☐ Insurance Company of North America, Phila. PA
☒ Cigna Insurance Company of Texas
Cigna companies
Insurance is provided by the stock company designated by ☒ and hereinafter called the Company.

CIGNA

TEXAS STANDARD POLICY DECLARATIONS

POLICY NUMBER
TCP D2 41 69 96 0

RENEWAL OF NUMBER
New

PLAINTIFF'S EXHIBIT
UTX-74

NAMED INSURED AND MAILING ADDRESS
Utex Industries, Inc.
P.O. Box 79227
Houston, TX 77279

AGENT'S NAME AND ADDRESS
Ted W. Allen & Associates
Houston, TX 77057-3009

POLICY PERIOD:
From 5-20-90 To 5-21-91 12:01 A.M. Standard Time at Location of Described Property

LOCATION OF PREMISES: See Schedule

BUSINESS DESCRIPTION: Manufacturing of rubber gaskets & seals

In return for the payment of the premium, and subject to all the terms of this policy, the company indicated above agrees to provide the insurance stated in this policy.

1 COVERAGE	2 PERILS	3 COINSURANCE APPLICABLE	4 TOTAL INSURANCE	5 TERM RATE	6 PREMIUM
F	**FIRE** and Lightning	90%	15,715,383	Yrs.	Normal $ F.R. Actual Incl. %
E	**EXTENDED COVERAGE** – Windstorm, Hurricane, Hail, Explosion, Riot, Civil Commotion, Smoke, Aircraft, and Land Vehicles.			Yrs.	Incl.
X	**EXPLOSION** SEC		$	Yrs.	Incl.
			$		
R	**RENTS** or Rental Value (Not to exceed $ a Month)		$		
				TOTAL PREMIUM $	Incl.

ITEM NO.	AMOUNT OF INSURANCE	DESCRIPTION OF PROPERTY See definitions of Building, Household Goods, Stock Furniture, Fixtures, and, or Machinery, and Contents	RATE ANALYSIS UNPUBLISHED	PUBLISHED
		the See Schedule building NO. STORIES –CONSTRUCTION –TYPE OF ROOF Texas LOCATION SHEET– – ADDITION LOT BLK MAP Texas TOWN– – COUNTY– – ____ FILE ____ OCCUPANCY Unless otherwise provided, insurance on personal property shall cover only while in the described building.	Basis ____ Roof ____ Flue ____ Tenant ____ ____ Exposure ___ Key Rate ___ Total ____ Exper. % ___ Annual ____	Gross ____ Exper. % ___ Total ____ Coins. % ___ Annual ____

If the Coinsurance Clause is not applied, no other fire insurance is permitted unless the total amount, including this policy, on each item is inserted in the blanks which follow:
Item No. 1 $;2 $;3 $;4 $;5 $
Loss on building items shall be payable to
Address as Mortgagee or Trustee, as their interest may appear at time of loss, subject to Mortgage Clause (without contribution) printed elsewhere in this policy.

COUNTERSIGNED BY (AUTHORIZED REPRESENTATIVE) DATE

Subject to Article 6.13 of the Texas Insurance Code, 1951, liability hereunder shall not exceed the actual cash value of the property at the time of loss, ascertained with proper deduction for depreciation; nor shall it exceed the amount it would cost to repair or replace the property with material of like kind and quality within a reasonable time after the loss, without allowance for any increased cost of repair or reconstruction by reason of any ordinance or law regulating construction or repair, and without compensation for loss resulting from interruption of business or manufacture; nor shall it exceed the interest of the insured, or the specific amounts shown under "Amount of Insurance."
Assignment of this policy shall not be valid except with the written consent of this Company.

☐ Insurance Company of North America, Phila. PA
☒ Cigna Insurance Company of Texas
Cigna companies

Insurance is provided by the stock company designated by ☒ and hereinafter called the Company.

