

Weston Insurance Company Commercial Property Policy

Windstorm and Hail

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

Throughout this policy, the words "we", "us", and "our" refer to the Weston Insurance Company. "You" and "your" refer to the named insured shown in the Declarations.

AGREEMENT

We will provide the insurance described in this policy in return for the premium and compliance with all applicable provisions of this policy.

COVERAGES

COVERED PROPERTY

Covered property, as used in this policy, means the following types of property for which a Limit of Insurance is shown in the Declarations.

COVERAGE A (Building)

We cover:

1. Building or structure, meaning everything which is legally part of the building or structure described in the Declarations, unless listed in the PROPERTY NOT COVERED section of the policy. However, we do not cover machinery which is not used solely in the service of the building.
2. Personal property owned by you that is used for the service of and located on the described location, including:
 - a. Fire extinguishing equipment;
 - b. Maintenance equipment and supplies;
 - c. Floor coverings;
 - d. Window shades;
 - e. Furnishings of corridors and stairs; and
 - f. Appliances used for refrigerating, ventilating, cooking, dishwashing or laundry.

However, you are covered for these items as building landlord, but not if you are a tenant or occupant.

3. Materials and supplies located on or next to the described location used to construct, alter or repair the building or other structures on the described location. The total Limit of Insurance for this coverage is 10% of the Coverage A (Building) Limit of Insurance. This is not additional insurance and does not increase the Coverage A (Building) Limit of Insurance.
4. At your option, 10% of the Limit of Insurance applying to your boarding, rooming, fraternity or sorority houses or apartment buildings (containing 8 or less separate apartments) may be extended as excess insurance to:
 - a. Fences
 - b. Drives
 - c. Walks
 - d. Outdoor Fixtures
 - e. Garages, employee's quarters and other outbuildings used in connection with any such building.

This extension does not apply to structures over or partially over water. This is not additional insurance and does not increase the Limit of Insurance.

COVERAGE C (Business Personal Property)

We cover:

Business personal property located in or on the building described in the Declarations, or in the open on the described location, or in a vehicle or railroad car located within 100 feet of the described building, consisting of the following unless otherwise specified in the Declarations:

1. Furniture and fixtures;
2. Machinery and Equipment;
3. Stock, meaning merchandise held in storage or for sale, raw materials, and goods in process or finished, including supplies used in their packing or shipping;
4. All other personal property owned by you;
5. Personal property of others for which you are legally liable, that is:
 - a. Sold but not delivered;
 - b. Held in trust, on consignment, for storage, or;

- c. Held for repairs.
- 6. Personal property of your officers, partners or employees, if not otherwise insured. Loss or damage to the covered property will be adjusted and made payable to you.
- 7. Labor, materials or services furnished or arranged by you on personal property of others;
- 8. Your use interest as tenant in improvements and betterments. Improvements and betterments are fixtures, alterations, installations or additions:
 - a. Made a part of the building or structure you occupy but do not own; and
 - b. You acquired or made at your expense but cannot legally remove.
- 9. Your interest as unit owner in improvements and betterments made to a condominium. Improvements and betterments are fixtures, alterations, installations or additions which are part of:
 - a. The building and contained within the unfinished interior surfaces of the perimeter walls, floors, and ceilings; and
 - b. The exterior surfaces of balconies and terraces.

However, we do not cover property in or on the described location which is defined in the condominium's declarations or by-laws as a common element.

PROPERTY NOT COVERED

- 1. Unless specifically described in the Declarations, we do not cover:
 - a. Animals;
 - b. Motor or engine propelled vehicles or machines designed for movement on land, including attached machinery or equipment. However, we do cover such vehicles which are not subject to motor vehicle registration, while located in a fully enclosed building, and are:
 - (1) Devices and equipment for assisting the handicapped;
 - (2) Lawn and garden equipment not exceeding 18 horsepower;
 - (3) Golf carts;
 - (4) Vehicles or machines used for recreational purposes while located on the described location;
 - (5) Fork Lifts.

