



# Lloyd's, London

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**This Insurance** is effected with Insurance Company(s) as noted herein.

**This Certificate** is issued in accordance with the limited authorization granted to the Correspondent by Company(s) and in consideration of the premium specified herein, Company(s) do hereby bind themselves each for his own part, and not one for another, their heirs, executors and administrators.

**The Assured** is requested to read this certificate, and if not correct, return it immediately to the Correspondent for appropriate alteration.

In the event of claim under this certificate, please notify the following Correspondent:



# CERTIFICATE PROVISIONS

- 1. Signature Required.** This certificate shall not be valid unless signed by the Correspondent on the attached Declaration Page.
- 2. Correspondent Not Insurer.** The Correspondent is not an Insurer hereunder and neither is nor shall be liable for any loss or claim whatsoever. The Insurers hereunder are those companies (hereinafter called the "Underwriters") whose names are shown on the Declarations Page.
- 3. Cancellation.** If this certificate provides for cancellation and this certificate is cancelled after the inception date, earned premium must be paid for the time the insurance has been in force.
- 4. LSW 1001 (Insurance) Several Liability Notice.** The subscribing Insurer's obligations under contracts of insurance to which they subscribe are several and not joint and are limited solely to the extent of their individual subscriptions. The subscribing insurers are not responsible for the subscription of any co-subscribing insurer who for any reason does not satisfy all or part of its obligations.
- 5. Assignment.** This certificate shall not be assigned either in whole or in part without the written consent of the Correspondent endorsed hereon.
- 6. Attached Conditions Incorporated.** This certificate is made and accepted subject to all the provisions, conditions and warranties set forth herein, attached, or endorsed, all of which are to be considered as incorporated herein.
- 7. Short Rate Cancellation.** If the attached provisions provide for cancellation, the table below will be used to calculate the short rate proportion of the premium when applicable under the terms of cancellation.

## Short Rate Cancellation Table for Team of One Year

Days Insurance in Force	Per Cent of One Year Premium	Days Insurance in Force	Per Cent of One Year Premium	Days Insurance in Force	Per Cent of One Year Premium	Days Insurance in Force	Per Cent of One Year Premium
1	6%	66 - 69	29%	154 - 156	53%	256 - 260	77%
2	6	70 - 73	30	157 - 160	54	261 - 264	78
3 - 4	7	74 - 76	31	161 - 164	55	265 - 269	79
5 - 6	8	77 - 80	32	165 - 167	56	270 - 273 (9 mos)	80
7 - 8	9	81 - 83	33	168 - 171	57	274 - 278	81
9 - 10	10	84 - 87	34	172 - 175	58	279 - 282	82
11 - 12	11	88 - 91 (3 mos)	35	176 - 178	59	283 - 287	83
13 - 14	12	92 - 94	36	179 - 182 (6 mos)	60	288 - 291	84
15 - 16	13	95 - 98	37	183 - 187	61	292 - 296	85
17 - 18	14	99 - 102	38	188 - 191	62	297 - 301	86
19 - 20	15	103 - 105	39	192 - 196	63	302 - 305 (10 mos)	87
21 - 22	16	106 - 109	40	197 - 200	64	306 - 310	88
23 - 25	17	110 - 113	41	201 - 205	65	311 - 314	89
26 - 29	18	114 - 116	42	206 - 209	66	315 - 319	90
30 - 32 (1 mo)	19	117 - 120	43	210 - 214 (7 mos)	67	320 - 323	91
33 - 36	20	121 - 124 (4 mos)	44	215 - 218	68	324 - 328	92
37 - 40	21	125 - 127	45	219 - 223	69	329 - 332	93
41 - 43	22	128 - 131	46	224 - 228	70	333 - 337 (11 mos)	94
44 - 47	23	132 - 135	47	229 - 232	71	338 - 342	95
48 - 51	24	136 - 138	48	233 - 237	72	343 - 346	96
52 - 54	25	139 - 142	49	238 - 241	73	347 - 351	97
55 - 58	26	143 - 146	50	242 - 246 (8 mos)	74	352 - 355	98
59 - 62 (2 mos)	27	147 - 149	51	247 - 250	75	356 - 360	99
63 - 66	28	150 - 153 (5 mos)	52	251 - 255	76	361 - 365 (12 mos)	100

Rules applicable to insurance with terms less than or more than one year:

- A. If insurance has been in force for one year or less, apply the short rate table for annual insurance to the full annual premium determined as for an insurance written for a term of one year.
- B. If insurance has been in force for more than one year:
  1. Determine full annual premium as for insurance written for a term of one year.
  2. Deduct such premium from the full insurance premium, and on the remainder calculate the pro rata Earned Premium on the basis of the ratio of the length of time beyond one year the insurance has been in force to the length of time beyond one year for which the policy was originally written.
  3. Add premium produced in accordance with items (1) and (2) to obtain Earned Premium during full period insurance has been in force.

RENEWAL OF:  
RAS312866

Renewal of Number

# CERTIFICATE OF INSURANCE

COMMON POLICY DECLARATIONS

Certificate Number

**RAS359194**

This Declaration is attached to and forms part of certificate provisions (Form SLC-3 USA).

**ITEM 1. NAMED INSURED AND MAILING ADDRESS**

ACADEMY OF MODEL AERONAUTICS

5161 E. MEMORIAL DRIVE  
MUNCIE

IN 47302

**AUTHORITY REF. NO.**

RAS357/08

**AGENT NAME AND ADDRESS**

BURNS & WILCOX, LTD.  
BURNS & WILCOX CENTER, 7936 E. ARAPAHOE CT, STE 3000

CENTENNIAL

CO 80112

INDIANA SURPLUS LINES TAXES AND FEES FILED BY: BURNS & WILCOX LTD.