TEXAS STANDARD POLICY DECLARATIONS

POLICY NUMBER
TCP D2 41 69 96 0

RENEWAL OF NUMBER
New

NAMED INSURED AND MAILING ADDRESS
Utex Industries, Inc.
P.O. Box 79227
Houston, TX 77279

AGENT'S NAME AND ADDRESS
Ted W. Allen & Associates
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BUSINESS DESCRIPTION: Manufacturing of rubber gaskets & seals

In return for the payment of the premium, and subject to all the terms of this policy, the company indicated above agrees to provide the insuranc stated in this policy.

1 COVERAGE	2 PERILS	3 COINSURANCE APPLICABLE	4 TOTAL INSURANCE	5 TERM RATE	6 PREMIUM
F	**FIRE** and Lightning	90%	15,715,383	Yrs.	Normal $ F.R. Actual Incl.%
E	**EXTENDED COVERAGE** – Windstorm, Hurricane, Hail, Explosion, Riot, Civil Commotion, Smoke, Aircraft, and Land Vehicles.			Yrs.	Incl.
X	**EXPLOSION** SEC		$	Yrs.	Incl.
			$		
R	**RENTS** or Rental Value (Not to exceed $ a Month)		$		
				TOTAL PREMIUM $	Incl.

ITEM NO	AMOUNT OF INSURANCE	DESCRIPTION OF PROPERTY See definitions of Building, Household Goods, Stock Furniture, Fixtures, and, or Machinery, and Contents	RATE ANALYSIS UNPUBLISHED	PUBLISHI
		the See Schedule building NO. STORIES -CONSTRUCTION -TYPE OF ROOF Texas LOCATION SHEET- - ADDITION LOT BLK MAP Texas TOWN- - COUNTY- - ____ FILE ____ OCCUPANCY Unless otherwise provided, insurance on personal property shall cover only while in the described building.	Basis ____ Roof ____ Flue ____ Tenant ____ ____ Exposure ___ Key Rate ___ Total ____ Exper. % ___ Annual ____	Gross ____ Exper. % Total ____ Coins. % Annual ___

If the Coinsurance Clause is not applied, no other fire insurance is permitted unless the total amount, including this policy, on each item is inserted in the blanks which fo

Item No. 1 $;2 $;3 $;4 $;5 $

Loss on building items shall be payable to

Address as Mortgagee or Trustee, as their i
may appear at time of loss, subject to Mortgage Clause (without contribution) printed elsewhere in this policy.

COUNTERSIGNED BY (AUTHORIZED REPRESENTATIVE) DATE

Subject to Article 6.13 of the Texas Insurance Code, 1951, liability hereunder shall not exceed the actual cash value of the property at the time of loss, ascertained w deduction for depreciation; nor shall it exceed the amount it would cost to repair or replace the property with material of like kind and quality within a reasonable tim loss, without allowance for any increased cost of repair or reconstruction by reason of any ordinance or law regulating construction or repair, and without compe loss resulting from interruption of business or manufacture; nor shall it exceed the interest of the insured, or the specific amounts shown under "Amount of insura Assignment of this policy shall not be valid except with the written consent of this Company.

FA-2294d Ptd in U S A (7-87) ORIGINAL

TCP D2 41 69 96 0

Attached to and forming part of Policy No._____ of the _____ Insurance Company

of _____, issued at its _____, Texas, Agency.

Dated 5-20-90 _____, Agents.

