

- (i) their social security number, driver's license number or other personal identification number (including an employee identification number or student identification number);
- (ii) their financial account number (including a bank account number, retirement account number, or healthcare spending account number);
- (iii) their credit, debit or other payment card number; or
- (iv) any individually identifiable health information, pursuant to the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), held by the **Organization**,

when any such information in (i) through (iv) above is intended by the **Organization** to be accessible only by persons or organizations specifically authorized by the **Organization** to have access to such information.

The title and any headings in this endorsement/rider are solely for convenience and form no part of the terms and conditions of coverage.

All other terms, conditions and limitations of this Policy shall remain unchanged.



Authorized Representative

ENDORSEMENT/RIDER

Coverage Section: ForeFront Portfolio 3.0 Employment Practices Liability Coverage Part Federal

Effective date of

this endorsement/rider: January 30, 2013

Federal Insurance Company

Endorsement/Rider No. 2

To be attached to and
form a part of Policy No. 8167-6719

Issued to: Sterling Suffolk Racecourse L.L.C.

WORKPLACE VIOLENCE EXPENSES ENDORSEMENT
(WITH SUBLIMIT)

In consideration of the premium charged, it is agreed that solely with respect to this Coverage Part, the following shall apply:

- (1) Section I, Insuring Clauses, of this Coverage Part shall be amended to add the following Insuring Clause:

Workplace Violence Expense Coverage

The Company shall reimburse the **Parent Organization** for "Workplace Violence Expenses" (as defined below) incurred by an **Organization** resulting from any "Workplace Violence" (as defined below); provided that the Company's maximum aggregate liability for all Workplace Violence Expenses shall not exceed \$250,000.00, which amount is part of, and not in addition to, the Company's maximum aggregate Limit of Liability set forth in Item 2 of the EPL Declarations.

- (2) No Retention shall apply to Workplace Violence Expenses; provided however, if different parts of a single **Claim** are subject to different Retentions, the applicable Retentions will be applied separately to each part of such **Claim**, but the sum of such Retentions shall not exceed the largest applicable Retention as set forth in Item 4 of the EPL Declarations. Such Retention shall be borne by the **Insureds** uninsured and at their own risk.

- (3) For the purposes of this endorsement, Exclusion (D), Bodily Injury/Property Damage, of this Coverage Part is deleted and replaced with the following:

(D) Bodily Injury/Property Damage
based upon, arising from, or in consequence of bodily injury, mental anguish, emotional distress, sickness, disease or death of any person or damage to or destruction of any tangible property including loss of use thereof whether or not it is damaged or destroyed; provided that this Exclusion (D) shall not apply to **Loss** for any mental anguish, humiliation or emotional distress when alleged as part of an otherwise covered **Claim**;

- (4) The terms and conditions of subsection (A) of Section VI, Defense and Settlement, of this Coverage Part shall not apply to the coverage for "Workplace Violence Expenses" (as defined below) afforded pursuant to the Workplace Violence Expense Coverage Insuring Clause as set forth in paragraph (1) of this endorsement.

- (5) For the purposes of this endorsement, the following terms shall apply:

"Workplace Violence" means any intentional and unlawful act:

- (i) of deadly force involving the use of lethal weapon; or
- (ii) the threat of deadly force involving the display of a lethal weapon,

which occurs on or in the "Premises" (as defined below) and which did or could result in bodily injury or death to an **Insured Person**.

"Workplace Violence Expenses" means the reasonable fees and expenses, or cost of:

- (i) an independent security consultant for ninety (90) days following the date Workplace Violence occurs;
- (ii) an independent public relations consultant for ninety (90) days following the date Workplace Violence occurs;
- (iii) a counseling seminar for all **Employees** conducted by an independent consultant following a Workplace Violence;
- (iv) independent security guard services for up to fifteen (15) days; and
- (v) an independent forensic analyst.

"Premises" means the buildings, facilities or properties occupied by an **Organization** in conducting its business.

- (6) For the purposes of this endorsement, no coverage will be available under this Coverage Part for:
- (a) any Workplace Violence which occurs at any location other than the Premises;
 - (b) **Loss** arising from declared or undeclared war, civil war, insurrection, riot, civil commotion, rebellion or revolution, military, naval or usurped power, governmental intervention, expropriation or nationalization;
 - (c) legal costs, judgments and settlements incurred as the result of any claim, suit or judicial action brought against an **Organization** in connection with Workplace Violence; or
 - (d) **Loss** resulting from the use or threat of force or violence occurring on the Premises for the purpose of demanding money, securities or property.

The title and any headings in this endorsement/rider are solely for convenience and form no part of the terms and conditions of coverage.

All other terms, conditions and limitations of this Policy shall remain unchanged.



Authorized Representative

ENDORSEMENT

Coverage Section: ForeFront Portfolio 3.0 Employment Practices Liability Coverage Part Federal

Effective date of
this endorsement: January 30, 2013

Federal Insurance Company

Endorsement No. 3

To be attached to and
form a part of Policy No. 8167-6719

Issued to: Sterling Suffolk Racecourse L.L.C.

**MASSACHUSETTS AMENDATORY ENDORSEMENT
TO THE EMPLOYMENT PRACTICES LIABILITY COVERAGE PART**

In consideration of the premium charged, it is agreed that Section VIII, Employment Claim Arbitration, of this Coverage Part is deleted and replaced with the following:

- (A) Any dispute between any **Insured** and the Company based upon, arising from or in any way involving any actual or alleged coverage under this Coverage Part, or the validity, termination or breach of this Coverage Part, including any dispute sounding in contract or tort, may be submitted to binding arbitration.
- (B) An **Organization**, however, may first have the option to resolve the dispute by non-binding mediation pursuant to such rules and procedures, and using such mediator, as the parties may agree. If the parties cannot so agree, the mediation shall be administered by the American Arbitration Association pursuant to its then prevailing commercial mediation rules.
- (C) If the parties cannot resolve the dispute by non-binding mediation, the parties may submit the dispute to binding arbitration pursuant to the then prevailing commercial arbitration rules of the American Arbitration Association, except that the arbitration panel shall consist of one arbitrator selected by the **Insureds**, one arbitrator selected by the Company, and a third arbitrator selected by the first two arbitrators.

The Policy will be deemed to have been amended to the extent necessary to effect the purposes and intent of this Amendatory Endorsement.

The regulatory requirements set forth in this Amendatory Endorsement shall supercede and take precedence over any provisions of the Policy or any endorsement to the Policy, whenever added, that are inconsistent with or contrary to the provisions of this Amendatory Endorsement, unless such Policy or endorsement provisions comply with the applicable insurance laws of the State of Massachusetts.

The title and any headings in this endorsement are solely for convenience and form no part of the terms and conditions of coverage.

All other terms, conditions and limitations of this Policy shall remain unchanged.

A handwritten signature in black ink, appearing to be "P. A. W.", written in a cursive style.

Authorized Representative

ENDORSEMENT/RIDER

Coverage Section: ForeFront Portfolio 3.0 Employment Practices Liability Coverage Part Federal

Effective date of
this endorsement/rider: January 30, 2013

Federal Insurance Company

Endorsement/Rider No. 4

To be attached to and
form a part of Policy No. 8167-6719

Issued to: Sterling Suffolk Racecourse L.L.C.

EPL ENHANCEMENT ENDORSEMENT

In consideration of the premium charged, it is agreed that:

- (1) Solely with respect to this Coverage Part, Paragraphs (C) and (D) of Section IX. Notice, of the General Terms and Conditions are deleted and replaced with the following:

- (C) All other notices to the Company under this Policy shall be given by certified mail addressed to:

Attn: Chubb Specialty Insurance Underwriting Department
Chubb Group of Insurance Companies
15 Mountain View Road
Warren, New Jersey 07059

- (D) Any such notice shall be effective on the date of such certified mailing to the Company at such address.

- (2) The definition of **Loss**, as set forth in Subsection II, Definitions, of this Coverage Part is amended to include the following:

Solely with respect to a "Mass or Class Action" (as defined below), **Loss** shall also include the reasonable and necessary costs of training, education, sensitivity or minority development or diversity programs required under the terms of a settlement, judgment or consent decree; provided that the Company's maximum aggregate liability for all such **Loss** on account of all Mass or Class Actions shall be the lesser of either twenty-five percent (25%) of the Maximum Aggregate Limit of Liability set forth in Item 2 of the EPL Declarations or one million dollars (\$1,000,000) and such amount is part of, and not in addition to, the Company's Maximum Aggregate Limit of Liability set forth in Item 2 of the EPL Declarations.

- (3) The definition of **Third Party**, as set forth in Subsection II, Definitions, of this Coverage Part is deleted and replaced with the following:

Third Party means any natural person who is a customer, vendor, service provider or other business invitee of an **Organization**. **Third Party** shall also include:

- (A) any natural person who is a customer, vendor, service provider or other business invitee of any entity, provided that the **Organization** has a valid express contract or agreement with such entity which was in effect at the time the **Third Party Wrongful Act** underlying or alleged in such **Third Party Claim** occurred or is alleged to have occurred; and

(B) any natural person (other than an **Employee** or a natural person described in (A) above) who has interaction with an **Employee**, but only with respect to harassment committed or allegedly committed by such **Employee** during his/her hours of employment with the **Organization**.

(4) CRISIS MANAGEMENT EXPENSES COVERAGE:

It is further agreed that solely with respect to this Employment Practices Liability Coverage Part, this Coverage Part is amended as follows:

A. Section I. Insuring Clauses, is amended to add the following Insuring Clause:

Crisis Management Expenses

The Company shall reimburse the **Parent Organization** for "Crisis Management Expenses" (as defined below) incurred by an **Organization**, provided that the Company's Maximum Aggregate Limit of Liability for all Crisis Management Expenses shall not exceed \$5,000.00, which amount is part of, and not in addition to, the Company's Maximum Aggregate Limit of Liability as set forth in Item 2 of the EPL Declarations.

B. Solely with respect to the coverage for Crisis Management Expense afforded pursuant to the Crisis Management Expenses Insuring Clause as set forth in paragraph (4) A. of this endorsement, the following shall apply:

- (i) No Retention shall apply to Crisis Management Expenses; provided however, if different parts of a single **Claim** are subject to different Retentions, the applicable Retention will be applied separately to each part of such **Claim**, but the sum of such Retentions shall not exceed the largest applicable Retention as set forth in Item 4 of the EPL Declarations. Such Retention shall be borne by the **Insureds** uninsured and at their own risk.
- (ii) The terms and conditions of subsection (A) through (E) of Section VI. Defense and Settlement, shall not apply to the coverage for Crisis Management Expenses.
- (iii) Any **Insured** shall, as a condition precedent to exercising their rights under the Crisis Management Expenses Insuring Clause, give to the Company written notice as soon as practicable of the Crisis Management Event, but in no event later than thirty (30) days after the commencement of such Crisis Management Event.
- (iv) No coverage will be available under this Coverage Part for:
 - (a) revising or rewriting of personnel policies or procedures;
 - (b) sensitivity or awareness training; or
 - (c) accommodations made by the **Organization** pursuant to the Americans with Disabilities Act.

(4) For the purposes of this endorsement, the following terms shall apply:

"Crisis Management Expenses" means the reasonable and necessary cost of retaining, for a stipulated period of time with the prior approval of the Company, an independent public relations consultant, media management consultant, investigative firm or law firm, and the cost of advertising and public relations media and activities in connection with a Crisis Management Event.

"Crisis Management Event" means an allegation of: (i) an **Employment Practices Wrongful Act** which the **Organization's** director of Human Resources, in-house general counsel, or equivalent position of the foregoing, reasonably believes that such **Employment Practices Wrongful Act** will result in a "Mass or Class Action" (as defined below); or (ii) any actual or alleged **Employment Harassment** by a "Senior Executive" (as defined below), which the **Organization's** director of Human Resources, in-house general

counsel, or equivalent position of the foregoing, reasonably believes that such **Employment Harassment** will result in a **Claim**.

"Mass or Class Action" means any **Claim** brought or maintained:

- (a) by or on behalf of five or more natural persons who are acting in concert, whether or not such natural persons are represented by one or more legal counsel;
- (b) by or on behalf of one to four natural persons if any of such natural persons are making a pattern and practice or systemic discrimination allegation and are seeking monetary relief on behalf of a class or group of complainants in order to resolve such **Claim**, whether or not such natural persons are represented by one or more legal counsel; or
- (c) by a governmental entity, department or agency making a pattern and practice or systemic discrimination allegation or seeking monetary relief on behalf of a class or group of complainants in order to resolve such **Claim**.

"Senior Executive" means a director or corporate officer of the **Organization**.

The title and any headings in this endorsement/rider are solely for convenience and form no part of the terms and conditions of coverage.

All other terms, conditions and limitations of this Policy shall remain unchanged.



Authorized Representative

ENDORSEMENT

Coverage Section: ForeFront Portfolio 3.0 Employment Practices Liability Coverage Part Federal

Effective date of
this endorsement: January 30, 2013

Company: Federal Insurance Company

Endorsement No. 5

To be attached to and
form a part of Policy No. 8167-6719

Issued to: Sterling Suffolk Racecourse L.L.C.

LOSS PREVENTION CONSULTANT SERVICES ENDORSEMENT

In order to assist the **Insured** in reducing its exposure to covered **Loss** under this Coverage Part, the Company has agreed to contribute to the cost of the qualified employment practices loss prevention consultant services reviewed and approved by the Company, including but not limited to the following:

- (a) Legal compliance audits of human resources/employment policies and practices;
- (b) Development or updating of human resources/employment policies and practices;
- (c) Training program design and implementation on topics such as employment discrimination laws, equal employment opportunity obligations, maintaining hostile-free work environments, interviewing skills, managing diversity, and handling corrective action and discharge issues, all with a focus on loss prevention;
- (d) Legal advice and counsel on employment issues; or
- (e) Statistical analyses on workforce and employment practices to detect trends or patterns that could lead to regulatory problems, lawsuits or employee allegations;

provided, however, that such contribution shall take the form of a return premium of fifty percent (50%) of the cost of such qualified employment practices loss prevention consultant services, but such contribution shall also be subject to a maximum amount equal to ten percent (10%) of the annual premium charged for this coverage section.

All employment practices loss prevention consultant services shall be provided by a loss prevention services provider approved by the Company and such services must be rendered during the **Policy Period**.

The title and any headings in this endorsement are solely for convenience and form no part of the terms and conditions of coverage.

All other terms, conditions and limitations of this policy shall remain unchanged.

A handwritten signature in black ink, appearing to be "P. H. W.", written in a cursive style.

Authorized Representative



FL DECLARATIONS

FEDERAL INSURANCE COMPANY

A stock insurance company, incorporated under the laws of Indiana, herein called the Company

Capital Center, 251 North Illinois, Suite 1100
 Indianapolis, IN 46204-1927

NOTICE: THIS COVERAGE PART PROVIDES CLAIMS MADE COVERAGE, WHICH APPLIES ONLY TO "CLAIMS" FIRST MADE DURING THE "POLICY PERIOD", OR ANY APPLICABLE EXTENDED REPORTING PERIOD. THE LIMIT OF LIABILITY TO PAY DAMAGES OR SETTLEMENTS WILL BE REDUCED AND MAY BE EXHAUSTED BY "DEFENSE COSTS", AND "DEFENSE COSTS" WILL BE APPLIED AGAINST THE RETENTION. IN NO EVENT WILL THE COMPANY BE LIABLE FOR "DEFENSE COSTS" OR THE AMOUNT OF ANY JUDGMENT OR SETTLEMENT IN EXCESS OF THE APPLICABLE LIMIT OF LIABILITY. READ THE ENTIRE POLICY CAREFULLY.

Item 1. Parent Organization: Sterling Suffolk Racecourse L.L.C.

Item 2. Maximum Aggregate Limit of Liability for this Coverage Part: \$1,000,000.00

Item 3. Retentions:

- (A) Insuring Clause (A)
 Fiduciary Liability Coverage: \$0.00
- (B) Insuring Clause (B)
 Voluntary Settlement Program Coverage: \$0.00

Item 4. Pending or Prior Proceedings Dates:

- (A) Insuring Clause (A): December 01, 1995
- (B) Insuring Clause (B): December 01, 1995



In consideration of payment of the premium and subject to the Declarations, General Terms and Conditions, and the limitations, conditions, provisions and other terms of this Coverage Part, the Company and the Insureds agree as follows:

I. INSURING CLAUSES

Insuring Clause (A): Fiduciary Liability Coverage

- (A) The Company shall pay, on behalf of an **Insured**, **Loss** on account of a **Claim** first made against the **Insured** during the **Policy Period**, or the Extended Reporting Period if applicable, for a **Wrongful Act** by the **Insured** or by any natural person for whose **Wrongful Acts** the **Insured** is legally liable.

Insuring Clause (B): Voluntary Settlement Program Coverage

- (B) The Company shall pay, on behalf of an **Insured**, **Voluntary Program Loss** and **Defense Costs** with respect to a **Voluntary Program Notice** that is first given to the Company during the **Policy Period**, provided that the Company's maximum liability for all **Voluntary Program Loss** and **Defense Costs** for the **Policy Year** shall be \$150,000, which amount is part of, and not in addition to, the Maximum Aggregate Limit of Liability set forth in Item 2 of the FL Declarations.

II. DEFINITIONS

For purposes of this Coverage Part:

Administration means:

- (A) advising, counseling, or failing to provide proper or timely notice to **Employees, Executives**, participants or beneficiaries with respect to any **Plan**;
- (B) providing interpretations with respect to any **Plan**; or
- (C) handling of records or effecting enrollment, termination or cancellation of **Employees, Executives**, participants or beneficiaries under any **Plan**.

Application means:

- (A) any portion of an application given to the Company for this Policy including any attachments, written information and materials provided to the Company by or on behalf of an **Insured** for the purposes of the Company's underwriting of this Coverage Part;
- (B) all schedules filed with the U.S. Department of the Treasury Internal Revenue Service, the U.S. Department of Labor Employee Benefits Security Administration and the Pension Benefit Guarantee Corporation, and the audited financial statements last filed for all **Sponsored Plans**; and
- (C) any warranty provided to the Company within the past three years in connection with any coverage part or policy of which this Coverage Part is a renewal or replacement.

Claim means any:

- (A) written demand first received by an **Insured** for monetary or non-monetary relief, including injunctive relief;
- (B) civil proceeding commenced by the service of a complaint or similar pleading;
- (C) criminal proceeding commenced by: (1) an arrest, or (2) return of an indictment, information or similar document;
- (D) formal administrative or formal regulatory proceeding commenced by the filing of a notice of charges, formal investigative order or similar document;
- (E) arbitration or mediation proceeding commenced by the receipt of a demand for arbitration, demand for mediation, or similar document;



- (F) written notice of commencement of a fact-finding investigation by the U.S. Department of Labor, the U.S. Pension Benefit Guaranty Corporation, or any similar governmental authority located outside the United States, including, the Pensions Ombudsman appointed by the United Kingdom Secretary of State for Work and Pensions or by the United Kingdom Occupational Pensions Regulatory Authority or any successor thereto; or
- (G) official request for **Extradition** of an **Insured Person**,
against an **Insured** for a **Wrongful Act**, including any appeal therefrom; or
- (H) a written request first received by an **Insured** to toll or waive a statute of limitations relating to a potential **Claim** as described in Subsections (A) through (G) above.

Committee means any committee established by an **Organization** with respect to a **Sponsored Plan**, which consists only of natural person members who are **Executives** or **Employees**.

Defense Costs means that part of **Loss** consisting of reasonable costs, charges, fees (including attorneys' fees and experts' fees) and expenses (other than regular or overtime wages, salaries, fees or benefits of the **Insured Persons**) incurred in investigating, defending, opposing or appealing any **Claim** or any **Voluntary Program Notice**, and the premium for appeal, attachment or similar bonds.

Employee means any natural person whose labor or service was, is or will be engaged and directed by an **Organization**, including a part-time, seasonal, leased and temporary employee, intern or volunteer. **Employee** shall not include any independent contractor.

ERISA means:

- (A) the Employee Retirement Income Security Act of 1974, as amended and any rules or regulations promulgated thereunder (including, amendments relating to the Consolidated Omnibus Budget Reconciliation Act of 1985, and the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"));
- (B) the English Pension Scheme Act 1993, and the English Pensions Act 1995, as such Acts are amended and any rules or regulations promulgated under such Acts, and

any similar statutory or common law anywhere in the world, and any rules or regulations promulgated thereunder; and

- (C) the privacy provisions under HIPAA.

Executive means any natural person who was, is or will be:

- (A) a duly elected or appointed director, officer, member of the Advisory Board or in-house general counsel of any **Organization** incorporated in the United States of America;
- (B) a duly elected or appointed: (1) manager, member of the Board of Managers or equivalent position; (2) member of the Advisory Board; or (3) in-house general counsel, of any **Organization** formed as a limited liability company in the United States of America; or
- (C) a holder of an equivalent position to those described in Subsections (A) or (B) above in any **Organization** incorporated, formed or organized anywhere in the world.

Extradition means any formal process by which an **Insured Person** located in any country is surrendered to any other country for trial or otherwise to answer any criminal accusation, or the execution of a warrant for the arrest of an **Insured Person** where such execution is an element of **Extradition**.

Financial Impairment means the status of an **Organization** resulting from:

- (A) the appointment by any federal or state official, agency or court of any receiver, conservator, liquidator, trustee, rehabilitator or similar official to take control of, supervise, manage or liquidate such **Organization**; or
- (B) such **Organization** becoming a debtor in possession under the United States bankruptcy law or the equivalent of a debtor in possession under the law of any other country,



provided that the court or other judicial or administrative body overseeing the receivership, conservatorship, liquidation, rehabilitation, bankruptcy or equivalent proceeding has denied a request by the **Organization**, or other party determined to have standing, for authorization of the **Organization** to indemnify an **Insured Person** for **Loss**; provided further that, the Company may, in its sole discretion, waive the foregoing requirement.

Insured means any **Organization**, any **Plan**, any **Committee** and any **Insured Person**.

Insured Person means any:

- (A) **Executive** or **Employee** of an **Organization**;
- (B) employee of a **Sponsored Plan**;
- (C) past, present or future natural person trustee of an **Organization** or of the **Sponsored Plan**; and
- (D) past, present or future natural person trustee or fiduciary, when such natural person is added as an **Insured Person** by specific written endorsement to this Coverage Part.

Loss means:

- (A) solely for purposes of Insuring Clause (A), Fiduciary Liability Coverage, the amount which any **Insured** becomes legally obligated to pay as a result of any **Claim**, including:
 - (1) compensatory damages;
 - (2) punitive, exemplary or multiplied damages, if and to the extent such damages are insurable under the law of the jurisdiction most favorable to the insurability of such damages, provided such jurisdiction has a substantial relationship to the **Insured**, the Company, or the **Claim** giving rise to such damages;
 - (3) judgments, including pre-judgment and post-judgment interest;
 - (4) settlements; and
 - (5) **Defense Costs**; and
- (B) solely for purposes of Insuring Clause (B), Voluntary Settlement Program Coverage, **Voluntary Program Loss**,

provided that **Loss** does not include any portion of such amount that constitutes any:

- (1) cost of compliance with any order for, grant of or agreement to provide non-monetary relief, including injunctive relief;
- (2) amount uninsurable under the law pursuant to which this Coverage Part is construed;
- (3) tax imposed by law;
- (4) fine or penalty imposed by law, except:
 - (a) as provided in Paragraph (A)(2) above with respect to punitive, exemplary or multiplied damages;
 - (b) the five percent (5%) or less, or the twenty percent (20%) or less, civil penalties imposed upon an **Insured** as a fiduciary under Section 502(i) or (l), respectively, of the Employee Retirement Income Security Act of 1974, as amended;
 - (c) solely with respect to Insuring Clause (B), Voluntary Settlement Program Coverage, **Voluntary Program Loss**;
 - (d) civil penalties imposed by:
 - (i) the Pension Ombudsman appointed by the United Kingdom Secretary of State for Work and Pensions or any successor thereto, by the United Kingdom Occupational Pensions Regulatory Authority, or the Pensions Regulator or any successor thereto, pursuant to the Pension Scheme Act 1993, the Pensions Act 1995, the Pensions Act 2004, or rules or regulations thereunder; or
 - (ii) Ireland's Pensions Board or Pensions Ombudsman,



- provided that any coverage for such civil penalties applies only if the funds or assets of the pension scheme are not used to fund, pay or reimburse the premium for this Coverage Part;
- (e) civil penalties imposed upon an **Insured** as a fiduciary under Section 502(c) of the Employee Retirement Income Security Act of 1974, as amended (including, any amendments pursuant to Section 507 of Title V of the Pension Protection Act of 2006); provided the Company's maximum limit of liability for all such civil penalties on account of all **Claims** first made during the **Policy Year** shall be \$50,000, which amount is part of, and not in addition to, the Maximum Aggregate Limit of Liability set forth in Item 2 of the FL Declarations;
 - (f) civil money penalties imposed upon an **Insured** for such **Insured's** violation of the privacy provisions of the Health Insurance Portability and Accountability Act of 1996, as amended; provided the Company's maximum limit of liability for all such civil money penalties on account of all **Claims** first made during the **Policy Year** shall be \$150,000, which amount is part of, and not in addition to, the Maximum Aggregate Limit of Liability set forth in Item 2 of the FL Declarations;
- (5) amounts incurred by an **Insured** in the defense or investigation of any action, proceeding, investigation or demand that was not then a **Claim** or a **Voluntary Program Notice**, even if (a) such amount also benefits the defense of a covered **Claim** or **Voluntary Program Notice**; or (b) such action, proceeding, investigation or demand subsequently gives rise to a **Claim** or to a **Voluntary Program Notice**;
 - (6) cost incurred in cleaning-up, removing, containing, treating, detoxifying, neutralizing, assessing the effects of, testing for, or monitoring **Pollutants**; or
 - (7) (a) benefits due or to become due under any **Plan**, or (b) benefits which would be due under any **Plan** if such **Plan** complied with all applicable law, including loss resulting from the payment of plaintiff attorneys' fees based upon a percentage of such benefits or payable from a common fund established to pay such benefits, except to the extent that:
 - (i) an **Insured** is a natural person and the benefits are payable by such **Insured** as a personal obligation, and recovery for the benefits is based upon a covered **Wrongful Act**; or
 - (ii) a **Claim** made against an **Insured** alleges a loss to the **Plan** and/or to the accounts of such **Plan's** participants by reason of a change in the value of the investments held by such **Plan**, regardless of whether the amounts sought or recovered by the plaintiffs in such **Claim** are characterized by plaintiffs as "benefits" or held by a court as "benefits".

Plan means:

- (A) any **Sponsored Plan**; and
- (B) any government-mandated insurance for workers compensation, unemployment, social security or disability benefits for **Employees** and **Executives**.

Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals, asbestos, asbestos products or waste. Waste includes materials to be recycled, reconditioned or reclaimed.

Sponsored Plan means:

- (A) any employee benefit plan, pension benefit plan or welfare benefit plan, as defined in and subject to the Employee Retirement Income Security Act of 1974, as amended, including any **VEBA**, which is operated solely by an **Organization** or jointly by an **Organization** and a labor organization solely for the benefit of the **Employees** or **Executives** of an **Organization**, located anywhere in the world and which existed on or before the inception date of this Policy, or, subject to Section VI, Changes in Exposure, of the General Terms and Conditions, which is created or acquired after such inception date, provided that any coverage with respect to an employee stock ownership plan created or acquired during the **Policy Period** shall be further subject to Section IV, Creation or Acquisition of an ESOP;
- (B) any other employee benefit plan or program not subject to the Employee Retirement Income Security Act of 1974, as amended which is operated solely by an **Organization** or jointly by an **Organization** and a labor organization solely for the benefit of the **Employees** or **Executives** of an **Organization**, including any fringe benefit or excess benefit plan located anywhere in the world and which existed on or before the



inception date of this Policy, or, subject to Section VI, Changes in Exposure, of the General Terms and Conditions, which is created or acquired after such inception date; and

- (C) any other plan, fund, or program specifically included as a **Sponsored Plan** by endorsement to this Coverage Part,

provided that **Sponsored Plan** shall not include any employee stock ownership plan created or acquired by the **Organization** during the **Policy Period** (except as otherwise provided in Section IV, Creation or Acquisition of an ESOP).

VEBA means any Voluntary Employees' Beneficiary Associations as defined in Section 501(c)(9) of the Internal Revenue Code of 1986, as amended and any regulations thereunder, the purpose of which is to provide for life, sick, accident or other benefits for voluntary members who are **Employees, Executives**, their dependents or designated beneficiaries.

Voluntary Program means any voluntary compliance resolution program or similar voluntary settlement program administered by the U.S. Internal Revenue Service or U.S. Department of Labor, including the Delinquent Filer Voluntary Compliance Program, the Voluntary Fiduciary Correction Program and the Employee Plans Compliance Resolution System, or any similar program administered by a governmental authority located outside the United States.

Voluntary Program Loss means fees, fines, penalties or sanctions paid by an **Insured** to a governmental authority pursuant to a **Voluntary Program** for the actual or alleged inadvertent non-compliance by a **Plan** with any statute, rule or regulation, provided that the **Voluntary Program Notice** relating thereto was given to the Company during the **Policy Period**.

Voluntary Program Notice means, with respect to any **Plan**, prior written notice to the Company by any **Insured** of the **Insured's** intent to enter into any **Voluntary Program**, provided that no **Insured Person** knew the **Plan** to be actually or allegedly non-compliant as of the earlier of the inception of this Policy or the inception of the first policy in an uninterrupted series of policies issued by the Company of which this Coverage Part is a direct or indirect renewal or replacement.

Wrongful Act means any actual or alleged:

- (A) breach of the responsibilities, obligations or duties imposed by **ERISA** upon fiduciaries of the **Sponsored Plan** committed, attempted or allegedly committed or attempted by an **Insured** while acting in the **Insured's** capacity as a fiduciary;
- (B) negligent act, error or omission in the **Administration** of any **Plan** committed, attempted or allegedly committed or attempted by an **Insured**; or
- (C) matter, other than as set forth in (A) or (B) above, claimed against an **Insured** solely by reason of the **Insured's** service as a fiduciary of any **Sponsored Plan**.