- c. Aircraft meaning any device used or designed for flight, except model or hobby aircraft not used or designed to carry people or cargo.
- d. Watercraft, including outboard motors and furnishings or equipment. However, we do cover watercraft, including outboard motors and furnishings or equipment, while located on land, in a fully enclosed building, on the described location.
- e. Wharves, docks, piers, boathouses, bulkheads or other structures located over or partially over water and the property in or on it;
- f. Radio or television towers, antennas and satellite signal receiving equipment, windmills, wind chargers, and outside erected signs;
- g. Metal smokestacks, except when securely fastened to walls of a masonry building;
- h. Greenhouses and cloth awnings;
- i. Metal screen enclosures and their contents;
- j. Manuscripts, bullion, records and books of records (except for their physical value in blank);
- k. Customers goods in laundries, cleaning, or pressing establishments.

2. We do not cover:

- a. Accounts, currency, deeds, or other evidences of debt, money, or securities.
- b. Wind turbines
- c. Breakaway walls, or business personal property contained within a breakaway wall enclosure. Breakaway wall means a wall that is not a part of the structural support of the building and is intended through its design and construction to collapse under specific lateral loading forces, without causing damage to the elevated portion of the building or supporting foundation systems.
- d. Property that is covered under another coverage form of this or any other policy in which it is more specifically described, except for the excess of the amount due from the other insurance.
- e. Land, including land on which the other structures are located.

EXTENSIONS OF COVERAGE

1. Debris Removal.

We will pay your expenses to remove debris of covered property caused by or resulting from windstorm or hail that occurs during the policy period. However, we will not pay more than the Limit of Insurance, nor such proportion of such expense as the Limit of Insurance bears to the total amount of all insurance, whether such insurance includes this clause or not. This does not increase the Limit of Insurance that applies to the damaged property.

2. Preservation of Property.

If it is necessary to move covered property from the described premises to preserve it from loss or damage by windstorm or hail, we will pay for the expense and any direct physical loss or damage to that property:

- a. While it is being moved or while temporarily stored at another location; and
- b. Only if the loss or damage occurs within 30 days after the property is first moved.

This does not increase the Limit of Insurance that applies to the damaged property.

3. Reasonable Repairs.

If property is damaged by windstorm or hail, we will pay the reasonable cost you incur for necessary repairs made solely to protect covered property from future damage. This coverage does not increase the Limit of Insurance that applies to the property being repaired.

COVERED CAUSES OF LOSS

We insure for direct physical loss to the covered property caused by windstorm or hail unless the loss is excluded in the Exclusions.

EXCLUSIONS

The following exclusions apply to loss to covered property:

1. Flood.

We will not pay under any and all circumstances for loss or damage caused by or resulting from flood, surface water, waves, storm surge, tides, tidal water, tidal waves, tsunami, seiche, overflow of streams or other bodies of water, or spray from any of these, all whether driven by wind or not.

2. Governmental Action.

We will not pay for loss or damage caused by or resulting from seizure or destruction of property by order of governmental authority.

3. War.

We will not pay for loss or damage caused by or resulting from:

- a. War, including undeclared or civil war;
- b. Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- c. Insurrection, rebellion, revolution, usurped power or action taken by governmental authority in hindering or defending against any of these.

4. Nuclear Hazard.

We will not pay for loss or damage resulting from nuclear reaction or radiation, or radioactive contamination, however caused.

5. Power Failure.

We will not pay for loss or damage resulting from the failure of power or other utility service supplied to the described premises, if the failure occurs away from the described premises. However, we will pay for loss resulting from physical damage to power, heating or cooling equipment located on the described premises if caused by windstorm or hail.

6. Rain.

We will not pay for loss or damage caused by or resulting from rain, whether driven by wind or not unless wind or hail first makes an opening in the walls or roof of the described building. Then we will only pay for loss to the interior of the building, or the insured property within, caused immediately by rain entering through such openings.