ITEM No.	AMOUNT OF INSURANCE	COINS. APPLI. CABLE	RATE	DESCRIPTION OF PROPERTY See definitions of Building, Household Goods, Stock, Furniture, Fixtures, and/or Machinery, and Contents in the Policy. Unless otherwise provided, insurance on personal property shall cover only while in the described building. (Include File Number of Rated Risks)
1.	~~2,656,600.~~	90%	.052 F .019 EC .021 SEC	On the SFR/WR building at 1000 Utex Street, Weimar (File #UTE10-1000) Occupied as gasket mfg.
	6,722,916.	80%	.035 F .014 EC .021 SEC	Earnings at the above Business Interruption
2.	~~3,690,951.~~	90%	.10 F .015 EC .021 SEC	Contents at the above
3.	~~292,572.~~	90%	.055 F .019 EC .021 SEC	On the SFR/WR building at the above (File #UTE10-1000A) Occupied as gasket mfg & solvent recovery
4.	~~209,214.~~	90%	.110 F .015 EC .021 SEC	Contents at the above
5.	~~18,480.~~	90%	.080 F .070 EC .021 SEC	On the NC-ICM building at the above (File #UTE10-1000B) Occupied as gasket mfg. & solvent recovery
6.	~~44,429.~~	90%	.14 F .057 EC .021 SEC	Contents in the above
7.	~~40,248.~~	90%	.052 F .019 EC .021 SEC	On the Boiler House at the above (UTE10-1000C)
8.	~~21,461.~~ 24,143.	90%	.100 F .015 EC .021 SEC	Contents in the above
9.	~~372,000.~~ 418,500.	90%	.081 F .083 EC .024 SEC	On the HT building at the above (File #UTE10-1000D) Occupied as rubber goods storage
10.	~~1,040,372.~~ 1,173,419.	90%	.130 F .067 EC .024 SEC	Contents in the above

Prescribed by The State Board of Insurance.

BLANK SCHEDULE FORM UTEX 000491

TCP D2 41 69 96 0

Attached to and forming part of Policy No. _____ of the _____ Insurance Company

of _____, issued at its _____, Texas, Agency.

Dated 5-20-90 _____, Agents.

ITEM No.	AMOUNT OF INSURANCE	CODNS. APPLI-CABLE	RATE	DESCRIPTION OF PROPERTY See definitions of Building, Household Goods, Stock, Furniture, Fixtures, and/or Machinery, and Contents in the Policy. Unless otherwise provided, insurance on personal property shall cover only while in the described building. (Include File Number of Rated Risks)
11.	73,920.	90%	.080 F .070 EC .021 SEC	On the stucco building at the above (File #UTE10-1000E) Occupied as gasket mfg. & research development
12.	~~213~~,677.	90%	.11 F .057 EC .021 SEC	Contents in the above
13.	~~222,288~~.	90%	.12 F .083 EC .024 SEC	On the stucco building at the above (File #UTE10-1000F) Occupied as rubber mfg. & rubber storage
14.	~~348,434~~.	90%	.140 F .067 EC .024 SEC	Contents in the above
15.	~~308,427~~.	90%	.045 F .083 EC .024 SEC	On the NC-ICM building at the above (File #UTE10 1000G) Occupied as electrical supp. machine parts & storage & metal equip. & storage
16.	~~753,776~~.	90%	.081 F .067 EC .024 SEC	Contents in the above
17.	~~8,712~~.	90%	.11 F .259 EC .024 SEC	On the stucco building at the above (File #UTE10-1000H) Occupied as control building
18.	~~20,763~~.	90%	.11 F .207 EC .024 SEC	Contents in the above
19.	~~21,107~~.	90%	.11 F .067 EC .024 SEC	Quonset Hut at the above
20.	~~337,496~~.	90%	.069 F .019 EC .021 SEC	Purasive System at the above (GBS)
21.	~~1,395,447~~.	90%	.044 F .083 EC .024 SEC	On the SFR/WR building at 2001 Utex Drive, San Benito (File #UTE50-2001) Occupied as Metal hospital furniture warehouse & office

Contains in the above

Prescribed by The State Board of Insurance.

BLANK SCHEDULE FORM

UTEX 000492

TCP D2 41 69 96 0

Attached to and forming part of Policy No._____ of the _____ Insurance Company

of _____, issued at its _____, Texas, Agency.

Dated 5-20-90 _____, Agents.

