IN THE CIRCUIT COURT FOR THE TWENTIETH JUDICIAL CIRCUIT
IN AND FOR LEE COUNTY, FLORIDA

G&M Estates USA, Inc.,

Plaintiff,

vs. CASE NO.:

Indian Harbor Insurance Company,

Defendant.
_____/

COMPLAINT & DEMAND FOR JURY TRIAL

COMES NOW the Plaintiff, G&M Estates USA, Inc., by and through the undersigned attorneys and sues the Defendant, Indian Harbor Insurance Company, and alleges as follows:

1. This is an action for breach of contract with damages greater than Fifty Thousand Dollars ($50,000.00), exclusive of interest, costs, and attorney's fees.

2. At all material times hereto, the Plaintiff, G&M Estates USA, Inc., (hereinafter "Plaintiff") was and is a Florida Corporation.

3. At all material times hereto, Defendant, Indian Harbor Insurance Company, (hereinafter "Defendant") was a corporation duly licensed to transact insurance business in the State of Florida. Defendant does business, has offices, and/or maintained agents for the transaction of its customary business in Lee County, Florida.

4. Plaintiff brings this action as a property owner.

5. Prior to September 28, 2022, the Plaintiff sought and purchased homeowner's insurance from Defendant to cover the property located at 1591 Hayley Lane, Fort Myers, Florida 33907 (hereinafter "Plaintiff's Property"). Said policy of insurance, which is believed to be policy number UCF0005914-04 with corresponding claim number CLM0016214 (hereinafter "Plaintiff's

Policy"), was issued by Defendant to Plaintiff to provide insurance coverage which included, but was not limited to, coverage afforded to protect Plaintiff's Property against windstorm damage.

6. Plaintiff's Policy was issued by Defendant in Lee County, Florida and was in full force and effect as of September 28, 2022. See copy of the policy attached as **Exhibit "A".**

7. On or about September 28, 2022, Plaintiff's Property located at 1591 Hayley Lane, Fort Myers, Florida 33907 was damaged by a windstorm event (hereinafter, the "Loss"). The Loss was covered under Plaintiff's Policy issued by Defendant.

8. As of the date of the filing of this lawsuit, Defendant has failed to: (i) acknowledge coverage for the Loss; and/or (ii) acknowledge that payment of insurance proceeds for the Loss will be forthcoming; and/or (iii) issue payment in full of insurance proceeds for the Loss to Plaintiff.

9. Jurisdiction and venue of this matter are proper in the Circuit Court for Lee County, Florida.

COUNT I-BREACH OF CONTRACT AGAINST DEFENDANT

10. Plaintiff does hereby repeat and re-allege Paragraphs 1 through 9 above and incorporates the same by reference herein.

11. Plaintiff is a named Insured under the homeowner's insurance policy of the Plaintiff (the Plaintiff's Policy described above) and said policy was in full force and effect as to the Plaintiff at all times material to this Complaint, including when Plaintiff's Property was damaged as described above.

12. Plaintiff has either complied with all conditions precedent to filing this lawsuit and Plaintiff is entitled to recover under Plaintiff's Policy or any such conditions has been waived.

13. Defendant's refusal to: (i) acknowledge coverage for the Loss; and/or (ii) acknowledge that payment of insurance proceeds for the Loss will be forthcoming; and/or (iii) issue payment in full of insurance proceeds for the Loss to Plaintiff, constitutes a breach of contract.

14. Plaintiff has been damaged as a result of Defendant's breach in the form of unpaid insurance proceeds, interest, costs, and attorney's fees.

15. Plaintiff has been and remains fully prepared to comply with all of the obligations pursuant to the aforesaid contract of insurance.

16. As a result of Defendant's aforementioned breach of contract, it has become necessary that Plaintiff retain the services of the undersigned attorneys pursuant to Fla. Stat. §§ 627.428, 627.70152, and/or 626.9373. Plaintiff is obligated to pay a reasonable fee for the undersigned attorneys' services in bringing this action, plus necessary costs.

17. Plaintiff is entitled to recover attorney's fees and costs pursuant to Fla. Stat. §§ 627.428, 627.70152, and/or 626.9373.

WHEREFORE, the Plaintiff, G&M Estates USA, Inc., by and through the undersigned counsel, demands judgment against Defendant, Indian Harbor Insurance Company, for all unpaid bills with interest on any overdue payments, costs, attorney fees pursuant to Fla. Stat. §§ 627.428, 627.70152, and/or 626.9373, and for all other remedies the Court sees fit to grant, and the Plaintiff demands trial by jury.

COUNT II – DECLARATORY RELIEF

18. Plaintiff hereby repeats and re-alleges Paragraphs 1 through 9 above and incorporates the same by reference herein and further states:

19. This is an action for declaratory relief pursuant to Florida Statutes Chapter 86 and the Court's general equity powers to declare the Plaintiff's rights and obligations under a contract of insurance. Declaratory relief is proper to determine whether a loss is covered under an insurance policy.

20. The Plaintiff wants Defendant to be in compliance with the Policy and does not want to be subjected to the whim of the Defendant or its attorneys in regard to the alleged policy interpretation.

21. The interpretation of the Policy, as interpreted by the Defendant in regard to these issues herein, is wrong and/or creates at least an ambiguity in regard to Policy interpretation and, as such, the Plaintiff is entitled to an interpretation in its favor and in favor in favor on coverage. Accordingly, these actions by Defendant have made Plaintiff unsure of his/her rights, obligations and duties in regard to the subject policy and Plaintiff wishes to be in full compliance with said policy and Florida law.

22. The actions taken by the Insurance Company, based on the Insurance Company's unilateral interpretation of the express and implied terms of the subject insurance contract, conflict with Plaintiff's interpretation of the express and implied terms of the subject insurance contract.

23. Due to the Insurance Company's actions and inactions, Plaintiff is unsure of his/her rights, obligations and status in regard to the Policy in its entirety, including the covered causes of loss within the Policy, and the Plaintiff seeks a declaration of his/her rights, obligations and status, in accordance with the Policy and Florida law.

24. The Defendant's incorrect interpretation of the Policy and Florida law, has created the need for a declaration by the Court on the following issues:

a. Whether the subject policy provides coverage for the water loss at the insured dwelling when there are no specific provisions excluding coverage for the type of water loss;

b. Whether the subject policy is ambiguous regarding the coverage afforded for a water loss and windstorm losses that is a direct result of physical damage from a windstorm;

d. Whether the subject policy is ambiguous regarding the exclusions for water damage when the damages are caused by a Windstorm;

e. Whether the subject policy is ambiguous regarding the exclusions for limited water damage when caused by a Windstorm;

f. Conflicts between the water exclusion and the water damage endorsement in the policy.

25. Specifically, Plaintiff seeks interpretation of the policy provisions cited in Defendant's coverage determination letter *attached as Plaintiff's* **Exhibit "B".**

26. Pursuant to the Declaratory Judgment Statutes, the Court has the jurisdiction and power to construe relations that are affected by the construction of a contract/Policy and issue a declaratory decree/judgment in regard to same.

27. Accordingly, the Plaintiff has filed this request for declaratory relief seeking the Court's construction of the contract/Policy, as well as Florida law, and asks that the Court retain jurisdiction of this matter thereafter to avoid piecemeal litigation.

28. Plaintiff does not want to be in breach of the insurance contract is are ready, willing, and able to comply with all contract conditions the Court deems appropriate but due to the Defendant's actions, the Plaintiff is unsure of his/her rights in regard to Policy provisions.

29. The Defendant's conduct has created doubt or uncertainty as to Plaintiff's right or status of the applicable Policy and Plaintiff sees a declaration of those rights and status.

30. Due to the Defendant's conduct, the Plaintiff has been obligated to retain undersigned counsel to bring this action and, pursuant to Fla. Stat. §§ 86.011, 626.9373, 627.428,

627.70152 and/or 57.041, undersigned counsel is entitled attorneys' fee and costs in this matter to be paid by the Defendant Insurance Company.

WHEREFORE, the Plaintiff G&M Estates USA, Inc., by and through the undersigned counsel, prays this Honorable Court take jurisdiction of this matter and declare the parties' rights and duties under the Policy and Florida law, including but not limited to: i) a decree in his/her favor on the above issues; ii) an award of reasonable attorney's fees and costs; iii) a reservation of jurisdiction to enter such further orders as may be required to enforce the Court's declaration of the parties' rights and to determine any disputes that may arise in adjusting or paying the loss upon a determination of coverage; and iv) for such other and further relief as this Court deems just, proper and equitable.

CERTIFICATE OF SERVICE

I DO HEREBY CERTIFY that a true and correct copy of this document will be served on the Defendant along with the Summons in this action.

DATED: September 7, 2023

Respectfully submitted by:

/s/ *Kevin M. Conneran*
KEVIN M. CONNERAN, ESQ.
Florida Bar No.: 119868
KUHN RASLAVICH, P.A.
2300 NW Corporate Blvd. Suite 110
Boca Raton, FL 33431
Telephone: (954)372-3272
Facsimile: (954)361-1133
kevin@thekrfirm.com
Counsel for Plaintiff

INDIAN HARBOR INSURANCE COMPANY
COMMERCIAL LINES POLICY

Administrative Office: Tower Hill Insurance Group, LLC
Post Office Box 147018
Gainesville, FL 32614-7108
(352) 332-8800

Insured's Name: G & M Estates USA, Inc Policy # UCF0005914-04

Policy Dates: From: 12/11/2021 To: 12/11/2022

Surplus Lines Agent's Name: Michael Hisey

Surplus Lines Agent's Address: 7201 NW 11TH PLACE
GAINESVILLE, FL 32605-3150

Surplus Lines Agent's License #: E168060

Producing Agent's Name: Assured Partners of Florida LLC
Jamie Purnell

Producing Agent's Physical Address: 8950 Fontana Del Sol Way Ste 300
Naples, FL 34109

"THIS INSURANCE IS ISSUED PURSUANT TO THE FLORIDA SURPLUS LINES LAW. PERSONS INSURED BY SURPLUS LINES CARRIERS DO NOT HAVE THE PROTECTION OF THE FLORIDA INSURANCE GUARANTY ACT TO THE EXTENT OF ANY RIGHT OF RECOVERY FOR THE OBLIGATION OF AN INSOLVENT UNLICENSED INSURER"

"SURPLUS LINES INSURERS' POLICY RATES AND FORMS ARE NOT APPROVED BY ANY FLORIDA REGULATORY AGENCY"

Total Commissionable premium:	$28,546.00	Policy Tax:	$1,415.11
Inspection Fee:	$0.00	Policy Fee:	$100.00
FSLSO Tax:	$17.19	Citizen's Assessment:	$0.00
EMPAT Surcharge:	$4.00	FHCF Assessment:	$0.00
Total Premium:	$30,082.30		

Surplus Lines Agent's Countersignature: _____

"THIS POLICY CONTAINS A SEPARATE DEDUCTIBLE FOR HURRICANE OR WIND LOSSES, WHICH MAY RESULT IN HIGH OUT - OF-POCKET EXPENSES TO YOU."

NOTICE TO POLICYHOLDERS

PRIVACY POLICY

The AXA XL insurance group (the "Companies"), believes personal information that we collect about our customers, potential customers, and proposed insureds (referred to collectively in this Privacy Policy as "customers") must be treated with the highest degree of confidentiality. For this reason and in compliance with the Title V of the Gramm-Leach-Bliley Act ("GLBA"), we have developed a Privacy Policy that applies to all of our companies. For purposes of our Privacy Policy, the term "personal information" includes all information we obtain about a customer and maintain in a personally identifiable way. In order to assure the confidentiality of the personal information we collect and in order to comply with applicable laws, all individuals with access to personal information about our customers are required to follow this policy.

Our Privacy Promise

Your privacy and the confidentiality of your business records are important to us. Information and the analysis of information is essential to the business of insurance and critical to our ability to provide to you excellent, cost-effective service and products. We understand that gaining and keeping your trust depends upon the security and integrity of our records concerning you. Accordingly, we promise that:

1. We will follow strict standards of security and confidentiality to protect any information you share with us or information that we receive about you;
2. We will verify and exchange information regarding your credit and financial status only for the purposes of underwriting, policy administration, or risk management and only with reputable references and clearinghouse services;
3. We will not collect and use information about you and your business other than the minimum amount of information necessary to advise you about and deliver to you excellent service and products and to administer our business;
4. We will train our employees to handle information about you or your business in a secure and confidential manner and only permit employees authorized to use such information to have access to such information;
5. We will not disclose information about you or your business to any organization outside the AXA XL insurance group of Companies or to third party service providers unless we disclose to you our intent to do so or we are required to do so by law;
6. We will not disclose medical information about you, your employees, or any claimants under any policy of insurance, unless you provide us with written authorization to do so, or unless the disclosure is for any specific business exception provided in the law;
7. We will attempt, with your help, to keep our records regarding you and your business complete and accurate, and will advise you how and where to access your account information (unless prohibited by law), and will advise you how to correct errors or make changes to that information; and
8. We will audit and assess our operations, personnel and third party service providers to assure that your privacy is respected.

Collection and Sources of Information

We collect from a customer or potential customer only the personal information that is necessary for (a) determining eligibility for the product or service sought by the customer, (b) administering the product or service obtained, and (c) advising the customer about our products and services. The information we collect generally comes from the following sources:

- Submission – During the submission process, you provide us with information about you and your business, such as your name, address, phone number, e-mail address, and other types of personal identification information;
- Quotes – We collect information to enable us to determine your eligibility for the particular insurance product and to determine the cost of such insurance to you. The information we collect will vary with the type of insurance you seek;

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NOTICE TO POLICYHOLDERS

- Transactions – We will maintain records of all transactions with us, our affiliates, and our third party service providers, including your insurance coverage selections, premiums, billing and payment information, claims history, and other information related to your account;
- Claims – If you obtain insurance from us, we will maintain records related to any claims that may be made under your policies. The investigation of a claim necessarily involves collection of a broad range of information about many issues, some of which does not directly involve you. We will share with you any facts that we collect about your claim unless we are prohibited by law from doing so. The process of claim investigation, evaluation, and settlement also involves, however, the collection of advice, opinions, and comments from many people, including attorneys and experts, to aid the claim specialist in determining how best to handle your claim. In order to protect the legal and transactional confidentiality and privileges associated with such opinions, comments and advice, we will not disclose this information to you; and
- Credit and Financial Reports – We may receive information about you and your business regarding your credit. We use this information to verify information you provide during the submission and quote processes and to help underwrite and provide to you the most accurate and cost-effective insurance quote we can provide.

Retention and Correction of Personal Information

We retain personal information only as long as required by our business practices and applicable law. If we become aware that an item of personal information may be materially inaccurate, we will make reasonable effort to re-verify its accuracy and correct any error as appropriate.

Storage of Personal Information

We have in place safeguards to protect data and paper files containing personal information.

Sharing/Disclosing of Personal Information

We maintain procedures to assure that we do not share personal information with an unaffiliated third party for marketing purposes unless such sharing is permitted by law. Personal information may be disclosed to an unaffiliated third party for necessary servicing of the product or service or for other normal business transactions as permitted by law.

We do not disclose personal information to an unaffiliated third party for servicing purposes or joint marketing purposes unless a contract containing a confidentiality/non-disclosure provision has been signed by us and the third party. Unless a consumer consents, we do not disclose “consumer credit report” type information obtained from an application or a credit report regarding a customer who applies for a financial product to any unaffiliated third party for the purpose of serving as a factor in establishing a consumer’s eligibility for credit, insurance or employment. “Consumer credit report type information” means such things as net worth, credit worthiness, lifestyle information (piloting, skydiving, etc.) solvency, etc. We also do not disclose to any unaffiliated third party a policy or account number for use in marketing. We may share with our affiliated companies information that relates to our experience and transactions with the customer.

Policy for Personal Information Relating to Nonpublic Personal Health Information

We do not disclose nonpublic personal health information about a customer unless an authorization is obtained from the customer whose nonpublic personal information is sought to be disclosed. However, an authorization shall not be prohibited, restricted or required for the disclosure of certain insurance functions, including, but not limited to, claims administration, claims adjustment and management, detection, investigation or reporting of actual or potential fraud, misrepresentation or criminal activity, underwriting, policy placement or issuance, loss control and/or auditing.

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NOTICE TO POLICYHOLDERS

Access to Your Information

Our employees, employees of our affiliated companies, and third party service providers will have access to information we collect about you and your business as is necessary to effect transactions with you. We may also disclose information about you to the following categories of person or entities:

- Your independent insurance agent or broker;
- An independent claim adjuster or investigator, or an attorney or expert involved in the claim;
- Persons or organizations that conduct scientific studies, including actuaries and accountants;
- An insurance support organization;
- Another insurer if to prevent fraud or to properly underwrite a risk;
- A state insurance department or other governmental agency, if required by federal, state or local laws; or
- Any persons entitled to receive information as ordered by a summons, court order, search warrant, or subpoena.

Violation of the Privacy Policy

Any person violating the Privacy Policy will be subject to discipline, up to and including termination.

For more information or to address questions regarding this privacy statement, please contact your broker.

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Indian Harbor Insurance Company

Administrative Office: Tower Hill Insurance Group, LLC
P.O. Box 147018
Gainesville, FL 32614-7108
(800) 509-1592

Policy Number: UCF0005914-04

Transaction: 2

Renewal

Commercial Property Policy Declaration

This declaration is effective 12/11/2021
Policy period from 12/11/2021 to 12/11/2022
All dates are as of 12:01 A.M. Standard Time at your mailing address show below

Form Applicable: Special Including Theft

Insured Name and Address

G & M Estates USA, Inc
6892 Leeward Way
Naples, FL 34109-6905

Agency: 96926

Assured Partners of Florida LLC
Jamie Purnell
8950 Fontana Del Sol Way Ste 300
Naples, FL 34109

In return for the payment of the premium, and subject to all the terms of this policy, we agree with you to provide the Insurance as stated in this policy.

Form of Business:	Corporation
Business Description:	Commercial Property - Office/Retail
Described Premises:	See Schedule Attached
Limits for Insurance:	See Schedule Attached
Optional Coverages:	See Schedule Attached

Forms and Endorsement(s) made a part of this policy at time of issue: See Schedule Attached

Base Premium	**$28,546.00**	**CPIC Recoupment Fee**	**$0.00**
Terrorism Premium	**$0.00**	**FHCF Fee**	**$0.00**
Total Commissionable Premium	**$28,546.00**	**Policy Tax**	**$1,415.11**
Policy Fee	**$100.00**	**FSLSO Tax**	**$17.19**
Inspection Fee, if Applicable	**$0.00**	**EMPAT Tax**	**$4.00**
Total Premiums	**$28,646.00**		

Total Policy Premium: $30,082.30

This insurance is issued pursuant to the Florida Surplus Lines Law. Persons insured by Surplus Lines carriers do not have the protection of the Florida Insurance Guaranty Act to the extent of any right of recovery for the obligation on an insolvent unlicensed insurer.

SURPLUS LINES AGENT Michael Hisey
ADDRESS: 7201 NW 11TH PLACE
GAINESVILLE, FL 32605-3150
LICENSE NUMBER E168060

COUNTERSIGNED: 12/13/2021 **AT:** Gainesville, FL **BY:** _____

SURPLUS LINES INSURERS' POLICY RATES AND FORMS ARE NOT APPROVED BY ANY FLORIDA REGULATORY AGENCY.

THIS POLICY CONTAINS A SEPARATE DEDUCTIBLE FOR HURRICANE LOSSES, WHICH MAY RESULT IN HIGH OUT-OF-POCKET EXPENSES TO YOU.

UCF0005914-04

Renewal Activate Transaction: **2**

Commercial Property Policy

This declaration is effective 12/11/2021
Term is from 12/11/2021 to 12/11/2022
All dates are as of 12:01 A.M. Standard Time at the insured's address

N A M E D I N S U R E D S C H E D U L E

First Named Insured is:

G & M Estates USA, Inc

The Following are Named Insureds as their respective interests may appear in the policy:

UCF0005914-04

Renewal Activate Transaction:**2**

Commercial Property Supplemental Declarations

This declaration is effective 12/11/2021
Term is from 12/11/2021 to 12/11/2022
All dates are as of 12:01 A.M. Standard Time at the insured's address

PREMISES AND BUILDINGS

Prems	Bldg	Information	Construction	Protection
1		Location 1 11742 Metro Pkwy. Fort Myers, FL 33966-8358		2
		Building and Personal Property Coverage Table of Contents - Building and Personal Property Florida Changes		
		* Replacement Cost Basis		
1	1	Description: 11742 Metro Parkway	Masonry Non-Combustible	
1	2	Description: 11760 Metro Parkway	Masonry Non-Combustible	
1	3	Description: 11770 Metro Parkway	Masonry Non-Combustible	
1	4	Description: 11780 Metro Parkway	Masonry Non-Combustible	
1	5	Description: 11790 Metro Parkway	Masonry Non-Combustible	
1	6	Description: 11750 Metro Parkway	Masonry Non-Combustible	
1	7	Description: 11766 Metro Parkway	Masonry Non-Combustible	
1	8	Description: 11796 Metro Parkway	Masonry Non-Combustible	
2		Location 2 1591 Hayley Ln. Fort Myers, FL 33907-2121		2
		Building and Personal Property Coverage Table of Contents - Building and Personal Property		

UCF0005914-04

Renewal Activate Transaction:**2**

Commercial Property Supplemental Declarations

This declaration is effective 12/11/2021
Term is from 12/11/2021 to 12/11/2022
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PREMISES AND BUILDINGS

(Continued from previous page)

Prems	Bldg	Information	Construction	Protection
		Florida Changes		
2	1	* Replacement Cost Basis Description: 1591 Hayley Lane "P1" Automatic Sprinkler System	Masonry	

UCF0005914-04

Renewal Activate Transaction: **2**

Commercial Property Supplemental Declarations

This declaration is effective 12/11/2021
Term is from 12/11/2021 to 12/11/2022
All dates are as of 12:01 A.M. Standard Time at the insured's mailing address

C O V E R A G E S

Prems	Bldg	Coverage	Automatic Increase In Insurance	Limit
		Coinsurance = Agreed Value		
		Inflation Guard = 0%		
1		Forgery or Alteration - Deductible = $1,000		$10,000
1		Deductible = 5,000		
1		Hurricane Deductible = 5%		
1		Sinkhole Loss Coverage - $5,000 deductible.		
1		Exterior Building Glass Deductible = 1,000		
		Utility Services - Direct Damage - Deductible = $1,000		$10,000
		Water, Communication and Power Including Overhead Lines		
1		Utility Services - Time Element - Deductible = $1,000		$10,000
		Water, Communication and Power Including Overhead Lines		
1		Business Income with Extra Expense = 1/3		738,059
1	1	Building	0 %	430,000
		* Replacement Cost Basis		
1	1	Business Personal Property		0
1	1	Valuable Papers and Records - Deductible = $1,000		$10,000
1	2	Building	0 %	440,000
		* Replacement Cost Basis		
1	2	Business Personal Property		0
1	2	Valuable Papers and Records - Deductible = $1,000		$10,000
1	3	Building	0 %	430,000
		* Replacement Cost Basis		
1	3	Business Personal Property		0
1	3	Valuable Papers and Records - Deductible = $1,000		$10,000
1	4	Building	0 %	430,000
		* Replacement Cost Basis		
1	4	Business Personal Property		0
1	4	Valuable Papers and Records - Deductible = $1,000		$10,000
1	5	Building	0 %	430,000
		* Replacement Cost Basis		
1	5	Business Personal Property		0
1	5	Valuable Papers and Records - Deductible = $1,000		$10,000
1	6	Building	0 %	650,000
		* Replacement Cost Basis		
1	6	Business Personal Property		0
1	6	Valuable Papers and Records - Deductible = $1,000		$10,000
1	7	Building	0 %	1,040,000

UCF0005914-04

Renewal Activate Transaction: **2**

Commercial Property Supplemental Declarations

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Term is from 12/11/2021 to 12/11/2022
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C O V E R A G E S

(Continued from previous page)

Prems	Bldg	Coverage	Automatic Increase In Insurance	Limit
		* Replacement Cost Basis		
1	7	Business Personal Property		0
1	7	Valuable Papers and Records - Deductible = $1,000		$10,000
1	8	Building	0 %	660,000
		* Replacement Cost Basis		
1	8	Business Personal Property		0
1	8	Valuable Papers and Records - Deductible = $1,000		$10,000

Prems	Bldg	Coverage	Automatic Increase In Insurance	Limit
2		Deductible = 5,000		
2		Hurricane Deductible = 5%		
2		Sinkhole Loss Coverage - $5,000 deductible.		
2		Exterior Building Glass Deductible = 1,000		
2		Utility Services - Direct Damage - Deductible = $1,000		$10,000
2		Utility Services - Time Element - Deductible = $1,000		$10,000
2		Business Income with Extra Expense = 1/3		150,000
2	1	Building	0 %	2,266,080
		* Replacement Cost Basis		
2	1	Business Personal Property		0
2	1	Valuable Papers and Records - Deductible = $1,000		$10,000

UCF0005914-04

Renewal Activate Transaction: **2**

Commercial Property Policy

This declaration is effective 12/11/2021
Term is from 12/11/2021 to 12/11/2022
All dates are as of 12:01 A.M. Standard Time at the insured's address

F O R M S C H E D U L E

FORM	DESCRIPTION
IH JACKET (01/19)	Policy Jacket
CP 01 40 (07/06)	Exclusion of Loss Due to Virus or Bacteria
PN CW 05 05/19	OFAC Advisory Notice
PN CW 01 07/19	Fraud Notice
PN FL 03 01/19	Florida Complaint Notice
IL MP 9104 (03/14)	In Witness Notice
PN CW 02 (01/19)	Privacy Policy
NAME 01s (10/02)	Named Insured Schedule - System Generated
PREM 01s (10/02)	Locations Schedule - System Generated
IH EB (04/17)	Equipment Breakdown Coverage Schedule
IHC 00 01 (01/17)	Table of Contents - Building and Personal Property
CP 00 10 (06/07)	Building and Personal Property Coverage Form
IHC 01 25 (10/18)	Florida Changes
CP 03 22 (01/06)	Florida - Multiple Deductible Form
CP 03 27 (06/07)	Hurricane Deductible - Each Hurricane
CP 10 30 (06/07)	Causes of Loss - Special Form
CP 10 32 (08/08)	Water Exclusion Endorsement
CP 10 34 (10/12)	Exclusion of Loss Due to By-Products of Production or Processing Operations(Rental Properties)
SLDISC (06/11)	Surplus Lines Disclosure

UCF0005914-04

Renewal Activate Transaction: **2**

Commercial Property Policy

This declaration is effective 12/11/2021
Term is from 12/11/2021 to 12/11/2022
All dates are as of 12:01 A.M. Standard Time at the insured's address

F O R M S C H E D U L E

(Continued from previous page)

FORM	DESCRIPTION
IHC 00 10 (01/17)	Existing Damage Exclusion Endorsement
IHC 00 12 (01/17)	Standard Policy Coverage - Declarations
IHC 00 13 (01/17)	Fire Code Compliance Exclusion
IHC 00 17 (01/17)	Common Policy Conditions
TC 00 30 (10/18)	Business Income (and Extra Expense)
IHC1046 (05/17)	Equipment Breakdown
IHC 00 90 (01/17)	Commercial Property Conditions
IHC 01 12 (01/17)	Florida Changes - Mediation or Appraisal and Neutral Evaluation
TC 01 00 (11/19)	Property Enhancement Endorsement
IHC 04 01 (01/17)	Sinkhole Loss Coverage
IHC 14 20 (01/17)	Additional Property Not Covered
IHC 15 12 (01/17)	Exclusion Earth Movement
IL 04 15 (04/98)	Protective Safeguards
IL 09 35 (07/02)	Exclusion of Certain Computer - Related Losses
IL 09 53 (01/15)	Exclusion of Certified Acts of Terrorism (Schedule)
IL-FEES (01/17)	Important Notice About Fees
Privacy Notice (08/16)	Privacy Notice
XL-FLSOP (01/18)	Service of Process

UCF0005914-04

Renewal Activate Transaction: **2**

Commercial Property Policy

This declaration is effective 12/11/2021
Term is from 12/11/2021 to 12/11/2022
All dates are as of 12:01 A.M. Standard Time at the insured's address

F O R M S C H E D U L E

(Continued from previous page)

FORM	DESCRIPTION
CP 04 17 (06/07)	Utility Services - Direct Damage
CP 15 45 (06/07)	Utility Services - Time Element

UCF0005914-04

Renewal Activate Transaction: **2**

Commercial Property Policy

This declaration is effective 12/11/2021
Term is from 12/11/2021 to 12/11/2022
All dates are as of 12:01 A.M. Standard Time at the insured's address

ADDITIONAL INTERESTS

Type: *First Mortgagee*
Additional Interest Name: *Lake Michigan Credit Union ISAOA/ATIMA*

Address: *7920 Summerlin Lakes Drive*
Fort Myers, FL 33907-2121

Form:
Loan #:

For:
Location: Location 1
Location: Location 2

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 FORM
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 microorganism 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.

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NOTICE TO POLICYHOLDERS

U.S. TREASURY DEPARTMENT'S OFFICE OF FOREIGN ASSETS CONTROL ("OFAC")

No coverage is provided by this Policyholder Notice nor can it be construed to replace any provisions of your policy. You should read your policy and review your Declarations page for complete information on the coverages you are provided.

This Policyholder Notice provides information concerning possible impact on your insurance coverage due to the impact of U.S. Trade Sanctions[1]. Please read this Policyholder Notice carefully.

