

THE FOLLOWING POLICY CONDITIONS ARE MADE PART OF THIS POLICY, BUT NO CONDITION APPLIES UNLESS AN "X" IS PLACED IN THE BOX PRECEDING THE CONDITION.

END NO.

MANUSCRIPT EXCESS CLAUSE & DROP DOWN CLAUSE PER FORM ATTACHED

EXCESS CLAUSE & DROP DOWN CLAUSE

EXCESS CLAUSE

This policy is for _____ part of _____ any one loss or occurrence and in the annual aggregate each as respects the perils of flood and earthquake (if insured hereunder) excess of any one loss or occurrence and in the annual aggregate each as respects the primary coverage with respect to each and every loss occurrence caused by or resulting from the perils insured against under this policy on property insured hereunder. There shall be liability under this policy only when the amount of an insured loss arising from one occurrence exceeds _____ excess of any deductible provisions in the primary coverage, and then the liability under this policy shall be only its pro rata share of such insured loss excess of the above described primary coverage.

DROP DOWN CLAUSE

It is agreed and understood that in the event of reduction or exhaustion of the underlying aggregate limit or limits by perils and property insured hereunder, this policy shall apply in excess of the reduced underlying limit, or if such limit is exhausted, shall apply as underlying insurance, subject to terms and conditions contained herein, notwithstanding anything to the contrary in the terms and conditions of this policy.

In no event, however, shall this company be liable for more than the limits of liability specified in the excess clause.

It is a condition of this policy that the policy(ies) of the primary and underlying excess insurers shall be maintained in full effect during the currency of this policy except for any reduction or exhaustion of the aggregate limits contained therein solely by losses during the policy.

This endorsement supersedes any other excess drop down clause contained in the manuscript form attached hereto.

UNCOLLECTIBLE UNDERLYING INSURANCE/LIMIT

In consideration of the premium charged it is understood and agreed that in the event the underlying insurance/limit, which this insurance applies excess of, is uncollectible, this insurance will not drop down or take the place of the underlying insurance/limit. The insured must assume the responsibility for any uncollectible insurance/limit.

DEFINITION OF A BUILDING

A building shall constitute a free standing structure not physically adjoining, nor directly communicating with another structure, i.e. no common walls/community walls, foundations, nor basements. A building connected by fully enclosed walkways, tunnels or passages not including outside sidewalks shall be considered one building.

ARBITRATION CLAUSE

In case the insured and this company shall fail to agree as to the amount of loss or damage within thirty (30) days after receipt of proof of loss by this company, each shall, on the written demand of the other, select a competent and disinterested appraiser. The appraisers shall first select a competent and disinterested umpire, and failing for fifteen (15) days to agree upon such umpire shall be selected by a judge of a court of record in the state in which the property insured is located. The appraisers shall then appraise the loss or damage stating separately the sound value and loss or damage to each insured item, and failing to agree shall submit their differences only to the umpire. An award in writing so itemized of any two when filed with this company shall determine the amount of sound value and loss or damage. Each appraiser shall be paid by the party selecting him and the expenses of appraisal and umpire shall be paid by the parties equally.

ALL OTHER TERMS AND CONDITIONS OF THIS POLICY REMAIN UNCHANGED.

Attached to and forming a part of policy number _____ issued by: _____, North Shore Management
issued to: _____
effective date: _____
BY: David W. Emanuel
AUTHORIZED REPRESENTATIVE