replaced, or if not replaced, at the value of blank material.
- F. ELECTRONIC MEDIA or ELECTRONIC DATA - The cost of the blank media, plus the costs of copying or restoring ELECTRONIC DATA from back-up or from originals of a previous generation, not including research and engineering or the costs or expense of recreating, gathering, or assembling such ELECTRONIC DATA.

This Policy 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. If not repaired, replaced, or restored, ELECTRONIC MEDIA shall be valued at the cost of the blank media.
- G. Trees, Shrubs, Plants and Lawns - The cost to replace with property of like kind and quality plus the proper proportion of labor expended if such damage occurs after installation.
- H. Office and Construction Trailers/Semi-trailers and their Contents – If not more than 5 years old as of the expiration date of this Policy, based on the manufacturer's model year, and the NAMED INSURED repairs or replaces the insured property, the least of the following shall apply:
 - 1. The cost to replace the lost or damaged insured property, without deduction for depreciation, with new property of comparable quality and utility;

2. The amount the NAMED INSURED spends to repair or replace the lost or damaged insured property.

If the insured property is more than 5 years old or the NAMED INSURED does not actually repair or replace the insured property within a reasonable period of time after the date of direct physical LOSS, the Company will pay the ACTUAL CASH VALUE.

The Company will pay for direct physical LOSS to insured property by determining its REPLACEMENT COST, provided that the NAMED INSURED actually repairs or replaces the lost or damaged insured property, or begins to repair the damaged insured property, within 24 months from the date of direct physical LOSS; otherwise, the Company will pay for direct physical LOSS to insured property by determining its ACTUAL CASH VALUE.

8. Cancellation

- A. This Policy may be cancelled by the NAMED INSURED by mailing to the Company written notice stating when, thereafter, such cancellation shall be effective. The Company may cancel this Policy by mailing to the NAMED INSURED at the address shown in the Policy written notice stating when, not less than sixty (60) days thereafter, such cancellation will be effective. In the event of non-payment, the Company shall give fifteen (15) days notice. The mailing of notice as shall be sufficient proof of notice and the effective date of cancellation stated in the notice shall become the end of the Policy period. Delivery of such written notice either by the NAMED INSURED or by the Company shall be equivalent to mailing.
- B. If the NAMED INSURED or the Company cancels, earned premiums shall be computed in accordance with Part E.5.C. Premium Adjustment and Part E.5.D. Minimum Earned Premium.
- C. Premium adjustment may be made at the time cancellation is effected and, if not then made, shall be made as soon as practicable after cancellation becomes effective. The Company's check or the check of its representative mailed or delivered as aforesaid shall be a sufficient tender of any refund of premium due to the NAMED INSURED.

9. Inspection and Audit

While this Policy is in effect, the Company may, at any reasonable time, inspect the NAMED INSURED's property and operations. However, any recommendations or information provided as a result of such inspection(s) is not intended as a substitute for advice from a safety expert or legal counsel the NAMED INSURED may retain for their intended purpose(s). It is not intended to satisfy any legal duty the NAMED INSURED may have to provide a safe premises, workplace, product, or operation.

The Company may also examine and audit the NAMED INSURED's books and records at any reasonable time during the Policy period, and within one year after the final termination of the Policy, as long as they relate to the subject matter of this Policy.

10. Assignment

The NAMED INSURED agrees not to assign and/or transfer any legal rights or interests in the Policy without the Company's written consent.

11. Abandonment

There will be no abandonment of any insured property to the Company.

12. Appraisal

If the NAMED INSURED and the Company fail to agree on the amount of the LOSS, each, upon written demand of either the NAMED INSURED or the Company, shall select a competent and disinterested appraiser. The appraisers shall then select a competent and disinterested umpire. If they should fail for

fifteen (15) days to agree upon such umpire, then upon the request of the NAMED INSURED or the Company, such umpire shall be selected by a judge of a court of record in the jurisdiction in which such appraisal is pending. Then, at a reasonable time and place, the appraisers shall appraise the LOSS based on the Valuation conditions within the Policy. If the appraisers agree, their written agreement shall determine the amount of LOSS and shall be paid by the Company within thirty (30) days thereafter. If the appraisers fail to agree, they shall submit their differences to the umpire. The umpire shall then submit a written award resolving such differences. Such award shall determine the amount of the LOSS and shall be paid by the Company within thirty (30) days thereafter.

The NAMED INSURED and the Company shall each pay its chosen appraiser and shall bear equally the other expenses of the appraisal and umpire. The Company shall not be held to have waived any of its rights by any act relating to appraisal.

13. In Case of LOSS

A. Notice of OCCURRENCE:

The NAMED INSURED will, as soon as practicable, report in writing to the Company every OCCURRENCE that may give rise to a claim under this Policy.

B. Proof of LOSS:

The NAMED INSURED will as soon as practicable, file with the Company a signed and sworn detailed proof of LOSS.

C. Duty to Cooperate:

The NAMED INSURED shall cooperate with the Company in the investigation of the LOSS and settlement of the claim.

D. Payment of LOSS:

All adjusted claims, including partial payments thereon will be due and payable no later than thirty (30) days after presentation and acceptance of proof of LOSS or partial proof of LOSS, as the case may be, by this Company or its appointed representative.

14. Other Insurance

Except as stated in the Contributing Insurance and Excess Insurance articles, if there is other insurance which is issued by another valid policy or policies of insurance, whether primary or excess, whether collectible or not, this Policy will apply as excess insurance and will not contribute with such other insurance, nor shall the Company be liable to make any payment in connection with any such portion of a claim or suit.

15. Contributing Insurance

Permission is granted for other policies written upon the same plan, conditions, and provisions as those contained herein.

This Policy will contribute to the total of each LOSS otherwise payable herein to the extent of the participation of this Policy in the total Limit of Insurance, as provided by all policies written upon the same plan, conditions, and provisions as those contained in this Policy.

The adjustment of losses by any contributing insurance company is not binding on any other contributing insurance company.

16. Excess Insurance

Permission is granted the NAMED INSURED to have excess insurance over the Limit of Insurance set forth in this Policy without prejudice to this Policy, nor will the existence of such insurance, if any, reduce any liability under this Policy.

17. Pair and Set

- A. In the event of direct physical LOSS to any insured article or articles which are part of a pair or set, the measure of direct physical LOSS to such article or articles will be a reasonable and fair proportion of the total value of the pair or set, giving consideration to the importance of said article or articles, but in no event will such direct physical LOSS be construed to mean total direct physical LOSS of the pair or set, or
- B. In the event of direct physical LOSS to any part of insured property consisting, when complete for use, of several parts, the Company will only be liable for the value of the part lost or damaged.

18. Recovery or Salvage

Any recovery or salvage will apply as if recovered or received prior to the LOSS settlement and the LOSS will be readjusted accordingly, except for:

- A. proceeds from subrogation and other insurance recovered or received after a LOSS settlement under this Policy;
- B. any recovery from suretyship, insurance, reinsurance, security, or indemnity taken by or for the benefit of the Company.

19. Reinstatement

With the exception of direct physical LOSS caused by insured perils which are subject to Annual Aggregate Sub-limits of Insurance, any LOSS hereunder will not reduce the limits available under this Policy.

20. Subrogation

If the Company pays a claim under this Policy, it will be subrogated, to the extent of such payment, to all the NAMED INSURED's rights of recovery from other persons, organizations, and entities. The NAMED INSURED will execute and deliver instruments and papers and do whatever else is necessary to secure such rights.

The Company will have no rights of subrogation against:

- A. any person or entity, which is an Additional Insured, but only to the extent of their interest in the damaged insured property;
- B. any other person or entity, against which the NAMED INSURED has waived its rights of subrogation in writing before the time of direct physical LOSS.

Notwithstanding the foregoing, it is a condition of this Policy that the Company shall be subrogated to all the NAMED INSURED's unwaived rights of recovery against:

- A. Any Architect or Engineer, whether or not a NAMED INSURED or Additional Insured, for any LOSS arising out of the performance of professional services in their capacity as such and caused by any error, omission, deficiency or act of the Architect or Engineer, by any person employed by them or by any others for whose acts they are legally liable, and;
- B. Any manufacturer or supplier of machinery, equipment, or other property, whether or not a NAMED INSURED or Additional Insured, for the cost of making good any LOSS which said party has agreed to make good under a guarantee or warranty, whether expressed or implied.

The NAMED INSURED will act in concert with the Company and all other interests concerned in the exercise of such rights of recovery.

If any amount is recovered as a result of such proceedings, the net amount recovered after deducting the costs of recovery, will accrue first to the Company in proportion to their respective interests. Any excess of this amount will be remitted to the NAMED INSURED. If there is no recovery, the interests instituting the proceedings will bear the expense of the proceedings proportionately.

The NAMED INSURED will do nothing after LOSS to prejudice such rights of subrogation.

21. Misrepresentation and Fraud

This Policy shall be void if the NAMED INSURED has intentionally concealed or misrepresented any material fact(s) or circumstance(s) concerning this insurance or the subject thereof, or in case of any fraud, attempted fraud or false swearing by the NAMED INSURED concerning any matter relating to this insurance or the subject thereof, whether before or after a LOSS.

22. Legal Action Against the Company

No one may bring a legal action against the Company under this Policy unless:

- A. There has been full compliance with all the conditions of this Policy; and
- B. The action is brought within 2 years after the NAMED INSURED first has knowledge of the direct physical LOSS.

23. Benefit to Bailee

The Policy will not inure, directly or indirectly, to the benefit or any carrier or bailee.

24. Coverage Territory

This Policy covers insured property within the United States of America, including the District of Columbia and property in inland transit from Canada; except that this Policy will not cover Property in Transit by water or air to and from Alaska or to and from Hawaii.

25. Certificates of Insurance

Any Certificate of Insurance issued in connection with this Policy shall be issued solely as a matter of convenience or information for the addressee(s) or holder(s) of said Certificate of Insurance. This Policy may only be modified by endorsement issued by the Company.

26. Statutes

If any of the Articles herein stated conflict with the laws or statutes of any jurisdictions in which this Policy applies, the same is amended to conform to such laws or statutes.

27. Observance of Conditions

Full compliance with all terms and conditions of this Policy by the NAMED INSURED shall be a condition precedent to any liability of the Company to make payment for LOSS under this Policy.

28. Increased Hazard

If there is a material increased hazard in the risk, change in project scope or change in project principals, the NAMED INSURED shall give notice in writing to the Company within 30 days of the NAMED INSURED's knowledge of the same. The Company shall have the right, but not the obligation, to modify the terms of insurance in accordance with the terms and conditions that would apply to the material increased hazard.

29. Examination Under Oath

The NAMED INSURED shall submit and, so far as is within their power, shall cause all other persons to submit, to examination or examinations under oath by any persons named by the Company relative to any and all matters in connection with a claim, and shall produce for examination all books of accounts, bills, invoices, and other vouchers or certified copies thereof if originals are lost, at such reasonable time and place as may be designated by the Company or its representatives as often as the Company deems necessary, and shall permit extracts and copies thereof to be made.

30. Brands and Trademarks

In any case of direct physical LOSS by an insured peril to insured property bearing a brand, trademark or label, the Company may take all or any part of the insured property at any agreed or appraised value. If so, the NAMED INSURED may, at its own expense:

- A. Stamp salvage on the insured property or its container, if the stamp will not physically damage the insured property; or
- B. Remove the brand, trademark or label if doing so will not physically damage the insured property. The NAMED INSURED must re-label the insured property or its container to comply with the law.