ITEM No.	AMOUNT OF INSURANCE	CONTR. APPLI-CABLE	RATE	DESCRIPTION OF PROPERTY See definitions of Building, Household Goods, Stock, Furniture, Fixtures, and/or Machinery, and Contents in the Policy. Unless otherwise provided, insurance on personal property shall cover only while in the described building. (Include File Number of Rated Risks)
22.	~~349,751.~~	90%	.069 F .177 EC .021 SEC	On the SFR/HC building at 1511 Upland, Houston (File #UPL10-1511) Occupied as office display & silk screening
23.	~~172,798.~~	90%	.069 F .073 EC .021 SEC	On the NC-ICM building at 104 Market Street, Odessa (File #MAR59-1104) Occupied as a small machine shop
24.	~~806,304.~~	90%	.10 F .059 EC .021 SEC	Contents in the above
25.	~~41,402.~~	90%	.10 F .083 EC .024 SEC	On the HT building at 1000 UTEX, Weimar, (File #UTE10-1000D) Occupied as a warehouse
26.	1,~~773~~,814.	90%	.013 F .069 EC .020 SEC	On the SFR/WR building at 10810 Old Katy Rd., Houston (File #KAT50-10810) Occupied as Offices
27.	~~437,438.~~	90%	.026 F .056 EC .020 SEC	Contents in the above
28.	1,~~062.~~	90%	.032 F .068 EC .024 SEC	Furniture & Fixtures at the above
29.	~~40,920.~~	90%	.073 F .083 EC .024 SEC	On the SFR/WR building at the above (File #KAT50-10810C) Occupied as rubber stocks & metal parts storage
30.	~~2,120.~~	90%	.13 F .068 EC .024 SEC	Contents in the above

Refer Attached Endorsement changing all the totals which were figured @ 80% Co-Ins. and should have been @ 90% Co-Ins.

Bldgs — $8,691,050.
− 7,725,377.
965,673. = Increase in Coverage

Contents — 9,003,354.
− 8,002,982.
1,000,372. = Increase in Coverage

Prescribed by The State Board of Insurance.

BLANK SCHEDULE FORM

UTEX 000493

FORM NO. 65
Effective
October 1, 1981

LARGE DEDUCTIBLE ENDORSEMENT

TCP D2 41 69 96 0

Attached to and forming part of Policy No. ..... of the ..... Insurance Company

of ....., issued at its ....., Texas, Agency.

Dated 5-20-90 ....., Agents.

This deductible endorsement is applicable to:

☒ PROPERTY DAMAGE COVERAGE ☐ TIME ELEMENT COVERAGE

(An x should be inserted in the applicable block to indicate the coverage to which this deductible applies or in both blocks if a deductible is applicable to both coverages)

The Deductible Clause appearing in the form(s) attached to this policy is hereby deleted and the following substituted therefor:

1. Each claim for loss or damage (separately occurring) shall be adjusted separately and from each such adjusted claim the sum of $ 25,000. shall be deducted.

2. The deductible specified above shall apply separately to each:

☒ Occurrence: The term "Occurrence" shall be held to mean a single incident or event. When, however, the term "Occurrence" shall apply to loss or losses from windstorm if insured hereunder, it shall be held to mean a period of 48 consecutive hours.

☐ Location: The term "Location" insofar as such property is insured hereunder, shall be held to mean:

(a) Each building, including contents thereof, to the extent they are insured hereunder, or

(b) A number of buildings including their contents, in a single group, and designated as a single location in this policy, or

(c) Any other basis mutually agreed upon if specifically indicated hereunder.

.....

.....

In the case of a policy written to cover more than one location subject to a deductible such locations will be designated in the policy.

☐ Item: The term "Item" shall be held to mean the individual descriptions of the property insured and designated by the terms "Item 1", "Item 2", etc. on the policy.

NOTE: It is a condition of this policy that in addition to the application of the deductible as stated in number 2 above, if this endorsement is applicable to both property damage coverage and time element coverage, this deductible shall apply separately to each coverage unless this deductible is on an Occurrence basis. If this deductible is on an Occurrence basis, only one deductible shall apply to both property damage coverage and time element coverage.

3. It is a condition of this policy that the deductible amount specified shall be solely at the risk of the insured, and shall not be covered under any other policy of insurance, except as provided in Paragraph 4.