**ITEM 2. POLICY PERIOD** From: 03/31/2009 To: 03/31/2010 Term: 12 MONTHS

12:01 A.M., Standard Time at your mailing address

**BUSINESS DESCRIPTION: CLUB**

Insurance is effective with certain

**UNDERWRITERS AT LLOYD'S, LONDON.**

**FORM OF BUSINESS:**  Individual  Joint Venture  Partnership  Organization  Corporation

Audit Period: Annual unless otherwise stated:

IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS CERTIFICATE, WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS CERTIFICATE.

THIS POLICY CONSISTS OF THE FOLLOWING COVERAGE PARTS FOR WHICH A PREMIUM IS INDICATED. THIS PREMIUM MAY BE SUBJECT TO ADJUSTMENT.

	PREMIUM
Commercial Property Coverage Part - Section 1	\$ <u>8,349.00</u>
Commercial General Liability Coverage Part - Section 2	
Commercial Crime Coverage Part - Section 3	
Commercial Inland Marine Coverage Part - Section 4	
Professional Liability Coverage Part - Section 5	
Errors & Omissions Liability Coverage Part - Section 6	
Liquor Liability Coverage Part - Section 7	
Jeweler's Block Coverage Part - Section 8	

\* FULLY EARNED TOTAL \$ 8,349.00

\* POLICY FEE \$ 350.00  
SURPLUS LINES TAX \$ 217.48 TOTAL \$ 8,916.48

Premium shown is payable: \$ 8,916.48 at inception. \$

Forms applicable to all Coverage Parts:

**SEE SCHEDULE OF FORMS AND ENDORSEMENTS**

This certificate of Insurance is made and accepted subject to the foregoing stipulations and conditions together with such other provisions, agreement or conditions as may be endorsed or added hereto.

Dated at: 02/26/2009 DP / CTE

By: Stephanie B. Risk

(Correspondent)

## SCHEDULE OF FORMS AND ENDORSEMENTS

<b>POLICY NUMBER:</b> RAS359194	<b>EFFECTIVE DATE:</b> 03/31/2009	<b>NAMED INSURED:</b> ACADEMY OF MODEL AERONAUTICS
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**COMMON FORMS**

SOFAE 02-05 LPG1 10-95 LLOYDS1A 09-98 LLOYDS1B 10-93 BW26 04-07 08RAS357 LMA5020 09-05 LMA5021 09-05 LMA5092 12-07	<b>SCHEDULE OF FORMS</b> LLOYDS JACKET CERTIFICATE OF INSURANCE COMM POL COV PART MIN EARNED PREM ENDT EFF. 04/01/08-03/31/09 SYNDICATE LIST SERVICE OF SUIT CLAUSE (USA) APPLICABLE LAW (USA) TERRORISM RISK INS ACT REJECTED
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**PROPERTY**

BW1-PTY B&W2000 04-03 CP0010 04-02 CP0090 07-88 CP0140 07-06 CP0299 11-85 CP1032 08-08 ENDT#1 ENDT#2 ENDT#3 ENDT#4 IL0017 11-98 IL0935 07-02 LSW001 NMA464 01-38	COMM PROP COV PART GENERAL ENDT BUILDING AND PERSONAL PROPERTY COMM PROP CONDITIONS EXCL LOSS DUE TO VIRUS OR BACTERIA CANCEL CHANGES WATER EXCL ENDORSEMENT ENDORSEMENT ENDORSEMENT B&W AMA (10/94) ENDORSEMENT COMMON POLICY CONDITIONS EXCL- COMPUTER-RELATED LOSSES SEVERAL LIABILITY NOTICE WAR & CIVIL WAR EXCL CLAUSE
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**ADDITIONAL FORMS**

**COMMERCIAL POLICY COVERAGE PART  
SUPPLEMENTAL DECLARATIONS  
PARTICIPATION BY RESPECTIVE CONTRACT**

These Supplemental Declarations form a part of Certificate Number RAS359194

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This Declaration Page is attached to and forms part of the common policy declarations.

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<u>Section</u>	<u>Company</u>	<u>Contract #</u>	<u>Amount or Percent</u>
PROPERTY	Certain Underwriters at Lloyds	RAS357/ 08	100 %
	Certain Underwriters at Lloyds		%
	Certain Underwriters at Lloyds		%
	Certain Underwriters at Lloyds		%
	Certain Underwriters at Lloyds		%
	Certain Underwriters at Lloyds		%
	Certain Underwriters at Lloyds		%
	Certain Underwriters at Lloyds		%
	Certain Underwriters at Lloyds		%
	Certain Underwriters at Lloyds		%

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FORMS AND ENDORSEMENTS (other than applicable forms and endorsements shown elsewhere in the policy).

Forms and endorsements applying to this Coverage Part and made part of this policy at time of issue:

**SEE SCHEDULE OF FORMS AND ENDORSEMENTS**

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## MINIMUM EARNED PREMIUM ENDORSEMENT

This Endorsement effective 12:01 A.M. 03/31/2009,

forms a part of policy number RAS359194 issued to

ACADEMY OF MODEL AERONAUTICS

by BURNS & WILCOX, LTD.

It is hereby understood and agreed that the minimum earned premium for this policy is 2,087.25, and that such minimum earned premium is not subject to short rate or pro rata adjustment in the event of cancellation of this policy by you.

It is further understood and agreed that cancellation for non-payment of premium shall be deemed a request by you for cancellation of this policy thereby activating the foregoing minimum earned premium provision.

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED

## **SERVICE OF SUIT CLAUSE (U.S.A.)**

This Service of Suit Clause will not be read to conflict with or override the obligations of the parties to arbitrate their disputes as provided for in any Arbitration provision within this Policy. This Clause is intended as an aid to compelling arbitration or enforcing such arbitration or arbitral award, not as an alternative to such Arbitration provision for resolving disputes arising out of this contract of insurance (or reinsurance).