31. Protection of Insured Property

The NAMED INSURED will take reasonable steps to protect, recover or save the insured property and minimize any further or potential LOSS when the insured property has sustained direct physical LOSS by an insured peril. The acts of the NAMED INSURED or the Company in protecting, recovering, or saving the insured property will not be considered a waiver or an acceptance of abandonment. The NAMED INSURED and the Company will bear the reasonable expense incurred proportionate to their respective interests under this Policy.

32. Mortgage Holders

The entities listed on the Construction Risk Declarations and designated as a Mortgage Holder are added to this Policy for the INSURED PROJECT covered by this Policy, subject to the following terms and conditions:

The term "mortgage holder" includes a trustee.

- A. The Company will pay for LOSS, if any, to each mortgage holder shown in the mortgage holder schedule in their order of precedence, as interests may appear.
- B. The mortgage holder has the right to receive LOSS payment even if the mortgage holder has started foreclosure or similar action on the INSURED PROJECT.
- C. If the Company denies a claim due to the acts of the NAMED INSURED or because the NAMED INSURED has failed to comply with the terms of this Policy, the mortgage holder will still have the right to receive LOSS payment if the mortgage holder:
 - 1. Pays any premium due under this Policy at the request of the Company if the NAMED INSURED has failed to do so.
 - 2. Submits a signed, sworn proof of LOSS within 60 days after receiving notice from the Company of the NAMED INSURED'S failure to do so; and
 - 3. Has notified the Company of any change in ownership, occupancy, or substantial change in risk known to the mortgage holder.

All terms of this Policy will then apply directly to the mortgage holder.

- D. If the COMPANY pays the mortgage holder for any LOSS and denies payment to the NAMED INSURED because of their acts or because they have failed to comply with the terms of this Policy:
 - 1. The mortgage holder's rights under the mortgage will be transferred to the Company to the extent of the amount paid; and

2. The mortgage holder's right to recover the full amount of the mortgage holder's claim will not be impaired.

At the option of the Company, the Company may pay to the mortgage holder the whole principal on the mortgage plus any accrued interest. In this event, the mortgage and note will be transferred to the Company and the NAMED INSURED will pay the remaining mortgage debt to the Company.

- E. If the Company cancels this Policy, the Company will give written notice to the mortgage holder at least:

1. Fifteen (15) days before the effective date of cancellation, if cancelled for non-payment of premium; or
2. Forty-Five (45) days before the effective date of cancellation, if cancelled for any other reason.

The Company's failure to provide notice of cancellation to the mortgage holder will not invalidate the cancellation.

- F. If the Company does not renew the Policy, the Company will give written notice to the mortgage holder at least forty-five (45) days before the expiration date of this Policy. The Company's failure to provide notice to the mortgage holder will not invalidate the non-renewal.

32. Blanket Loss Payees

Any individual or organization having a valid financial interest in insured property where such financial interest is secured through a debt instrument, including a loan or trust certificate, will be considered a Loss Payee for the purposes of this Policy; providing, however, and as a condition precedent to qualification hereunder as Loss Payee, that such debt instrument be executed prior to any LOSS to such insured property. Additionally, any such Loss Payee interest in insured property must be reported to the Company. The NAMED INSURED must do this not later than the time the Proof of LOSS is submitted to the Company.

The Company will adjust a LOSS with the NAMED INSURED shown on the Construction Risk Declarations and the Company will pay the NAMED INSURED, and the Loss Payee(s), up to their interest in insured property, the amount the Company owes, if anything.

PART F DEFINITIONS

The following definitions will be applied in the interpretation of certain wording used herein:

1. ACTUAL CASH VALUE

The replacement cost at the time of direct physical LOSS, of the insured property damaged or destroyed, less depreciation.

2. COMPLETED VALUE

The projected full value of the INSURED PROJECT at the date of completion.

3. COMPUTER VIRUS

Instructions, code, applications, or any software program that has the ability or is suspected to have the ability to damage, destroy, erase, corrupt, alter, or prevent access to ELECTRONIC DATA, ELECTRONIC MEDIA, or COMPUTERS or to disrupt or interfere with the operations of COMPUTERS.

4. COMPUTERS

Includes but is not limited to mainframes, servers, workstations and portable computers, personal information managers, wide and local area network hardware, electronic and electromechanical

equipment, data processing equipment, electronic controls for machinery, electronically programmed memory chips, and electronically controlled communication equipment.

5. CONTAMINANTS OR POLLUTANTS

Any material which, after its release, can cause or threaten damage to human health or human welfare or which can cause or threaten damage, deterioration, loss of value, marketability or loss of use to property insured hereunder, including, but not limited to, any solid, liquid, gaseous or thermal irritant or contaminant including vapor, fumes, acids, soot, alkalis, virus, chemicals and waste, or any hazardous substances as listed in the Federal Water Pollution Control Act, Clean Air Act, Resource Conservation and Recovery Act of 1976, and Toxic Substances Control Act, or as designated by the US Environmental Protection Agency.

6. EARTH MOVEMENT

All earthquake, landslide, mudslide, mudflow, rock fall, volcanic eruption, earth sinking (other than sinkhole collapse), rising, shifting, subsidence or other earth movement, whether observable or not observable, and whether man-made or caused by natural phenomena. EARTH MOVEMENT includes sea waves, tide or tidal waters, storm surge and spray caused by or resulting from tsunami or other tectonic or seismic activity.

7. ELECTRONIC DATA

Facts, concepts, information, or data, including compilations thereof, in a form useable or intended for use or processing by COMPUTERS or for storage on ELECTRONIC MEDIA. ELECTRONIC DATA includes but is not limited to files, programs, applications, operating systems, and other coded instructions for the processing, calculation and storage of facts, concepts, and information by COMPUTERS.

8. ELECTRONIC MEDIA

Any physical device that holds, stores, contains or transfers ELECTRONIC DATA, and includes but is not limited to disks, drives, films, tapes, records, drums, or cells.

9. EXISTING PROPERTY

Buildings or permanent structures, including equipment used to maintain or service the buildings or structures that existed prior to the beginning of construction at the INSURED PROJECT Site.

10. FLOOD

A general and temporary condition during which the surface of normally dry land is partially or completely inundated due to:

- A. Rain and resultant runoff; or
- B. The rising, overflow or breach of any boundary of a natural or man-made body of water; or
- C. Sea waves, tide or tidal waters, storm surge, or spray from any of these, whether driven by wind or not; however, FLOOD does not include tsunami, sea waves, tide or tidal waters, storm surge or spray caused by or resulting from tectonic or seismic activity; or
- D. The failure of a cofferdam or similar structure intended to hold water back from an area of construction; or
- E. Unexpected accumulation of water caused by subsurface seepage or subsurface leakage; or

As respects piles and other insured property designed to be used in or above water and purposely placed or stationed in or above lakes, rivers, streams, harbors or other bodies of water, any direct physical LOSS

that could be deemed direct physical LOSS caused by WATER DAMAGE or direct physical LOSS caused by FLOOD under this policy, shall be deemed direct physical LOSS caused by FLOOD, and all terms and conditions herein shall apply as if the direct physical LOSS were caused by FLOOD.

FLOOD also means accumulation of water, including water that is mixed with soil, sand, rock, or other matter, in an excavation, pit or underground tunnel, shaft or pipe, or otherwise impacting construction work below grade.

11. FUNCTIONAL REPLACEMENT COST

The cost to replace insured property with similar property intended to perform the same function when replacement with substantially identical property is impossible or unnecessary.

12. FUNGUS

Any type or form of FUNGUS, including mold or mildew, and any mycotoxins, spores, scents, or by-products produced or released by fungi.

13. INSURED PROJECT

The work which the NAMED INSURED is contractually obligated to perform in accordance with the contract documents, being more fully described and located as set forth on the Construction Risk Declarations.

14. LOSS

Accidental loss or damage.

15. MALICIOUS PROGRAMMING

An illegal or malicious entry into COMPUTERS or ELECTRONIC DATA that results in functions that distort, corrupt, manipulate, copy, delete, destroy, slow down or prevent the use of such COMPUTERS or ELECTRONIC DATA.

16. NAMED INSURED

The persons or companies identified on the Construction Risk Declarations.

17. NAMED WINDSTORM

An intense tropical weather system with a well-defined circulation and maximum sustained winds of at least 39 mph or 63 km/hr that is named by the National Oceanic and Atmospheric Administration (NOAA), including any of NOAA's organizations, such as the National Weather Service or the National Hurricane Center. NAMED WINDSTORM includes any tornadoes, microbursts or any other wind event that is caused by or results from the NAMED WINDSTORM.

18. OCCURRENCE

All LOSS attributable directly or indirectly to one originating cause, event, incident or repeated exposure to the same originating cause, event, or incident, or to one series of similar originating causes, events, incidents or repeated exposures to the same originating cause, event or incident first occurring in the Policy period. All such LOSS will be treated as one OCCURRENCE, unless a specific period of time is included in this Policy. The most the Company will pay for LOSS in any one OCCURRENCE is the applicable Limit of Insurance shown on the Construction Risk Declarations.

As respects the perils of strike, riot, civil commotion, vandalism and malicious mischief, OCCURRENCE shall mean all LOSS arising during a continuous period of seventy-two (72) hours during the term of this

Policy. The NAMED INSURED may elect the moment when the seventy-two (72) hour period begins, but no two such periods shall overlap. Such strike, riot, civil commotion, vandalism, or malicious mischief shall be deemed to be a single OCCURRENCE within the meaning of this Policy.

As respects the peril of EARTH MOVEMENT, OCCURRENCE shall mean all LOSS arising during a continuous period of seventy-two (72) hours during the term of this Policy. The NAMED INSURED may elect the moment when the seventy-two (72) hour period begins, but no two such periods shall overlap. Such EARTH MOVEMENT shall be deemed to be a single OCCURRENCE within the meaning of this Policy.

As respects the peril of FLOOD, OCCURRENCE shall mean all LOSS arising during a continuous period of seventy-two (72) hours during the term of this Policy. The NAMED INSURED may elect the moment when the seventy-two (72) hour period begins, but no two such periods shall overlap. Such FLOOD shall be deemed to be a single OCCURRENCE within the meaning of this Policy.

As respects the peril of NAMED WINDSTORM, OCCURRENCE shall mean all LOSS arising out of the same NAMED WINDSTORM, including any tornadoes, microbursts or any other wind event associated with that NAMED WINDSTORM. Such NAMED WINDSTORM shall be deemed to be a single OCCURRENCE within the meaning of this Policy.

The Company shall not be liable for any such LOSS first occurring before the effective date and time or first occurring after the expiration date and time of this Policy.

19. REPLACEMENT COST

The cost to repair or replace the insured property lost or damaged at the time and place of direct physical LOSS with material of like kind and quality.

20. TEMPORARY STRUCTURES

Cribbing, scaffolding, shoring, fences, construction forms and other similar structures on the INSURED PROJECT site, but TEMPORARY STRUCTURES does not include construction tools, equipment, or storage structures.

21. TESTING

Any testing utilizing production equipment with the use of feedstock or other materials for processing, or other media to simulate working conditions.

Testing does not include any start-up, commissioning, or other forms of testing of building or civil construction systems, such as electric, heating, ventilation, air conditioning, sprinklers, water piping, plumbing, gas lines, air conditioning lines, elevators, escalators, electronic tolling, life safety or lighting, or property of similar kind.

22. TESTING PERIOD

That period beginning with the introduction into the production equipment of feedstock or other materials for processing, or similar media, or the first firing of fuel(s), whichever occurs first. The testing period shall continue thereafter whether or not such testing, commissioning or startup is continuous or intermittent and terminate on the expiration of this Policy.

23. TOWER CRANE

A crane with a fixed vertical mast that is topped by a rotating boom and equipped with a winch for hoisting and lowering loads.

24. TRANSMISSION AND DISTRIBUTION LINES

Transmission and distribution lines, poles, towers, and all equipment attached or affixed thereto, including supporting structures.