7. Electricity.

We will not pay for loss or damage to electrical devices or wiring caused by electricity resulting from artificial causes.

8. Ordinance or Law.

We will not pay for loss or damage caused directly or indirectly by the enforcement of any ordinance or law:

- a. Regulating the construction or repair of any property; or
- b. Requiring the demolition of any property, including the cost of removing its debris.

9. Business Income/Extra Expense.

We will not pay for loss resulting from the interruption of business or manufacture.

10. Mold, Fungi, or Other Microorganisms.

We will not pay for loss or damage caused by or resulting from fungi or mold and other microorganisms, except as provided in 10.b.

- a. "Fungi or mold and other microorganisms" when used in the policy or in this exclusion means the presence, growth, proliferation, spread or any activity of fungi or mold and other microorganisms.

This exclusion also applies to the cost:

- (1) To remove fungi or mold and other microorganisms from covered property covered under this policy.
- (2) To tear out and replace any part of the building or other covered property as needed to gain access to the fungi or mold and other microorganisms; and
- (3) Of testing of air or property to confirm the absence, presence or level of fungi or mold and other microorganisms;

- b. This exclusion applies unless the fungi or mold and other microorganisms are located upon the portion of covered property which must be repaired or replaced because of sudden and accidental direct physical damage resulting from wind or hail which would otherwise be covered under this policy. For purposes of this exclusion, sudden and accidental shall include a loss event

that is hidden or concealed for a period of time until it is detectable. A hidden loss must be reported to us no later than 30 days after the date it was detected or should have been detected.

- c. However, the exception to the exclusion described in b. above does not include:

- (1) The cost to treat, contain, remove or dispose of the fungi or mold and other microorganisms beyond that which is required to repair or replace the covered property physically damaged by water;
- (2) The cost of any testing of air or property to confirm the absence, presence or level of fungi, mold and other microorganisms whether performed prior to, during or after the removal, repair, restoration or replacement;
- (3) The cost of any decontamination of the covered property covered under this policy;
- (4) Any increase in loss under this policy related to debris removal from c. (1), (2), and (3).

11. Asbestos.

We will not pay for any loss or damage caused by or resulting from asbestos. We do pay for direct physical loss caused by windstorm or hail to covered property containing asbestos materials; however, we will not pay for the additional cost or expense to test for, monitor, clean up, remove, contain, treat, abate or assess the effects of asbestos or asbestos-containing materials.

DEDUCTIBLE

We will not pay for loss or damage to any item in any one occurrence until the amount of loss or damage exceeds the Deductible amount shown in the Declarations for that item. We will then pay the amount of loss or damage for that item in excess of the Deductible amount, up to the applicable Limit of Insurance, after any deduction required by the Coinsurance Condition.

CONDITIONS

1. Policy Period. This policy applies only to loss which occurs during the policy period shown in the Declarations.
2. Insurable Interest and Limit of Insurance. Even if more than one person has an insurable interest in the property covered, we will not be liable in any loss:
 - a. for an amount greater than the interest of a person insured under this policy; or
 - b. for more than the applicable Limit of Insurance .
3. Fraudulent Misrepresentation.
 - a. This policy is void as to an insured, if the insured has fraudulently misrepresented in proof of loss or death a fact material to the question of our liability under the policy, and the insured's misrepresentation misled and caused us to waive or lose a valid defense to the policy.
 - b. This policy is void as to an insured, if the insured has fraudulently misrepresented in the application for the policy any fact material to the risk, and the insured's misrepresentation contributed to the contingency or event on which the policy became due and payable.
4. Duties After Loss.
 - a. Your Duties After Loss.

You must see that the following are done in the event of loss or damage to covered property.

 - (1) Notify the police if a law may have been broken.
 - (2) Give us prompt notice of the loss or damage. Include a description of the property involved.
 - (3) As soon as possible, give us a description of how, when and where the loss or damage occurred.
 - (4) Take all reasonable steps to protect the covered property from further damage, and keep a record of your expenses necessary to protect the covered property, for consideration in the settlement of the claim.