In accordance with the U.S. Department of the Treasury's Office of Foreign Assets Control ("OFAC") regulations, or any other U.S. Trade Sanctions embargoes or export controls applied by any regulatory body, if it is determined that you or any other insured, or any person or entity claiming the benefits of this insurance has violated U.S. sanctions, embargoes or export controls law, is a Specially Designated National and Blocked Person ("SDN"), or is owned or controlled by an SDN, this insurance will be considered a blocked or frozen contract. When an insurance policy is considered to be such a blocked or frozen contract, neither payments nor premium refunds may be made without authorization from OFAC or the applicable regulator. Other limitations on the premiums and payments also apply.

[1] "U.S Trade Sanctions" may be promulgated by Executive Order, act of Congress, regulations from the U.S. Departments of State, Treasury, or Commerce, regulations from the State Insurance Departments, etc.

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NOTICE TO POLICYHOLDERS

FRAUD NOTICE

Alabama	Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or who knowingly presents false information in an application for insurance is guilty of a crime and may be subject to restitution fines or confinement in prison, or any combination thereof.
Arkansas	Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.
Colorado	**It is unlawful to knowingly provide false, incomplete, or misleading facts or information to an insurance company for the purpose of defrauding or attempting to defraud the company. Penalties may include imprisonment, fines, denial of insurance, and civil damages. Any insurance company or agent of an insurance company who knowingly provides false, incomplete, or misleading facts or information to a policyholder or claimant for the purpose of defrauding or attempting to defraud the policyholder or claimant with regard to a settlement or award payable from insurance proceeds shall be reported to the Colorado Division of Insurance within the Department of Regulatory Agencies.**
District of Columbia	**WARNING:** It is a crime to provide false or misleading information to an insurer for the purpose of defrauding the insurer or any other person. Penalties include imprisonment and/or fines. In addition, an insurer may deny insurance benefits if false information materially related to a claim was provided by the applicant.
Florida	Any person who knowingly and with intent to injure, defraud, or deceive any insurer files a statement of claim or an application containing any false, incomplete, or misleading information is guilty of a felony of the third degree.
Kansas	A "fraudulent insurance act" means an act committed by any person who, knowingly and with intent to defraud, presents, causes to be presented or prepares with knowledge or belief that it will be presented to or by an insurer, purported insurer, broker or any agent thereof, any written, electronic, electronic impulse, facsimile, magnetic, oral, or telephonic communication or statement as part of, or in support of, an application for the issuance of, or the rating of an insurance policy for personal or commercial insurance, or a claim for payment or other benefit pursuant to an insurance policy for commercial or personal insurance which such person knows to contain materially false information concerning any fact material thereto; or conceals, for the purpose of misleading, information concerning any fact material thereto.
Kentucky	Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance containing any materially false information or conceals, for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime.
Louisiana	Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.
Maine	It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties may include imprisonment, fines, or denial of insurance benefits.
Maryland	Any person who knowingly or willfully presents a false or fraudulent claim for payment of a loss or benefit or who knowingly or willfully presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.
New Jersey	Any person who includes any false or misleading information on an application for an insurance policy is subject to criminal and civil penalties.

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NOTICE TO POLICYHOLDERS

New Mexico	ANY PERSON WHO KNOWINGLY PRESENTS A FALSE OR FRAUDULENT CLAIM FOR PAYMENT OF A LOSS OR BENEFIT OR KNOWINGLY PRESENTS FALSE INFORMATION IN AN APPLICATION FOR INSURANCE IS GUILTY OF A CRIME AND MAY BE SUBJECT TO CIVIL FINES AND CRIMINAL PENALTIES.
New York	**General: All applications for commercial insurance, other than automobile insurance:** Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime, and shall also be subject to a civil penalty not to exceed five thousand dollars and the stated value of the claim for each such violation. **All applications for automobile insurance and all claim forms:** Any person who knowingly makes or knowingly assists, abets, solicits or conspires with another to make a false report of the theft, destruction, damage or conversion of any motor vehicle to a law enforcement agency, the department of motor vehicles or an insurance company, commits a fraudulent insurance act, which is a crime, and shall also be subject to a civil penalty not to exceed five thousand dollars and the value of the subject motor vehicle or stated claim for each violation. **Fire:** Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance containing any false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime. The proposed insured affirms that the foregoing information is true and agrees that these applications shall constitute a part of any policy issued whether attached or not and that any willful concealment or misrepresentation of a material fact or circumstances shall be grounds to rescind the insurance policy.
Ohio	Any person who, with intent to defraud or knowing that he is facilitating a fraud against an insurer, submits an application or files a claim containing a false or deceptive statement is guilty of insurance fraud.
Oklahoma	**WARNING**: Any person who knowingly, and with intent to injure, defraud or deceive any insurer, makes any claim for the proceeds of an insurance policy containing any false, incomplete or misleading information is guilty of a felony. **WARNING**: **All Workers Compensation Insurance**: Any person or entity who makes any material false statement or representation, who willfully and knowingly omits or conceals any material information, or who employs any device, scheme, or artifice, or who aids and abets any person for the purpose of: 1. obtaining any benefit or payment, 2. increasing any claim for benefit or payment, or 3. obtaining workers' compensation coverage under this act, shall be guilty of a felony punishable pursuant to Section 1663 of Title 21 of the Oklahoma Statutes.
Pennsylvania	Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information or conceals for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties. **Automobile Insurance:** Any person who knowingly and with intent to injure or defraud any insurer files an application or claim containing any false, incomplete or misleading information shall, upon conviction, be subject to imprisonment for up to seven years and the payment of a fine of up to $15,000.

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NOTICE TO POLICYHOLDERS

Puerto Rico	**Any person who knowingly and with the intention of defrauding presents false information in an insurance application, or presents, helps, or causes the presentation of a fraudulent claim for the payment of a loss or any other benefit, or presents more than one claim for the same damage or loss, shall incur a felony and, upon conviction, shall be sanctioned for each violation by a fine of not less than five thousand dollars ($5,000) and not more than ten thousand dollars ($10,000), or a fixed term of imprisonment for three (3) years, or both penalties. Should aggravating circumstances [be] present, the penalty thus established may be increased to a maximum of five (5) years, if extenuating circumstances are present, it may be reduced to a minimum of two (2) years.**
Rhode Island	Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.
Tennessee	It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines and denial of insurance benefits. **Workers' Compensation:** It is a crime to knowingly provide false, incomplete or misleading information to any party to a workers' compensation transaction for the purpose of committing fraud. Penalties include imprisonment, fines and denial of insurance benefits.
Utah	**Workers' Compensation:** Any person who knowingly presents false or fraudulent underwriting information, files or causes to be filed a false or fraudulent claim for disability compensation or medical benefits, or submits a false or fraudulent report or billing for health care fees or other professional services is guilty of a crime and may be subject to fines and confinement in state prison.
Virginia	It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines and denial of insurance benefits.
Washington	It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines and denial of insurance benefits.
West Virginia	Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.
All Other States	Any person who knowingly and willfully presents false information in an application for insurance may be guilty of insurance fraud and subject to fines and confinement in prison. (In Oregon, the aforementioned actions may constitute a fraudulent insurance act which may be a crime and may subject the person to penalties).

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NOTICE TO POLICYHOLDERS

FLORIDA

FOR INFORMATION, OR
TO MAKE A COMPLAINT, CALL:
1-800-622-7311
AXA XL
SEAVIEW HOUSE
70 SEAVIEW AVENUE
STAMFORD, CT 06902-6040

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IN WITNESS

INDIAN HARBOR INSURANCE COMPANY

REGULATORY OFFICE
505 EAGLEVIEW BOULEVARD, SUITE 100
DEPARTMENT: REGULATORY
EXTON, PA 19341-1120
PHONE: 800-688-1840

It is hereby agreed and understood that the following In Witness Clause supercedes any and all other In Witness clauses in this policy.

All other provisions remain unchanged.

IN WITNESS WHEREOF, the Company has caused this policy to be executed and attested, and, if required by state law, this policy shall not be valid unless countersigned by a duly authorized representative of the Company.

Joseph Tocco
President

Toni Ann Perkins
Secretary

IL MP 9104 0314 IHIC

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Table of Contents – Building and Personal Property

COMMERCIAL PROPERTY COVERAGE PART

Building And Personal Property.....CP 00 10

A. Coverage..... 1
Covered Property..... 1
Property Not Covered..... 2
Covered Causes Of Loss..... 3
Additional Coverages..... 3
Coverage Extensions..... 6
B. Exclusions And Limitations..... 8
C. Limits Of Insurance..... 8
D. Deductible..... 9
E. Loss Conditions..... 9
Abandonment..... 9
Appraisal..... 9
Duties In The Event Of Loss Or Damage..... 10
Loss Payment..... 10
Recovered Property..... 11
Vacancy..... 11
Valuation..... 11
F. Additional Conditions..... 12
Coinsurance..... 12
Mortgageholders..... 13
G. Optional Coverages..... 14
Agreed Value..... 14
Inflation Guard..... 14
Replacement Cost..... 14
Extension Of Replacement Cost To Personal Property Of Others..... 15
H. Definitions..... 15

CAUSES OF LOSS FORMS

Basic.....CP 10 10

A. Covered Causes Of Loss..... 1
B. Exclusions..... 2
C. Additional Coverage – Limited Coverage For "Fungus", Wet Rot, Dry Rot And Bacteria.... 5
D. Limitation..... 6
E. Definitions 6

Broad.....CP 10 20

A. Covered Causes Of Loss..... 1
B. Exclusions..... 2
C. Additional Coverage – Collapse..... 5
D. Additional Coverage – Limited Coverage For "Fungus", Wet Rot, Dry Rot And Bacteria.... 6
E. Limitation..... 7
F. Definitions 7

Special.....CP 10 30

A. Covered Causes Of Loss..... 1
B. Exclusions..... 1
C. Limitations..... 6
D. Additional Coverage – Collapse..... 7
E. Additional Coverage – Limited Coverage For "Fungus", Wet Rot, Dry Rot And Bacteria.... 8
F. Additional Coverage Extensions..... 9
G. Definitions 9

MANDATORY ENDORSEMENTS

Florida Changes.....IHC 01 25

Water Exclusion Endorsement.....CP 10 32

Windstorm Or Hail Exclusion (Only "X-Wind" Policies) ..... CP 10 54

Exclusion Of Certain Computer-Related Losses..... IL 09 35

Existing Damage Exclusion Endorsement .....IHC 00 10

Standard Policy Coverage – Declarations..... IHC 00 12

Fire Code Compliance Exclusion..... IHC 00 13

Common Policy Conditions – Cancellation And Nonrenewal.....IHC 00 17

A. Changes..... 1
B. Examination Of Your Books And Records..... 1
C. Inspections And Surveys 1
D. Premiums..... 1
E. Transfer Of Your Rights And Duties Under This Policy..... 1
F. Cancellation..... 1
G. Nonrenewal..... 2

Florida – Commercial Property Conditions .....IHC 00 90

A. Concealment, Misrepresentation Or Fraud..... 1
B. Control Of Property..... 1
C. Insurance Under Two Or More Coverages..... 1
D. Legal Action Against Us..... 1
E. Liberalization..... 1
F. No Benefit To Bailee..... 1
G. Other Insurance..... 1
H. Policy Period, Coverage Territory..... 1
I. Transfer Of Rights Of Recovery Against Others To Us..... 2

Property Enhancement Endorsement .....IHC 02 00

Florida Changes – Mediation Or Appraisal And Neutral Evaluation.....IHC 01 12

Additional Property Not Covered.....IHC 14 20

POLICY NUMBER: UCF0005914-04

COMMERCIAL PROPERTY
CP 00 10 06 07

BUILDING AND PERSONAL PROPERTY COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the Company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section **H.,** Definitions.

A. Coverage

We will pay for direct physical loss of or damage to Covered Property at the premises described in the Declarations caused by or resulting from any Covered Cause of Loss.

1. Covered Property

Covered Property, as used in this Coverage Part, means the type of property described in this section, **A.1.,** and limited in **A.2.,** Property Not Covered, if a Limit of Insurance is shown in the Declarations for that type of property.

a. Building, meaning the building or structure described in the Declarations, including:

(1) Completed additions;

(2) Fixtures, including outdoor fixtures;

(3) Permanently installed:

(a) Machinery and

(b) Equipment;

(4) Personal property owned by you that is used to maintain or service the building or structure or its premises, including:

(a) Fire-extinguishing equipment;

(b) Outdoor furniture;

(c) Floor coverings; and

(d) Appliances used for refrigerating, ventilating, cooking, dishwashing or laundering;

(5) If not covered by other insurance:

(a) Additions under construction, alterations and repairs to the building or structure;

(b) Materials, equipment, supplies and temporary structures, on or within 100 feet of the described premises, used for making additions, alterations or repairs to the building or structure.

b. Your Business Personal Property located in or on the building described in the Declarations or in the open (or in a vehicle) within 100 feet of the described premises, consisting of the following unless otherwise specified in the Declarations or on the Your Business Personal Property – Separation Of Coverage form:

(1) Furniture and fixtures;

(2) Machinery and equipment;

(3) "Stock";

(4) All other personal property owned by you and used in your business;

(5) Labor, materials or services furnished or arranged by you on personal property of others;

(6) Your use interest as tenant in improvements and betterments. Improvements and betterments are fixtures, alterations, installations or additions:

(a) Made a part of the building or structure you occupy but do not own; and

(b) You acquired or made at your expense but cannot legally remove;

(7) Leased personal property for which you have a contractual responsibility to insure, unless otherwise provided for under Personal Property Of Others.

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c. Personal Property Of Others that is:

(1) In your care, custody or control; and

(2) Located in or on the building described in the Declarations or in the open (or in a vehicle) within 100 feet of the described premises.

However, our payment for loss of or damage to personal property of others will only be for the account of the owner of the property.

2. Property Not Covered

Covered Property does not include:

a. Accounts, bills, currency, food stamps or other evidences of debt, money, notes or securities. Lottery tickets held for sale are not securities;

b. Animals, unless owned by others and boarded by you, or if owned by you, only as "stock" while inside of buildings;

c. Automobiles held for sale;

d. Bridges, roadways, walks, patios or other paved surfaces;

e. Contraband, or property in the course of illegal transportation or trade;

f. The cost of excavations, grading, backfilling or filling;

g. Foundations of buildings, structures, machinery or boilers if their foundations are below:

(1) The lowest basement floor; or

(2) The surface of the ground, if there is no basement;

h. Land (including land on which the property is located), water, growing crops or lawns;

i. Personal property while airborne or waterborne;

j. Bulkheads, pilings, piers, wharves or docks;

k. Property that is covered under another coverage form of this or any other policy in which it is more specifically described, except for the excess of the amount due (whether you can collect on it or not) from that other insurance;

l. Retaining walls that are not part of a building;

m. Underground pipes, flues or drains;

n. Electronic data, except as provided under the Additional Coverage, Electronic Data. Electronic data means information, facts or computer programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs, referred to in the foregoing description of electronic data, means a set of related electronic instructions which direct the operations and functions of a computer or device connected to it, which enable the computer or device to receive, process, store, retrieve or send data. This paragraph, **n.,** does not apply to your "stock" of prepackaged software;

o. The cost to replace or restore the information on valuable papers and records, including those which exist as electronic data. 0Valuable papers and records include but are not limited to proprietary information, books of account, deeds, manuscripts, abstracts, drawings and card index systems. Refer to the Coverage Extension for Valuable Papers And Records (Other Than Electronic Data) for limited coverage for valuable papers and records other than those which exist as electronic data;

p. Vehicles or self-propelled machines (including aircraft or watercraft) that:

(1) Are licensed for use on public roads; or

(2) Are operated principally away from the described premises.

This paragraph does not apply to:

(a) Vehicles or self-propelled machines or autos you manufacture, process or warehouse;

(b) Vehicles or self-propelled machines, other than autos, you hold for sale;

(c) Rowboats or canoes out of water at the described premises; or

(d) Trailers, but only to the extent provided for in the Coverage Extension for Non-owned Detached Trailers;

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q. The following property while outside of buildings:

(1) Grain, hay, straw or other crops;

(2) Fences, radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers, trees, shrubs or plants (other than "stock" of trees, shrubs or plants), all except as provided in the Coverage Extensions.

3. Covered Causes Of Loss

See applicable Causes Of Loss Form as shown in the Declarations.

4. Additional Coverages

a. Debris Removal

(1) Subject to Paragraphs **(3)** and **(4),** we will pay your expense to remove debris of Covered Property caused by or resulting from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date of direct physical loss or damage.

(2) Debris Removal does not apply to costs to:

(a) Extract "pollutants" from land or water; or

(b) Remove, restore or replace polluted land or water.

(3) Subject to the exceptions in Paragraph **(4)**, the following provisions apply:

(a) The most we will pay for the total of direct physical loss or damage plus debris removal expense is the Limit of Insurance applicable to the Covered Property that has sustained loss or damage.

(b) Subject to **(a)** above, the amount we will pay for debris removal expense is limited to 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage.

(4) We will pay up to an additional $10,000 for debris removal expense, for each location, in any one occurrence of physical loss or damage to Covered Property, if one or both of the following circumstances apply:

(a) The total of the actual debris removal expense plus the amount we pay for direct physical loss or damage exceeds the Limit of Insurance on the Covered Property that has sustained loss or damage.

(b) The actual debris removal expense exceeds 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage.

Therefore, if **(4)(a)** and/or **(4)(b)** apply, our total payment for direct physical loss or damage and debris removal expense may reach but will never exceed the Limit of Insurance on the Covered Property that has sustained loss or damage, plus $10,000.

(5) Examples

The following examples assume that there is no Coinsurance penalty.

EXAMPLE #1

Limit of Insurance:	$ 90,000
Amount of Deductible:	$ 500
Amount of Loss:	$ 50,000
Amount of Loss Payable:	$ 49,500
	($50,000 - $500)
Debris Removal Expense:	$ 10,000
Debris Removal Expense Payable:	$ 10,000

($10,000 is 20% of $50,000.)

The debris removal expense is less than 25% of the sum of the loss payable plus the deductible. The sum of the loss payable and the debris removal expense ($49,500 + $10,000 = $59,500) is less than the Limit of Insurance. Therefore the full amount of debris removal expense is payable in accordance with the terms of Paragraph **(3)**.

EXAMPLE #2

Limit of Insurance:	$ 90,000
Amount of Deductible:	$ 500
Amount of Loss:	$ 80,000
Amount of Loss Payable:	$ 79,500
	($80,000 - $500)
Debris Removal Expense:	$ 30,000
Debris Removal Expense Payable	
Basic Amount:	$ 10,500
Additional Amount:	$ 10,000

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The basic amount payable for debris removal expense under the terms of Paragraph **(3)** is calculated as follows: $80,000 ($79,500 + $500) x .25 = $20,000; capped at $10,500. The cap applies because the sum of the loss payable ($79,500) and the basic amount payable for debris removal expense ($10,500) cannot exceed the Limit of Insurance ($90,000).

The additional amount payable for debris removal expense is provided in accordance with the terms of Paragraph **(4)**, because the debris removal expense ($30,000) exceeds 25% of the loss payable plus the deductible ($30,000 is 37.5% of $80,000), and because the sum of the loss payable and debris removal expense ($79,500 + $30,000 = $109,500) would exceed the Limit of Insurance ($90,000). The additional amount of covered debris removal expense is $10,000, the maximum payable under Paragraph **(4)**. Thus the total payable for debris removal expense in this example is $20,500; $9,500 of the debris removal expense is not covered.

b. Preservation Of Property

If it is necessary to move Covered Property from the described premises to preserve it from loss or damage by a Covered Cause of Loss, we will pay for any direct physical loss or damage to that property:

(1) While it is being moved or while temporarily stored at another location; and

(2) Only if the loss or damage occurs within 30 days after the property is first moved.

c. Fire Department Service Charge

When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay up to $1,000, unless a higher limit is shown in the Declarations, for your liability for fire department service charges:

(1) Assumed by contract or agreement prior to loss; or

(2) Required by local ordinance.

No Deductible applies to this Additional Coverage.

d. Pollutant Clean-up And Removal

We will pay your expense to extract "pollutants" from land or water at the described premises if the discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused by or results from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date on which the Covered Cause of Loss occurs.

This Additional Coverage does not apply to costs to test for, monitor or assess the existence, concentration or effects of "pollutants". But we will pay for testing which is performed in the course of extracting the "pollutants" from the land or water.

The most we will pay under this Additional Coverage for each described premises is $10,000 for the sum of all covered expenses arising out of Covered Causes of Loss occurring during each separate 12-month period of this policy.

e. Increased Cost Of Construction

(1) This additional Coverage applies only to buildings to which the Replacement Cost Optional Coverage applies.

(2) In the event of damage by a Covered Cause of Loss to a building that is Covered Property, we will pay the increased costs incurred to comply with enforcement of an ordinance or law in the course of repair, rebuilding or replacement of damaged parts of that property, subject to the limitations stated in **e.(3)** through **e.(9)** of this Additional Coverage.

(3) The ordinance or law referred to in **e.(2)** of this Additional Coverage is an ordinance or law that regulates the construction or repair of buildings or establishes zoning or land use requirements at the described premises, and is in force at the time of loss.

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(4) Under this Additional Coverage, we will not pay any costs due to an ordinance or law that:

(a) You were required to comply with before the loss, even when the building was undamaged; and

(b) You failed to comply with.

(5) Under this Additional Coverage, we will not pay for:

(a) The enforcement of any ordinance or law which requires demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants" or due to the presence, growth, proliferation, spread or any activity of "fungus", wet or dry rot or bacteria; or

(b) Any costs associated with the enforcement of an ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants", "fungus", wet or dry rot or bacteria.

(6) The most we will pay under this Additional Coverage, for each described building insured under this Coverage Form, is $10,000 or 5% of the Limit of Insurance applicable to that building, whichever is less. If a damaged building is covered under a blanket Limit of Insurance which applies to more than one building or item of property, then the most we will pay under this Additional Coverage, for that damaged building, is the lesser of: $10,000 or 5% times the value of the damaged building as of the time of loss times the applicable Coinsurance percentage.

The amount payable under this Additional Coverage is additional insurance.

(7) With respect to this Additional Coverage:

(a) We will not pay for the Increased Cost of Construction:

(i) Until the property is actually repaired or replaced, at the same or another premises; and

(ii) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.

(b) If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay for the Increased Cost of Construction, subject to the provisions of **e.(6)** of this Additional Coverage, is the increased cost of construction at the same premises.

(c) If the ordinance or law requires relocation to another premises, the most we will pay for the Increased Cost of Construction, subject to the provisions of **e.(6)** of this Additional Coverage, is the increased cost of construction at the new premises.

(8) This Additional Coverage is not subject to the terms of the Ordinance Or Law Exclusion, to the extent that such Exclusion would conflict with the provisions of this Additional Coverage.

(9) The costs addressed in the Loss Payment and Valuation Conditions, and the Replacement Cost Optional Coverage, in this Coverage Form, do not include the increased cost attributable to enforcement of an ordinance or law. The amount payable under this Additional Coverage, as stated in **e.(6)** of this Additional Coverage, is not subject to such limitation.

f. Electronic Data

(1) Under this Additional Coverage, electronic data has the meaning described under Property Not Covered, Electronic Data.

(2) Subject to the provisions of this Additional Coverage, we will pay for the cost to replace or restore electronic data which has been destroyed or corrupted by a Covered Cause of Loss. To the extent that electronic data is not replaced or restored, the loss will be valued at the cost of replacement of the media on which the electronic data was stored, with blank media of substantially identical type.

(3) The Covered Causes of Loss applicable to Your Business Personal Property apply to this Additional Coverage, Electronic Data, subject to the following:

(a) If the Causes Of Loss – Special Form applies, coverage under this Additional Coverage, Electronic Data, is limited to the "specified causes of loss" as defined in that form, and Collapse as set forth in that form.

(b) If the Causes Of Loss – Broad Form applies, coverage under this Additional Coverage, Electronic Data, includes Collapse as set forth in that form.

(c) If the Causes Of Loss Form is endorsed to add a Covered Cause of Loss, the additional Covered Cause of Loss does not apply to the coverage provided under this Additional Coverage, Electronic Data.

(d) The Covered Causes of Loss include a virus, harmful code or similar instruction introduced into or enacted on a computer system (including electronic data) or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation. But there is no coverage for loss or damage caused by or resulting from manipulation of a computer system (including electronic data) by any employee, including a temporary or leased employee, or by an entity retained by you or for you to inspect, design, install, modify, maintain, repair or replace that system.

(4) The most we will pay under this Additional Coverage, Electronic Data, is $2,500 for all loss or damage sustained in any one policy year, regardless of the number of occurrences of loss or damage or the number of premises, locations or computer systems involved. If loss payment on the first occurrence does not exhaust this amount, then the balance is available for subsequent loss or damage sustained in but not after that policy year. With respect to an occurrence which begins in one policy year and continues or results in additional loss or damage in a subsequent policy year(s), all loss or damage is deemed to be sustained in the policy year in which the occurrence began.

5. Coverage Extensions

Except as otherwise provided, the following Extensions apply to property located in or on the building described in the Declarations or in the open (or in a vehicle) within 100 feet of the described premises.

If a Coinsurance percentage of 80% or more, or a Value Reporting period symbol, is shown in the Declarations, you may extend the insurance provided by this Coverage Part as follows:

a. Newly Acquired Or Constructed Property

(1) Buildings

If this policy covers Building, you may extend that insurance to apply to:

(a) Your new buildings while being built on the described premises; and

(b) Buildings you acquire at locations, other than the described premises, intended for:

(i) Similar use as the building described in the Declarations; or

(ii) Use as a warehouse.

The most we will pay for loss or damage under this Extension is $250,000 at each building.

(2) Your Business Personal Property

(a) If this policy covers Your Business Personal Property, you may extend that insurance to apply to:

(i) Business personal property, including such property that you newly acquire, at any location you acquire other than at fairs, trade shows or exhibitions;

(ii) Business personal property, including such property that you newly acquire, located at your newly constructed or acquired buildings at the location described in the Declarations; or

(iii) Business personal property that you newly acquire, located at the described premises.

The most we will pay for loss or damage under this Extension is $100,000 at each building.

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(b) This Extension does not apply to:

(i) Personal property of others that is temporarily in your possession in the course of installing or performing work on such property; or

(ii) Personal property of others that is temporarily in your possession in the course of your manufacturing or wholesaling activities.

(3) Period Of Coverage

With respect to insurance on or at each newly acquired or constructed property, coverage will end when any of the following first occurs:

(a) This policy expires;

(b) 30 days expire after you acquire the property or begin construction of that part of the building that would qualify as covered property; or

(c) You report values to us.

We will charge you additional premium for values reported from the date you acquire the property or begin construction of that part of the building that would qualify as covered property.

b. Personal Effects And Property Of Others

You may extend the insurance that applies to Your Business Personal Property to apply to:

(1) Personal effects owned by you, your officers, your partners or members, your managers or your employees. This Extension does not apply to loss or damage by theft.

(2) Personal property of others in your care, custody or control.

The most we will pay for loss or damage under this Extension is $2,500 at each described premises. Our payment for loss of or damage to personal property of others will only be for the account of the owner of the property.

c. Valuable Papers And Records (Other Than Electronic Data)

(1) You may extend the insurance that applies to Your Business Personal Property to apply to the cost to replace or restore the lost information on valuable papers and records for which duplicates do not exist. But this Extension does not apply to valuable papers and records which exist as electronic data. Electronic data has the meaning described under Property Not Covered, Electronic Data.

(2) If the Causes Of Loss – Special Form applies, coverage under this Extension is limited to the "specified causes of loss" as defined in that form, and Collapse as set forth in that form.

(3) If the Causes Of Loss – Broad Form applies, coverage under this Extension includes Collapse as set forth in that form.

(4) Under this Extension, the most we will pay to replace or restore the lost information is $2,500 at each described premises, unless a higher limit is shown in the Declarations. Such amount is additional insurance. We will also pay for the cost of blank material for reproducing the records (whether or not duplicates exist), and (when there is a duplicate) for the cost of labor to transcribe or copy the records. The costs of blank material and labor are subject to the applicable Limit of Insurance on Your Business Personal Property and therefore coverage of such costs is not additional insurance.

d. Property Off-premises

(2) You may extend the insurance provided by this Coverage Form to apply to your Covered Property while it is away from the described premises, if it is:

(a) Temporarily at a location you do not own, lease or operate;

(b) In storage at a location you lease, provided the lease was executed after the beginning of the current policy term; or

(c) At any fair, trade show or exhibition.

(2) This Extension does not apply to property:

(a) In or on a vehicle; or

(b) In the care, custody or control of your salespersons, unless the property is in such care, custody or control at a fair, trade show or exhibition.

(3) The most we will pay for loss or damage under this Extension is $10,000.

e. Outdoor Property

You may extend the insurance provided by this Coverage Form to apply to your outdoor fences, radio and television antennas (including satellite dishes), trees, shrubs and plants (other than "stock" of trees, shrubs or plants), including debris removal expense, caused by or resulting from any of the following causes of loss if they are Covered Causes of Loss:

(1) Fire;

(2) Lightning;

(3) Explosion;

(4) Riot or Civil Commotion; or

(5) Aircraft.

The most we will pay for loss or damage under this Extension is $1,000, but not more than $250 for any one tree, shrub or plant. These limits apply to any one occurrence, regardless of the types or number of items lost or damaged in that occurrence.

f. Non-owned Detached Trailers

(1) You may extend the insurance that applies to Your Business Personal Property to apply to loss or damage to trailers that you do not own, provided that:

(a) The trailer is used in your business;

(b) The trailer is in your care, custody or control at the premises described in the Declarations; and

(c) You have a contractual responsibility to pay for loss or damage to the trailer.