25. WATER DAMAGE

All direct physical LOSS caused by water, whatever the source, except direct physical LOSS caused by or resulting from the peril of FLOOD or NAMED WINDSTORM.

DRAFT

DEFINITIONS – CONSTRUCTION CLASSIFICATIONS AND RENOVATIONS

Named Insured The State of California Department of General Services			Endorsement Number
Policy Symbol IMC	Policy Number 10884866A 008	Policy Period 05/01/2025 to 05/01/2027	Effective Date of Endorsement
Issued By (Name of Insurance Company) Illinois Union Insurance Company			

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**THIS ENDORSEMENT MODIFIES INSURANCE PROVIDED UNDER THE FOLLOWING:
CONSTRUCTION RISK COVERAGE FORM**

PART F DEFINITIONS is amended to include the following:

CONSTRUCTION CLASSIFICATIONS

- A. **FRAME** – Buildings where the walls are constructed of wood or other combustible materials, including when combustible materials are combined with other materials such as brick veneer, stone veneer, wood ironclad or stucco on wood. This includes projects of FRAME construction on top of concrete podiums or parking garages.
- B. **JOISTED MASONRY** – Buildings where the walls are constructed of masonry materials such as clay, adobe, brick, gypsum block, cinder block, hollow concrete block, stone, tile, glass block or other similar material and where the floors and/or roof are combustible.
- C. **HYBRID** – Buildings where the walls, floors and/or roof are constructed using FRAME construction with any combination of NON-COMBUSTIBLE, MASONRY NON-COMBUSTIBLE or FIRE RESISTIVE construction. HYBRID construction does not include FRAME construction on top of concrete podiums or parking garages.
- D. **TILT-UP CONSTRUCTION** – Buildings where the walls and floors are constructed of and supported by metal, asbestos, gypsum or other NON-COMBUSTIBLE material. Roof may be constructed of Wood Frame or other combustible materials or NON-COMBUSTIBLE materials.
- E. **NON-COMBUSTIBLE** – Buildings where the walls, floors and roof are constructed of and supported by metal, asbestos, gypsum or other non-combustible material.
- F. **MASONRY NON-COMBUSTIBLE** – Buildings where the walls are constructed of masonry materials of the type described in JOISTED MASONRY above but with a floor and roof constructed of metal or other non-combustible materials.
- G. **FIRE RESISTIVE** – Buildings where the walls, floors, doors, and roof are constructed of fire resistive materials having a fire resistance rating of not less than two hours.

References to walls mean the structural frame and support walls. References to floors mean the floors and supports. References to roofs mean the roof deck and supports.

RENOVATIONS

- A. **STRUCTURAL RENOVATIONS**– Any project involving any structural alterations to the structure, including but not limited to: a) the moving or removal of load-bearing walls or supports; b) the installation of new stairwells or elevator shafts within a building; c) the construction of additional stories on top of an existing structure; d) foundation work / underpinning; e) the restoration of buildings or structures damaged by fire, windstorm, collapse; or other work of a similar nature.
- B. **NON-STRUCTURAL RENOVATIONS** – Generally interior finish work, including the upgrade of building systems, and not involving any of the work described in 1. above.

All other terms and conditions remain unchanged.

NUCLEAR, BIOLOGICAL, CHEMICAL, RADIOLOGICAL EXCLUSION ENDORSEMENT

Named Insured The State of California Department of General Services			Endorsement Number
Policy Symbol IMC	Policy Number I0884866A 008	Policy Period 05/01/2025 to 05/01/2027	Effective Date of Endorsement
Issued By (Name of Insurance Company) Illinois Union Insurance Company			

THIS ENDORSEMENT CHANGES YOUR POLICY. PLEASE READ IT CAREFULLY.

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**

The following exclusions are added to your Policy or Coverage Part.

This insurance does not apply to:

- A.** Loss or damage arising directly or indirectly from nuclear detonation, reaction, nuclear radiation or radioactive contamination, all whether controlled or uncontrolled, or due to any act or condition incident to any of the foregoing, whether such loss be direct or indirect, proximate or remote, or be in whole or in part caused by, contributed to, or aggravated by, any physical loss or damage insured against by this Policy or Coverage Part, however such nuclear detonation, reaction, nuclear radiation or radioactive contamination may have been caused. This exclusion replaces any other nuclear detonation, nuclear reaction, nuclear radiation or radioactive contamination exclusions found elsewhere in this Policy.
- B.** Loss or damage arising directly or indirectly from the dispersal, application or release of, or exposure to, chemical, radiological, or biological materials or agents, all whether controlled or uncontrolled, or due to any act or condition incident to any of the foregoing, whether such loss be direct or indirect, proximate or remote, or be in whole or in part caused by, contributed to, or aggravated by, any physical loss or damage insured against by this Policy or Coverage Part, however such dispersal, application, release or exposure may have been caused.
- C.** If this endorsement is attached to a Commercial Inland Marine Policy or Coverage Part, the term loss or damage is changed to Loss.

DELAY IN OPENING ENDORSEMENT

Named Insured The State of California Department of General Services			Endorsement Number
Policy Symbol IMC	Policy Number Io884866A 008	Policy Period 05/01/2025 To 05/01/2027	Effective Date of Endorsement
Issued By (Name of Insurance Company) Illinois Union Insurance Company			

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

THIS ENDORSEMENT MODIFIES INSURANCE PROVIDED UNDER THE FOLLOWING:

CONSTRUCTION RISK COVERAGE FORM

For the purpose of this endorsement only, the NAMED INSURED if different from that stated on the Policy Declarations, shall be as shown below. There shall be no Additional Insureds hereunder, unless specifically endorsed below.

Whenever "NCP" is shown below it denotes no coverage has been purchased and no coverage is provided. Whenever "NA" is shown below it denotes "Not Applicable" to that coverage, deductible, Sub-limit of Insurance, or other policy provision.

NAMED INSURED: The State of California Department of General Services				
Maximum PERIOD OF INDEMNITY:	Loss of RENTAL INCOME	MS-403377.4 & MS-403377.5	Calendar Days	
	Loss of BUSINESS INCOME	NA	Calendar Days	
	SOFT COSTS / ADDITIONAL EXPENSES	NA	Calendar Days	
SCHEDULED DATE OF COMPLETION:		05/01/2027		
WAITING PERIOD:	30	Calendar Days, Each DELAY except;		
	A.	Each DELAY caused by or resulting from FLOOD:	30	Calendar Days
	B.	Each DELAY caused by or resulting from EARTH MOVEMENT:	30	Calendar Days
	C.	Each DELAY caused by or resulting from NAMED WINDSTORM:	30	Calendar Days
	D.	Each DELAY caused by or resulting from WATER DAMAGE:	30	Calendar Days
	E.	Each DELAY caused by or resulting from NCP :	NA	Calendar Days

In return for the payment of premium and subject to all the terms and conditions of this Policy and individual Sub-limits of Insurance shown below, the total Sub-limit of Insurance for which the Company shall be liable under this endorsement per OCCURRENCE and in the Aggregate shall not exceed \$ See MS-403377.1. These Sub-limits of Insurance are part of and not in addition to the Limit of Insurance Per OCCURRENCE stated on the Policy Declarations.

1. Loss of RENTAL INCOME	\$	MS-403377.4 & MS-403377.5	Monthly Limit of Indemnity	\$	Included
2. Loss of BUSINESS INCOME	\$	NCP	Monthly Limit of Indemnity	\$	NA
3. SOFT COSTS / ADDITIONAL EXPENSES	\$	MS-403377.4 & MS-403377.5	Monthly Limit of Indemnity	\$	Included
Refer to Individual Sub-limits below:					
Interest Expense on CONSTRUCTION LOAN(s);	\$	Included	Monthly Limit of Indemnity	\$	Included

Advertising and promotional expense;	\$	Included	Monthly Limit of Indemnity	\$	Included
Legal and accounting fees;	\$	Included	Monthly Limit of Indemnity	\$	Included
Commissions incurred upon the Renegotiation of leases;	\$	Included	Monthly Limit of Indemnity	\$	Included
Fees for licenses and permits;	\$	Included	Monthly Limit of Indemnity	\$	Included
Insurance premiums for Builders Risk, Workers' Compensation and General Liability Insurance;	\$	Included	Monthly Limit of Indemnity	\$	Included
Real Estate taxes and assessments;	\$	Included	Monthly Limit of Indemnity	\$	Included
Project Administration Expense,excluding developer fees and project resequencing costs;	\$	Included	Monthly Limit of Indemnity	\$	Included
Other <u>NCP</u> ;	\$	NA	Monthly Limit of Indemnity	\$	NA
Other <u>NCP</u> ;	\$	NA	Monthly Limit of Indemnity	\$	NA
Other <u>NCP</u> ;	\$	NA	Monthly Limit of Indemnity	\$	NA
Other <u>NCP</u> ;	\$	NA	Monthly Limit of Indemnity	\$	NA

INSURING AGREEMENT

1. Subject to all terms, conditions, limitations and exclusions of this Endorsement, and of the Policy to which it is attached, the Company will pay the actual Loss of RENTAL INCOME, Loss of BUSINESS INCOME and/or SOFT COSTS/ADDITIONAL EXPENSES sustained during the PERIOD OF INDEMNITY as a result of a DELAY in completion of the INSURED PROJECT described on the Policy Declarations, or as amended by Endorsement, when such DELAY is caused by an OCCURRENCE or series of OCCURRENCE(S), resulting in physical LOSS to insured property by an insured peril.

The Company shall also indemnify the NAMED INSURED for extra expenses during the PERIOD OF INDEMNITY that are necessarily incurred for the purpose of reducing any loss amount under this endorsement, but only to the extent that such loss amount otherwise payable under this endorsement is thereby reduced.

2. **Civil Authority**

The Company will pay the actual Loss of RENTAL INCOME, Loss of BUSINESS INCOME and/or SOFT COSTS/ADDITIONAL EXPENSES sustained as a result of a DELAY in completion of the INSURED PROJECT, caused by action of civil authority that prohibits access to the INSURED PROJECT site stated on the Policy Declarations due to direct physical LOSS to property, other than at the INSURED PROJECT site stated on the Policy Declarations, caused by or resulting from an insured peril. This coverage will apply for a period of up to thirty (30) consecutive days after the application of the WAITING PERIOD.

3. **Ingress / Egress**

The Company will pay the actual Loss of RENTAL INCOME, Loss of BUSINESS INCOME and/or SOFT COSTS/ADDITIONAL EXPENSES sustained as a result of a DELAY in completion of the INSURED PROJECT, caused by an insured peril that prohibits access to the INSURED PROJECT site stated on the Policy Declarations due to direct physical LOSS to property, other than at the INSURED PROJECT site stated on the Policy Declarations. This coverage will apply for a period of up to thirty (30) consecutive days after the application of the WAITING PERIOD.

4. **Utility Interruption**

The Company will pay for the actual Loss of RENTAL INCOME, Loss of BUSINESS INCOME and/or SOFT COSTS/ADDITIONAL EXPENSES sustained as a result of a DELAY in completion of the INSURED PROJECT caused by loss of electrical, steam, gas, water, sewer, telephone, or any other utility or service, situated on or within two (2) statute miles to the INSURED PROJECT site due to direct physical LOSS caused by an insured peril. This coverage will apply for a period of up to thirty (30) consecutive days after the application of the WAITING PERIOD.

5. Ordinance or Law

The Company will pay for the actual Loss of RENTAL INCOME, Loss of BUSINESS INCOME and/or SOFT COSTS/ADDITIONAL EXPENSES sustained as a result of a DELAY in completion of the INSURED PROJECT caused by the enforcement of any ordinance or law regulating construction, rebuilding, repair, removal or reconstruction of the work at the INSURED PROJECT site due direct physical LOSS to insured property caused by or resulting from an insured peril. This coverage will apply for a period of up to thirty (30) consecutive days after the application of the WAITING PERIOD.