III. EXCLUSIONS

The Company shall not be liable for **Loss** on account of any **Claim** or for any **Voluntary Program Notice**:

- (A) Prior Notice:
based upon, arising from or in consequence of any fact, circumstance, situation, transaction, event or **Wrongful Act** that, before the inception date set forth in Item 2(A), Policy Period, of the GTC Declarations, was the subject of any notice accepted under any fiduciary liability or employee benefit liability policy or coverage part of which this Coverage Part is a direct or indirect renewal or replacement;
- (B) Pending or Prior Proceedings:
based upon, arising from or in consequence of a written demand, suit, or other proceeding pending against, or order, decree or judgment entered for or against any **Insured**, on or prior to the applicable Pending or Prior Proceedings Date set forth in Item 4 of the FL Declarations, or the same or substantially the same fact, circumstance or situation underlying or alleged therein;



- (C) Bodily Injury/Property Damage:
for bodily injury, mental anguish, humiliation, emotional distress, sickness, disease or death of any person or damage to or destruction of any tangible property including loss of use thereof whether or not it is damaged or destroyed;
- (D) Pollution:
based upon, arising from or in consequence of any:
- (1) discharge, emission, release, dispersal or escape of any **Pollutants**, or any threat thereof;
 - (2) treatment, removal or disposal of any **Pollutants**; or
 - (3) regulation, order, direction or request to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize any **Pollutants**,
- including any **Claim** for financial loss to an **Organization**, its securityholders or its creditors, or to the **Plan**, based upon, arising from or in consequence of any matter described in Paragraphs (1), (2) or (3) of this Exclusion (D),
- provided that this Exclusion (D) shall not apply:
- (1) to **Loss** on account of any **Claim** by or on behalf of a beneficiary of or participant in any **Sponsored Plan** based upon, arising from or in consequence of the diminution in value of any securities owned by the **Sponsored Plan** in any organization if such diminution in value is allegedly as a result of the matters described above in this Exclusion (D); or
 - (2) to **Loss** which an **Insured Person** becomes legally obligated to pay and for which such **Insured Person** is not indemnified by an **Organization** either because the **Organization** is not permitted by statutory or common law to grant such indemnification or because of the **Financial Impairment** of the **Organization**, provided that this exception shall only apply to **Claims** first made during the **Policy Period** or the Extended Reporting Period, if applicable;
- (E) Assumed Liability Under Contract:
based upon, arising from or in consequence of liability of others assumed by any **Insured** under any written or oral contract or agreement, provided that this Exclusion (E) shall not apply to **Loss** to the extent that:
- (1) an **Insured** would have been liable in the absence of the contract or agreement; or
 - (2) the liability was assumed under the agreement or declaration of trust pursuant to which the **Plan** was established;
- (F) Workers' Compensation, Unemployment, Social Security, Disability Benefits:
for any failure of any **Insured** to comply with any workers' compensation, unemployment insurance, social security or disability benefits law or any amendments to or rules or regulations promulgated under any such law, or any similar provisions of any federal, state, or local statutory law or common law anywhere in the world, except, to the extent otherwise covered hereunder, **Wrongful Acts** in connection with: (a) the Consolidated Omnibus Budget Reconciliation Act of 1985, (b) the Health Insurance Portability and Accountability Act of 1996, or (c) any amendments to or any rules or regulations promulgated under such Acts;
- (G) Wage and Hour:
for any violation of the responsibilities, obligations or duties imposed by any federal, state, or local statutory law or common law anywhere in the world (including the Fair Labor Standards Act) or amendments to or regulations promulgated under any such law that governs wage, hour and payroll policies and practices; or
- (H) Conduct:
based upon, arising from or in consequence of:
- (1) any deliberately fraudulent act or omission, or any willful violation of any statute or regulation, by an **Insured**, if a final, non-appealable adjudication in any underlying proceeding or action (other than a declaratory proceeding or action brought by or against the Company) establishes such an act or omission or violation; or



- (2) an **Insured** having gained any profit, remuneration or other advantage to which such **Insured** was not legally entitled, if a final, non-appealable adjudication in any underlying proceeding or action (other than a declaratory proceeding or action brought by or against the Company) establishes the gaining of such a profit, remuneration or advantage,

provided that,

- (a) no conduct pertaining to any **Insured Person** shall be imputed to any other **Insured Person** or to any **Plan**; and
- (b) any conduct pertaining to any past, present, or future chief financial officer, chief executive officer, chief operating officer or head of benefits (or any equivalent position to any of the foregoing) of an **Organization** shall be imputed to such **Organization** and its **Subsidiaries**.

IV. CREATION OR ACQUISITION OF AN ESOP

Notwithstanding anything in this Coverage Part to the contrary, if during the **Policy Period** any **Organization** creates or directly or indirectly acquires an employee stock ownership plan ("ESOP"), the **Organization** shall promptly give to the Company written notice thereof together with such other information requested by the Company. The Company shall, at the request of the **Organization**, provide to the **Organization** a quotation for coverage for **Claims** based upon, arising from or in consequence of such ESOP, subject to such terms, conditions, limitations of coverage and such additional premium as the Company, in its sole discretion, may require.

V. TERMINATION OF PLAN

In the event:

- (A) an **Organization** terminates a **Plan** before or after the inception date of this Policy, coverage under this Coverage Part, with respect to such terminated **Plan**, shall continue until termination of this Coverage Part for those who were **Insureds** at the time of such **Plan** termination or who would have been an **Insured** at the time of such termination if this Coverage Part had been in effect, with respect to **Wrongful Acts** prior to or after the date the **Plan** was terminated; or
- (B) the Pension Benefit Guaranty Corporation ("PBGC") becomes the Trustee of a **Plan** before or after the inception date of this Policy, coverage under this Coverage Part, with respect to such **Plan**, shall continue until termination of this Coverage Part for those who were **Insureds** at the time the PBGC became the Trustee of such **Plan** with respect to **Wrongful Acts** prior to the effective date the PBGC became the Trustee of such **Plan**.

VI. REPORTING

- (A) An **Insured** shall, as a condition precedent to exercising any right to coverage under this Coverage Part, give to the Company written notice of any **Claim** as soon as practicable after the chief executive officer, chief financial officer, in-house general counsel, head of benefits, or any person responsible for the management of insurance claims (or any equivalent position to any of the foregoing) of an **Organization** becomes aware of such **Claim**, but in no event later than:
- (1) if this Coverage Part expires (or is otherwise terminated) without being renewed with the Company, ninety (90) days after the effective date of such expiration or termination; or
- (2) the expiration date of the Extended Reporting Period, if applicable,

provided that if the Company sends written notice to the **Parent Organization**, stating that this Coverage Part is being terminated for nonpayment of premium, an **Insured** shall give to the Company written notice of such **Claim** prior to the effective date of such termination.



- (B) If during the **Policy Period**, or any applicable Extended Reporting Period, an **Insured** becomes aware of circumstances which could give rise to a **Claim** and gives written notice of such circumstances to the Company, then any **Claim** subsequently arising from such circumstances shall be deemed made against the **Insured** during the **Policy Year** in which such circumstances were first reported to the Company, provided any such subsequent **Claim** is reported to the Company as soon as practicable, but in no event later than ninety (90) days after the chief executive officer, chief financial officer, in-house general counsel, head of benefits, or any person responsible for the management of insurance claims (or any equivalent position to any of the foregoing) of an **Organization** becomes aware of such **Claim**.
- (C) If during the **Policy Period** an **Insured** gives a **Voluntary Program Notice** to the Company, then any **Claim** subsequently arising from such **Voluntary Program Notice**, or arising from the same or related facts, circumstances or situations alleged therein, shall be deemed to have been first made during the **Policy Year** in which such **Voluntary Program Notice** was first given to the Company, provided any such subsequent **Claim** is reported to the Company as soon as practicable, but in no event later than ninety (90) days after the chief executive officer, chief financial officer, in-house general counsel, head of benefits, or any person responsible for the management of insurance claims (or any equivalent position to any of the foregoing) of an **Organization** becomes aware of such **Claim**.
- (D) An **Insured** shall, as a condition precedent to exercising any right to coverage under this Coverage Part, give to the Company such information, assistance and cooperation as the Company may reasonably require, and shall include in any notice under Subsections (A), (B) or (C) above a description of the **Claim**, circumstances, or **Voluntary Program Notice** (including the facts, circumstances or situations alleged therein), the nature of the alleged **Wrongful Act** or circumstances, the nature of the alleged or potential damage, the names of the actual or potential claimants, and the manner in which such **Insured** first became aware of the **Claim**, circumstances, or alleged **Wrongful Act** or **Voluntary Program Notice**.

VII. RETENTION AND PRESUMPTIVE INDEMNIFICATION

- (A) The Company's liability under this Coverage Part shall apply only to that part of each **Loss** which is in excess of the applicable Retention set forth in Item 3 of the FL Declarations and such Retention shall be borne by the **Insureds** uninsured and at their own risk.
- (B) If different parts of a single **Claim** are subject to different Retentions in different Insuring Clauses within this Coverage Part, the applicable Retentions shall be applied separately to each part of such **Claim**, but the sum of such Retentions shall not exceed the largest applicable Retention.
- (C) If different parts of a single **Claim** are subject to different Retentions in different Coverage Parts, the applicable Retentions will be applied separately to each part of such **Claim**, but the sum of such Retentions shall not exceed the largest applicable Retention.
- (D) **Claims** and **Voluntary Program Notices** shall be subject to the Retention(s) applicable to the **Policy Year** during which such **Claims** or **Voluntary Program Notices** are made or deemed to have been made.
- (E) No Retention shall apply to:
 - (1) any **Loss** under this Coverage Part incurred by an **Insured Person** if such **Loss** cannot be indemnified by an **Organization** or **Plan** because such **Organization** or **Plan** is not permitted by common or statutory law to indemnify, or is permitted or required to indemnify, but is unable to do so by reason of **Financial Impairment**; or
 - (2) any **Loss** constituting civil penalties imposed by law pursuant to Subparagraphs (4)(e) and (4)(f) as set forth within the definition of **Loss**.
- (F) For the purposes of determining an **Organization's** indemnification obligation to any Advisory Board Member, each Advisory Board Member shall be deemed a director or officer of the **Organization**. Accordingly, the **Organization** shall be deemed to have granted indemnification to each Advisory Board Member to the fullest extent permitted by statutory or common law to the same extent as any director or officer of the **Organization**.



VIII. DEFENSE AND SETTLEMENT

- (A) Except as provided in Subsection (B) below, the Company shall have the right and duty to defend any **Claim** covered by this Coverage Part. Coverage shall apply even if any of the allegations are groundless, false or fraudulent. The Company's duty to defend any **Claim** shall cease upon exhaustion of the applicable Limit of Liability.
- (B) Notwithstanding Subsection (A) above, it shall be the duty of the **Insureds** and not the duty of the Company to defend any **Claim** which is in part excluded from coverage pursuant to Exclusion III(G), Wage and Hour. For such portion of such **Claim** that is otherwise covered under this Coverage Part, the **Insureds** shall select as defense counsel for such **Claim** a law firm included in the Company's then current list of approved fiduciary liability defense firms for the jurisdiction in which such **Claim** is pending.
- (C) It shall be the duty of the **Insureds** and not the duty of the Company to defend any **Voluntary Program Notice**, provided that the **Insureds** shall select as defense counsel for such **Voluntary Program Notice** a law firm included in the Company's then current list of approved fiduciary liability defense firms for the jurisdiction applicable to such **Voluntary Program Notice**.
- (D) The Company may make any investigation it deems necessary and may, with the consent of the **Insureds**, make any settlement of any **Claim** or **Voluntary Program Notice** it deems appropriate.
- (E) No **Insured** shall settle any **Claim** or **Voluntary Program Notice**, incur any **Defense Costs** or otherwise assume any contractual obligation or admit any liability with respect to any **Claim** or **Voluntary Program Notice**, without the Company's written consent, which shall not be unreasonably withheld. The Company shall not be liable for any settlement, **Defense Costs**, assumed obligation or admission to which it has not consented.
- (F) The Company shall have no obligation to pay **Loss**, including **Defense Costs**, or to defend or continue to defend any **Claim** or **Voluntary Program Notice** after the Company's Maximum Aggregate Limit of Liability set forth in Item 2 of the FL Declarations or the Combined Maximum Aggregate Limit of Liability set forth in Item 3 of the GTC Declarations, if applicable, has been exhausted by the payment of **Loss** and the applicable premium shall be deemed fully earned.
- (G) The **Insureds** agree to provide the Company with all information, assistance and cooperation which the Company reasonably requests and agree they will do nothing that may prejudice the Company's position or its potential or actual rights of recovery.
- (H) The Company will not seek repayment from an **Insured Person** of any **Defense Costs** paid by the Company that are deemed uninsured pursuant to Exclusion III(H), Conduct, unless the applicable determination standard (whether a final, non-appealable adjudication; or other determination standard) set forth in such Exclusion has been met.

IX. ALLOCATION

If the **Insureds** who are afforded coverage for a **Claim** incur an amount consisting of both **Loss** that is covered by this Coverage Part and also loss that is not covered by this Coverage Part because such **Claim** includes both covered and uncovered matters, then coverage shall apply as follows:

- (A) **Defense Costs**: one hundred percent (100%) of **Defense Costs** incurred by such **Insured** on account of such **Claim** shall be covered **Loss**, provided that the foregoing shall not apply with respect to any **Insured** for whom coverage is excluded pursuant to Exclusion III(G), Wage and Hour, or Subsection XII(C), Representations and Severability. Such **Defense Costs** shall be allocated between covered **Loss** and non-covered loss based on the relative legal exposures of the parties to such matters; and
 - (B) loss other than **Defense Costs**: all remaining loss incurred by such **Insured** from such **Claim** shall be allocated between covered **Loss** and uncovered loss based upon the relative legal exposures of the parties to such matters.
-



X. PRIORITY OF PAYMENTS

- (A) If a liquidation or reorganization proceeding is commenced by or against an **Organization** pursuant to the United States Bankruptcy Code or any similar state or local law and in the event payment of **Loss** is due under this Coverage Part but, in the sole discretion of the Company, the amount of such **Loss** in the aggregate potentially exceeds the remaining available Limit of Liability for this Coverage Part, the Company shall:
- (1) first pay such covered **Loss** incurred by the **Insured Persons** and the **Plans**; then
 - (2) to the extent of any remaining amount of the Limit of Liability available after payment under Paragraph (1) above, pay such covered **Loss** incurred by an **Organization**.
- (B) Except as otherwise provided in Subsection (A) above, the Company may pay covered **Loss** as it becomes due under this Coverage Part without regard to the potential for other future payment obligations under this Coverage Part.

XI. OTHER INSURANCE

If any **Loss** under this Coverage Part is insured under any other valid and collectible insurance policy (other than a policy that is issued specifically as excess of the insurance afforded by this Coverage Part), this Coverage Part shall be excess of and shall not contribute with such other insurance, regardless of whether such other insurance is stated to be primary, contributory, excess, contingent or otherwise.

XII. REPRESENTATIONS AND SEVERABILITY

- (A) In granting coverage to the **Insureds** under this Coverage Part, the Company has relied upon the declarations and statements in the **Application** for this Coverage Part. Such declarations and statements are the basis of the coverage under this Coverage Part and shall be considered as incorporated in and constituting part of this Coverage Part.
- (B) The **Application** for coverage shall be construed as a separate **Application** for coverage by each **Insured Person**. With respect to the declarations and statements in such **Application**, no knowledge possessed by an **Insured Person** shall be imputed to any other **Insured Person**.
- (C) However, in the event that such **Application** contains any misrepresentations made with the actual intent to deceive or contains misrepresentations which materially affect either the acceptance of the risk or the hazard assumed by the Company under this Coverage Part, then no coverage shall be afforded for any **Claim** based upon, arising from or in consequence of any such misrepresentations with respect to:
- (1) any **Insured Person** who knew of such misrepresentations (whether or not such individual knew such **Application** contained such misrepresentations) or any **Organization** or **Plan** to the extent it indemnifies any such **Insured Person**; or
 - (2) any **Organization** or **Plan** if any past or present chief executive officer or chief financial officer (or any equivalent position to the foregoing) of the **Parent Organization** knew of such misrepresentations (whether or not such individual knew such **Application** contained such misrepresentations).
- (D) The Company shall not be entitled under any circumstances to rescind this Coverage Part with respect to any **Insured**.

ENDORSEMENT/RIDER

Coverage Section: ForeFront Portfolio 3.0 Fiduciary Liability Coverage Part Federal

Effective date of
this endorsement/rider: January 30, 2013

Federal Insurance Company

Endorsement/Rider No. 1

To be attached to and
form a part of Policy No. 8167-6719

Issued to: Sterling Suffolk Racecourse L.L.C.

PPACA CIVIL MONEY PENALTIES ENDORSEMENT

In consideration of the premium charged, it is agreed that:

- (1) The definition of **Loss** as set forth in Section II. Definitions, of this Coverage Part is amended by adding the following exception to Paragraph (4):

civil money penalties imposed upon an **Insured** for inadvertent violation of the Patient Protection and Affordable Care Act, as amended ("PPACA"), and any rules or regulations promulgated thereunder; provided the Company's maximum limit of liability for all such civil money penalties on account of all **Claims** first made during the **Policy Year** shall be \$50,000.00, which amount is part of, and not in addition to, the Maximum Aggregate Limit of Liability set forth in Item 2 of the FL Declarations;

- (2) No Retention shall apply to **Loss** constituting civil money penalties imposed by law upon an **Insured** for inadvertent violation of PPACA, and any rules or regulations promulgated thereunder.

The title and any headings in this endorsement/rider are solely for convenience and form no part of the terms and conditions of coverage.

All other terms, conditions and limitations of this Policy shall remain unchanged.



Authorized Representative

ENDORSEMENT/RIDER

Coverage Section: ForeFront Portfolio 3.0 Fiduciary Liability Coverage Part Federal

Effective date of
this endorsement/rider: January 30, 2013

Federal Insurance Company

Endorsement/Rider No. 2

To be attached to and
form a part of Policy No. 8167-6719

Issued to: Sterling Suffolk Racecourse L.L.C.

IRS SECTION 4975 COVERAGE ENDORSEMENT

In consideration of the premium charged, it is agreed that:

- (1) The definition of **Loss** as set forth in Section II. Definitions, of this Coverage Part is amended by adding the following exception to Paragraph (4):

with respect to covered judgments, the fifteen percent (15%) or less tax penalty imposed upon an **Insured** under Section 4975 of the Internal Revenue Code of 1986; provided the Company's maximum limit of liability for all such tax penalties on account of all **Claims** first made during the **Policy Year** shall be \$50,000.00, which amount is part of, and not in addition to, the Maximum Aggregate Limit of Liability set forth in Item 2 of the FL Declarations;

- (2) Solely with respect to the tax penalties described in paragraph (1) of this endorsement, no Retention shall apply.

The title and any headings in this endorsement/rider are solely for convenience and form no part of the terms and conditions of coverage.

All other terms, conditions and limitations of this Policy shall remain unchanged.



Authorized Representative

ENDORSEMENT/RIDER

Coverage Section: ForeFront Portfolio 3.0 Fiduciary Liability Coverage Part Federal

Effective date of
this endorsement/rider: January 30, 2013

Federal Insurance Company

Endorsement/Rider No. 3

To be attached to and
form a part of Policy No. 8167-6719

Issued to: Sterling Suffolk Racecourse L.L.C.

SEPARATE DEFENSE COSTS LIMIT ENDORSEMENT
(Separate Defense Costs Limit for this Coverage Part)

In consideration of the premium charged, it is agreed that:

- (1) Solely with respect to this Coverage Part, Paragraph (A)(3) of Section III, Limit of Liability of the General Terms and Conditions is deleted and replaced with the following:
 - (3) (a) Except as otherwise expressly provided in any **Liability Coverage Part** and subject to Subparagraph (b) below, **Defense Costs** are part of and not in addition to the applicable Maximum Aggregate Limit of Liability as set forth in Item 2 of the Declarations of each **Liability Coverage Part** and payment by the Company of **Defense Costs** shall reduce and may exhaust such Limit(s) of Liability.
 - (b) A single additional limit of liability applicable only to **Defense Costs** (a "Separate Defense Costs Limit") shall be provided for this Coverage Part. The amount of the Separate Defense Costs Limit shall be \$1,000,000.00, and the Separate Defense Costs Limit shall be in addition to, and not part of, the Maximum Aggregate Limit of Liability otherwise applicable to this Coverage Part as shown in Item 2 of the Declarations thereof. Accordingly, the Separate Defense Costs Limit provided for this Coverage Part may not be applied to **Defense Costs** incurred under any other **Liability Coverage Part**. Payment of **Defense Costs** by the Company under this Coverage Part shall first reduce the Separate Defense Costs Limit, and, if the Separate Defense Costs Limit is exhausted, any further payment of **Defense Costs** by the Company under this Coverage Part shall thereafter reduce, and may exhaust, the Limit of Liability set forth in Item 2 of the Declarations thereof. In no event shall the Company be obligated to pay **Defense Costs** or other **Loss** under this Coverage Part after the Limit of Liability shown in Item 2 of the Declarations thereof is exhausted.
- (2) This endorsement shall only be available if the Combined Maximum Aggregate Limit of Liability is not purchased. If the Combined Maximum Aggregate Limit of Liability is purchased, this endorsement shall have no effect.

The title and any headings in this endorsement/rider are solely for convenience and form no part of the terms and conditions of coverage.

All other terms, conditions and limitations of this Policy shall remain unchanged.

A handwritten signature in black ink, appearing to be "P. M. O.", written in a cursive style.

Authorized Representative

ENDORSEMENT/RIDER

Coverage Section: ForeFront Portfolio 3.0 Fiduciary Liability Coverage Part Federal

Effective date of
this endorsement/rider: January 30, 2013

Federal Insurance Company

Endorsement/Rider No. 4

To be attached to and
form a part of Policy No. 8167-6719

Issued to: Sterling Suffolk Racecourse L.L.C.

FL ENHANCEMENT ENDORSEMENT

In consideration of the premium charged, it is agreed that Section VII. Retentions and Presumptive Indemnification, of this Coverage Part is amended to add the following:

In the event that:

- (1) a final adjudication with prejudice pursuant to a trial, motion to dismiss or a motion for summary judgment of any **Claim**; or
- (2) a complete and final settlement with prejudice of any **Claim**;

establishes that none of the **Insureds** in such **Claim** are liable for any **Loss**, no Retention shall apply to **Defense Costs** incurred in connection with any such **Claim**, and the Company will reimburse the **Insureds** for any covered **Defense Costs** paid by the **Insureds** within the Retention otherwise applicable to such **Claim**.

The title and any headings in this endorsement/rider are solely for convenience and form no part of the terms and conditions of coverage.

All other terms, conditions and limitations of this Policy shall remain unchanged.



Authorized Representative

ENDORSEMENT

Coverage Section: ForeFront Portfolio 3.0 Fiduciary Liability Coverage Part Federal

Effective date of
this endorsement: January 30, 2013

Company: Federal Insurance Company

Endorsement No. 5

To be attached to and
form a part of Policy No. 8167-6719

Issued to: Sterling Suffolk Racecourse L.L.C.

MULTI-EMPLOYER PLAN ENDORSEMENT

In consideration of the premium charged, it is agreed that:

(1) Section II, Definitions, of this Coverage Part is amended as follows:

A. The definition of **Wrongful Act** is deleted and replaced with the following:

(1) With respect to any **Plan**, **Wrongful Act** means any actual or alleged:

(a) breach of the responsibilities, obligations or duties imposed by **ERISA** upon fiduciaries of the **Sponsored Plan** committed, attempted or allegedly committed or attempted by an **Insured** while acting in the **Insured's** capacity as a fiduciary;

(b) negligent act, error or omission in the **Administration** of any **Plan** committed, attempted or allegedly committed or attempted by an **Insured**; or

(c) matter, other than set forth in (a) or (b) above, claimed against an **Insured** solely by reason of the **Insured's** service as a fiduciary of any **Sponsored Plan**.

(2) With respect to any **Multi-Employer Plan**, **Wrongful Act** means any negligent act, error or omission by the **Organization** or its past, present or future directors, officers or **Employees** in the **Administration** of the **Multi-Employer Plan** for the benefit of **Employees** of the **Organization**. Such coverage shall not extend to any **Multi-Employer Plan** or any **Insured** in the capacity as a fiduciary of any **Multi-Employer Plan**.

B. The following definition is added:

Multi-Employer Plan means any multiemployer plan, as defined by the Employee Retirement Income Security Act of 1974, as amended, which is operated jointly by the **Organization** and one or more other employers or labor organizations for the benefit of the **Employees** of the **Organization**, among others.

- (2) The term **Plan** as used in this Coverage Part, shall be deemed to include any **Multi-Employer Plan**, but solely with respect to the following:
- (a) Section III, Exclusions, and any other exclusions added by endorsement to this Coverage Part;
 - (b) the definition of **Administration** set forth at Section II, Definitions; and
 - (c) Section VI, Termination of Plan.

The title and any headings in this endorsement are solely for convenience and form no part of the terms and conditions of coverage.

All other terms, conditions and limitations of this policy shall remain unchanged.

A handwritten signature in black ink, appearing to be "P. H. W.", written over a horizontal line.

Authorized Representative



CRIME DECLARATIONS

FEDERAL INSURANCE COMPANY

A stock insurance company, incorporated under the laws of Indiana, herein called the Company

Capital Center, 251 North Illinois, Suite 1100
 Indianapolis, IN 46204-1927

Item 1. Parent Organization: Sterling Suffolk Racecourse L.L.C.

Item 2. Limits of Liability and Retentions:

Insuring Clauses Applicable to this Coverage Part:	Limits of Liability:	Retentions:
<input checked="" type="checkbox"/> (A) Employee Theft Coverage:	\$1,000,000.00	\$10,000.00
<input checked="" type="checkbox"/> (B) Premises Coverage:	\$1,000,000.00	\$10,000.00
<input checked="" type="checkbox"/> (C) In Transit Coverage:	\$1,000,000.00	\$10,000.00
<input checked="" type="checkbox"/> (D) Forgery Coverage:	\$1,000,000.00	\$10,000.00
<input checked="" type="checkbox"/> (E) Computer Fraud Coverage:	\$1,000,000.00	\$10,000.00
<input checked="" type="checkbox"/> (F) Funds Transfer Fraud Coverage:	\$1,000,000.00	\$10,000.00
<input checked="" type="checkbox"/> (G) Money Order and Counterfeit Currency Fraud Coverage:	\$1,000,000.00	\$10,000.00
<input checked="" type="checkbox"/> (H) Credit Card Fraud Coverage:	\$1,000,000.00	\$10,000.00
<input checked="" type="checkbox"/> (I) Client Coverage	\$1,000,000.00	\$5,000.00
<input checked="" type="checkbox"/> (J) Expense Coverage:	\$100,000.00	None

Item 3. Coverage applies as follows: Loss Discovered



In consideration of payment of the premium and subject to the Declarations, General Terms and Conditions, and the limitations, conditions, provisions and other terms of this Coverage Part, the Company and the Insureds agree as follows:

I. INSURING CLAUSES

Insuring Clause (A): Employee Theft Coverage

- (A) The Company shall pay the **Parent Organization** for direct loss of **Money, Securities** or **Property** sustained by an **Insured** resulting from **Theft** or **Forgery** committed by an **Employee** acting alone or in collusion with others.

Insuring Clause (B): Premises Coverage

- (B) The Company shall pay the **Parent Organization** for direct loss sustained by an **Insured** resulting from:
- (1) **Robbery, Safe Burglary**, or unlawful taking of **Money** or **Securities** committed by a **Third Party**; or
 - (2) actual destruction or disappearance of **Money** or **Securities**, within or from the **Premises** or **Banking Premises**.

Coverage under this Insuring Clause (B) shall also include:

- (3) loss of or damage to **Property** which results from **Robbery** or attempted **Robbery** within the **Premises**;
- (4) loss of or damage to such **Property** contained within any locked vault or safe which results from **Safe Burglary** or attempted **Safe Burglary** within the **Premises**;
- (5) damage to a locked safe, cash drawer, cash box or cash register within the **Premises** by felonious entry or attempted felonious entry or loss by felonious abstraction of such container from within the **Premises**; and
- (6) damage to the **Premises** or to its exterior resulting from **Safe Burglary** or **Robbery**, committed by a **Third Party**.

Insuring Clause (C): In Transit Coverage

- (C) The Company shall pay the **Parent Organization** for direct loss sustained by an **Insured** resulting from:
- (1) **Robbery** or unlawful taking of **Money** or **Securities** committed by a **Third Party**; or
 - (2) actual destruction or disappearance of **Money** or **Securities**;
- while **In Transit** or while temporarily within the home of an **Employee** or a partner of an **Organization**.

Coverage under this Insuring Clause (C) shall also include:

- (3) damage to **Property** which results from **Robbery** while **In Transit**; and
 - (4) loss by the unlawful taking of **Property** temporarily within the home of an **Employee** or a partner of an **Organization**,
- committed by a **Third Party**.

Insuring Clause (D): Forgery Coverage

- (D) The Company shall pay the **Parent Organization** for direct loss sustained by an **Insured** resulting from **Forgery** or alteration of a **Financial Instrument** committed by a **Third Party**.



Insuring Clause (E): Computer Fraud Coverage

(E) The Company shall pay the **Parent Organization** for direct loss of **Money, Securities** or **Property** sustained by an **Insured** resulting from **Computer Fraud** committed by a **Third Party**.

Insuring Clause (F): Funds Transfer Fraud Coverage

(F) The Company shall pay the **Parent Organization** for direct loss of **Money** or **Securities** sustained by an **Insured** resulting from **Funds Transfer Fraud** committed by a **Third Party**.

Insuring Clause (G): Money Orders and Counterfeit Currency Fraud Coverage

(G) The Company shall pay the **Parent Organization** for direct loss sustained by an **Insured** resulting from **Money Orders and Counterfeit Currency Fraud** committed by a **Third Party**.

Insuring Clause (H): Credit Card Fraud Coverage

(H) The Company shall pay the **Parent Organization** for direct loss sustained by an **Insured** resulting from **Credit Card Fraud** committed by a **Third Party**.