(2) We will not pay for any loss or damage that occurs:

(a) While the trailer is attached to any motor vehicle or motorized conveyance, whether or not the motor vehicle or motorized conveyance is in motion;

(b) During hitching or unhitching operations, or when a trailer becomes accidentally unhitched from a motor vehicle or motorized conveyance.

(3) The most we will pay for loss or damage under this Extension is $5,000, unless a higher limit is shown in the Declarations.

(4) This insurance is excess over the amount due (whether you can collect on it or not) from any other insurance covering such property.

Each of these Extensions is additional insurance unless otherwise indicated. The Additional Condition, Coinsurance, does not apply to these Extensions.

B. Exclusions And Limitations

See applicable Causes Of Loss Form as shown in the Declarations.

C. Limits Of Insurance

The most we will pay for loss or damage in any one occurrence is the applicable Limit of Insurance shown in the Declarations.

The most we will pay for loss or damage to outdoor signs, whether or not the sign is attached to a building, is $2,500 per sign in any one occurrence.

The amounts of insurance stated in the following Additional Coverages apply in accordance with the terms of such coverages and are separate from the Limit(s) of Insurance shown in the Declarations for any other coverage:

1. Fire Department Service Charge;

2. Pollutant Clean-up And Removal;

3. Increased Cost Of Construction; and

4. Electronic Data.

Payments under the Preservation Of Property Additional Coverage will not increase the applicable Limit of Insurance.

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D. Deductible

In any one occurrence of loss or damage (hereinafter referred to as loss), we will first reduce the amount of loss if required by the Coinsurance Condition or the Agreed Value Optional Coverage. If the adjusted amount of loss is less than or equal to the Deductible, we will not pay for that loss. If the adjusted amount of loss exceeds the Deductible, we will then subtract the Deductible from the adjusted amount of loss, and will pay the resulting amount or the Limit of Insurance, whichever is less.

When the occurrence involves loss to more than one item of Covered Property and separate Limits of Insurance apply, the losses will not be combined in determining application of the Deductible. But the Deductible will be applied only once per occurrence.

EXAMPLE #1

(This example assumes there is no Coinsurance penalty.)

Deductible:	$ 250
Limit of Insurance – Building #1:	$ 60,000
Limit of Insurance – Building #2:	$ 80,000
Loss to Building #1:	$ 60,100
Loss to Building #2:	$ 90,000

The amount of loss to Building #1 ($60,100) is less than the sum ($60,250) of the Limit of Insurance applicable to Building #1 plus the Deductible.

The Deductible will be subtracted from the amount of loss in calculating the loss payable for Building #1:

$ 60,100	
– 250	
$ 59,850	Loss Payable – Building #1

The Deductible applies once per occurrence and therefore is not subtracted in determining the amount of loss payable for Building #2. Loss payable for Building #2 is the Limit of Insurance of $80,000.

Total amount of loss payable:

$59,850 + $80,000 = $139,850

EXAMPLE #2

(This example, too, assumes there is no Coinsurance penalty.)

The Deductible and Limits of Insurance are the same as those in Example #1.

Loss to Building #1:	$ 70,000
(Exceeds Limit of Insurance plus Deductible)	
Loss to Building #2:	$ 90,000
(Exceeds Limit of Insurance plus Deductible)	
Loss Payable – Building #1:	$ 60,000
(Limit of Insurance)	
Loss Payable – Building #2:	$ 80,000
(Limit of Insurance)	
Total amount of loss payable:	$ 140,000

E. Loss Conditions

The following conditions apply in addition to the Common Policy Conditions and the Commercial Property Conditions.

1. Abandonment

There can be no abandonment of any property to us.

2. Appraisal

If we and you disagree on the value of the property or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the value of the property and amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

a. Pay its chosen appraiser; and

b. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

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2. Duties In The Event Of Loss Or Damage

a. You must see that the following are done in the event of loss or damage to Covered Property:

(1) Notify the police if a law may have been broken.

(2) Give us prompt notice of the loss or damage. Include a description of the property involved.

(3) As soon as possible, give us a description of how, when and where the loss or damage occurred.

(4) Take all reasonable steps to protect the Covered Property from further damage, and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.

(5) At our request, give us complete inventories of the damaged and undamaged property. Include quantities, costs, values and amount of loss claimed.

(6) As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.

Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.

(7) Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.

(8) Cooperate with us in the investigation or settlement of the claim.

b. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.

4. Loss Payment

a. In the event of loss or damage covered by this Coverage Form, at our option, we will either:

(1) Pay the value of lost or damaged property;

(2) Pay the cost of repairing or replacing the lost or damaged property, subject to **b.** below;

(3) Take all or any part of the property at an agreed or appraised value; or

(4) Repair, rebuild or replace the property with other property of like kind and quality, subject to **b.** below.

We will determine the value of lost or damaged property, or the cost of its repair or replacement, in accordance with the applicable terms of the Valuation Condition in this Coverage Form or any applicable provision which amends or supersedes the Valuation Condition.

b. The cost to repair, rebuild or replace does not include the increased cost attributable to enforcement of any ordinance or law regulating the construction, use or repair of any property.

c. We will give notice of our intentions within 30 days after we receive the sworn proof of loss.

d. We will not pay you more than your financial interest in the Covered Property.

e. We may adjust losses with the owners of lost or damaged property if other than you. If we pay the owners, such payments will satisfy your claims against us for the owners' property. We will not pay the owners more than their financial interest in the Covered Property.

f. We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.

g. We will pay for covered loss or damage within 30 days after we receive the sworn proof of loss, if you have complied with all of the terms of this Coverage Part and:

(1) We have reached agreement with you on the amount of loss; or

(2) An appraisal award has been made.

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h. A party wall is a wall that separates and is common to adjoining buildings that are owned by different parties. In settling covered losses involving a party wall, we will pay a proportion of the loss to the party wall based on your interest in the wall in proportion to the interest of the owner of the adjoining building. However, if you elect to repair or replace your building and the owner of the adjoining building elects not to repair or replace that building, we will pay you the full value of the loss to the party wall, subject to all applicable policy provisions including Limits of Insurance, the Valuation and Coinsurance Conditions and all other provisions of this Loss Payment Condition. Our payment under the provisions of this paragraph does not alter any right of subrogation we may have against any entity, including the owner or insurer of the adjoining building, and does not alter the terms of the Transfer Of Rights Of Recovery Against Others To Us Condition in this policy.

5. Recovered Property

If either you or we recover any property after loss settlement, that party must give the other prompt notice. At your option, the property will be returned to you. You must then return to us the amount we paid to you for the property. We will pay recovery expenses and the expenses to repair the recovered property, subject to the Limit of Insurance.

6. Vacancy

a. Description Of Terms

(1) As used in this Vacancy Condition, the term building and the term vacant have the meanings set forth in **(1)(a)** and **(1)(b)** below:

(a) When this policy is issued to a tenant, and with respect to that tenant's interest in Covered Property, building means the unit or suite rented or leased to the tenant. Such building is vacant when it does not contain enough business personal property to conduct customary operations.

(b) When this policy is issued to the owner or general lessee of a building, building means the entire building. Such building is vacant unless at least 31% of its total square footage is:

(i) Rented to a lessee or sub-lessee and used by the lessee or sub-lessee to conduct its customary operations; and/or

(ii) Used by the building owner to conduct customary operations.

(2) Buildings under construction or renovation are not considered vacant.

b. Vacancy Provisions

If the building where loss or damage occurs has been vacant for more than 60 consecutive days before that loss or damage occurs:

(1) We will not pay for any loss or damage caused by any of the following even if they are Covered Causes of Loss:

(a) Vandalism;

(b) Sprinkler leakage, unless you have protected the system against freezing;

(c) Building glass breakage;

(d) Water damage;

(e) Theft; or

(f) Attempted theft.

(2) With respect to Covered Causes of Loss other than those listed in **b.(1)(a)** through **b.(1)(f)** above, we will reduce the amount we would otherwise pay for the loss or damage by 15%.

7. Valuation

We will determine the value of Covered Property in the event of loss or damage as follows:

a. At actual cash value as of the time of loss or damage, except as provided in **b., c., d.** and **e.** below.

b. If the Limit of Insurance for Building satisfies the Additional Condition, Coinsurance, and the cost to repair or replace the damaged building property is $2,500 or less, we will pay the cost of building repairs or replacement.

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The cost of building repairs or replacement does not include the increased cost attributable to enforcement of any ordinance or law regulating the construction, use or repair of any property.

However, the following property will be valued at the actual cash value even when attached to the building:

(1) Awnings or floor coverings;

(2) Appliances for refrigerating, ventilating, cooking, dishwashing or laundering; or

(3) Outdoor equipment or furniture.

c. "Stock" you have sold but not delivered at the selling price less discounts and expenses you otherwise would have had.

d. Glass at the cost of replacement with safety-glazing material if required by law.

e. Tenants' Improvements and Betterments at:

(1) Actual cash value of the lost or damaged property if you make repairs promptly.

(2) A proportion of your original cost if you do not make repairs promptly. We will determine the proportionate value as follows:

(a) Multiply the original cost by the number of days from the loss or damage to the expiration of the lease; and

(b) Divide the amount determined in **(a)** above by the number of days from the installation of improvements to the expiration of the lease.

If your lease contains a renewal option, the expiration of the renewal option period will replace the expiration of the lease in this procedure.

(3) Nothing if others pay for repairs or replacement.

F. Additional Conditions

The following conditions apply in addition to the Common Policy Conditions and the Commercial Property Conditions.

1. Coinsurance

If a Coinsurance percentage is shown in the Declarations, the following condition applies.

a. We will not pay the full amount of any loss if the value of Covered Property at the time of loss times the Coinsurance percentage shown for it in the Declarations is greater than the Limit of Insurance for the property.

Instead, we will determine the most we will pay using the following steps:

(1) Multiply the value of Covered Property at the time of loss by the Coinsurance percentage;

(2) Divide the Limit of Insurance of the property by the figure determined in Step **(1)**;

(3) Multiply the total amount of loss, before the application of any deductible, by the figure determined in Step **(2)**; and

(4) Subtract the deductible from the figure determined in Step **(3)**.

We will pay the amount determined in Step **(4)** or the limit of insurance, whichever is less. For the remainder, you will either have to rely on other insurance or absorb the loss yourself.

EXAMPLE #1 (UNDERINSURANCE)

When:	The value of the property is:	$ 250,000
	The Coinsurance percentage for it is:	80%
	The Limit of Insurance for it is:	$ 100,000
	The Deductible is:	$ 250
	The amount of loss is:	$ 40,000

Step **(1)**: $250,000 x 80% = $200,000
(the minimum amount of insurance to meet your Coinsurance requirements)
Step **(2)**: $100,000 ÷ $200,000 = .50
Step **(3)**: $40,000 x .50 = $20,000
Step **(4)**: $20,000 – $250 = $19,750

We will pay no more than $19,750. The remaining $20,250 is not covered.

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EXAMPLE #2 (ADEQUATE INSURANCE)

When:		
	The value of the property is:	$ 250,000
	The Coinsurance percentage for it is:	80%
	The Limit of Insurance for it is:	$ 200,000
	The Deductible is:	$ 250
	The amount of loss is:	$ 40,000

The minimum amount of insurance to meet your Coinsurance requirement is $200,000 ($250,000 x 80%). Therefore, the Limit of Insurance in this example is adequate and no penalty applies. We will pay no more than $39,750 ($40,000 amount of loss minus the deductible of $250).

b. If one Limit of Insurance applies to two or more separate items, this condition will apply to the total of all property to which the limit applies.

EXAMPLE #3

When:		
	The value of the property is:	
	Building at Location #1:	$ 75,000
	Building at Location #2:	$ 100,000
	Personal Property at Location #2:	$ 75,000
		$ 250,000
	The Coinsurance percentage for it is:	90%
	The Limit of Insurance for Buildings and Personal Property at Locations #1 and #2 is:	$ 180,000
	The Deductible is:	$ 1,000
	The amount of loss is:	
	Building at Location #2:	$ 30,000
	Personal Property at Location #2:	$ 20,000
		$ 50,000

Step **(1):** $250,000 x 90% = $225,000 (the minimum amount of insurance to meet your Coinsurance requirements and to avoid the penalty shown below)

Step **(2):** $180,000 ÷ $225,000 = .80

Step **(3):** $50,000 x .80 = $40,000

Step **(4):** $40,000 – $1,000 = $39,000

We will pay no more than $39,000. The remaining $11,000 is not covered.

2. Mortgageholders

a. The term mortgageholder includes trustee.

b. We will pay for covered loss of or damage to buildings or structures to each mortgageholder shown in the Declarations in their order of precedence, as interests may appear.

c. The mortgageholder has the right to receive loss payment even if the mortgageholder has started foreclosure or similar action on the building or structure.

d. If we deny your claim because of your acts or because you have failed to comply with the terms of this Coverage Part, the mortgageholder will still have the right to receive loss payment if the mortgageholder:

(1) Pays any premium due under this Coverage Part at our request if you have failed to do so;

(2) Submits a signed, sworn proof of loss within 60 days after receiving notice from us of your failure to do so; and

(3) Has notified us of any change in ownership, occupancy or substantial change in risk known to the mortgageholder.

All of the terms of this Coverage Part will then apply directly to the mortgageholder.

e. If we pay the mortgageholder for any loss or damage and deny payment to you because of your acts or because you have failed to comply with the terms of this Coverage Part:

(1) The mortgageholder's rights under the mortgage will be transferred to us to the extent of the amount we pay; and

(2) The mortgageholder's right to recover the full amount of the mortgageholder's claim will not be impaired.

At our option, we may pay to the mortgageholder the whole principal on the mortgage plus any accrued interest. In this event, your mortgage and note will be transferred to us and you will pay your remaining mortgage debt to us.

f. If we cancel this policy, we will give written notice to the mortgageholder at least:

(1) 10 days before the effective date of cancellation if we cancel for your nonpayment of premium; or

(2) 30 days before the effective date of cancellation if we cancel for any other reason.

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g. If we elect not to renew this policy, we will give written notice to the mortgageholder at least 10 days before the expiration date of this policy.

G. Optional Coverages

If shown as applicable in the Declarations, the following Optional Coverages apply separately to each item.

1. Agreed Value

a. The Additional Condition, Coinsurance, does not apply to Covered Property to which this Optional Coverage applies. We will pay no more for loss of or damage to that property than the proportion that the Limit of Insurance under this Coverage Part for the property bears to the Agreed Value shown for it in the Declarations.

b. If the expiration date for this Optional Coverage shown in the Declarations is not extended, the Additional Condition, Coinsurance, is reinstated and this Optional Coverage expires.

c. The terms of this Optional Coverage apply only to loss or damage that occurs:

(1) On or after the effective date of this Optional Coverage; and

(2) Before the Agreed Value expiration date shown in the Declarations or the policy expiration date, whichever occurs first.

2. Inflation Guard

a. The Limit of Insurance for property to which this Optional Coverage applied will automatically increase by the annual percentage shown in the Declarations.

b. The amount of increase will be:

(1) The Limit of Insurance that applied on the most recent of the policy inception date, the policy anniversary date, or any other policy change amending the Limit of Insurance, times

(2) The percentage of annual increase shown in the Declarations, expressed as a decimal (example: 8% is .08), times

(3) The number of days since the beginning of the current policy year or the effective date of the most recent policy change amending the Limit of Insurance, divided by 365.

EXAMPLE

If:	The applicable Limit of Insurance is:	$ 100,000
	The annual percentage increase is:	8%
	The number of days since the beginning of the policy year (or last policy change) is:	146
	The amount of increase is: $100,000 x .08 x 146 ÷ 365 =	$ 3,200

3. Replacement Cost

a. Replacement Cost (without deduction for depreciation) replaces Actual Cash Value in the Valuation Loss Condition of this Coverage Form.

b. This Optional Coverage does not apply to:

(1) Personal property of others;

(2) Contents of a residence;

(3) Works of art, antiques or rare articles, including etchings, pictures, statuary, marbles, bronzes, porcelains and bric-a-brac; or

(4) "Stock", unless the Including "Stock" option is shown in the Declarations.

Under the terms of this Replacement Cost Optional Coverage, tenants' improvements and betterments are not considered to be the personal property of others.

c. You may make a claim for loss or damage covered by this insurance on an actual cash value basis instead of on a replacement cost basis. In the event you elect to have loss or damage settled on an actual cash value basis, you may still make a claim for the additional coverage this Optional Coverage provides if you notify us of your intent to do so within 180 days after the loss or damage.

d. We will not pay on a replacement cost basis for any loss or damage:

(1) Until the lost or damaged property is actually repaired or replaced; and

(2) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage.

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With respect to tenants' improvements and betterments, the following also apply:

(3) If the conditions in **d.(1)** and **d.(2)** above are not met, the value of tenants' improvements and betterments will be determined as a proportion of your original cost, as set forth in the Valuation Loss Condition of this Coverage Form; and

(4) We will not pay for loss or damage to tenants' improvements and betterments if others pay for repairs or replacement.

e. We will not pay more for loss or damage on a replacement cost basis than the least of **(1), (2)** or **(3),** subject to **f.** below:

(1) The Limit of Insurance applicable to the lost or damaged property;

(2) The cost to replace the lost or damaged property with other property:

(a) Of comparable material and quality; and

(b) Used for the same purpose; or

(3) The amount actually spent that is necessary to repair or replace the lost or damaged property.

If a building is rebuilt at a new premises, the cost described in **e.(2)** above is limited to the cost which would have been incurred if the building had been rebuilt at the original premises.

f. The cost of repair or replacement does not include the increased cost attributable to enforcement of any ordinance or law regulating the construction, use or repair of any property.

4. Extension Of Replacement Cost To Personal Property Of Others

a. If the Replacement Cost Optional Coverage is shown as applicable in the Declarations, then this Extension may also be shown as applicable. If the Declarations show this Extension as applicable, then Paragraph **3.b.(1)** of the Replacement Cost Optional Coverage is deleted and all other provisions of the Replacement Cost Optional Coverage apply to replacement cost on personal property of others.

b. With respect to replacement cost on the personal property of others, the following limitation applies:

If an item(s) of personal property of others is subject to a written contract which governs your liability for loss or damage to that item(s), then valuation of that item(s) will be based on the amount for which you are liable under such contract, but not to exceed the lesser of the replacement cost of the property or the applicable Limit of Insurance.

H. Definitions

1. "Fungus" means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.

2. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

3. "Stock" means merchandise held in storage or for sale, raw materials and in-process or finished goods, including supplies used in their packing or shipping.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FLORIDA CHANGES

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART
CAUSES OF LOSS – BASIC FORM
CAUSES OF LOSS – BROAD FORM
CAUSES OF LOSS – SPECIAL FORM
COMMERCIAL PROPERTY CONDITIONS

A. The following is added to **A.4. Additional Coverages**:

Reasonable Emergency Measures

1. We will pay up to $3,000 for the reasonable costs incurred by you for necessary measures taken solely to protect Covered Property from further damage when the damage or loss is caused by a Covered Cause of Loss.

2. We will not pay more than the amount in **1.** above, unless we provide you approval within 48 hours of your request to us to exceed the limit in **1.** above. In such circumstance, we will pay only up to the additional amount for the measures we authorize.

If we fail to respond to you within 48 hours of your request to us and the damage or loss is caused by a Covered Cause of Loss, you may exceed the amount in **1.** above only up to the cost incurred by you for the reasonable emergency measures necessary to protect the Covered Property from further damage.

3. If however, a covered loss occurs during a hurricane or other named storm, the amount we pay under this additional coverage is not limited to the amount in **1.** above.

4. A reasonable measure under this Additional Coverage, Reasonable Emergency Measures, may include a permanent repair when necessary to protect the Covered Property from further damage or to prevent unwanted entry to the property. To the degree reasonably possible, the damaged property must be retained for us to inspect.

5. This coverage does not:

a. Increase the Limits Of Insurance provided in this policy;

b. Relieve you of your duties, in case of a loss to Covered Property, as set forth in Loss Condition **3.** Duties In The Event Of Loss Or Damage; or

c. Pay for property not covered, or for repairs resulting from a cause of loss that is not a Covered Cause of Loss, or for loss excluded in this policy.

B. Coverage Extensions **5.** (First two paragraphs) is deleted and replaced by the following:

Except as otherwise provided, the following Extensions apply to property located in or on the building described in the Declarations or in the open (or in a vehicle) within 100 feet of the described premises.

If a Coinsurance percentage of 80% or more, Agreed Value, or a Value Reporting period symbol, is shown in the Declarations, you may extend the insurance provided by this Coverage Part as follows:

C. Covered Causes of Loss for this Coverage Part are amended as follows:

1. In the Causes of Loss – Basic, under **B. Exclusions**, paragraph **2.c.** is replaced with the following:

c. Leakage or discharge of water or steam from any part of a system or appliance containing water or steam (other than an Automatic Sprinkler System), unless the leakage or discharge occurs because the system or appliance was damaged by a Covered Cause of Loss. But we will not pay for loss or damage caused by or resulting from continuous or repeated seepage or leakage of water or steam, or the presence or condensation of humidity, moisture or vapor, that occurs over a period of 14 days or more. In the event this exclusion applies, we will not pay for any damages sustained starting from the first day the continuous or repeated seepage or leakage of water or steam, or the presence or condensation of humidity, moisture or vapor began.

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2. In the Causes of Loss – Broad, under **A. Covered Causes Of Loss**, paragraph **14.a.(3)** is replaced with the following:

(3) Loss or damage caused by or resulting from continuous or repeated seepage or leakage of water or steam, or the presence or condensation of humidity, moisture or vapor, that occurs over a period of 14 days or more. In the event this exception applies, we will not pay for any damages sustained starting from the first day the continuous or repeated seepage or leakage of water or steam, or the presence or condensation of humidity, moisture or vapor began.

3. In the Causes of Loss – Special, under **B. Exclusions**, paragraph **2.f.** is replaced with the following:

f. Continuous or repeated seepage or leakage of water or steam, or the presence or condensation of humidity, moisture or vapor, that occurs over a period of 14 days or more. In the event this exclusion applies, we will not pay for any damages sustained starting from the first day the continuous or repeated seepage or leakage of water or steam, or the presence or condensation of humidity, moisture or vapor began.

D. The Causes Of Loss - Broad Form and Causes of Loss – Special Form is amended with the following being added to **Additional Coverage – Collapse**:

9. This Additional Coverage – Collapse, does not apply to plumbing system, or any part of the plumbing system, whether above or below the ground, when the plumbing system is:

a. Collapsed;

b. In danger of collapsing or caving in; or

c. Separated from another part of the system;

due to:

a. Age, obsolescence, wear, tear;

b. Fading, oxidization, weathering;

c. Deterioration, decay, marring, delamination, crumbling, settling, cracking;

d. Shifting, bulging, racking, sagging, bowing, bending, leaning;

e. Shrinkage, expansion, contraction, bellying, corrosion; or

f. Any other age or maintenance related issue.

However, this Additional Coverage – Collapse will not apply to that part of a building's plumbing system damaged by an abrupt collapse of a building insured under this policy, or abrupt collapse of any part of building insured under this policy.

For purposes of this Additional Coverage – Collapse, a plumbing system includes a septic system.

E. The following provision applies when a Coinsurance percentage is shown in the Declarations:

Florida law states as follows:

Coinsurance contract: The rate charged in this policy is based upon the use of the coinsurance clause attached to this policy, with the consent of the Insured.

F. The following is added:

If windstorm is a Covered Cause of Loss and loss or damage to Covered Property is caused by or results from windstorm, the following exclusion applies in:

1. Broward County;
2. Miami-Dade County;
3. Martin County;
4. Monroe County
5. Palm Beach County; and
6. All the areas east of the west bank of the Intracoastal Waterway in the counties of:
a. Indian River; and
b. St. Lucie.

Windstorm Exterior Paint And Waterproofing Exclusion

We will not pay for loss or damage caused by windstorm to:

1. Paint; or
2. Waterproofing material;

applied to the exterior of buildings unless the building to which such loss or damage occurs also sustains other loss or damage by windstorm in the course of the same storm event. But such coverage applies only if windstorm is a Covered Cause of Loss.

When loss or damage to exterior paint or waterproofing material is excluded, we will not include the value of paint or waterproofing material to determine:

a. The amount of the Windstorm or Hail Deductible; or

b. The value of Covered Property when applying the Coinsurance Condition.

G. The **Loss Payment** Condition dealing with the number of days within which we must pay for covered loss or damage is replaced by the following:

Provided you have complied with all the terms of this Coverage Part, we will pay for covered loss or damage upon the earliest of the following:

(1) Within 20 days after we receive the sworn proof of loss and reach written agreement with you;

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(2) Within 30 days after we receive the sworn proof of loss and:

(a) There is an entry of a final judgment; or

(b) There is a filing of an appraisal award or a mediation settlement with us; or

(3) Within 90 days of receiving notice of an initial, reopened or supplemental claim, unless we deny the claim during that time or factors beyond our control reasonably prevent such payment. If a portion of the claim is denied, then the 90-day time period for payment of claim relates to the portion of the claim that is not denied.

Paragraph **(3)** applies only to the following:

(a) A claim under a policy covering residential property;

(b) A claim for building or contents coverage if the insured structure is 10,000 square feet or less and the policy covers only locations in Florida; or

(c) A claim for contents coverage under a tenant's policy if the rented premises are 10,000 square feet or less and the policy covers only locations in Florida.

H. Sinkhole Collapse Coverage Removed

Sinkhole Collapse coverage is removed, as indicated in Paragraphs **H.1.** through **H.3.**, and coverage for Catastrophic Ground Cover Collapse is added instead as set forth in Paragraph **I**.

1. In the Causes Of Loss – Basic Form, Sinkhole Collapse is deleted from the Covered Causes of Loss and sinkhole collapse is no longer an exception to the Earth Movement Exclusion.

2. In the Causes Of Loss – Broad Form, Sinkhole Collapse is deleted from the Covered Causes of Loss and from the Additional Coverage – Collapse; and sinkhole collapse is no longer an exception to the Earth Movement Exclusion.

3. In the Causes Of Loss – Special Form, Sinkhole Collapse is deleted from the "specified causes of loss" and is no longer an exception to the Earth Movement Exclusion.

Further, this Coverage Part does not insure against Sinkhole Loss as defined in Florida law unless an endorsement for Sinkhole Loss is made part of this policy. However, if Sinkhole Loss causes Catastrophic Ground Cover Collapse, coverage is provided for the resulting Catastrophic Ground Cover Collapse even if an endorsement for Sinkhole Loss is not made part of this policy.

I. The following is added to this Coverage Part as a Covered Cause of Loss. In the Causes Of Loss – Special Form, the following is also added as a "specified cause of loss". However, as a "specified cause of loss", the following does not apply to the Additional Coverage – Collapse.

Catastrophic Ground Cover Collapse

We will pay for direct physical loss or damage to Covered Property caused by or resulting from Catastrophic Ground Cover Collapse, meaning geological activity that results in all of the following:

1. The abrupt collapse of the ground cover;

2. A depression in the ground cover clearly visible to the naked eye;

3. "Structural damage" to the building, including the foundation; and

4. The insured structure being condemned and ordered to be vacated by the governmental agency authorized by law to issue such an order for that structure.

However, damage consisting merely of the settling or cracking of a foundation, structure or building does not constitute loss or damage resulting from a Catastrophic Ground Cover Collapse.

The **Earth Movement** Exclusion and the **Collapse** Exclusion do not apply to coverage for Catastrophic Ground Cover Collapse.

Coverage for Catastrophic Ground Cover Collapse does not increase the applicable Limit of Insurance. Regardless of whether loss or damage attributable to Catastrophic Ground Cover Collapse also qualifies as Sinkhole Loss or Earthquake (if either or both of those causes of loss are covered under this Coverage Part), only one Limit of Insurance will apply to such loss or damage.

J. The following applies to the **Additional Coverage – Civil Authority** under the Business Income (And Extra Expense) Coverage Form:

1. The Additional Coverage – Civil Authority includes a requirement that the described premises are not more than one mile from the damaged property. With respect to described premises located in Florida, such one-mile radius does not apply.

2. The Additional Coverage – Civil Authority is limited to a coverage period of up to four weeks. With respect to described premises located in Florida, such four-week period is replaced by a three-week period.

3. Civil Authority coverage is subject to all other provisions of that Additional Coverage.

K. The **Duties In The Event Of Loss Or Damage**, Loss Condition is replaced by the following:

Duties In The Event of Loss Or Damage

In case of a loss to Covered Property, you must see that the following are done:

a. Give prompt notice to us or your insurance agent;

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Except for reasonable emergency measures taken under Additional Coverages, Reasonable Emergency Measures, there is no coverage for repairs that begin before the earlier of:

(1) 72 hours after we are notified of the loss;

(2) The time of loss inspection by us; or

(3) The time of other approval by us;

b. **(1)** To the degree reasonably possible, retain the damaged property; and

(2) Allow us to inspect, subject to **b.(1)** above, all damaged property prior to its removal from the described premises.

c. Notify the police if a law may have been broken, and provide the incident number and, if we request, a copy of the report;

d. Protect the property from further damage. The following must be performed:

(1) Take reasonable emergency measures that are necessary to protect the Covered Property from further damage, as provided under Additional Coverages, Reasonable Emergency Measures.

A reasonable emergency measure under **d.(1)** above may include permanent repair when necessary to protect the Covered Property from further damage or to prevent unwanted entry to the property. To the degree reasonably possible, the damaged property must be retained for us to inspect; and

(2) Keep an accurate record of repair expenses;

e. Cooperate with us in the investigation of a claim;

f. If you intend to continue your business, you must resume all or part of your "operations" as quickly as possible;

g. Prepare an inventory of damaged property showing the quantity, description, costs, values and amount of loss. Attach all bills, receipts and related documents that justify the figures in the inventory;

h. As often as we reasonably require:

(1) Permit us to inspect the property proving the loss or damage and examine your books and records;

(2) Permit us to take samples of damaged and undamaged property for inspection, testing and analysis and permit us to make copies from your books and records;

(3) You or any insured must:

(a) Submit to examinations under oath and recorded statements, while not in the presence of any other insured; and

(b) Sign the same.