This coverage only applies as respects Ordinance or Law in effect at the time of direct physical LOSS and if the Ordinance or Law extension of coverage is purchased and a Sub-limit of Insurance is stated on the Declarations.

WAITING PERIOD

1. The coverage provided by this endorsement applies to each DELAY that exceeds the WAITING PERIOD, and only for such part of that DELAY that is in excess of this period.
2. In the event that more than one WAITING PERIOD shall apply to the coverage provided by this endorsement, only the longest WAITING PERIOD shall be applied.
3. The WAITING PERIOD of this endorsement applies independently and shall not be combined with any deductible that applies to physical LOSS covered by this Policy.

ADDITIONAL EXCLUSIONS

The Company shall not be liable for any increase in DELAY caused by or resulting from:

1. LOSS to property not insured by this policy.
2. Alterations, additions, improvements or other changes made in the design, plans, specifications or other contract documents for the INSURED PROJECT which are required to effect the repair or replacement of the damaged property.
3. The unavailability of funds for the repair or replacement of lost or damaged property.
4. Import, export or customs restrictions and/or regulations.
5. Breach of contract, late or non-completion of orders and/or suspension, lapse or cancellation of any lease or purchase order.
6. Failure of the NAMED INSURED or any Additional Insureds to obtain, maintain or extend any permit, lease, license or purchase order commitments.
7. Failure of the NAMED INSURED or any Additional Insureds to use due diligence and dispatch in restoring the damaged property to the condition existing prior to the LOSS.
8. Interference with the INSURED PROJECT by strikers or other persons with the transportation of property, the construction, rebuilding, repairing or replacing of insured property hereunder or the occupancy and use of the premises.
9. Consequential damages including liquidated damages, performance or non-performance penalties, penalties for non-completion or non-compliance with contract conditions.
10. Any deviation from the original SCHEDULED DATE OF COMPLETION or revisions thereto, and which is independent of an insured LOSS which gives rise to a DELAY, whether occurring prior to or after an OCCURRENCE.

GENERAL CONDITIONS

1. The NAMED INSURED shall furnish in writing, as often as required by the Company, progress reports on the INSURED PROJECT, except the NAMED INSURED shall immediately advise the Company in writing of any change

which is likely to affect the SCHEDULED DATE OF COMPLETION. In the event a difference between the anticipated and actual progress of the work necessitates revision of the SCHEDULED DATE OF COMPLETION, the Company and the NAMED INSURED shall agree to a revised SCHEDULED DATE OF COMPLETION which will be endorsed to this Policy. The NAMED INSURED shall then establish a revised progress schedule for the work which will be the basis of comparison with future progress reports. In the event of any further differences between the revised progress schedule and progress reports, similar revision(s) in the progress schedule will be made and a revised SCHEDULED DATE OF COMPLETION will be endorsed to this Policy.

Revisions to the SCHEDULED DATE OF COMPLETION will not be made as a result of insured LOSS(es).

In no case will the revised SCHEDULED DATE OF COMPLETION be earlier than the original SCHEDULED DATE OF COMPLETION shown hereon.

2. It is a condition precedent to coverage under this endorsement that the NAMED INSURED shall make every reasonable attempt to minimize the amount of any LOSS by:
 - A. Making complete or partial use of covered or other property at the location of the INSURED PROJECT or other location; and/or
 - B. Make use of other machinery, equipment or supplies; and/or
 - C. Minimize the extent of any interference with the construction schedule so as to avoid or diminish any DELAY.
3. The Company shall not be liable during the PERIOD OF INDEMNITY for more than the amount stated on Page 1 of this Endorsement.
4. At the end of the first month of the PERIOD OF INDEMNITY and monthly thereafter, if it is possible for the Company to determine the minimum amount of loss payable under this endorsement for the elapsed period, the Company shall pay such amount(s) to the NAMED INSURED as an installment of the total loss.
5. The Company shall have the right, but not the duty to conduct an audit of the NAMED INSURED's records twelve months after actual commencement of operations to determine the loss as defined by this Endorsement, as well as any expenses related to reducing loss incurred by the NAMED INSURED. Due consideration shall be given to seasonal patterns, trends, variations or special circumstances which would have affected the business had the DELAY not occurred, so that the amount thus adjusted shall represent as nearly as may be reasonably practicable the amount which, in the absence of the DELAY, would have been realized. Any amount saved in respect of labor costs, charges and expenses that have ceased or reduced during the PERIOD OF INDEMNITY and liquidated damage the NAMED INSURED is entitled to receive, whether collectible or not, shall be deducted from the loss during the PERIOD OF INDEMNITY.
6. If the amount of loss determined by any audit conducted by the Company is less than or exceeds the sum paid by the Company during the PERIOD OF INDEMNITY, the difference between the two amounts shall be paid by or to the Company as the case may be.
7. Upon request by the Company, the NAMED INSURED shall make available all records and information relevant to the coverage provided by this endorsement.
8. It is a condition of this insurance that the NAMED INSURED shall begin normal operations as soon as practical.

DEFINITIONS

For purposes of this endorsement, the following definitions shall apply in addition to those set forth in the Policy:

1. BUSINESS INCOME

The amount not realized by the NAMED INSURED during the PERIOD OF INDEMNITY which would have been earned from the commencement of operations or use and occupancy of the work if the DELAY had not occurred, consisting of;

The sum of:

- A. The net profit or loss (before income taxes), and;
- B. The continuing normal operating expenses, including payroll.

2. CONSTRUCTION LOANS

Written agreements under which the NAMED INSURED borrows money from a Lender for the sole purpose of funding construction, fabrication, assembly, installation, erection or alteration of INSURED PROJECTS under this Policy. For the purpose of this clause, "Lender" means a third party that is not affiliated with or related to the NAMED INSURED and is a financial institution licensed or authorized to lend money under applicable federal or state law.

The following are not CONSTRUCTION LOANS under this Policy:

- A. Financial allocations among parent companies, affiliates and subsidiaries of the NAMED INSURED;
- B. Internal financing between parent companies, affiliates and subsidiaries of the NAMED INSURED; and
- C. Loans made to the NAMED INSURED by a parent, affiliate or subsidiary of the NAMED INSURED.

3. DELAY

The period of time between the SCHEDULED DATE OF COMPLETION and the actual date on which commercial operations or use and occupancy can commence with the exercise of due diligence and dispatch.

4. PERIOD OF INDEMNITY

The period of time that begins immediately following the SCHEDULED DATE OF COMPLETION for the INSURED PROJECT which is in excess of the WAITING PERIOD and ending the earlier of:

- A. The applicable number of days shown on page 1 of this Endorsement for the Maximum PERIOD OF INDEMNITY; or
- B. The actual date on which the commercial operations or use and occupancy can commence with the exercise of due diligence and dispatch.

The PERIOD OF INDEMNITY for any insured DELAY hereunder shall not be limited or otherwise affected by the expiration, cancellation or termination of this the Policy.

5. RENTAL INCOME

Revenues from rentals and leases not realized during the PERIOD OF INDEMNITY, which would have been earned by the NAMED INSURED if the DELAY had not occurred, less non-continuing expenses.

6. SCHEDULED DATE OF COMPLETION

The later of the completion date scheduled in the construction contract and stated on Page 1 of this Endorsement, or the date the INSURED PROJECT would have been completed for commencement of commercial operations or use and occupancy if a LOSS had not occurred.

7. SOFT COSTS/ADDITIONAL EXPENSES

Expenditures which are necessarily incurred during the PERIOD OF INDEMNITY, which would not have been incurred by the NAMED INSURED if the DELAY had not occurred, including:

- A. Interest Expense on CONSTRUCTION LOAN(s);
- B. Advertising and promotional expense;

- C. Legal and accounting fees;
- D. Commissions incurred upon renegotiation of leases;
- E. Fees for licensing and permits;
- F. Insurance premiums for Builders Risk, Workers' Compensation and General Liability Insurance;
- G. Real estate taxes and assessments;
- H. Project Administration Expense, excluding developer fees and project resequencing costs;
- I. Other, as accepted by the Company and scheduled on this Endorsement.

8. WAITING PERIOD

The number of calendar days per OCCURRENCE stated on Page 1 of this Endorsement, beginning with the later of the SCHEDULED DATE OF COMPLETION or the date the INSURED PROJECT could have been completed had there been no LOSS.

All other terms and conditions remain unchanged.

EARTH MOVEMENT HAZARD ZONES DEFINITION ENDORSEMENT

Named Insured The State of California Department of General Services			Endorsement Number
Policy Symbol IMC	Policy Number Io884866A 008	Policy Period 05/01/2025 to 05/01/2027	Effective Date of Endorsement
Issued By (Name of Insurance Company) Illinois Union Insurance Company			

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**This endorsement modifies insurance provided under the following:
CONSTRUCTION RISK COVERAGE FORM**

PART F DEFINITIONS is amended to include the following:

EARTH MOVEMENT HAZARD ZONES are comprised of certain geographical locations or areas designated as Hazard Group 1, Hazard Group 2 and Hazard Group 3 and subsets thereof, defined for the purpose of this Policy as follows:

PACIFIC NORTHWEST – ALASKA TO OREGON**ALASKA**

Hazard Group 1 Entire State

WASHINGTON

Hazard Group 1 Clallam, Island, Grays Harbor, Jefferson, King, Kitsap, Lewis, Mason, Pacific, Pierce, San Juan, Skagit, Snohomish, Thurston, Wahkiakum, Whatcom counties

Hazard Group 2 All other Washington areas and counties

OREGON

Hazard Group 1 Clackamas, Multnomah, Washington counties

Hazard Group 2 All other Oregon areas and counties

IDAHO TO MONTANA

Hazard Group 2 Entire state of Idaho

Hazard Group 2 Entire state of Montana

CALIFORNIA**CALIFORNIA**

Hazard Group 1A Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Santa Cruz, and Sonoma counties

Hazard Group 1B Los Angeles, Orange, Riverside, San Bernardino, Ventura counties

Hazard Group 1C All other California areas and counties

GREAT BASIN – NEVADA TO UTAH**NEVADA**

Hazard Group 1 Independent city of Carson City; and, Churchill, Douglas, Esmeralda, Humboldt, Lyon, Mineral, Pershing, Storey, Washoe counties

Hazard Group 2 All other Nevada areas and counties

UTAH

Hazard Group 1 Box Elder, Cache, Carbon, Daggett, Davis, Duchesne, Juab, Morgan, Rich, Weber, Salt Lake, SanPete, Summit, Tooele, Utah, Wasatch, Uintah counties

Hazard Group 2 All other Utah areas and counties

PACIFIC OCEAN – HAWAII**HAWAII**

Hazard Group 1 Entire state of Hawaii

NEW MADRID – MISSOURI TO TENNESSEE**ARKANSAS**

Hazard Group 1 Clay, Craighead, Crittenden, Cross, Greene, Lee, Mississippi, Poinsett, St. Francis counties

Hazard Group 2 Arkansas, Jackson, Lawrence, Monroe, Phillips, Prairie, Woodruff counties

ILLINOIS

Hazard Group 1 Alexander, Hardin, Massac, Pope, Pulaski counties

Hazard Group 2 Edwards, Franklin, Gallatin, Hamilton, Jackson, Jefferson, Johnson, Monroe, Perry, Randolph, St. Clair, Saline, Union, Wabash, Washington, Wayne, White, Williamson counties

INDIANA

Hazard Group 2 Gibson, Posey, Vanderburgh, Warrick counties

KENTUCKY

Hazard Group 1 Ballard, Carlisle, Fulton, Hickman, Livingston, McCracken, Union counties

Hazard Group 2 Butler, Caldwell, Calloway, Christian, Crittenden, Daviess, Graves, Hopkins, Logan, Lyon, Marshall, McLean, Muhlenberg, Ohio, Todd, Trigg, Webster counties

MISSISSIPPI

Hazard Group 1 Tunica county

Hazard Group 2 Benton, Bolivar, Coahoma, DeSoto, Grenada, Lafayette, Leflore, Marshall, Panola, Quitman, Sunflower, Tallahatchie, Tate, Tippah, Union, Yalobusha counties

MISSOURI

Hazard Group 1 Butler, Dunklin, Mississippi, New Madrid, Pemiscot, Scott, Stoddard counties

Hazard Group 2 Bollinger, Cape Girardeau, Carter, Iron, Madison, Oregon, Reynolds, Ripley, Saint Genevieve, Saint Francois, Shannon, Wayne counties

Hazard Group 3 Lewis, Lincoln, Marion, Perry, Pike, Ralls, St. Louis counties

TENNESSEE

Hazard Group 1 Crockett, Dyer, Gibson, Haywood, Lake, Lauderdale, Obion, Tipton, Weakley counties

Hazard Group 2 Benton, Carroll, Chester, Decatur, Fayette, Hardeman, Hardin, Henderson, Henry, Houston, Humphreys, Madison, McNairy, Montgomery, Perry, Shelby, Stewart counties

Hazard Group 3 Dickson, Robertson counties

All other terms and conditions remain unchanged.