Insuring Clause (I): Client Coverage

(I) The Company shall pay the **Parent Organization** for direct loss of **Money, Securities** or **Property** sustained by a **Client** resulting from **Theft** or **Forgery** committed by an **Employee** not in collusion with such **Client's** employees.

Insuring Clause (J): Expense Coverage

(J) The Company shall pay the **Parent Organization** for:

(1) **Investigative Expenses** resulting from any direct loss covered under Insuring Clauses (A), Employee Theft Coverage; (B), Premises Coverage; (C), In Transit Coverage; (D), Forgery Coverage; (E), Computer Fraud Coverage; (F), Funds Transfer Fraud Coverage; (G), Money Orders and Counterfeit Currency Fraud Coverage; (H), Credit Card Fraud Coverage or (I), Client Coverage; or

(2) **Computer Violation Expenses** resulting from any direct loss covered under Insuring Clauses (A), Employee Theft Coverage, (E), Computer Fraud Coverage or (I), Client Coverage;

incurred by any **Organization** in the amount set forth in Item 2 of the Crime Declarations, solely if such covered direct loss is in excess of the Retention applicable to such covered loss. Such amount shall be part of and not in addition to the Limit of Liability applicable to such covered loss.

II. DEFINITIONS

For purposes of this Coverage Part:

Banking Premises means the interior portion of a building occupied by, or the night depository chute or safe maintained by, any bank, trust company or similar financial institution.

Client means a customer of an **Organization** to whom an **Organization** provides goods or services under written contract or for a fee.

Computer Fraud means the unlawful taking of **Money, Securities** or **Property** resulting from a **Computer Violation**.

Computer System means a computer or network of computers, including its input, output, processing, storage and communication facilities, and shall include off-line media libraries.



Computer Violation means an unauthorized:

- (A) entry into or deletion of **Data** from a **Computer System**;
- (B) change to **Data** elements or program logic of a **Computer System**, which is kept in machine readable format; or
- (C) introduction of instructions, programmatic or otherwise, which propagate themselves through a **Computer System**,

directed solely against an **Organization**.

Computer Violation Expenses means reasonable expenses, other than an **Organization's** internal corporate costs (such as **Salary**), incurred by an **Organization** with the Company's prior written consent to reproduce or duplicate damaged or destroyed electronic **Data** or computer programs. If such computer programs cannot be duplicated from other computer programs, then **Computer Violation Expenses** shall also include reasonable costs incurred for computer time, computer programmers, technical experts or consultants to restore the computer programs to substantially the same level of operational capability immediately preceding the covered direct loss. **Computer Violation Expenses** shall not include expenses incurred by any **Client**.

Contractual Independent Contractor means any natural person independent contractor while in the regular service of an **Organization** in the ordinary course of such **Organization's** business, pursuant to a written contract between such **Organization**, and either (A) such natural person independent contractor, or (B) any other entity acting on behalf of such natural person independent contractor, for services.

Credit Card Fraud means the **Forgery** or alteration of, on or in, any written instrument required in connection with any credit card issued to an **Organization** or at the request of an **Organization**, to any partner, officer or **Employee** of an **Organization**.

Data means information contained in records, manuscripts, accounts, microfilms, tapes or other records, which are processed and stored in a **Computer System**

Discovery or **Discovered** means knowledge acquired by an **Executive** or **Insurance Representative** of an **Insured** which would cause a reasonable person to believe a covered loss has occurred or an occurrence has arisen that may subsequently result in a covered loss. This includes loss:

- (A) sustained prior to the inception date of any coverage under this Coverage Part;
- (B) which does not exceed the Retention set forth in Item 2 of the Crime Declarations; or
- (C) the exact amount or details of which are unknown,

provided that **Discovery** or **Discovered** shall not include knowledge acquired by an **Executive** or **Insurance Representative** of an **Insured** acting alone or in collusion with an **Employee**, or the knowledge possessed by any **Executive** or **Insurance Representative** who is a participant in the **Theft** or **Forgery**.

Employee means any:

- (A) natural person in the regular service of an **Organization** in the ordinary course of such **Organization's** business, whom such **Organization** governs and directs in the performance of such service, including a part-time, seasonal, leased and temporary employee, intern or volunteer;
- (B) **Executive** while performing acts within the scope of the usual duties of an **Employee**;
- (C) **Contractual Independent Contractor**;
- (D) natural person fiduciary, trustee, administrator or **Employee**, as defined in Subsections (A) and (B) of this definition, of an **ERISA Plan** and any other natural person, who any of which handle **ERISA Plan** assets and are required to be bonded by an **Organization** in connection with such **ERISA Plan** by Title 1 of the Employee Retirement Income Security Act of 1974, as amended, and as amended by the Pension Protection Act of 2006;
- (E) former or retired **Employee**, as defined in Subsections (A) and (B) of this definition, of the **Organization**, retained as a consultant (as evidenced by a written contract for services) to the **Organization**; or



- (F) **Employee**, as defined in Subsections (A) and (B) of this definition, of the **Organization**, while on leave for military services.

ERISA Plan means any Employee Benefit Plan, Pension Benefit Plan or Welfare Benefit Plan, defined and required to be bonded under Title 1 of the Employee Retirement Income Security Act of 1974, as amended, and as amended by the Pension Protection Act of 2006, which is operated solely by an **Organization** or jointly by an **Organization** and a labor organization for the benefit of **Employees** and which existed on or before the inception of this Policy or which is created or acquired after the inception of this Policy, provided that **ERISA Plan** shall not include any multi-employer plan.

Executive means any natural person specified below:

- (A) a duly elected or appointed director, officer, trustee, in-house general counsel or duly constituted committee member of any **Organization** incorporated in the United States of America;
- (B) a duly elected or appointed: (1) manager or member of the Board of Managers or equivalent position; (2) duly constituted committee member; (3) in-house general counsel; or (4) trustee, of any **Organization** formed as a limited liability company in the United States of America; or
- (C) a holder of an equivalent position to those described in Subsections (A) or (B) above in any **Organization** incorporated, formed or organized anywhere in the world.

Financial Instrument means checks, drafts or similar written promises, orders or directions to pay a sum certain in money, that are made, drawn by or drawn upon an **Organization** or by anyone acting as an **Organization's** agent, or that are purported to have been so made or drawn.

Forgery means the signing of another natural person's name with the intent to deceive, but does not mean a signature that includes, in whole or in part, one's own name, with or without authority, in any capacity for any purpose. Mechanically or electronically produced or reproduced signatures shall be treated the same as hand-written signatures.

Funds Transfer Fraud means fraudulent written, electronic, telegraphic, cable, teletype or telephone instructions (other than **Forgery**), purportedly issued by an **Organization**, and issued to a financial institution directing such institution to transfer, pay or deliver **Money** or **Securities** from any account maintained by such **Organization** at such institution, without such **Organization's** knowledge or consent.

Insurance Representative means an **Employee**, as defined in Subsections (A) and (B) of the definition of **Employee**, including a risk manager, designated to represent an **Insured** for the purpose of effecting and maintaining insurance.

Insured means any **Organization** and any **Sponsored Plan**.

In Transit means being conveyed outside the **Premises**, from one person or place to another, by the **Organization** within the custody of:

- (A) an **Employee** or a partner of an **Organization**; or
- (B) a person duly authorized by such **Organization** to have custody of **Money**, **Securities** or **Property**,

provided that such conveyance begins immediately upon receipt of **Money**, **Securities** or **Property** by the person(s) described in Subsections (A) or (B) above, from such **Organization**, and ceases immediately upon delivery to the designated recipient or its agent.

Investigative Expenses means reasonable expenses, other than an **Organization's** internal corporate costs (such as **Salary**), incurred by an **Organization** with the Company's prior written consent to establish the existence and amount of a covered loss. **Investigative Expenses** shall not include expenses incurred by any **Client**.

Money means currency, coin, bank notes and bullion.



Money Orders and Counterfeit Currency Fraud means the good faith acceptance by an **Organization**:

- (A) in exchange for merchandise, **Money** or services, of any post office or express money order, issued or purporting to have been issued by any post office or express company, if such money order is not paid upon presentation; or
- (B) in the regular course of business, of counterfeit paper currency.

Non-ERISA Plan means any employee benefit plan not subject to Title 1 of the Employee Retirement Income Security Act of 1974, as amended, and as amended by the Pension Protection Act of 2006, which is operated solely by an **Organization** or jointly by an **Organization** and a labor organization for the benefit of **Employees** and which existed on or before the inception of this Policy or which is created or acquired after the inception of this Policy, provided that **Non-ERISA Plan** shall not include any multi-employer plan.

Premises means the interior portion of a building occupied by an **Organization** in conducting its business.

Property means tangible property other than **Money** or **Securities**.

Robbery means the unlawful taking of **Money**, **Securities** or **Property** from the custody of an **Employee** or other person (except a person acting as a watchman, porter or janitor) duly authorized by an **Organization** to have custody of such **Money**, **Securities** or **Property**, by violence or threat of violence, committed in the presence and cognizance of such **Employee** or other person.

Safe Burglary means the unlawful taking of **Money**, **Securities** or **Property** by forcible or violent entry evidenced by visible marks, from a locked vault or safe located within the **Premises**.

Salary means compensation an **Organization** pays an **Employee**, including bonus, commission, incentive payments, and the cost of health, welfare and pension benefits.

Securities means any negotiable and non-negotiable instruments representing either **Money** or **Property**, including revenue and other stamps in current use, casino chips, tokens and tickets, provided that **Securities** shall not include **Money**.

Sponsored Plan means any **ERISA Plan** and **Non-ERISA Plan**.

Theft means the unlawful taking of **Money**, **Securities** or **Property** to the deprivation of:

- (A) an **Insured**, solely for the purposes of Insuring Clause (A), Employee Theft Coverage; or
- (B) a **Client**, solely for the purposes of Insuring Clause (I), Client Coverage.

Third Party means a natural person other than:

- (A) an **Employee**; or
- (B) a natural person acting in collusion with an **Employee**.

III. EXCLUSIONS

(A) No coverage will be available for:

- (1) Trading
loss resulting directly or indirectly from any authorized or unauthorized trading of **Money**, **Securities** or **Property**, whether or not in the name of an **Insured** and whether or not in a genuine or fictitious account, provided that this Exclusion (A)(1) shall not apply to direct losses caused by **Theft** or **Forgery** which result in improper financial gain to an **Employee** (direct losses as used herein shall mean only the amount of improper financial gain to such **Employee**, which shall not include **Salary**, commissions, fees or other compensation, including promotions and raises associated with employment, paid by the **Insured** to such **Employee**);



- (2) Trade Secrets/Confidential Information
loss of trade secrets, confidential processing methods or other confidential information of any kind;
- (3) Partner
loss due to **Theft** or **Forgery** committed by a partner of an **Organization**, whether acting alone or in collusion with others, provided that if such **Theft** or **Forgery** would otherwise be covered under Insuring Clause (A), Employee Theft Coverage, or (I), Client Coverage, this Exclusion (A)(3) shall not apply to the extent coverage under this Coverage Part is excess of the amount of such partner's percentage ownership of such **Organization**, on the day immediately preceding the date of **Discovery**, multiplied by such **Organization's** total assets as reflected in such **Organization's** most recent audited financial statements;
- (4) War
loss or damage due to declared or undeclared war, civil war, insurrection, rebellion, revolution, military, naval or usurped power, governmental intervention, expropriation or nationalization, or any act or condition incident to any of the foregoing;
- (5) Nuclear
loss or damage due to nuclear reaction, nuclear radiation or radioactive contamination, or any act or condition incident to any of the foregoing;
- (6) Potential Income
loss of income not realized as the result of a covered loss;
- (7) Indirect/Consequential
indirect or consequential loss of any kind, provided that this Exclusion (A)(7) shall not apply to:
 - (a) otherwise covered **Investigative Expenses** and **Computer Violation Expenses** under Insuring Clause (J), Expense Coverage; or
 - (b) the cost of reproducing information contained in any lost or damaged manuscripts, records, accounts, microfilms, tapes, or other records resulting directly from a covered loss, provided that the Company's maximum liability for the cost of reproducing information contained in any lost or damaged manuscripts, records, accounts, microfilms, tapes, or other records resulting directly from a covered loss sustained shall be \$25,000, which amount shall be part of, and not in addition to, the applicable Limit of Liability set forth in Item 2 of the Crime Declarations.
- (8) Data Fees, Costs or Expenses
fees, costs or expenses incurred or paid:
 - (a) as a result of the reconstitution of **Data** if an **Organization** knowingly used illegal copies of programs;
 - (b) to render the **Data** usable by replacement processing equipment;
 - (c) to design, update or improve software or programs or to perfect their operation or performance; or
 - (d) as a result of an alteration in **Data** held on magnetic media due to the effect of magnetic fields, their incorrect use or the obsolescence of the computer or its facilities;
- (9) Fire
loss due to fire, provided that this Exclusion (A)(9) shall not apply to:
 - (a) loss of **Money** or **Securities**; or
 - (b) damage to any safe or vault caused by the application of fire thereto for the purposes of **Safe Burglary**;



- (10) Legal Fees, Costs or Expenses
fees, costs or expenses incurred or paid in defending or prosecuting any legal proceeding or claim, provided that this Exclusion (A)(10) shall not apply to the coverage provided under Section V, Legal Expenses Extension;
- (11) Voluntary Exchange or Purchase
loss due to an **Insured** knowingly having given or surrendered **Money, Securities or Property** in any exchange or purchase with a **Third Party**, not in collusion with an **Employee**, provided that this Exclusion (A)(11) shall not apply to otherwise covered loss under Insuring Clauses (A), Employee Theft Coverage, (G), Money Orders and Counterfeit Currency Fraud Coverage, or (I), Client Coverage, or otherwise covered loss of **Property** under Insuring Clause (E), Computer Fraud Coverage;
- (12) Advantage
loss sustained by one **Insured** to the advantage of any other **Insured**;
- (13) Custodial
loss of or damage to **Money, Securities or Property** while in the custody of any bank, trust company, similar recognized place of safe deposit, armored motor vehicle company or any person who is duly authorized by an **Organization** to have custody of such **Money, Securities or Property**, provided that this Exclusion (A)(13) shall not apply to the extent that coverage under this Coverage Part is excess of the amount recovered or received by such **Organization** under:
- (a) such **Organization's** contract, if any, with, or insurance carried by, any of the foregoing;
or
 - (b) any other insurance or indemnity in force which would cover the loss in whole or in part;
or
- (14) Authorized Representative
loss or damage due to **Theft, Forgery, Computer Fraud, Funds Transfer Fraud, Money Orders And Counterfeit Currency Fraud, Credit Card Fraud** or other fraudulent, dishonest or criminal act (other than **Robbery or Safe Burglary**) committed by any authorized representative of an **Insured**, whether acting alone or in collusion with others, provided that this Exclusion (A)(14) shall not apply to otherwise covered loss under Insuring Clauses (A), Employee Theft Coverage, or (I), Client Coverage, resulting from **Theft or Forgery** committed by an **Employee** acting in collusion with such authorized representative.
- (B) In addition to the Exclusions in Subsection (A) above, no coverage will be available under:
- (1) Insuring Clauses (A), Employee Theft Coverage, or (I), Client Coverage, for:
 - (a) Broker/Independent Contractor
loss caused by any broker, factor, commission merchant, consignee, contractor, independent contractor (other than a **Contractual Independent Contractor**), or other agent or representative of the same general character;
 - (b) Prior Dishonesty
loss caused by an **Employee** which is sustained by an **Insured**:
 - (i) after an **Executive or Insurance Representative** becomes aware of a:
 - (1) **Theft**;
 - (2) **Forgery**; or
 - (3) other fraudulent, dishonest or criminal act,which is valued at one thousand dollars (\$1,000) or more, committed by such **Employee** while employed with or in the service of an **Insured**;



- (ii) after an **Executive** or **Insurance Representative** becomes aware of a **Theft, Forgery** or other fraudulent, dishonest or criminal act, involving:
 - (1) **Money**;
 - (2) **Securities**; or
 - (3) other property,
which is valued at twenty-five thousand dollars (\$25,000) or more, committed by such **Employee** prior to employment or service with an **Insured**; or
 - (iii) more than ninety (90) days following the termination of such **Employee**;
 - (2) Insuring Clause (B), Premises Coverage, or (C), In Transit Coverage, for:
 - (a) Other Insuring Clauses
loss or damage due to **Forgery, Computer Fraud, Funds Transfer Fraud, Money Orders and Counterfeit Currency Fraud** or **Credit Card Fraud**; or
 - (b) Mail/Carrier for Hire
loss of or damage to **Money, Securities** or **Property** while in the mail or in the custody of a carrier for hire other than an armored motor vehicle company;
 - (3) Insuring Clauses (B), Premises Coverage, (C), In Transit Coverage, (E), Computer Fraud Coverage, or (F), Funds Transfer Fraud Coverage, for:
 - (a) Kidnap, Ransom or Extortion
loss or damage as a result of a kidnap, ransom or other extortion payment (as distinct from **Robbery**) surrendered to any person as a result of a threat to do bodily harm to any person or a threat to do damage to the **Premises** or other property;
 - (4) Insuring Clause (D), Forgery Coverage, for:
 - (a) Forgery or Alteration
loss due to **Forgery** or alteration of:
 - (i) any **Financial Instrument** committed by any **Third Party** in collusion with any **Employee**; or
 - (ii) any registered or coupon obligations issued or purported to have been issued by the **Insured**, or any coupons whether attached or detached; or
 - (5) Insuring Clause (H), Credit Card Fraud Coverage, for:
 - (a) Forgery or Alteration (Credit Card)
loss caused by any forgery or alteration of, on or in any written instrument, provided that this Exclusion (B)(5) shall not apply if:
 - (i) the provisions, conditions and other terms under which the involved credit card was issued were fully complied with; and
 - (ii) the **Organization** is legally liable to the issuer of such credit card for such loss.
- (C) Loss Sustained Option
In addition to the Exclusions in Subsections (A) and (B) above and if the Loss Sustained option is purchased, as set forth in Item 3 of the Crime Declarations, no coverage will be available for:
 - (1) loss unless sustained by any **Insured** prior to the termination of this Coverage Part as to such **Insured** and **Discovered** and written notice thereof is given to the Company within sixty (60) days following such termination;



- (2) loss unless sustained prior to the termination of any Insuring Clause or any particular coverage offered under any Insuring Clause and **Discovered** and written notice thereof is given to the Company within sixty (60) days following such termination; or
- (3) loss unless sustained prior to the termination of this Coverage Part in its entirety, and **Discovered** and written notice thereof is given to the Company:
 - (a) within sixty (60) days following such termination, if this Coverage Part is not renewed with the Company;
 - (b) prior to such termination, if this Coverage Part is renewed with the Company; or
 - (c) within one (1) year following such termination, if the termination results from the voluntary liquidation or voluntary dissolution of the **Parent Organization**.
- (D) Loss Discovered Option
In addition to the Exclusions in Subsections (A) and (B) above and if the Loss Discovered option is purchased, as set forth in Item 3 of the Crime Declarations, no coverage will be available for:
 - (1) loss unless sustained by any **Insured**, and **Discovered** prior to the termination of this Coverage Part as to such **Insured**;
 - (2) loss unless sustained, and **Discovered** prior to the termination of any Insuring Clause or any particular coverage offered under any Insuring Clause;
 - (3) loss unless sustained, and **Discovered** prior to the termination of this Coverage Part in its entirety;
 - (4) loss unless sustained prior to the termination of this Coverage Part and **Discovered** within one (1) year following such termination if the termination results from the voluntary liquidation or voluntary dissolution of the **Parent Organization**; or
 - (5) any loss that an **Insured** is aware of prior to the inception date of this Policy,provided that in no event will coverage be available under this Coverage Part for such loss if such loss is covered under any renewal or replacement of this Coverage Part or any Insuring Clause or any particular coverage offered under any Insuring Clause.

IV. ERISA PLAN EXTENSION

- (A) Solely with respect to loss sustained by an **ERISA Plan**, payment by the Company for covered loss shall be to the **ERISA Plan** sustaining such loss. If such payment is in excess of the amount of coverage required by the Employee Retirement Income Security Act of 1974, as amended, for such **ERISA Plan(s)**, such excess shall be held for the use and benefit of any other named **ERISA Plan(s)** should such **ERISA Plan(s)** also discover loss recoverable hereunder.
- (B) With respect to each **ERISA Plan**:
 - (1) if covered loss is sustained by any **ERISA Plan** which does not have any employer securities, the Limit of Liability applicable to such covered loss shall be the greater of:
 - (a) \$1,000; or
 - (b) ten percent (10%) of the **ERISA Plan's** funds handled as of the beginning of such **ERISA Plan's** fiscal year,up to \$500,000; or



- (2) if covered loss is sustained by any **ERISA Plan** which does not have any employer securities, the Limit of Liability applicable to such covered loss shall be the greater of;
- (a) \$1,000; or
 - (b) ten percent (10%) of the **ERISA Plan's** funds handled as of the beginning of such **ERISA Plan's** fiscal year,
up to \$1,000,000,

provided that, in all events, if the applicable Limit of Liability set forth in Item 2(A) of the Crime Declarations:

- (i) is less than or equal to the amounts set forth in Paragraphs (B)(1) or (B)(2) above, then the applicable Limit of Liability shall be amended to the respective amounts set forth in Paragraphs (B)(1) or (B)(2) above; or
 - (ii) is greater than the amounts set forth in Paragraphs (B)(1) or (B)(2) above, then the applicable Limit of Liability for each **ERISA Plan** shall be the amounts set forth in Paragraphs (B)(1) or (B)(2) above, with the remaining limit in the amount by which the applicable Limit of Liability set forth in Item 2(A) of the Crime Declarations exceeds the amounts in Paragraphs (B)(1) or (B)(2) above to be allocated equally between all **ERISA Plans** sustaining the loss.
- (C) Solely with respect to loss sustained by an **ERISA Plan**:
- (1) Insuring Clause (A), Employee Theft Coverage, is replaced with the following:
The Company shall pay an **ERISA Plan** for direct loss of **Money, Securities** or **Property** sustained by such **ERISA Plan** resulting from a fraudulent or dishonest act, including larceny, theft, embezzlement, forgery, misappropriation, wrongful abstraction, wrongful conversion and willful misapplication, committed by an **Employee** acting alone or in collusion with others.
 - (2) The words "sixty (60) days" are deleted from the exclusions applicable to this Coverage Part, wherever they appear, and the words "one (1) year" are substituted in place thereof.
- (D) No Retention shall apply to loss sustained by an **ERISA Plan** covered under this Coverage Part.

V. LEGAL EXPENSES EXTENSION

In addition to the Limits of Liability set forth in the Crime Declarations, the Company shall pay the **Parent Organization**:

- (A) as a result of loss covered under Insuring Clause (D), Forgery Coverage, reasonable court costs and attorneys' fees incurred and paid, with the Company's prior written consent, in defending an **Organization** or an **Organization's** bank in any legal proceeding brought against it to enforce payment of a **Financial Instrument**; and
- (B) as a result of loss covered under Insuring Clause (H), Credit Card Fraud Coverage, reasonable court costs and attorneys' fees incurred and paid with the Company's prior written consent in defending an **Organization** in any legal proceeding brought against it to enforce payment of a written instrument, required in connection with any credit card.



VI. PROOF OF LOSS AND LEGAL PROCEEDINGS

- (A) Knowledge possessed by any **Insured** or **Discovery** shall be deemed knowledge possessed by or **Discovery** by all **Insureds**.
- (B) It is a condition precedent to coverage hereunder that, upon **Discovery**, the **Parent Organization** will:
 - (1) give written notice to the Company at the earliest practicable moment, and in no event later than 180 days after such **Discovery**;
 - (2) furnish affirmative proof of loss with full particulars to the Company at the earliest practicable moment, and in no event later than 180 days after such **Discovery**;
 - (3) submit to examination under oath at the Company's request;
 - (4) produce all pertinent records at such reasonable times and places as the Company shall designate; and
 - (5) provide full cooperation with the Company in all matters pertaining to a loss or claim.
- (C) The **Parent Organization** may offer a comparison between an **Organization's** inventory records and actual physical count of its inventory to prove the amount of loss, only where an **Organization** establishes wholly apart from such comparison that it has sustained a covered loss, caused by an **Employee**.
- (D) No **Insured** shall institute legal proceedings against the Company:
 - (1) after two (2) years immediately following any **Discovery**; or
 - (2) to recover a judgment or settlement against it or its bank resulting from **Forgery, Credit Card Fraud** or related legal expenses as set forth in Section V, Legal Expenses Extension, after two (2) years immediately following the date upon which such judgment shall become final or settlement was entered.

VII. LIMITS OF LIABILITY

- (A) The Company's maximum liability for each loss shall not exceed the Limit of Liability applicable to such loss set forth in Item 2 of the Crime Declarations, regardless of the number of **Insureds** sustaining the loss, provided that with respect to an **ERISA Plan**, the Limit of Liability shall apply in accordance with the terms of Section IV, ERISA Plan Extension.
- (B) If a direct loss is covered under more than one Insuring Clause, the maximum amount payable under this Coverage Part shall not exceed the largest applicable Limit of Liability of any such Insuring Clause.
- (C) All loss resulting from a single act or any number of acts of the same **Employee** or **Third Party**, and all loss whether such act or acts occurred before or during the **Policy Period**, will be treated as a single loss and the applicable Limit of Liability set forth in Item 2 of the Crime Declarations will apply, subject to Section X, Liability for Prior Losses.

VIII. RETENTION

- (A) The Company's liability under this Coverage Part shall apply only to that part of each loss which is in excess of the applicable Retention set forth in Item 2 of the Crime Declarations.
- (B) If an **Insured** receives payment under another policy or bond, after applying a deductible or retention, for loss also covered hereunder, then the applicable Retention set forth in Item 2 of the Crime Declarations shall be reduced by the deductible or retention previously applied to such loss.



IX. OWNERSHIP

- (A) Solely for the purposes of Insuring Clauses (A), Employee Theft Coverage; (B), Premises Coverage; (C), In Transit Coverage; (D), Forgery Coverage; (E), Computer Fraud Coverage; (F), Funds Transfer Fraud Coverage; (G), Money Orders and Counterfeit Currency Fraud Coverage and (H), Credit Card Fraud Coverage, the Company's liability under this Coverage Part shall only apply to **Money, Securities** or **Property** owned by an **Organization** or for which the **Organization** is legally liable, or held by the **Organization** in any capacity whether or not the **Organization** is liable, provided that:
- (1) the Company's liability will not apply to damage to the **Premises** unless the **Organization** is the owner of such **Premises** or is legally liable for such damage; or
 - (2) with respect to Insuring Clause (A), Employee Theft Coverage, the Company's liability will not apply to **Money, Securities** or **Property** of a **Client**.
- (B) Solely for the purposes of Insuring Clause (I), Client Coverage, the Company's liability under this Coverage Part will only apply to **Money, Securities** or **Property**:
- (1) owned by a **Client**, which is held by an **Organization** in any capacity or for which the **Organization** is legally liable; or
 - (2) held or owned by a **Client**, for which the **Client** is legally liable.

X. LIABILITY FOR PRIOR LOSSES

- (A) If the Loss Sustained option is purchased as set forth in Item 3 of the Crime Declarations:
- (1) coverage will be available for loss sustained prior to the inception date of this Policy, or the effective date of coverage for any additional **Insureds**, or the effective date of any coverage added by endorsement, subject to the following:
 - (a) an **Organization** or some predecessor in interest of such **Organization** carried a prior bond or policy, which at the time such prior loss was sustained, afforded some or all of the coverage of an Insuring Clause under this Coverage Part applicable to such prior loss;
 - (b) such coverage continued without interruption from the time such loss was sustained until the inception date or effective date(s) specified above;
 - (c) such prior loss was first **Discovered** by an **Insured** after the time allowed for discovery under the last such bond or policy; and
 - (d) some or all of the coverage of an Insuring Clause under this Coverage Part would be applicable to such prior loss;
 - (2) if such prior bond or policy carried by an **Insured** or predecessor in interest of such **Insured** was issued by the Company or any subsidiary or affiliate of The Chubb Corporation, such prior bond or policy shall terminate as of the inception of this Policy and such prior bond or policy shall not cover any loss not discovered and noticed to the Company prior to the inception of this Policy, provided that this Paragraph (2) shall not apply to:
 - (a) any loss (i) sustained in its entirety and discovered prior to the inception date of this Policy, and (ii) notified to the Company in writing on or after the inception date of this Policy, provided such notice is in accordance with any applicable reporting, notice or exclusionary provision of the Crime coverage section of such prior bond or policy; or
 - (b) any loss (i) sustained in its entirety prior to the inception date of this Policy, (ii) and discovered and notified to the Company in writing within sixty (60) days following termination of the Crime coverage section of such prior bond or policy, provided such notice is in accordance with any applicable reporting, notice or exclusionary provision of the Crime coverage section of such prior bond or policy; and



-
- (3) An **Insured** shall neither be entitled to a separate recovery under each policy in force at the time any part of the prior loss was sustained, nor shall the **Insured** be entitled to recover the sum of the limits of liability of any such policies. The Company's maximum liability for the prior loss shall not exceed the lesser of either the limit of liability of the policy immediately preceding this Coverage Part under which part of the prior loss was sustained, or the applicable Limit of Liability set forth in Item 2 of the Crime Declarations.
- (B) If the Loss Discovered option is purchased as set forth in Item 3 of the Crime Declarations:
- (1) coverage will be available for loss sustained at any time and **Discovered** during the **Policy Period**, provided that coverage for loss sustained prior to the effective date of this Coverage Part, or the effective date of coverage for any additional **Insureds**, or the effective date of any coverage added by endorsement, is subject to the following:
- (a) if an **Organization** or some predecessor in interest of such **Organization** carried a prior bond or policy which afforded coverage for a loss sustained during the period of such prior bond or policy and such prior bond or policy was not issued by the Company or any subsidiary or affiliate of The Chubb Corporation and such loss was first **Discovered** by an **Insured** prior to the expiration of the time allowed for discovery under the last such policy, then no coverage shall be available under this Coverage Part, unless the total amount of covered loss exceeds the limit of liability of the last such bond or policy carried by the **Organization** or predecessor in interest of such **Organization**, and the Company's Limit of Liability for any such loss will be in excess of the limit of liability of the last bond or policy subject to all of the terms and conditions of this Coverage Part; or
- (b) if an **Organization** or some predecessor in interest of such **Organization** carried a prior bond or policy which afforded coverage for a loss sustained during the period of such prior bond or policy and such prior bond or policy was issued by the Company or any subsidiary or affiliate of The Chubb Corporation then such prior bond or policy shall terminate as of the inception of this Policy and such prior bond or policy shall not cover any loss not discovered and noticed to the Company prior to the inception of this Policy and then the Company's Limit of Liability for such loss shall be the applicable Limit of Liability set forth in Item 2 of the Crime Declarations.