This will not increase the Limit of Insurance. Also, if feasible, set the damaged property aside and in the best possible order for examination.

- (5) At our request, give us complete inventories of the damaged and undamaged property. Include quantities, costs, values and amount of loss claimed.

Attach all bills, receipts and related documents that justify the figures in the inventory.

- (6) As often as may be reasonably required permit us to inspect the property proving the loss or damage and examine your books and records.

Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.

- (7) Send us a signed, sworn proof of loss containing the information we request to investigate the claim.

- (a) You must do this within 91 days after our request. We will supply you with the necessary forms.

- (b) Cooperate with us in the investigation or settlement of the claim. We may examine you or any insured under oath, and take recorded statements; while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed. Additionally, if the insured being examined under oath is a minor, a parent or a guardian may be present.

- (c) If you are an association, corporation or other entity; any members officers, directors, partners or similar representatives of the association, corporation or other entity must:

1. Submit to examinations under oath and recorded statements, while not in the presence of any other insured. At such time, if the insured being examined under oath is a minor, a parent or a guardian may be present; and

1. Sign the same.

- (d) Your agents, your representatives, including any public adjusters engaged on

your behalf, and anyone insured under this policy, other than b. or c. above; must:

1. Submit to examinations under oath and recorded statements, while not in the presence of any insured. At such time, if the insured being examined under oath is a minor, a parent or a guardian may be present ; and

1. Sign the same.

b. Our Duties After Loss.

(1) Not later than the 15th day after the date the claim is filed, we will acknowledge receipt of a claim;

(a) We will commence any investigation of the claim; and

(b) We may request from you all items, statements, and forms that we reasonably believe, at that time, will be required from you.

(2) We may make additional requests for information if during the investigation of the claim the additional requests are necessary.

(3) If acknowledgment of receipt of a claim is not made in writing, we shall make a record of the date, manner, and content of the acknowledgment.

(4) We will notify you of acceptance or rejection of your claim:

(a) Not later than the 15th business day after the date we receive all items, statements, and forms required by us to secure final proof of loss;

(b) Not later than the 30th business day after the date we receive all items, statements, and forms required by us, if we have a reasonable basis to believe that the loss resulted from arson;

(c) If we are unable to accept or reject your claim within the time period specified under (a) or (b) above, we will, within the same time period, notify you of the reasons that we need additional time. We will accept or reject your claim not later than the 45th day after the date we notify you of our need for additional time under this section.

(5) We must, on request, provide you reasonable access to all information

relevant to the determination by us concerning the claim. You may copy the information at your own cost or may request that we provide a copy of all or part of the information to you. We may charge you the actual cost incurred by us in providing a copy of the information requested, excluding any amount for labor involved in making any information or copy of information available to you.

5. Loss Payment.

a. If we notify you under Condition 4.b. that we will pay your claim, or part of your claim, we must make payment not later than the 5th day after we notify you.

b. If payment of your claim or part of your claim requires the performance of an act by you, we must make payment not later than the 5th day after the date the act is performed.

6. Loss Settlement. Covered property losses are settled as follows:

a. Our liability and payment for covered losses will not exceed the smallest of the following:

(1) The actual cash value of the damaged property at the time of loss, determined with proper deduction for depreciation;

(2) The cost to repair or replace the damaged property with material of like kind and quality; or

(3) The specified Limit of Insurance of the policy.

b. We will not pay you more than your financial interest in the covered property.

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

7. Coinsurance. If a coinsurance percentage is shown in the Declarations, the following condition applies:

We will not pay the full amount of any loss if the actual cash value of covered property at the time of loss times the coinsurance percentage shown for it in the Declarations is greater than the Limit of Insurance for the property.

Instead, we will determine the most we will pay using the following steps:

- a. Multiply the actual cash value of covered property at the time of loss by the coinsurance percentage;
- b. Divide the Limit of Insurance of the property by the figure determined in step a.;
- c. Multiply the total amount of loss, before the application of any deductible, by the figure determined in step b.; and
- d. Subtract the deductible from the figure determined in step c.