It is agreed that in the event of the failure of the Underwriters hereon to pay any amount claimed to be due hereunder, the Underwriters hereon, at the request of the Insured (or Reinsured), will submit to the jurisdiction of a Court of competent jurisdiction within the United States. Nothing in this Clause constitutes or should be understood to constitute a waiver of Underwriters' rights to commence an action in any Court of competent jurisdiction in the United States, to remove an action to a United States District Court, or to seek a transfer of a case to another Court as permitted by the laws of the United States or of any State in the United States.

It is further agreed that service of process in such suit may be made upon Mendes & Mount, 750 Seventh Avenue, New York, New York 10019-6829, U.S.A., and that in any suit instituted against any one of them upon this contract, Underwriters will abide by the final decision of such Court or any Appellate Court in the event of an appeal.

The above-named are authorized and directed to accept service of process on behalf of Underwriters in any such suit and/ or upon the request of the Insured (or Reinsured) to give a written undertaking to the Insured (or Reinsured) that they will enter a general appearance upon Underwriters' behalf in the event such a suit shall be instituted.

Further, pursuant to any statute of any state, territory or district of the United States which makes provision therefore, Underwriters hereon hereby designate the Superintendent, Commissioner or Director of Insurance or other officer specified for that purpose in the statute, or his successor or successors in office, as their true and lawful attorney upon whom may be served any lawful process in any action, suit or proceeding instituted by or on behalf of the Insured (or Reinsured) or any beneficiary hereunder arising out of this contract of insurance (or reinsurance), and hereby designate the above-named as the person to whom the said officer is authorized to mail such process or a true copy thereof.

**LMA5020**  
**14/ 09/ 2005**  
**Form approved by Lloyd's Market Association**

## **APPLICABLE LAW (U.S.A.)**

This Insurance shall be subject to the applicable state law to be determined by the court of competent jurisdiction as determined by the provisions of the Service of Suit Clause (U.S.A.)

14/09/2005

LMA5021

Form approved by Lloyd's Market Association

**U.S. Terrorism Risk Insurance Act of 2002 as amended  
Not Purchased Clause**

*This Clause is issued in accordance with the terms and conditions of the "U.S. Terrorism Risk Insurance Act of 2002" as amended as summarized in the disclosure notice.*

It is hereby noted that the Underwriters have made available coverage for "insured losses" directly resulting from an "act of terrorism" as defined in the "U.S. Terrorism Risk Insurance Act of 2002", as amended ("TRIA") and the Insured has declined or not confirmed to purchase this coverage.

This Insurance therefore affords no coverage for losses directly resulting from any "act of terrorism" as defined in TRIA except to the extent, if any, otherwise provided by this policy.

All other terms, conditions, insured coverage and exclusions of this Insurance including applicable limits and deductibles remain unchanged and apply in full force and effect to the coverage provided by this Insurance.

LMA5092  
21/ 1212007

Form approved by Lloyd's Market Association

## COMMERCIAL PROPERTY COVERAGE PART SUPPLEMENTAL DECLARATIONS

Certificate No. RAS359194		Effective Date: 03/31/2009 12:01 A.M., Standard Time	
Named Insured: ACADEMY OF MODEL AERONAUTICS			
<b>BUSINESS DESCRIPTION</b>			
CLUB			
<b>DESCRIPTION OF PREMISES</b>			
PREM NO	BLDG NO	LOCATION, CONSTRUCTION AND OCCUPANCY	
1	1	5161 EAST MEMORIAL DRIVE, MUNCIE, IN 47302	
<b>COVERAGES PROVIDED - INSURANCE AT THE DESCRIBED PREMISES APPLIES ONLY FOR COVERAGES FOR WHICH A LIMIT OF INSURANCE IS SHOWN.</b>			
PREM NO	BLDG NO	COVERAGE	LIMIT OF INS COVD CAUSES OF LOSS COINSURANCE† RATES
		SEE ENDT # 1-3	
<b>OPTIONAL COVERAGES - APPLICABLE ONLY WHEN ENTRIES ARE MADE IN THE SCHEDULE BELOW</b>			†† EXTRA EXPENSE COVERAGE, LIMITS ON LOSS PAYMENT
PREM NO	BLDG NO	AGREED VALUE EXP DATE	REPLACEMENT COST APPLIES IF CHECKED ( )
			AMOUNT BUILDING PERS PROPERTY INCLD STOCK
PREM NO	BLDG NO	INFLATION GUARD (Percentage) BUILDING	†† MONTHLY LIMIT OF INDEMNITY (Fraction) PERSONAL PROPERTY
			††: MAXIMUM PERIOD OF INDEMNITY (X) OF INDEMNITY (Days)
<b>MORTGAGE HOLDER(S)</b>			†† APPLIES TO BUSINESS INCOME ONLY
PREM NO	BLDG NO	MORTGAGE HOLDER NAME AND MAILING ADDRESS	
<b>DEDUCTIBLE</b>			
\$ EXCEPTIONS: ENDT. # 1			
<b>FORMS AND ENDORSEMENTS (other than applicable Forms and Endorsements shown elsewhere in the Certificate)</b>			
Forms and Endorsements applying to this Coverage Part and made part of this Certificate at time of issue: APPLICABLE TO ALL COVERAGES			
SEE SCHEDULE OF FORMS AND ENDORSEMENTS			

APPLICABLE TO SPECIFIC PREMISES/ COVERAGES :	PREM NO	BLDG NO	COVERAGES	FORM NUMBERS
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THIS SUPPLEMENTAL DECLARATIONS AND THE COMMERCIAL PROPERTY DECLARATIONS, TOGETHER WITH THE COMMON CERTIFICATE CONDITIONS, COVERAGE FORM(S) AND ENDORSEMENTS COMPLETE THE ABOVE NUMBERED POLICY.

## GENERAL ENDORSEMENT

This endorsement modifies insurance provided under this policy. This endorsement changes your policy. Please read it carefully.