(4) If you are an association, corporation or other entity, any members, officers, directors, partners or similar representatives of the association, corporation or other entity must:

(a) Submit to examinations under oath and recorded statements, while not in the presence of any other insured; and

(b) Sign the same.

(5) Anyone you hire in connection with the presentation of your claim and anyone insured under this policy, other than **h.(3)** or **h.(4)** above, must:

(a) Submit to examinations under oath and recorded statements, while not in the presence of any other insured; and

(b) Sign the same.

i. Send to us, within 60 days after our request, your signed, sworn proof of loss which sets forth, to the best of your knowledge and belief:

(1) The time and cause of loss;

(2) The interests of the insureds and all others in the property involved and all liens on the property;

(3) Other insurance which may cover the loss;

(4) Changes in title or occupancy of the property during the term of the policy;

(5) Specifications of damaged buildings and detailed repair estimates; and

(6) The inventory of damaged personal property described in **g.** above.

L. The following are added to **E. Loss Conditions**:

Salvage

We reserve the right to recover and acquire ownership of any property damaged due to a covered loss and which has been replaced under the terms and conditions of this policy.

If we permit you to keep the damaged Covered Property after a loss, we will reduce the amount of the loss proceeds payable to you under the policy by the value of the salvage.

Assignment of Claim Benefits.

No assignment of claim benefits, regardless of whether made before loss or after loss, shall be valid without the written consent of all insureds, all additional insureds and all mortgagee(s) named in this policy.

M. In the Optional Coverages, **Agreed Value**, paragraph **1.c.(1)** and **1.c.(2)** are deleted and replaced by the following:

(1) On or after the inception of the Policy Period shown in the Declarations; and

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(2) Before the expiration of the Policy Period shown in the Declarations.

N. The following is added to **H. Definitions:**

"Structural damage" means a covered building, regardless of the date of its construction, has experienced the following.

1. Interior floor displacement or deflection in excess of acceptable variances as defined in ACI 117-90 or the Florida Building Code, which results in settlement related damage to the interior such that the interior building structure or members become unfit for service or represent a safety hazard as defined within the Florida Building Code;

2. Foundation displacement or deflection in excess of acceptable variances as defined in ACI 318-95 or the Florida Building Code, which results in settlement related damage to the primary structural members or primary structural systems that prevents those members or systems from supporting the loads and forces they were designed to support to the extent that stresses in those primary structural members or primary structural systems exceed one and one-third the nominal strength allowed under the Florida Building Code for new buildings of similar structure, purpose, or location;

3. Damage that results in listing, leaning, or buckling of the exterior load bearing walls or other vertical primary structural members to such an extent that a plumb line passing through the center of gravity does not fall inside the middle one-third of the base as defined within the Florida Building Code;

4. Damage that results in the building, or any portion of the building containing primary structural members or primary structural systems, being significantly likely to imminently collapse because of the movement or instability of the ground within the influence zone of the supporting ground within the sheer plane necessary for the purpose of supporting such building as defined within the Florida Building Code; or

5. Damage occurring on or after October 15, 2005, that qualifies as substantial structural damage as defined in the Florida Building Code.

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POLICY NUMBER: UCF0005914-04

COMMERCIAL PROPERTY
CP 03 22 01 06

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FLORIDA – MULTIPLE DEDUCTIBLE FORM

(FIXED DOLLAR DEDUCTIBLES)

This endorsement modifies insurance provided under the following:

BUILDERS' RISK COVERAGE FORM
BUILDING AND PERSONAL PROPERTY COVERAGE FORM
CONDOMINIUM ASSOCIATION COVERAGE FORM
CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM
STANDARD PROPERTY POLICY
TOBACCO SALES WAREHOUSES COVERAGE FORM

SCHEDULE

The Deductibles applicable to any one occurrence are shown below:

Prem. No.	Bldg. No.	Deductible	Covered Causes Of Loss *
		$	
		$	
		$	

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

* For each Deductible listed in this Schedule, enter the number corresponding to the Covered Cause(s) Of Loss to which that Deductible applies (or enter the description):
(1) All Covered Causes Of Loss
(2) All Covered Causes Of Loss **except** Windstorm Or Hail
(3) All Covered Causes Of Loss **except** Theft
(4) All Covered Causes Of Loss **except** Windstorm Or Hail and Theft
(5) Windstorm Or Hail
(6) Theft

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The following is added to the **Deductible** Section:

A. If this policy provides a Hurricane Percentage Deductible, then any deductible stated in this endorsement, for Windstorm Or Hail or for a Covered Cause Of Loss other than Windstorm Or Hail, does not apply to loss or damage caused by hurricane, with respect to the property to which the Hurricane Percentage Deductible applies. However, if the Hurricane Percentage Deductible applies on a calendar-year basis and contains a provision enabling application of a Fire Deductible (under circumstances where the Hurricane Percentage Deductible is exhausted or reduced), then a Deductible under this endorsement that applies to Fire (if any) will apply under such circumstances to hurricane loss or damage in accordance with the terms of the Calendar Year Hurricane Percentage Deductible endorsement or clause.

B. When an Earthquake Deductible or a Windstorm Or Hail Percentage Deductible is provided elsewhere in this policy, the terms of this endorsement do not apply to any loss or damage to which such Deductible applies.

C. In the event that loss or damage occurs to Covered Property at more than one building location as a result of one occurrence, the largest applicable deductible for that Covered Cause Of Loss, shown in the Schedule above or in the Declarations, will apply.

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POLICY NUMBER: UCF0005914-04

COMMERCIAL PROPERTY
CP 03 27 06 07

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FLORIDA HURRICANE PERCENTAGE DEDUCTIBLE – EACH HURRICANE (RESIDENTIAL RISKS)

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
CONDOMINIUM ASSOCIATION COVERAGE FORM
CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM
STANDARD PROPERTY POLICY

SCHEDULE

Premises Number	Building Number	Hurricane Deductible Percentage – Enter 1%, 2%, 3%, 5% Or 10%
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.		

The Hurricane Deductible, as shown in the Schedule and set forth in this endorsement, applies to covered loss or damage caused directly or indirectly by Hurricane. This Deductible applies to each occurrence of hurricane.

Under the terms of this endorsement, a hurricane is a storm system that has been declared to be a hurricane by the National Hurricane Center of the National Weather Service (hereafter referred to as NHC). The Hurricane occurrence begins at the time a hurricane watch or hurricane warning is issued for any part of Florida by the NHC, and ends 72 hours after the termination of the last hurricane watch or hurricane warning issued for any part of Florida by the NHC.

If a windstorm is not declared to be a hurricane and there is loss or damage to Covered Property, the applicable deductible is the same deductible that applies to Fire.

Nothing in this endorsement implies or affords coverage for any loss or damage that is excluded under the terms of the Water Exclusion or any other exclusion in this policy. If this policy is endorsed to cover Flood under the Flood Coverage Endorsement (or if you have a flood insurance policy), a separate Flood Deductible applies to loss or damage attributable to Flood, in accordance with the terms of that endorsement or policy.

As used in this endorsement, the terms "specific insurance" and "blanket insurance" have the following meanings: Specific insurance covers each item of insurance (for example, each building or personal property in a building) under a separate Limit of Insurance. Blanket insurance covers two or more items of insurance (for example, a building and personal property in that building, or two buildings) under a single Limit of Insurance. Items of insurance and corresponding Limit(s) of Insurance are shown in the Declarations.

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HURRICANE DEDUCTIBLE CALCULATIONS

A. Calculation of the Deductible – All Policies

1. A Hurricane Deductible is calculated separately for, and applies separately to:
   a. Each building that sustains loss or damage;
   b. The personal property at each building at which there is loss or damage to personal property;
   c. Personal property in the open.

   If there is damage to both a building and personal property in that building, separate deductibles apply to the building and to the personal property.
2. We will not pay for loss or damage until the amount of loss or damage exceeds the applicable Hurricane Deductible. We will then pay the amount of loss or damage in excess of that Deductible, up to the applicable Limit of Insurance, after any reduction required by any of the following: Coinsurance Condition; Agreed Value Optional Coverage; any provision in a Value Reporting Form relating to full reporting or failure to submit reports.
3. If an item of insurance is insured under more than one policy issued by us or another insurer in our insurer group for the same policy period and different Hurricane Deductibles apply to the same item of insurance under such policies, then the Hurricane deductible for that item of insurance shall be the highest amount stated in any of the policies.

B. Calculation Of The Deductible – Specific Insurance Other Than Builders' Risk

1. **Property Not Subject To Value Reporting Forms**

   In determining the amount, if any, that we will pay for loss or damage, we will deduct an amount equal to 1%, 2%, 3%, 5% or 10% (as shown in the Schedule) of the Limit(s) of Insurance applicable to the property that has sustained loss or damage.
2. **Property Subject To Value Reporting Forms**

   In determining the amount, if any, that we will pay for loss or damage, we will deduct an amount equal to 1%, 2%, 3%, 5% or 10% (as shown in the Schedule) of the value(s) of the property that has sustained loss or damage. The value(s) to be used are the latest value(s) shown in the most recent Report of Values on file with us.

   However:
   a. If the most recent Report of Values shows less than the full value(s) of the property on the report dates, we will determine the deductible amount as a percentage of the full value(s) as of the report dates.
   b. If the first Report of Values is not filed with us prior to loss or damage, we will determine the deductible amount as a percentage of the applicable Limit(s) of Insurance.

C. Calculation Of The Deductible – Blanket Insurance Other Than Builders' Risk

1. **Property Not Subject To Value Reporting Forms**

   In determining the amount, if any, that we will pay for loss or damage, we will deduct an amount equal to 1%, 2%, 3%, 5% or 10% (as shown in the Schedule) of the value(s) of the property that has sustained loss or damage. The value(s) to be used are those shown in the most recent Statement of Values on file with us.
2. **Property Subject To Value Reporting Forms**

   In determining the amount, if any, that we will pay for property that has sustained loss or damage, we will deduct an amount equal to 1%, 2%, 3%, 5% or 10% (as shown in the Schedule) of the value(s) of that property as of the time of loss or damage.

D. Calculation Of The Deductible – Builders' Risk Insurance

1. **Builders' Risk Other Than Reporting Form**

   In determining the amount, if any, that we will pay for loss or damage, we will deduct an amount equal to 1%, 2%, 3%, 5% or 10% (as shown in the Schedule) of the actual cash value(s) of that property as of the time of loss or damage.
2. **Builders' Risk Reporting Form**

   In determining the amount, if any, that we will pay for loss or damage, we will deduct an amount equal to 1%, 2%, 3%, 5% or 10% (as shown in the Schedule) of the value(s) of the property that has sustained loss or damage. The value(s) to be used are the actual cash value(s) shown in the most recent Report of Values on file with us.

   However:
   a. If the most recent Report of Values shows less than the actual cash value(s) of the property on the report date, we will determine the deductible amount as a percentage of the actual cash value(s) as of the report date.

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b. If the first Report of Values is not filed with us prior to loss or damage, we will determine the deductible amount as a percentage of the actual cash value(s) of the property as of the time of loss or damage.

E. Calculation Of The Deductible – Property Covered Under The Coverage Extension For Newly Acquired Or Constructed Property

The following applies when property is covered under the Coverage Extension for Newly Acquired or Constructed Property:

In determining the amount, if any, that we will pay for loss or damage to such property, we will deduct an amount equal to a percentage of the value(s) of the property at time of loss. The applicable percentage for Newly Acquired or Constructed Property is the highest percentage shown.

EXAMPLES – APPLICATION OF DEDUCTIBLE

EXAMPLE #1 – SPECIFIC INSURANCE (B.1.)

The amount of loss to the damaged building is $60,000.

The value of the damaged building at time of loss is $100,000. The Coinsurance percentage shown in the Declarations is 80%; the minimum Limit of Insurance needed to meet the coinsurance requirement is $80,000 (80% of $100,000).

The **actual** Limit of Insurance on the damaged building is $70,000.

The Deductible is 1%.

Step **(1):** $70,000 ÷ $80,000 = .875
Step **(2):** $60,000 x .875 = $52,500
Step **(3):** $70,000 x 1% = $700
Step **(4):** $52,500 – $700 = $51,800

The most we will pay is $51,800. The remainder of the loss, $8,200, is not covered due to the Coinsurance penalty for inadequate insurance (steps **(1)** and **(2)**) and the application of the Deductible (steps **(3)** and **(4)**).

EXAMPLE #2 – SPECIFIC INSURANCE (B.1.)

The amounts of loss to the damaged property are $60,000 (building) and $40,000 (personal property in building).

The value of the damaged building at time of loss is $100,000. The value of the personal property in that building is $80,000. The Coinsurance percentage shown in the Declarations is 80%; the minimum Limits of Insurance needed to meet the coinsurance requirement are $80,000 (80% of $100,000) for the building and $64,000 (80% of $80,000) for the personal property.

The **actual** Limits of Insurance on the damaged property are $80,000 on the building and $64,000 on the personal property (therefore no Coinsurance penalty).

The Deductible is 2%.

BUILDING

Step **(1):** $80,000 x 2% = $1,600
Step **(2):** $60,000 – $1,600 = $58,400

PERSONAL PROPERTY

Step **(1):** $64,000 x 2% = $1,280
Step **(2):** $40,000 – $1,280 = $38,720

The most we will pay is $97,120. The portion of the total loss not covered due to application of the Deductible is $2,880.

EXAMPLE #3 – BLANKET INSURANCE (C.1.)

The sum of the values of Building #1 ($500,000), Building #2 ($500,000) and Building #3 ($1,000,000), as shown in the most recent Statement of Values on file with us, is $2,000,000.

The Coinsurance percentage shown in the Declarations is 90%; the minimum Blanket Limit of Insurance needed to meet the coinsurance requirement is $1,800,000 (90% of $2,000,000).

The **actual** Blanket Limit of Insurance covering Buildings #1, #2, and #3, shown in the Declarations, is $1,800,000 (therefore no Coinsurance penalty).

Buildings #1 and #2 have sustained damage; the amounts of loss to these buildings are $40,000 (Building #1) and $20,000 (Building #2).

The Deductible is 2%.

BUILDING #1

Step **(1):** $500,000 x 2% = $10,000
Step **(2):** $40,000 – $10,000 = $30,000

BUILDING #2

Step **(1):** $500,000 x 2% = $10,000
Step **(2):** $20,000 – $10,000 = $10,000

The most we will pay is $40,000. The portion of the total loss not covered due to application of the Deductible is $20,000.

EXAMPLE #4 – BLANKET INSURANCE (C.1.)

The sum of the values of Building #1 ($500,000), Building #2 ($500,000), Personal Property at Building #1 ($250,000) and Personal Property at Building #2 ($250,000), as shown in the most recent Statement of Values on file with us, is $1,500,000.

The Coinsurance percentage shown in the Declarations is 90%; the minimum Blanket Limit of Insurance needed to meet the coinsurance requirement is $1,350,000 (90% of $1,500,000).

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The **actual** Blanket Limit of Insurance covering Buildings #1 and #2 and Personal Property at Buildings #1 and #2, shown in the Declarations, is $1,350,000. Therefore there is no Coinsurance penalty.

Building #1 and Personal Property at Building #1 have sustained damage; the amounts of loss are $95,000 (Building) and $5,000 (Personal Property).

The Deductible is 5%.

BUILDING

Step **(1):** $500,000 x 5% = $25,000
Step **(2):** $95,000 – $25,000 = $70,000

PERSONAL PROPERTY

Step **(1):** $250,000 x 5% = $12,500
The loss, $5,000, does not exceed the deductible.

The most we will pay is $70,000. The remainder of the building loss, $25,000, is not covered due to applicaion of the Deductible. There is no loss payment for the personal property.

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CAUSES OF LOSS – SPECIAL FORM

Words and phrases that appear in quotation marks have special meaning. Refer to Section **G.,** Definitions.

A. Covered Causes Of Loss

When Special is shown in the Declarations, Covered Causes of Loss means Risks Of Direct Physical Loss unless the loss is:

1. Excluded in Section **B.,** Exclusions; or

2. Limited in Section **C.,** Limitations;

that follow.

B. Exclusions

1. We will not pay for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss**.**

a. Ordinance Or Law

The enforcement of any ordinance or law:

(1) Regulating the construction, use or repair of any property; or

(2) Requiring the tearing down of any property, including the cost of removing its debris.

This exclusion, Ordinance Or Law, applies whether the loss results from:

(a) An ordinance or law that is enforced even if the property has not been damaged; or

(b) The increased costs incurred to comply with an ordinance or law in the course of construction, repair, renovation, remodeling or demolition of property, or removal of its debris, following a physical loss to that property.

b. Earth Movement

(1) Earthquake, including any earth sinking, rising or shifting related to such event;

(2) Landslide, including any earth sinking, rising or shifting related to such event;

(3) Mine subsidence, meaning subsidence of a man-made mine, whether or not mining activity has ceased;

(4) Earth sinking (other than sinkhole collapse), rising or shifting including soil conditions which cause settling, cracking or other disarrangement of foundations or other parts of realty. Soil conditions include contraction, expansion, freezing, thawing, erosion, improperly compacted soil and the action of water under the ground surface.

But if Earth Movement, as described in **b.(1)** through **(4)** above, results in fire or explosion, we will pay for the loss or damage caused by that fire or explosion.

(5) Volcanic eruption, explosion or effusion. But if volcanic eruption, explosion or effusion results in fire, building glass breakage or Volcanic Action, we will pay for the loss or damage caused by that fire, building glass breakage or Volcanic Action.

Volcanic Action means direct loss or damage resulting from the eruption of a volcano when the loss or damage is caused by:

(a) Airborne volcanic blast or airborne shock waves;

(b) Ash, dust or particulate matter; or

(c) Lava flow.

All volcanic eruptions that occur within any 168-hour period will constitute a single occurrence.

Volcani Action does not include the cost to remove ash, dust or particulate matter that does not cause direct physical loss or damage to the described property.

c. Governmental Action

Seizure or destruction of property by order of governmental authority.

But we will pay for loss or damage caused by or resulting from acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread, if the fire would be covered under this Coverage Part.

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d. Nuclear Hazard

Nuclear reaction or radiation, or radioactive contamination, however caused.

But if nuclear reaction or radiation, or radioactive contamination, results in fire, we will pay for the loss or damage caused by that fire.

e. Utility Services

The failure of power, communication, water or other utility service supplied to the described premises, however caused, if the failure:

(1) Originates away from the described premises; or

(2) Originates at the described premises, but only if such failure involves equipment used to supply the utility service to the described premises from a source away from the described premises.

Failure of any utility service includes lack of sufficient capacity and reduction in supply.

Loss or damage caused by a surge of power is also excluded, if the surge would not have occurred but for an event causing a failure of power.

But if the failure or surge of power, or the failure of communication, water or other utility service, results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

Communication services include but are not limited to service relating to Internet access or access to any electronic, cellular or satellite network.

f. War And Military Action

(1) War, including undeclared or civil war;

(2) 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

(3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

g. Water

(1) Flood, surface water, waves, tides, tidal waves, overflow of any body of water, or their spray, all whether driven by wind or not;

(2) Mudslide or mudflow;

(3) Water that backs up or overflows from a sewer, drain or sump; or

(4) Water under the ground surface pressing on, or flowing or seeping through:

(a) Foundations, walls, floors or paved surfaces;

(b) Basements, whether paved or not; or

(c) Doors, windows or other openings.

But if Water, as described in **g.(1)** through **g.(4)** above, results in fire, explosion or sprinkler leakage, we will pay for the loss or damage caused by that fire, explosion or sprinkler leakage.

h. "Fungus", Wet Rot, Dry Rot And Bacteria

Presence, growth, proliferation, spread or any activity of "fungus", wet or dry rot or bacteria.

But if "fungus", wet or dry rot or bacteria results in a "specified cause of loss", we will pay for the loss or damage caused by that "specified cause of loss".

This exclusion does not apply:

1. When "fungus", wet or dry rot or bacteria results from fire or lightning; or

2. To the extent that coverage is provided in the Additional Coverage – Limited Coverage For "Fungus", Wet Rot, Dry Rot And Bacteria with respect to loss or damage by a cause of loss other than fire or lightning.

Exclusions **B.1.a.** through **B.1.h.** apply whether or not the loss event results in widespread damage or affects a substantial area.

2. We will not pay for loss or damage caused by or resulting from any of the following:

a. Artificially generated electrical, magnetic or electromagnetic energy that damages, disturbs, disrupts or otherwise interferes with any:

(1) Electrical or electronic wire, device, appliance, system or network; or

(2) Device, appliance, system or network utilizing cellular or satellite technology.

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For the purpose of this exclusion, electrical, magnetic or electromagnetic energy includes but is not limited to:

(a) Electrical current, including arcing;

(b) Electrical charge produced or conducted by a magnetic or electromagnetic field;

(c) Pulse of electromagnetic energy; or

(d) Electromagnetic waves or microwaves.

But if fire results, we will pay for the loss or damage caused by that fire.

b. Delay, loss of use or loss of market.

c. Smoke, vapor or gas from agricultural smudging or industrial operations.

d. **(1)** Wear and tear;

(2) Rust or other corrosion, decay, deterioration, hidden or latent defect or any quality in property that causes it to damage or destroy itself;

(3) Smog;

(4) Settling, cracking, shrinking or expansion;

(5) Nesting or infestation, or discharge or release of waste products or secretions, by insects, birds, rodents or other animals.

(6) Mechanical breakdown, including rupture or bursting caused by centrifugal force. But if mechanical breakdown results in elevator collision, we will pay for the loss or damage caused by that elevator collision.

(7) The following causes of loss to personal property:

(a) Dampness or dryness of atmosphere;

(b) Changes in or extremes of temperature; or

(c) Marring or scratching.

But if an excluded cause of loss that is listed in **2.d.(1)** through **(7)** results in a "specified cause of loss" or building glass breakage, we will pay for the loss or damage caused by that "specified cause of loss" or building glass breakage.

e. Explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control. But if explosion of steam boilers, steam pipes, steam engines or steam turbines results in fire or combustion explosion, we will pay for the loss or damage caused by that fire or combustion explosion. We will also pay for loss or damage caused by or resulting from the explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.

f. Continuous or repeated seepage or leakage of water, or the presence or condensation of humidity, moisture or vapor, that occurs over a period of 14 days or more.

g. 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:

(1) You do your best to maintain heat in the building or structure; or

(2) You drain the equipment and shut off the supply if the heat is not maintained.

h. Dishonest or criminal act by you, any of your partners, members, officers, managers, employees (including leased employees), directors, trustees, authorized representatives or anyone to whom you entrust the property for any purpose:

(1) Acting alone or in collusion with others; or

(2) Whether or not occurring during the hours of employment.

This exclusion does not apply to acts of destruction by your employees (including leased employees); but theft by employees (including leased employees) is not covered.

i. Voluntary parting with any property by you or anyone else to whom you have entrusted the property if induced to do so by any fraudulent scheme, trick, device or false pretense.

j. Rain, snow, ice or sleet to personal property in the open.

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k. Collapse, including any of the following conditions of property or any part of the property:

(1) An abrupt falling down or caving in;

(2) Loss of structural integrity, including separation of parts of the property or property in danger of falling down or caving in; or

(3) Any cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion as such condition relates to **(1)** or **(2)** above.

But if collapse results in a Covered Cause of Loss at the described premises, we will pay for the loss or damage caused by that Covered Cause of Loss.

This exclusion, **k.,** does not apply:

(a) To the extent that coverage is provided under the Additional Coverage – Collapse; or

(b) To collapse caused by one or more of the following:

(i) The "specified causes of loss";

(ii) Breakage of building glass;

(iii) Weight of rain that collects on a roof; or

(iv) Weight of people or personal property.

l. Discharge, dispersal, seepage, migration, release or escape of "pollutants" unless the discharge, dispersal, seepage, migration, release or escape is itself caused by any of the "specified causes of loss". But if the discharge, dispersal, seepage, migration, release or escape of "pollutants" results in a "specified cause of loss", we will pay for the loss or damage caused by that "specified cause of loss".

This exclusion, **l.,** does not apply to damage to glass caused by chemicals applied to the glass.

m. Neglect of an insured to use all reasonable means to save and preserve property from further damage at and after the time of loss.

3. We will not pay for loss or damage caused by or resulting from any of the following, **3.a.** through **3.c.** But if an excluded cause of loss that is listed in **3.a.** through **3.c.** results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

a. Weather conditions. But this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in Paragraph **1.** above to produce the loss or damage.

b. Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.

c. Faulty, inadequate or defective:

(1) Planning, zoning, development, surveying, siting;

(2) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;

(3) Materials used in repair, construction, renovation or remodeling; or

(4) Maintenance;

of part or all of any property on or off the described premises.

4. Special Exclusions

The following provisions apply only to the specified Coverage Forms.

a. Business Income (And Extra Expense) Coverage Form, Business Income (Without Extra Expense) Coverage Form, Or Extra Expense Coverage Form

We will not pay for:

(1) Any loss caused by or resulting from:

(a) Damage or destruction of "finished stock"; or

(b) The time required to reproduce "finished stock".

This exclusion does not apply to Extra Expense.

(2) Any loss caused by or resulting from direct physical loss or damage to radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers.

(3) Any increase of loss caused by or resulting from:

(a) Delay in rebuilding, repairing or replacing the property or resuming "operations", due to interference at the location of the rebuilding, repair or replacement by strikers or other persons; or

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(b) Suspension, lapse or cancellation of any license, lease or contract. But if the suspension, lapse or cancellation is directly caused by the "suspension" of "operations", we will cover such loss that affects your Business Income during the "period of restoration" and any extension of the "period of restoration" in accordance with the terms of the Extended Business Income Additional Coverage and the Extended Period Of Indemnity Optional Coverage or any variation of these.

(4) Any Extra Expense caused by or resulting from suspension, lapse or cancellation of any license, lease or contract beyond the "period of restoration".

(5) Any other consequential loss.

b. Leasehold Interest Coverage Form

(1) Paragraph **B.1.a.,** Ordinance Or Law, does not apply to insurance under this Coverage Form.

(2) We will not pay for any loss caused by:

(a) Your cancelling the lease;

(b) The suspension, lapse or cancellation of any license; or

(c) Any other consequential loss.

c. Legal Liability Coverage Form

(1) The following exclusions do not apply to insurance under this Coverage Form:

(a) Paragraph **B.1.a.,** Ordinance Or Law;

(b) Paragraph **B.1.c.,** Governmental Action;

(c) Paragraph **B.1.d.,** Nuclear Hazard;

(d) Paragraph **B.1.e.,** Utility Services; and

(e) Paragraph **B.1.f.,** War And Military Action.

(2) The following additional exclusions apply to insurance under this Coverage Form:

(a) Contractual Liability

We will not defend any claim or "suit", or pay damages that you are legally liable to pay, solely by reason of your assumption of liability in a contract or agreement. But this exclusion does not apply to a written lease agreement in which you have assumed liability for building damage resulting from an actual or attempted burglary or robbery, provided that:

(i) Your assumption of liability was executed prior to the accident; and

(ii) The building is Covered Property under this Coverage Form.

(b) Nuclear Hazard

We will not defend any claim or "suit", or pay any damages, loss, expense or obligation, resulting from nuclear reaction or radiation, or radioactive contamination, however caused.

5. Additional Exclusion

The following provisions apply only to the specified property.

LOSS OR DAMAGE TO PRODUCTS

We will not pay for loss or damage to any merchandise, goods or other product caused by or resulting from error or omission by any person or entity (including those having possession under an arrangement where work or a portion of the work is outsourced) in any stage of the development, production or use of the product, including planning, testing, processing, packaging, installation, maintenance or repair. This exclusion applies to any effect that compromises the form, substance or quality of the product. But if such error or omission results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

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C. Limitations

The following limitations apply to all policy forms and endorsements, unless otherwise stated.

1. We will not pay for loss of or damage to property, as described and limited in this section. In addition, we will not pay for any loss that is a consequence of loss or damage as described and limited in this section.

a. Steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment. But we will pay for loss of or damage to such equipment caused by or resulting from an explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.

b. Hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment, other than an explosion.

c. The interior of any building or structure, or to personal property in the building or structure, caused by or resulting from rain, snow, sleet, ice, sand or dust, whether driven by wind or not, unless:

(1) The building or structure first sustains damage by a Covered Cause of Loss to its roof or walls through which the rain, snow, sleet, ice, sand or dust enters; or

(2) The loss or damage is caused by or results from thawing of snow, sleet or ice on the building or structure.

d. Building materials and supplies not attached as part of the building or structure, caused by or resulting from theft.

However, this limitation does not apply to:

(1) Building materials and supplies held for sale by you, unless they are insured under the Builders Risk Coverage Form; or

(2) Business Income Coverage or Extra Expense Coverage.

e. Property that is missing, where the only evidence of the loss or damage is a shortage disclosed on taking inventory, or other instances where there is no physical evidence to show what happened to the property.

f. Property that has been transferred to a person or to a place outside the described premises on the basis of unauthorized instructions.

2. We will not pay for loss of or damage to the following types of property unless caused by the "specified causes of loss" or building glass breakage:

a. Animals, and then only if they are killed or their destruction is made necessary.

b. Fragile articles such as statuary, marbles, chinaware and porcelains, if broken. This restriction does not apply to:

(1) Glass; or

(2) Containers of property held for sale.

c. Builders' machinery, tools and equipment owned by you or entrusted to you, provided such property is Covered Property.

