

NSM EXCESS PROPERTY INSURANCE

1. This policy is subject to the same warranties, terms and conditions (except as regards the premium, the limits of liability and the renewal agreement, if any, and except as otherwise provided in the policy) as are contained in the primary policy(ies), as scheduled herein. However, any revision to the primary policy(ies) made after the original issue date of said primary policy(ies) shall not be binding on this excess insurance without the consent of this company.

2. (A) Excess Layer Participation and (B) Primary Layer

(A) 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.

(B) 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.

3. For the purposes of this insurance, certain of their terms are defined and limited as follows:

(A) "Net Loss" means the ultimate net loss by any peril or combination of perils insured against after deducting any salvage and recoveries from any source other than this policy, including other valid collectible insurances excepting however the policy(ies) of the primary insurer(s).

(B) "Loss Occurrence" means the total loss by any peril or combination of perils insured against arising out of a single event.

4. Excess Limits of Liability "Drop Down" Clause

(A) In the event the annual aggregate limits provided for earthquake and/or flood in any underlying insurance are diminished or exhausted in any one policy year, the coverage provided under this policy will respond as excess of the remaining limits. In such event, the deductible provisions of the primary policy(ies) will apply to the combination of all policies.

(B) In no event, however, shall this company be liable for more than the limits of liability specified in paragraph 2.(A) of this excess form.

(C) 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.

Sublimits:

There is no coverage under this Policy for coverages and perils for which the Underlying Policies impose dollar or percentage limit (commonly called a Sublimit) less than the total limit over which this Policy is excess.

For the purpose of attachment of coverage, Sublimited coverages and perils excluded by this Policy, but provided by the Underlying Policies, shall be recognized by this Policy as eroding or exhausting the occurrence limits of the Underlying Policies. Nothing herein, however, shall be deemed to extend coverage in this Policy to include loss from the Sublimited coverages or perils.

5. Warranty

It is a condition of this policy that the policy(ies) of the primary insurer(s) shall be maintained in full effect during the currency of this policy. Failure by the insured to comply with the foregoing condition shall not invalidate this policy, but, in the event of such failure, it is agreed that the liability of this company shall attach in excess of the amounts specified in paragraph 2. (B) of this excess form, irrespective of any defense which the underlying carrier(s) may assert because of failure to comply with any condition of its policy(ies), and irrespective of the inability of underlying insurer(s) to pay by reason of bankruptcy or insolvency.

6. Notification of Claims

The assured, upon knowledge of any accident or occurrence likely to give rise to a claim hereunder, shall give immediate written advice thereof to North Shore Management Associates, Inc., 5 Revere Drive, Suite 200, Northbrook, Illinois 60062.

7. Other Insurance

This policy shall not cover to the extent of any other insurance, whether prior to or subsequent hereto in date and by whomsoever effected, directly or indirectly covering the same property against the same perils. This insurance shall apply only as excess and in no event as contributing insurance, and then only after all other insurance has been exhausted.

8. 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.

9. 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.

10. 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.

11. Professional Fees

Subject to all the terms and conditions contained herein, this policy covers the actual costs incurred by the Insured, of reasonable fees payable to the Insured's accountants, architects, auditors, engineers, or other professionals, excluding the cost of using the Insured's employees, for producing and certifying any particulars or details contained in the Insured's books or documents, or such other proofs, information or evidence required by the company resulting from insured loss payable under this policy for which the company has accepted liability.

Coverage will not include the fees and costs of attorneys, public adjusters, insurance agents or brokers, and loss appraiser's all including any of their subsidiary, related or associated entities either partially or wholly owned by them or retained by them for the purpose of assisting them nor fees and costs of loss consultants who provide consultation on coverage or negotiate claims.

12. Schedule of Primary Insurer(s) Limit or Policy(ies) Limits

UNDERLYING INSURER(S)	POLICY NUMBER	LIMIT(S)	PART OF	EXCESS OF
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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:	BY: 
effective date:	AUTHORIZED REPRESENTATIVE