

COLLECTION PROTECTION

The following Collection Protection Program (this “Program”) is not an insurance benefit. The company or website that accepted *your Consigned Property* for sale (the acceptor or “we”, “us”, or “our”) has arranged for Vertical Insure, Inc. to service its collection protection program. On their behalf, Vertical Insure will handle all damage requests.

The *Program* offers enrolled participants the opportunity to receive a replacement or financial compensation for *your consigned property* from the *store* that is lost, stolen, or damaged by fire, flood, customer handling, civil unrest, or causes beyond their reasonable control, subject to the *Market Value*.

The costs associated with *your* purchase of this Collection Protection are non-refundable. If *your consigned property* is lost, stolen, or damaged by fire, flood, customer handling, civil unrest, or causes beyond their reasonable control, *you* can file a request for a replacement or financial compensation.

DEFINITIONS

Certain words have special meaning. These words are shown in “italics.”

Burglary or *Theft* - means any unlawful taking of *consigned property*, including taking of *consigned property* from within a premises with or without evidence of forced entry. *Burglary* and *Theft* does not include *Robbery*.

Consigned Property - means merchandise that is:

- Footwear and other items delivered by *you* and accepted by the store
- Intended for sale on *your* behalf
- Displayed in the store’s physical location(s) or online marketplace;
- Owned by *you* until sold; and
- Listed on *your* consignment receipt.

Consigned Property - does not include:

- Dealer stock;
- *Consigned property* not listed on *your* consignment receipt;
- *Consigned property* obtained illegally;
- *Consigned property* which *you* own fractionally;
- *Consigned property* used in a business, trade, profession, or occupation. Property is not covered regardless of *your* business, trade, profession, or occupation, is on a full-time, part-time, or intermittent basis;
- *Consigned property* on display or exhibit intended for an audience for a temporary period of time;
- Consigned property that is contraband or in the course of illegal transportation or trade

Consignment Receipt - a document that the store issues to the seller by email when they accept delivery of items for consignment. The Consignment Receipt states:

1. The quantity of items
2. A description of the items
3. The Consignment Prices of the items

Consignor - means:

- *you*;
- relatives of *you* if residents of *your* household; or
- persons authorized by *you* to act on *your* behalf regarding consigned items.

Earth Movement - means any movement or vibration of the earth's surface; including but not limited to:

- earthquake;
- land shock waves or tremors before, during, or after a volcanic eruption;
- landslide, mudflow, mudslide;
- sinkhole collapse
- subsidence, erosion; or

any other earth movement, including but not limited to, earth sinking, rising, shifting, expanding, or contracting.

Flood zones - means geographic areas that the Federal Emergency Management Agency ("FEMA") has defined according to varying levels of flood risk. These zones are depicted on a community's Flood Insurance Rate Map ("FIRM") or Flood Hazard Boundary Map. Each zone reflects the severity or type of flooding in the area.

In-Store - means the span of time starting when the consigned goods are accepted by the store at the location and continues during the ordinary course of consignment until it is sold, returned to *you*, *your* interest ceases, or six months, whichever occurs first.

Market Value - means the amount it would cost to replace an item with one of like kind and quality within a reasonable amount of time.

Robbery - means the unlawful taking of property from the store by one who has:

- Caused or threatened to cause that person bodily harm
- Committed an obviously unlawful act witnessed by that person

Store - means;

- The business entity operating the consignment service
- Its physical retail locations
- Its online presence

We, Us, Our - means the company providing this protection.

You, Your - means the person or persons shown as the consignor on the consignment receipt.

General Limitations, Conditions and Exclusions

This program offers enrolled participants the opportunity to receive a replacement or financial compensation for *your consigned property* that is lost, stolen, or damaged by fire, flood, customer handling, civil unrest, or causes beyond their reasonable control, subject to the *Market Value* while *in-store*.

PERIOD AND TERRITORY

This *Program* only applies during the time period which *your* consigned property is in *store possession* and control at a physical location. Coverage begins upon store acceptance of *your consigned property* and

issuance of a *consignment receipt* and ends when the *consigned property* is sold or returned to *you*.

EXCLUSIONS

This Program provides no payment for any loss arising directly or indirectly out of or as a result of the following. Such loss or damage is excluded regardless of other causes or events that contribute to or aggravate the loss, whether such causes or events act to produce the loss before, at the same time as, or after the excluded causes or events.

These exclusions apply whether or not an extensive area suffers damage from or is affected by the excluded cause or effect.

Change in Market

We do not pay for loss to *consigned property* due to delay, loss of use or loss of market.

Civil Authority

We do not pay for loss caused by order of any civil authority, including seizure, confiscation, destruction, or quarantine of property.

We do pay for loss resulting from acts of destruction by the civil authority to prevent the spread of fire, unless the fire is caused by a peril excluded under this coverage.

Earth Movement

We do not pay for loss caused by *earth movement* whether the *earth movement* results from or is caused by human or animal forces or an act of nature.

We do pay for direct loss to *Consigned Property* caused by fire or explosion resulting from *earth movement*.

Frozen Pipes

We do not pay for loss that occurs as a result of water, other liquids, powder or molten material that leaks or flows from plumbing, heating, air conditioning or other equipment (except fire protective systems) caused by or resulting from freezing, unless:

- *You* do *your* best to maintain heat in the building or structure; or
- *You* drain the equipment and shut off the supply if the heat is not maintained.