XI. NON-ACCUMULATION OF LIABILITY

- (A) When there is more than one **Insured**, the maximum liability of the Company for loss sustained by one or all **Insureds** shall not exceed the amount for which the Company would be liable if all losses were sustained by any one **Insured**.
- (B) Regardless of the number of years this coverage remains in effect and the total premium amounts due or paid, the limit of liability of the Company with respect to any loss shall not be cumulative from **Policy Year** to **Policy Year** or from **Policy Period** to **Policy Period**.

XII. OTHER INSURANCE

If an **Insured** or any other party in interest in any loss covered by this Coverage Part has any bond, indemnity or insurance which would cover such loss in whole or in part in the absence of this Coverage Part, then this Coverage Part shall be null and void to the extent of the amount recoverable or received under such other bond, indemnity, or insurance; but this Coverage Part shall cover such loss, subject to its exclusions, conditions and other terms, only to the extent of the amount of such loss in excess of the amount recoverable or received under such other bond, indemnity or insurance.



XIII. TERMINATION OF PRIOR BONDS OR POLICIES

Any prior bonds or policies issued by the Company or any subsidiary or affiliate of The Chubb Corporation shall terminate, if not already terminated, as of the inception of this Policy.

XIV. VALUATION AND FOREIGN CURRENCY

The Company shall pay:

- (A) the actual market value of lost, damaged or destroyed **Securities** at the closing price of such **Securities** on the business day immediately preceding the day on which a loss is **Discovered**; or the cost of replacing **Securities**, whichever is less, plus the cost to post a Lost Instrument Bond;
 - (B) the cost of blank books, pages or tapes or other blank materials to replace lost or damaged books of account or other records;
 - (C) the least of:
 - (1) the actual cash value of the **Property**; or
 - (2) the cost to repair or replace **Property**, other than precious metals, with that of similar quality and value,
at the time the **Parent Organization** complies with Section VI, Proof of Loss and Legal Proceedings, regarding the furnishing of proof of loss;
 - (D) the United States of America dollar value of foreign currency based on the rate of exchange published in The Wall Street Journal on the day loss involving foreign currency is **Discovered**; or
 - (E) the United States of America dollar value of any precious metals based on the amount published in The Wall Street Journal Cash Prices, Precious Metals, on the day loss involving such precious metals is **Discovered**.
-

ENDORSEMENT/RIDER

Coverage Section: ForeFront Portfolio 3.0 Crime Coverage Part Federal

Effective date of
this endorsement/rider: January 30, 2013

Federal Insurance Company

Endorsement/Rider No. 1

To be attached to and
form a part of Policy No. 8167-6719

Issued to: Sterling Suffolk Racecourse L.L.C.

AMEND DEFINITION OF COMPUTER SYSTEM ENDORSEMENT

In consideration of the premium charged, it is agreed that the term **Computer System**, as defined in Subsection II. DEFINITIONS of this coverage part, is deleted and replaced with the following:

Computer System means a computer and all input, output, processing, storage, off-line media library and communication facilities which are connected to such computer, provided that such computer and facilities are:

- (a) owned and operated by an **Organization**;
- (b) leased and operated by an **Organization**; or
- (c) utilized by an **Organization**.

The title and any headings in this endorsement/rider are solely for convenience and form no part of the terms and conditions of coverage.

All other terms, conditions and limitations of this Policy shall remain unchanged.



Authorized Representative

ENDORSEMENT/RIDER

Coverage Section: ForeFront Portfolio 3.0 Crime Coverage Part Federal

Effective date of
this endorsement/rider: January 30, 2013

Federal Insurance Company

Endorsement/Rider No. 2

To be attached to and
form a part of Policy No. 8167-6719

Issued to: Sterling Suffolk Racecourse L.L.C.

AMEND LOSS DISCOVERED OPTION EXCLUSION ENDORSEMENT

In consideration of the premium charged, it is agreed that Exclusion (D), Loss Discovered Option, of this Coverage Part is deleted and replaced with the following:

(D) Loss Discovered Option

In addition to the Exclusions in Subsections (A) and (B) above and if the Loss Discovered option is purchased as set forth in Item 3 of the Crime Declarations, no coverage will be available for:

- (1) loss unless sustained by any **Insured** prior to the termination of this Coverage Part as to such **Insured**, and **Discovered** and written notice thereof is given to the Company within one hundred twenty (120) days following such termination of this Coverage Section as to such **Insured**;
- (2) loss unless sustained prior to the termination of any Insuring Clause or any particular coverage offered under any Insuring Clause, and **Discovered** and written notice thereof is given to the Company within one hundred twenty (120) days following such termination of any Insuring Clause or any particular coverage offered under any Insuring Clause;
- (3) loss unless sustained prior to the termination of this Coverage Part in its entirety, and **Discovered** and written notice thereof is given to the Company within one hundred twenty (120) days following such termination of this Coverage Part in its entirety; or
- (4) loss unless sustained prior to the termination of this Coverage Part and **Discovered** and written notice thereof is given to the Company, within one (1) year following such termination if the termination results from the voluntary liquidation or voluntary dissolution of the **Parent Organization**.

However, the foregoing extended period to discover loss terminates immediately upon the effective date of any other insurance obtained by the **Insured** to replace, in whole or in part, the insurance afforded by this Coverage Part, whether or not such other insurance provides coverage for loss sustained prior to its effective date.

The title and any headings in this endorsement/rider are solely for convenience and form no part of the terms and conditions of coverage.

All other terms, conditions and limitations of this Policy shall remain unchanged.

A handwritten signature in black ink, appearing to be "P. H. W.", written in a cursive style.

Authorized Representative

ENDORSEMENT/RIDER

Coverage Section: ForeFront Portfolio 3.0 Crime Coverage Part Federal

Effective date of
this endorsement/rider: January 30, 2013

Federal Insurance Company

Endorsement/Rider No. 3

To be attached to and
form a part of Policy No. 8167-6719

Issued to: Sterling Suffolk Racecourse L.L.C.

RECOVERIES SECTION ADDED ENDORSEMENT

In consideration of the premium charged, it is agreed that this Coverage Part is amended to include the following section:

RECOVERIES

- (A) Recoveries for any loss covered under this Coverage Part, whether effected by the Company or by an **Insured**, less the cost of recovery, shall be distributed as follows:
 - (1) first, to an **Insured** for the amount of such loss, otherwise covered, in excess of the applicable Limits of Liability;
 - (2) second, to the Company for the amount of such loss paid to an **Insured** as covered loss;
 - (3) third, to an **Insured** for the Retention applicable to such loss;
 - (4) fourth, to an **Insured** for the amount of such loss not covered under this coverage section.
- (B) Recovery from reinsurance or indemnity of the Company shall not be deemed a recovery hereunder.

The title and any headings in this endorsement/rider are solely for convenience and form no part of the terms and conditions of coverage.

All other terms, conditions and limitations of this Policy shall remain unchanged.



Authorized Representative

RENEWAL



EFFECTIVE DATE: 12/01/2012

Policy Number: BA 1015850	Prior Policy: 1015850
Billing Type: DIRECT BILL	
Coverage Is Provided In EXCELSIOR INSURANCE COMPANY	
Named Insured and Mailing Address: STERLING SUFFOLK RACECOURSE LLC 111 WALDEMAR AVE EAST BOSTON MA 02128	Agent: AON RISK SERVICES OF MASS 1 FEDERAL ST BOSTON MA 02110-2012 Agent Code: 6201073 Agent Phone: (617)-457-4600

COMMON POLICY DECLARATIONS

In return for the payment of premium, and subject to all the terms of this policy, we agree with you to provide the insurance as stated in this policy.

POLICY PERIOD: From : 12/01/2012 To: 12/01/2013 at 12:01 AM Standard Time at your mailing address shown above.

FORM OF BUSINESS: LIMITED LIABILITY COMPANY

BUSINESS DESCRIPTION: STABLES

This policy consists of the following coverage parts for which a premium is indicated. This premium may be subject to adjustment.

	PREMIUM
Commercial Auto Coverage Part	\$ 14,104.00
Terrorism Risk Insurance Act of 2002 and 2005 Coverage	\$ 0.00
Total Policy Premium	\$ 14,104.00

FORMS AND ENDORSEMENTS

Forms and Endorsements made a part of this policy at time of issue:

Applicable Forms and Endorsements are omitted if shown in specific Coverage Part/Coverage Form Declarations

Form Number	Description
IL0017	- 1198 COMMON POLICY CONDITIONS
IL0021	- 0498 NUCLEAR ENERGY LIABILITY EXCLUSION (BROAD FORM)

COMMON POLICY DECLARATIONS (continued)

Countersigned: By _____
Authorized Representative _____ Date _____

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

Includes copyrighted material of Insurance Services Office, Inc. with its permission. Copyright, Insurance Services Office, Inc. 1982,1983, 1984, 1985.

Date Issued: 10/01/2012

COMMERCIAL LINES EFT-AUTOMATIC WITHDRAWALS PAYMENT OPTION

Instructions:

Enrolling is fast and easy. You may log into our Online Billing Service Center at www.peerless-ins.com/billing and simply follow the instructions provided. You may enroll at anytime during your policy period.

Why enroll in EFT-Automatic Withdrawals?

One less check to write, one less stamp to buy, one less payment to mail...

It is a fast, convenient way to pay your insurance premiums. You will never need to worry about the security of your payment. We work through your bank and can only deduct the amount authorized.

Frequently Asked Questions

Q. How do EFT-Automatic Withdrawals work?

A. With your authorization, your insurance premium will be transferred from the checking account of your choice either in full, or on a monthly basis. You will receive at least ten days notification before your first withdrawal will occur.

Q. How do I know my bill is paid?

A. Your payment information is itemized on your checking account statement.

Q. With EFT-Automatic Withdrawals, how do I plan my finances to ensure I will have enough money in my account on the date the payment will be withdrawn?

A. Your payment will be made on the same day of each month so that you can plan accordingly. If you are still concerned, we provide an option during enrollment that will allow you to receive a notice a minimum of ten days in advance of each deduction.

Q. Are there any fees with EFT-Automatic Withdrawals?

A. No, another advantage of this option is there are no service charges or installment fees for EFT-Automatic Withdrawals.

Q. How are Audits handled?

A. At the time an audit is processed, a special billing notification will be sent to you prior to the issuance of the withdrawal notice. This special audit notification will provide you with additional time you need to review the audit prior to the actual withdrawal. Audits will be withdrawn in full. If you have any questions regarding this withdrawal, please contact your billing representative.

Q. Is the on-demand payment option still available?

A. Yes, if you want to continue to initiate your payments, but don't want to write a check, you can use the on-demand option to have your payment withdrawn anytime you receive your bill.

Q. How do I enroll in EFT-Automatic Withdrawals?

A. To place your policy on EFT-Automatic Withdrawals or have your current installment taken out of your checking account, you may log into the Online Billing Service Center, at www.peerless-ins.com/billing, and select the "Make Payment / Manage Payment Options" tab, and select either "Setup Automatic Withdrawals" or "Make an On-Demand payment".

Q. What if I wish to discontinue EFT-Automatic Withdrawals?

A. You may opt out of EFT-Automatic Withdrawals at any time by logging into the Online Billing Service Center, selecting the "Make Payment / Manage Payment Options" tab, and selecting "Stop Automatic Withdrawals".



EFT Automatic Withdrawals Enrollment Authorization Form

Agency Name: _____

Named Insured: _____ Account No: _____

Address: _____

City, State, Zip: _____

Business Phone: _____

I (we) authorize Peerless Insurance™ to initiate EFT - automatic withdrawals from the banking account listed below as payment when my (our) Peerless Insurance policy(ies) become due. I (we) authorize the financial institution on which my check is drawn to accept these deductions initiated by Peerless Insurance.

Bank Name: _____

Bank Routing Number: _____

Checking Account Number: _____

NOTE: IN ORDER TO PROPERLY PROCESS YOUR APPLICATION, YOU MUST ATTACH A VOIDED CHECK

International ACH Transactions

- Is this transaction going to be withdrawn from/deposited to a bank outside of the United States?
 Yes No
- Does this bank account have standing orders to move funds from the account we debited/credited to a bank outside of the United States?
 Yes No

NOTE: The withdrawal day will be automatically set for the account and can only be modified by a customer service representative. If the withdrawal day is the 29th, 30th, or 31st, and this particular day does not exist for a particular month, or if the withdrawal day falls on a weekend or holiday, that withdrawal will occur on the next business day.

I (we) make this authorization subject to the following conditions:

- This authorization may be terminated at any time by written notification to Peerless Insurance. Notification to terminate automatic deductions must be received at least 10 days prior to the next deduction to prevent the deduction from occurring.
- Please select the following option, if desired.
 I would like Peerless Insurance to notify me, in writing, of all withdrawals. The notice will be issued a minimum of 10 days in advance of the planned withdrawal.
- PAY PLAN (select one): Annual Monthly

Customer Signature: _____ Date: _____

Account Holder Signature: _____ Date: _____
(If other than insured)

Note: The completed form and a voided check can be mailed or faxed to us at Peerless Insurance, Billing Service Center, PO Box 2051, Keene, NH 03431-7051. Fax Number: 603-358-3855. Or you can enroll automatically at www.peerless-ins.com/billing and avoid having to complete or mail any documents.

* Includes member companies such as American Fire and Casualty Company, Excelsior Insurance Company, Indiana Insurance Company, The Netherlands Insurance Company, The Ohio Casualty Insurance Company, Ohio Security Insurance Company, Peerless Indemnity Insurance Company, Peerless Insurance Company, West American Insurance Company

ITEM ONE
Forming a part of

Policy Number: BA 1015850	
Coverage Is Provided In EXCELSIOR INSURANCE COMPANY	
Named Insured: STERLING SUFFOLK RACECOURSE LLC	Agent: AON RISK SERVICES OF MASS Agent Code: 6201073 Agent Phone: (617)-457-4600

**COMMERCIAL AUTO COVERAGE PART
BUSINESS AUTO COVERAGE FORM DECLARATIONS**

ITEM TWO
SCHEDULE OF COVERAGES AND COVERED AUTOS

Each of the coverages below will apply only to those "autos" shown as covered "autos." "Autos" are shown as covered "autos" for a particular coverage by the entry of one or more of the symbols from the COVERED AUTO section of the Business Auto Coverage Form next to the name of the coverage.

COVERAGES	COVERED AUTOS	LIMITS		PREMIUM
		The most we will pay for any one accident or loss		
LIABILITY	7, 8, 9	\$ 1,000,000	Each Accident	\$ 7,932.00
COMPULSORY BODILY INJURY	7, 8, 9	\$20,000 \$40,000	Each Person Each Accident	\$ 1,923.00
PERSONAL INJURY PROTECTION	5	\$ 8,000	Each Person	\$ 147.00
MEDICAL PAYMENTS	7	\$ 5,000	Each Person	\$ 31.00
UNINSURED MOTORISTS (Compulsory Limits – \$20,000 / 40,000)	7	Bodily Injury Liability \$ 20,000 \$ 40,000	Each Person Each Accident	\$ 18.00
UNDERINSURED MOTORISTS	7	Bodily Injury Liability \$ 20,000 \$ 40,000	Each Person Each Accident	\$ 1 NCL
PHYSICAL DAMAGE COMPREHENSIVE COVERAGE	7	Actual cash value or cost of repair, whichever is less, minus deductible shown in ITEM THREE for each covered auto.		\$ 1,073.00

**COMMERCIAL AUTO COVERAGE PART
BUSINESS AUTO COVERAGE FORM DECLARATIONS (continued)**

COVERAGES	COVERED AUTOS	LIMITS	PREMIUM
		The most we will pay for any one accident or loss	
PHYSICAL DAMAGE COLLISION COVERAGE	7	Actual cash value or cost of repair, whichever is less, minus deductible shown in ITEM THREE for each covered auto.	\$ 2,830.00
PREMIUM FOR ENDORSEMENTS			\$ 150.00
ESTIMATED TOTAL PREMIUM This policy may be subject to final audit.			\$ 14,104.00

FORMS AND ENDORSEMENTS

Forms and Endorsements applying to this coverage part and made a part of this policy:

Form Number	Description
16-59G - 1007	BUSINESS AUTO EXTENSION ENDORSEMENT
16-66 - 0296	QUICK REFERENCE BUSINESS AUTO
CA0001 - 1001	BUSINESS AUTO COVERAGE FORM
CA2386 - 0106	EXCLUSION OF TERRORISM ABOVE MINIMUM STATUTORY LIMITS
MM9911 - 0902	MASSACHUSETTS MANDATORY ENDORSEMENT
MM9913 - 0998	AUTO MEDICAL PAYMENTS COVERAGE - MASSACHUSETTS
MM9917 - 0998	WAIVER OF DEDUCTIBLE
MM9928 - 0998	UNINSURED MOTORISTS COVERAGE - MASSACHUSETTS
MM9935 - 0998	PERSONAL INJURY PROTECTION COVERAGE - MASSACHUSETTS
MM9954 - 0998	UNDERINSURED MOTORISTS COVERAGE-MASSACHUSETTS
MM9967 - 0998	MASSACHUSETTS CHANGES

ITEM THREE

SCHEDULE OF COVERED AUTOS YOU OWN

Covered Auto No	Year	Make, Model, Body Type	Town & State where principally garaged	Identification Number
001	1989	FORD F800	REVERE MA	1FDPK84P2KVA44324
Class: 31499		Stated Amount or Agreed Value	Size or Seating Capacity: 30,000	OCN: 33,803
Mass Plate No: N65080		Exp. Date	Preinspection Code NOT ELIGIBLE/WAIVED	
Coverages	Deductibles/Limits	Premiums		
OPTIONAL BODILY INJURY LIABILITY	See ITEM TWO for Limits	\$ 1,118.00		
AUTO MEDICAL PAYMENTS	\$ 5,000	\$ 4.00		
UNINSURED MOTORISTS	See ITEM TWO for Limits	\$ 3.00		
COMPULSORY BODILY INJURY	See ITEM TWO for Limits	\$ 222.00		
PERSONAL INJURY PROTECTION	See ITEM TWO for Limits and Deductibles	\$ 12.00		
COMPREHENSIVE	500 Deductible	\$ 75.00		
COLLISION	500 Deductible	\$ 128.00 W		

RENEWAL

Forming a part of

Policy Number: BA 1015850	
Coverage Is Provided In EXCELSIOR INSURANCE COMPANY	
Named Insured: STERLING SUFFOLK RACECOURSE LLC	Agent: AON RISK SERVICES OF MASS Agent Code: 6201073 Agent Phone: (617)-457-4600

**COMMERCIAL AUTO COVERAGE PART
BUSINESS AUTO COVERAGE FORM DECLARATIONS (continued)**

Covered Auto No	Year	Make, Model, Body Type	Town & State where principally garaged	Identification Number
002	1997	CHEVROLET K3500	REVERE MA	1GCHK34F9VE117910
Class: 01499		Stated Amount or Agreed Value	Size or Seating Capacity: 5,000	OCN: 21,335
Mass Plate No: F46067		Exp. Date	Preinspection Code NOT ELIGIBLE/WAIVED	
Coverages	Deductibles/Limits		Premiums	
OPTIONAL BODILY INJURY LIABILITY	See ITEM TWO for Limits		\$ 853.00	
AUTO MEDICAL PAYMENTS	\$ 5,000		\$ 4.00	
UNINSURED MOTORISTS	See ITEM TWO for Limits		\$ 3.00	
COMPULSORY BODILY INJURY	See ITEM TWO for Limits		\$ 216.00	
PERSONAL INJURY PROTECTION	See ITEM TWO for Limits and Deductibles		\$ 12.00	
COMPREHENSIVE	500 Deductible		\$ 109.00	
COLLISION	500 Deductible		\$ 173.00 W	

Covered Auto No	Year	Make, Model, Body Type	Town & State where principally garaged	Identification Number
003	2005	GMC 2500	REVERE MA	1GTHK24U65E144555
Class: 01499		Stated Amount or Agreed Value	Size or Seating Capacity: 5,000	OCN: 28,985
Mass Plate No: J83743		Exp. Date	Preinspection Code NOT ELIGIBLE/WAIVED	
Coverages	Deductibles/Limits		Premiums	
OPTIONAL BODILY INJURY LIABILITY	See ITEM TWO for Limits		\$ 853.00	
AUTO MEDICAL PAYMENTS	\$ 5,000		\$ 4.00	
UNINSURED MOTORISTS	See ITEM TWO for Limits		\$ 3.00	
COMPULSORY BODILY INJURY	See ITEM TWO for Limits		\$ 216.00	
PERSONAL INJURY PROTECTION	See ITEM TWO for Limits and Deductibles		\$ 12.00	
COMPREHENSIVE	500 Deductible		\$ 111.00	
COLLISION	500 Deductible		\$ 186.00 W	

**COMMERCIAL AUTO COVERAGE PART
BUSINESS AUTO COVERAGE FORM DECLARATIONS (continued)**

CONFIDENTIAL

Covered Auto No 004	Year	Make, Model, Body Type	Town & State where principally garaged	Identification Number
	2011	FORD FUSION	BOSTON MA	3FAHP0HA9BR216532
Class: 7398		Stated Amount or Agreed Value	Size or Seating Capacity:	OCN: 21,375
Mass Plate No: 377KJ0		Exp. Date	Preinspection Code NOT ELIGIBLE/WAIVED	
<u>Coverages</u>		<u>Deductibles/Limits</u>	<u>Premiums</u>	
OPTIONAL BODILY INJURY LIABILITY		See ITEM TWO for Limits	\$ 1,384.00	
AUTO MEDICAL PAYMENTS		\$ 5,000	\$ 5.00	
UNINSURED MOTORISTS		See ITEM TWO for Limits	\$ 2.00	
COMPULSORY BODILY INJURY		See ITEM TWO for Limits	\$ 351.00	
PERSONAL INJURY PROTECTION		See ITEM TWO for Limits and Deductibles	\$ 33.00	
COMPREHENSIVE		500 Deductible	\$ 211.00	
COLLISION		500 Deductible	\$ 691.00 W	

Covered Auto No 005	Year	Make, Model, Body Type	Town & State where principally garaged	Identification Number
	2011	FORD TAURUS	BOSTON MA	1FAHP2EW9BG119057
Class: 7398		Stated Amount or Agreed Value	Size or Seating Capacity:	OCN: 27,370
Mass Plate No: 14TT77		Exp. Date	Preinspection Code NOT ELIGIBLE/WAIVED	
<u>Coverages</u>		<u>Deductibles/Limits</u>	<u>Premiums</u>	
OPTIONAL BODILY INJURY LIABILITY		See ITEM TWO for Limits	\$ 1,384.00	
AUTO MEDICAL PAYMENTS		\$ 5,000	\$ 5.00	
UNINSURED MOTORISTS		See ITEM TWO for Limits	\$ 2.00	
COMPULSORY BODILY INJURY		See ITEM TWO for Limits	\$ 351.00	
PERSONAL INJURY PROTECTION		See ITEM TWO for Limits and Deductibles	\$ 33.00	
COMPREHENSIVE		500 Deductible	\$ 228.00	
COLLISION		500 Deductible	\$ 733.00 W	

Covered Auto No 006	Year	Make, Model, Body Type	Town & State where principally garaged	Identification Number
	2011	GMC YUKON	BOSTON MA	1GKS2EEF9BR298967
Class: 7398		Stated Amount or Agreed Value	Size or Seating Capacity:	OCN: 34,200
Mass Plate No: 483RP9		Exp. Date	Preinspection Code NOT ELIGIBLE/WAIVED	
<u>Coverages</u>		<u>Deductibles/Limits</u>	<u>Premiums</u>	
OPTIONAL BODILY INJURY LIABILITY		See ITEM TWO for Limits	\$ 1,384.00	
AUTO MEDICAL PAYMENTS		\$ 5,000	\$ 5.00	
UNINSURED MOTORISTS		See ITEM TWO for Limits	\$ 2.00	
COMPULSORY BODILY INJURY		See ITEM TWO for Limits	\$ 351.00	
PERSONAL INJURY PROTECTION		See ITEM TWO for Limits and Deductibles	\$ 33.00	
COMPREHENSIVE		500 Deductible	\$ 228.00	
COLLISION		500 Deductible	\$ 733.00 W	

RENEWAL

Forming a part of

Policy Number: BA 1015850	
Coverage Is Provided In EXCELSIOR INSURANCE COMPANY	
Named Insured: STERLING SUFFOLK RACECOURSE LLC	Agent: AON RISK SERVICES OF MASS Agent Code: 6201073 Agent Phone: (617)-457-4600

**COMMERCIAL AUTO COVERAGE PART
BUSINESS AUTO COVERAGE FORM DECLARATIONS (continued)**

Covered Auto No	Year	Make, Model, Body Type	Town & State where principally garaged	Identification Number
007	2005	GMC 2500	REVERE MA	1GTHK24U35E144867
Class: 01499		Stated Amount or Agreed Value	Size or Seating Capacity: 5,000	OCN: 28,985
Mass Plate No: J83742		Exp. Date	Preinspection Code NOT ELIGIBLE/WAIVED	
Coverages	Deductibles/Limits		Premiums	
OPTIONAL BODILY INJURY LIABILITY	See ITEM TWO for Limits		\$ 853.00	
AUTO MEDICAL PAYMENTS	\$ 5,000		\$ 4.00	
UNINSURED MOTORISTS	See ITEM TWO for Limits		\$ 3.00	
COMPULSORY BODILY INJURY	See ITEM TWO for Limits		\$ 216.00	
PERSONAL INJURY PROTECTION	See ITEM TWO for Limits and Deductibles		\$ 12.00	
COMPREHENSIVE	500 Deductible		\$ 111.00	
COLLISION	500 Deductible		\$ 186.00 W	

"G" means the Glass Breakage endorsement attached to this policy applies to this "auto".

"W" means Collision Waiver of Deductible Coverage applies.

ITEM FOUR

SCHEDULE OF HIRED OR BORROWED COVERED AUTO COVERAGE AND PREMIUMS

Cost of hire means the total amount you incur for the hire of "autos" you don't own (not including "autos" you borrow or rent from your partners or employees or their family members). Cost of hire does not include charges for service performed by motor carriers of property or passengers.

LIABILITY COVERAGE				
State	Estimated Cost of Hire For Each State	Rate Per Each \$100 Cost of Hire	Factor (If Liab. Cov. Is Primary)	Premium
MA	\$ 1	\$.56		\$ 28.00
TOTAL PREMIUM				\$ 28.00 MP

COMMERCIAL AUTO COVERAGE PART
BUSINESS AUTO COVERAGE FORM DECLARATIONS (continued)

CONFIDENTIAL

ITEM FIVE

SCHEDULE FOR NON-OWNERSHIP LIABILITY

NAMED INSURED'S BUSINESS	RATING BASIS	NUMBER	PREMIUM
Other than a Social Service Agency	Number of Employees	26 - 100	\$ 75.00
	Number of Partners		\$
Social Service Agency	Number of Employees		\$
	Number of Volunteers		\$
TOTAL PREMIUM			\$ 75.00

Date Issued: 10/01/2012

Copyright, Insurance Services Office, Inc., 1990

Policy Number: BA 1015850

CONFIDENTIAL

Coverage Is Provided In EXCELSIOR INSURANCE COMPANY

Named Insured:

STERLING SUFFOLK RACECOURSE
LLC

Agent:

AON RISK SERVICES OF MASS

Agent Code: 6201073

Agent Phone: (617)-457-4600

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**WAIVER OF DEDUCTIBLE – MASSACHUSETTS**

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM
GARAGE COVERAGE FORM
TRUCKERS COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

The deductible amount shown on the Declarations for Collision Coverage does not apply to any "auto" to which this endorsement applies as shown on the Declarations if:

1. That "auto" was legally parked when struck by another "auto" owned by an identified person.
2. That "auto" was struck in the rear by another "auto" moving in the same direction and owned by an identified person.
3. The operator of the other "auto" was convicted of any of the following violations:
 - a. Operating under the influence of alcohol, marijuana, or a narcotic drug.
 - b. Driving the wrong way on a one-way street.
 - c. Operating at an excessive rate of speed.
 - d. Any similar violation of any similar law of another state in which the accident occurs.

However, we will not pay if the operator of the "auto" insured under this Coverage was also convicted of one of the violations.