All other Terms and Conditions remain unchanged.

### VACANCY OR UNOCCUPANCY

Coverage under this policy is suspended while the described building, whether intended for occupancy by owner or tenant is vacant or unoccupied beyond a period of sixty consecutive days, unless permission for such vacancy or such unoccupancy is granted hereon in writing and an additional premium is paid for such vacancy or unoccupancy. Vacancy of premises at inception of this policy renders this policy null and void.

### MINIMUM EARNED PREMIUM

In the event that this policy is cancelled by the Assured the minimum premium earned and due from the Assured shall be that percentage of the total annual premium shown on the Declarations Page attached hereto.

### FLAT DEDUCTIBLE

The insurers obligations under this policy of which this is a part shall apply only to such amounts for which the insurer may be liable in excess of the deductible amount shown on the Declarations page attached hereto. The deductible shall apply per occurrence and shall apply separately at each location insured hereunder.

### CANCELLATION CLAUSE

(Approved by Lloyd's Underwriter's Non-Marine Association)

Notwithstanding anything contained in this Insurance to the contrary this Insurance may be cancelled by the Assured at any time by written notice or by surrender of this contract of insurance. This insurance may also be cancelled by or on behalf of the Underwriters by delivering to the Assured or by mailing to the Assured, by registered, certified or other first class mail, at the Assured's address as shown in this Insurance, written notice stating when, not less than 10 days thereafter, the cancellation shall be effective. The mailing of such notice as aforesaid shall be sufficient proof of notice and this Insurance shall terminate at the date and hour specified in such notice.

If this Insurance shall be cancelled by the Assured the Underwriters shall retain the customary short rate proportion of the premium hereon, except that if this Insurance is on an adjustable basis the Underwriters shall receive the earned premium hereon or the customary short rate proportion of any minimum premium stipulated herein which ever is the greater.

If this Insurance shall be cancelled by or on behalf of the Underwriters the Underwriters shall retain the pro rata proportion of the premium hereon, except that if this Insurance is on an adjustable basis the Underwriters shall receive the earned premium hereon or the pro rata proportion of any minimum premium stipulated herein which ever is the greater.

Payment or tender of any unearned premium by the Underwriters shall not be a condition precedent to the effectiveness of Cancellation but such payment shall be made as soon as practicable.

If the period of limitation relating to the giving of notice is prohibited or made void by any law controlling the construction thereof, such period shall be deemed to be amended so as to be equal to the minimum period of limitation permitted by such law.

N.M.A. 1331 (20/ 4/ 61)

### CONTAMINANTS, FUNGI AND INFESTATION EXCLUSION

Notwithstanding any other provision in this policy, no coverage of any kind is afforded by this policy for any damage to insured property, whether caused directly or indirectly by a covered peril, resulting from rust, rot, mold or other fungi, spores, dust, contamination, deterioration, pollutants, asbestos, communicable disease, or infestation of rodents, insects or any other living organism.

Further, no liability coverage or legal defense will be provided for any third party bodily injury, property damage or medical payment claim resulting from or arising out of or alleged to have resulted from or arisen out of, any of such aforementioned conditions.

### SEEPAGE AND/ OR POLLUTION AND/ OR CONTAMINATION EXCLUSION

Notwithstanding any provision to the contrary within the Policy of which this Endorsement forms part (or within any other Endorsement which forms part of this Policy), this Policy does not insure:

- a) any loss, damage, cost or expense, or
- b) any increase in insured loss, damage, cost or expense, or
- c) any loss, damage, cost, expenses, fine or penalty, which is incurred, sustained or imposed by order, direction, instruction or request of, or by an agreement with, any court, government agency or any public, civil or military authority, or threat thereof, (and whether or not as a result of public or private litigation),

which arises from any kind of seepage or any kind of pollution and/or contamination, or threat thereof, whether or not caused by or resulting from a peril insured, or from steps or measures taken in connection with the avoidance, prevention, abatement, mitigation, remediation, clean-up or removal of such seepage or pollution and/ or contamination or threat thereof.

The term "any kind of seepage" or "any kind of pollution and/or contamination" as used in this Endorsement includes (but is not limited to):

- a) seepage of, or pollution and/or contamination by, anything, including but not limited to, any material designated as a 'hazardous substance' by the United States Environmental Protection Agency or as a 'hazardous material' by the United States Department of Transportation, or defined as a 'toxic substance' by the Canadian Environmental Protection Act for the purposes of Part II of the Act, or any substance designated or defined as toxic, dangerous, hazardous or deleterious to persons or the environment under any other Federal, State, Provincial, Municipal or other law, ordinance or regulation; and
- b) the presence, existence, or release of anything which endangers or threatens to endanger the health, safety or welfare of a person or the environment.

N.M.A. 2342 (24/ 11/ 88)

#### **LAND, WATER AND AIR EXCLUSION**

Notwithstanding any provision to the contrary within the Policy of which this Endorsement forms part (or within any other Endorsement which forms part of this Policy), this Policy does not insure land (including but not limited to land on which the insured property is located), water or air, howsoever and wherever occurring, or any interest or right therein.

N.M.A. 2341 (24/ 11/ 88)

#### **WAR AND CIVIL EXCLUSION CLAUSE**

Notwithstanding anything to the contrary contained herein this Policy does not cover Loss or Damage directly or indirectly occasioned by, happening through or in consequence of war, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power or confiscation or nationalization or requisition or destruction of or damage to property by or under the order of any government or public or local authority.

N.M.A. 464 (1/ 1/ 38)

#### **TERRORISM EXCLUSION ENDORSEMENT**

Notwithstanding any provision to the contrary within this insurance or any endorsement thereto it is agreed that this insurance excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any act of terrorism regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

For the purpose of this endorsement an act of terrorism means an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s), committed for political, religious,

ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear.

This endorsement also excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to any act of terrorism.