4. Other insurance is permitted during the term of this policy, as follows:

(a) Insurance written upon the same property, perils, terms, conditions and provisions contained in this policy including this deductible endorsement [$..... other insurance at inception of this policy]; or

(b) Insurance specifically disclosed as follows, or by endorsement attached:

Amount or Limit of Liability	Property Covered—Location	Deductible
$.....	.....	$.....
$.....	.....	$.....

If there is any other insurance (whether collectible or not) except as permitted above, the full deductible amount applicable under this deductible endorsement shall apply to the amount of the loss apportioned to this policy and to such other insurance as permitted above.

5. It is a condition of this policy that any coinsurance, contribution, average or distribution clause, which may be a part hereof, shall apply to the full value of the property insured, without reduction for the amount of the deductible specified herein, and that such deductible shall apply after any penalty has been assessed by the application of such coinsurance, contribution, average or distribution clause.

6. In the event of any recovery and/or salvage on a loss which has been or is being or is about to be paid hereunder, such recovery and/or salvage shall accrue entirely to the benefit of this company under this policy until the sum paid by them has been made up.

Prescribed by the State Board of Insurance.
FORM NO. 65—DEDUCTIBLE ENDORSEMENT—Effective October 1, 1981

FORM NO. 164
Effective
October 1, 1982

REPLACEMENT COST ENDORSEMENT—FORM NO. 1

(Without Deduction for Depreciation)

TCP D2 41 69 96 0

Attached to and forming part of Policy No..... of the.....Insurance Company

of....., issued at its....., Texas, Agency.

Dated 5-20-90 ....., Agents

This Endorsement applies only to Item(s) No(s) 1 thru 30

.....of this Policy.

1. In consideration of the premium of the Policy to which this endorsement is attached and subject to all the terms, conditions and stipulations stated herein and in the Policy to which this Endorsement is attached, including riders and endorsements thereon, not in conflict herewith, the insurance under this Policy applicable to property described under the item(s) indicated above is hereby extended to cover such item(s) for their replacement cost without deduction for depreciation. The provisions of this Policy applicable only to such item(s) are amended to substitute the term "replacement cost" for the term "actual cash value" wherever it appears in this Policy.

This Policy does not cover the following property on a replacement cost basis:

(a) Stock (raw, in process or finished) or merchandise, including materials and supplies in connection therewith;

(b) Property of others;

(c) Household furniture or residential contents;

(d) Books of account, abstracts, manuscripts, drawings, card index systems and other records (including film, tape, disc, drum, cell and other magnetic recording or storage media);

(e) Paintings, etchings, pictures, tapestries, statuary, marbles, bronzes, antique furniture, rare books, antique silver, porcelains, rare glassware and bric-a-brac or other articles of art, rarity or antiquity; or

(f) Carpeting, cloth awnings, window or wall air conditioning units, domestic appliances and outdoor equipment, all whether permanently attached to the building structure or not.

2. Coinsurance Clause—It is a condition of this Policy, and the basis upon which the rate of premium is fixed, that the Insured shall at all times maintain insurance on each item(s), the replacement cost of which is covered by this policy, of not less than ninety per cent (90%) of (a) the replacement cost (without deduction for depreciation) of that part of said property which is specifically described as covered on a replacement cost basis and (b) the actual cash value of that part of said property which is covered on an actual cash value basis at the time of loss, and that, failing to do so, the Insured shall be an insurer to the extent of such deficit, and in that event shall bear his, her or their proportion of any loss.

In the application of this Coinsurance Clause, the replacement cost of foundations of buildings which are below the surface of the lowest basement floor or, where there is no basement, which are below the surface of the ground, shall be disregarded.

This Coinsurance Clause supersedes and replaces the coinsurance clause, if any, otherwise applicable to such item(s).