4. You are entitled to recover in court against an identified person for some reason other than those listed above.

(Description of Auto)	(Premium)
1989 FORD F800	\$ 11
1997 CHEVROLET K3500	\$ 11
2005 GMC 2500	\$ 11
2011 FORD FUSION	\$ 14
2011 FORD TAURUS	\$ 14
2011 GMC YUKON	\$ 14
2005 GMC 2500	\$ 11

Policy Number: BA 1015850	Prior Policy: 1015850
Policy Period: 12/01/2012 To: 12/01/2013 12:01 am Standard Time at the Mailing Address of the Named Insured	
Coverage Is Provided In EXCELSIOR INSURANCE COMPANY	
Billing Type: DIRECT BILL - MONTHLY ACCOUNT NUMBER: 601187360	
Named Insured and Mailing Address: STERLING SUFFOLK RACECOURSE LLC 111 WALDEMAR AVE EAST BOSTON MA 02128	Agent: AON RISK SERVICES OF MASS 1 FEDERAL ST BOSTON MA 02110-2012 Agent Code: 6201073 Agent Phone: (617)-457-4600

Reason for Amendment: RENEWAL

Transaction Effective Date: 12/01/2012

Premium for this Transaction: \$ 14,104.00

STATEMENT OF ACCOUNT

Acct Date	Premium	Commission Percent	Surcharge/ Assessment	Commission Percent	Total Due
12/2012	\$ 0.00	15.00%	\$ 0.00	0.00%	
12/2012	\$ 14,104.00	15.00%			\$ 14,104.00
Total Premium Charged:					\$ 14,104.00

Date Issued: 10/01/2012

EXCELSIOR INSURANCE COMPANY

PREMIUM RECAP

POLICY

THIS WORKSHEET IS PART OF POLICY #1015850

EFFECTIVE 12/01/2012
EXPIRATION 12/01/2013

STERLING SUFFOLK RACECOURSE
LLC
111 WALDEMAR AVE
EAST BOSTON MA 02128

AGENT: 6201073 AON RISK SERVICES OF MASS

AUTOMOBILE	13,851.00
COMMON COVERAGES	253.00
TOTAL	14,104.00

DATE - 10/01/2012 RENEWAL NECOLLK

EXCELSIOR INSURANCE COMPANY

PREMIUM RECAP

AUTOMOBILE

THIS WORKSHEET IS PART OF POLICY #1015850

EFFECTIVE 12/01/2012
EXPIRATION 12/01/2013

STERLING SUFFOLK RACECOURSE
LLC
111 WALDEMAR AVE
EAST BOSTON MA 02128

AGENT: 6201073 AON RISK SERVICES OF MASS

	PREMIUM		PREMIUM
LIABILITY	9752.00	COMPREHENSIVE	1073.00
MEDICAL	31.00	SPECIFIED CAUSES	0.00
PD BUYBACK	0.00	COLLISION	2830.00
UM	18.00	SOUND	0.00
UIM	0.00	RENTAL OTC	0.00
UMPD	0.00	RENTAL COL	0.00
PIP	147.00	TAPES	0.00
PPI	0.00	TOWING	0.00
ADDITIONAL INSURED	0.00	BALANCE TO MEET MINIMUM	0.00
		TAXES	0.00
L/L GAP OTC	0.00	COLLECTION FEE	0.00
L/L GAP COL	0.00	STATE FEE	0.00
RECOUPMENT	0.00	MCCA CHARGE	0.00
MISCELLANEOUS	0.00	SURCHARGE	0.00
TRIA	0.00	TERRORISM COVERAGE	0.00

AUTOMOBILE TOTAL 13851.00

DATE - 10/01/2012 RENEWAL NECOLLK

EXCELSIOR INSURANCE COMPANY

PREMIUM RECAP

COMMON COVERAGES

THIS WORKSHEET IS PART OF POLICY #1015850

EFFECTIVE 12/01/2012
EXPIRATION 12/01/2013

STERLING SUFFOLK RACECOURSE
LLC
111 WALDEMAR AVE
EAST BOSTON MA 02128

AGENT: 6201073 AON RISK SERVICES OF MASS

	PREMIUM		PREMIUM
DRIVE OTHER CAR	0.00		
NON-OWNED	75.00	AUTO DEATH INDEMNITY	0.00
HIRED CAR LIABILITY	28.00	TOTAL DISABILITY	0.00
HIRED CAR PHY DAMAGE	0.00		
PARTNERSHIP	0.00		
BROADENED PIP	0.00	TRIA	0.00
AUTO EXTENSION ENDS	150.00	TERRORISM COVERAGE	0.00
NON-OWNED SERVICE	0.00		
WAIVER OF SUBROGATION	0.00		
BALANCE TO MEET MINIMUM	0.00		
TAXES	0.00		
COLLECTION FEE	0.00		
SURCHARGE	0.00		
RECOUPMENT	0.00		

COMMON COVERAGES TOTAL 253.00

DATE - 10/01/2012 RENEWAL NECOLLK

EXCELSIOR INSURANCE COMPANY

WORKSHEET

AUTO

THIS WORKSHEET IS PART OF POLICY #1015850

EFFECTIVE 12/01/2012
EXPIRATION 12/01/2013

STERLING SUFFOLK RACECOURSE
LLC
111 WALDEMAR AVE
EAST BOSTON MA 02128

AGENT: 6201073 AON RISK SERVICES OF MASS

STATE: MASSACHUSETTS (20)

STATE CREDITS	LIAB	MED	UM/ UIM	OTC	COLL	PIP
EXPERIENCE CREDIT	0.9000	1.0000	1.0000	0.8800	0.8800	1.0000
SCHEDULE CREDIT	0.7500	1.0000	1.0000	0.7500	0.7500	0.7500
SPECIAL CREDIT #1	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
SPECIAL CREDIT #2	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000

LIMITS

COMPULSORY BI LIMIT - 20/40	OPTIONAL BI LIMIT - 1000
PD LIMIT - 1000	DED NONE
PIP 8000	
UNINSURED SPLIT 20/40	UNDERINSURED SPLIT 20/40

VEHICLE - 1 TERRITORY - 015 CLASS - 31499 YEAR - 89
MAKE - FORD MODEL - F800 COST NEW 33803
VIN # 1FDPK84P2KVA44324

COVERAGE	LIMIT/ DED	BASE	ILF	DEP	RMF	PREMIUM
COMPULSORY BI		406.000		0.0000	0.5480	222.00
OPTIONAL BI		108.000	2.6200	0.0000	0.5480	516.00
PROPERTY DAMAGE		541.000	2.2300	0.0000	0.5480	602.00
UNINSURED		4.000	0.000	0.0000	0.8120	3.00
UNDERINSURED		0.000	0.00	0.0000	0.8120	0.00
MEDICAL	5000	5.000		0.0000	0.8120	4.00
PIP		20.00		0.0000	0.6090	12.00
COMPREHENSIVE	500	187.000		0.0000	0.6140	75.00
COLLISION	500	287.000		0.0000	0.6450	128.00
VEHICLE TOTAL PREMIUM						1562.00

VEHICLE - 2 TERRITORY - 015 CLASS - 01499 YEAR - 97
MAKE - CHEVROLET MODEL - K3500 COST NEW 21335
VIN # 1GCHK34F9VE117910

COVERAGE	LIMIT/ DED	BASE	ILF	DEP	RMF	PREMIUM
COMPULSORY BI		406.000		0.0000	0.5330	216.00
OPTIONAL BI		108.000	2.6200	0.0000	0.5330	502.00
PROPERTY DAMAGE		541.000	1.3400	0.0000	0.5330	351.00
UNINSURED		4.000	0.000	0.0000	0.7890	3.00
UNDERINSURED		0.000	0.00	0.0000	0.7890	0.00
MEDICAL	5000	5.000		0.0000	0.7890	4.00
PIP		20.00		0.0000	0.5920	12.00
COMPREHENSIVE	500	183.000		0.0000	0.5930	109.00
COLLISION	500	266.000		0.0000	0.6230	173.00

**AUTO INSURANCE IDENTIFICATION CARD
(Not Valid Outside of the U.S.A.)**

CONFIDENTIAL



INSURED: Name / Address:
STERLING SUFFOLK RACECOURSE
LLC
111 WALDEMAR AVE
EAST BOSTON MA 02128

AGENT: Name: AON RISK SERVICES OF MASS
Telephone Number: (617)-457-4600 Code: 6201073

POLICY: Coverage Provided By: EXCELSIOR INSURANCE COMPANY
Policy Number: BA 1015850
Effective Date: 12/01/2012 Expiration Date: 12/01/2013

VEHICLE: Year: 1989 Make/Model: FORD F800
Identification Number: 1FDPK84P2KVA44324

THIS CARD SHOULD BE KEPT IN YOUR VEHICLE FOR INSURANCE IDENTIFICATION PURPOSES AND TO PRESENT TO A LAW ENFORCEMENT OFFICER UPON DEMAND.
17-IDC (11/00)

**AUTO INSURANCE IDENTIFICATION CARD
(Not Valid Outside of the U.S.A.)**



INSURED: Name / Address:
STERLING SUFFOLK RACECOURSE
LLC
111 WALDEMAR AVE
EAST BOSTON MA 02128

AGENT: Name: AON RISK SERVICES OF MASS
Telephone Number: (617)-457-4600 Code: 6201073

POLICY: Coverage Provided By: EXCELSIOR INSURANCE COMPANY
Policy Number: BA 1015850
Effective Date: 12/01/2012 Expiration Date: 12/01/2013

VEHICLE: Year: 1997 Make/Model: CHEVROLET K3500
Identification Number: 1GCHK34F9VE117910

THIS CARD SHOULD BE KEPT IN YOUR VEHICLE FOR INSURANCE IDENTIFICATION PURPOSES AND TO PRESENT TO A LAW ENFORCEMENT OFFICER UPON DEMAND.
17-IDC (11/00)

IMPORTANT NOTICE:

Carry the above identification card in your vehicle at all times. In some states, the card is required to register a vehicle, obtain new tags, inspect a vehicle or serve as evidence of insurance for law enforcement authorities. Please report any new or replacement vehicle to the Company immediately, and you will be provided with a new identification card for that vehicle. In such cases, the old identification card will no longer be valid and should be discarded.

IN CASE OF AN AUTOMOBILE ACCIDENT:

1. Report all accidents to your agent or the Company immediately.
2. Obtain the following information:
 - a. Name and address of each owner, operator, injured party and witness
 - b. Description of the vehicles involved (including the make/model and license numbers).
 - c. For each vehicle involved, the name of the insurance companies and policy numbers.
3. Notify local police and/or state authorities as Prescribed by law.
4. If the accident occurs within a reasonable distance from your home, and your vehicle has to be towed, have it taken directly to the repairer of your choice. Otherwise, secure the name and address of the location to which your vehicle was towed.

KEEP YOUR IDENTIFICATION CARD AND THE ABOVE INFORMATION IN YOUR VEHICLE. WITH THE CARD, YOU WILL HAVE YOUR POLICY NUMBER CLOSE AT HAND. YOU WILL ALSO HAVE VALUABLE INFORMATION TO ASSIST YOU IN CASE OF A CLAIM. IN SOME STATES, THE LAW REQUIRES AN IDENTIFICATION CARD TO BE PRESENTED AS PROOF OF INSURANCE IN CASE OF AN ACCIDENT OR VIOLATION.

101585001MABA0PPRN123



**AUTO INSURANCE IDENTIFICATION CARD
(Not Valid Outside of the U.S.A.)**



INSURED: Name / Address:
STERLING SUFFOLK RACECOURSE
LLC
111 WALDEMAR AVE
EAST BOSTON MA 02128

AGENT: Name: AON RISK SERVICES OF MASS
Telephone Number: (617)-457-4600 Code: 6201073

POLICY: Coverage Provided By: EXCELSIOR INSURANCE COMPANY
Policy Number: BA 1015850
Effective Date: 12/01/2012 Expiration Date: 12/01/2013

VEHICLE: Year: 2005 Make/Model: GMC 2500
Identification Number: 1GTHK24U65E144555

THIS CARD SHOULD BE KEPT IN YOUR VEHICLE FOR INSURANCE IDENTIFICATION PURPOSES AND TO PRESENT TO A LAW ENFORCEMENT OFFICER UPON DEMAND.
17-IDC (11/00)

**AUTO INSURANCE IDENTIFICATION CARD
(Not Valid Outside of the U.S.A.)**



INSURED: Name / Address:
STERLING SUFFOLK RACECOURSE
LLC
111 WALDEMAR AVE
EAST BOSTON MA 02128

AGENT: Name: AON RISK SERVICES OF MASS
Telephone Number: (617)-457-4600 Code: 6201073

POLICY: Coverage Provided By: EXCELSIOR INSURANCE COMPANY
Policy Number: BA 1015850
Effective Date: 12/01/2012 Expiration Date: 12/01/2013

VEHICLE: Year: 2011 Make/Model: FORD FUSION
Identification Number: 3FAHP0HA9BR216532

THIS CARD SHOULD BE KEPT IN YOUR VEHICLE FOR INSURANCE IDENTIFICATION PURPOSES AND TO PRESENT TO A LAW ENFORCEMENT OFFICER UPON DEMAND.
17-IDC (11/00)

101585001MABAOPPRN124



IMPORTANT NOTICE:

Carry the above identification card in your vehicle at all times. In some states, the card is required to register a vehicle, obtain new tags, inspect a vehicle or serve as evidence of insurance for law enforcement authorities. Please report any new or replacement vehicle to the Company immediately, and you will be provided with a new identification card for that vehicle. In such cases, the old identification card will no longer be valid and should be discarded.

IN CASE OF AN AUTOMOBILE ACCIDENT:

1. Report all accidents to your agent or the Company immediately.
2. Obtain the following information:
 - a. Name and address of each owner, operator, injured party and witness
 - b. Description of the vehicles involved (including the make/model and license numbers).
 - c. For each vehicle involved, the name of the insurance companies and policy numbers.
3. Notify local police and/or state authorities as Prescribed by law.
4. If the accident occurs within a reasonable distance from your home, and your vehicle has to be towed, have it taken directly to the repairer of your choice. Otherwise, secure the name and address of the location to which your vehicle was towed.

KEEP YOUR IDENTIFICATION CARD AND THE ABOVE INFORMATION IN YOUR VEHICLE. WITH THE CARD, YOU WILL HAVE YOUR POLICY NUMBER CLOSE AT HAND. YOU WILL ALSO HAVE VALUABLE INFORMATION TO ASSIST YOU IN CASE OF A CLAIM. IN SOME STATES, THE LAW REQUIRES AN IDENTIFICATION CARD TO BE PRESENTED AS PROOF OF INSURANCE IN CASE OF AN ACCIDENT OR VIOLATION.

**AUTO INSURANCE IDENTIFICATION CARD
(Not Valid Outside of the U.S.A.)**



INSURED: Name / Address:
STERLING SUFFOLK RACECOURSE
LLC
111 WALDEMAR AVE
EAST BOSTON MA 02128

AGENT: Name: AON RISK SERVICES OF MASS
Telephone Number: (617)-457-4600 Code: 6201073

POLICY: Coverage Provided By: EXCELSIOR INSURANCE COMPANY
Policy Number: BA 1015850
Effective Date: 12/01/2012 Expiration Date: 12/01/2013

VEHICLE: Year: 2011 Make/Model: FORD TAURUS
Identification Number: 1FAHP2EW9BG119057

THIS CARD SHOULD BE KEPT IN YOUR VEHICLE FOR INSURANCE IDENTIFICATION PURPOSES AND TO PRESENT TO A LAW ENFORCEMENT OFFICER UPON DEMAND.
17-IDC (11/00)

**AUTO INSURANCE IDENTIFICATION CARD
(Not Valid Outside of the U.S.A.)**



INSURED: Name / Address:
STERLING SUFFOLK RACECOURSE
LLC
111 WALDEMAR AVE
EAST BOSTON MA 02128

AGENT: Name: AON RISK SERVICES OF MASS
Telephone Number: (617)-457-4600 Code: 6201073

POLICY: Coverage Provided By: EXCELSIOR INSURANCE COMPANY
Policy Number: BA 1015850
Effective Date: 12/01/2012 Expiration Date: 12/01/2013

VEHICLE: Year: 2011 Make/Model: GMC YUKON
Identification Number: 1GKS2EEF9BR298967

THIS CARD SHOULD BE KEPT IN YOUR VEHICLE FOR INSURANCE IDENTIFICATION PURPOSES AND TO PRESENT TO A LAW ENFORCEMENT OFFICER UPON DEMAND.
17-IDC (11/00)

IMPORTANT NOTICE:

Carry the above identification card in your vehicle at all times. In some states, the card is required to register a vehicle, obtain new tags, inspect a vehicle or serve as evidence of insurance for law enforcement authorities. Please report any new or replacement vehicle to the Company immediately, and you will be provided with a new identification card for that vehicle. In such cases, the old identification card will no longer be valid and should be discarded.

IN CASE OF AN AUTOMOBILE ACCIDENT:

1. Report all accidents to your agent or the Company immediately.
2. Obtain the following information:
 - a. Name and address of each owner, operator, injured party and witness
 - b. Description of the vehicles involved (including the make/model and license numbers).
 - c. For each vehicle involved, the name of the insurance companies and policy numbers.
3. Notify local police and/or state authorities as Prescribed by law.
4. If the accident occurs within a reasonable distance from your home, and your vehicle has to be towed, have it taken directly to the repairer of your choice. Otherwise, secure the name and address of the location to which your vehicle was towed.

KEEP YOUR IDENTIFICATION CARD AND THE ABOVE INFORMATION IN YOUR VEHICLE. WITH THE CARD, YOU WILL HAVE YOUR POLICY NUMBER CLOSE AT HAND. YOU WILL ALSO HAVE VALUABLE INFORMATION TO ASSIST YOU IN CASE OF A CLAIM. IN SOME STATES, THE LAW REQUIRES AN IDENTIFICATION CARD TO BE PRESENTED AS PROOF OF INSURANCE IN CASE OF AN ACCIDENT OR VIOLATION.

101585001MABA00PPRN125



**AUTO INSURANCE IDENTIFICATION CARD
(Not Valid Outside of the U.S.A.)**



INSURED: Name / Address:
STERLING SUFFOLK RACECOURSE
LLC
111 WALDEMAR AVE
EAST BOSTON MA 02128

AGENT: Name: AON RISK SERVICES OF MASS
Telephone Number: (617)-457-4600 **Code:** 6201073

POLICY: Coverage Provided By: EXCELSIOR INSURANCE COMPANY
Policy Number: BA 1015850
Effective Date: 12/01/2012 **Expiration Date:** 12/01/2013

VEHICLE: Year: 2005 **Make/Model:** GMC 2500
Identification Number: 1GTHK24U35E144867

THIS CARD SHOULD BE KEPT IN YOUR VEHICLE FOR INSURANCE IDENTIFICATION PURPOSES AND TO PRESENT TO A LAW ENFORCEMENT OFFICER UPON DEMAND.
17-IDC (11/00)

**AUTO INSURANCE IDENTIFICATION CARD
(Not Valid Outside of the U.S.A.)**



INSURED: Name / Address:
STERLING SUFFOLK RACECOURSE
LLC
111 WALDEMAR AVE
EAST BOSTON MA 02128

AGENT: Name: AON RISK SERVICES OF MASS
Telephone Number: (617)-457-4600 **Code:** 6201073

POLICY: Coverage Provided By: EXCELSIOR INSURANCE COMPANY
Policy Number: BA 1015850
Effective Date: 12/01/2012 **Expiration Date:** 12/01/2013

VEHICLE: Year: XXXX **Make/Model:** XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX
Identification Number: XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX

THIS CARD SHOULD BE KEPT IN YOUR VEHICLE FOR INSURANCE IDENTIFICATION PURPOSES AND TO PRESENT TO A LAW ENFORCEMENT OFFICER UPON DEMAND.
17-IDC (11/00)

101585001MABAOPPRN126



IMPORTANT NOTICE:

Carry the above identification card in your vehicle at all times. In some states, the card is required to register a vehicle, obtain new tags, inspect a vehicle or serve as evidence of insurance for law enforcement authorities. Please report any new or replacement vehicle to the Company immediately, and you will be provided with a new identification card for that vehicle. In such cases, the old identification card will no longer be valid and should be discarded.

IN CASE OF AN AUTOMOBILE ACCIDENT:

1. Report all accidents to your agent or the Company immediately.
2. Obtain the following information:
 - a. Name and address of each owner, operator, injured party and witness
 - b. Description of the vehicles involved (including the make/model and license numbers).
 - c. For each vehicle involved, the name of the insurance companies and policy numbers.
3. Notify local police and/or state authorities as Prescribed by law.
4. If the accident occurs within a reasonable distance from your home, and your vehicle has to be towed, have it taken directly to the repairer of your choice. Otherwise, secure the name and address of the location to which your vehicle was towed.

KEEP YOUR IDENTIFICATION CARD AND THE ABOVE INFORMATION IN YOUR VEHICLE. WITH THE CARD, YOU WILL HAVE YOUR POLICY NUMBER CLOSE AT HAND. YOU WILL ALSO HAVE VALUABLE INFORMATION TO ASSIST YOU IN CASE OF A CLAIM. IN SOME STATES, THE LAW REQUIRES AN IDENTIFICATION CARD TO BE PRESENTED AS PROOF OF INSURANCE IN CASE OF AN ACCIDENT OR VIOLATION.

CONFIDENTIAL

CONFIDENTIAL

MS 01 00 07 99

THE TRAVELERS INSURANCE COMPANIES

One Tower Square
Hartford, CT 06183

DECLARATIONS

Policy Number: KTK-CMB-1B54828-5-12

Issue Date: 01/02/2013

NAMED INSURED AND MAILING ADDRESS:

STERLING SUFFOLK RACECOURSE, LLC
111 WALDEMAR AVE.
EAST BOSTON, MA 02128

POLICY PERIOD: FROM: 12/01/2012 TO: 12/01/2013

Effective 12:01 a.m. at description and location of property covered.

COVERAGE FORMS AND ENDORSEMENTS FORMING A PART OF THIS POLICY.

The complete policy consists of this Declarations and the Supplemental Coverage Declarations and the forms listed on MS C0 02 07 99.

PREMIUM: Account Bill Policy Number 1B548285

INSURING COMPANIES:

In return for payment of the premium, the Company agrees with the Named Insured to provide the insurance afforded by this policy. That insurance will be provided by the Company designated by an "X" below.

X The Travelers Indemnity Company (a Stock Company)



Secretary



President

The company listed above has executed this policy, but it is valid only if countersigned by our authorized representative.

PRODUCER NAME AND ADDRESS
AON RISK SERV NORTHEAST
100 WESTMINSTER ST 10TH FL
PROVIDENCE, RI 029032393

Countersigned by: _____
(Authorized Representative)

Date: _____

INDEX OF FORMS

Index of Forms	MS C0 02 07 99
Supplemental Coverage Declarations	MS C0 03 07 99
Property Coverage Form	MS C1 00 08 07
Business Income Coverage Form Excluding Extra Expense	MS C1 02 02 00
Extra Expense	MS C1 03 07 99
Earthquake, Volcanic Eruption, Landslide and Mine Subsidence	MS C2 04 03 00
Flood	MS C2 06 04 08
Boiler And Machinery	MS C2 10 01 00
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Preservation and Protection of Property	MS C3 43 12 11
Utility Services - Time Element	MS C4 09 07 99
General Conditions	MS C5 02 01 00
Replacement Cost	MS C5 05 07 99
Errors and Omissions	MS C5 26 07 99
Extra Expense Deductible	MS C5 27 03 00
Claim Data Expense	MS C5 30 10 02
Exclusion of New "Frame Buildings" in the Course of Construction	MS C5 36 10 03
Multiple of Average Daily Value Time Element Deductible	MS C5 39 05 04
High Hazard Wind Counties and Specific Cities	MS C6 06 11 05
High and Moderate Hazard Earthquake, Volcanic Eruption, Landslide Counties	MS C6 09 02 07
Exclusion Certain Computer Losses Due to Dates or Times (Prop & BM Cover- ages)	MS C8 02 07 99
Massachusetts Changes	MS C8 94 01 03
POL NOTICE-JURISDICTION INSPECTIONS	PN T1 89 06 99
IMPORTANT NOTICE REGARDING INDEPENDENT AGENT AND BROKER COMPENSATION	PN T4 54 01 08
Terrorism Risk Insurance Act of 2002 Disclosure	TR IA 01 01 08
Cap on Losses from Certified Acts of Terrorism	TR IA 04 01 08

Supplemental Coverage Declarations

READ THE ENTIRE POLICY CAREFULLY TO DETERMINE RIGHTS, DUTIES AND WHAT IS AND IS NOT COVERED.

- A. **POLICY LIMIT:** In no event shall liability under this policy arising out of one occurrence exceed \$33,257,000, nor shall liability in any one occurrence for any one Building, any one Structure or Business Personal Property at any one location exceed 120% of the individually stated value for such property as shown in the latest Statement of Values or other documentation on file with the Company, nor shall liability exceed any specific Limit of Insurance applying to any insured loss, coverage or location(s).

If, at the time of loss, the values shown on the latest Statement of Values or other documentation on file with the Company are not individually stated for each Building, each Structure or Business Personal Property at each location:

1. The value for each Building and Structure will be developed by multiplying the total reported Building and Structure value by the proportion that the square footage of the individual Building or Structure bears to the total square footage of all Buildings and Structures contemplated in the total reported Building and Structure value.
2. The value of Business Personal Property at each location will be developed by multiplying the total reported Business Personal Property value by the proportion that the square footage of all Buildings and Structures at the individual location bears to the total square footage of all Buildings and Structures at all locations contemplated in the total reported Business Personal Property value.

- B. **LIMITS OF INSURANCE** – For application of Limits of Insurance refer to Section O, Limits of Insurance in the General Conditions:

1.	Buildings, in any one occurrence: Included means included in the Policy Limit.	Included
2.	Business Personal Property, in any one occurrence: Included means included in the Policy Limit.	Included
3.	Electronic Data Processing Equipment and Electronic Data Processing Data and Media, in any one occurrence:	\$ 1,000,000
4.	Accounts Receivable, in any one occurrence:	\$ 250,000
5.	Valuable Papers, in any one occurrence:	\$ 250,000
6.	Newly Constructed or Acquired Property, at any one building, In any one occurrence: Number of days 120.	\$ 2,000,000
7.	Outdoor Property including Debris Removal, in any one occurrence: Trees, shrubs and plants are subject to a maximum per item of:	\$ 100,000 \$ 1,000
8.	Personal Effects of Officers and Employees of the Insured, in any one occurrence:	\$ 100,000

9.	Covered Property at Undescribed Premises, in any one occurrence:	\$	250,000
10.	Covered Property in Transit, in any one occurrence:	\$	100,000
11.	Pollutant Cleanup and Removal, aggregate in any one policy year:	\$	100,000
12.	Claim Data Expense, in any one occurrence:	\$	25,000
13.	Ordinance or Law Loss to the Undamaged Portion, in any one occurrence: Demolition, in any one occurrence: Increased Cost of Construction, in any one occurrence: Included means, included in the Limit shown for Loss to the Undamaged Portion.	\$	1,000,000 Included Included
14.	Business Income, in any one occurrence: Ordinary Payroll: Excluded Extended Business Income at 60 days. Civil Authority 30 days. Dependent Property, in any one occurrence: Ordinance or Law - Increased Period of Restoration, in any one occurrence: Newly Acquired Locations, in any one occurrence: Number of days 120. Claim Data, in any one occurrence:	\$	4,573,000 250,000 250,000 500,000 25,000
15.	Extra Expense, in any one occurrence: Civil Authority 30 days. Ordinance or Law - Increased Period of Restoration, in any one occurrence: Newly Acquired Locations, in any one occurrence: Number of days 120. Claim Data, in any one occurrence:	\$	1,000,000 50,000 50,000 25,000
16.	Earthquake, Volcanic Eruption, Landslide and Mine Subsidence - aggregate in any one policy year, for all losses covered under this policy, commencing with the inception date of this policy:		
a.	Occurring in Alaska, Hawaii or Puerto Rico:		Not Covered
b.	Occurring in California:		Not Covered

- c. Occurring in counties identified as High and Moderate Hazard Counties as per MS C6 09: Not Covered
- d. Occurring in covered territory other than above: \$ 5,000,000

If more than one Annual Aggregate Limit applies in any one occurrence, the most the Company will pay is the highest involved Aggregate Limit. The most the Company will pay during each annual period is the largest of the Annual Aggregate Limits shown.

- 17. Flood – aggregate in any one policy year, for all losses covered under this policy, commencing with the inception date of this policy:

Occurring at all Insured Premises, except this policy does not cover loss resulting from Flood to buildings, structures or property in the open within Zone V or Zones prefixed V as classified under the National Flood Insurance Program or to property in or on buildings or structures located within such Flood Zones:

\$ 1,000,000

Any loss resulting from Flood to a building, structure or property in the open which is, at the time of loss, within more than one Flood Zone will be subject to the insurance and Annual Aggregate, if any, that would apply under this policy if that building, structure or property in the open was wholly located within the most hazardous of the Flood Zones, as identified in MS C2 06, in which it is located. The Flood Zone that applies to a building or structure will also apply to any property in or on such building or structure.

If more than one Annual Aggregate Limit applies in any one occurrence, the most the Company will pay is the highest involved Aggregate Limit. The most the Company will pay during each annual period is the largest of the Annual Aggregate Limits shown.

- 18. Boiler and Machinery (Insured's Locations only)
 - Property Damage, in any one accident: Included
 - Business Income, in any one accident: Included
 - Extra Expense, in any one accident: Included
 - Hazardous Substance, in any one accident:
 - Ammonia Contamination: \$ 250,000
 - Any other substance: \$ 250,000
 - Water Damage, in any one accident: \$ 250,000
 - Consequential Damage, in any one accident: \$ 50,000

Included means, included in the Limit of Insurance that otherwise applies under this policy to the coverage for which included is indicated.

	Boiler and Machinery (Insured's Locations only) all coverages combined, maximum in any one accident:	\$	33,000,000
19.	Limited "Fungus," Wet Rot and Dry Rot Coverage:		
	a. Direct Damage		
	Aggregate, in any one policy year:	\$	100,000
	b. Business Income and Extra Expense		
	Number of days: 30		
20.	Contractors Equipment - specific amounts of insurance, per item, as per schedule on file with the Company, not to exceed in any one occurrence:	\$	1,429,400
	Newly Acquired Contractors Equipment in any one occurrence:	\$	100,000
	Equipment Rental Expense in any one occurrence:	\$	100,000
21.	Expediting Expenses, Boiler & Machinery only, in any one occurrence:	\$	250,000
22.	Errors and Omissions in any one occurrence:	\$	500,000
23.	Utility Services – in any one occurrence:		
	Utility Services Combined Direct Damage and Time Element, including Boiler and Machinery:	\$	100,000
C.	DEDUCTIBLES: For application of Deductibles refer to Section B. Application of Deductibles in the General Conditions		
1.	To Business Income Coverage, for which no other deductible is stated, as per MS C5 39, in any one occurrence:	Multiple of Average Daily Value	1
2.	To Extra Expense Coverage for which no other deductible is stated, as per MS C5 39, in any one occurrence:	Multiple of Average Daily Value	1
3.	By Earthquake, Volcanic Eruption, Landslide and Mine Subsidence in any one occurrence:	\$	50,000
	As respects Business Income, the deductible is included in the occurrence deductible.		
	As respects Extra Expense, the deductible is included in the occurrence deductible.		
4.	By Flood:		

- a. Occurring at Insured Premises within Flood Zone A, Zones prefixed A, Zone B, Zone X (shaded), or Zone X-500, as classified under the National Flood Insurance Program, the deductible for each building or structure and its contents separately, will be the amount recoverable under the National Flood Insurance Program when the maximum amount of insurance permitted by the National Flood Insurance Program applies, whether or not the coverage is purchased or maintained. In addition, the following deductible will apply to property not eligible and coverages not available under the National Flood Insurance Program that are covered under this policy and any difference in the valuation between the policies, in any one occurrence:

	\$	100,000
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- b. Occurring at all other Insured Premises, in any one occurrence:

	\$	100,000
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As respects Business Income, the deductible is included in the occurrence deductible.