FLOOD HAZARD ZONES DEFINITION ENDORSEMENT

Named Insured The State of California Department of General Services			Endorsement Number
Policy Symbol IMC	Policy Number Io884866A 008	Policy Period 05/01/2025 to 05/01/2027	Effective Date of Endorsement
Issued By (Name of Insurance Company) Illinois Union Insurance Company			

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

CONSTRUCTION RISK COVERAGE FORM

PART F DEFINITIONS is amended to include the following:

FLOOD HAZARD ZONES are comprised of certain geographical locations or zones designated as Hazard Group 1, Hazard Group 2 and Hazard Group 3, defined for the purpose of this Policy to include specified Flood Zones as follows:

HAZARD GROUP 1 SPECIAL FLOOD HAZARD AREAS - 100 YEAR FLOOD*

Zone A	No base flood elevation determined
Zone AE or A1-A30	Base flood elevations determined
Zone AH	Flood depths of 1 to 3 feet (usually areas of ponding); base flood elevations determined
Zone AO	Flood depths of 1 to 3 feet (usually sheet flow on sloping terrain); average depths determined. For areas of alluvial fan flooding, velocities also determined.
Zone A99	To be protected from 100-year flood by Federal flood protection system under construction; no base elevations determined.
Zone V	Coastal flood with velocity hazard (wave action); no base flood elevation determined.
Zone VE or V1-V30	Coastal flood with velocity hazard (wave action); base flood elevation determined.
Zone D	Areas in which Flood hazard is undetermined
Coastal Locations, Storm Surge	All locations in any Hazard Group 1 County from Texas to Virginia including Harris County, Hawaii, and any location from Maryland to Maine with-in 1,000 feet of a tidal coastline as determined by RMS as follows: The RMS coastline (from which "distance to the coast" is measured) encompassing water bodies and river channels whose width is greater than 50 meters and that are directly connected to the open sea. Alternate limits, deductibles and pricing may be available as respects these Coastal Locations, upon referral to the Company.

HAZARD GROUP 2 SPECIAL FLOOD HAZARD AREAS - 500 YEAR FLOOD*

Zone Shaded X or Zone B	Areas of 500-year flood; areas of 100-year flood with average depths of less than 1 foot or with drainage areas less than 1 square mile; and areas protected by levees from 100 year flood.
Coastal Locations, Storm Surge	Any location from Maryland to Maine greater than 1,000 feet and less than 2,500 feet of a tidal coastline as determined by RMS as follows: The RMS coastline (from which "distance to the coast" is measured) encompassing water bodies and river channels whose width is greater than 50 meters and that are directly connected to the open sea. Alternate limits, deductibles and pricing may be available as respects these Coastal Locations, upon referral to the Company.

HAZARD GROUP 3 OTHER AREAS*

Zone Unshaded X or Zone C	Areas determined to be outside 500-year flood plain or as stated above in HAZARD GROUPS 1 and 2.
------------------------------	--

If an INSURED PROJECT Site is located within 1,500 feet of a 100 or 500 year flood plain, the INSURED PROJECT shall be included withn HAZARD GROUP 2 at the inception date of the INSURED PROJECT. Upon review and approval by the Company, an INSURED PROJECT Site may be reclassified to HAZARD GROUP 3.

***In the event that an INSURED PROJECT Site is determined to be located in multiple FLOOD HAZARD GROUP(s), only the lowest applicable FLOOD Sub-limit of Insurance and the largest applicable FLOOD Deductible as shown on the Declarations, or provided in any endorsement, shall apply.**

All other terms and conditions remain unchanged.

NAMED WINDSTORM HAZARD ZONES DEFINITION ENDORSEMENT

Named Insured The State of California Department of General Services			Endorsement Number
Policy Symbol IMC	Policy Number Io884866A 008	Policy Period 05/01/2025 to 05/01/2027	Effective Date of Endorsement
Issued By (Name of Insurance Company) Illinois Union Insurance Company			

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

CONSTRUCTION RISK COVERAGE FORM

PART F DEFINITIONS is amended to include the following:

NAMED WINDSTORM HAZARD ZONES are comprised of certain geographical locations or zones designated as Hazard Group 1, Hazard Group 2 and Hazard Group 3 defined for the purpose of this Policy as follows:

GULF COAST - TEXAS TO ALABAMA

TEXAS

- Hazard Group 1 Aransas, Bee, Brazoria, Brooks, Calhoun, Cameron, Chambers, Fort Bend, Galveston, Goliad, Hardin, Harris, Hidalgo, Jackson, Jefferson, Jim Wells, Kenedy, Kleberg, Liberty, Live Oak, Matagorda, Nueces, Orange, Refugio, San Patricio, Victoria, Wharton, Willacy counties
- Hazard Group 2 Atascosa, Austin, Colorado, Dewitt, Duval, Grimes, Jasper, Jim Hogg, Karnes, Lavaca, McMullen, Montgomery, Newton, Polk, San Jacinto, Starr, Tyler, Walker, Waller counties

LOUISIANA

- Hazard Group 1 Acadia, Ascension, Assumption, Calcasieu, Cameron, Iberia, Iberville, Jefferson, Jefferson Davis, Lafayette, Lafourche, Livingston, Orleans, Plaquemines, St. Bernard, St. Charles, St. Helena, St. James, St. John The Baptist, St. Martin, St. Mary, St. Tammany, Tangipahoa, Terrebonne, Vermillion, Washington parishes
- Hazard Group 2 Allen, Beauregard, East/West Baton Rouge, East/West Feliciana, Evangeline, Pointe Coupee, St. Landry parishes

MISSISSIPPI

- Hazard Group 1 George, Hancock, Harrison, Jackson, Pearl River, Stone counties
- Hazard Group 2 Amite, Forrest, Greene, Lamar, Marion, Perry, Pike, Walthall, Wilkinson counties

ALABAMA

- Hazard Group 1 Baldwin, Covington, Escambia, Geneva, Houston, Mobile counties
- Hazard Group 2 Butler, Clarke, Coffee, Conecuh, Crenshaw, Dale, Henry, Monroe, Washington counties

FLORIDA

FLORIDA

- Hazard Group 1 Broward, Miami-Dade, Monroe, Palm Beach counties
- Hazard Group 2 Bay, Brevard, Calhoun, Charlotte, Citrus, Clay, Collier, Dixie, Duval, Desoto, Escambia, Flagler, Franklin, Gadsden, Gilchrist, Glades, Gulf, Hamilton, Hardee, Hendry, Hernando, Hillsborough, Holmes, Indian River, Jackson, Jefferson, Lafayette, Lee, Leon, Levy, Liberty, Madison, Manatee, Martin, Nassau, Osceola, Okaloosa, Okeechobee, Pasco, Pinellas, Putnam, Santa Rosa, Sarasota, Seminole, St Johns, St Lucie, Suwanee, Taylor, Volusia, Wakulla, Walton, Washington counties
- Hazard Group 3 All Other Florida counties

SOUTHEAST - GEORGIA TO VIRGINIA**GEORGIA**

- Hazard Group 1 Brantley, Bryan, Camden, Charlton, Chatham, Effingham, Glynn, Liberty, Long, McIntosh, Pierce, Ware, Wayne counties
- Hazard Group 2 Appling, Atkinson, Bacon, Bulloch, Candler, Clinch, Coffee, Echols, Evans, Jeff Davis, Screven, Tattnall counties

SOUTH CAROLINA

- Hazard Group 1 Allendale, Beaufort, Berkeley, Charleston, Colleton, Dorchester, Florence, Georgetown, Hampton, Horry, Jasper, Marion, Williamsburg counties
- Hazard Group 2 Bamberg, Barnwell, Clarendon, Darlington, Dillon, Lee, Marlboro, Orangeburg, Sumter counties

NORTH CAROLINA

- Hazard Group 1 Beaufort, Bertie, Bladen, Brunswick, Camden, Carteret, Chowan, Columbus, Craven, Currituck, Dare, Duplin, Edgecombe, Greene, Hertford, Hyde, Jones, Lenoir, Martin, New Hanover, Onslow, Pamlico, Pasquotank, Pender, Perquimans, Pitt, Sampson, Tyrrell, Washington counties
- Hazard Group 2 Cumberland, Halifax, Harnett, Johnston, Nash, Northampton, Robeson, Wayne, Wilson counties

VIRGINIA

- Hazard Group 1 Counties: Accomack, Gloucester, Isle of Wight, James City, Mathews, Northampton, Surry, York
Independent Cities: Chesapeake, Hampton, Norfolk, Newport News, Poquoson, Portsmouth, Suffolk, Virginia Beach, Williamsburg

UPPER ATLANTIC - MARYLAND TO MASSACHUSETTS**MARYLAND**

- Hazard Group 1 Somerset, Wicomico, Worcester counties

DELAWARE

- Hazard Group 1 Sussex, Kent, New Castle counties

NEW JERSEY

- Hazard Group 1 Atlantic, Cape May, Monmouth, Ocean counties

NEW YORK

- Hazard Group 1 Nassau, Suffolk counties

CONNECTICUT

- Hazard Group 1 INSURED PROJECT Site(s) located within two (2) miles of a tidal coastline as determined by RMS* in Fairfield, Middlesex, New Haven, New London counties

RHODE ISLAND

- Hazard Group 1 INSURED PROJECT Site(s) located less than 2,500 feet of a tidal coastline as determined by RMS* in Washington, Kent, Providence, Bristol, Newport counties

MASSACHUSETTS

- Hazard Group 1 INSURED PROJECT Site(s) located less than 2,500 feet of a tidal coastline as determined by RMS* in Barnstable, Dukes, Nantucket counties
- Hazard Group 2 INSURED PROJECT Site(s) located less than 2,500 feet of a tidal coastline as determined by RMS* in Bristol, Essex, Norfolk, Plymouth, Suffolk counties

PACIFIC OCEAN - HAWAII

HAWAII

Hazard Group 1 Entire state

***The RMS (Risk Management Solutions, Inc.) coastline from which “distance to the coast” is measured encompassing water bodies and river channels whose width is greater than 50 meters and that are directly connected to the open sea.**

All other terms and conditions remain unchanged.