If the Underwriters allege that by reason of this exclusion, any loss, damage, cost or expense is not covered by this insurance the burden of proving the contrary shall be upon the Assured.

In the event any portion of this endorsement is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

NMA 2920 (8/ 10/ 01)

#### **BIOLOGICAL OR CHEMICAL MATERIALS EXCLUSION**

It is agreed that this Insurance excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with the actual or threatened malicious use of pathogenic or poisonous biological or chemical materials regardless of any other cause or event contributing concurrently or in any other sequence thereto.

NMA2962 (06/ 02/ 03)

#### **RADIOACTIVE CONTAMINATION EXCLUSION CLAUSE**

##### **PHYSICAL DAMAGE - DIRECT**

*(Approved by Lloyd's Underwriters' Non-Marine Association)*

This policy does not cover any loss or damage arising directly or indirectly from nuclear reaction nuclear radiation or radioactive contamination however such nuclear reaction nuclear radiation or radioactive contamination may have been caused \*NEVERTHELESS if Fire is an insured peril and a Fire arises directly or indirectly from nuclear reaction, nuclear radiation or radioactive contamination any loss or damage arising directly from that Fire shall (subject to the provision of this policy) be covered EXCLUDING however all loss or damage caused by nuclear reaction nuclear radiation or radioactive contamination arising directly or indirectly from that Fire.

\*NOTE - If Fire is not an insured peril under this policy the words "NEVERTHELESS" to the end of the clause do not apply and should be disregarded.

N.M.A. 1191 (7/ 5/ 59)

#### **OCCURRENCE DEFINITION**

It is agreed that the following special terms and conditions apply to the policy:

1. The Limit of Liability or Amount of Insurance shown on the face of this policy, is a Limit or Amount

per occurrence. Notwithstanding anything to the contrary contained herein, in no event shall the Liability of this company exceed this Limit or Amount in one disaster, casualty, or event, irrespective of the number of Locations involved.

2. The premium for this policy is based upon the statement of values on file with the company, or schedule attached to this policy. In the event of loss hereunder, liability of the company shall be limited to the least of the following:

A. The actual adjustment amount of loss, less applicable deductible(s);

B. The total stated value for the property involved, as shown on the schedule, less applicable deductible(s); and/or

C. The Limit of Liability or amount of Insurance shown on the face of this policy or endorsed onto this policy.

#### **FULLY EARNED PREMIUM**

In the event of a total loss to any of the property covered by this policy, the premium charged for the policy shall be fully earned. Total loss is defined as the

payment of the policy limits as listed or scheduled in the policy.

#### **ACTUAL CASH VALUE**

Unless otherwise indicated, the Company shall not be liable beyond the actual cash value of the property insured hereunder on the date of loss (such actual cash value to be determined as replacement cost with proper deduction for depreciation), but not exceeding the amount which it would cost to repair or replace the same with materials of like kind and quality or amount, insured by this policy.

#### **LSW 1001 (INSURANCE) SEVERAL LIABILITY NOTICE**

The subscribing Insurers' obligations under contracts of insurance to which they subscribe are several and not joint and are limited solely to the extent of their individual subscriptions. The subscribing insurers are not responsible for the subscription of any co-subscribing insurer who for any reason does not satisfy all or part of its obligations.

## COMMERCIAL PROPERTY CONDITIONS

This Coverage Part is subject to the following conditions, the Common Policy Conditions and applicable Loss Conditions and Additional Conditions in Commercial Property Coverage Forms.

### A. CONCEALMENT, MISREPRESENTATION OR FRAUD

This Coverage Part is void in any case of fraud by you as it relates to this Coverage Part at any time. It is also void if you or any other insured, at any time, intentionally conceal or misrepresent a material fact concerning:

1. This Coverage Part;
2. The Covered Property;
3. Your interest in the Covered Property; or
4. A claim under this Coverage Part.

### B. CONTROL OF PROPERTY

Any act or neglect of any person other than you beyond your direction or control will not affect this insurance.

The breach of any condition of this Coverage Part at any one or more locations will not affect coverage at any location where, at the time of loss or damage, the breach of condition does not exist.

### C. INSURANCE UNDER TWO OR MORE COVERAGES

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

### D. LEGAL ACTION AGAINST US

No one may bring a legal action against us under this Coverage Part unless:

1. There has been full compliance with all of the terms of this Coverage Part; and
2. The action is brought within 2 years after the date on which the direct physical loss or damage occurred.

### E. LIBERALIZATION

If we adopt any revision that would broaden the coverage under this Coverage Part without additional premium within 45 days prior to or during the policy period, the broadened coverage will immediately apply to this Coverage Part.

### F. NO BENEFIT TO BAILEE

No person or organization, other than you, having custody of Covered Property will benefit from this insurance.

### G. OTHER INSURANCE

1. You may have other insurance subject to the same plan, terms, conditions and provisions as the insurance under this Coverage Part. If you do, we will pay our share of the covered loss or damage. Our share is the proportion that the applicable Limit of Insurance under this Coverage Part bears to the Limits Of Insurance of all insurance covering on the same basis.
2. If there is other insurance covering the same loss or damage, other than that described in 1. above, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not. But we will not pay more than the applicable Limit of Insurance.

### H. POLICY PERIOD, COVERAGE TERRITORY

Under this Coverage Part:

1. We cover loss or damage commencing:
  - a. During the policy period shown in the Declarations; and
  - b. Within the coverage territory.
2. The coverage territory is:
  - a. The United States of America (including its territories and possessions);
  - b. Puerto Rico; and
  - c. Canada.

### I. TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

If any person or organization to or for whom we make payment under this Coverage Part has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair them. But you may waive your rights against another party in writing:

1. Prior to a loss to your Covered Property or Covered Income.
2. After a loss to your Covered Property or Covered Income only if, at time of loss, that party is one of the following:
  - a. Someone insured by this insurance;
  - b. A business firm:
    - (1) Owned or controlled by you; or
    - (2) That owns or controls you; or
  - c. Your tenant.