3. This Company's liability for loss under this Policy, including this Endorsement, shall not exceed the smallest of the following amounts (a), (b) or (c):

(a) The amount of this Policy;

(b) The replacement cost of item(s), or any part thereof, identical with item(s) described herein and insured hereunder for replacement cost (without deduction for depreciation) on the same premises and intended for the same occupancy and use;

(c) The amount actually and necessarily expended in repairing or replacing the item(s) described herein and insured hereunder for replacement cost (without deduction for depreciation), or any part thereof, on the same premises, and intended for the same occupancy and use.

4. Insured's Election—The Insured may elect first to make claim under this Policy in accordance with its terms and conditions, disregarding this Endorsement, except that the Coinsurance Clause contained herein shall apply to all claims under such item(s), and the Insured may make further claim for any additional liability brought about by this Endorsement in accordance with its terms, conditions and limitations.

5. This Company Shall Not Be Liable For—

(a) Any loss occasioned by the enforcement of any state or municipal law or ordinance regulating the construction or repair of buildings, unless such liability has been specifically assumed under this Policy.

(b) Any loss under this Endorsement unless and until the damaged property is actually repaired or replaced on the same premises with due diligence and dispatch, and, in any event, unless repair or replacement is completed within two (2) years after the destruction or damage, or within such further time as the Company may during the two (2) years, in writing allow.

6. Apportionment Clause—This Company shall not be liable for a greater proportion of any loss than the amount of this Policy applying to the insured item(s) bears to the total insurance on such insured item(s), whether or not such other insurance covers in the same manner and to the same extent as this Policy as extended by endorsement, and whether such other insurance is collectible or not.

7. If this Policy is divided into two (2) or more items, the foregoing apply separately to each item to which this Endorsement applies.

Prescribed by The State Board of Insurance

FORM NO. 164—REPLACEMENT COST ENDORSEMENT—FORM NO. 1—Effective October 1, 1982

FORM NO. 17-R
Effective
July 1, 1987

BUSINESS INTERRUPTION FORM NO. 4

Gross Earnings Form For Manufacturing Risks

TCP D2 41 69 96 0

Attached to and forming part of Policy No. _____ of the _____ Insurance Company of _____, issued at its _____, Texas, Agency.

Dated 5-20-90 _____, Agents.

1. Subject to all its provisions and stipulations, this policy covers only against loss resulting directly from necessary interruption of business caused by damage to or destruction of real or personal property by the peril(s) insured against, during the term of this policy, on premises occupied by the Insured as gasket mfg. _____ and situated at 1000 Utex Street _____

City or Town of Weimar _____ State of Texas.

2. In the event of such damage or destruction this Company shall be liable for the ACTUAL LOSS SUSTAINED by the Insured resulting directly from such interruption of business, but not exceeding the reduction in gross earnings less charges and expenses which do not necessarily continue during the interruption of business, for only such length of time as would be required with the exercise of due diligence and dispatch to rebuild, repair or replace such part of the property herein described as has been damaged or destroyed, commencing with the date of such damage or destruction and not limited by the date of expiration of this policy. Due consideration shall be given to the continuation of normal charges and expenses, including payroll expense, to the extent necessary to resume operations of the Insured with the same quality of service which existed immediately preceding the loss.

3. **Resumption of Operations:** It is a condition of this insurance that if the Insured could reduce the loss resulting from the interruption of business,

(a) by complete or partial resumption of operation of the property herein described, whether damaged or not, or

(b) by making use of other property at the location(s) described herein or elsewhere, or

(c) by making use of stock (raw, in process or finished) at the location(s) described herein or elsewhere,

such reduction shall be taken into account in arriving at the amount of loss hereunder.

4. **Expense Related to Reducing Loss:** This policy also covers such expenses as are necessarily incurred for the purpose of reducing loss under this policy (except expense incurred to extinguish a fire) and such expenses, in excess of normal, as would necessarily be incurred in replacing any finished stock used by the Insured to reduce loss under this policy; but in no event shall the aggregate of such expenses exceed the amount by which the loss under this policy is thereby reduced. Such expenses shall not be subject to the application of the Coinsurance Clause.