MULTI-YEAR PROGRAM CONDITIONS ENDORSEMENT

Named Insured The State of California Department of General Services			Endorsement Number
Policy Symbol IMC	Policy Number 1o884866A 0o8	Policy Period 05/01/2025 to 05/01/2027	Effective Date of Endorsement
Issued By (Name of Insurance Company) Illinois Union Insurance Company			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

CONSTRUCTION RISK COVERAGE FORM

It is understood and agreed, subject always to the terms, exclusions and conditions of this Policy that the NAMED INSURED and the Company, hereby enter into this Multi-Year Program Conditions Endorsement for the Multi-Year Period set forth below. There will be no change in limit, sub-limits, deductible or policy form during this Multi-Year Period unless mutually agreed by the NAMED INSURED and the Company.

Multi-Year Period: [05/01/2025 to 05/01/2027]

The following provisions are added to this Policy:

A. PREMIUM ADJUSTMENT PROVISIONS:

The rates for the first 12-month period of insurance are agreed at inception. The rates for the first 12-month period of insurance shall be adjustable in the event of an acquisition or divestiture as set forth below.

The rates upon which premium is calculated for subsequent annual periods shall be the same as rates charged for the immediately preceding period, except as set forth herein. Rates and premium for each subsequent annual period may only be adjusted for the following reasons:

1. **Loss Ratio Clause:** In respect of losses under this Policy, the cumulative net loss ratio exceeds forty per cent (40% %) as calculated by the Company during the Multi-Year Period. Net loss ratio shall mean the cumulative total of losses, loss reserves and any other incurred losses and loss expenses during the period of this Policy, divided by the net earned premium. Net earned premium shall mean the cumulative total adjusted premium for the policy period excluding all acquisition costs and taxes. If the net loss ratio is in excess of forty percent (40% %), premium shall be adjusted to an amount determined by the Company, subject to the ANNIVERSARY REVIEW PROVISIONS and CANCELLATION provision below.
2. **Acquisition/Divestiture Clause:** The NAMED INSURED makes an acquisition or divestiture of a legal entity which:
 - a) value exceeds \$NA in total insured values any one location or in total per acquisition or divestiture; or
 - b) makes any acquisition or divestiture in the state of California, or in a Tier One Wind County as shown in the TIER ONE WIND COUNTIES CHART below.

Any additional or return premium is to be determined by the Company subject to the ANNIVERSARY REVIEW PROVISIONS and CANCELLATION provision below, calculated from the effective date of the acquisition or divestiture and is due and payable by either the Company (if return premium) or the NAMED INSURED (if additional premium) within 90 days from the effective date of such acquisition or divestiture.

For the purposes of this Endorsement, an “acquisition” or “divestiture” as referred to herein shall mean the purchase or sale of a legal entity by the NAMED INSURED.

B. ANNIVERSARY REVIEW PROVISION:

For the purpose of the PREMIUM ADJUSTMENT PROVISIONS above, a review shall be conducted by the Company thirty (30) days prior to each anniversary date of the Policy during the Multi-Year Period to establish whether any of the conditions set forth in the PREMIUM ADJUSTMENT PROVISIONS apply and to determine whether any increased or reduced premium for the subsequent 12-month period will apply. Any such change in premium due at anniversary shall be confirmed by the Company at least five (5) working days prior to the anniversary date.

Expiration or modification of the federal Terrorism Risk Insurance Program Reauthorization Act shall be considered as part of any Anniversary Review.

C. PREMIUM ADJUSTMENT EXCEPTIONS:

Notwithstanding anything to the contrary herein, the Company may revise rates and premiums at any time for coverage under this Policy by endorsement should there be any changes in:

1. Hazards insured, or
2. Policy terms, conditions and exposures requested by the NAMED INSURED.

D. CANCELLATION:

1. The NAMED INSURED may decline to accept any rate or premium increase under this endorsement by canceling the Policy within thirty (30) days’ of the anniversary, during which period, premium will be charged on a pro-rata basis using rates in effect immediately prior to the applicable anniversary.
2. Notwithstanding anything set forth herein to the contrary, this Policy may be canceled by the NAMED INSURED or the Company as otherwise permitted under the terms and conditions of this Policy.

E. CONDITIONS:

This Endorsement shall be null and void if:

1. The Company loses or is unable to purchase either treaty or facultative reinsurance for this Policy;
2. There is an act of terrorism, certified or otherwise, in the coverage territory of the policy; or
3. There are regulatory changes that would prevent the Company from complying with the terms hereof.

TIER ONE WIND COUNTIES CHART:

Tier One Wind Counties shall be defined as follows:

State	Area
Alabama	The counties of Baldwin and Mobile
Florida	Entire State except Holmes, Jackson, Calhoun, Liberty, Gadsen, Leon, Madison, Hamilton, Columbia, Baker, Suwanee, Lafayette, Union, Bradford, Clay, Gilchrist, Alachua, Putnam, Marion, Sumter, Lake, Seminole, Orange, Polk, and Osceola

Georgia	The counties of Brantley, Bryan, Camden, Charlton, Chatham, Effingham, Glynn, Liberty, Long, McIntosh, Pierce, Wayne
Hawaii	Entire State
Louisiana	The parishes of Acadia, Ascension, Assumption, Calcasieu, Cameron, East Baton Rouge, East Feliciana, Iberia, Iberville, Jefferson, Jefferson Davis, Lafayette, Lafourche, Livingston, Orleans, Plaquemines, Pointe Coupee, St. Bernard, St. Charles, St. Helena, St. James, St. John the Baptist, St. Martin, St. Mary, St. Tammany, Tangipahoa, Terrebonne, Vermilion, Washington, West Baton Rouge, and West Feliciana
Mississippi	The counties of George, Hancock, Harrison, Jackson, Pearl River, Stone
North Carolina	The counties of Beaufort, Bertie, Bladen, Brunswick, Camden, Carteret, Chowan, Columbus, Craven, Currituck, Dare, Duplin, Gates, Greene, Hertford, Hyde, Jones, Lenoir, Martin, New Hanover, Onslow, Pamlico, Pasquotank, Pender, Perquimans, Pitt, Tyrrell, Washington
Puerto Rico	Entire Island
South Carolina	The counties of Beaufort, Berkeley, Charleston, Colleton, Dorchester, Georgetown, Hampton, Horry, Jasper, Williamsburg
Texas	The counties of Aransas, Bee, Brazoria, Brooks, Calhoun, Cameron, Chambers, Fort Bend, Galveston, Goliad, Hardin, Harris, Hidalgo, Jackson, Jefferson, Jim Wells, Kenedy, Kleberg, Liberty, Live Oak, Matagorda, Nueces, Orange, Refugio, San Patricio, Victoria, Wharton, Willacy
Virginia	The counties of Accomack, Charles City, Gloucester, Isle of Wight, James City, Lancaster, Mathews, Middlesex, New Kent, Northampton, Northumberland, Prince George, Southampton, Sussex, York, Independent Cities: Chesapeake, Hampton, Newport News, Norfolk, Poquoson, Portsmouth, Suffolk, Virginia Beach, Williamsburg.

All other terms and conditions remain unchanged.

Authorized Representative

ELECTRONIC DATA AND ELECTRONIC MEDIA EXCLUSION

Named Insured The State of California Department of General Services			Endorsement Number
Policy Symbol IMC	Policy Number Io884866A 008	Policy Period 05/01/2025 to 05/01/2027	Effective Date of Endorsement
Issued By (Name of Insurance Company) Illinois Union Insurance Company			

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

THIS ENDORSEMENT MODIFIES INSURANCE PROVIDED UNDER THE FOLLOWING:

**CONSTRUCTION RISK COVERAGE FORM
HOMEBUILDERS XTRA ELITE COVERAGE FORM
INLAND MARINE ENGINEERED RISK COVERAGE FORM**

The policy is amended as follows:

Under **PART D EXCLUSIONS**, **Excluded Causes of LOSS**, section **I.**, item 13. is deleted and replaced with the following:

13. LOSS, destruction, distortion, erasure, corruption, alteration, diminishment in value, or loss of use or usefulness of:

- A. ELECTRONIC DATA by any cause whatsoever (including but not limited to COMPUTER VIRUS or MALICIOUS PROGRAMMING); and/or
- B. ELECTRONIC MEDIA caused by or resulting from the LOSS, destruction, distortion, erasure, corruption, alteration, diminishment in value, or loss of use or usefulness of ELECTRONIC DATA;

regardless of any other cause or event that contributes concurrently or in any sequence to the LOSS, damage, destruction, distortion, erasure, corruption, alteration, diminishment in value, or loss of use or usefulness of ELECTRONIC DATA or ELECTRONIC MEDIA.

This Excluded Cause of LOSS does not apply to direct physical LOSS of ELECTRONIC DATA following direct physical LOSS of ELECTRONIC MEDIA or other insured property caused by or resulting from the perils of Fire, Lightning, Explosion, Aircraft or Vehicle Impact, Falling Objects, Windstorm, Hail, Tornado, NAMED WINDSTORM, EARTH MOVEMENT or Volcanic Action, FLOOD, Freeze or Weight of Snow, if, and to the extent, such peril causing the direct physical LOSS is otherwise covered by this Policy.

All other terms and conditions remain unchanged.

TRADE OR ECONOMIC SANCTIONS ENDORSEMENT

Named Insured The State of California Department of General Services			Endorsement Number
Policy Symbol IMC	Policy Number I0884866A 008	Policy Period 05/01/2025 to 05/01/2027	Effective Date of Endorsement
Issued By (Name of Insurance Company) Illinois Union Insurance Company			

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This insurance does not apply to the extent that trade or economic sanctions or other laws or regulations prohibit us from providing insurance, but not limited to, the payment of claims. All other terms and conditions of policy remain unchanged.

Authorized Agent

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.

SERVICE OF SUIT ENDORSEMENT

Named Insured The State of California Department of General Services			Endorsement Number
Policy Symbol IMC	Policy Number I0884866A 008	Policy Period 05/01/2025 to 05/01/2027	Effective Date of Endorsement
Issued By (Name of Insurance Company) Illinois Union Insurance Company			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Information about service of suits upon the company is given below. Service of process of suits against the company may be made upon the following person, or another person the company may designate:

Natalie D'Amora, Esq., Managing Counsel
Chubb
436 Walnut Street
Philadelphia, PA 19106-3703

The person named above is authorized and directed to accept service of process on the company's behalf in any action, suit or proceeding instituted against the company. If the insured requests, the company will give the insured a written promise that a general appearance will be entered on the company's behalf if a suit is brought.

If the insured requests, the company will submit to the jurisdiction of any court of competent jurisdiction. The company will accept the final decision of that court or any Appellate Court in the event of an appeal. However, nothing in this endorsement constitutes a waiver of the company's right to: remove an action to a United States District Court, seek a transfer of a case to another court, or to enforce policy provisions governing choice of law or venue selection, as may be permitted by the laws of the United States, or of any state in the United States.

The law of some jurisdictions of the United States of America requires that the Superintendent, Commissioner or Director of Insurance (or their successor in office) be designated as the company's agent for service of process. In these jurisdictions, the company designates the Director of Insurance as the company's true and lawful attorney upon whom service of process on the company's behalf may be made. The company also authorizes the Director of Insurance to mail process received on the company's behalf to the company person named above.

If the insured is a resident of Canada, the insured may also serve suit upon the company by serving the government official designated by the law of the insured's province.

NOTHING HEREIN CONTAINED SHALL BE HELD TO VARY, ALTER, WAIVE OR EXTEND ANY OF THE TERMS, CONDITIONS, OR LIMITATIONS OF THE POLICY TO WHICH THIS ENDORSEMENT IS ATTACHED OTHER THAN AS ABOVE STATED.