This will not restrict your insurance.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EXCLUSION OF LOSS DUE TO VIRUS OR BACTERIA**

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART  
STANDARD PROPERTY POLICY

- A. The exclusion set forth in Paragraph B. applies to all coverage under all forms and endorsements that comprise this Coverage Part or Policy, including but not limited to forms or endorsements that cover property damage to buildings or personal property and forms or endorsements that cover business income, extra expense or action of civil authority.
- B. We will not pay for loss or damage caused by or resulting from any virus, bacterium or other micro-organism that induces or is capable of inducing physical distress, illness or disease.  
  
However, this exclusion does not apply to loss or damage caused by or resulting from "fungus", wet rot or dry rot. Such loss or damage is addressed in a separate exclusion in this Coverage Part or Policy.
- C. With respect to any loss or damage subject to the exclusion in Paragraph B., such exclusion supersedes any exclusion relating to "pollutants".
- D. The following provisions in this Coverage Part or Policy are hereby amended to remove reference to bacteria:
  - 1. Exclusion of "Fungus", Wet Rot, Dry Rot And Bacteria; and
  - 2. Additional Coverage - Limited Coverage for "Fungus", Wet Rot, Dry Rot And Bacteria, including any endorsement increasing the scope or amount of coverage.
- E. The terms of the exclusion in Paragraph B., or the inapplicability of this exclusion to a particular loss, do not serve to create coverage for any loss that would otherwise be excluded under this Coverage Part or Policy.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

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**CANCELLATION CHANGES**

This endorsement modifies insurance provided under the following:

**COMMERCIAL PROPERTY COVERAGE PART**

The following is added to the CANCELLATION Common Policy Condition:

If any one of the following conditions exists at any building that is Covered Property in this policy, we may cancel this Coverage Part by mailing or delivering to the first Named Insured written notice of cancellation at least 5 days before the effective date of cancellation.

- A. The building has been vacant or unoccupied 60 or more consecutive days. This does not apply to:
1. Seasonal unoccupancy;
  2. Buildings in the course of construction, renovation or addition; or
  3. Buildings to which the Vacancy Permit endorsement applies.

Buildings with 65% or more of the rental units or floor area vacant or unoccupied are considered unoccupied under this provision.

- B. After damage by a Covered Cause of Loss, permanent repairs to the building:
1. Have not started, and
  2. Have not been contracted for,

within 30 days of initial payment of loss.

- C. The building has:
1. An outstanding order to vacate;
  2. An outstanding demolition order; or
  3. Been declared unsafe by governmental authority.
- D. Fixed and salvageable items have been or are being removed from the building and are not being replaced. This does not apply to such removal that is necessary or incidental to any renovation or remodeling.
- E. Failure to:
1. Furnish necessary heat, water, sewer service or electricity for 30 consecutive days or more, except during a period of seasonal unoccupancy; or
  2. Pay property taxes that are owing and have been outstanding for more than one year following the date due, except that this provision will not apply where you are in a bona fide dispute with the taxing authority regarding payment of such taxes.

## COMMON POLICY CONDITIONS

All Coverage Parts included in this policy are subject to the following conditions.

### A. Cancellation

1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
  - a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
  - b. 30 days before the effective date of cancellation if we cancel for any other reason.
3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
5. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
6. If notice is mailed, proof of mailing will be sufficient proof of notice.

### B. Changes

This policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.

### C. Examination Of Your Books And Records

We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward.

### D. Inspections And Surveys

1. We have the right to:
  - a. Make inspections and surveys at any time;
  - b. Give you reports on the conditions we find; and
  - c. Recommend changes.

2. We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:
  - a. Are safe or healthful; or
  - b. Comply with laws, regulations, codes or standards.

3. Paragraphs 1. and 2. of this condition apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

4. Paragraph 2. of this condition does not apply to any inspections, surveys, reports or recommendations we may make relative to certification, under state or municipal statutes, ordinances or regulations, of boilers, pressure vessels or elevators.

### E. Premiums

The first Named Insured shown in the Declarations:

1. Is responsible for the payment of all premiums; and
2. Will be the payee for any return premiums we pay.

### F. Transfer Of Your Rights And Duties Under This Policy

Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual named insured.

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## EXCLUSION OF CERTAIN COMPUTER-RELATED LOSSES

This endorsement modifies insurance provided under the following:

COMMERCIAL INLAND MARINE COVERAGE PART  
COMMERCIAL PROPERTY COVERAGE PART  
CRIME AND FIDELITY COVERAGE PART  
STANDARD PROPERTY POLICY

- A. We will not pay for loss ("loss") or damage caused directly or indirectly by the following. Such loss ("loss") or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss ("loss") or damage.
1. The failure, malfunction or inadequacy of:
    - a. Any of the following, whether belonging to any insured or to others:
      - (1) Computer hardware, including micro-processors;
      - (2) Computer application software;
      - (3) Computer operating systems and related software;
      - (4) Computer networks;
      - (5) Microprocessors (computer chips) not part of any computer system; or
      - (6) Any other computerized or electronic equipment or components; or
    - b. Any other products, and any services, data or functions that directly or indirectly use or rely upon, in any manner, any of the items listed in Paragraph A.1.a. of this endorsement;

due to the inability to correctly recognize, process, distinguish, interpret or accept one or more dates or times. An example is the inability of computer software to recognize the year 2000.
  2. Any advice, consultation, design, evaluation, inspection, installation, maintenance, repair, replacement or supervision provided or done by you or for you to determine, rectify or test for, any potential or actual problems described in Paragraph A.1. of this endorsement.
- B. If an excluded Cause of Loss as described in Paragraph A. of this endorsement results:
1. In a Covered Cause of Loss under the Crime and Fidelity Coverage Part, the Commercial Inland Marine Coverage Part or the Standard Property Policy; or
  2. Under the Commercial Property Coverage Part:
    - a. In a "Specified Cause of Loss", or in elevator collision resulting from mechanical breakdown, under the Causes of Loss - Special Form; or
    - b. In a Covered Cause of Loss under the Causes Of Loss - Basic Form or the Causes Of Loss - Broad Form;

we will pay only for the loss ("loss") or damage caused by such "Specified Cause of Loss", elevator collision, or Covered Cause of Loss.
- C. We will not pay for repair, replacement or modification of any items in Paragraphs A.1.a. and A.1.b. of this endorsement to correct any deficiencies or change any features.