5. **Gross Earnings:** For the purposes of this insurance "Gross Earnings" are defined as the sum of:

(a) Total net sales value of production,

(b) Total net sales of merchandise, and

(c) Other earnings derived from operations of the business,

less the cost of:

(d) Raw stock from which such production is derived,

(e) Materials and supplies consumed directly in the conversion of raw stock into finished stock or in supplying the service(s) sold by the Insured,

(f) Merchandise sold, including packaging materials therefor, and

(g) Service(s) purchased from outsiders (not employees of the Insured) for resale which do not continue under contract.

No other costs shall be deducted in determining "Gross Earnings."

In determining "Gross Earnings" due consideration shall be given the experience of the business before the date of damage or destruction and the probable experience thereafter had no loss occurred.

6. **Coinsurance Clause:** In consideration of the rate and form under which this policy is written, this Company shall be liable, in the event of loss, for no greater proportion thereof than the amount hereby covered bears to 80 % of the gross earnings that would have been earned (had no loss occurred) during the 12 months immediately following the inception date of this policy, or the last previous anniversary date of this policy, whichever is later.

Insert 50, 60, 70 or 80

7. **Finished Stock:** This Company shall not be liable for any loss resulting from damage to or destruction of finished stock nor for the time required to reproduce said finished stock.

The provisions printed on the back of this form are hereby referred to and made a part hereof.

Prescribed by the State Board of Insurance
Form No. 17-R—Business Interruption—Form No. 4—Effective July 1, 1987

FORM NO. 222
Effective
November 1, 1988

SPECIAL EXTENDED COVERAGE ENDORSEMENT

(Farm Property, Dwellings and Individually Owned Household Goods in Private Living Quarters Are Not Eligible for Coverage under this Endorsement.)

THIS ENDORSEMENT MAY BE ATTACHED TO A POLICY ONLY WHEN FIRE AND EXTENDED COVERAGE ARE ALSO COVERED BY THE POLICY.

Attached to and forming part of Policy No. TCP D2 41 69 96 0 of the _____ Insurance Company

_____, issued at its _____, Texas Agency.

Dated 5-20-90 _____, Agents

(This Endorsement applies only to Item(s) No(s) 1 thru 30 of this Policy.)

SECTION I
COVERAGE

In consideration of $ Incl. premium for this coverage, and subject to provisions herein and in the policy to which this endorsement is attached including endorsements thereon, THIS POLICY IS EXTENDED TO INSURE AGAINST ALL OTHER RISKS OF DIRECT PHYSICAL LOSS, EXCEPT AS HEREINAFTER PROVIDED.

SECTION II
DEDUCTIBLES

A. OTHER PERILS DEDUCTIBLE

The sum of $250 shall be deducted from the amount of loss to property covered hereunder resulting from any peril other than (1) windstorm, hurricane or hail (see paragraph II B); or (2) fire, lightning, aircraft, vehicles, smoke, explosion, riot or civil commotion.

This deductible shall apply to each loss by any one occurrence (any incident or event); however, if the policy to which this endorsement is attached covers two or more items at one or more locations, this deductible shall apply to each item separately.

B. WINDSTORM, HURRICANE OR HAIL DEDUCTIBLE

The sum of $ 25,000. shall be deducted from the amount of loss to property covered hereunder resulting from each windstorm, hurricane or hail. The deductible shall apply separately to each building or structure.

This deductible shall not apply to loss or damage to contents however insured.

Should a loss occur which by the terms of this policy is subject to more than one deductible, only one (the larger if of different amounts) shall apply.

These Deductibles shall not apply to insurance covering Business Interruption, Tuition Fees, Extra Expense, Additional Living Expense, Rent or Rental Value or Leasehold Interest.

SECTION III
PROPERTY SUBJECT TO LIMITATIONS

The following property is subject to these additional limitations:

1. Fur and fur garments are covered for not exceeding loss in the aggregate of $2,500 in any one occurrence for all contributing insurance. This limitation shall not apply to loss by the "specified perils".