Intentional Acts

We do not pay for loss that results from any act committed:

- by *you*, alone or in collusion with another; or
- at the direction of *you*; with the intent to cause a loss.
- By employees of the store with the intent to cause a loss, unless discovered within 30 days of occurrence;

Mandatory Evacuation

We do not pay for loss or damage to *covered collectibles* that occurs when:

1. A mandatory evacuation order is issued by civil authorities for *your* location; and
2. *You* do not remove the *covered collectibles* from the evacuated location.

This exclusion applies whether the loss or damage is directly or indirectly caused by the hazard prompting the evacuation order.

Mysterious Loss or Disappearance

We do not pay for unexplained loss, mysterious disappearances, nor loss or shortage discovered upon taking inventory.

Nuclear Hazard

- We do not pay for loss caused by nuclear reaction, radiation, or radioactive contamination:
 - whether controlled or uncontrolled; or
 - however, caused;
or any consequence of such reaction, radiation, or contamination
- Loss caused by nuclear reaction, radiation, or radioactive contamination is not considered loss caused by:
 - fire;
 - explosion; or
 - smoke;

even if this policy provides coverage for loss caused by one or more of these perils.

Direct loss by fire resulting from nuclear reaction, radiation, or radioactive contamination is covered.

Pet

We do not pay for damage caused by a pet in the store.

Theft, Burglary, Vandalism, or Malicious Mischief

We do not pay for loss from vandalism or malicious mischief to your *consigned property*. However, *robbery* is covered.

Voluntary Parting

We do not pay for loss due to voluntary parting of *your consigned property* by you or by anyone to whom you have entrusted the *consigned property*. This exclusion applies whether or not the voluntary party was induced by any fraudulent scheme, trick, device, false pretense, or conversion.

Vermin, Birds, Rodents, Insects, or Animals

We do not pay for loss caused by:

- birds;
- vermin;
- rodents;

- insects; or

War And Military Action

We do not pay for loss or damage caused by:

- War, including undeclared or civil war;
- Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

Water

We do not pay for loss or damage caused by water from any of the following sources:

- dampness or dryness of atmosphere;
- water or matter present in water that backs up through sewers or drains or that overflows or is discharged from:
 - a sump, sump pump, or related equipment; or
 - any other type of system designed to remove subsurface water that is drained from the foundation area; or
- water or matter present in water below the surface of the ground. This includes water or matter present in water that exerts pressure on, or seeps or leaks through or into, a building, sidewalk, driveway, foundation, swimming pool, or other structure.

If the *consigned property* is physically located in *flood zones A or V*, either permanently, temporarily or in transit, we do not pay for loss or damage caused by water from any of the following sources:

- flood, surface water, waves, tidal water, overflow of a body of water, or spray from any of these, all whether driven by wind or not;
- mudslide or mudflow;

Wear and Tear

We do not pay for losses that result from wear and tear, deterioration, decay, inherent vice or any quality in the property that causes it to damage or destroy itself, also including fading, creasing, denting thinning, tearing, scratching, peeling, color transfer, dampness, extremes of temperature, dry or wet rot or warping.

Work Done on Product

We do not pay for loss to *consigned property* caused by any repairing, processing, or other work upon the property. This includes, but is not limited to, cleaning, restoring, or maintenance.

Storage

- We will not pay for loss or damage to *consigned property* stored outdoors, in a basement, underground, below grade, in a location without a smoke alarm, or while in a storage facility other than a bank or safe depository.

- *Consigned Property* over \$2,000 must be stored in a vault, safe, or location with a central station alarm.
- *You* must take reasonable steps to ensure the *consigned property* is stored safely including storing the items in protective shielding, storing the items in a safe and secure location, away from sources of ignition, etc.

CONDITIONS

Consignment Receipt Requirement

A valid *Consigned Receipt* documenting detailed condition assessments must be completed and signed by both parties at the time of consignment.

Refund Request

WHAT MUST BE DONE IN CASE OF LOSS

As a condition to the payment of benefits under this Program, we will require certain information from you if you need to file a claim. This documentation will include, at a minimum and is not limited to, the following:

- Original consignment receipt
- Photos or other evidence of the item's condition before consignment
- Documentation of the item's value

Notice

- *You* must notify *us* of notice of loss within 15 days of being informed of damage or loss.

LOSS PAYMENT

Our Options In the event of damage or loss, *we* may:

- Pay the loss in money, based on the pre-agreed *declared value*;
- Repair or restore the consigned property to its pre-loss condition;
- Return the damaged consigned property to *you* with appropriate compensation.

Conditions For Payment Of Loss A loss will be payable within 30 days after:

- A satisfactory proof of loss is received;
- The amount of the loss has been established by mutual agreement;
- The completion of any investigation related to the claim.

CLAIMS AGAINST OTHERS

Subrogation

If *we* pay for a loss, *you* must assign to *us* your right of recovery against others responsible for the damage. *We* do not pay for a loss if *you* impair this right to recover.

DISAGREEMENTS

Dispute Resolution

If a disagreement arises regarding the value of the consigned property or the amount of loss, the dispute shall be resolved by:

1. Good faith negotiation between the parties
2. Mediation, if negotiation fails
3. Binding arbitration, if mediation fails

Time Limitation No legal action may be brought against us under this agreement unless:

- All terms of this agreement have been complied with; and
- The action is initiated within one year after the loss or damage.

ACCEPTANCE OF TERMS

By signing the Seller Terms of Use, *you* acknowledge that *you* have read, understand, and agree to the *Program*.