However, this limitation does not apply:

(1) If the property is located on or within 100 feet of the described premises, unless the premises is insured under the Builders Risk Coverage Form; or

(2) To Business Income Coverage or to Extra Expense Coverage.

3. The special limit shown for each category, **a.** through **d.,** is the total limit for loss of or damage to all property in that category. The special limit applies to any one occurrence of theft, regardless of the types or number of articles that are lost or damaged in that occurrence. The special limits are:

a. $2,500 for furs, fur garments and garments trimmed with fur.

b. $2,500 for jewelry, watches, watch movements, jewels, pearls, precious and semiprecious stones, bullion, gold, silver, platinum and other precious alloys or metals. This limit does not apply to jewelry and watches worth $100 or less per item.

c. $2,500 for patterns, dies, molds and forms.

d. $250 for stamps, tickets, including lottery tickets held for sale, and letters of credit.

These special limits are part of, not in addition to, the Limit of Insurance applicable to the Covered Property.

This limitation, **C.3.,** does not apply to Business Income Coverage or to Extra Expense Coverage.

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4. We will not pay the cost to repair any defect to a system or appliance from which water, other liquid, powder or molten material escapes. But we will pay the cost to repair or replace damaged parts of fire-extinguishing equipment if the damage:

   a. Results in discharge of any substance from an automatic fire protection system; or

   b. Is directly caused by freezing.

   However, this limitation does not apply to Business Income Coverage or to Extra Expense Coverage.

D. Additional Coverage – Collapse

The coverage provided under this Additional Coverage – Collapse applies only to an abrupt collapse as described and limited in **D.1.** through **D.7.**

1. For the purpose of this Additional Coverage – Collapse, abrupt collapse means an abrupt falling down or caving in of a building or any part of a building with the result that the building or part of the building cannot be occupied for its intended purpose.

2. We will pay for direct physical loss or damage to Covered Property, caused by abrupt collapse of a building or any part of a building that is insured under this Coverage Form or that contains Covered Property insured under this Coverage Form, if such collapse is caused by one or more of the following:

   a. Building decay that is hidden from view, unless the presence of such decay is known to an insured prior to collapse;

   b. Insect or vermin damage that is hidden from view, unless the presence of such damage is known to an insured prior to collapse;

   c. Use of defective material or methods in construction, remodeling or renovation if the abrupt collapse occurs during the course of the construction, remodeling or renovation.

   d. Use of defective material or methods in construction, remodeling or renovation if the abrupt collapse occurs after the construction, remodeling or renovation is complete, but only if the collapse is caused in part by:

      (1) A cause of loss listed in **2.a.** or **2.b.;**

      (2) One or more of the "specified causes of loss";

      (3) Breakage of building glass;

      (4) Weight of people or personal property; or

      (5) Weight of rain that collects on a roof.

3. This **Additional Coverage – Collapse** does **not** apply to:

   a. A building or any part of a building that is in danger of falling down or caving in;

   b. A part of a building that is standing, even if it has separated from another part of the building; or

   c. A building that is standing or any part of a building that is standing, even if it shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.

4. With respect to the following property:

   a. Outdoor radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers;

   b. Awnings, gutters and downspouts;

   c. Yard fixtures;

   d. Outdoor swimming pools;

   e. Fences;

   f. Piers, wharves and docks;

   g. Beach or diving platforms or appurtenances;

   h. Retaining walls; and

   i. Walks, roadways and other paved surfaces;

   if an abrupt collapse is caused by a cause of loss listed in **2.a.** through **2.d.** we will pay for loss or damage to that property only if:

      (1) Such loss or damage is a direct result of the abrupt collapse of a building insured under this Coverage Form; and

      (2) The property is Covered Property under this Coverage Form.

5. If personal property abruptly falls down or caves in and such collapse is **not** the result of abrupt collapse of a building, we will pay for loss or damage to Covered Property caused by such collapse of personal property only if:

   a. The collapse of personal property was caused by a cause of loss listed in **2.a.** through **2.d.;**

   b. The personal property which collapses is inside a building; and

   c. The property which collapses is not of a kind listed in **4.,** regardless of whether that kind of property is considered to be personal property or real property.

   The coverage stated in this Paragraph **5.** does not apply to personal property if marring and/or scratching is the only damage to that personal property caused by the collapse.

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6. This Additional Coverage – Collapse does not apply to personal property that has not abruptly fallen down or caved in, even if the personal property shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.

7. This Additional Coverage – Collapse will not increase the Limits of Insurance provided in this Coverage Part.

8. The term Covered Cause of Loss includes the Additional Coverage – Collapse as described and limited in **D.1.** through **D.7.**

E. Additional Coverage – Limited Coverage For "Fungus", Wet Rot, Dry Rot And Bacteria

1. The coverage described in **E.2.** and **E.6.** only applies when the "fungus", wet or dry rot or bacteria is the result of one or more of the following causes that occurs during the policy period and only if all reasonable means were used to save and preserve the property from further damage at the time of and after that occurrence.

   a. A "specified cause of loss" other than fire or lightning; or

   b. Flood, if the Flood Coverage Endorsement applies to the affected premises.

2. We will pay for loss or damage by "fungus", wet or dry rot or bacteria. As used in this Limited Coverage, the term loss or damage means:

   a. Direct physical loss or damage to Covered Property caused by "fungus", wet or dry rot or bacteria, including the cost of removal of the "fungus", wet or dry rot or bacteria;

   b. The cost to tear out and replace any part of the building or other property as needed to gain access to the "fungus", wet or dry rot or bacteria; and

   c. The cost of testing performed after removal, repair, replacement or restoration of the damaged property is completed, provided there is a reason to believe that "fungus", wet or dry rot or bacteria are present.

3. The coverage described under **E.2.** of this Limited Coverage is limited to $15,000. Regardless of the number of claims, this limit is the most we will pay for the total of all loss or damage arising out of all occurrences of "specified causes of loss" (other than fire or lightning) and Flood which take place in a 12-month period (starting with the beginning of the present annual policy period). With respect to a particular occurrence of loss which results in "fungus", wet or dry rot or bacteria, we will not pay more than a total of $15,000 even if the "fungus", wet or dry rot or bacteria continues to be present or active, or recurs, in a later policy period.

4. The coverage provided under this Limited Coverage does not increase the applicable Limit of Insurance on any Covered Property. If a particular occurrence results in loss or damage by "fungus", wet or dry rot or bacteria, and other loss or damage, we will not pay more, for the total of all loss or damage, than the applicable Limit of Insurance on the affected Covered Property.

   If there is covered loss or damage to Covered Property, not caused by "fungus", wet or dry rot or bacteria, loss payment will not be limited by the terms of this Limited Coverage, except to the extent that "fungus", wet or dry rot or bacteria causes an increase in the loss. Any such increase in the loss will be subject to the terms of this Limited Coverage.

5. The terms of this Limited Coverage do not increase or reduce the coverage provided under Paragraph **F.2.** (Water Damage, Other Liquids, Powder Or Molten Material Damage) of this Causes Of Loss Form or under the Additional Coverage – Collapse.

6. The following, **6.a.** or **6.b.,** applies only if Business Income and/or Extra Expense Coverage applies to the described premises and only if the "suspension" of "operations" satisfies all terms and conditions of the applicable Business Income and/or Extra Expense Coverage Form.

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a. If the loss which resulted in "fungus", wet or dry rot or bacteria does not in itself necessitate a "suspension" of "operations", but such "suspension" is necessary due to loss or damage to property caused by "fungus", wet or dry rot or bacteria, then our payment under Business Income and/or Extra Expense is limited to the amount of loss and/or expense sustained in a period of not more than 30 days. The days need not be consecutive.

b. If a covered "suspension" of "operations" was caused by loss or damage other than "fungus", wet or dry rot or bacteria but remediation of "fungus", wet or dry rot or bacteria prolongs the "period of restoration", we will pay for loss and/or expense sustained during the delay (regardless of when such a delay occurs during the "period of restoration"), but such coverage is limited to 30 days. The days need not be consecutive.

F. Additional Coverage Extensions

1. Property In Transit

This Extension applies only to your personal property to which this form applies.

a. You may extend the insurance provided by this Coverage Part to apply to your personal property (other than property in the care, custody or control of your salespersons) in transit more than 100 feet from the described premises. Property must be in or on a motor vehicle you own, lease or operate while between points in the coverage territory.

b. Loss or damage must be caused by or result from one of the following causes of loss:

(1) Fire, lightning, explosion, windstorm or hail, riot or civil commotion, or vandalism

(2) Vehicle collision, upset or overturn. Collision means accidental contact of your vehicle with another vehicle or object. It does not mean your vehicle's contact with the roadbed.

(3) Theft of an entire bale, case or package by forced entry into a securely locked body or compartment of the vehicle. There must be visible marks of the forced entry.

c. The most we will pay for loss or damage under this Extension is $5,000.

This Coverage Extension is additional insurance. The Additional Condition, Coinsurance, does not apply to this Extension.

2. Water Damage, Other Liquids, Powder Or Molten Material Damage

If loss or damage caused by or resulting from covered water or other liquid, powder or molten material damage loss occurs, we will also pay the cost to tear out and replace any part of the building or structure to repair damage to the system or appliance from which the water or other substance escapes. This Coverage Extension does not increase the Limit of Insurance.

3. Glass

a. We will pay for expenses incurred to put up temporary plates or board up openings if repair or replacement of damaged glass is delayed.

b. We will pay for expenses incurred to remove or replace obstructions when repairing or replacing glass that is part of a building. This does not include removing or replacing window displays.

This Coverage Extension, **F.3.,** does not increase the Limit of Insurance.

G. Definitions

1. "Fungus" means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.

2. "Specified causes of loss" means the following: fire; lightning; explosion; windstorm or hail; smoke; aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire-extinguishing equipment; sinkhole collapse; volcanic action; falling objects; weight of snow, ice or sleet; water damage.

a. Sinkhole collapse means the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite. This cause of loss does not include:

(1) The cost of filling sinkholes; or

(2) Sinking or collapse of land into man-made underground cavities.

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b. Falling objects does not include loss of or damage to:

(1) Personal property in the open; or

(2) The interior of a building or structure, or property inside a building or structure, unless the roof or an outside wall of the building or structure is first damaged by a falling object.

c. Water damage means accidental discharge or leakage of water or steam as the direct result of the breaking apart or cracking of a plumbing, heating, air conditioning or other system or appliance (other than a sump system including its related equipment and parts), that is located on the described premises and contains water or steam.

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POLICY NUMBER: UCF0005914-04

COMMERCIAL PROPERTY
CP 10 32 08 08

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WATER EXCLUSION ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART
STANDARD PROPERTY POLICY

A. The exclusion in Paragraph **B.** replaces the **Water** Exclusion in this Coverage Part or Policy.

B. Water

1. Flood, surface water, waves (including tidal wave and tsunami), tides, tidal water, overflow of any body of water, or spray from any of these, all whether or not driven by wind (including storm surge);

2. Mudslide or mudflow;

3. Water that backs up or overflows or is otherwise discharged from a sewer, drain, sump, sump pump or related equipment;

4. Water under the ground surface pressing on, or flowing or seeping through:

a. Foundations, walls, floors or paved surfaces;

b. Basements, whether paved or not; or

c. Doors, windows or other openings; or

5. Waterborne material carried or otherwise moved by any of the water referred to in Paragraph **1., 3.** or **4.,** or material carried or otherwise moved by mudslide or mudflow.

This exclusion applies regardless of whether any of the above, in Paragraphs **1.** through **5.,** is caused by an act of nature or is otherwise caused. An example of a situation to which this exclusion applies is the situation where a dam, levee, seawall or other boundary or containment system fails in whole or in part, for any reason, to contain the water.

But if any of the above, in Paragraphs **1.** through **5.,** results in fire, explosion or sprinkler leakage, we will pay for the loss or damage caused by that fire, explosion or sprinkler leakage (if sprinkler leakage is a Covered Cause of Loss).

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POLICY NUMBER: UCF0005914-04

COMMERCIAL PROPERTY
CP 10 34 10 12

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF LOSS DUE TO BY-PRODUCTS OF PRODUCTION OR PROCESSING OPERATIONS (RENTAL PROPERTIES)

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM
BUSINESS INCOME (WITHOUT EXTRA EXPENSE) COVERAGE FORM
EXTRA EXPENSE COVERAGE FORM
STANDARD PROPERTY POLICY

SCHEDULE

Premises Number	Building Number	Description Of Rental Unit
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.		

A. The terms of this endorsement apply to the rental unit(s) described in the Schedule, and to the building(s) in which such unit(s) is located, including any contents of such unit(s) and building(s), all of which constitute the described premises for the purpose of this endorsement.

B. We will not pay for loss or damage to the described premises, caused by or resulting from smoke, vapor, gas or any substance released in the course of production operations or processing operations performed at the rental unit(s) described in the Schedule. This exclusion applies regardless of whether such operations are:

1. Legally permitted or prohibited;
2. Permitted or prohibited under the terms of the lease; or
3. Usual to the intended occupancy of the premises.

This exclusion does not apply to loss or damage by fire or explosion that results from the release of a by-product of the production or processing operation.

C. If the loss or damage described in Paragraph B. results in Business Income loss or Extra Expense, there is no coverage for such loss or expense under the business income and/or extra expense forms listed in this endorsement, or under any other business interruption insurance if provided under this policy.

D. The conduct of a tenant's production or processing operations will not be considered to be vandalism of the rental premises regardless of whether such operations are:

1. Legally permitted or prohibited;
2. Permitted or prohibited under the terms of the lease; or
3. Usual to the intended occupancy of the premises.

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Tower Hill Insurance

SURPLUS LINES DISCLOSURE

As required by Florida Statute 626.916, you are agreeing to place coverage in the surplus lines market. Superior coverage may be available in the admitted market and at a lesser cost. Persons insured by surplus lines carriers are not protected by the Florida Insurance Guaranty Act with respect to any right of recovery for the obligation of an insolvent unlicensed insurer.

G & M Estates USA, Inc
Named Insured

Signature of Insured's Authorized Representative Date

Indian Harbor Insurance Company
Name of Excess and Surplus Lines Carrier

Commercial Property - OfficeRetail
Type of Insurance

Assured Partners of Florida LLC
Agency Name

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXISTING DAMAGE EXCLUSION ENDORSEMENT

It is understood and agreed that:

This policy is not intended to and does not provide coverage for any damages which occurred:

1. Prior to policy inception regardless of whether such damages were apparent at the time of the inception of this policy; or
2. Became apparent at a later date.

It is also understood and agreed that:

This policy is not intended to and does not provide coverage for any claims or damages arising out of:

1. Workmanship;
2. Repairs and/or lack of repairs;

Arising from damage which occurred prior to policy inception.

It is further understood and agreed that:

This policy does not provide coverage for any stated amount until and unless all structures covered by your previous policy have been fully and completely repaired.

Prior to such completion of repairs, coverage will be limited to the greater of:

1. The actual cash value of the property at the time of a covered loss occurring during this policy period; or
2. The cost of repairing the property to a state at which it existed at the time of a covered loss, provided that such repairs have been made.

This endorsement applies to all coverages under this policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

STANDARD POLICY COVERAGE – DECLARATIONS

This policy is issued on behalf of Indian Harbor Insurance Company and, by acceptance of this policy you agree:

1. That the statements in the Declarations are your representations;
2. That this policy is issued in reliance upon the truth of those representations;
3. That this policy embodies all agreements existing between you and Indian Harbor Insurance Company or any of our producers relating to this policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FIRE CODE COMPLIANCE EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART

A. The following is added to the:

Commercial Property Conditions

FIRE CODE COMPLIANCE

As a condition of this insurance, you are required to comply with state mandated fire codes.

B. The following is added to the EXCLUSIONS section of:

CAUSES OF LOSS – BASIC FORM
CAUSES OF LOSS – BROAD FORM
CAUSES OF LOSS – SPECIAL FORM

We will not pay for loss or damage caused by or resulting from fire if, prior to the fire, you:

1. Knew of any fire code violations; and

2. The failure to resolve the violation(s) caused or contributed to the fire loss.

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COMMON POLICY CONDITIONS
CANCELLATION AND NONRENEWAL

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

A. 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.

B. 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.

C. 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.

D. 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.

E. 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.

F. 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. Cancellation For Policies In Effect 90 Days Or Less

a. If this policy has been in effect for 90 days or less, we may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation, accompanied by the specific reasons for cancellation, at least:

(1) 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or

(2) 20 days before the effective date of cancellation if we cancel for any other reason, except we may cancel immediately if there has been:

(a) A material misstatement or misrepresentation; or

(b) A failure to comply with underwriting requirements established by the insurer.

b. We may not cancel on the basis of property insurance claims that are the result of an act of God, unless we can demonstrate, by claims frequency or otherwise, that you have failed to take action reasonably necessary as requested by us to prevent recurrence of damage to the insured property.

3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.

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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. If the return premium is not refunded with the notice of cancellation or when this policy is returned to us, we will mail the refund within 15 working days after the date cancellation takes effect. 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.
7. Cancellation For Policies In Effect For More Than 90 Days
   a. If this policy has been in effect for more than 90 days, we may cancel this policy only for one or more of the following reasons:
      (1) Nonpayment of premium;
      (2) The policy was obtained by a material misstatement;
      (3) There has been a failure to comply with underwriting requirements established by us within 90 days of the effective date of coverage;
      (4) There has been a substantial change in the risk covered by the policy;
      (5) The cancellation is for all insureds under such policies for a given class of insureds; or
      (6) On the basis of property insurance claims that are the result of an act of God, if we can demonstrate, by claims frequency or otherwise, that you have failed to take action reasonably necessary as requested by us to prevent recurrence of damage to the insured property.
   b. If we cancel this policy for any of these reasons, we will mail or deliver to the first Named Insured written notice of cancellation, accompanied by the specific reasons for cancellation, at least:
      (1) 10 days before the effective date of cancellation if cancellation is for nonpayment of premium; or
      (2) 45 days before the effective date of cancellation if:
         (a) Cancellation is for one or more of the reasons stated in paragraphs **7.a.(2)** through **7.a.(6)** above.

G. Nonrenewal

1. If we decide not to renew this policy we will mail or deliver to the first Named Insured written notice of nonrenewal, accompanied by the specific reason for nonrenewal, at least:
   a. 45 days prior to the expiration of the policy for all policies.
2. Any notice of nonrenewal will be mailed or delivered to the first Named Insured's last mailing address known to us. If notice is mailed, proof of mailing will be sufficient proof of notice.
3. We may not refuse to renew this policy:
   a. On the basis of property insurance claims that are the result of an act of God, unless we can demonstrate, by claims frequency or otherwise, that you have failed to take action reasonably necessary as requested by us to prevent recurrence of damage to the insured property; or
   b. On the basis of filing of claims for partial loss caused by sinkhole damage, regardless of whether this policy has been the subject of a sinkhole claim, or on the basis of the risk associated with the occurrence of such a claim. However, we may refuse to renew this policy if:
      (1) The total of such property insurance claim payments for this policy equals or exceeds the policy limits of coverage in effect on the date of loss for property damage to the covered building; or
      (2) You have failed to repair the structure in accordance with the engineering recommendations upon which any loss payment or policy proceeds were based.

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BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the Company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section **F.,** Definitions.

A. Coverage

1. Business Income

Business Income means the:

a. Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred; and

b. Continuing normal operating expenses incurred, including payroll.

For manufacturing risks, Net Income includes the net sales value of production.

Coverage is provided as described and limited below for one or more of the following options for which a Limit of Insurance is shown in the Declarations:

(1) Business Income Including "Rental Value".

(2) Business Income Other Than "Rental Value".

(3) "Rental Value".

If option **(1)** above is selected, the term Business Income will include "Rental Value". If option **(3)** above is selected, the term Business Income will mean "Rental Value" only.

If Limits of Insurance are shown under more than one of the above options, the provisions of this Coverage Part apply separately to each. We will pay for the actual loss of Business Income you sustain due to the necessary "suspension" of your "operations" during the "period of restoration". The "suspension" must be caused by direct physical loss of or damage to property at premises which are described in the Declarations and for which a Business Income Limit of Insurance is shown in the Declarations. The loss or damage must be caused by or result from a Covered Cause of Loss. With respect to loss of or damage to personal property in the open or personal property in a vehicle, the described premises include the area within 100 feet of the site at which the described premises are located.

With respect to the requirements set forth in the preceding paragraph, if you occupy only part of the site at which the described premises are located, your premises means:

(a) The portion of the building which you rent, lease or occupy; and

(b) Any area within the building or on the site at which the described premises are located, if that area services, or is used to gain access to, the de- scribed premises.

2. Extra Expense

a. Extra Expense Coverage is provided at the premises described in the Declarations only if the Declarations show that Business Income Coverage applies at that premises.

b. Extra Expense means necessary expenses you incur during the "period of restoration" that you would not have incurred if there had been no direct physical loss or damage to property caused by or resulting from a Covered Cause of Loss.

We will pay Extra Expense (other than the expense to repair or replace property) to:

(1) Avoid or minimize the "suspension" of business and to continue operations at the described premises or at replacement premises or temporary locations, including relocation expenses and costs to equip and operate the replacement location or temporary location.

(2) Minimize the "suspension" of business if you cannot continue "operations".

We will also pay Extra Expense to repair or replace property, but only to the extent it reduces the amount of loss that otherwise would have been payable under this Coverage Form.

3. Covered Causes Of Loss, Exclusions And Limitations

See applicable Causes Of Loss Form as shown in the Declarations.

4. Additional Limitation – Interruption Of Computer Operations

a. Coverage for Business Income does not apply when a "suspension" of "operations" is caused by destruction or corruption of electronic data, or any loss or damage to electronic data, except as provided under the Additional Coverage – Interruption Of Computer Operations.

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b. Coverage for Extra Expense does not apply when action is taken to avoid or minimize a "suspension" of "operations" caused by destruction or corruption of electronic data, or any loss or damage to electronic data, except as provided under the Additional Coverage – Interruption Of Computer Operations.

c. Electronic data means information, facts or computer programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs, referred to in the foregoing description of electronic data, means a set of related electronic instructions which direct the operations and functions of a computer or device connected to it, which enable the computer or device to receive, process, store, retrieve or send data.

5. Additional Coverages

a. Civil Authority

In this Additional Coverage – Civil Authority, the described premises are premises to which this Coverage Form applies, as shown in the Declarations.

When a Covered Cause of Loss causes damage to property other than property at the described premises, we will pay for the actual loss of Business Income you sustain and necessary Extra Expense caused by action of civil authority that prohibits access to the described premises, provided that both of the following apply:

(1) Access to the area immediately surrounding the damaged property is prohibited by civil authority as a result of the damage, and the described premises are within that area but are not more than one mile from the damaged property; and

(2) The action of civil authority is taken in response to dangerous physical conditions resulting from the damage or continuation of the Covered Cause of Loss that caused the damage, or the action is taken to enable a civil authority to have unimpeded access to the damaged property.

Civil Authority Coverage for Business Income will begin 72 hours after the time of the first action of civil authority that prohibits access to the described premises and will apply for a period of up to four consecutive weeks from the date on which such coverage began.

Civil Authority Coverage for Extra Expense will begin immediately after the time of the first action of civil authority that prohibits access to the described premises and will end:

(1) Four consecutive weeks after the date of that action; or

(2) When your Civil Authority Coverage for Business Income ends;

whichever is later.

b. Alterations And New Buildings

We will pay for the actual loss of Business Income you sustain and necessary Extra Expense you incur due to direct physical loss or damage at the described premises caused by or resulting from any Covered Cause of Loss to:

(1) New buildings or structures, whether complete or under construction;

(2) Alterations or additions to existing buildings or structures; and

(3) Machinery, equipment, supplies or building materials located on or within 100 feet of the described premises and:

(a) Used in the construction, alterations or additions; or

(b) Incidental to the occupancy of new buildings.

If such direct physical loss or damage delays the start of "operations", the "period of restoration" for Business Income Coverage will begin on the date "operations" would have begun if the direct physical loss or damage had not occurred.

c. Extended Business Income

(1) Business Income Other Than "Rental Value"

If the necessary "suspension" of your "operations" produces a Business Income loss payable under this policy, we will pay for the actual loss of Business Income you incur during the period that:

(a) Begins on the date property (except "finished stock") is actually repaired, rebuilt or replaced and "operations" are resumed; and

(b) Ends on the earlier of:

(i) The date you could restore your "operations", with reasonable speed, to the level which would generate the business income amount that would have existed if no direct physical loss or damage had occurred; or

(ii) 30 consecutive days, unless a greater number of days is indicated on the Declarations Page for Extended Business Income, after the date determined in **(1)(a)** above.

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However, Extended Business Income does not apply to loss of Business Income incurred as a result of unfavorable business conditions caused by the impact of the Covered Cause of Loss in the area where the described premises are located.

Loss of Business Income must be caused by direct physical loss or damage at the described premises caused by or resulting from any Covered Cause of Loss.

(2) "Rental Value"

If the necessary "suspension" of your "operations" produces a "Rental Value" loss payable under this policy, we will pay for the actual loss of "Rental Value" you incur during the period that:

(a) Begins on the date property is actually repaired, rebuilt or replaced and tenantability is restored; and

(b) Ends on the earlier of:

(i) The date you could restore tenant occupancy, with reasonable speed, to the level which would generate the "Rental Value" that would have existed if no direct physical loss or damage had occurred; or

(ii) 30 consecutive days, unless a greater number of days is indicated on the Declarations Page for Extended Business Income, after the date determined in **(2)(a)** above.

However, Extended Business Income does not apply to loss of "Rental Value" incurred as a result of unfavorable business conditions caused by the impact of the Covered Cause of Loss in the area where the described premises are located.

Loss of "Rental Value" must be caused by direct physical loss or damage at the described premises caused by or resulting from any Covered Cause of Loss.

(3) The most we will pay under this Additional Coverage is $5,000, unless a higher Limit of Insurance is indicated in the Declarations for Extended Business Income.

d. Interruption Of Computer Operations

(1) Under this Additional Coverage, electronic data has the meaning described under Additional Limitation – Interruption Of Computer Operations.

(2) Subject to all provisions of this Additional Coverage, you may extend the insurance that applies to Business Income and Extra Expense to apply to a "suspension" of "operations" caused by an interruption in computer operations due to destruction or corruption of electronic data due to a Covered Cause of Loss.

(3) With respect to the coverage provided under this Additional Coverage, the Covered Causes of Loss are subject to the following:

(a) If the Causes Of Loss – Special Form applies, coverage under this Additional Coverage – Interruption Of Computer Operations is limited to the "specified causes of loss" as defined in that form, and Collapse as set forth in that form.

(b) If the Causes Of Loss – Broad Form applies, coverage under this Additional Coverage – Interruption Of Computer Operations includes Collapse as set forth in that form.

(c) If the Causes Of Loss Form is endorsed to add a Covered Cause of Loss, the additional Covered Cause of Loss does not apply to the coverage provided under this Additional Coverage – Interruption Of Computer Operations.

(d) The Covered Causes of Loss include a virus, harmful code or similar instruction introduced into or enacted on a computer system (including electronic data) or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation. But there is no coverage for an interruption related to manipulation of a computer system (including electronic data) by any employee, including a temporary or leased employee, or by an entity retained by you or for you to inspect, design, install, maintain, repair or replace that system.

(4) The most we will pay under this Additional Coverage – Interruption of Computer Operations is $2,500 for all loss sustained and expense incurred in any one policy year, regardless of the number of interruptions or the number of premises, locations or computer systems involved. If loss payment relating to the first interruption does not exhaust this amount, then the balance is available for loss or expense sustained or incurred as a result of subsequent interruptions in that policy year. A balance

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remaining at the end of a policy year does not increase the amount of insurance in the next policy year. With respect to any interruption which begins in one policy year and continues or results in additional loss or expense in a subsequent policy year(s), all loss and expense is deemed to be sustained or incurred in the policy year in which the interruption began.

(5) This Additional Coverage – Interruption in Computer Operations does not apply to loss sustained or expense incurred after the end of the "period of restoration", even if the amount of insurance stated in **(4)** above has not been exhausted.

6. Coverage Extension

If a Coinsurance percentage of 50% or more is shown in the Declarations, you may extend the insurance provided by this Coverage Part as follows:

NEWLY ACQUIRED LOCATIONS

a. You may extend your Business Income and Extra Expense Coverages to apply to property at any location you acquire other than fairs or exhibitions.

b. The most we will pay under this Extension, for the sum of Business Income loss and Extra Expense incurred, is $100,000 at each location.

c. Insurance under this Extension for each newly acquired location will end when any of the following first occurs:

(1) This policy expires;

(2) 30 days expire after you acquire or begin to construct the property; or

(3) You report values to us.

We will charge you additional premium for values reported from the date you acquire the property.

The Additional Condition, Coinsurance, does not apply to this Extension.

B. Limits Of Insurance

The most we will pay for loss in any one occurrence is the applicable Limit of Insurance shown in the Declarations.

Payments under the following coverages will not increase the applicable Limit of Insurance:

1. Alterations And New Buildings;

2. Civil Authority;

3. Extra Expense; or

4. Extended Business Income.

The amounts of insurance stated in the Interruption Of Computer Operations Additional Coverage and the Newly Acquired Locations Coverage Extension apply in accordance with the terms of those coverages and are separate from the Limit(s) of Insurance shown in the Declarations for any other coverage.

C. Loss Conditions

The following conditions apply in addition to the Common Policy Conditions and the Commercial Property Conditions.