As respects Extra Expense, the deductible is included in the occurrence deductible.

Any loss resulting from Flood to a building, structure or property in the open which is, at the time of loss, within more than one Flood Zone will be subject to the Flood deductible, if any, that would apply under this policy if that building, structure or property in the open was wholly located within the most hazardous of the Flood Zones, as identified in MS C2 06, in which it is located. The Flood Zone and Flood deductible that applies to a building or structure will also apply to any property in or on such building or structure.

- 5. By "Windstorm" meaning wind, wind driven rain or hail for all losses covered under this policy:
 - a. Occurring in counties identified as High Hazard Wind Counties as per MS C6 06, in any one occurrence:

	5 %	\$	250,000
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 Percentage applies per Unit

 - b. Occurring at all other locations, in any one occurrence:

	\$	100,000
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As respects Business Income, any applicable percent deductible shown above applies.

As respects Business Income, if no percent deductible applies, the deductible for Business Income is included in the occurrence deductible.

As respects Extra Expense, the deductible is included in the occurrence deductible.

- 6. By Boiler and Machinery in any one accident:

	\$	25,000
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 Applicable to Direct Damage only.

7.	By Boiler and Machinery to Business Income Coverage, as per MS C5 39, in any one accident:	Multiple of Average Daily Value	1
8.	By Boiler and Machinery to Extra Expense Coverage as per MS C5 39, in any one accident:	Multiple of Average Daily Value	1
9.	To Contractors Equipment in any one occurrence:	\$	5,000
10.	To Utility Services - Direct Damage, including Boiler and Machinery, in any one occurrence:	\$	25,000
11.	To Utility Services - Time Element, including Boiler and Machinery, in any one occurrence:	Hours	24
12.	To any other covered loss, in any one occurrence:	\$	25,000

D. VALUATION PROVISION:

Replacement Cost applies as per MS C5 05, except as otherwise stated within endorsement MS C5 05, within this Supplemental Declarations or elsewhere in this policy.

E. SOLE AGENT PROVISION: For any insurance afforded by this policy, STERLING SUFFOLK RACECOURSE, LLC shall act on behalf of all insureds with respect to the giving and receiving of notice of cancellation or nonrenewal, the payment of premiums and the receiving of return premiums, and accepting of any endorsement issued to form a part of this policy.

F. PREMIUM ADJUSTMENT: This policy will be adjusted Quarterly for any changes in values and premiums.

G. ISSUING COMPANY: Travelers Indemnity Company (a Stock Company)

PROPERTY COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered. Words and phrases that appear in quotation marks have special meaning; refer to Section G., Definitions.

A. INSURING AGREEMENT

The Company will pay for direct physical loss or damage to Covered Property at premises as described in the most recent Statement of Values or other documentation on file with the Company, caused by or resulting from a Covered Cause of Loss. Covered Cause of Loss means risks of direct physical loss unless the loss is excluded in Section D., Exclusions; limited in Section E., Limitations; or excluded or limited in the Supplemental Coverage Declarations or by endorsements.

B. COVERAGE

Coverage is provided for Covered Property and Covered Costs and Expenses, as described in Sections B.1. and B.2., for which the Insured has an insurable interest, unless excluded in Section C., Property and Costs Not Covered. Coverage applies only when a Limit of Insurance is shown in the Supplemental Coverage Declarations for the specific type of Covered Property or Covered Costs and Expenses, except for items B.2. a., d., e., g., h. and i. which do not require a specific Limit of Insurance to be shown.

1. COVERED PROPERTY

- a. **Building(s)**, means the buildings or other structures at the Insured's premises, including:
- (1) Completed additions;
 - (2) Fixtures, including outdoor fixtures;
 - (3) Machinery and equipment permanently attached to the building;
 - (4) Personal property owned by the Insured that is used to maintain or service the buildings, structures or grounds; and
 - (5) If not covered by other insurance:
 - (a) Additions under construction, alterations and repairs to the buildings or structures; and
 - (b) Materials, equipment, supplies and temporary structures, on or within 1,000 feet of the Insured's premises, used for making alterations or repairs to the buildings or structures.

Building(s) do not include "Outdoor Property" except as provided in Section B.1.h.

- b. **Business Personal Property** located in or on the buildings at the Insured's premises or in the open (or in a vehicle) within 1,000 feet of the Insured's premises, consisting of the following unless otherwise specified in the Supplemental Coverage Declarations:
- (1) Furniture and fixtures;
 - (2) Machinery and equipment;
 - (3) "Stock";
 - (4) All other personal property owned by the Insured and used in the Insured's business;
 - (5) Labor, materials or services furnished or arranged by the Insured on personal property of others;
 - (6) The Insured's use interest as tenant in improvements and betterments. Improvements and betterments are fixtures, alterations, installations or additions:
 - (a) Made a part of the buildings or structures occupied or leased, but not owned, by the Insured; and
 - (b) Acquired or made at the Insured's expense but which the Insured is not permitted to remove; and
 - (7) Personal Property of Others (including the Insured's employees) used in the Insured's business that is in the care, custody, or control of the Insured or for which the Insured has agreed in writing to insure prior to any loss or damage.

However, payment by the Company for loss or damage to Personal Property of Others will only be for the account of the owner of the property.

Business Personal Property does not include:

- (1) "Electronic Data Processing Equipment" or "Electronic Data Processing Data and Media" except as provided in Section B.1.c.;
- (2) Accounts Receivable except as provided in Section B.1.d.;
- (3) Valuable Papers except as provided in Section B.1.e.; or
- (4) "Fine Arts" except as provided in Section B.1.f.

c. "Electronic Data Processing Equipment" and "Electronic Data Processing Data and Media"

This insurance applies to loss or damage to "Electronic Data Processing Equipment" and "Electronic Data Processing Data and Media" at or within 1,000 feet of the Insured's premises.

d. Accounts Receivable

This insurance applies to loss or damage to the accounts receivable records of the Insured while at or within 1,000 feet of the Insured's premises, including records stored on electronic data processing media. Credit card company charge records will be considered accounts receivable records until delivered to the credit card company.

- (1) The Company will pay:
 - (a) Amounts due the Insured from customers that the Insured is unable to collect because of loss or damage to the Insured's accounts receivable records;
 - (b) Interest charges on any loan required to offset amounts the Insured is unable to collect because of loss or damage to the Insured's accounts receivable records, pending the Company's payment of these amounts;
 - (c) Collection expenses in excess of the Insured's normal collection expenses that are made necessary by the loss; and
 - (d) Other reasonable expenses that the Insured incurs to re-establish the Insured's records of Accounts Receivable.
- (2) The following additional exclusions apply to Accounts Receivable:

The Company will not pay for loss or damage caused by or resulting from any of the following:

 - (a) Bookkeeping, accounting or billing errors or omissions; and
 - (b) Alteration, falsification, manipulation, concealment, destruction or disposal of records of accounts receivable committed to conceal the wrongful giving, taking, obtaining or withholding of money, securities or other property but only to the extent of such wrongful giving, taking, obtaining or withholding.
- (3) The Company will not pay for loss or damage that requires an audit of records or any inventory computation to prove its factual existence.
- (4) In the event the Insured cannot accurately establish the amount of Accounts Receivable outstanding as of the time of loss, the following method will be used:
 - (a) The Company will determine the total of the average monthly amounts of Accounts Receivable for the 12 months immediately preceding the month in which the loss occurs;
 - (b) The Company will adjust the total for any normal fluctuations in the amounts of Accounts Receivable for the month in which the loss occurred or for any demonstrated variance from the average for that month; and
 - (c) The following will be deducted from the total amount of Accounts Receivable, however that amount is established:
 - (i) The amount of the accounts for which there is no loss;
 - (ii) The amount of the accounts that the Insured is able to re-establish or collect;
 - (iii) An amount to allow for probable bad debts that the Insured is normally unable to collect; and
 - (iv) All unearned interest and service charges.

e. Valuable Papers and Records

This insurance applies to loss or damage to Valuable Papers and Records while at or within 1,000 feet of the Insured's premises. Coverage does not apply to Valuable Papers and Records that exist on electronic data processing media.

f. "Fine Arts"

This insurance applies to loss or damage to "Fine Arts" while at or within 1,000 feet of the Insured's premises.

g. Newly Constructed or Acquired Property

This insurance applies to:

- (1) New buildings while being built on the Insured's premises or on a newly acquired location including materials, equipment, supplies and temporary structures which are at or within 1,000 feet of the premises;
- (2) Buildings newly acquired by the Insured at locations other than the Insured's premises;
- (3) Buildings the Insured becomes newly required to insure under a written contract; and
- (4) Personal Property of a type insured under this policy at or within 1,000 feet of a newly acquired building or a newly acquired location.

Insurance under this Coverage for each newly constructed or acquired property will end when any of the following first occurs:

- (1) This policy is cancelled or expires;
- (2) 120 days expire after the Insured acquires or begins to construct the building(s);
- (3) The Insured reports the new values to the Company; or
- (4) The property is more specifically insured elsewhere.

The Company will charge the Insured additional premium for values reported from the date construction begins or the Insured acquires the property.

h. "Outdoor Property"

This insurance applies to "Outdoor Property" at the Insured's premises for loss or damage only by the following Covered Causes of Loss:

- (1) Fire;
- (2) Lightning;
- (3) Explosion;
- (4) Riot or civil commotion;
- (5) Vandalism or malicious mischief; or
- (6) Aircraft or vehicles.

This insurance also applies to the necessary and reasonable expense incurred by the Insured to remove debris of "Outdoor Property" at the Insured's premises caused by or resulting from a Covered Cause of Loss listed above that occurs during the policy period. Such expenses will be paid only if reported to the Company in writing within 180 days of the date of direct physical loss or damage. This will not increase the Limit of Insurance that applies to "Outdoor Property".

i. Personal Effects of Officers and Employees of the Insured

This insurance applies to the Personal Effects and "Fine Arts" owned by officers, partners or employees of the Insured. Such property must be located at or within 1000 feet of the Insured's premises. Payment for loss or damage to Personal Effects and "Fine Arts" will only be for the account of the owner of the property.

j. Covered Property At Undescribed Premises

This insurance applies to:

- (1) Covered Property at an "exhibition" including while in transit to and from the "exhibition" site. Coverage for this property applies worldwide except within any country on which the United States government has imposed sanctions, embargoes or any other similar prohibitions.
- (2) Covered Property that will or has become a permanent part of an installation project being performed for others by the Insured, or on the Insured's behalf, while such property is at the

installation premises or at other premises where the property is temporarily stored. Coverage for this installation property applies only within the Policy Territory and will apply only until the Insured's interest in the property ceases, the installation is accepted, the installation is abandoned, or this policy is cancelled or expires, whichever occurs first.

- (3) Covered Property at any other premises within the Policy Territory which are not otherwise insured under this policy, and which the Insured does not own, lease or regularly operate.

This Coverage does not apply to Personal Effects of Officers and Employees of the Insured.

k. Covered Property in Transit

This insurance applies to Covered Property in due course of transit at the risk of the Insured between points within the Policy Territory, including inland and coastal waters and air space.

This Coverage will attach when the Covered Property leaves the initial point of shipment and will continue until the property is delivered at its destination. In the event the Covered Property is not deliverable or is rejected by the consignee, such property will be covered while in due course of transit back to the Insured and while temporarily being held by the receiver or carrier awaiting its return to the Insured.

The Company will also pay for:

- (1) Any general average or salvage charges incurred by the Insured as respects losses to waterborne shipments.
- (2) The Insured's contingent interest in shipments sold on a F.O.B. (Free On Board) basis but only in the event that any loss recoverable hereunder is not collectible from the consignee or any other insurance.
- (3) Loss of Covered Property occasioned by the unintentional acceptance of fraudulent bills of lading, shipping receipts or messenger receipts by the Insured or any agent, customer or consignee of the Insured.

This Coverage does not apply to:

- (1) Shipments by a government postal service except by registered mail;
- (2) Any export shipment once the earlier of the following occurs:
 - (a) The shipment is placed on the export conveyance; or
 - (b) Coverage under an Ocean Marine or other insurance policy covering the shipment begins;
- (3) Any import shipment until the later of the following occurs:
 - (a) The shipment is unloaded from the importing vessel or conveyance; or
 - (b) Coverage under an Ocean Marine or other insurance policy covering the shipment ends;
- (4) Theft from a conveyance or container while unattended unless the portion of the conveyance or container containing the Covered Property is fully enclosed and securely locked, and the theft is by forcible entry of which there is visible evidence;
- (5) Property of others for which the Insured is responsible while acting as a common or contract carrier, freight forwarder, freight consolidator, freight broker or public warehouseman; or
- (6) Personal Effects of Officers and Employees of the Insured or to Covered Property in due course of transit to or from an "exhibition".

l. Covered Property Overseas

The Company will pay for loss or damage to Covered Property while in the custody of any officer or employee of the Insured while temporarily traveling outside of the Policy Territory. But this Coverage does not apply to Covered Property at, or in due course of transit to or from, an "exhibition".

Coverages j. Covered Property At Undescribed Premises, k. Covered Property in Transit and l. Covered Property Overseas are each subject to the applicable Limit of Insurance specified in the Supplemental Coverage Declarations for the coverage, but in no event will the Company pay more for loss or damage to any type of Covered Property than the amount that would have been paid if the loss or damage had occurred at or within 1000 feet of the Insured's premises.

2. COVERED COSTS AND EXPENSES

a. Debris Removal

- (1) The Company will pay the necessary and reasonable expense incurred by the Insured to remove debris of Covered Property, other than "Outdoor Property", caused by or resulting from a Covered Cause of Loss that occurs during the policy period. Such expenses will be paid only if reported to the Company in writing within 180 days of the date of direct physical loss or damage. Coverage for the expense to remove debris of "Outdoor Property" is provided separately under Section B.1.h. of this Coverage Form.
- (2) For this Debris Removal Coverage, the Company will pay up to 25% of:
 - (a) The amount the Company pays for the direct physical loss or damage to the Covered Property; plus
 - (b) The deductible in this policy applicable to that direct physical loss or damage.This limit is part of and not in addition to the Limit of Insurance that applies to the lost or damaged Covered Property. But if:
 - (a) (i) The sum of direct physical loss or damage and debris removal expense exceeds the Limit of Insurance; or
 - (ii) The debris removal expense exceeds the above 25% limitation;and
 - (b) A Limit of Insurance is specified in the Supplemental Coverage Declarations for Debris Removal (additional);the Company will also pay an additional amount, up to the Limit of Insurance specified in the Supplemental Coverage Declarations for Debris Removal (additional).
- (3) In no event will this Debris Removal Coverage apply to:
 - (a) Costs to extract "pollutants" from land or water; or
 - (b) Costs to remove, restore or replace polluted land or water.

b. Pollutant Cleanup and Removal

The Company will pay the necessary and reasonable expense incurred by the Insured to extract "pollutants" from land or water at the Insured's premises if the discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused by or results from a "specified cause of loss" which occurs during the policy period.

Such expenses will be paid only if reported to the Company in writing within 180 days of the date on which the "specified cause of loss" occurs.

This Coverage does not apply to costs to test for, monitor or assess the existence, concentration or effects of "pollutants". But the Company will pay for testing which is performed in the course of extracting the "pollutants" from the land or water.

The most the Company will pay under this Coverage for the sum of all covered expenses arising out of all "specified cause of loss" occurrences that occur during each separate 12 month period of this policy is the Limit of Insurance specified for Pollutant Cleanup and Removal shown in the Supplemental Coverage Declarations.

c. Claim Data Expense

The Company will pay the reasonable expenses incurred by the Insured in preparing claim data required by the Company. This includes the cost of taking inventories, making appraisals and preparing other documentation to show the extent of loss. The Company will not pay for any expenses incurred, directed, or billed by or payable to insurance adjusters or their associates or subsidiaries, or any costs as provided in the General Conditions - Section C. Appraisal.

d. Fire Department Service Charge

When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, the Company will pay for any fire department service charges incurred by the Insured that are:

- (1) Assumed by contract or agreement prior to loss; or
- (2) Required by local ordinance.

e. Fire Protective Equipment Discharge

If fire protective equipment discharges accidentally or to control a Covered Cause of Loss, the Company will pay the Insured's cost to:

- (1) Refill or recharge the system with the extinguishing agents that were discharged; and
- (2) Replace or repair faulty valves or controls that caused the discharge.

f. Ordinance or Law

If a Covered Cause of Loss occurs to Covered Property, the Company will pay for:

- (1) **The loss to the undamaged portion of a covered building** caused by the enforcement of any ordinance or law that:

- (a) Requires the demolition of parts of the same property not damaged by a Covered Cause of Loss;
- (b) Regulates the construction or repair of buildings, or establishes zoning or land use requirements at the Insured's premises; and
- (c) Is in force at the time of loss.

The most the Company will pay for loss or damage under this portion of Ordinance or Law is the Limit of Insurance specified for Ordinance or Law – Undamaged Portion shown in the Supplemental Coverage Declarations.

- (2) **The cost to demolish and clear the site of undamaged parts of the covered building** caused by the enforcement of building, zoning or land use ordinance or law.

The Company will not pay more for loss or damage under this portion of Ordinance or Law than the lesser of:

- (a) The amount the Insured actually spends to demolish and clear the site; or
- (b) The Limit of Insurance specified for Ordinance or Law – Demolition shown in the Supplemental Coverage Declarations.

- (3) **The increased cost to repair, rebuild or construct the Covered Property** caused by enforcement of building, zoning, land use or any other ordinance or law when the Covered Property is insured for replacement cost. If the covered building is repaired or rebuilt, it must be intended for similar occupancy as the current building, unless otherwise required by zoning or land use ordinance or law.

The Company will not pay for increased construction costs until the Covered Property is actually repaired or replaced, at the same location or elsewhere; and unless the repairs or replacement are made as soon as reasonably possible after the loss or damage but not to exceed 2 years. The Company may extend this period in writing during the 2 years.

The most the Company will pay for loss or damage under this portion of Ordinance or Law is the increased cost of construction repair or replacement:

- (a) Of a building of the same size and at the same premises, or another premises if required by the ordinance or law; and
- (b) Limited to the minimum requirements of such ordinance or law regulating the repair or reconstruction of the damaged property on the same site.

not to exceed the Limit of Insurance specified for Ordinance or Law – Increased Cost of Construction shown in the Supplemental Coverage Declarations.

- (4) Ordinance or Law Coverages do not apply to:

- (a) "Vacant" properties;
- (b) Any loss due to the Insured's failure to comply with any ordinance or law that the Insured was required to comply with before the loss, even if the Covered Property was undamaged; and
- (c) Costs associated with the enforcement of any ordinance or law that requires the Insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".

g. Preservation of Property

If it becomes necessary to move Covered Property from an insured premises to preserve it from loss or damage by a Covered Cause of Loss, the Company will pay for:

- (1) The necessary and reasonable expenses actually incurred by the Insured to remove the Covered Property from an insured premises and to move the Covered Property back to an insured premises; and
- (2) Any direct physical loss or damage to Covered Property while it is being moved from an insured premises, while temporarily stored at another location or while it is being moved back to an insured premises.

However, this Coverage will apply only if the loss or damage occurs within 90 days after the property is first moved and will cease when the policy is amended to provide insurance at the new location, the property is returned to the existing location, or this policy is cancelled or expires, whichever occurs first.

h. Protection of Property

The Company will pay the necessary and reasonable expenses actually incurred by the Insured to temporarily safeguard Covered Property against the threat of imminent direct physical loss or damage by a "specified cause of loss". This Coverage does not apply to any expenses to which the above Preservation of Property coverage applies.

i. Water, Other Liquids, Powder or Molten Material Damage

If covered loss or damage caused by or resulting from water or other liquid, powder or molten material damage occurs, the Company will also pay the cost to tear out and replace any part of the building or structure to repair damage to the system or appliance from which the water or other substance escapes.

When a Limit of Insurance is specified in the Supplemental Coverage Declarations for Water, Other Liquids, Powder or Molten Material Damage, that Limit of Insurance is the most the Company will pay under this Coverage. Otherwise, this coverage is provided subject to the Limit of Insurance that applies to the covered water or other liquid, powder or molten material damage loss.

C. PROPERTY AND COSTS NOT COVERED

Unless the following property or costs are added by endorsement to this Coverage Form, Covered Property and Covered Costs and Expenses do not include:

1. Currency, deeds or other evidences of debt, money, notes, checks, drafts, or securities;
2. Contraband or property in the course of illegal transportation or trade;
3. Water whether in its natural state or otherwise, above or below ground (except water normally contained in plumbing, the process of manufacture or fire protection equipment) watercourses, aquifers or the cost of reclaiming or restoring water;
4. Land whether in its natural state or otherwise (including land on which the property is located), land improvements, grain, hay straw or other harvested crops while outside of buildings, growing crops or standing timber;
5. The cost of excavations, grading, backfilling or filling;
6. Property sold by the Insured under an installment plan, conditional sale, trust agreement or other deferred payment plan after delivery to the purchasers;
7. Vehicles or self-propelled machines that:
 - (a) Are licensed for use on public roads; or
 - (b) Are operated principally away from the insured premises;
8. Aircraft or watercraft;
9. Live animals or birds;

10. Bulkheads, pilings, piers, wharves, docks, dikes, dams, canals, sea walls or vehicular bridges;
11. Underground tanks, pipes, flues, drains or tunnels, all whether or not connected to buildings, mines or mining property;
12. Any "Electronic Data Processing Data and Media" which is obsolete or unused by the Insured;
13. Property that is covered under another coverage form or endorsement of any other policy in which it is more specifically described, except for the excess of the amount due (whether the Insured can collect on it or not) from that other insurance;
14. Any of the specific types of Covered Property described in Sections B.1.a. through B.1.l. of this Coverage Form for which a Limit of Insurance is not shown in the Supplemental Coverage Declarations; or
15. Any of the following Covered Costs and Expenses for which a Limit of Insurance is not shown in the Supplemental Coverage Declarations:
 - a. Pollutant Clean Up and Removal, as described in Section B.2.b.;
 - b. Claim Data Expense, as described in Section B.2.c.; or
 - c. Ordinance or Law, as described in Section B.2.f.

D. EXCLUSIONS

1. The Company will not pay for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

a. EARTH MOVEMENT

- (1) Any earth movement (other than "sinkhole collapse") including earthquake, mine subsidence, landslide, erosion, the expansion or contraction of soil due to the presence of moisture or water, or the lack thereof, and any other earth sinking, rising, shifting or movement, all whether naturally occurring or due to man made or other artificial causes.

But if earth movement results in fire or explosion, the Company will pay for the loss or damage caused by that fire or explosion.

- (2) Volcanic eruption, explosion or effusion. But if volcanic eruption, explosion or effusion results in "volcanic action" or fire, the Company will pay for the loss or damage caused by that "volcanic action" or fire.

All "volcanic action" that results from all volcanic eruptions or explosions that occur within any 168 consecutive hours period will constitute a single occurrence.

b. FLOOD

Flood meaning:

- (1) Flood, surface water, underground water, waves, tides, tidal waves, tsunamis, overflow of any body of water, or their spray, all whether driven by wind or not;
- (2) Mudslide or mudflow;
- (3) Release of water impounded by a dam; and
- (4) Water or sewage which backs up through sewers, drains or sumps;

all whether naturally occurring or due to man made or other artificial causes.

This exclusion will not apply to direct loss or damage from resulting fire, explosion or leakage from fire protective equipment; however, the Company will be liable only for such resulting loss or damage.

c. GOVERNMENTAL ACTION

Seizure or destruction of property by order of governmental authority except as provided for under the Covered Costs and Expenses, Section B.2.f. Ordinance or Law.

But the Company will pay for loss or damage caused by or resulting from acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread, if the fire would be covered under this Coverage Form.

d. NUCLEAR HAZARD

Nuclear reaction or radiation, or radioactive contamination however caused.

This exclusion will not apply to direct loss or damage by:

- (1) Fire resulting from nuclear reaction or radiation, or radioactive contamination; or
- (2) Sudden and accidental radioactive contamination, including resultant radiation damage to Covered Property provided:
 - (a) Such radioactive contamination arises out of material at the Insured's premises;
 - (b) Such radioactive material is kept at an Insured's premises for the purpose of the Insured's operations; and
 - (c) At the time of such loss at the Insured's premises there is neither a nuclear reactor capable of sustaining nuclear fission in a self-supporting chain reaction, nor any new or used nuclear fuel which is intended for or which has been used in a nuclear reaction.

But the most the Company will pay for Sudden and Accidental Radioactive Contamination as provided in d. (2)(a), (b) and (c) above is the specified Limit of Insurance shown in the Supplemental Coverage Declarations. This is not additional insurance.

e. WAR AND MILITARY ACTION

- (1) Hostile or warlike action in time of peace or war, including action in hindering, combating or defending against an actual, impending or expected attack:
 - (a) By any government or sovereign power (de jure or de facto), or by any authority maintaining or using military, naval or air forces;
 - (b) By military, naval or air forces; or
 - (c) By an agent of any such government, power, authority or forces.
- (2) Insurrection, rebellion, revolution, civil war, usurped power, or action taken by governmental authority in hindering, combating or defending against such an occurrence.
- (3) 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 a government, power, authority or forces.

f. COMPUTER VIRUS

Computer Virus means intrusive codes or programming that are entered into a computer system causing direct physical loss or damage to, or destruction of, "Electronic Data Processing Equipment" or "Electronic Data Processing Data and Media".

This exclusion will not apply in the event the Computer Virus results in a "specified cause of loss"; however, the Company will be liable only for such resulting loss or damage.

g. PROGRAMMING ERRORS OR OMISSIONS

Programming errors, omissions or incorrect instructions to a machine.

This exclusion will not apply in the event Programming errors, omissions or incorrect instructions to a machine results in a "specified cause of loss", however, the Company will be liable only for such resulting loss or damage.

h. ORDINANCE OR LAW

The enforcement of any ordinance or law:

- (1) Regulating the construction, use or repair of any property; or
- (2) Requiring the tearing down of any property, including the cost of removing its debris;

except as provided in the Covered Costs and Expenses, item B.2.f. Ordinance or Law.

The Ordinance or Law exclusion applies whether the loss results from an ordinance or law that is enforced even if the property has not been damaged; or from the increased costs incurred to comply with an ordinance or law in the course of construction, remodeling or demolition of property, or removal of its debris, following a physical loss to that property.

i. OFF PREMISES UTILITY SERVICES

The interruption, failure or fluctuation of power or other utility service(s) provided to an insured premises if the cause of the interruption, failure or fluctuation occurs off an insured premises.

This exclusion will not apply in the event the interruption, failure or fluctuation of power or other utility service(s) results in a Covered Cause of Loss; however, the Company will be liable only for such resulting loss or damage.

j. COLLAPSE OF BUILDINGS

Collapse of buildings meaning an abrupt falling down or caving in of a building or substantial portion of a building with the result being that the building or substantial portion of a building cannot be occupied for its intended purpose.

(1) This exclusion will not apply to collapse of buildings if the collapse is caused by one or more of the following:

- (a) A "specified cause of loss";
- (b) Decay or insect or vermin damage that is hidden from view, unless the presence of such decay or insect or vermin damage is known to the Insured prior to collapse;
- (c) Weight of people or personal property;
- (d) Weight of rain that collects on a roof;
- (e) Use of defective material or methods in construction, remodeling or renovation if the collapse occurs during the course of the construction, remodeling or renovation. However, if the collapse occurs after the construction, remodeling or renovation is complete and is caused in part by a cause of loss listed in j.(1)(a) through (d) above, the Company will be liable for loss or damage caused by the collapse even if use of defective material or methods in construction, remodeling or renovation contributes to the collapse.

In the event collapse results in a Covered Cause of Loss, the Company will be liable only for such resulting loss or damage by that Covered Cause of Loss.

(2) A building or portion of a building that:

- (a) Is in imminent danger of abruptly falling down or caving in; or
 - (b) Suffers a substantial impairment of structural integrity;
- is not considered a collapse but is considered to be in a state of imminent collapse.

(3) As respects buildings in a state of imminent collapse, the Company will not pay for loss or damage unless the state of imminent collapse first manifests itself during the policy period and is caused only by one or more of the following which occurs during the policy period:

- (a) Fire; lightning; explosion; windstorm or hail; aircraft or vehicles; riot or civil commotion; "sinkhole collapse"; weight of snow, ice or sleet;
- (b) Weight of people or personal property;
- (c) Weight of rain that collects on a roof; or
- (d) Use of defective material or methods in construction, remodeling or renovation if the state of imminent collapse occurs during the course of construction, remodeling or renovation.

As respects "Electronic Data Processing Equipment" and "Electronic Data Processing Data and Media", only exclusions D.1.a. through g. and D.1.i. apply. As respects Accounts Receivable, and Valuable Papers and Records, only exclusions D.1.a. through g. apply. As respects Property in the due course of transit, Exclusions D.1.a. and D.1.b. do not apply.

2. The Company will not pay for loss or damage caused by or resulting from any of the following:

- a. Artificially generated electric current, including electric arcing, that disturbs electrical devices, equipment, appliances or wires.