Authorized Representative

**POLICYHOLDER DISCLOSURE
NOTICE OF TERRORISM
INSURANCE COVERAGE**

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

The portion of your term premium that is attributable to coverage for acts of terrorism is See MS-403377.4 & MS-403377.5, and does not include any charges for the portion of losses covered by the United States government under the Act.

**EXCLUSION OF LOSS DUE TO VIRUS, BACTERIA OR MICROORGANISM
THAT INDUCE PHYSICAL DISTRESS, ILLNESS OR DISEASE**

Named Insured The State of California Department of General Services			Endorsement Number
Policy Symbol IMC	Policy Number Io884866A 008	Policy Period 05/01/2025 to 05/01/2027	Effective Date of Endorsement
Issued By (Name of Insurance Company) Illinois Union Insurance Company			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

CONSTRUCTION RISK COVERAGE FORM

HOMEBUILDERS XTRA COVERAGE FORM

The following exclusion is added to this Policy; supersedes any term, provision or endorsement to the contrary in this Policy; and applies notwithstanding such term, provision or endorsement:

This Policy excludes any and all LOSS, damage, cost, or expense of any nature whatsoever directly or indirectly caused by or resulting from the following, regardless of any other cause or event, whether or not insured under this Policy, contributing concurrently or in any other sequence thereto:

Any virus, bacteria or other microorganism that induces or is capable of inducing physical distress, illness or disease, or the fear or threat (whether actual or perceived) of any such virus, bacteria or microorganism, including any and all LOSS directly or indirectly caused by any action or inaction of the Insured or any action or order of a government undertaken in response to, or intended to detect, control, prevent, suppress, mitigate or remediate, the actual, suspected, or anticipated presence of any virus, bacteria or other microorganism that induces or is capable of inducing physical distress, illness or disease.

This exclusion does not apply to LOSS or damage caused by or resulting from moss or FUNGUS (including mold and mildew), or any mycotoxins, spores, scents, or other by-products of fungi, if such LOSS or damage, including any exclusion thereof, is addressed in a separate provision elsewhere in this Policy.

This exclusion supersedes any exclusion relating to CONTAMINANTS OR POLLUTANTS.

Other Policy provisions excluding coverage of loss due to virus, bacteria, or microorganism of a type other than that which induce or are capable of inducing physical distress, illness or disease remain in full force and effect.

All other terms and conditions remain unchanged.

**Chubb Producer Compensation
Practices & Policies**

Chubb believes that policyholders should have access to information about Chubb's practices and policies related to the payment of compensation to brokers and independent agents. You can obtain that information by accessing our website at <http://www.chubbproducercompensation.com> or by calling the following toll-free telephone number: 1-866-512-2862.

U.S. TREASURY DEPARTMENT'S OFFICE OF FOREIGN ASSETS CONTROL ("OFAC") ADVISORY NOTICE TO POLICYHOLDERS

No coverage is provided by this Policyholder Notice nor can it be construed to replace any provisions of your policy. You should read your policy and review your Declarations page for complete information on the coverages you are provided.

This Notice provides information concerning possible impact on your insurance coverage due to directives issued by OFAC. **Please read this Notice carefully.**

The Office of Foreign Assets Control (OFAC) administers and enforces sanctions policy, based on Presidential declarations of "national emergency". OFAC has identified and listed numerous:

- Foreign agents;
- Front organizations;
- Terrorists;
- Terrorist organizations; and
- Narcotics traffickers;

as "Specially Designated Nationals and Blocked Persons". This list can be located on the United States Treasury's web site – <http://www.treas.gov/ofac>.

In accordance with OFAC regulations, if it is determined that you or any other insured, or any person or entity claiming the benefits of this insurance has violated U.S. sanctions law or is a Specially Designated National and Blocked Person, as identified by OFAC, this insurance will be considered a blocked or frozen contract and all provisions of this insurance are immediately subject to OFAC. When an insurance policy is considered to be such a blocked or frozen contract, no payments nor premium refunds may be made without authorization from OFAC. Other limitations on the premiums and payments also apply.

SUB-LIMITS OF INSURANCE AMENDED

Named Insured The State of California Department of General Services			Endorsement Number
Policy Symbol BRX	Policy Number Io884866A 008	Policy Period 05/01/2025 to 05/01/2027	Effective Date of Endorsement 05/01/2025
Issued By (Name of Insurance Company) Illinois Union Insurance Company			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**THIS ENDORSEMENT MODIFIES INSURANCE PROVIDED UNDER THE FOLLOWING:
CONSTRUCTION RISK COVERAGE FORM**

In the **CONSTRUCTION RISK DECLARATIONS**, under section **II. Limits of Insurance**, the **Sub-limits of Insurance** sub-section is deleted and replaced with the following:

[illegible]

All other terms and conditions remain unchanged.

EXTENSION OF INSURED PROJECT(S) TERM OF INSURANCE ENDORSEMENT

Named Insured The State of California Department of General Services			Endorsement Number
Policy Symbol BRX	Policy Number Io884866A 008	Policy Period 05/01/2025 To 05/01/2027	Effective Date of Endorsement 05/01/2025
Issued By (Name of Insurance Company) Illinois Union Insurance Company			

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**THIS ENDORSEMENT MODIFIES INSURANCE PROVIDED UNDER THE FOLLOWING:
CONSTRUCTION RISK COVERAGE FORM**

It is hereby agreed that the Policy is amended as follows:

It is contemplated that certain INSURED PROJECTS may not be completed before the anticipated date of completion reported by the NAMED INSURED to the Company. The NAMED INSURED may extend coverage for such INSURED PROJECTS under this Policy beyond the anticipated date of completion subject to the same terms and conditions in effect at the time of the extension and subject to a pro-rata additional premium. However, the NAMED INSURED may not extend coverage for any INSURED PROJECT more than [REDACTED] after the date that the INSURED PROJECT commenced under this Policy without express prior written approval from the Company, and such approval may be conditioned on different terms, conditions and additional premiums charged.

All other terms and conditions remain unchanged.

REPORTING ENDORSEMENT

Named Insured The State of California Department of General Services			Endorsement Number
Policy Symbol BRX	Policy Number Io884866A 008	Policy Period 05/01/2025 to 05/01/2027	Effective Date of Endorsement 05/01/2025
Issued By (Name of Insurance Company) Illinois Union Insurance Company			

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**THIS ENDORSEMENT MODIFIES INSURANCE PROVIDED UNDER THE FOLLOWING:
CONSTRUCTION RISK COVERAGE FORM**

- A. This Policy is amended to provide coverage for INSURED PROJECT(s) reported to the Company by the NAMED INSURED, in accordance with the following provisions:

The Company will not pay more than the Limit of Insurance stated on the Declarations even if the COMPLETED VALUE(s) reported exceed that limit.

For the purpose of this Policy, INSURED PROJECT(s) is amended to mean the work that has been reported to the Company and for which the NAMED INSURED is contractually obligated to perform in accordance with the contract documents, being more fully described and located as set forth on the Declarations.

Projects and work are not INSURED PROJECT(s) and are not covered under this Policy unless:

- (1) They have been reported to the Company, and
- (2) Applicable premium has been paid per the Reporting Requirements set forth in this endorsement.

This Policy may contain exclusions and limitations, including but not limited to, exclusions and limitations regarding the perils of NAMED WINDSTORM, EARTH MOVEMENT and FLOOD. The NAMED INSURED should review this Policy as respects coverage for each new INSURED PROJECT.

- B. **PART E POLICY CONDITIONS**, Items 4. and 5. are deleted and replaced by the following:

4. Term of Insurance

Coverage provided under this Policy shall attach on the date shown on the Declarations with respect to INSURED PROJECT(s) commenced and reported during the policy term.

INSURED PROJECT(s) reported during the policy term will be covered until:

- A. The expiration date shown on the Declarations;
 - B. Final acceptance of the INSURED PROJECT by the owner;
 - C. Abandonment of the INSURED PROJECT by the NAMED INSURED;
 - D. The date the policy is cancelled; or
 - E. The expiration of the NAMED INSURED'S interest in the INSURED PROJECT,
- whichever first occurs.

Permission to Occupy

The owner may occupy the INSURED PROJECT for the purpose originally intended without the Company's written consent. The NAMED INSURED agrees that all planned fire protection and security systems will be installed, activated and operational prior to and during such occupancy.

5. Premium

A. Reporting Requirements

The NAMED INSURED shall keep accurate records of all INSURED PROJECT(s) described on the Declarations or Underwriting Information initially provided to the Company and in the first and

subsequent reports required by this endorsement. The Company or its authorized representative may inspect these records at any reasonable time until one (1) year after the expiration of this policy.

Within thirty (30) days following the last business day of each quarter (08/01/25, 11/01/25, 02/01/26, 05/01/26, 08/01/26, 11/01/26, 02/01/27, 05/01/27), the NAMED INSURED shall report to the Company in writing the following information for each INSURED PROJECT intended for coverage under this policy, as of that last business day:

1. The COMPLETED VALUE of each INSURED PROJECT;
2. Location of each INSURED PROJECT address(es) of the location(s) described on the Declarations;
3. The type of construction for each INSURED PROJECT; and
4. Expected completion date of each INSURED PROJECT.

In the event of cancellation of this policy for any reason, the NAMED INSURED must report the COMPLETED VALUE of all INSURED PROJECT(s) under construction on the date of cancellation.

B. Computation of Earned Premium

The premium shown on the Declarations is a deposit premium due at the inception date of this policy. The Company will compute the earned premium due for coverage of INSURED PROJECT(s) commencing on or after the effective date of this Policy based upon reported COMPLETED VALUE at the agreed Rate(s) shown below:

25% per Project Reported

Earned premiums with respect to construction already in progress on the effective date will be computed at rates to be determined the Company.

On a quarterly basis, all earned premiums due will be applied against the deposit premium until it has been fully earned by the Company. After that, any earned premium is due and payable as of the date of the last quarterly report in any given quarterly period.

C. Failure to Submit COMPLETED VALUE Reports

1. If at the time of LOSS the NAMED INSURED has not filed the first report as required by this Policy, the Company will only pay for LOSS at INSURED PROJECT(s) shown in the underwriting information or other information presented to the Company regarding the risks covered under this Policy.
2. If at the time of LOSS the NAMED INSURED has failed to submit any subsequent report as required by the Policy and LOSS occurs: (a) the Company will only pay for LOSS to INSURED PROJECT(s) reported in the last report filed **before** the LOSS; and (b) the Company will not pay more than the COMPLETED VALUE stated in the last report filed before the LOSS.
3. Failure by the NAMED INSURED to report to the Company an individual project upon the lapse of the reporting period stated in 4.A. above shall result in no coverage for said project under this Policy, unless approved in writing by the Company at Company's discretion prior to binding coverage on said project.
4. However, if construction begins after policy inception or after a report is filed and LOSS occurs before the next report is due, the Company will cover the LOSS, subject to the NAMED INSURED providing satisfactory information set forth in 4.A. above.

C. Section VI. Extension of Term in the CONSTRUCTION RISK DECLARATIONS is deleted and replaced by the following:

This Policy may be renewed at the NAMED INSURED's request and the Company's acceptance, subject to agreement on rates, deductibles, limits, terms and conditions. If this Policy is not renewed, it may be extended at the NAMED INSURED's request and the Company's acceptance, only as respects coverage for any INSURED PROJECT reported prior to the original expiration date stated above.

All other terms and conditions remain unchanged.