1. Appraisal

If we and you disagree on the amount of Net Income and operating expense or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the amount of Net Income and operating expense or amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

a. Pay its chosen appraiser; and

b. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

2. Duties in the Event of Loss or Damage

a. You must see that the following are done in the event of loss:

(1) Notify the police if a law may have been broken.

(2) Give us prompt notice of the direct physical loss or damage. Include a description of the property involved.

(3) As soon as possible, give us a description of how, when, and where the direct physical loss or damage occurred.

(4) Take all reasonable steps to protect the Covered Property from further damage, and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for any subsequent loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.

(5) As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.

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Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.

(6) Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.

(7) Cooperate with us in the investigation or settlement of the claim.

(8) If you intend to continue your business, you must resume all or part of your "operations" as quickly as possible.

b. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.

3. Loss Determination

a. The amount of Business Income loss will be determined based on:

(1) The Net Income of the business before the direct physical loss or damage occurred;

(2) The likely Net Income of the business if no physical loss or damage had occurred, but not including any Net Income that would likely have been earned as a result of an increase in the volume of business due to favorable business conditions caused by the impact of the Covered Cause of Loss on customers or on other businesses;

(3) The operating expenses, including payroll expenses, necessary to resume "operations" with the same quality of service that existed just before the direct physical loss or damage; and

(4) Other relevant sources of information, including:

(a) Your financial records and accounting procedures;

(b) Bills, invoices and other vouchers; and

(c) Deeds, liens or contracts.

b. The amount of Extra Expense will be determined based on:

(1) All expenses that exceed the normal operating expenses that would have been incurred by "operations" during the "period of restoration" if no direct physical loss or damage had occurred. We will deduct from the total of such expenses:

(a) The salvage value that remains of any property bought for temporary use during the "period of restoration", once "operations" are resumed; and

(b) Any Extra Expense that is paid for by other insurance, except for insurance that is written subject to the same plan, terms, conditions and provisions as this insurance; and

(2) Necessary expenses that reduce the Business Income loss that otherwise would have been incurred.

c. Resumption Of Operations

We will reduce the amount of your:

(1) Business Income loss, other than Extra Expense, to the extent you can resume your "operations", in whole or in part, by using damaged or undamaged property (including merchandise or stock) at the described premises or elsewhere.

(2) Extra Expense loss to the extent you can return "operations" to normal and discontinue such Extra Expense.

d. If you do not resume "operations", or do not resume "operations" as quickly as possible, we will pay based on the length of time it would have taken to resume "operations" as quickly as possible.

4. Loss Payment

We will pay for covered loss within 30 days after we receive the sworn proof of loss, if you have complied with all of the terms of this Coverage Part and:

a. We have reached agreement with you on the amount of loss; or

b. An appraisal award has been made.

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D. Additional Condition

COINSURANCE

If a Coinsurance percentage is shown in the Declarations, the following condition applies in addition to the Common Policy Conditions and the Com- mercial Property Conditions.

We will not pay the full amount of any Business Income loss if the Limit of Insurance for Business Income is less than:

1. The Coinsurance percentage shown for Business Income in the Declarations; times
2. The sum of:
   a. The Net Income (Net Profit or Loss before income taxes), and
   b. Operating expenses, including payroll expenses,

   that would have been earned or incurred (had no loss occurred) by your "operations" at the described premises for the 12 months following the inception, or last previous anniversary date, of this policy (whichever is later).

Instead, we will determine the most we will pay us- ing the following steps:

Step **(1):** Multiply the Net Income and operating expense for the 12 months following the inception, or last previous anniversary date, of this policy by the Coinsurance percentage;

Step **(2):** Divide the Limit of Insurance for the described premises by the figure determined in Step **(1);** and

Step **(3):** Multiply the total amount of loss by the figure determined in Step **(2).**

We will pay the amount determined in Step **(3)** or the limit of insurance, whichever is less. For the remainder, you will either have to rely on other insurance or absorb the loss yourself.

In determining operating expenses for the purpose of applying the Coinsurance condition, the following expenses, if applicable, shall be deducted from the total of all operating expenses:

(1) Prepaid freight – outgoing;

(2) Returns and allowances;

(3) Discounts;

(4) Bad debts;

(5) Collection expenses;

(6) Cost of raw stock and factory supplies consumed (including transportation charges);

(7) Cost of merchandise sold (including transportation charges);

(8) Cost of other supplies consumed (including transportation charges);

(9) Cost of services purchased from outsiders (not employees) to resell, that do not continue under contract;

(10) Power, heat and refrigeration expenses that do not continue under contract (if Form **CP 15 11** is attached);

(11) All ordinary payroll expenses or the amount of payroll expense excluded (if Form **CP 15 10** is attached); and

(12) Special deductions for mining properties (royalties unless specifically included in coverage; actual depletion commonly known as unit or cost depletion – not percentage depletion; welfare and retirement fund charges based on tonnage; hired trucks).

EXAMPLE #1 (UNDERINSURANCE)

When: The Net Income and operating expenses for the 12 months following the inception, or last previous anniversary date, of this policy at the described premises would have been: $400,000
The Coinsurance percentage is: 50%
The Limit of Insurance is: $150,000
The amount of loss is: $ 80,000

Step **(1):** $400,000 x 50% = $200,000
(the minimum amount of insurance to meet your Coinsurance requirements)

Step **(2):** $150,000 ÷ $200,000 = .75

Step **(3):** $80,000 x .75 = $60,000

We will pay no more than $60,000. The remaining $20,000 is not covered.

EXAMPLE #2 (ADEQUATE INSURANCE)

When: The Net Income and operating expenses for the 12 months following the inception, or last previous anniversary date, of this policy at the described premises would have been: $400,000
The Coinsurance percentage is: 50%
The Limit of Insurance is: $200,000
The amount of loss is: $ 80,000

The minimum amount of insurance to meet your Coinsurance requirement is $200,000 ($400,000 x 50%). Therefore, the Limit of Insurance in this example is adequate and no penalty applies. We will pay no more than $80,000 (amount of loss).

This condition does not apply to Extra Expense Coverage.

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E. Optional Coverages

If shown as applicable in the Declarations, the following Optional Coverages apply separately to each item.

1. Maximum Period Of Indemnity

a. The Additional Condition, Coinsurance, does not apply to this Coverage Form at the described premises to which this Optional Coverage applies.

b. The most we will pay for the total of Business Income loss and Extra Expense is the lesser of:

(1) The amount of loss sustained and expenses incurred during the 120 days immediately following the beginning of the "period of restoration"; or

(2) The Limit of Insurance shown in the Declarations.

2. Monthly Limit Of Indemnity

a. The Additional Condition, Coinsurance, does not apply to this Coverage Form at the described premises to which this Optional Coverage applies.

b. The most we will pay for loss of Business Income in each period of 30 consecutive days after the beginning of the "period of restoration" is:

(1) The Limit of Insurance, multiplied by

(2) The fraction shown in the Declarations for this Optional Coverage.

EXAMPLE

When:	The Limit of Insurance is:	$ 120,000
	The fraction shown in the Declarations for this Optional Coverage is:	1/4
	The most we will pay for loss in each period of 30 consecutive days is: ($120,000 x 1/4 = $30,000)	$ 30,000
	If, in this example, the actual amount of loss is:	
	Days 1–30:	$ 40,000
	Days 31–60:	$ 20,000
	Days 61–90:	$ 30,000
		$ 90,000
	We will pay:	
	Days 1–30:	$ 30,000
	Days 31–60:	$ 20,000
	Days 61–90:	$ 30,000
		$ 80,000

The remaining $10,000 is not covered.

3. Business Income Agreed Value

a. To activate this Optional Coverage:

(1) A Business Income Report/Work Sheet must be submitted to us and must show financial data for your "operations":

(a) During the 12 months prior to the date of the Work Sheet; and

(b) Estimated for the 12 months immediately following the inception of this Optional Coverage.

(2) The Declarations must indicate that the Business Income Agreed Value Optional Coverage applies, and an Agreed Value must be shown in the Declarations. The Agreed Value should be at least equal to:

(a) The Coinsurance percentage shown in the Declarations; multiplied by

(b) The amount of Net Income and operating expenses for the following 12 months you report on the Work Sheet.

b. The Additional Condition, Coinsurance, is suspended until:

(1) 12 months after the effective date of this Optional Coverage; or

(2) The expiration date of this policy;

whichever occurs first.

c. We will reinstate the Additional Condition, Coinsurance, automatically if you do not submit a new Work Sheet and Agreed Value:

(1) Within 12 months of the effective date of this Optional Coverage; or

(2) When you request a change in your Business Income Limit of Insurance.

d. If the Business Income Limit of Insurance is less than the Agreed Value, we will not pay more of any loss than the amount of loss multiplied by:

(1) The Business Income Limit of Insurance; divided by

(2) The Agreed Value.

EXAMPLE

When:	The Limit of Insurance is:	$ 100,000
	The Agreed Value is:	$ 200,000
	The amount of loss is:	$ 80,000

Step **(1):** $100,000 ÷ $200,000 = .50

Step **(2):** .50 x $80,000 = $40,000

We will pay $40,000. The remaining $40,000 is not covered.

4. Extended Period Of Indemnity

Under Paragraph **A.5.c., Extended Business Income,** the number 30 in Subparagraphs **(1)(b)** and **(2)(b)** is replaced by the number shown in the Declarations for this Optional Coverage.

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F. Definitions

1. "Finished stock" means stock you have manufactured.

"Finished stock" also includes whiskey and alcoholic products being aged, unless there is a Coinsurance percentage shown for Business Income in the Declarations.

"Finished stock" does not include stock you have manufactured that is held for sale on the premises of any retail outlet insured under this Coverage Part.

2. "Operations" means:

a. Your business activities occurring at the described premises; and

b. The tenantability of the described premises, if coverage for Business Income Including "Rental Value" or "Rental Value" applies.

3. "Period of restoration" means the period of time that:

a. Begins:

(1) 72 hours after the time of direct physical loss or damage for Business Income Coverage; or

(2) Immediately after the time of direct physical loss or damage for Extra Expense Coverage;

caused by or resulting from any Covered Cause of Loss at the described premises; and

b. Ends on the earlier of:

(1) The date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality; or

(2) The date when business is resumed at a new permanent location.

"Period of restoration" does not include any increased period required due to the enforcement of any ordinance or law that:

(1) Regulates the construction, use or repair, or requires the tearing down, of any property; or

(2) Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".

The expiration date of this policy will not cut short the "period of restoration".

4. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

5. "Rental Value" means Business Income that consists of:

a. Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred as rental income from tenant occupancy of the premises described in the Declarations as furnished and equipped by you, including fair rental value of any portion of the described premises which is occupied by you; and

b. Continuing normal operating expenses incurred in connection with that premises, including:

(1) Payroll; and

(2) The amount of charges which are the legal obligation of the tenant(s) but would otherwise be your obligations.

6. "Suspension" means:

a. The slowdown or cessation of your business activities; or

b. That a part or all of the described premises is rendered untenantable, if coverage for Business Income Including "Rental Value" or "Rental Value" applies.

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FLORIDA – 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. Legal action against us involving direct physical loss or damage to property is brought within 5 years from the date the loss occurs.

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.

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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.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EQUIPMENT BREAKDOWN COVERAGE ENDORSEMENT

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
CONDOMINIUM ASSOCIATION COVERAGE FORM
CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM
CAUSES OF LOSS – BASIC FORM
CAUSES OF LOSS – BROAD FORM
CAUSES OF LOSS – SPECIAL FORM
BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM

The following is added as an Additional Coverage to the following Causes of Loss Forms: Basic Form, Broad Form or Special Form.

Additional Coverage – Equipment Breakdown
In reference to this Additional Coverage – Equipment Breakdown, the Covered Cause of Loss is direct damage to Covered Property resulting from a "Breakdown" or "Electronic Circuitry Disturbance" to "Covered Equipment" at the premises described in the Declarations that is owned or leased by you or operated under your control. We will consider "Electronic Circuitry Disturbance" to be physical damage to "Covered Equipment". The most we will pay for any and all coverages for loss or damage from any "One Breakdown" is the applicable Equipment Breakdown Limit shown in the "Schedule".

A. Equipment Breakdown Coverage Extensions
In reference to Equipment Breakdown coverage only, each of the following coverages are provided unless otherwise shown in the "Schedule". These coverages apply only to that portion of the loss or damage that is a direct result of an Equipment Breakdown Covered Cause of Loss and are subject to the limits shown below or, if applicable, in the "Schedule".

1. Business Income and Extra Expense
If Business Income and Extra Expense Coverage is provided under the policy, it is extended to the coverage provided by this endorsement. The interruption in business or extra expense must be caused by or result from a "Breakdown" or "Electronic Circuitry Disturbance" to "Covered Equipment".

If a deductible is shown in the "Schedule", the "Period of Restoration" will begin immediately after the "Breakdown" or "Electronic Circuitry Disturbance" and the deductible shown in the "Schedule" will apply.

2. Service Interruption
Any insurance provided for Business Income, Extra Expense, Data Restoration or Spoilage, is extended to apply to your loss, damage or expense, resulting from the interruption of "Utility Services" or "Technology Services", provided all of the following conditions are met:

a. The interruption is the direct result of a "Breakdown" to "Covered Equipment" owned, operated or controlled by a private or public utility, distributor or "Dependent Provider Network" that generates, transmits, distributes or provides "Utility Services" or "Technology Services" received by you;

b. The "Covered Equipment" is used to supply "Utility Services" or "Technology Services" to a premises described in the Declarations; and

c. The interruption of "Utility Services" or "Technology Services" exceeds twenty-four (24) hours or, if applicable, the Waiting Period shown in the "Schedule". Once this waiting period is met, coverage will commence at the initial time of the interruption and will be subject to all applicable deductibles.

This Coverage Extension does not pay for loss of Business Income or Extra Expense caused directly or indirectly by any of the following; "Electronic Circuitry Disturbance"; earth movement; water; acts of sabotage; collapse; deliberate act(s) of load shedding by the supplying utility; freezing caused by cold weather; impact of aircraft; missile or "Vehicle"; impact of objects falling from an aircraft or missile; lightning; riot,; civil commotion or vandalism; sinkhole collapse; smoke; or weight of snow, ice or sleet.

Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss. The exclusions apply whether or not the interruption of "Utility Services" or "Technology Services" results in widespread damage or affects a substantial area.

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3. **Expediting Expenses**
   This endorsement is extended to cover the reasonable and extra cost incurred by you to make temporary repairs and expedite permanent repairs or permanent replacement of Covered Property damaged by a "Breakdown" or "Electronic Circuitry Disturbance" to "Covered Equipment".
4. **Hazardous Substances**
   This endorsement is extended to cover reasonable and necessary expenses incurred by you for the additional cost to repair or replace Covered Property because of contamination by a "Hazardous Substance". This includes the additional expenses to clean up or dispose of such property. This does not include contamination of "Perishable Goods" by a refrigerant, including but not limited to ammonia, which is addressed in Paragraph **A.5.b.** below. As used in this coverage, additional cost means those above what would have been payable under this Equipment Breakdown Coverage had no "Hazardous Substance" been involved.
   We will also pay for your Business Income and Extra Expense loss, if such coverage is otherwise applicable under this Policy. The most we will pay for loss, damage or expense under this coverage, including actual loss of Business Income you sustain and necessary Extra Expense you incur, is $100,000 unless otherwise shown in a "Schedule".
5. **Spoilage**
   This endorsement is extended to cover the following:
   a. Loss of "Perishable Goods" due to spoilage resulting from a "Breakdown" or "Electronic Circuitry Disturbance" to "Covered Equipment";
   b. Loss of "Perishable Goods" due to contamination from the release of a refrigerant, resulting from a "Breakdown" or "Electronic Circuitry Disturbance" to "Covered Equipment". Refrigerant includes, but is not limited to ammonia;
   c. Any necessary expenses you incur to reduce the amount of loss under this Spoilage coverage extension, to the extent that they do not exceed the amount of loss that otherwise would have been payable under this coverage; and
   d. Reasonable and necessary expense to properly dispose of damaged "Perishable Goods".
   The most we will pay for loss or damage, including necessary expenses you incur for loss reduction or disposal is $100,000 unless otherwise shown in the "Schedule".
6. **Data Restoration**
   This endorsement is extended to cover the reasonable and necessary costs incurred by you to:
   a. Determine whether damaged or destroyed computer programs, software or electronic "Data" can be replaced, recreated, restored or repaired; and
   b. Replace, recreate, restore or repair such damaged or destroyed computer programs, software or electronic "Data", used with any "Covered Equipment" damaged by a "Breakdown" or stored in the equipment of a cloud computing service provided by a "Dependent Provider Network".
   We will also pay for your Business Income and Extra Expense loss, if such coverage is otherwise applicable under this Policy. The most we will pay for loss or expense under this coverage, including actual loss of Business Income you sustain and necessary Extra Expense you incur is $100,000 unless otherwise shown in the "Schedule".
7. **Off Premises Equipment Breakdown**
   This endorsement is extended to include transportable "Covered Equipment" which at the time of the "Breakdown" or "Electronic Circuitry Disturbance" is not at a Covered Premises indicated in the Declarations or at any other location owned or leased by you.
   We will also pay for your reasonable and necessary cost to research, replace and restore lost "Data" contained within "Covered Equipment" or stored in the equipment of a cloud computing service provided by a "Dependent Provider Network".
   We will also pay for your Business Income and Extra Expense loss, if such coverage is otherwise applicable under this Policy. The most we will pay for loss or expense under this coverage, including actual loss of Business Income you sustain and necessary Extra Expense you incur is $10,000 unless otherwise shown in a "Schedule".

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8. Public Relations

We will pay for your reasonable and necessary expenses for professional services to create and disseminate communications, when the need for such communications arises directly from the interruption of your business. The communication must be directed to one or more of the following:

a. The media;

b. The public; or

c. Your customers, clients or members.

Conditions of this coverage are that this coverage only applies if you have sustained an actual loss of Business Income covered under this endorsement and that such costs must be incurred during the "Period of Restoration" or up to thirty (30) days after the "Period of Restoration" has ended.

The most we will pay for loss or expense under this coverage is $5,000.

B. Exclusions

In reference to Equipment Breakdown coverage only, all exclusions in the applicable Causes of Loss form apply except as modified below and to the extent coverage is specifically provided by this endorsement.

1. The following exclusions are modified:

a. If the Causes of Loss – Basic Form or Causes of Loss – Broad Form applies, the following is added to Exclusion **B.2.**:

Depletion, deterioration, corrosion, erosion, wear and tear, or other gradually developing conditions. However, if a "Breakdown" or "Electronic Circuitry Disturbance" results, we will pay for the resulting loss, damage or expense caused by that "Breakdown" or "Electronic Circuitry Disturbance".

b. If the Causes of Loss – Special Form applies, with respect to this endorsement only, the last paragraph of Exclusion **B.2.d.** is deleted and replaced with the following:

But if an excluded cause of loss that is listed in **2.d.(1)** through **(7)** results in a "Breakdown" or "Electronic Circuitry Disturbance", we will pay for the loss, damage or expense caused by that "Breakdown" or "Electronic Circuitry Disturbance".

2. The following exclusions are added with respect to this endorsement only:

a. We will not pay for loss, damage or expense caused directly or indirectly by any of the following, whether or not caused by or resulting from a "Breakdown" or "Electronic Circuitry Disturbance":

(1) Fire, including smoke from a fire;

(2) Explosion of gas or unconsumed fuel within the furnace of any boiler or fired vessel or within the passages from that furnace to the atmosphere;

(3) Any other explosion, except as specifically covered under this endorsement;

(4) Any earth movement, including but not limited to earthquake, subsidence, sinkhole collapse, landslide, earth sinking, tsunami or volcanic action;

(5) Flood surface water, waves, tides, tidal waves, overflow of any body of water, or their spray, all whether driven by wind or not; mudslide or mudflow; or water that backs up or overflows from a sewer, drain or sump. However, if electrical "Covered Equipment" requires drying out because of the above, we will pay for the direct expenses of such drying out subject to the applicable Limit of Insurance and deductible for Building or Business Personal Property, whichever applies; or

(6) Vandalism.

b. Coverage under this endorsement does not apply to a "Breakdown" or "Electronic Circuitry Disturbance" caused by or resulting from:

(1) Lightning;

(2) Windstorm or hail. However this exclusion does not apply when:

(a) "Covered Equipment" located within a building or structure suffers a "Breakdown" or "Electronic Circuitry Disturbance" that results from wind-blown rain, snow, sand or dust; and

(b) The building or structure did not first sustain wind or hail damage to its roof or walls through which the rain, snow, sand or dust entered.

(3) Smoke; aircraft or vehicles; riot or civil commotion; sprinkler leakage; elevator collision;

(4) Breakage of glass; falling objects; weight of snow, ice or sleet; freezing (caused by cold weather); collapse or molten material;

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(5) A hydrostatic, pneumatic or gas pressure test of any boiler or pressure vessel, or an electrical insulation breakdown test of any type of electrical equipment; or

(6) Water or other means used to extinguish a fire.

c. With respect to Business Income, Extra Expense and Service Interruption coverages, we will also not pay for any increase in loss resulting from an agreement between you and your customer or supplier.

d. We will not pay for loss, damage or expense caused directly or indirectly by the following, whether or not caused by or resulting from a "Breakdown" or "Electronic Circuitry Disturbance": Any "Fungus", wet rot, dry rot or bacteria, including any presence, growth, proliferation, spread or any activity of "Fungus", wet rot, dry rot or bacteria. This includes, but is not limited to, costs arising from clean up, removal or abatement of such "Fungus", wet rot, dry rot or bacteria. However, this exclusion does not apply to spoilage of personal property that is "Perishable Goods", to the extent that such spoilage is covered under Spoilage Coverage.

e. We will not pay for any loss or damage to animals.

3. Exclusions **2.b.(1), (2), (3)** and **(4)** above shall not apply if:

a. The excluded cause of loss occurs away from any covered location and causes an electrical surge or other electrical disturbance;

b. Such surge or disturbance is transmitted through utility service transmission lines to the covered location and results in a "Breakdown" or "Electronic Circuitry Disturbance"; and

c. The loss, damage or expense caused by such surge or disturbance is not covered elsewhere under the policy.

4. Any cause of loss set forth in exclusion **2.b.(4)** above that is not a Covered Cause of Loss in this coverage part shall be excluded only as respects Service Interruption coverage.

C. Deductibles

The Building and Personal Property Coverage Form, Condominium Association Coverage Form, or Condominium Commercial Unit-Owners Coverage Form, whichever is applicable, is modified as follows. In reference to Equipment Breakdown coverage only, the deductible in the Declarations applies unless a separate Equipment Breakdown deductible is shown in a "Schedule". If a separate Equipment Breakdown deductible is shown, provision **D. DEDUCTIBLE** is deleted and is replaced with the following:

1. Application of Deductibles

We will not pay for loss or damage resulting from any one "Breakdown" or "Electronic Circuitry Disturbance" until the amount of covered loss or damage exceeds the deductible shown in the "Schedule" for each applicable coverage. We will then pay the amount of covered loss or damage in excess of the deductible, up to the applicable Limit of Insurance. Deductibles apply separately for each applicable coverage except if:

a. A deductible is shown as COMBINED for any of the coverages in the "Schedule", then we will first subtract the combined deductible amount from the aggregate amount of any loss to which the combined deductible applies; or

b. More than one "Covered Equipment": is involved in one "Breakdown" or "Electronic Circuitry Disturbance", then only one deductible, the highest, shall apply for each of the applicable coverages.

2. Determination of Deductibles

a. Dollar Deductible

If a dollar deductible is shown in the "Schedule", we will first subtract the deductible amount from any loss we would otherwise pay.

b. Time Deductible

If a time deductible is shown in the "Schedule", we will not be liable for any loss other than coverage that occurs during that specified time period immediately following a "Breakdown" or "Electronic Circuitry Disturbance". If a time deductible is shown in days, each day shall mean twenty four (24) consecutive hours.

c. Multiple of Daily Value Deductible

If a multiple of daily value is shown in the "Schedule", this deductible will be calculated as follows:

(1) For the entire premises where the loss occurred, determine the total amount of "Business Income" that would have been earned during the "Period of Restoration" had no "Breakdown" or "Electrical Circuitry Disturbance" taken place.

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(2) Divide the result in Paragraph **(1)** by the number of days the business would have been open during the "Period of Restoration." The result is the daily value.

(3) Multiply the daily value in Paragraph **(2)** by the number of days shown in the "Schedule". We will first subtract this deductible amount from any loss we would otherwise pay. We will then pay the amount of loss or damage in excess of the deducible, up to the applicable Limit of Insurance.

d. Percentage of Loss Deductible

If a deductible is expressed as a percentage of loss, we will not be liable for the indicated percentage of the gross amount of loss, damage or expense (prior to any applicable deductible) insured under the applicable coverage. If the dollar amount of such percentage is less than the indicated minimum deductible, the minimum deductible amount will be the applicable deductible.

D. Loss Conditions

In reference to Equipment Breakdown coverage only, **Valuation** under the **Loss Conditions** section is deleted and replaced in the Building and Personal Property Coverage Form, Condominium Association Coverage Form, or Condominium Unit-Owners Coverage Form, whichever is applicable, with respect to this Equipment Breakdown endorsement only:

Valuation

As respects this endorsement only, the **Valuation Condition** in the Building and Personal Property Coverage Form, Condominium Association Coverage Form, or Condominium Commercial Unit-Owners Coverage Form, whichever is applicable, is deleted and replaced with the following:

We will determine the value of Covered Property as follows:

a. We will determine the value of Covered Property in the event of loss or damage as follows:

(1) The cost to repair, rebuild or replace the damaged property with property of the same kind, capacity, size or quality on the same site or another site, whichever is less costly; or

(2) The cost actually and necessarily expended in repairing, rebuilding or replacing on the same site or another site, whichever is the less costly;

except we will not pay for such damaged property that is obsolete and useless to you.

b. If you elect or we require that the repair or replacement of the damaged "Covered Equipment" be done in a manner that enhances safety while maintaining the existing function, then we will pay, subject to the limit of insurance, up to an additional fifty (50%) percent of the property damage amount for the "Covered Equipment" otherwise recoverable.

c. Unless we agree otherwise in writing, if you do not repair or replace the damaged property within twenty-four (24) months following the date of the "Breakdown" or "Electronic Circuitry Disturbance", then we will pay only the smaller of the:

(1) Cost it would have taken to repair or replace; or

(2) Actual cash value at the time of the "Breakdown" or "Electronic Circuitry Disturbance".

d. If any one of the following conditions is met, property held for sale by you will be valued at the sales price as if no loss or damage had occurred, less any discounts and expenses that otherwise would have applied:

(1) The property was manufactured by you;

(2) The sales price of the property is less than the replacement cost of the property; or

(3) You are unable to replace the property before its anticipated sale.

e. Except as specifically provided for under Data Restoration coverage, "Data" will be valued on the following basis:

(1) For mass-produced and commercially available software, at the replacement cost;

(2) For all other "Data", at the cost of blank "Media" for reproducing the records. We will not pay for "Data" representing financial records based on the face value of such records.

E. Additional Conditions

In reference to Equipment Breakdown coverage only, the following conditions are added to the **Additional Conditions Section** in the Building and Personal Property Coverage Form, Condominium Association Coverage Form, or Condominium Unit-Owners Coverage Form, whichever is applicable, with respect to this Equipment Breakdown endorsement only.

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1. **Suspension**
   Whenever "Covered Equipment" is found to be in, or exposed to dangerous conditions, any of our representatives may immediately suspend the insurance against loss from a "Breakdown" or "Electronic Circuitry Disturbance" to that "Covered Equipment". This can be done by mailing or delivering a written notice of suspension to:
   a. Your last known address; or
   b. The address where the "Covered Equipment" is located.
   Once suspended in this way, your insurance can be reinstated only by an endorsement for that "Covered Equipment". If we suspend your insurance, you will get a pro rata refund of premium for that "Covered Equipment" for the period of suspension. But the suspension will be effective even if we have not yet made or offered the refund.
2. **Jurisdictional Inspections**
   If any property that is "Covered Equipment" under this endorsement requires inspection to comply with state or municipal boiler and pressure vessel regulations, we agree to perform such inspection on your behalf. We do not warrant that conditions are safe or healthful.

F. Additional Definitions applicable to this Equipment Breakdown Endorsement only.

1. **Breakdown**
   Means the following direct physical loss that causes damage to "Covered Equipment" that necessitates its repair or replacement:
   a. Mechanical breakdown, including rupture or bursting caused by centrifugal force;
   b. Artificially generated electrical, magnetic or electromagnetic energy, including electric arcing that damages, disturbs, disrupts or otherwise interferes with any electrical or electronic wire, device, appliance, system or network;
   c. Explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control;
   d. Loss or damage to steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment; or
   e. Loss or damage to hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment.
2. **Covered Equipment**
   Means the following, unless specified otherwise in the Equipment Breakdown Coverage Schedule:
   a. Equipment that generates, transmits, controls or utilizes energy, including electronic communications and data processing equipment; and
   b. Equipment which, during normal usage, operates under vacuum or pressure, other that the weight of its contents;
   "Covered Equipment" does not include any of the following:
   (1) structure, foundation, cabinet, compartment or air supported structure or building;
   (2) insulating or refractory material;
   (3) sewer piping, buried vessels or piping, or piping forming a part of a sprinkler or fire suppression system;
   (4) water piping other than boiler feed water piping, boiler condensate return piping or water piing forming a part of a refrigerating or air conditioning system;
   (5) "Vehicle" or any equipment mounted on a "Vehicle";
   (6) satellite, spacecraft or any equipment mounted on a satellite or spacecraft;
   (7) dragline, excavation or construction equipment; or
   (8) equipment manufactured by you for sale.
3. **Data**
   Means programmed and recorded material stored on "Media" and programming records used for electronic data processing or electronically-controlled equipment.
4. **Dependent Provider Network**
   Means any connected system of computing hardware, software, firmware and associated electronic components that is under the ownership, operation or control of, or leased by, a third party who is under contract by you to host your web site, applications or infrastructure services or to provide data backup or data storage services.
5. **Electronic Circuitry**
   Means microelectronic components, including, but not limited to; circuit boards, integrated circuits, computer chips and disk drives.