But in the event artificially generated electric current results in fire or explosion, the Company will be liable only for such resulting loss or damage.
- b. Indirect or remote loss or damage; delay, loss of use or loss of market; or interruption of business;
- c. (1) Wear and tear or depletion;
(2) Rust, corrosion, erosion, fungus, decay, deterioration, wet or dry rot, mold, hidden or latent defect or any quality in the property that causes it to damage or destroy itself;
(3) Settling, cracking, shrinking, bulging or expansion;
(4) Nesting or infestation or discharge or release of waste products or secretions, by insects, birds, rodents or other animals;
(5) Mechanical or machinery breakdown, including rupture or bursting caused by centrifugal force; and
(6) The following causes of loss to personal property:
 - (a) Dampness or dryness of atmosphere;
 - (b) Changes in or extremes of temperature;
 - (c) Changes in flavor, color, texture or finish; and
 - (d) Contamination, evaporation or leakage.

However, in the event an excluded cause of loss that is listed in 2.c. (1) through (6) above results in a "specified cause of loss", the Company will pay for the loss or damage caused by that "specified cause of loss".
- d. Explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by the Insured, or operated under the Insured's control. But if explosion of steam boilers, steam pipes, steam engines, or steam turbines results in fire or combustion explosion, the Company will pay for loss or damage caused by that fire or combustion explosion. The Company will also pay for loss or damage caused by or resulting from the explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.
- e. Dishonest or criminal act by the Insured, any of the Insured's partners, employees (including leased employees), directors, trustees, authorized representatives or anyone (other than a carrier for hire or bailee) to whom the Insured entrusts the property for any purpose:
 - (1) Acting alone or in collusion with others; and
 - (2) Whether or not occurring during the hours of employment.

This exclusion does not apply to acts of destruction by the Insured's employees, (including leased employees) but theft by the Insured's employees (including leased employees) is not covered.
- f. Rain, snow, sand, dust, ice, or sleet to personal property in the open (other than to property in the custody of a carrier for hire).
- g. The cost of correcting or making good the damage to personal property attributable to such property being processed, manufactured, tested or otherwise being worked upon.
- h. Discharge, dispersal, seepage, migration, release or escape of "pollutants" unless the discharge, dispersal, seepage, migration, release or escape is itself caused by a "specified cause of loss". But in the event the discharge, dispersal, seepage, migration, release or escape of "pollutants" results in a "specified cause of loss", the Company will be liable only for such resulting loss or damage caused by that "specified cause of loss".
- i. Voluntary parting with any property by the Insured or anyone else to whom the Insured has entrusted the property.
- j. Accumulated effects of smog, smoke, vapor, liquid or dust.
- k. If the building or leased premises where loss or damage has occurred has been "vacant" for more than 60 consecutive days before that loss or damage occurs, the Company will not pay for any loss or damage caused by any of the following, even if they are Covered Causes of Loss:

- (1) Vandalism;
- (2) Sprinkler leakage;
- (3) Building glass breakage;
- (4) Water damage;
- (5) Theft; or
- (6) Attempted theft.

Buildings under construction or renovation are not considered "vacant".

- i. Continuous or repeated seepage, leakage or flow of water that occurs over a period of 14 days or more.
- m. Shortage disclosed by audit or upon taking inventory or by a profit and loss statement or other instances where there is no physical evidence to show what happened to the property.

As respects Accounts Receivable, Valuable Papers and Records, "Electronic Data Processing Equipment" and "Electronic Data Processing Data and Media" only the following exclusions in Section D.2 apply:

- (1) Exclusions c. (1), c. (6) (a) and c. (6) (b); but if mechanical breakdown not otherwise excluded results, the Company will pay for that resulting loss or damage by mechanical breakdown; and
- (2) Exclusions b., e., g., i. and m.

- 3. The Company will not pay for loss or damage caused by or resulting from any of the following:

- a. Weather conditions. But this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in D.1 above to produce the loss or damage.

However, in the event weather conditions, as excluded above, result in a Covered Cause of Loss, this exclusion does not apply to loss or damage caused by that resulting Covered Cause of Loss.

- b. Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.

However, in the event an act or decision or the failure to act or decide, as excluded above, results in a Covered Cause of Loss, this exclusion does not apply to loss or damage caused by that resulting Covered Cause of Loss.

- c. Faulty, inadequate or defective:

- (1) Planning, zoning, development, surveying, siting;
- (2) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
- (3) Materials used in repair, construction, renovation or remodeling; or
- (4) Maintenance;

of part or all of any property on or off an insured premises.

However, in the event an excluded cause of loss that is listed in 3.c.(1) through 3.c.(4) above results in a Covered Cause of Loss, this exclusion does not apply to loss or damage caused by that resulting Covered Cause of Loss. But the Company will not be liable for:

- (a) Any cost of correcting or making good the fault, inadequacy or defect itself, except as provided for fire extinguishing equipment under LIMITATION E.3. below; or
- (b) Any cost incurred to tear down, tear out, repair or replace any part of any property to correct the fault, inadequacy or defect, except as specifically provided under the Water, Other Liquids, Powder or Molten Material Damage coverage in Section B.2.i. of this Coverage Form; or
- (c) Any resulting loss or damage by a Covered Cause of Loss to the property that has the fault, inadequacy or defect until the fault, inadequacy or defect is corrected.

E. LIMITATIONS

- 1. The Company will not pay for loss of or damage to property, as described and limited in this section. In addition, the Company will not pay for any loss that is a consequence of loss or damage as described and limited in this section.

- a. Steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment. But the Company will pay for loss of or damage to such equipment caused by or resulting from an explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.
 - b. Hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment, other than explosion.
2. As respects furs, fur garments and garments trimmed with fur, jewelry, watches, watch movements, jewels, pearls, precious and semi-precious stones, bullion, gold, silver, platinum and other precious alloys or metals, the most the Company will pay for loss or damage by theft, regardless of the types or number of articles that are lost or damaged is \$50,000.
 3. The Company will not pay the cost to repair any defect to a system or appliance from which water, other liquid, powder or molten material escapes. But the Company will pay the cost to repair or replace damaged parts of the fire extinguishing equipment if the damage:
 - a. Results in discharge of any substance from an automatic fire protections system; or
 - b. Is directly caused by freezing.

F. DEDUCTIBLES

When a deductible(s) is shown in the Supplemental Coverage Declarations, refer to Section B. Application of Deductibles in the General Conditions.

G. DEFINITIONS

1. **“Electronic Data Processing Data and Media”** means:
 - (a) Electronic data processing, recording or storage media such as films, tapes, discs, drums or cells, or similar magnetic recording or storage devices;
 - (b) Data stored on such media; and
 - (c) Original programming materials used to enter data and/or program media.
2. **“Electronic Data Processing Equipment”** means electronic data processing equipment, facsimile machines, word processors, multi-functional telephone equipment, laptop and portable computers; related surge protection devices; and their component parts and peripherals used solely for data processing operations.
3. **“Exhibition”** means the temporary display of personal property at a convention, exposition, trade show or similar event at a location not owned or regularly occupied by the Insured.
4. **“Fine Arts”** means paintings, etchings, pictures, tapestries, art glass windows, valuable rugs, statuary, marbles, bronzes, antique furniture, rare books, antique silver, manuscripts, porcelains, rare glass, bric-a-brac and similar property of rarity, historical value, or artistic merit.
5. **“Finished Stock”** means goods manufactured by the Insured that in the ordinary course of the Insured’s business are in their completed state and ready for sale.

“Finished Stock” does not include goods manufactured by the Insured that are held for sale on the premises of any retail outlet insured under this Coverage Form.
6. **“Outdoor Property”** means retaining walls not part of a building, lawns (including fairways, greens and tees), trees, shrubs, plants, bridges (excluding vehicular bridges), walks, roadways, patios or other paved surfaces.
7. **“Pollutants”** means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals, waste and any unhealthy or hazardous building materials (including but not limited to asbestos and lead products or materials containing lead). Waste includes materials to be recycled, reconditioned or reclaimed.
8. **“Raw Stock”** means material in the state in which the Insured receives it for conversion by the Insured into “Stock in Process” or “Finished Stock”.

9. **"Sinkhole Collapse"** means the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite.
- This cause of loss does not include:
- a. The cost of filling sinkholes; or
 - b. Sinking or collapse of land into man made underground cavities.
10. **"Specified Cause of Loss"** means any of the following: Fire; lightning; explosion; windstorm or hail; smoke; aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire extinguishing equipment; "sinkhole collapse"; "volcanic action"; falling objects; weight of snow, ice or sleet; or water damage.
- a. Falling objects does not include loss or damage to:
 - (1) Personal property in the open; or
 - (2) The interior of a building, or property inside a building, unless the roof or an outside wall of the building is first damaged by a falling object.
 - b. Water damage means accidental discharge or leakage of water or steam as the direct result of the breaking apart or cracking of any part of a system or appliance (other than a sump system including its related equipment and parts) containing water or steam.
11. **"Stock"** means merchandise held in storage or for sale, "Raw Stock", "Stock in Process" or "Finished Stock" including supplies used in their packing or shipping.
12. **"Stock in Process"** means "raw stock" which has undergone any aging, seasoning, mechanical or other process of manufacturing but which has not become "finished stock".
13. **"Vacant"** means the following:
- a. When the Insured is the owner or general lessee of a building, vacant means 70% or more of the square footage of the entire building is not:
 - (1) Rented to a lessee or sub-lessee and used by the lessee or sub-lessee to conduct its customary operations; or
 - (2) Used by the building owner to conduct customary operations.
 - b. With respect to a unit or suite that is owned, rented or leased to the Insured, and not within a building to which a. above applies, vacant means the unit or suite does not contain enough Business Personal Property to conduct customary operations.
14. **"Volcanic Action"** means direct loss or damage resulting from the eruption of a volcano when the loss or damage is caused by:
- a. Airborne volcanic blast or airborne shock waves;
 - b. Ash, dust or particulate matter; or
 - c. Lava flow.
- "Volcanic Action" does not include the cost to remove ash, dust or particulate matter that does not cause direct physical loss or damage to the Covered Property.

BUSINESS INCOME COVERAGE FORM EXCLUDING EXTRA EXPENSE

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered. Words and phrases that appear in quotation marks have special meaning; refer to Section G., Definitions in this form and to Section G., Definitions in the Property Coverage Form.

A. COVERAGE

The Company will pay for the actual loss of Business Income and/or Rental Value sustained by the Insured due to the necessary "suspension" of the Insured's "operations" during the "period of restoration". The "suspension" must be caused by direct physical loss or damage to property, including personal property in the open (or in a vehicle) within 1,000 feet, at the Insured's premises:

- Which are described in the most recent Statement of Values or Business Income Work Sheet(s) or other documentation on file with the Company; and
- For which a value for the exposure at the premises to which this form applies has been reported.

The loss or damage must be caused by or result from a Covered Cause of Loss. Covered Cause of Loss means risks of direct physical loss unless the loss is excluded in Section C., Exclusions; limited in Section D., Limitations; or excluded or limited in the Supplemental Coverage Declarations or by endorsement.

Coverage is provided as described below only when a Limit of Insurance is shown for the specified coverage in the Supplemental Coverage Declarations.

1. Business Income

Business Income means the Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred by the Insured; and continuing normal operating expenses incurred by the Insured. But Business Income does not include Rental Value.

Continuing normal operating expenses incurred by the Insured exclude "ordinary payroll expenses" except when "ordinary payroll expenses" are either included or limited to a specified number of days as indicated on the Supplemental Coverage Declarations. If limited, the number of consecutive days during which coverage for "ordinary payroll expenses" applies may be used in two separate periods during the "period of restoration". The Company will also pay for those continuing fixed charges and expenses, excluding "ordinary payroll expenses" (unless otherwise included or limited), directly attributable to "research and development" activities even if the activities would not have produced income during the "period of restoration".

2. Rental Value

Rental Value means the:

- a. Total anticipated rental income;
- b. Amount of all charges which are the legal obligation of the tenant(s) and which would otherwise be the obligation of the Insured; and
- c. Fair rental value of any portion of the Insured's premises that is occupied by the Insured;

less any operating expenses that do not continue from tenant occupancy of the premises as furnished and equipped by the Insured.

B. ADDITIONAL COVERAGE EXTENSIONS – Each of the following Additional Coverage Extensions applies only when a Limit of Insurance is shown in the Supplemental Coverage Declarations except for items 1., 2. and 7. which do not require a specific Limit of Insurance to be shown:

1. Civil Authority

The insurance provided by this coverage form is extended to apply to such loss of Business Income or Rental Value incurred by the Insured caused by the action of civil authority that prohibits access to the Insured's premises due to direct physical loss or damage to property, other than at the Insured's premises, caused by or resulting from a Covered Cause of Loss.

Coverage for Business Income and/or Rental Value will begin 72 hours after the time of the civil authority action and will then apply for a period of up to 30 consecutive days. No other hour deductible applicable to Business Income and/or Rental Value applies to this coverage.

2. Extended Business Income or Rental Value

If the necessary "suspension" of the Insured's "operations" produces a Business Income or Rental Value loss payable under this policy, the insurance provided by this coverage form is extended to apply to such loss of Business Income or Rental Value incurred by the Insured during the period that:

- a. Begins on the date property (except "finished stock") is actually repaired, rebuilt or replaced and "operations" are resumed or tenantability is restored; and
- b. Ends on the earlier of:
 - (1) The date the Insured could restore "operations", with reasonable speed, to the level which would generate the Business Income amount or Rental Value amount that would have existed if no direct physical loss or damage had occurred; or
 - (2) 60 consecutive days after the date determined in 2.a. above.

However, this Additional Coverage Extension does not apply to loss of Business Income or Rental Value incurred as a result of unfavorable business conditions caused by the impact of the Covered Cause of Loss in the area where the Insured's premises are located.

Loss of Business Income or Rental Value must be caused by direct physical loss or damage to property at the Insured's premises, the premises of a "dependent property", newly acquired premises or undescribed premises, all only as insured under this coverage form, caused by or resulting from a Covered Cause of Loss.

The expiration date of this policy will not cut short the extended Business Income or Rental Value period of coverage.

3. "Dependent Property"

The insurance provided by this coverage form is extended to apply to such loss of Business Income or Rental Value incurred by the Insured during the "period of restoration" due to direct physical loss or damage by a Covered Cause of Loss to property at the premises of a "dependent property" within the Policy Territory.

This Additional Coverage Extension does not apply to "dependent property" for which the Insured has more specific insurance either under this policy or another.

4. Ordinance or Law – Increased "Period of Restoration"

- a. If a Covered Cause of Loss occurs to property at the Insured's premises, the "period of restoration" is increased to include the additional period of "suspension" of "operations" caused by or resulting from the enforcement of any ordinance or law that:
 - (1) Regulates the construction, repair or replacement of any property;
 - (2) Requires the tearing down or replacement of any parts of property not damaged by a Covered Cause of Loss; and
 - (3) Is in force at the time of loss.
- b. Insurance under this Additional Coverage Extension applies only to the increased period required to repair or replace the property to comply with the minimum requirements of the ordinance or law.
- c. Under this Additional Coverage Extension, the Company will not pay for:
 - (1) Any loss due to any ordinance or law that:
 - (a) The Insured was required to comply with before the loss, even if the property was undamaged; and
 - (b) The Insured failed to comply with.
 - (2) Costs associated with the enforcement of any ordinance or law which requires any Insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".

5. Newly Acquired Premises

- a. The insurance provided by this coverage form is extended to apply to such loss of Business Income or Rental Value incurred by the Insured during the "period of restoration" due to direct physical loss or damage by a Covered Cause of Loss to property within the Policy Territory at any:
 - (1) Premises newly acquired by the Insured; and
 - (2) Premises the Insured becomes newly required to insure under a written contract.

- b. Insurance under this Additional Coverage Extension for each premises will end when any of the following first occurs:
 - (1) This policy is cancelled or expires;
 - (2) 120 days expire after the Insured acquires or begins to construct the property or is required to insure the property;
 - (3) The Insured reports the new premises to the Company; or
 - (4) The Business Income or Rental Value is more specifically insured elsewhere.
- c. The Company will charge the Insured additional premium for values reported from the date the Insured acquires the property or is required to insure the property.

6. Undescribed Premises

The insurance provided by this coverage form is extended to apply to such loss of Business Income or Rental Value incurred by the Insured during the "period of restoration" due to direct physical loss or damage by a Covered Cause of Loss to the Covered Property, as described in the Property Coverage Form, while at an Undescribed Premises. Undescribed Premises means premises not owned, leased or regularly operated by the Insured. Covered Property at an Undescribed Premises does not include:

- a. Property at the premises of "dependent property";
- b. Property in due course of transit; or
- c. Property at any premises outside of the Policy Territory. But this exclusion does not apply to Covered Property at an "exhibition", unless the "exhibition" is within any country on which the United States government has imposed sanctions, embargoes or any other similar prohibitions.

7. Expenses to Reduce Loss

The Company will pay reasonable and necessary expenses incurred by the Insured, except the cost of extinguishing a fire, to reduce the amount of loss under this coverage form. The total of the Company's payment for Business Income or Rental Value loss and Expenses to Reduce Loss will not be more than the Business Income or Rental Value loss that would have been payable under this coverage form (after application of any Coinsurance penalty) if the Expenses to Reduce Loss had not been incurred. This coverage does not increase the Limit of Insurance for either Business Income or Rental Value. If a Coinsurance Endorsement is attached to this policy, it does not apply specifically to such Expenses to Reduce Loss, but it is used as described above to determine the aggregate amount payable.

8. Claim Data Expense

This insurance applies to the reasonable expenses incurred by the Insured in preparing claim data when required by the Company. This includes the cost of preparing income statements and other documentation to show the extent of loss. The Company will not pay for any expenses incurred, directed, or billed by or payable to insurance adjusters or their associates or subsidiaries, or any costs as provided in General Conditions - Section C. Appraisal.

C. EXCLUSIONS

- 1. All of the exclusions contained in Section D. of the Property Coverage Form apply to this coverage form except:
 - a. Exclusion 1.h., Ordinance or Law, is amended by the addition of the following:

This exclusion does not apply to the Ordinance or Law – Increased "Period of Restoration" Additional Coverage Extension.
 - b. Exclusion 1.i., Off Premises Utility Services, is replaced by the following:

The interruption, failure or fluctuation of power or other utility service(s) provided to the insured premises if the cause of the interruption, failure or fluctuation occurs outside a building at the Insured's premises.

This exclusion will not apply in the event the interruption, failure or fluctuation of power or other utility service(s) results in a Covered Cause of Loss; however, the Company will be liable only for such resulting loss.

- c. Exclusion 2.b., Indirect or remote loss or damage; delay, loss of use or loss of market; or interruption of business, does not apply to the extent coverage is specifically provided under this coverage form.
- 2. In addition, the Company will not pay for:
 - a. Any loss caused by or resulting from:
 - (1) Damage or destruction of "finished stock"; or
 - (2) The time required to reproduce "finished stock".
 - b. Any loss caused by or resulting from direct physical loss or damage to outdoor trees, shrubs, plants or lawns (including fairways, greens and tees); growing crops; standing timber; land; water; or radio or television antennas (including microwave satellite dishes), and their lead-in wiring, masts or towers.
 - c. Any loss or damage to property while in due course of transit.
 - d. Any increase of loss caused by or resulting from:
 - (1) Delay in rebuilding, repairing or replacing the property or resuming "operations" due to interference at the location of the rebuilding, repair or replacement by strikers or other persons; or
 - (2) Any license, lease or contract which is suspended, lapses or is cancelled. But if the license, lease or contract is suspended, lapses or is cancelled as the direct result of the "suspension" of "operations", the Company will cover such loss that affects the Insured's Business Income or Rental Value during the "period of restoration" and the period of Extended Business Income or Rental Value.
 - e. Any extra expense, except as provided in the Expenses to Reduce Loss Additional Coverage Extension.
 - f. Any other consequential loss.

D. LIMITATIONS

Under Section E. of the Property Coverage Form, Limitation 2., which limits the amount the Company will pay for theft loss to specified types of personal property, does not apply to this coverage form. All other limitations contained in Section E. of the Property Coverage Form apply to this coverage form. In addition, the following limitation applies:

Limitation – "Electronic Data Processing Data and Media"

The Company will not pay for any loss of Business Income or Rental Value caused by direct physical loss or damage to "Electronic Data Processing Data and Media" after the longer of:

- 1. 60 consecutive days from the date of direct physical loss or damage; or
- 2. The period, beginning with the date of direct physical loss or damage, necessary to repair, rebuild or replace, with reasonable speed and similar quality, other property at the insured premises which suffered loss or damage in the same occurrence.

E. DEDUCTIBLES

When a deductible(s) is shown in the Supplemental Coverage Declarations, refer to Section B. Application of Deductibles in the General Conditions.

F. ADDITIONAL CONDITION

The following condition applies in addition to the conditions contained in the General Conditions.

Loss Determination

- 1. The amount of Business Income or Rental Value loss will be determined based on:
 - a. The Net Income or Rental Value of the business before the direct physical loss or damage occurred;
 - b. The likely Net Income or Rental Value of the business if no direct physical loss or damage occurred, but not including any likely increase in Net Income or Rental Value attributable to an increase in the volume of business as a result of favorable business conditions caused by the impact of the Covered Cause of Loss on customers or on other businesses;
 - c. The operating expenses, including "ordinary payroll expenses" to the extent insured, necessary to resume "operations" with the same quality of service that existed just before the direct physical loss or damage; and
 - d. Other relevant sources of information, including:

- (1) The financial records and accounting procedures of the Insured;
 - (2) Bills, invoices and other vouchers; and
 - (3) Deeds, liens, contracts or leases.
2. The Company will reduce the amount of the Insured's Business Income or Rental Value loss, to the extent the Insured can resume "operations" in whole or in part, by using:
 - a. Damaged or undamaged property (including merchandise or stock) at the Insured's premises or elsewhere; or
 - b. Any other available sources of materials or outlets for the Insured's products.
 3. If the Insured intends to continue the Insured's business, the Insured must resume "operations", in whole or in part, as quickly as possible. If the Insured does not resume "operations", or does not resume "operations" as quickly as possible, the Company will pay based on the length of time it would have taken to resume "operations" as quickly as possible.

G. DEFINITIONS

The following definitions are in addition to those contained in the Property Coverage Form:

1. **"Dependent Property"** means property operated by others that the Insured depends on to:
 - a. Supply materials or services to the Insured, or to others for the account of the Insured (Contributing Locations). With respect to Contributing Locations, services do not mean utility services including but not limited to water supply services, communication supply services, or power supply services supplying electricity, steam or gas;
 - b. Accept the Insured's products or services (Recipient Locations);
 - c. Manufacture products for delivery to the Insured's customers under contract of sale (Manufacturing Locations); or
 - d. Attract customers to the Insured's business (Leader Locations).
2. **"Exhibition"** means the temporary display of personal property at a convention, exposition, trade show or similar event at a location not owned or regularly occupied by the insured.
3. **"Operations"** means:
 - a. The Insured's business activities occurring at the Insured's premises; and
 - b. The tenantability of the Insured's premises when coverage for Rental Value applies.
4. **"Ordinary Payroll Expenses"** means payroll expenses for all employees of the Insured except: Officers; Executives; Department managers; Employees under contract; and any Additional Exemptions for which coverage is added by endorsement for specific Job Classifications or Employees.

"Ordinary payroll expenses" include:

 - a. Payroll;
 - b. Employee benefits, if directly related to payroll;
 - c. FICA and Medicare payments;
 - d. Union dues; and
 - e. Worker's compensation premiums.
5. **"Period of Restoration"**
 - a. Except as provided in paragraphs b. and c. below, "period of restoration" means the period of time that:
 - (1) Begins with the date and time of direct physical loss or damage to property at the insured premises caused by or resulting from a Covered Cause of Loss; and
 - (2) Ends on the earlier of the following:
 - (a) The date when the property should be repaired, rebuilt or replaced with reasonable speed and similar quality; or
 - (b) The date when business is resumed at a new permanent location.
 - b. If:

- (1) The direct physical loss or damage by a Covered Cause of Loss is to any of the following property at premises to which this insurance applies:
 - (a) New buildings or structures, whether complete or under construction;
 - (b) Alterations or additions to existing buildings or structures; or
 - (c) Machinery, equipment, supplies or building materials on or within 1000 feet of the premises that are used in the construction, alterations or additions, or incidental to the occupancy of the buildings;and
- (2) Such direct physical loss or damage delays the start of "operations";

the "period of restoration" for Business Income or Rental Value will be the same length of time provided in a. above, but will not begin until the date when "operations" would have begun if the direct physical loss or damage had not occurred.

- c. When a number of hours is shown in the deductible item in the Supplemental Coverage Declarations for Business Income or Rental Value, the "period of restoration" will not begin until that number of hours immediately following the date and time the "period of restoration" would otherwise have begun, as described in a. and b. above.
 - d. "Period of restoration" does not include any increased period required due to the enforcement of any ordinance or law that:
 - (1) Regulates the construction, use, repair or replacement, or requires the tearing down of any property, except as provided under the Ordinance or Law – Increased "Period of Restoration" Additional Coverage Extension; or
 - (2) Requires any Insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess, the effects of "pollutants".
 - e. The expiration date of this policy will not cut short the "period of restoration".
6. **"Research and Development"** means the development of new products and enhancements of existing products. "Research and development" does not mean the maintenance of existing products.
7. **"Suspension"** means:
- a. The partial or complete cessation of the Insured's business "operations"; or
 - b. That a part or all of the insured premises is rendered untenable, if coverage for Rental Value is provided.

EXTRA EXPENSE COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered. Words and phrases that appear in quotation marks have special meaning; refer to Section F., Definitions in this form and to Section G., Definitions in the Property Coverage Form.

A. COVERAGE

The Company will pay the actual reasonable and necessary Extra Expense sustained by the Insured during the "period of restoration" due to direct physical loss or damage to property, including personal property in the open (or in a vehicle) within 1,000 feet, at the Insured's premises:

- Which are described in the most recent Statement of Values or other documentation on file with the Company; and
- For which a value for the exposure at the premises to which this form applies has been reported.

The loss or damage must be caused by or result from a Covered Cause of Loss. Covered Cause of Loss means risks of direct physical loss unless the loss is excluded in Section C., Exclusions; limited in Section D., Limitations; or excluded or limited in the Supplemental Coverage Declarations or by endorsement.

Coverage is provided as described below only when a Limit of Insurance is shown for Extra Expense in the Supplemental Coverage Declarations.

Extra Expense

Extra Expense means the following expenses the Insured incurs that the Insured would not have incurred if there had been no direct physical loss or damage to property caused by or resulting from a Covered Cause of Loss:

1. Reasonable and necessary expenses to avoid or minimize the "suspension" of business and to continue "operations":
 - a. At the Insured's premises; or
 - b. At replacement premises or at temporary locations, including relocation expenses and costs to equip and operate the replacement premises or temporary locations;
2. Reasonable and necessary expenses to minimize the "suspension" of business if the Insured can not continue "operations"; and
3. Reasonable and necessary expenses to:
 - a. Repair or replace any property; or
 - b. Research, replace or restore the lost information on damaged valuable papers and records; to the extent they reduce the amount of loss that otherwise would have been payable under this coverage form.

B. ADDITIONAL COVERAGE EXTENSIONS – Each of the following Additional Coverage Extensions applies only when a Limit of Insurance is shown in the Supplemental Coverage Declarations except for item 1. which does not require a specific Limit of Insurance to be shown:

1. Civil Authority

The insurance provided by this coverage form is extended to apply to the Extra Expense incurred by the Insured caused by the action of civil authority that prohibits access to the Insured's premises due to direct physical loss or damage to property, other than at the Insured's premises, caused by or resulting from a Covered Cause of Loss.

Coverage for Extra Expense will begin immediately after the action of the civil authority and will end 30 days after the date of the civil authority action.

2. "Dependent Property"

The insurance provided by this coverage form is extended to apply to the Extra Expense incurred by the Insured during the "period of restoration" due to direct physical loss or damage by a Covered Cause of Loss to property at the premises of a "dependent property" within the Policy Territory.

This Additional Coverage Extension does not apply to "dependent property" for which the Insured has more specific insurance either under this policy or another.

3. Ordinance or Law – "Increased Period of Restoration"

- a. If a Covered Cause of Loss occurs to property at the Insured's premises, the "period of restoration" is increased to include the additional period of "suspension" of "operations" caused by or resulting from the enforcement of any ordinance or law that:
 - (1) Regulates the construction, repair or replacement of any property;
 - (2) Requires the tearing down or replacement of any parts of property not damaged by a Covered Cause of Loss; and
 - (3) Is in force at the time of loss.
- b. Insurance under this Additional Coverage Extension applies only to the increased period required to repair or replace the property to comply with the minimum requirements of the ordinance or law.
- c. Under this Additional Coverage Extension, the Company will not pay for:
 - (1) Any loss due to any ordinance or law that:
 - (a) The Insured was required to comply with before the loss, even if the property was undamaged; and
 - (b) The Insured failed to comply with.
 - (2) Costs associated with the enforcement of any ordinance or law which requires any Insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".

4. Newly Acquired Premises

- a. The insurance provided by this coverage form is extended to apply to the Extra Expense incurred by the Insured during the "period of restoration" due to direct physical loss or damage by a Covered Cause of Loss to property within the Policy Territory at any:
 - (1) Premises newly acquired by the Insured; and
 - (2) Premises the Insured becomes newly required to insure under a written contract.
- b. Insurance under this Additional Coverage Extension for each premises will end when any of the following first occurs:
 - (1) This policy is cancelled or expires;
 - (2) 120 days expire after the Insured acquires or begins to construct the property or is required to insure the property;
 - (3) The Insured reports the new premises to the Company; or
 - (4) The Extra Expense is more specifically insured elsewhere.
- c. The Company will charge the Insured additional premium for values reported from the date the Insured acquires the property or is required to insure the property.

5. Undescribed Premises

The insurance provided by this coverage form is extended to apply to the Extra Expense incurred by the Insured during the "period of restoration" due to direct physical loss or damage by a Covered Cause of Loss to the Covered Property, as described in the Property Coverage Form, while at an Undescribed Premises. Undescribed Premises means premises not owned, leased or regularly operated by the Insured. Covered Property at an Undescribed Premises does not include:

- a. Property at the premises of "dependent property";
- b. Property in due course of transit; or
- c. Property at any premises outside of the Policy Territory. But this exclusion does not apply to Covered Property at an "exhibition", unless the "exhibition" is within any country on which the United States government has imposed sanctions, embargoes or any other similar prohibitions.