[Redacted]

Named Insured			Endorsement Number
Policy Symbol	Policy Number	Policy Period	Effective Date of Endorsement
Issued By (Name of Insurance Company)			

[Redacted]

[Redacted]

[Redacted]	[Redacted]				[Redacted]
	[Redacted]				[Redacted]
	[Redacted]				[Redacted]
	[Redacted]				[Redacted]
	[Redacted]				[Redacted]
	[Redacted]				[Redacted]
	[Redacted]				[Redacted]
	[Redacted]				[Redacted]
	[Redacted]				[Redacted]
	[Redacted]				[Redacted]
[Redacted]	[Redacted]				[Redacted]
	[Redacted]				[Redacted]
	[Redacted]				[Redacted]
[Redacted]	[Redacted]				[Redacted]
	[Redacted]				[Redacted]
[Redacted]	[Redacted]				[Redacted]
	[Redacted]				[Redacted]
[Redacted]	[Redacted]				[Redacted]
	[Redacted]				[Redacted]

			WAITING PERIOD	PER PROJECT SUB-LIMITS UP TO

Note 1: Rates shown are only valid for projects whose initial contract term is 36 months or less. Projects whose initial term is longer than 36 months are REFER.

Note 2: Projects having an initial Contract Cost of less than \$2,000,000 shall not be subject to adjustment at the end of the project term if they finish within six months of their initial expected completion date. If a project is extended past six months of the initial completion date, then it shall be subject to final audit at completion. Projects with an initial Contract Cost of \$2,000,000 or greater shall be subject to audit at the end of the project term.

Note 3: Loss of Rents coverage only exist if Rents are reported at the start of the Project or had been added with prior approval from the COMPANY.

[Redacted]

Named Insured			Endorsement Number
Policy Symbol	Policy Number	Policy Period	Effective Date of Endorsement
Issued By (Name of Insurance Company)			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

[Redacted]

[Redacted]

[Redacted]					
[Redacted]	[Redacted]			[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]
		[Redacted]	[Redacted]	[Redacted]	[Redacted]
		[Redacted]	[Redacted]	[Redacted]	[Redacted]
		[Redacted]	[Redacted]	[Redacted]	[Redacted]
		[Redacted]	[Redacted]	[Redacted]	[Redacted]
		[Redacted]	[Redacted]	[Redacted]	[Redacted]
		[Redacted]	[Redacted]	[Redacted]	[Redacted]
		[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]
		[Redacted]	[Redacted]	[Redacted]	[Redacted]
		[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]
		[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]

DELAY IN OPENING				
		REFER		

TERRORISM				
Rates are applied as a percentage of final term premium for all perils.				
CATEGORY	CLASSIFICATION	Rate Against Term Premium	DEDUCTIBLE	PER PROJECT SUB-LIMITS UP TO
TRIPRA				

TESTING				

INCLUDED				

All other terms and conditions remain unchanged.

MULTI-YEAR PROGRAM CONDITIONS ENDORSEMENT

Named Insured The State of California Department of General Services			Endorsement Number
Policy Symbol BRX	Policy Number Io884866A 008	Policy Period 05/01/2025 to 05/01/2027	Effective Date of Endorsement 05/01/2025
Issued By (Name of Insurance Company) Illinois Union Insurance Company			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

CONSTRUCTION RISK COVERAGE FORM

HOMEBUILDERS XTRA COVERAGE FORM

It is understood and agreed, subject always to the terms, exclusions and conditions of this Policy that the NAMED INSURED and the Company, hereby enter into this Multi-Year Program Conditions Endorsement for the Multi-Year Period set forth below. There will be no change in limit, sub-limits, deductible or policy form during this Multi-Year Period unless mutually agreed by the NAMED INSURED and the Company.

Multi-Year Period: [REDACTED]

The following provisions are added to this Policy:

A. PREMIUM ADJUSTMENT PROVISIONS:

[REDACTED]

- 1) **Loss Ratio Clause:** In respect of losses under the NAMED INSURED'S Master Policy Program, the cumulative net loss ratio exceeds [REDACTED] as calculated by the Company. Net loss ratio shall mean the cumulative total of losses, loss reserves and any other incurred losses and loss expenses under the Master Policy Program, divided by the net earned premium payable under the Master Policy Program. Net earned premium shall mean the cumulative total adjusted premium payable under the Master Policy Program excluding all acquisition costs and taxes.

The cumulative total of losses, loss reserves and any other incurred losses and loss expenses under the Master Policy Program for purposes of this Loss Ratio Clause will include losses, loss reserves and other incurred losses and loss expenses under this Policy and the Renewed Policies provided that such are realized during the Multi-Year Period.

For the purpose of this endorsement, the term Master Policy Program means:

- a) this Policy;
- b) Policies issued by the Company to the NAMED INSURED or its affiliates during the Multi-Year Period of this Policy insuring builders' risk on construction projects not insured under this Policy, subject to written agreement between the Company and NAMED INSURED; and
- c) Policies issued under the following Policy Numbers (the "Renewed Policies"):

- Io884866A 001

- Io884866A 002
- Io884866A 003
- Io884866A 004
- Io884866A 005
- Io884866A 006
- Io884866A 007

If the net loss ratio is in [REDACTED] premium shall be adjusted for this Policy to an amount determined by the Company, subject to the ANNIVERSARY REVIEW PROVISIONS and CANCELLATION provision below.

2. Acquisition/Divestiture Clause: The NAMED INSURED makes an acquisition or divestiture of a legal entity which:
 - a) value exceeds \$NA in total insured values any one location or in total per acquisition or divestiture; or
 - b) makes any acquisition or divestiture in the state of California, or in a Tier One Wind County as shown in the TIER ONE WIND COUNTIES CHART below.

Any additional or return premium is to be determined by the Company subject to the ANNIVERSARY REVIEW PROVISIONS and CANCELLATION provision below, calculated from the effective date of the acquisition or divestiture and is due and payable by either the Company (if return premium) or the NAMED INSURED (if additional premium) within 90 days from the effective date of such acquisition or divestiture.

For the purposes of this Endorsement, an “acquisition” or “divestiture” as referred to herein shall mean the purchase or sale of a legal entity by the NAMED INSURED.

B. ANNIVERSARY REVIEW PROVISION:

For the purpose of the PREMIUM ADJUSTMENT PROVISIONS above, a review shall be conducted by the Company thirty (30) days prior to each anniversary date of the Policy during the Multi-Year Period to establish whether any of the conditions set forth in the PREMIUM ADJUSTMENT PROVISIONS apply and to determine whether any increased or reduced premium for the subsequent 12-month period will apply. Any such change in premium due at anniversary shall be confirmed by the Company at least five (5) working days prior to the anniversary date.

Expiration or modification of the federal Terrorism Risk Insurance Program Reauthorization Act shall be considered as part of any Anniversary Review.

C. PREMIUM ADJUSTMENT EXCEPTIONS:

Notwithstanding anything to the contrary herein, the Company may revise rates and premiums at any time for coverage under this Policy by endorsement should there be any changes in:

1. Hazards insured, or
2. Policy terms, conditions and exposures requested by the NAMED INSURED.

D. CANCELLATION:

1. The NAMED INSURED may decline to accept any rate or premium increase under this endorsement by canceling the Policy within thirty (30) days’ of the anniversary, during which

period, premium will be charged on a pro-rata basis using rates in effect immediately prior to the applicable anniversary.

2. Notwithstanding anything set forth herein to the contrary, this Policy may be canceled by the NAMED INSURED or the Company as otherwise permitted under the terms and conditions of this Policy.

E. CONDITIONS:

This Endorsement shall be null and void if:

1. The Company loses or is unable to purchase either treaty or facultative reinsurance for this Policy;
2. There is an act of terrorism, certified or otherwise, in the coverage territory of the policy; or
3. There are regulatory changes that would prevent the Company from complying with the terms hereof.

TIER ONE WIND COUNTIES CHART:

Tier One Wind Counties shall be defined as follows:

State	Area
Alabama	The counties of Baldwin and Mobile
Florida	Entire State except Holmes, Jackson, Calhoun, Liberty, Gadsen, Leon, Madison, Hamilton, Columbia, Baker, Suwanee, Lafayette, Union, Bradford, Clay, Gilchrist, Alachua, Putnam, Marion, Sumter, Lake, Seminole, Orange, Polk, and Osceola
Georgia	The counties of Brantley, Bryan, Camden, Charlton, Chatham, Effingham, Glynn, Liberty, Long, McIntosh, Pierce, Wayne
Hawaii	Entire State
Louisiana	The parishes of Acadia, Ascension, Assumption, Calcasieu, Cameron, East Baton Rouge, East Feliciana, Iberia, Iberville, Jefferson, Jefferson Davis, Lafayette, Lafourche, Livingston, Orleans, Plaquemines, Pointe Coupee, St. Bernard, St. Charles, St. Helena, St. James, St. John the Baptist, St. Martin, St. Mary, St. Tammany, Tangipahoa, Terrebonne, Vermilion, Washington, West Baton Rouge, and West Feliciana
Mississippi	The counties of George, Hancock, Harrison, Jackson, Pearl River, Stone
North Carolina	The counties of Beaufort, Bertie, Bladen, Brunswick, Camden, Carteret, Chowan, Columbus, Craven, Currituck, Dare, Duplin, Gates, Greene, Hertford, Hyde, Jones, Lenoir, Martin, New Hanover, Onslow, Pamlico, Pasquotank, Pender, Perquimans, Pitt, Tyrrell, Washington
Puerto Rico	Entire Island
South Carolina	The counties of Beaufort, Berkeley, Charleston, Colleton, Dorchester, Georgetown, Hampton, Horry, Jasper, Williamsburg
Texas	The counties of Aransas, Bee, Brazoria, Brooks, Calhoun, Cameron, Chambers, Fort Bend, Galveston, Goliad, Hardin, Harris, Hidalgo, Jackson, Jefferson, Jim Wells, Kenedy, Kleberg, Liberty, Live Oak, Matagorda, Nueces, Orange, Refugio, San Patricio, Victoria, Wharton, Willacy
Virginia	The counties of Accomack, Charles City, Gloucester, Isle of Wight, James City, Lancaster, Mathews, Middlesex, New Kent, Northampton, Northumberland, Prince George, Southampton, Sussex, York, Independent Cities: Chesapeake, Hampton, Newport News, Norfolk, Poquoson, Portsmouth, Suffolk, Virginia Beach, Williamsburg.

All other terms and conditions remain unchanged.

Authorized Representative

DRAFT

Claims Directory

Property and Inland Marine

Claims or Loss Notices related to this policy should be reported to the following:

Claim Office	Email and Fax	Location
Chubb North American Claims	<p>First Notices Email: ChubbClaimsFirstNotice@Chubb.com</p> <p>First Notices Fax: (877)-395-0131 (Toll Free) (302)-476-7254 (Local)</p> <p>Phone: (800)-433-0385 - Business Hours (800)-523-9254 – After Hours</p>	P.O. Box 5122 Scranton, PA 18505-0554

SIGNATURES

Named Insured The State of California Department of General Services			Endorsement Number
Policy Symbol IMC	Policy Number Io884866A 008	Policy Period 05/01/2025 to 05/01/2027	Effective Date of Endorsement
Issued By (Name of Insurance Company) Illinois Union Insurance Company			

THE ONLY SIGNATURES APPLICABLE TO THIS POLICY ARE THOSE REPRESENTING THE COMPANY NAMED ON THE FIRST PAGE OF THE DECLARATIONS.

By signing and delivering the policy to you, we state that it is a valid contract.

ILLINOIS UNION INSURANCE COMPANY (A stock company)
525 W. Monroe Street, Suite 400, Chicago, Illinois 60661

WESTCHESTER SURPLUS LINES INSURANCE COMPANY (A stock company)
Royal Centre Two, 11575 Great Oaks Way, Suite 200, Alpharetta, GA 30022



Brandon Peene, Secretary



Juan Luis Ortega, President

Authorized Representative