We will pay the amount determined in step d. or the Limit of Insurance, whichever is less. For the remainder, you will either have to rely on other insurance or absorb the loss yourself.

In applying this coinsurance clause we will disregard the value of foundations of buildings which are below the surface of the lowest basement floor or, where there is no basement, which are below the surface of the ground.

We will not consider the cost of removal of debris in the determination of actual cash value when applying the coinsurance clause.

We will not require a special inventory or appraisal of undamaged property if your total claim for loss is:

- a. Less than \$10,000; and
- b. Less than 5% of the Limit of Insurance on described property.

This provision does not waive any of the requirements of the coinsurance clause.

Example No. 1 (Underinsurance):

When:

The actual cash value of the property is \$250,000

The coinsurance percentage for it is 80%

The Limit of Insurance for it is \$100,000

The deductible is \$1000

The amount of loss is \$40,000

Step (1) $\$250,000 \times 80\% = \$200,000$

(the minimum Limit of Insurance to meet your coinsurance requirements)

Step (2) $\$100,000 \div \$200,000 = .50$

Step (3) $\$40,000 \times .50 = \$20,000$

Step (4) $\$20,000 - \$1000 = \$19,000$

We will pay no more than \$19,000. The remaining \$21,000 is not covered.

Example No. 2 (Adequate insurance)

When:

The actual cash value of the property is \$250,000

The coinsurance percentage for it is 80%

The Limit of Insurance for it is \$200,000

The deductible is \$2000

The amount of loss is \$40,000

Step (1) $\$250,000 \times 80\% = \$200,000$

(the minimum Limit of Insurance to meet your coinsurance requirements)

Step (2) $\$200,000 \div \$200,000 = 1.00$

Step (3) $\$40,000 \times 1.00 = \$40,000$

Step (4) $\$40,000 - \$2000 = \$38,000$

We will pay \$38,000 of the loss. No penalty applies.

8. Mortgage Clause (Without Contribution).

a. The word "mortgagee" includes trustee.

b. We will pay for any covered loss of or damage to buildings or structures to the mortgagee shown in the Declarations as interests appear.

c. The mortgagee has the right to receive loss payment even if the mortgagee has started foreclosure or similar action on the building or structure.

d. If we deny your claim because of your acts or because you have failed to comply with the terms of this policy, the mortgagee has the right to receive loss payment if the mortgagee:

- (1) At our request, pays any premiums due under this policy, if you have failed to do so.
- (2) submits to us any information we requested from you under Condition 4.a.(5) promptly after receiving notice from us of your failure to do so.
- (3) Has notified us of any change in ownership, occupancy or substantial change in risk known to the mortgagee.

All of the terms of this policy will then apply directly to the mortgagee. Failure of the mortgagee to comply with d.(1), d.(2) or d.(3) above shall void this policy as to the interest of the mortgagee.

e. If we pay the mortgagee for any loss or damage and deny payment to you because of

your acts or because you have failed to comply with the terms of this policy:

- (1) The mortgagee's rights under the mortgage will be transferred to us to the extent of the amount we pay;
- (2) The mortgagee's right to recover the full amount of the mortgagee's claim will not be impaired.

At our option, we may pay to the mortgagee the whole principal on the mortgage plus any accrued interest. In this event, your mortgage and note will be transferred to us and you will pay your remaining mortgage debt to us.

- f. If this policy is canceled, we will give the mortgagee specifically named in the Declarations written notice of cancellation.

If we cancel the policy, we will give the mortgagee the same number of days' notice of cancellation we give you.

If you cancel the policy, we will give the mortgagee notice of cancellation to be effective on the date stated in the notice. The effective date of cancellation cannot be before the 10th day after we mail notice.

We will not give notice of cancellation to any successor or assignee of the mortgagee named in this policy.

- g. If the property described is a dwelling and is foreclosed upon under the deed of trust, the mortgagee may cancel this policy of insurance and will be entitled to any unearned premiums from this policy.