ENDORSEMENT #1

INSURED ADDRESS: THE ACADEMY OF MODE AERONAUTICS  
5151 EAST MEMORIAL DRIVE  
MUNCIE, IN 47302

POLICY #: RAS359194

POLICY TERM: 10/31/2009 TO 10/31/2010  
03/31/2009 - 03/31/2010

LOCATION: 5151 EAST MEMORIAL DRIVE  
MUNCIE, IN 47302

DESCRIPTION OF RISK: MEMBER'S MODEL AIRCRAFT AND MODEL AIRCRAFT  
ACCESSORIES PER FORM B&w AMA (10/94)

COVERAGE: NAMED PERILS PER FORM ATTACHED

AMOUNT: \$ 1,000.00 PER MEMBER / PER OCCURRENCE LIMIT  
\$500,000.00 AGGREGATE LIMIT  
\$ 100.00 DEDUCTIBLE PER MEMBER / PER  
OCCURRENCE  
\$ 40,000.00 DEDUCTIBLE IN THE AGGREGATE

ENDORSEMENT #2

POLICY TERM: 03/31/2009-03/31/2010

THIS ENDORSEMENT EFFECTIVE ON 03/31/2009 AT 12:01 A.M STANDARD TIME  
FORMS A PART OF POLICY

ISSUED TO THE ACADEMY OF MODEL AERONAUTICS

BY: BURNS & WILCOX LTD.

IT IS HEREBY UNDERSTOOD AND AGREED THAT THE FOLLOWING CHANGES HAVE BEEN  
MADE TO THE ABOVE NUMBERED POLICY:

- 1.) IT IS HEREBY UNDERSTOOD AND AGREED THE COST OF LABOR SHALL NOT BE INCLUDED IN DETERMINING THE VALUE OF A MODEL. THE VALUE SHALL BE LIMITED TO THE COST OF MATERIALS ONLY.
- 2.) EXCESS TO ANY OTHER INSURANCE. THIS POLICY IS EXPRESSLY UNDERSTOOD TO BE IN EXCESS OF, AND SHALL NOT CONTRIBUTE WITH, ANY OTHER APPLICABLE POLICY OR POLICIES OF INSURANCE AVAILABLE TO THE INSURED FROM ANY OTHER SOURCE. UNTIL SUCH APPLICABLE POLICY OR POLICIES HAVE BEEN EXHAUSTED BY PAYMENT IN SETTLEMENT OR IN JUDGEMENT OR WHERE ANY OTHER INSURANCE EXISTS FOR THE INSURED'S RECOURSE AND BENEFIT, NO CLAIM WILL BE CONSIDERED FOR PAYMENT UNDER THIS POLICY.
- 3.) THE \$1,000 PER MEMBER/PER OCCURRENCE LIMIT IS AMENDED TO READ \$1,000 PER MEMBER/PER POLICY YEAR LIMIT, AS PER COVERAGE FROM B&W AMA (10/94) ITEM 3- LIMIT OF LIABILITY.
- 4.) THE FIRE DAMAGE COVERAGE, PER FORM B&W AMA (10/94), IS HEREBY AMENDED TO LIMIT FIRE DAMAGE COVERAGE TO A MODEL IN A BUILDING OR IN A VEHICLE IN LIEU OF ANY LOCATION.

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

SIGNED: \_\_\_\_\_

**ENDORSEMENT #3**  
**POLICY RAS359194**  
**AMA COVERAGE FORM**

- 1 ) **PROPERTY COVERED -**  
THIS POLICY INSURES MODEL AIRCRAFT AND MODEL AIRCRAFT ACCESSORIES INCLUDING, BUT NOT LIMITED TO RADIO CONTROL EQUIPMENT
  
- 2 ) **PROPERTY NOT COVERED -**  
THIS POLICY DOES NOT INSURE
  - A) CURRENCY, MONEY, DEEDS, EVIDENCE OF DEBT, NOTES SECURITIES, JEWELRY, PRECIOUS STONES, PRECIOUS METALS OR THEIR ALLOYS, FURS, OR GARMENTS TRIMMED WITH FUR, FINE ARTS,
  - B) MOTOR VEHICLES DESIGNED FOR HIGHWAY USE,
  - C) DATA PROCESSING EQUIPMENT AND MEDIA, VALUABLE PAPERS AND MANUSCRIPTS, ACCOUNTS RECEIVABLE
  
- 3 ) **LIMIT OF LIABILITY -**  
THE COMPANY SHALL NOT BE LIABLE FOR MORE THAN \$500,000 FOR ALL LOSSES IN THE AGGREGATE DURING THE POLICY TERM IN NO EVENT SHALL ANY LOSS EXCEED \$1,000 PER MEMBER PER OCCURRENCE
  