2. Jewelry and watches, watch movements, jewels, pearls, precious and semi precious stones, gold, silver, platinum and other precious alloys or metals are covered for not exceeding loss in the aggregate of $2,500 in any one occurrence for all contributing insurance. This limitation shall not apply to jewelry and watches valued at $100 or less per item, or to loss by the "specified perils".

3. Live animals, birds and fish are not covered, except when held for sale or sold but not delivered, and then only against death or destruction directly resulting from or made necessary by the "specified perils".

4. When this policy provides coverage for stocks of trees, plants, shrubs and flowers, which are held for sale or sold but not delivered, coverage is limited to direct loss by the "specified perils".

5. Glass, (not constituting a part of the building) glassware, statuary, marbles, bric-a-brac, porcelains and other articles of a fragile or brittle nature are covered against loss by breakage only if directly caused by the "specified perils". This limitation shall not apply to bottles or similar containers of property for sale, or sold but not delivered, nor to lenses of photographic or scientific instruments.

The term "specified perils" shall mean direct loss by fire, lightning, aircraft, explosion, riot, civil commotion, smoke, vehicles, windstorm or hail to property contained in any building, vandalism and malicious mischief, leakage or accidental discharge from automatic fire protective systems.

SECTION IV
EXCLUSIONS

This Policy does not insure against loss—

A. By wear and tear, deterioration, rust or corrosion, mould, wet or dry rot; dampness or dryness of atmosphere, changes in temperature; inherent or latent defect; smog; smoke, vapor or gas from agricultural or industrial operation; mechanical breakdown, including rupture or bursting caused by centrifugal force; settling, cracking, shrinkage, bulging or expansion of pavements, foundations, walls, floors, roofs or ceilings, curbs, fences, retaining walls or swimming pools; animals, birds, vermin, termites or other insects; unless such loss results from a peril not excluded in this policy. If loss by a peril not excluded in this policy ensues, then this Company shall be liable for only such ensuing loss.

B. This policy does not insure under this form against loss caused by or resulting from power, heating or cooling failure, unless such failure results from physical damage to power, heating or cooling equipment situated on premises where the property covered is located, caused by a peril not otherwise excluded. This company shall not be liable under this clause for any loss from riot, riot attending a strike, civil commotion, or vandalism and malicious mischief.

C. Caused by or resulting from earthquake, volcanic eruption, landslide or any other earth movement; unless loss by fire or explosion not excluded in this policy ensues, and then this Company shall be liable for only such ensuing loss.

D. Caused by or resulting from any of the following—

(1) flood, surface water, waves, tidal water or tidal wave, overflow of streams or other bodies of water, or spray from any of the foregoing, all whether driven by wind or not;

(2) water which backs up through sewers or drains;

(3) water below the surface of the ground including that which exerts pressure on or flows, seeps or leaks through sidewalks, driveways, swimming pools, foundations, walls, basement or other floors, or through doors, windows or any other openings in such sidewalks, driveways, foundations, walls or floors;

unless loss by fire or explosion not excluded in this policy ensues, and then this Company shall be liable for only such ensuing loss.

E. By theft of any property which at the time of loss is not an integral part of a building or structure (except direct loss by pillage and looting occurring during and at the immediate place of a riot or civil commotion), unless loss by a peril not excluded in this policy ensues from theft or attempted theft, and then this Company shall be liable for only such ensuing loss.

F. By unexplained or mysterious disappearance of any property, or shortage disclosed on taking inventory; or caused by any wilful or dishonest act or omission of the Insured or any associate, employee or agent of any Insured.

G. By vandalism, malicious mischief, theft or attempted theft, if the described building(s) had been vacant beyond a period of 60 consecutive days immediately preceding the loss, unless loss by a peril not excluded in this policy ensues, and then this Company shall be liable for only such ensuing loss.

H. Occasioned directly or indirectly by enforcement of any local or state ordinance or law regulating the construction, repair, or demolition of buildings or structures.

I. By escape of chemical refrigerant or lubricant.