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6. **Electronic Circuitry Disturbance**
   Means a fortuitous event involving "Electronic Circuitry" within "Covered Equipment" that causes the "Covered Equipment" to suddenly lose its ability to function. This definition is subject to the conditions specified in **a.**, **b.**, and **c.** below.
   a. The reasonable and appropriate remedy to restore such "Covered Equipment's" ability to function is the replacement of one or more "Electronic Circuitry" components of the "Covered Equipment";
   b. The "Covered Equipment" must be owned or leased by you, or operated under your control; and
   c. None of the following is "Electronic Circuitry Disturbance":
      (1) Any condition that can be reasonably remedied by:
         (a) Rebooting, reloading or updating software or firmware; or
         (b) Providing necessary power or supply.
      (2) Any condition caused by or related to:
         (a) Incompatibility of the "Covered Equipment" with any software or equipment installed, introduced or networked within the prior thirty (30) days; or
         (b) Insufficient size, capability or capacity of the "Covered Equipment."
      (3) Exposure to adverse environmental conditions in and of itself, including, but not limited to change in temperature or humidity. However, we will pay for any resulting loss of functionality.
7. **Hazardous Substances**
   Means any substance that is hazardous to health or has been declared to be hazardous to health by a governmental agency.
8. **Media**
   Means electronic "Data" processing or storage media such as films, tapes, discs, drums or cells.
9. **One Breakdown**
   Means if an initial "Breakdown" or "Electronic Circuitry Disturbance" causes other "Breakdowns" or "Electronic Circuitry Disturbances", all will be considered "One Breakdown". All "Breakdowns" that manifest themselves at the same time and are the direct result of the same cause will be considered "One Breakdown".
10. **Period of Restoration**
    Means the period of time that begins at the time of the "Breakdown" or "Electronic Circuitry Disturbance" of "Covered Equipment" and continues until the earlier of:
    a. The date the "Covered Equipment" is repaired or replaced; or
    b. The date on which such damage could have been repaired or replaced with the exercise of due diligence and dispatch.
11. **Perishable Goods**
    Means any Covered Property subject to deterioration or impairment, as a result of a change of conditions; including, but not limited to, temperature, humidity or pressure.
12. **Schedule**
    Means the Equipment Breakdown Coverage Schedule
13. **Technology Services**
    Means any computer, cloud computing, information technology, telecommunication electronic services and any related consulting and staffing services; including but not limited to "Data" processing, "Data" and application hosting, the provision of managed services, software as a service (SaaS), platform as a service (PaaS), infrastructure as a service (IaaS), network as a service (NaaS), computer systems analysis, computer consulting and training, programming, computer systems installation, management, repair, and maintenance, network design and Internet service.
14. **Utility Services**
    Means electric power, air conditioning, heating, gas, sewer, waste disposal, refrigeration, compressed air, water and steam.
15. **Vehicle**
    As respects this Equipment Breakdown Coverage Endorsement, "vehicle" means any machine or apparatus that is used for transportation or moves under its own power; including, but not limited to, cars, trucks, buses, trailers, trains, aircraft, watercraft, forklifts, bulldozers, tractors or harvesters. However, any transportable equipment permanently installed at a covered location that receives electrical power from an external power source will be considered "Covered Equipment".

All other terms and conditions of this policy remain unchanged.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FLORIDA CHANGES
MEDIATION OR APPRAISAL AND NEUTRAL EVALUATION

This endorsement modifies insurance provided under the following (if attached to this policy):

BUILDERS RISK COVERAGE FORM (COMMERCIAL PROPERTY COVERAGE PART)
BUILDING AND PERSONAL PROPERTY COVERAGE FORM
CONDOMINIUM ASSOCIATION COVERAGE FORM
CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM
BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM

A. With respect to a loss to commercial residential property, the following replaces the **Appraisal** Condition:

MEDIATION OR APPRAISAL

If we and you disagree on the value of the property or the amount of loss, either may request:

1. A mediation of the loss in accordance with the rules established by the Florida Department of Financial Services. The loss amount must be $500 or more, prior to application of the deductible; or there must be a difference of $500 or more between the loss settlement amount we offer and the loss settlement amount that you request. The settlement in the course of mediation is binding only if both parties agree, in writing, on a settlement, and you have not rescinded the settlement within 3 business days after reaching settlement. You may not rescind the settlement after cashing or depositing the settlement check or draft we provided to you.

We will pay the cost of conducting any mediation conference except when you fail to appear at a conference. That conference will then be rescheduled upon your payment of the mediator's fee for that rescheduled conference. However, if we fail to appear at a mediation conference, we will pay your actual cash expenses you incur in attending the conference and also pay the mediator's fee for the rescheduled conference.

2. An appraisal of the loss, in writing. In this event, each party will choose a competent and disinterested appraiser within 20 days after receiving a written request from the other. The two appraisers will choose a competent and disinterested umpire. If they cannot agree upon an umpire within 15 days, you or we may request that the choice be made by a judge of a court of record in the state where the insured premises is located. The appraisers will separately set the amount of the loss, stating separately actual cash value and applicable replacement cost for each item. If the appraisers submit a written report of an agreement to us, the amount agreed upon will be the amount of the loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will set the amount of actual cash value and replacement cost for the loss.

A decision agreed to by any two will be binding.

Each party will:

a. Pay its chosen appraiser; and

b. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

B. With respect to a claim for alleged Sinkhole Loss, the following provision is added:

Following receipt by us of a report from a professional engineer or professional geologist on the cause of loss and recommendations for land stabilization and repair of property, or if we deny your claim, we will notify you of your right to participate in a neutral evaluation program administered by the Florida Department of Financial Services (hereinafter referred to as the Department). For alleged Sinkhole Loss to commercial residential or farm residential properties, this program applies instead of any mediation procedure set forth elsewhere in this policy, but does not invalidate the Appraisal Condition.

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You or we may file a request with the Department for neutral evaluation; the other party must comply with such request. We will pay reasonable costs associated with the neutral evaluation, regardless of which party makes the request. But if a party chooses to hire a court reporter or stenographer to contemporaneously record and document the neutral evaluation, that party must bear the costs of those services. The neutral evaluator will be selected from a list maintained by the Department. The recommendation of the neutral evaluator will not be binding on you or us.

Participation in the neutral evaluation program does not change your right to file suit against us in accordance with the Legal Action Against Us Condition in this policy, except that the time for filing suit is extended for a period of 60 days following the conclusion of the neutral evaluation process or five years, whichever is later.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PROPERTY ENHANCEMENT ENDORSEMENT

This endorsement modifies insurance provided under the following (if attached to this policy):

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
CONDOMINIUM ASSOCIATION COVERAGE FORM
STANDARD PROPERTY POLICY
BUSINESS INCOME COVERAGE FORM
CAUSES OF LOSS – SPECIAL FORM

The following is a summary of additional coverages provided by this endorsement. These additional coverages are further defined elsewhere in this endorsement. This endorsement is subject to the provisions of your policy. The sub limits are Per Occurrence (unless noted otherwise) and are included in the limits of insurance provided by your policy and are not additional limits.

	Coverage	**Limit of Liability**
1.A	Debris Removal	$25,000
1.C	Fire Department Service Charge	$2,500
1.D	Pollutant Clean-Up and Removal	$15,000
1.F	Electronic Data	$10,000
2.A	Newly Acquired Property	60 days
2.B	Personal Effects and Property of Others	
	Personal Effects:	$25,000
	Sublimit Per Person	$5,000
	Property of Others	$25,000
2.C	Valuable Papers & Records	$50,000
2.D	Property Off-Premises	$25,000
2.E	Outdoor Property	$25,000
	Except trees, shrubs, lawns or plants	$5,000
	Except any one tree, shrub or plant	$500
2.F	Accounts Receivable	$50,000
2.G	Fire Extinguisher Recharge	$10,000
2.H	Lock Replacement	$5,000
2.I	Reward Reimbursement	$5,000
2.J	Inventory and Appraisals of Loss	$2,500
2.K	Forgery or Alteration	$10,000
2.L	Employee Dishonesty	$10,000
2.M	Back Of Sewers and Drains	$5,000
3.	Signs (Attached)	$20,000
5.	Property in Transit	$25,000

The provisions under items **1., 2.** and **3.** below apply to the following Coverage Forms:

- Building and Personal Property Coverage Form
- Condominium Association Coverage Form
- Standard Property Policy

1. Section **A. Coverage**, Paragraph **4. Additional Coverages** is amended as follows:

Subparagaph **a. Debris Removal** is amended as follows:

The most we will pay under this Additional Coverage is $25,000.

Subparagraph **c. Fire Department Service Charge** is amended as follows:

The most we will pay under this Additional Coverage is $2,500.

Subparagraph **d. Pollutant Clean-Up And Removal** is amended as follows:

The most we will pay under this Additional Coverage is $15,000.

Subparagraph **f. Electronic Data** is amended as follows:

The most we will pay under this Additional Coverage is $10,000.

2. Section **A. Coverage**, Paragraph **5. Coverage Extensions** is amended as follows:

A. Subparagraph **a.(3)(b)** with respect to **Newly Acquired Or Constructed Property**:
60 days in lieu of 30 days.

B. Subparagraph **b. Personal Effects And Property Of Others** is replaced by:

b. Personal Effects And Property Of Others

You may extend the insurance that applies to Your Business Personal Property to apply to:

(1) Personal effects owned by you, your officers, your partners or members, your managers or your employees. This Extension does not apply to loss or damage by theft.

The most we will pay for loss or damage under **b.(1)** of this Extension is $5,000 per person and $25,000 at each described premise.

(2) Personal property of others in your care, custody or control.

The most we will pay under **b.(2)** of this Extension is $25,000 at each described premises. Our payment for loss or damage to personal property of others under this Extension will only be for the account of the owner of the property.

C. Subparagraph **c. Valuable Papers And Records (Other Than Electronic Data)** is amended as follows:

The most we will pay under this Extension is $50,000 at each described premise.

D. Subparagraph **d. Property Off-premises** is amended as follows:

The most we will pay for loss or damage under this Extension is $25,000.

E. Subparagraph **e. Outdoor Property** is amended as follows:

The most we will pay for loss or damage under this Extension is $25,000. Except for trees, shrubs, lawns and plants which is limited to $5,000, but no more than $500 for any one tree, shrub or plant.

The following coverages are added to Section **A. Coverage**, Paragraph **5. Coverage Extensions**:

F. Subparagraph **g. Accounts Receivable** is added as follows:

g. Accounts Receivable

The most we will pay under this Extension is $50,000.

(1) You may extend the insurance that applies to Your Business Personal Property to apply to your records of accounts receivable:

(a) At a described premises or in or on a vehicle in transit between described premises; or

(b) If the records must be removed from a described premises to protect them from the threat of a Covered Cause of Loss

We will pay for a loss while they are:

(i) At a safe place away from your described premises; or

(ii) Being taken to and returned from that place.

(2) The amounts due from your customers that you are unable to collect :

(a) All amounts due from your customers that you are unable to collect ;

(b) Interest charges on any loan required to offset amounts you are unable to collect pending our payment of these amounts;

(c) Collection expenses in excess of your normal collection expenses that are made necessary by the loss;

(d) Other reasonable expenses that you incur to re-establish your records of accounts receivable that result from direct physical loss or damage by any Covered Causes of Loss to your records of accounts receivable, including credit or charge card slips.

(3) Accounts receivable loss payment will be determined as follows:

(a) If you cannot accurately establish the amount of accounts receivable outstanding as of the time of loss, the following method will be used:

(i) Determine the total of the average monthly amounts of accounts receivable for the 12 months immediately preceding the month in which the loss occurs; and

(ii) Adjust the total for any normal fluctuations in the amount of accounts receivable for the month in which the loss occurred or for any demonstrated variance from the average for that month.

(b) The following will be deducted from the total amount of accounts receivable, however that amount is established

(i) The amount of the accounts for which there is no loss; and

(ii) The amount of the accounts that you are able to re-establish or collect; and

(iii) An amount to allow for probable bad debts that you are normally unable to collect.

(c) You will pay us the amount of all recoveries you receive for a loss paid by us. However, any recoveries in excess of the amount we have paid belong to you.

(4) Exclusions

(a) We will not pay for a loss caused by or resulting from any of the following:

(i) Alteration, falsification, concealment or destruction of records of accounts receivable done to conceal the wrongful giving, taking or withholding of money, securities or other property.

This exclusion applies only to the extent of the wrongful giving, taking or withholding.

(ii) Bookkeeping, accounting or billing errors or omissions.

(b) We will not pay for loss that requires any audit of records or of inventory computation to prove its factual existence.

G. Subparagraph **h. Fire Extinguisher Recharge** is added as follows:

h. Fire Extinguisher Recharge

You may extend the insurance provided by this coverage form to cover expenses you incur to recharge portable fire extinguishers, dry chemical, carbon dioxide or liquid automatic fire extinguishing systems and the cost of resetting automatic fuel shut-off connections, if any of the above are discharged to fight a fire or are discharged due to a mechanical malfunction.

The most we will pay for loss or damage under this Extension is $10,000. No deductible shall apply to this coverage.

H. Subparagraph **i. Lock Replacement** is added as follows:

i. Lock Replacement

You may extend the insurance provided by this coverage form to cover necessary expense to repair or replace exterior or interior door locks of a covered building:

(1) If your door keys are stolen in a covered theft loss; or

(2) When your property is damaged and your door keys are stolen by burglars.

The most we will pay under this Extension is $5,000 for any one occurrence. No deductible shall apply to this coverage.

I. Subparagraph **j. Reward Reimbursement** is added as follows:

j. Reward Reimbursement

You may extend the insurance provided by this coverage form to provide a reward for information that leads to a criminal conviction in connection with loss or damage to covered property by a Covered Cause of Loss. The most we will pay for loss or damage under this Extension is $5,000 regardless of the number of persons involved providing information.

J. Subparagraph **k. Inventory And Appraisals** is added as follows:

k. Inventory And Appraisals

You may extend the insurance provided by this coverage form to cover your expenses to record information, compile inventories, or obtain appraisals we require to comply with the loss conditions of this coverage form.

The most we will pay for loss or damage under this Extension is $2,500 for any one loss to covered property caused by a Covered Cause of Loss.

K. Subparagraph **l. Forgery Or Alteration** is added as follows:

l. Forgery Or Alteration

(1) We will pay for loss resulting directly from forgery or alteration of, any check, draft, promissory note, bill of exchange or similar written promise of payment in "money", that you or your agent has issued, or that was issued by someone who impersonates you or your agent.

(2) If you are sued for refusing to pay the check, draft, promissory note, bill of exchange or similar written promise of payment in "money", on the basis that it has been forged or altered, and you have our written consent to defend against the suit, we will pay for any reasonable legal expenses that you incur in that defense.

(3) The most we will pay for any loss, including legal expenses, under this Additional Coverage is $10,000.

(4) With respect to the provisions of this coverage only, the following definition is added:

(a) "Money" means:

i. Currency, coins and bank notes in current use and having a face value; and

ii. Travelers checks, register checks and money orders held for sale to the public.

L. Subparagraph **m. Employee Dishonesty** is added as follows:

m. Employee Dishonesty

(1) We will pay for direct loss of or damage to Business Personal Property and "money" and "securities" resulting from dishonest acts committed by any of your employees acting alone or in collusion with other persons (except you or your partner) with the manifest intent to:

(a) Cause you to sustain loss or damage; and also

(b) Obtain financial benefit (other than salaries, commissions, fees, bonuses, promotions, awards, profit sharing, pensions or other employee benefits earned in the normal course of employment) for:

i. Any employee; or

ii. Any other person or organization.

(2) We will not pay for loss or damage:

(a) Resulting from any dishonest or criminal act that you or any of your partners or "members" commit whether acting alone or in collusion with other persons.

(b) Resulting from any dishonest act committed by any of your employees (except as provided in Paragraph **(1)**), "managers" or directors:

i. Whether acting alone or in collusion with other persons; or

ii. While performing services for you or otherwise.

(c) The only proof of which as to its existence or amount is:

i. An inventory computation; or

ii. A profit and loss computation.

(3) The most we will pay for loss or damage in any one occurrence is the Limit of Insurance for Employee Dishonesty is $10,000.

(4) All loss or damage:

(a) Caused by one or more persons; or

(b) Involving a single act or series of acts;

is considered one occurrence.

(5) If any loss is covered:

(a) Partly by this insurance; and

(b) Partly by any prior cancelled or terminated insurance that we or any affiliate had issued to you or any predecessor in interest;

the most we will pay is the larger of the amount recoverable under this insurance or the prior insurance.

We will pay only for loss or damage you sustain through acts committed or events occurring during the Policy Period. Regardless of the number of years this policy remains in force or the number of premiums paid, no Limit of Insurance cumulates from year to year or period to period.

(6) This Optional Coverage is cancelled as to any employee immediately upon discovery by:

(a) You; or

(b) Any of your partners, "members", "managers", officers or directors not in collusion with the employee;

of any dishonest act committed by that employee before or after being hired by you.

(7) We will pay only for covered loss or damage sustained during the policy period and discovered no later than one year from the end of the policy period.

(8) If you (or any predecessor in interest) sustained loss or damage during the policy period of any prior insurance that you could have recovered under that insurance except that the time within which to discover loss or damage had expired, we will pay for it under this Optional Coverage, provided:

(a) This Optional Coverage became effective at the time of cancellation or termination of the prior insurance; and

(b) The loss or damage would have been covered by this Optional Coverage had it been in effect when the acts or events causing the loss or damage were committed or occurred.

(9) The insurance under Paragraph h. above is part of, not in addition to, the Limit of Insurance applying to this Optional Coverage and is limited to the lesser of the amount recoverable under:

(a) This Optional Coverage as of its effective date; or

(b) The prior insurance had it remained in effect.

(10) With respect to the provisions of this coverage only, the following definitions are added:

(a) "Money" means:

i. Currency, coins and bank notes in current use and having a face value; and

ii. Travelers checks, register checks and money orders held for sale to the public.

(b) "Securities" means negotiable and non-negotiable instruments or contracts representing either "money" or other property and includes:

i. Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and

ii. Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you;

but does not include "money".

(c) "Manager" means a person serving in a directorial capacity for a limited liability company.

(d) "Member" means an owner of a limited liability company represented by its membership interest, who also may serve as a "manager".

(e) “Employee” means:

i. non-compensated Officers and Directors of the Named Insured Association; and

ii. any person while acting as your real estate manager.

M. Subparagraph **n. Backup of Sewers and Drains** is added as follows:

n. Backup Of Sewers and Drains

You may extend the insurance provided by this coverage form to cover direct physical loss or damage to Covered Property. Caused by or resulting from discharge of water or waterborne material from a sewer, drain or sump located on the described premises provided such discharge is not induced by flood or flood related conditions.

The most we will pay for loss or damage under this extension is shown on Page 1 for any one loss to covered property caused by a Covered Cause of Loss.

Each of these extension is additional insurance, but not additional limits.

Each of these Extensions is additional insurance, but not additional limits. Section **F. Additional Conditions**, Paragraph **1. Coinsurance**, does not apply to these Extensions.

3. Section **C. Limits Of Insurance**, second paragraph is amended with respect to outdoor signs as follows:

The most we will pay for loss or damage to outdoor signs attached to buildings is $20,000 per sign in any one occurrence.

4. If you have purchased the Business Income (and Extra Expense) Coverage Form, Section **A. Coverage**, Paragraph **6.c.(2)**; or Paragraph **5.c.(2)** of the Business Income (without Extra Expense), then it is replaced as follows::

   60 days expire after you acquire or begin to construct the property; or

5. If you have purchased the Causes of Loss - Special Form, it is amended as follows:

   Section **F. Additional Coverage Extensions**, Paragraph **1.c.** under **Property in Transit** is amended as follows:

   The most we will pay for loss or damage under this Extension is $25,000 in any one occurrence.

6. **Other Insurance**

   If there is other insurance covering the same loss or damage as provided for in this endorsement, we will pay only for the amount covered in excess of the amount due from that other insurance, whether you can collect or not . However, we will not pay more than the applicable limit of insurance.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FLORIDA – SINKHOLE LOSS COVERAGE

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM
CONDOMINIUM ASSOCIATION COVERAGE FORM

SCHEDULE*

Premises Number	Building Number
*Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

With respect to the location(s) indicated in the Schedule, the following provisions apply:

A. The following is added to this Coverage Part as a Covered Cause of Loss. In the forms which address "specified causes of loss", the following is also added as a "specified cause of loss". However, as a "specified cause of loss", the following does not apply to the Additional Coverage – Collapse.

"Sinkhole Loss", meaning loss or damage to Covered Property when “structural damage” to the "covered building", including the foundation, is caused by settlement or systematic weakening of the earth supporting the "covered building", only if the settlement or systematic weakening results from contemporaneous movement or raveling of soils, sediments, or rock materials into subterranean voids created by the effect of water on a limestone or similar rock formation.

B. Coverage for direct physical loss caused by “Sinkhole Loss” that occurs during the policy period including the costs incurred to:

1. Stabilize the building (including land stabilization); and

2. Repair the foundation.

Such work must be in accordance with the requirements of Florida Insurance Law and in accordance with the recommendations of our professional engineer and with notice to you. The professional engineer or professional geologist must be selected or approved by us.

“Sinkhole Loss” does not include:

1. Land or the replacement, rebuilding, restoration, or value of land except as provided under **B.1.** above and in accordance with the recommendations of our professional engineer;

2. Sinking or collapse of land into man-made underground cavities; or

3. Earthquake.

Property Not Covered:

1. Any structures that are attached to the “covered building”, including but not limited to:

a. Driveways, sidewalks, pavers, curbing, edging;

b. Patios, porches and decks;

c. Swimming pools and their decking;

d. Screened enclosures of any type of construction;

e. Greenhouses;

f. Barns, storage buildings or sheds;

g. Gazebos, pergolas;

h. Irrigation systems whether above or below the ground;

i. Fences;

j. Flagpoles; and

k. Satellite receivers or antennas.

2. Water wells, water storage tanks, pumping equipment, plumbing from water well to the “covered building”, water conditioning and/or filtration systems; any other type of well or water storage tank is not covered unless the systems are required for legal habitation of the “covered building” and there is “structural damage” to the “covered building”.

C. Upon receipt of a claim for a sinkhole loss, we will inspect your property to determine if there is “structural damage” that may be a result of “Sinkhole Loss”.

However, until you enter into a contract for performance of building stabilization and/or foundation repair in accordance with the recommendations of the professional engineer as set forth in a report from us:

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1. We will not pay for underpinning or grouting or any other repair technique performed below the existing foundation of the building; and
2. Our payment for “Sinkhole Loss” to Covered Property may be limited to the actual cash value of the loss to such property.

You must enter into a contract for the performance of building stabilization and/or foundation repair in accordance with the aforementioned recommendations, within 90 days after we notify you that there is coverage for your “Sinkhole Loss.” This time period is tolled if either party invokes the "neutral evaluation" process, and begins again 10 days after the conclusion of the "neutral evaluation". After you have entered into such contract, we will pay the amounts necessary to begin and perform such repairs as the work is performed and the expenses are incurred.

However, if the professional engineer determines, prior to your entering into the aforementioned contract or prior to the start of repair work, that the repairs will exceed the applicable Limit of Insurance, we will pay only the remaining portion of the applicable Limit of Insurance upon such determination. The most we will pay for the total of all “Sinkhole Loss”, including building and land stabilization and foundation repair, is the applicable Limit of Insurance on the affected building.

The stabilization and all other repairs to the Covered Property must be completed within 12 months after entering into the contract for the performance of these repairs, unless:

1. There is a mutual agreement between you and us;
2. The claim is involved with the "neutral evaluation" process;
3. The claim is in litigation; or
4. The claim is under appraisal or mediation.

D. With respect to coverage provided by this endorsement, the **Earth Movement** Exclusion and the **Collapse** Exclusion do not apply.

E. With respect to a claim for alleged “Sinkhole Loss”, the following provision is added:

Following receipt by us of a report from a professional engineer or professional geologist on the cause of loss and recommendations for land stabilization and repair of property, or if we deny your claim, we will notify you of your right to participate in a “neutral evaluation” program administered by the Florida Department of Financial Services (hereinafter referred to as the Department). The "neutral evaluation” process will supersede the mediation process provided in this policy.

Participation in the “neutral evaluation” program does not change your right to file suit against us in accordance with the Legal Action Against Us Condition in this policy, except that the time for filing suit is extended for a period of 60 days following the conclusion of the “neutral evaluation” process or five years, whichever is later.

The "neutral evaluator” must be allowed reasonable access to the interior and exterior of the Covered Property to be evaluated or for which a claim has been made. Any reports initiated by you, or an agent of you, confirming a "Sinkhole Loss" or disputing another sinkhole report regarding the Covered Property must be provided to the “neutral evaluator” before the evaluator's physical inspection of the Covered Property.

F. Coverage for “Sinkhole Loss” under this endorsement does not increase the applicable Limit of Insurance. Even if loss or damage qualifies under, or includes, both Catastrophic Ground Cover Collapse (addressed elsewhere in this Coverage Part) and “Sinkhole Loss”, only one Limit of Insurance will apply to such loss or damage.

G. Sinkhole Loss Deductible

A Sinkhole Loss Deductible applies to covered property, when loss is caused by “Sinkhole Loss.”

The amount of your Sinkhole Loss Deductible is shown in your Declarations and applies separately to:

1. Each building that sustains loss or damage;
2. The personal property at each building at which there is loss or damage to personal property; or
3. Personal property in the open.

If there is damage to both a building and personal property in that building, separate deductibles apply to the building and to the personal property.

We will not pay for "Sinkhole Loss" until the amount of "Sinkhole Loss" exceeds the sinkhole loss deductible. We will then pay the amount of "Sinkhole Loss" in excess of the sinkhole loss deductible, up to the applicable Limit(s) of Insurance.

When property is covered under the Coverage Extension for Newly Acquired Property: In determining the amount, if any, that we will pay for "Sinkhole Loss", we will deduct an amount equal to a percentage of the value(s) of the property at the time of loss. The applicable percentage for Newly Acquired Property is the highest percentage shown on the Declarations Page for any described premises.

A minimum deductible of $1,000 applies.

No other deductible applies to “Sinkhole Loss.”

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H. Notice of any claim for "Sinkhole Loss", must be provided to us in accordance with the terms of this policy within one year of the date of loss.

I. If you have submitted a sinkhole claim without good faith grounds for submitting such claim and we obtain written certification that there is no "sinkhole activity", then you are required to reimburse us for 50% of the actual costs of the sinkhole analyses and services provided by a professional engineer or professional geologist to conduct testing to determine the cause of loss.

J. As a precondition for accepting payment for a "Sinkhole Loss", you must file with the county clerk of court a copy of any sinkhole report which was prepared on your behalf or at your request.

You will bear the costs of filing and recording the sinkhole report.

K. You may not accept a "rebate" from any person performing repairs for "Sinkhole Loss" covered under this endorsement. If you receive a "rebate", coverage under this endorsement is void and you must refund the amount of the "rebate" to us. "Rebate" means a remuneration, payment, gift, discount, or transfer of any item of value to the insured by or on behalf of a person performing repairs as an incentive or inducement to obtain repairs performed by that person.

L. The following definitions are added with respect to the coverage provided under this endorsement:

1. "Covered building" means the Building Property at the insured location that is listed on the Schedule or Declarations. This definition does not extend to any structures that are attached to the livable square footage of this stand-alone structure, unless the structure is under the same roofline or foundation line and depth as the "covered building".

2. "Structural damage" means a "covered building", regardless of the date of its construction, has experienced the following:

a. Interior floor displacement or deflection in excess of acceptable variances as defined in ACI 117-90 or the Florida Building Code, which results in settlement related damage to the interior such that the interior building structure or members become unfit for service or represents a safety hazard as defined within the Florida Building Code;

b. Foundation displacement or deflection in excess of acceptable variances as defined in ACI 318-95 or the Florida Building Code, which results in settlement related damage to the "primary structural members" or "primary structural systems" and prevents those members or systems from supporting the loads and forces they were designed to support to the extent that stresses in those "primary structural members" or "primary structural systems" exceeds one and one-third the nominal strength allowed under the Florida Building Code for new buildings of similar structure, purpose, or location;

c. Damage that results in listing, leaning, or buckling of the exterior load bearing walls or other vertical "primary structural members" to such an extent that a plumb line passing through the center of gravity does not fall inside the middle one-third of the base as defined within the Florida Building Code;

d. Damage that results in the building, or any portion of the building containing "primary structural members" or "primary structural systems", being significantly likely to imminently collapse because of the movement or instability of the ground within the influence zone of the supporting ground within the sheer plane necessary for the purpose of supporting such building as defined within the Florida Building Code; or

e. Damage occurring on or after October 15, 2005, that qualifies as substantial structural damage as defined in the Florida Building Code.

3. "Primary structural member" means a structural element designed to provide support and stability for the vertical or lateral loads of the overall structure.

4. "Primary structural system" means an assemblage of "primary structural members".

5. "Neutral evaluation" means the alternative procedure for the resolution process of disputed "sinkhole" insurance claims.

6. "Neutral evaluator" means a "professional engineer" or a "professional geologist" who has completed a course of study in alternative dispute resolution designed or approved by the Department for use in the "neutral evaluation" process and who is determined by the Department to be fair and impartial.