- 4 ) **PERILS INSURED -**  
THIS POLICY INSURES AGAINST LOSS OCCURRING DURING THE POLICY PERIOD CAUSED BY
  - A) FIRE, LIGHTNING, AND EXPLOSION TO A MODEL WHILE IN A BUILDING OR VEHICLE
  - B) VANDALISM AND MALICIOUS MISCHIEF MEANING WILLFUL AND MALICIOUS DAMAGE TO OR DESTRUCTION OF A MODEL (S) WHILE IN A RESIDENTIAL DWELLING INCLUDING IT'S GARAGE, MOBILE HOME, MOTOR HOME, OR RECREATIONAL VEHICLE WITH PHYSICAL EVIDENCE OF FORCIBLE ENTRY INTO THE DWELLING OR VEHICLE PROPER LAW ENFORCEMENT AUTHORITIES MUST BE NOTIFIED OF THE FORCIBLE ENTRY & VANDALISM
  - C) THEFT, MEANING THEFT, ROBBERY, LARCENY AND PILFERAGE, INCLUDING DAMAGE DONE BY THIEVES TO A MODEL THIS POLICY WILL ONLY INSURE A LOSS BY THEFT WHEN THE THEFT OF THE MODEL IS FROM A FULLY SECURED OR LOCKED MOTOR VEHICLE, RESIDENTIAL DWELLING INCLUDING ITS GARAGE, MOBILE HOME, MOTOR HOME OR RECREATIONAL VEHICLE AND THE LOSS BE A DIRECT RESULT OF VIOLENT FORCIBLE ENTRY OF WHICH THERE IS PHYSICAL EVIDENCE. LOSS BY THEFT FROM ANY OTHER LOCATION IS NOT COVERED. IT IS ALSO A REQUIREMENT THAT A THEFT BE REPORTED TO THE APPROPRIATE LOCAL LAW ENFORCEMENT AUTHORITY
  
- 5 ) **SPECIAL EXCLUSION -**  
THIS POLICY EXCLUDES LOSS OCCURRING WHILE PROPERTY COVERED IS ACTIVELY BEING OPERATED AND/OR PROPERTY IS UNDER ITS OWN POWER. THIS POLICY EXCLUDES LOSS OR DAMAGE TO RADIO CONTROL EQUIPMENT RENDERED OBSOLETE AND PROHIBITED FOR RADIO CONTROL MODELING BY THE FCC

- 6) SELF INSURED RETENTION THE ACADEMY OF MODEL AERONAUTICS, INC SHALL ASSUME AN AGGREGATE AMOUNT OF LOSS OR \$40,000 00 FOR ALL LOSSES WHICH WOULD HAVE BEEN OTHERWISE COVERED UNDER THIS POLICY THE AMOUNT OF INDIVIDUAL LOSS TO ACCRUE TO THIS AGGREGATE SHALL NOT BE IN EXCESS OF \$1,000 00 PER MEMBER PER OCCURRENCE
- 7) DEDUCTIBLE IN EVENT THE SELF INSURED RETENTION IS EXHAUSTED, THE AMOUNT OF \$100 00 SHALL CONTINUE TO BE DEDUCTED FROM EACH LOSS COVERED UNDER THIS POLICY TO BE APPLIED SEPARATELY TO EACH SUCH OCCURRENCE. THERE SHALL BE A \$100 00 DEDUCTIBLE APPLIED PER MEMBER PER OCCURRENCE
- 8) CLAIMS REPORTING REPORT OF ALL LOSSES FOR POLICY TERM SHALL BE SUBMITTED TO THE COMPANY NO LATER THAN FIFTEEN (15) DAYS AFTER THE FIRST DAY OF EACH CALENDAR MONTH INDICATING THE FOLLOWING
- |   |                                       |
|---|---------------------------------------|
| 1 | CLAIMANT NAME                         |
| 2 | DATE OF OCCURRENCE                    |
| 3 | DATE OF LOSS REPORTED                 |
| 4 | CAUSE OF LOSS INCLUDING CIRCUMSTANCES |
| 5 | PLACES OF LOSS                        |
| 6 | AMOUNT RESERVED                       |
| 7 | AMOUNT PAID                           |
- 9) CLAIMS INFORMATION ALL INFORMATION OF ANY OR ALL CLAIMS SHALL BE GIVEN TO THIS COMPANY WITHIN (15) DAYS OF DEMAND
- 10) CLAIMS HANDLING SERVICE THE INSURED WILL RETAIN AND MAINTAIN A COMPANY APPROVED CLAIM HANDLING SERVICE FOR ALL LOSSES APPLICABLE UNDER THIS POLICY ALL EXPENSES FOR THIS SERVICE SHALL BE PAID BY THE INSURED
- 11) VALUATION -  
PROPERTY WILL BE VALUED AT THE FULL COST TO REPAIR OR REPLACE THE PROPERTY WITHOUT DEDUCTION FOR DEPRECIATION IF THE PROPERTY IS ACTUALLY REPAIRED OR REPLACED IN A REASONABLE TIME FOLLOWING LOSS IF NOT REPAIRED OR REPLACED, THE PROPERTY WILL BE VALUED AT ITS ACTUAL CASH VALUE AT THE TIME OF THE LOSS

ENDORSEMENT #4

POLICY TERM: 03/31/2009 TO 03/31/2010

THIS ENDORSEMENT EFFECTIVE ON 03/31/2009 AT 12:01 STANDARD TIME

FORMS A PART OF POLICY #RAS359194

ISSUED TO THE ACADEMY OF MODEL AERONAUTICS

BY BURNS & WILCOX LTD

IT IS HEREBY UNDERSTOOD AND AGREED THAT THE FOLLOWING  
CHANGES HAVE BEEN MADE TO THE ABOVE NUMBERED POLICY

PARK PILOT MEMBERS ARE EXCLUDED FOR THE POLICY IN THE ENTIRETY

“PARK PILOT MEMBER” MEANS AN ACADEMY OF MODEL AERONAUTICS  
MEMBER WHO HAS APPLIED FOR AND BY PAYMENT OF DUES RECEIVED  
BY THE ACADEMY OF MODEL AERONAUTICS IS ACCEPTED AS A SPECIAL  
MEMBERSHIP CLASS DESIGNATED PARK PILOT MEMBER.