6. Claim Data Expense

This insurance applies to the reasonable expenses incurred by the Insured in preparing claim data when required by the Company. This includes the cost of preparing statements and other documentation to show the extent of the loss. The Company will not pay for any expenses incurred, directed or billed by or

payable to insurance adjusters or their associates or subsidiaries, or any costs as provided in General Conditions - Section C. Appraisal.

C. EXCLUSIONS

1. All of the exclusions contained in Section D. of the Property Coverage Form apply to this coverage form except:
 - a. Exclusion 1.h., Ordinance or Law, is amended by the addition of the following:

This exclusion does not apply to the Ordinance or Law – Increased “Period of Restoration” Additional Coverage Extension.
 - b. Exclusion 1.i., Off Premises Utility Services, is replaced by the following:

The interruption, failure or fluctuation of power or other utility service(s) provided to the insured premises if the cause of the interruption, failure or fluctuation occurs outside a building at the Insured’s premises.

This exclusion will not apply in the event the interruption, failure or fluctuation of power or other utility service(s) results in a Covered Cause of Loss; however, the Company will be liable only for such resulting loss.
 - c. Exclusion 2.b., Indirect or remote loss or damage; delay, loss of use or loss of market; or interruption of business, does not apply to the extent coverage is specifically provided under this coverage form.
2. In addition, the Company will not pay for:
 - a. Any loss caused by or resulting from direct physical loss or damage to outdoor trees, shrubs, plants or lawns (including fairways, greens and tees); growing crops; standing timber; land; water; or radio or television antennas (including microwave satellite dishes), and their lead-in wiring, masts or towers.
 - b. Any loss or damage to property while in due course of transit.
 - c. Any increase of loss caused by or resulting from delay in rebuilding, repairing or replacing the property or resuming “operations” due to interference at the location of the rebuilding, repair or replacement by strikers or other persons.
 - d. Any Extra Expense caused by or resulting from any suspended, lapsed or cancelled license, lease or contract beyond the “period of restoration”.
 - e. Any other consequential loss.

D. LIMITATIONS

Under Section E. of the Property Coverage Form, Limitation 2., which limits the amount the Company will pay for theft loss to specified types of personal property, does not apply to this coverage form. All other limitations contained in Section E. of the Property Coverage Form apply to this coverage form.

E. ADDITIONAL CONDITION

The following condition applies in addition to the conditions contained in the General Conditions.

Loss Determination

1. The amount of Extra Expense will be determined based on:
 - a. All reasonable and necessary expenses that exceed the normal operating expenses that would have been incurred by “operations” during the “period of restoration” if no direct physical loss or damage had occurred. The Company will deduct from the total of such expenses:
 - (1) The salvage value that remains of any property bought for temporary use during the “period of restoration”, once “operations” are resumed; and
 - (2) Any Extra Expense that is paid for by other insurance, except for insurance that is written subject to the same plan, terms, conditions and provisions as this insurance; and
 - b. All necessary expenses that reduce the Extra Expense otherwise incurred.
2. The Company will reduce the amount of the Insured’s Extra Expense loss to the extent the Insured can return “operations” to normal and discontinue such Extra Expense.

3. If the Insured intends to continue the Insured's business, the Insured must resume all or part of the Insured's "operations" as quickly as possible. If the Insured does not resume "operations", or does not resume "operations" as quickly as possible, the Company will pay based on the length of time it would have taken to resume "operations" as quickly as possible.

F. DEFINITIONS

The following definitions are in addition to those contained in the Property Coverage Form:

1. **"Dependent Property"** means property operated by others that the Insured depends on to:
 - a. Supply materials or services to the Insured, or to others for the account of the Insured (Contributing Locations). With respect to Contributing Locations, services do not mean utility services including but not limited to water supply services, communication supply services, or power supply services supplying electricity, steam or gas;
 - b. Accept the Insured's products or services (Recipient Locations);
 - c. Manufacture products for delivery to the Insured's customers under contract of sale (Manufacturing Locations); or
 - d. Attract customers to the Insured's business (Leader Locations).
2. **"Exhibition"** means the temporary display of personal property at a convention, exposition, trade show or similar event at a location not owned or regularly occupied by the insured.
3. **"Operations"** means the Insured's business activities occurring at the Insured's premises.
4. **"Period of Restoration"** means the period of time that:
 - a. Begins with the date and time of direct physical loss or damage to property at the insured premises caused by or resulting from a Covered Cause of Loss; and
 - b. Ends on the earlier of the following:
 - (1) The date when the property should be repaired, rebuilt or replaced with reasonable speed and similar quality; or
 - (2) The date when business is resumed at a new permanent location.
 - c. "Period of restoration" does not include any increased period required due to the enforcement of any ordinance or law that:
 - (1) Regulates the construction, use, repair or replacement, or requires the tearing down of any property, except as provided under the Ordinance or Law – Increased "Period of Restoration" Additional Coverage Extension; or
 - (2) Requires any Insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess, the effects of "pollutants".
 - d. The expiration date of this policy will not cut short the "period of restoration".
5. **"Suspension"** means the partial or complete cessation of the Insured's business "operations".

EARTHQUAKE, VOLCANIC ERUPTION, LANDSLIDE AND MINE SUBSIDENCE

This endorsement modifies the insurance provided under this policy.

A. The following are added to the Covered Causes of Loss and the "specified causes of loss":

1. Earthquake, meaning a shaking or trembling of the earth's crust, caused by underground volcanic or tectonic forces or by breaking or shifting of rock beneath the surface of the ground from natural causes.
2. Volcanic Eruption, meaning the eruption, explosion or effusion of a volcano.
3. Landslide, meaning the rapid downward movement of a mass of rock, earth or artificial fill on a slope.
4. Mine Subsidence, meaning lateral or vertical ground movement caused by a failure initiated at the mine level of man-made underground mines, including but not limited to coal, clay limestone and fluospar mines.

All Earthquake shocks, Volcanic Eruptions, Landslides or Mine Subsidence ground movements that occur within any 168-hour period will constitute a single Earthquake, Volcanic Eruption, Landslide or Mine Subsidence. The expiration of this policy will not reduce the 168-hour period.

B. Under the Exclusions contained in Section D. of the Property Coverage Form:

1. The Earth Movement exclusion does not apply to the insurance specifically provided under this endorsement for loss or damage caused by Earthquake, Volcanic Eruption, Landslide and Mine Subsidence.
2. The Collapse of Buildings exclusion is amended to include Earthquake, Volcanic Eruption, Landslide and Mine Subsidence in the list of named causes of loss for which coverage for buildings in a state of imminent collapse applies.

All other exclusions and limitations in this policy continue to apply.

C. The following additional exclusions apply to this insurance:

1. The Company will not pay for loss or damage caused directly or indirectly by Flood, as defined in the Flood exclusion contained in Section D. of the Property Coverage Form, even if attributable to an Earthquake, Volcanic Eruption, Landslide or Mine Subsidence.
2. This insurance for Earthquake, Volcanic Eruption, Landslide and Mine Subsidence does not apply to, or modify any limits or deductibles that apply to:
 - a. The insurance otherwise provided for loss or damage by fire or explosion that results from an earth movement and for loss or damage by fire or "volcanic action" that results from a Volcanic Eruption; or
 - b. Any other insurance provided for loss or damage to which the Earth Movement exclusion does not apply.
3. The Company will not pay for loss or damage caused by or resulting from any Earthquake, Volcanic Eruption, Landslide or Mine Subsidence that begins before the inception of this insurance.
4. This insurance does not apply to the cost of restoring or remediating land or to loss resulting from the time required to restore or remediate land.

D. The most the Company will pay for the total of all loss or damage caused by Earthquake, Volcanic Eruption, Landslide and Mine Subsidence in any one policy year is the single highest Annual Aggregate Limit of Insurance specified for Earthquake, Volcanic Eruption, Landslide and Mine Subsidence shown in the Supplemental Coverage Declarations. This limit is part of, and does not increase, the Limits of Insurance that apply under this policy.

Subject to the single highest Annual Aggregate Limit of Insurance:

1. Any individual Annual Aggregate Limit of Insurance shown in the Supplemental Coverage Declarations for Earthquake, Volcanic Eruption, Landslide and Mine Subsidence is the most the Company will pay in any one policy year for all loss or damage to which that Limit of Insurance applies.

2. If more than one Annual Aggregate Limit of Insurance applies to loss or damage under this endorsement in any one occurrence, each limit will be applied separately, but the most the Company will pay under this endorsement for all loss or damage in that occurrence is the single highest Annual Aggregate Limit of Insurance applicable to that occurrence.
- E. Under the Property Coverage Form, when a Building at the Insured's premises is Covered Property insured under this policy, the insurance provided under this endorsement is extended to apply to loss or damage to underground pipes, flues and drains at those premises caused by Earthquake, Volcanic Eruption, Landslide or Mine Subsidence. But this will not increase the limit that applies to this insurance.

FLOOD

This endorsement modifies insurance provided under this policy.

A. The following is added to the Covered Causes of Loss and the "specified causes of loss":

Flood, meaning:

1. Flood, surface water, underground water, waves, tides, tidal waves, tsunamis, overflow of any body of water, or their spray, all whether driven by wind or not;
2. Mudslide or mudflow;
3. Release of water impounded by a dam; or
4. Water which backs up through sewers, drains or sumps;

all whether naturally occurring or due to man made or other artificial causes.

B. All Flood loss that occurs:

1. During a period of continued rising or overflow of any river(s), stream(s) or any body(ies) of water and the subsidence of same within the banks of such river(s), stream(s) or body(ies) of water; or
2. Due to any tidal waves or tsunamis that occur within any 168 hour period;

will constitute a single Flood occurrence.

If Flood loss commences prior to the expiration date of this policy and the Flood occurrence, as defined above, extends beyond the expiration date of this policy, the expiration of the policy will not reduce the Flood occurrence period.

C. Under the Exclusions contained in Section D. of the Property Coverage Form:

1. The Earth Movement exclusion does not apply to the insurance otherwise provided under this endorsement for loss or damage caused by or resulting from:
 - a. Mudslide or mudflow that is caused or precipitated by the accumulation of water on or below the surface of the ground; or
 - b. Flood that is attributable to an Earth Movement such as a tsunami.
2. The Flood exclusion does not apply to the insurance specifically provided under this endorsement.
3. The Collapse of Buildings exclusion is amended to include Flood in the list of named causes of loss for which coverage for buildings in a state of imminent collapse applies.

All other exclusions and limitations in this policy continue to apply.

D. The following additional exclusions apply to this insurance:

1. This insurance for Flood does not apply to, or modify any limits or deductibles that apply to:
 - a. The insurance otherwise provided for loss or damage by fire, explosion or leakage from fire protective equipment that results from Flood; or
 - b. Any other insurance provided for loss or damage by Flood to which the Flood exclusion does not apply.
2. The Company will not pay for loss or damage caused by or resulting from any Flood occurrence that begins before the inception of this insurance.
3. This insurance does not apply to the cost of restoring, recovering or de-watering land or to loss resulting from the time required to restore, recover or de-water land.

4. Unless otherwise specified in the Supplemental Coverage Declarations, this insurance for Flood does not apply to loss or damage to, or loss that is a consequence of loss or damage to:
 - a. Any building or structure or any property in the open if, at the time of loss, the building or structure or property in the open is, in whole or in part, located within Flood Zone A, Flood Zones prefixed A, Flood Zone V or Flood Zones prefixed V as classified under the National Flood Insurance Program; or
 - b. Any property in or on any building or structure if, at the time of loss, the building or structure in or on which such property is located is, in whole or in part, within Flood Zone A, Flood Zones prefixed A, Flood Zone V or Flood Zones prefixed V as classified under the National Flood Insurance Program.
- E. If, at the time of loss, a building, a structure or property in the open is located within more than one Flood Zone, Flood coverage for loss or damage to, or loss that is a consequence of loss or damage to that building, structure or property in the open will be subject to the insurance, Annual Aggregate Limit of Insurance and deductible, if any, that would apply under this policy if that building, structure or property in the open was wholly located within the most hazardous of the Flood Zones, as defined below, in which it is located. The most hazardous Flood Zone that is determined to apply to a building or structure will also apply with respect to loss or damage to, or loss or damage that is a consequence of loss or damage to any property in or on such building or structure.

The following listing of Flood Zones, as classified under the National Flood Insurance Program, is in order of the most hazardous to least hazardous:

1. Flood Zone V and Flood Zones prefixed V;
 2. Flood Zone A and Flood Zones prefixed A;
 3. Flood Zone D;
 4. Flood Zone B, Flood Zone X (shaded) and Zone X-500;
 5. Flood Zone C and Flood Zone X.
- F. The most the Company will pay for the total of all loss or damage caused by Flood in any one policy year is the single highest Annual Aggregate Limit of Insurance specified for Flood shown in the Supplemental Coverage Declarations. This limit is part of, and does not increase, the Limits of Insurance that apply under this policy.

Subject to the single highest Annual Aggregate Limit of Insurance:

 1. Any individual Annual Aggregate Limit of Insurance shown in the Supplemental Coverage Declarations for Flood is the most the Company will pay in any one policy year for all loss or damage to which that Limit of Insurance applies.
 2. If more than one Annual Aggregate Limit of Insurance applies to loss or damage under this endorsement in any one occurrence, each limit will be applied separately, but the most the Company will pay under this endorsement for all loss or damage in that occurrence is the single highest Annual Aggregate Limit of Insurance applicable to that occurrence.
 - G. Under the Property Coverage Form, when a building at the Insured's premises is Covered Property insured under this policy, the insurance provided under this endorsement is extended to apply to loss or damage to underground pipes, flues and drains at those premises caused by Flood. But this will not increase the limit that applies to this insurance.

BOILER AND MACHINERY

This endorsement modifies insurance provided under this policy.

A. Additional Covered Cause of Loss

Covered Causes of Loss and "specified causes of loss" are extended to include an Accident to a Covered Object as defined and limited in this endorsement.

1. **Accident** means a sudden and accidental breakdown of a Covered Object. At the time the breakdown occurs, the breakdown must manifest itself by physical damage to the Covered Object that necessitates repair or replacement.

None of the following is an Accident:

- a. Depletion, deterioration, corrosion, erosion, or wear and tear, unless a sudden and accidental breakdown of a Covered Object ensues; or
- b. The functioning of any safety or protective device or the breakdown of any structure or foundation, other than the bedplate of a machine.

If an initial Accident causes other Accidents, all will be considered one Accident. All Accidents that manifest themselves at the same time and are the result of the same cause will also be considered one Accident, regardless of the number of locations involved.

2. Covered Object

- a. Covered Object means equipment of a type listed in provision 2. b. below that is:

- (1) At or within 1000 feet of the Insured's premises described in the most recent Statement of Values or other documentation on file with the Company or a newly acquired location as otherwise insured and limited under this policy; and
- (2) Owned or leased by the insured or operated under the Insured's control; and
- (3) Not otherwise excluded under provision 2.c. below.

- b. Covered Object includes the following types of equipment:

- (1) Boilers;
- (2) Fired or unfired pressure vessels subject to vacuum or internal pressure other than the static pressure of their contents;
- (3) Metal piping and its accessory equipment;
- (4) Refrigeration or air conditioning systems;
- (5) Other mechanical or electrical machines or apparatus used for the generation, transmission or utilization of mechanical or electrical power; and
- (6) Fiber optic cable.

- c. Covered Object does not mean any:

- (1) Structure, foundation (other than the bedplate of a machine), cabinet or compartment containing an object;
- (2) Boiler setting, insulating or refractory material;
- (3) Power shovel, dragline, excavator, vehicle, aircraft, floating vessel or structure, well casing, penstock or draft tube;
- (4) Catalyst;
- (5) Buried vessel or piping;
- (6) Sewer piping, piping forming a part of a fire protection system or water piping other than:
 - (a) Feed water piping between any boiler and its feed pump or injector;
 - (b) Boiler condensate return piping; or

- (c) Water piping forming a part of a refrigerating or air conditioning vessels and piping used for cooling, humidifying or space heating purposes;
- (7) Part of a boiler, fired vessel or electric steam generator that does not contain steam or water. But if the object uses a heat transfer medium other than water or steam, the Company will consider the medium or its vapor to be water or steam.
- (8) Part of an unfired vessel that is not under:
 - (a) Pressure of the contents of the vessel; or
 - (b) Internal vacuum;
- (9) Oven, stove, furnace, incinerator, pot or kiln;
- (10) Conveyor, crane, elevator, escalator or hoist, but not excluding any electrical machine or electrical apparatus mounted on or used with this equipment;
- (11) Felt, wire, screen, die, extrusion plate, swing hammer, grinding disc, cutting blade, cable, chain, belt, rope, clutch plate, brake pad, non-metallic part or any part or tool subject to frequent, periodic replacement;
- (12) Objects manufactured or held by the Insured for sale to others; or
- (13) Objects at:
 - (a) Any of the Insured's premises to which this Boiler and Machinery Endorsement does not apply, as indicated in the Supplemental Declaration or by endorsement to this policy; or
 - (b) Any other locations unless Boiler and Machinery coverage for such locations is specifically provided for in this endorsement, in the Supplemental Declarations or by endorsement to this policy. This exclusion applies regardless of whether such other locations are otherwise insured against under this policy.

B. Boiler and Machinery Coverage Extensions

Each of the following Boiler and Machinery Coverage Extensions also applies when a Limit of Insurance for the Coverage Extension is indicated in the Supplemental Coverage Declarations:

1. Hazardous Substance

- a. If as a result of an Accident to a Covered Object, property at or within 1000 feet of the Insured's premises or a newly acquired location is damaged, contaminated or polluted by a substance declared to be hazardous to health by a governmental agency, the Company will pay:
 - (1) The additional expense the Insured incurs to clean up, repair, replace or dispose of any such property that is Covered Property under the Property Coverage Form; and
 - (2) The increase in loss under the Business Income Coverage Forms or the Extra Expense Coverage Form due to the additional time required to clean up, repair, replace or dispose of the property provided Business Income, Rental Value or Extra Expense loss resulting from damage to such property is not otherwise excluded under those Coverage Forms. Subject to the Limit of Insurance that applies to this Coverage Extension, the "period of restoration" under the Business Income Coverage Forms and the Extra Expense Coverage Form is extended to include this additional period of time.
- b. As used in this Coverage Extension, additional expense and increase in loss mean expenses and loss incurred beyond the expense and loss for which the Company would have been liable had no substance declared to be hazardous to health by a governmental agency been involved.
- c. The most the Company will pay under this Coverage Extension for all additional expense and increase in loss arising out of any one Accident that is incurred due to damage, contamination or pollution by:
 - (1) Ammonia is the Limit of Insurance specified for Boiler and Machinery Ammonia Contamination shown in the Supplemental Coverage Declarations; or
 - (2) Any other substance declared to be hazardous to health by a governmental agency is the Limit of Insurance specified for Boiler and Machinery Hazardous Substance shown in the Supplemental Coverage Declarations.

- d. Payments under this Coverage Extension are part of, and not in addition to the Limit of Insurance that applies to:
 - (1) Direct physical loss or damage to Covered Property; and
 - (2) Loss of Business Income, Rental Value and/or Extra Expensecaused by the Accident to a Covered Object.

2. Water Damage

The insurance provided under the Property Coverage Form is extended to apply to direct physical loss to Covered Property at the Insured's premises or at a newly acquired location that is damaged by water as a result of an Accident to any Covered Object. The most the Company will pay for this kind of damage, including salvage expense, is the Limit of Insurance specified for Boiler and Machinery Water Damage shown in the Supplemental Coverage Declarations. This limit is part of and not in addition to the Limit of Insurance that applies to direct physical loss or damage to Covered Property caused by an Accident to a Covered Object.

3. Consequential Damage

- a. The Insurance provided under the Property Coverage Form is extended to apply to direct physical loss or damage to perishable Business Personal Property at the Insured's premises or at a newly acquired location due to spoilage resulting from lack of power, light, heat, steam or refrigeration that is caused solely by an Accident to a Covered Object.

Insurance under this Coverage Extension includes the reasonable expense the Insured incurs to reduce or avert the spoilage loss or damage, but only to the extent the amount of loss otherwise payable under this Coverage Extension is reduced.

- b. The most the Company will pay for loss or damage under this Coverage Extension is the Limit of Insurance specified for Consequential Damage shown in the Supplemental Coverage Declarations.
- c. The Company will not pay for any loss or damage under this Coverage Extension resulting from the Insured's failure to use due diligence and dispatch and all reasonable means to protect the property from damage following an Accident.
- d. As soon as possible after an Accident, the Insured must make use of every available means to reduce or avert loss under this Coverage Extension, including:
 - (1) Merchandise or other property such as surplus machinery, duplicate parts, equipment, supplies and surplus or reserve stock you own, control or can obtain; and
 - (2) Salvaging the perishable Business Personal Property.

The Company will not pay for loss or damage under this Coverage Extension that results from the Insured's failure to use all reasonable means to protect the perishable Business Personal Property from damage following an Accident.

- e. Insurance under this Coverage Extension applies only with respect to Accidents that occur during the time this Coverage Extension is in effect. But if such Accidents result in loss or damage under this Coverage Extension that continues beyond the termination or expiration of this Coverage Extension, the Company's liability for that loss or damage will not be limited by the termination or expiration of this coverage.

4. Utility Services

- a. Under the:
 - (1) The Utility Services – Direct Damage endorsement applicable to direct physical loss or damage to Covered Property under the Property Coverage Form; and/or
 - (2) The Utility Services – Time Element endorsement applicable to loss of Business Income, Rental Value and/or Extra Expense under the Business Income Coverage Forms and/or the Extra Expense Coverage Form;

The term Covered Cause of Loss is extended to include an Accident to any object that is:

- (1) Utility Supply Services Property, as defined in the Utility Services endorsements, owned by a public or private utility company; and
- (2) Located:
 - (a) At a location other than the Insured's premises with respect to the insurance provided under the Utility Services – Direct Damage endorsement applicable to direct physical loss or damage to Covered Property under the Property Coverage Form; or
 - (b) At a location other than the Insured's premises or outside a building at the Insured's premises with respect to the insurance provided under the Utility Services – Time Element endorsement applicable to loss of Business Income, Rental Value and/or Extra Expense under the Business Income Coverage Forms and/or the Extra Expense Coverage Form.
- b. When "included" is indicated in the Supplemental Coverage Declarations for Boiler and Machinery Utility Services, the Limit of Insurance that applies to:
 - (1) The Utility Services – Direct Damage endorsement applicable to direct physical loss or damage to Covered Property under the Property Coverage Form; and
 - (2) The Utility Services – Time Element endorsement applicable to loss of Business Income, Rental Value and/or Extra Expense under the Business Income Coverage Forms and/or the Extra Expense Coverage Form;also applies to loss under this Coverage Extension, and does not increase that Limit of Insurance.
When a specific Limit of Insurance is indicated in the Supplemental Coverage Declarations for Boiler and Machinery Utility Services, that Limit of Insurance is the most the Company will pay for loss under this Coverage Extension.

C. Boiler and Machinery Exclusions

The exclusions and limitations that apply to this policy apply to loss or damage under this endorsement, except as follows:

- 1. Under the Exclusions contained in Section D. of the Property Coverage Form:
 - a. Exclusion 1. j., Collapse, is amended to include Accident to a Covered Object as a cause of loss for which coverage for buildings in a state of imminent collapse is provided.
 - b. Exclusion 1. h., Ordinance or Law, is amended by the addition of the following:
Except as otherwise provided under the Hazardous Substance Coverage Extension, this exclusion applies to any increase in loss due to the discharge, dispersal, seepage, migration, release or escape of any hazardous substance declared to be hazardous to health by a government authority as a result of an Accident to a Covered Object.
 - c. Exclusions 2. a., 2. c. (5), 2. d., 2. j. and 2. l. do not apply.
 - d. Exclusion 2. h. is replaced by the following:
The Company will not pay for loss caused by the discharge, dispersal, seepage, migration, release or escape of "pollutants" caused by an Accident to an object except as otherwise provided under the Hazardous Substance Coverage Extension.
- 2. Under the Limitations contained in Section E. of the Property Coverage Form:
 - a. Limitation 1. does not apply.
 - b. Limitation 3. is amended by the following:
The Company will not pay for the cost to repair any defect to a system or appliance from which water, other liquid, powder or molten material escapes, unless the defect is itself caused by an Accident to a Covered Object.
- 3. The following additional exclusions apply to the insurance provided by this endorsement:
 - a. The Company will not pay for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

- (1) Lack of power, light, heat, steam or refrigeration. But this exclusion does not apply to Business Income, Rental Value, Extra Expense or Leasehold Interest coverage or to the Consequential Damage Coverage Extension or Utility Services Coverage Extension, when applicable.
- (2) An Accident to any object while undergoing hydrostatic, pneumatic, gas pressure or insulation breakdown testing.
- (3) An Accident to:
 - (a) Electronic data processing, recording or storage media such as films, tapes, discs, drums or cells used in conjunction with electronic computer or electronic data processing equipment;
 - (b) Data stored on this media; or
 - (c) Programming records used for electronic data processing or electronically controlled equipment;whether or not the media or data is in actual use at the time of the Accident.
- b. The Company will not pay for loss or damage caused directly or indirectly by the discharge of molten material, even if the discharge is attributable to an Accident to which this Boiler and Machinery insurance applies.
- c. The Company will not pay for direct physical loss or damage to property caused by water, even when the water is a result of an Accident to which this insurance applies. But this exclusion does not apply to the Water Damage Coverage Extension or to Business Income, Rental Value, Extra Expense or Leasehold Interest coverage.
- d. With respect only to the Utility Services Coverage Extension, the Company will not pay for loss caused by or resulting from an Accident that is itself caused by collapse.

D. Boiler and Machinery Limits of Insurance

When "included" is indicated in the Supplemental Coverage Declarations for Boiler and Machinery Property Damage, Business Income, Rental Value, Extra Expense or Leasehold Interest, the insurance under this endorsement is provided subject to the Limit of Insurance that otherwise applies under this policy to the coverage for which "Included" is indicated. This is not additional insurance.

When a specific Limit of Insurance is indicated in the Supplemental Coverage Declarations for Boiler and Machinery Property Damage, Business Income, Rental Value, Extra Expense or Leasehold Interest, the most the Company will pay for loss under this endorsement is the applicable Limit of Insurance specified in the Supplemental Coverage Declarations. These Limits of Insurance are part of, and do not increase the Limits of Insurance that otherwise apply to such coverages under this policy.

Payments under the Boiler and Machinery Coverage Extensions will not increase the Boiler and Machinery Limits of Insurance.

E. Boiler and Machinery Additional Condition

The following additional condition applies to the in insurance provided under this endorsement:

Suspension

If any Covered Object is found to be in, or exposed to a dangerous condition, the Company may immediately suspend the insurance provided for loss caused by or resulting from an Accident to that Covered Object. The suspension can be done by delivering or mailing a notice of the suspension to:

1. The Insured's last known address; or
2. The address where the Covered Object is located.

The Insured will get a pro rata refund of premium for the suspended insurance. But the suspension will be effective even if the Company has not yet made or offered a refund. Once suspended, such insurance can only be reinstated by a written endorsement issued by the Company.

FUNGUS, WET ROT, DRY ROT AND OTHER CAUSE OF LOSS CHANGES

This endorsement modifies the insurance provided under this policy.

A. The EXCLUSIONS contained in Section D. of the Property Coverage Form are amended as follows. These changes apply to all Coverage Forms and endorsements in this policy that are subject to the exclusions contained in the Property Coverage Form.

1. The following exclusion is added to Section D.1.:

"FUNGUS", WET ROT AND DRY ROT

a. The Company will not pay for loss or damage, or any increase in the amount of loss or damage, caused directly or indirectly by, or resulting from, the presence, growth, proliferation, spread or any activity of "fungus", wet rot or dry rot.

But if "fungus", wet rot or dry rot results in a "specified cause of loss", the Company will pay for the loss or damage caused by that "specified cause of loss".

This exclusion does not apply:

- (1) When "fungus", wet rot or dry rot results from fire or lightning; or
- (2) To the extent that coverage is provided in the Limited "Fungus", Wet Rot and Dry Rot Coverage in b. below with respect to loss or damage by a cause of loss other than fire or lightning.

b. Limited "Fungus", Wet Rot and Dry Rot Coverage

(1) The coverage described in b.(2) and b.(3) below only applies when the "fungus", wet rot or dry rot is the result of a "specified cause of loss", other than fire or lightning, that occurs during the policy period, and only if all reasonable means have been used to save and preserve the property from further damage at the time of and after the occurrence of the "specified cause of loss".

The exclusion of loss or damage caused by or resulting from "fungus", wet rot and dry rot in provision a. above does not apply to the insurance specifically provided under this coverage. But all other exclusions in this policy continue to apply to this Limited "Fungus", Wet Rot and Dry Rot Coverage.

(2) Limited "Fungus", Wet Rot and Dry Rot Coverage – Direct Damage

(a) The Company will pay for direct physical loss or damage to Covered Property caused by "fungus", wet rot or dry rot, including:

- (i) The cost of removal of the "fungus", wet rot or dry rot;
- (ii) The cost to tear out and replace any part of the building or other property as needed to gain access to the "fungus", wet rot or dry rot; and
- (iii) The cost of testing performed after removal, repair, replacement or restoration of the damaged property is completed, provided there is a reason to believe that "fungus", wet rot or dry rot is present.

(b) The coverage described in (2)(a) above is subject to the aggregate Limit of Insurance indicated in the Supplemental Coverage Declarations for Limited "Fungus", Wet Rot and Dry Rot Coverage – Direct Damage in any one policy year. Regardless of the number of claims, this limit is the most the Company will pay for the total of all loss or damage under this coverage arising out of all occurrences of "specified causes of loss" (other than fire or lightning) which take place in a 12 month period (starting with the beginning of the present annual policy period). With respect to a particular occurrence of loss which results in "fungus", wet rot or dry rot, the Company will not