The mortgagee must credit any unearned premium against any deficiency owed by the borrower and return any unearned premium not so credited to the borrower.

9. Other Insurance.

- a. If property covered by this policy is also covered by other insurance, we will pay only the proportion of a loss caused by windstorm or hail under this policy that the Limit of Insurance applying under this policy bears to the total Limit of Insurance covering the property.
- b. If glass or an item of personal property is insured specifically under any other policy, then this policy applies as excess insurance over the specific insurance.
- c. If a loss covered by this policy is also covered by other insurance in the name of a

condominium association, the insurance provided in this policy will be excess over the amount collectible under the other insurance.

10. Appraisal Process.

- a. If you demand appraisal of the amount we will pay for a claim, you and we will each select a competent and independent appraiser. You shall notify us of your appraiser's identity. We shall notify you of our appraiser's identity within 10 days after we receive notice of your appraiser's identity. The two appraisers will choose a competent and independent umpire. If they cannot agree upon an umpire within 15 days, you or we may request that the choice be made by a judge of a district court of a judicial district where the loss occurred.

- b. The two appraisers will then determine the amount of loss, stating separately for the portion of the claim for which we have accepted coverage in full or in part:

- (1) The actual cash value of the damaged property at the time of loss, determined with proper deduction for depreciation; and
- (2) The cost to repair or replace the damaged property with material of like kind and quality.

- c. If you or we request that they do so, the appraisers will also determine:

- (1) the full replacement cost of the building at the time of loss for purposes of the Loss Settlement Condition; and
- (2) the value of the covered property at the time of loss for purposes of the Coinsurance Condition.

- d. If you or we request that they do so, the appraisers will also determine the amount that you necessarily spent to repair or replace the damaged property.

- e. If you or we request that they do so, the appraisers will also determine the amount of loss for any extensions of coverage for which we have accepted coverage in full or in part.

- f. If the appraisers fail to agree, they will submit their differences to the umpire. An itemized decision agreed to by any two of these three

and filed with us will determine the amount of the loss.

- g. You and we are responsible in equal shares for paying the costs incurred or charged in connection with the appraisal, including expenses of the appraisers and umpire. If we pay more than our share of the costs of appraisal, our liability and payment for covered losses shall be reduced by the amount we pay in excess of our share.

11. Lawsuit Against Us

- a. No suit or action can be brought against us unless there has been full compliance with all of the terms under this policy. Action must be brought against us within two years and one day from the date the cause of action first accrues.

- b. With respect to suits brought in connection with claims for loss caused by windstorm or hail in the catastrophe area, as defined by the Texas Insurance Code:

No action can be brought against us unless there has been compliance with all of the terms of this policy. The action: must be brought:

- (1) not later than two years and one day after the date on which you receive written notification from us that we have denied a claim in full or in part; or
- (2) not later than three years and one day from the date of the loss that is the subject of the claim.

- 12. Subrogation (Transfer of Rights of Recovery Against Others to Us). If any person or organization to or for whom we make payment under this policy has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair them. But you may waive your rights against another party in writing, prior to a loss to your covered property.

- 13. Abandonment of Property. There can be no abandonment of property to us.

- 14. Liberalization. If the commissioner of insurance approves a revision which would broaden or extend the coverage under the Texas Windstorm

Insurance Association policy without additional premium within 45 days prior to or during the policy period, the broadened or extended coverage will immediately apply to this policy.

- 15. Waiver or Change of Policy Provisions. This policy contains all the agreements between you and us concerning the insurance afforded. You are authorized to make changes in the terms of this policy with our consent; however, this policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.

16. Cancellation.

- a. You may cancel this policy at any time, for any reason, by giving us advance notice of the future cancellation effective date. We will send you any refund due when the policy is returned to us. The refund amount will be determined as described in Special Provisions – Texas endorsement, WIC TX CWO SP 11 15 .

- b. We may cancel this policy by mailing you, and any mortgagee named on the Declarations page, notice in writing of the date cancellation takes effect. The effective date of cancellation cannot be before the 14th day after we mail the notice. Our notice of cancellation will state the reason for cancellation and will state that if the refund is not included with the notice, it will be returned on demand. The refund amount will be determined as described in Special Provisions – Texas endorsement, WIC TX CWO SP 11 15 .

C.If this policy has been in effect less than 90 days, we may cancel this policy for any reason.

d.If this policy has been in effect 90 days or more, or at any time if it is a renewal policy, we may not cancel this policy unless:

- (1) You do not pay any portion of the premium when due;
- (2) You submit a fraudulent claim;
- (3) The Texas Department of Insurance determines that continuation of the policy would result in a violation of this code or any other law governing the business of insurance in this state; or
- (4) If there is an increase in the hazard covered by the policy that is within your control and that would produce an increase in the premium rate of the policy.

e. We may not cancel solely because you are an elected official.

17. Assignment. Your rights and duties under this policy may not be transferred without our prior written consent except as provided as follows:

- a. If you die, your rights and duties will be transferred to your legal representative subject to our right to verify your legal representative's authority to act in your behalf.
- b. If you sell the real property insured by this policy, you may assign your rights and duties under the policy to the new owner. However:
 - (1) the new owner may not change any of the terms of this policy without our prior written consent; and
 - (2) you, the new owner, or the agent shown in the Declarations must notify us in writing of the change of ownership within 30 days after the real estate closing.

18. Pro Rata Distribution. If one Limit of Insurance applies to two or more separate coverage items A. (building) and C. (business personal property), coverage will apply to each item in the same proportion that the value of each such item bears to the total limit for that item of insurance.

This provision does not apply to items to which 100% coinsurance applies.

19. Inspections and Surveys. We have the right to:

- a. Make inspections and surveys at any time;
- b. Give you reports on the conditions we find; and
- c. Recommend changes.

We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged.

We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. We do not warrant that conditions:

- a. Are safe or healthful; or
- b. Comply with laws, regulations, codes or standards.

This Inspections and Surveys condition applies not only to us, but also to any rating, advisory, inspection service or similar organization which

makes insurance inspections, surveys, reports or recommendations.

20. Valuation. We will determine the value of covered property in the event of loss or damage as follows:

- a. At actual cash value as of the time of loss or damage, except as provided in b. and c. below.
- b. Tenant's Improvements and Betterments at:
 - (1) Actual cash value of the lost or damaged property if you make repairs promptly.
 - (2) A proportion of your original cost if you do not make repairs promptly. We will determine the proportionate value as follows:
 - (a) Multiply the original cost by the number of days from the loss or damage to the expiration of the lease; and
 - (b) Divide the amount determined in (a) above by the number of days from the installation of improvements to the expiration of the lease. If your lease contains a renewal option, the expiration of the renewal option period will replace the expiration of the lease in this procedure.
 - (3) Nothing if others pay for repairs or replacement.
- c. Records and books of records, including those which exist on electronic or magnetic media (other than prepackaged software programs), at the cost of:
 - (1) Blank materials for reproducing the records; and
 - (2) Labor to transcribe or copy the records when there is a duplicate.

21. Refusal to Renew or Renewal with Changes.

- a. If we refuse to renew this policy or offer to renew this policy with changes, we must mail to you at your mailing address shown on the Declarations page and any mortgagee named on the Declarations page, written notice of our refusal to renew or renewal with changes not later than the 30th day before the date on which this policy expires. Our notice will state the reason for nonrenewal. Proof of mailing will be sufficient proof of notice. If we fail to give you proper notice of our decision not to renew or renewal with changes, you may require us to renew the

policy on the expiration of the policy.

solely because you are an elected official.

b. We may not refuse to renew this policy

IN WITNESS WHEREOF: In consideration of your paid premium, Weston Insurance Company is proud to extend to you the coverage offered by this insurance contract.

Michael C. Lyons
President, Weston Insurance Company