7. "Professional engineer" means a person who has a bachelor's degree or higher in engineering. A "professional engineer" must also have experience and expertise in the identification of "sinkhole activity" as well as other potential causes of "structural damage".

8. "Professional geologist" means a person who has a bachelor's degree or higher in geology or related earth science and experience and expertise in the identification of "sinkhole activity" as well as other potential geologic causes of "structural damage".

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COMMERCIAL PROPERTY
IHC 14 20 01 17

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL PROPERTY NOT COVERED

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM
CONDOMINIUM ASSOCIATION COVERAGE FORM

The following is added to **2. Property Not Covered**, unless the property is specifically scheduled in the Declarations:

r. Awnings or canopies of fabric or slat construction, including their supports;

s. Brick, metal, stone, or concrete chimneys not forming a part of a building;

t. Stacks not forming part of a building or metal smokestacks;

u. Crop silos and their contents;

v. Swimming pools, diving towers, platforms or Jacuzzis;

w. Waterwheels, windmills, wind pumps or their towers;

x. Tennis courts;

y. Glass which is not part of a building or structure;

z. Metal ingots, pigs, billets, or scraps;

aa. Ores, gravels, clay, or sand;

bb. Property stored in open yards or playgrounds and related equipment;

cc. Fences or walls;

dd. Vending machines or their contents;

ee. “Stock”;

ff. Radio or television antennas or aerials, satellite dish (including lead-in wiring, masts or towers and their support);

gg. Any structure including the personal property contained within or on the structure, located in whole or in part over water;

hh. Any structure or attachment, whether attached or separate from the covered building, where that structure’s roof coverings are of screen, fabric, thatch, lattice, or slats and similar material; or

Where the structure’s exterior wall coverings are of fabric, thatch, lattice, or slats and similar material.

ii. Greenhouses, glasshouses, hothouses, slathouses, trellises, chickees, gazebos, pergolas, cabanas and tiki huts; or

Similar structures and personal property contained within or on these structures.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – EARTH MOVEMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART

1. **Earth Movement**, **Exclusion B.1.b.** is deleted and replaced by the following:
   b. Earth Movement, meaning
   (1) Earthquake, including land shock waves or tremors before, during or after a volcanic eruption;
   (2) Landslide;
   (3) Mine subsidence;
   (4) Mudflow;
   (5) Earth sinking, rising or shifting;
   (6) Clay shrinkage or other expansion or contraction of soils or organic materials;
   (7) Decay of buried or organic materials, construction debris, or fill;
   (8) Settling, cracking or expansion of foundation; or
   (9) Soil movement resulting from blasting.

   Whether or not caused by natural or manmade activities; unless direct loss by:
   (1) Fire; or
   (2) Explosion;

   ensues and then we will pay only for the ensuing loss.

   This exclusion does not apply to loss by theft.

All other provisions of this policy apply.

POLICY NUMBER: UCF0005914-04

INTERLINE
IL 04 15 04 98

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PROTECTIVE SAFEGUARDS

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART
FARM COVERAGE PART

SCHEDULE*

Prem. No.	Bldg. No.	Protective Safeguards Symbols Applicable
Describe any "P-9":		

* Information required to complete this Schedule, if not shown on this endorsement, will be shown in the Declarations.

A. The following is added to the:

Commercial Property Conditions
General Conditions in the
Farm Property – Other Farm
Provisions Form – Additional Coverages, Conditions, Definitions
General Conditions in the Mobile Agricultural Machinery and Equipment Coverage Form
General Conditions in the Livestock Coverage Form

PROTECTIVE SAFEGUARDS

1. As a condition of this insurance, you are required to maintain the protective devices or services listed in the Schedule above.

2. The protective safeguards to which this endorsement applies are identified by the following symbols:

"P-1" Automatic Sprinkler System, including related supervisory services.

Automatic Sprinkler System means:

a. Any automatic fire protective or extinguishing system, including connected:

(1) Sprinklers and discharge nozzles;

(2) Ducts, pipes, valves and fittings;

(3) Tanks, their component parts and supports; and

(4) Pumps and private fire protection mains.

b. When supplied from an automatic fire protective system:

(1) Non-automatic fire protective systems; and

(2) Hydrants, standpipes and outlets.

"P-2" Automatic Fire Alarm, protecting the entire building, that is:

a. Connected to a central station; or

b. Reporting to a public or private fire alarm station.

"P-3" Security Service, with a recording system or watch clock, making hourly rounds covering the entire building, when the premises are not in actual operation.

"P-4" Service Contract with a privately owned fire department providing fire protection service to the described premises.

"P-9" The protective system described in the Schedule.

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B. The following is added to the EXCLUSIONS section of:

CAUSES OF LOSS – BASIC FORM
CAUSES OF LOSS – BROAD FORM
CAUSES OF LOSS – SPECIAL FORM
MORTGAGE HOLDERS ERRORS AND OMMISSIONS COVERAGE FORM
STANDARD PROPERTY POLICY
CAUSES OF LOSS FORM – FARM PROPERTY
MOBILE AGRICULTURAL MACHINERY AND EQUIPMENT COVERAGE FORM
LIVESTOCK COVERAGE FORM

We will not pay for loss or damages caused by or resulting from fire if, prior to the fire, you:

1. Knew of any suspension or impairment in any protective safeguard listed in the Schedule above and failed to notify us of that fact; or

2. Failed to maintain any protective safeguard listed in the Schedule above, and over which you had control, in complete working order.

If part of an Automatic Sprinkler System is shut off due to breakage, leakage, freezing conditions or opening of sprinkler heads, notification to us will not be necessary if you can restore full protection within 48 hours.

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POLICY NUMBER: UCF0005914-04 **IL 09 35 07 02**

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 advise, 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.

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POLICY NUMBER: UCF0005914-04 **IL 09 53 01 15**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF CERTIFIED ACTS OF TERRORISM

This endorsement modifies insurance provided under the following:

BOILER AND MACHINERY COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
CRIME AND FIDELITY COVERAGE PART
EQUIPMENT BREAKDOWN COVERAGE PART
FARM COVERAGE PART
STANDARD PROPERTY POLICY

SCHEDULE

The **Exception Covering Certain Fire Losses** (Paragraph **C**) applies to property located in the following state(s), if covered under the indicated Coverage Form, Coverage Part or Policy:

State(s)	Coverage Form, Coverage Part Or Policy
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

A. The following definition is added with respect to the provisions of this endorsement:

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act, to be an act of terrorism pursuant to such Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:

1. The act resulted in insured losses in excess of $5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and

2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

B. The following exclusion is added:

CERTIFIED ACT OF TERRORISM EXCLUSION

We will not pay for loss or damage caused directly or indirectly by a "certified act of terrorism". Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

C. Exception Covering Certain Fire Losses

The following exception to the exclusion in Paragraph **B.** applies only if indicated and as indicated in the Schedule of this endorsement.

If a "certified act of terrorism" results in fire, we will pay for the loss or damage caused by that fire. Such coverage for fire applies only to direct loss or damage by fire to Covered Property. Therefore, for example, the coverage does not apply to insurance provided under Business Income and/or Extra Expense coverage forms or endorsements which apply to those forms, or to the Legal Liability Coverage Form or the Leasehold Interest Coverage Form.

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If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed $100 billion in a calendar year and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds $100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

D. Application Of Other Exclusions

The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for any loss which would otherwise be excluded under this Coverage Part or Policy, such as losses excluded by the Nuclear Hazard Exclusion or the War And Military Action Exclusion.

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IMPORTANT NOTICE ABOUT FEES

CPIC Recoupment Fee*

Your policy declarations page may reflect a charge titled *CPIC Recoupment Fee.* This charge is based on assessments that the Company paid to the Citizens Property Insurance Corporation (CPIC). CPIC provides insurance to, and serves the needs of, homeowners in high-risk areas and others who cannot find coverage in the open, private insurance market.

FHCF Assessment Fee*

Your policy declarations page may reflect a charge titled *FHCF Assessment Fee.* This charge is based on assessments that the Company paid to the Florida Hurricane Catastrophe Fund (FHCF). The purpose of the FHCF is to protect and advance the state's interest in maintaining insurance capacity in Florida by providing reinsurance to insurers for a portion of their catastrophic hurricane losses.

FIGA Recoupment Fee*

Your policy declarations page may reflect a charge titled *FIGA Recoupment Fee.* This charge is based on assessments that the Company paid to the Florida Insurance Guaranty Association (FIGA). The Florida Insurance Guaranty Association, created by the Florida legislature, handles the claims of insolvent property and casualty insurance companies.

EMPAT Fee

Your policy declarations page may reflect a charge titled *EMPAT Fee.* This charge is paid to the Emergency Management Preparedness and Assistance Trust Fund. This fund is used by the Florida Division of Emergency Management.

FSLSO Fee

Your policy declarations page may reflect a charge titled FSLSO Fee. This charge is paid by the Company to the Florida Surplus Lines Service Office. The chief purposes of the Florida Surplus Lines Service Office are to protect consumers, monitor marketplace compliance and protect state revenues to service your policy.

MGA Fee

Your policy declarations page may reflect a charge titled *MGA Fee.* This charge is paid by the Company to its Managing General Agency, Tower Hill Insurance Group, Inc., to service your policy.

** These fees may be assessed for mutiple years, and therefore your policy may reflect more than one fee of this type. In this case, your policy declarations page will include the applicable year with each instance of this charge.*

TOWER HILL INSURANCE GROUP, LLC
P.O. Box 147018
Gainesville, FL 32614-7018

As General Agent or Policy Administrator for and on behalf of its sponsoring insurance companies:

Indian Harbor Insurance Company
Lloyd's Syndicates
Omega Insurance Company
Rockhill Insurance Company
Tower Hill Preferred Insurance Company
Tower Hill Prime Insurance Company
Tower Hill Select Insurance Company
Tower Hill Signature Insurance Company

PRIVACY NOTICE

We value you as a customer and respect your right to privacy. This Notice describes the privacy practices of each insurance company listed above and its affiliates ("companies") regarding the collection, use, security, and sharing of non-public personal information ("customer information") by Tower Hill Insurance Group, LLC and its affiliates ("Tower Hill").

Tower Hill is an appointed general agent or policy administrator for the companies (referred to as "we", "us", or "our" in this Notice). As such, Tower Hill solicits, underwrites, issues, and processes property and casualty insurance policies and claims for the companies. Each company is a separate insurer and may be affiliated with other insurance companies.

On behalf of itself, its affiliates and the companies, Tower Hill is providing the following Privacy Notice, as required by federal and state laws. If you have any questions after reading this Privacy Notice, please contact Tower Hill at the address noted above.

How We Protect Customer Information

We maintain physical, electronic and procedural safeguards that comply with applicable regulatory standards to protect your customer information. We also restrict access to your customer information to only those individuals who need to know that information to provide products or services to you. All employees, agents, affiliates, and third parties are required to adhere to our privacy standards and use customer information only for legitimate business purposes.

Information We Collect

We collect customer information about you and the members of your household from the following sources:

- Application Forms: Information we receive from you on applications and other forms, such as your name, address, date of birth, social security number, family member information, property location and value.
- Prior Transaction History: Information about your transactions and experiences with us, our affiliates, or others, such as your policy coverage, premiums, payments, and claims history.
- Reporting Agencies: Information we receive from consumer reporting agencies, other insurers, medical providers, and insurance support organizations, such as motor vehicle records, and credit report information.

Information We Disclose and To Whom

We do not disclose any customer information about our customers or former customers to anyone, except as permitted by law.

We may disclose all of the customer information we collect about you, as described above in "Information We Collect," to our affiliates and other entities that perform marketing or administrative services on our behalf, or to other financial institutions with whom we have joint marketing agreements, or as permitted by law. Affiliated companies may include insurers and reinsurers, insurance agencies and brokers, claims adjusters, and information technology companies. Other entities are not affiliated companies and may include other insurance and reinsurance companies, service vendors, insurance agencies and other persons as permitted by law. These affiliated and other entities provide services necessary to carry out our normal business activities, such as evaluating requests for insurance products, processing policies and transactions to renew, replace or service your policy of insurance, evaluating claims, marketing our products and services, and administering policies. Any joint marketing agreements we have with other entities prohibit the disclosure of any shared non-public personal information other than to carry out the purposes for which we or such other entities disclose information pursuant to those marketing agreements.

We share with our affiliates customer information permitted by law including information arising from transactions and experiences with you. We do not share other credit-related information with our affiliates, except as permitted or required by law.

We will not use or share any personally identifiable health information for any purpose except to underwrite insurance, administer your policy, account or claim, as required or permitted by law, or as otherwise authorized by you.

Notice of Information Practices

You have the right to understand how we use the customer information we collect. Please contact us if you have any questions. If your insured property is in the states of AZ, CA, CT, GA, HI, IL, KS, MA, ME, MN, MT, NV, NJ, NC, OH, OR, VA, you have the right to access information we have collected about you and correct information that is not accurate. You may request a more detailed notice of our access and correction practices from the address noted above.

This Privacy Notice describes our practices for current and former customers. If there is more than one person insured under this policy, only the named insured on the policy will receive this Notice, though additional insureds may request a copy of this Notice. Please share this information with everyone covered by the policy.

We reserve the right to modify this policy at anytime. If we make material changes, we will provide a revised Notice.

Thank you for choosing Tower Hill and its companies. Our Privacy Notice applies to the following affiliates in the Tower Hill family of companies:

Alachua Capital Corporation
ICS Software Acquisition, Inc.
Indian Harbor Insurance Company
Omega Insurance Holdings, Inc.
Tomoka Re Holdings, Inc.
Tomoka Reinsurance Intermediaries, Inc.
Tower Hill Capital Holdings, LLC.
Tower Hill Insurance Services, LLC
Tower Hill Claims Service, LLC
Tower Hill Holdings, Inc.
Tower Hill Insurance Group, LLC.
Tower Hill Preferred Insurance Company
Tower Hill Prime Insurance Company
Tower Hill Select Insurance Company
Omega Insurance Company
Tower Hill Signature Insurance Company
Tower Hill Signature Insurance Holdings, Inc.

SERVICE OF PROCESS

The Commissioner of Insurance of the State of Florida is hereby designated the true and lawful attorney of the Insurer upon whom may be served all lawful process in any action, suit or proceeding arising out of this Policy. The Insurer further designates:

Sarah Mims
General Counsel
505 Eagleview Boulevard, Suite 100

as its agent in Florida to whom such process shall be forwarded by the Commissioner of Insurance.

For Illinois exposures, the Insurer further designates the Director of the Illinois Division of Insurance and his successors in office, as its 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 any beneficiary hereunder arising out of an Illinois exposure and this contract of insurance.

All other terms and conditions of this Policy remain unchanged.

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POLICY NUMBER: UCF0005914-04

COMMERCIAL PROPERTY
CP 04 17 06 07

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

UTILITY SERVICES – DIRECT DAMAGE

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
BUILDERS' RISK COVERAGE FORM
CONDOMINIUM ASSOCIATION COVERAGE FORM
CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM
STANDARD PROPERTY POLICY
TOBACCO SALES WAREHOUSES COVERAGE FORM

SCHEDULE

Prem. No.	**Bldg. No.**	**Utility Services Limit of Insurance**	Enter **"X"** for each applicable Property				
			Water Supply Property	**Commu-nication Supply Property** (including overhead transmis-sion lines)	**Commu-nication Supply Property** (**not** including overhead transmis-sion lines)	**Power Supply Property** (including overhead transmis-sion lines)	**Power Supply Property** (**not** including overhead transmis-sion lines)
		$					
Covered Property:							
Causes Of Loss Form Applicable:							
		$					
Covered Property:							
Causes Of Loss Form Applicable:							
		$					
Covered Property:							
Causes Of Loss Form Applicable:							

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

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A. Coverage

We will pay for loss of or damage to Covered Property described in the Schedule, caused by an interruption in utility service to the described premises. The interruption in utility service must result from direct physical loss or damage by a Covered Cause of Loss (as indicated in the Schedule) to the property described in Paragraph **C.** if such property is indicated by an "X" in the Schedule.

B. Exception

Coverage under this endorsement for loss or damage to Covered Property does not apply to loss or damage to electronic data, including destruction or corruption of electronic data. The term electronic data has the meaning set forth in the Coverage Form to which this endorsement applies.

C. Utility Services

1. **Water Supply Services,** meaning the following types of property supplying water to the described premises:
   - **a.** Pumping stations; and
   - **b.** Water mains.
2. **Communication Supply Services,** meaning property supplying communication services, including telephone, radio, microwave or television services to the described premises, such as:
   - **a.** Communication transmission lines, including optic fiber transmission lines;
   - **b.** Coaxial cables; and
   - **c.** Microwave radio relays except satellites.

   It does not include overhead transmission lines unless indicated by an "X" in the Schedule.
3. **Power Supply Services,** meaning the following types of property supplying electricity, steam or gas to the described premises:
   - **a.** Utility generating plants;
   - **b.** Switching stations;
   - **c.** Substations;
   - **d.** Transformers; and
   - **e.** Transmission lines.

   It does not include overhead transmission lines unless indicated by an "X" in the Schedule.

D. If a Utility Services Limit Of Insurance is shown in the Schedule, such limit is part of, not in addition to, the Limit of Insurance stated in the Declarations or in the Separation Of Coverage endorsement as applicable to the Covered Property.

If no Limit of Insurance is shown for Utility Services, coverage under this endorsement is subject to the applicable Limit of Insurance on the Covered Property as shown in the Declarations or in the Separation Of Coverage endorsement. But this Utility Services endorsement does not increase the applicable Limit of Insurance.

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POLICY NUMBER:

COMMERCIAL PROPERTY
CP 15 45 06 07

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

UTILITY SERVICES – TIME ELEMENT

This endorsement modifies insurance provided under the following:

BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM
BUSINESS INCOME (WITHOUT EXTRA EXPENSE) COVERAGE FORM
EXTRA EXPENSE COVERAGE FORM

SCHEDULE

Prem. No.	Bldg. No.	Utility Services Limit Of Insurance	Enter "**X**" for each applicable Property				
			Water Supply Property	**Communication Supply Property** (including overhead transmission lines)	**Communication Supply Property** (**not** including overhead transmission lines)	**Power Supply Property** (including overhead transmission lines)	**Power Supply Property** (**not** including overhead transmission lines)
		$					
Causes Of Loss Form Applicable:							
		$					
Causes Of Loss Form Applicable:							
		$					
Causes Of Loss Form Applicable:							
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.							

A. Coverage

Your coverage for Business Income and/or Extra Expense, as provided and limited in the applicable Coverage Form, is extended to apply to a "suspension" of "operations" at the described premises caused by an interruption in utility service to that premises. The interruption in utility service must result from direct physical loss or damage by a Covered Cause of Loss (as indicated in the Schedule) to the property described in Paragraph **C.** if such property is indicated by an "X" in the Schedule.

B. Exception

Coverage under this endorsement does not apply to Business Income loss or Extra Expense related to interruption in utility service which causes loss or damage to electronic data, including destruction or corruption of electronic data. The term electronic data has the meaning set forth in the Coverage Form to which this endorsement applies.

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C. Utility Services

1. **Water Supply Services,** meaning the following types of property supplying water to the described premises:
   - **a.** Pumping stations; and
   - **b.** Water mains.
2. **Communication Supply Services,** meaning property supplying communication services, including telephone, radio, microwave or television services, to the described premises, such as:
   - **a.** Communication transmission lines, including optic fiber transmission lines;
   - **b.** Coaxial cables; and
   - **c.** Microwave radio relays except satellites.

   It does not include overhead transmission lines unless indicated by an "X" in the Schedule.
3. **Power Supply Services,** meaning the following types of property supplying electricity, steam or gas to the described premises:
   - **a.** Utility generating plants;
   - **b.** Switching stations;
   - **c.** Substations;
   - **d.** Transformers; and
   - **e.** Transmission lines.

   It does not include overhead transmission lines unless indicated by an "X" in the Schedule.

D. The **Coinsurance** Additional Condition does not apply to this endorsement.

E. The Utility Services Limit Of Insurance, as shown in the Schedule, is the only Limit which applies to the coverage provided under this endorsement, and is part of, not in addition to, the Limit of Insurance stated in the Declarations as applicable to the described premises.

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Tower Hill Claims

March 28, 2023

G&M Estates USA, Inc
C/O Michael Shrigley
6892 Leeward Way
Naples, FL 34109-6905

RE:	Company:	Indian Harbor Insurance Company
	Insured:	G&M Estates USA, Inc
	Claim Number:	CLM0016214
	Policy Number:	UCF0005914-04
	Date of Loss:	09/28/2022
	Location:	1591 Hayley Lane, Ft Myers, FL 33907
	Type of Loss:	HUR Ian

Dear Michael Shrigley:

We have received and reviewed your claim for hurricane damages and have prepared an estimate for the covered damages to ridge cap, metal roof (cover located at entrance of building) and tile/clay roofs ("S" or flat), as well as to the fascia (aluminum), soffit on front and right elevation based off the building consultant's estimate for repairs. Please be advised that the inspection revealed no damage to roll roofing/underlayment, plumbing stacks and attic ventilation, etc., in addition to no damage on rear or left elevation and no interior damage resulting from storm-created opening.

Additionally, it appears the value of the claim is less than the policy deductibles. As such, no payment is due at this time. Please see the damage breakdown totals listed below. Please review this estimate and notify us immediately if there are additional damages that are not addressed in this estimate.

Your claim payment is described as follows:

Prem 2/Building 1 – 1591 Hayley LN

Replacement Cost Value:	$65,82517
Less Deductible:	$113,304.00
Net Claim:	$0.00

We also want to bring to your attention that the paid amount of your claim does not necessarily constitute a full and final settlement of your claim for damages associated with your claimed loss. You

Tower Hill Claims

may submit supplemental claims for any damages discovered in the covered reconstruction and repair of the above-mentioned property.

As mentioned above, if you believe you may have any supplemental damage, please contact me to discuss the matter or send in any information that would help substantiate the claimed damages. We encourage you to have any estimates we supplied you as well as those prepared by other vendors available during our discussion to help pinpoint any area(s) of concern.

Additionally, after a complete and thorough investigation, it has been determined that a portion of the claim you have presented to Indian Harbor Insurance Company does not qualify for payment.

After a complete and thorough investigation, it has been determined that a large portion of the claim you have presented to Indian Harbor Insurance Company does not qualify for payment. Our inspection, rendered by the Building Consultant (Compass), revealed numerous tiles were glued back together with sealant to effectuate pre-existing repairs, which pre-dates Hurricane Ian. Our inspection also confirmed that the adhesive of some prior repairs to roof tile note deterioration and not storm related. Additionally, our inspection of exterior observed stucco damage on all elevations of building and gleaned to be long-term and/or from settling and not storm-related. Inspection of window seal water damage, which seemingly caused water intrusion, is from long-term deterioration and not storm related. Moreover, inspection of interior water damaged ceiling tiles, in the lower level, found them to be to the HVAC systems or deterioration of windows in the 2nd level units and not storm related**.** Inspection reported water streaks on the drywall in office on 2nd floor of Suite #204 appeared to be from deteriorated window seals and not storm related. Note inspection observed mold/fungus growth under same windows, which is indicative of ongoing/long-term issues and not storm related. Further investigation confirmed evidence of past overflow of AC condensation system and not storm related. Inspection of water damage in attic is indicative of long-term condensation damage and overflow in area of attic AC units. Inspection noted heavy water stains on decking underneath the attic ACs, which resulted in damage to the 2nd floor ceilings is an unrelated Hurricane Ian issue with HVAC system**.** Building Consultant confirmed their observations by inspecting the roof decking and noted no evidence of storm-related water intrusion through roofing system. Unfortunately, we are unable to offer coverage for various roof, exterior and interior (wind-driven) damage as the damage is not indicative to a storm-created opening and/or storm-related, but due to pre-existing repairs and long-term issues and therefore no coverage is afforded. The policy language upon which we have made our coverage decision is quoted below.

We refer to your policy form CP 00 10 06 07 Building and Personal Property Coverage Form on page 1 under A. Coverage and 1. Covered Property

Tower Hill Claims

A. Coverage
We will pay for direct physical loss of or damage to Covered Property at the premises described in the Declarations caused by or resulting from any Covered Cause of Loss

…

1. Covered Property
Covered Property, as used in this Coverage Part, means the type of property described In this section, A.1., and limited in A.2., Property Not covered, if a Limit of Insurance is shown in the Declarations for that type of property.
   a. Building, meaning the building or structure described in the Declarations, including:
      (1) Completed additions;
      (2) Fixtures, including outdoor fixtures;
      (3) Permanently installed;
         a. Machinery and
         b. Equipment;
      (4) Personal property owned by you that is used to maintain or service the building or structure or its premises, including;
         (a) Fire-extinguishing equipment;
         (b) Outdoor furniture;
         (c) Floor coverings; and
         (d) Appliances used for refrigerating, ventilating, cooking, dishwashing or laundering;

We refer you to your policy form CP 10 30 06 07 Causes of Loss- Special Form on page 1 under the heading of B. Exclusions d. Covered Causes Of Loss

"B. Exclusions
1. We will not pay for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

…

   d. (1) Wear and tear;
      (2) Rust, corrosion, fungus, decay, deterioration, hidden or latent defect or any quality in property that causes it to damage or destroy itself;
      (3) Smog;
      (4) Settling, cracking, shrinking or expansion;
      (5) Nesting or infestation, or discharge or release of waste products or secretions, by insects, birds, rodents or other animals;
      (5) Mechanical breakdown, including rupture or bursting caused by centrifugal

Tower Hill Claims

(6) force.

(7) The following causes of loss to personal property;
(a) Dampness or dryness of atmosphere;
(b) Changes in or extremes of temperature; or
(c) Marring or scratching.

But if an excluded cause of loss that is listed in 2.d. (1) through (7) above result in a "specified cause of loss" or building glass breakage, we will pay for the loss or damage caused by that "specified cause of loss" or building glass breakage."

We refer you to your policy form CP 10 30 06 07 Causes of Loss- Special Form on page 1 under the heading of A. Coverage and 3. Covered Causes Of Loss:

"A. Covered Causes Of Loss

When Special is shown in the Declarations, Covered Causes of Loss means Risks Of Direct Physical Loss unless the loss is:

1. Excluded in Section B., Exclusions; or
2. Limited in Section C., Limitations; that follow."

…

We refer you to your policy form CP 10 30 06 07 Causes of Loss – Special Form on page 1 through 4 under the heading of B. Exclusions:

…

3. We will not pay for loss or damage caused by or resulting from any of the following, 3.a. through 3.c. But if an excluded cause of loss that is listed in 3.a. through 3.c. results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

…

c. Faulty, inadequate or defective:
(1) Planning, zoning, development, surveying, siting;
(2) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
(3) Materials used in repair, construction, renovation or remodeling; or
(4) Maintenance;

of part or all of any property on or off the described premises."

…

We also refer you to your policy form CP 10 30 06 07 Causes of Loss – Special Form on page 1 through 6 under the heading of C. Limitations. It states the following:

"C. Limitations

The following limitations apply to all policy forms and endorsements, unless otherwise stated.

Tower Hill Claims

1. We will not pay for loss of or damage to property, as described and limited in this section. In addition, we will not pay for any loss that is a consequence of loss or damage as described and limited in this section.

…

c. The interior of any building or structure, or to personal property in the building or structure, caused by or resulting from rain, snow, sleet, ice, sand or dust, whether driven by wind or not, unless:
(1) The building or structure first sustains damage by a Covered Cause of Loss to its roof or walls through which the rain, snow, sleet, ice, sand or dust enters; or
(2) The loss or damage is caused by or results from thawing of snow, sleet or ice on the building or structure."

We also refer you to your policy form IHC 00 10 (01/17 Existing Damage Exclusion Endorsement – Special Form on page 1. It states the following:

It is understood and agreed that:
This policy is not intended to and does not provide coverage for any damages which occurred:
1. Prior to policy inception regardless of whether such damages were apparent at the time of the inception of this policy; or
2. Became apparent at a later date.

It is also understood and agreed that:
This policy is not intended to and does not provide coverage for any claims or damages arising out of:
1. Workmanship;
2. Repairs and I or lack of repairs;

Arising from damage which occurred prior to policy inception.
It is further understood and agreed that:
This policy does not provide coverage for any stated amount until and unless all structures covered by your previous policy have been fully and completely repaired.
Prior to such completion of repairs, coverage will be limited to the greater of:
1. The actual cash value of the property at the time of a covered loss occurring during this policy period; or
2. The cost of repairing the property to a state at which it existed at the time of a covered loss, provided that such repairs have been made. This endorsement applies to all coverages under this policy.

We refer you to your policy form IHC 01 25 10 18 Florida Changes on page 3 under the heading of K.. Duties in the Event of Loss or Damage, Property Loss Condition is replaced by the following:

"K. Duties in the Event of Loss or Damage
In case of a loss to covered property, you must see that the following are done:
a. Give prompt notice to us or your agent;

Tower Hill Claims

Except for reasonable emergency measures taken under Additional Coverages, Reasonable Emergency Measures, there is no coverage for repairs that begin before the earlier of:

(1) 72 hours after we are notified of the loss;

(2) The time of loss inspection by us; or

(3) The time of other approval by us;

b. (1) To the degree reasonably possible, retain the damaged property; and

(2) Allow us to inspect, subject to b.(1) above, all damaged property prior to its removal from the described premises.

c. Notify the police if a law may have been broken, and provide the incident number and, if we request, a copy of the report

d. Protect the property from further damage. The following must be performed:

(1) Take reasonable emergency measures that are necessary to protect the Covered Property from further damage, as provided under Additional Coverages, Reasonable Emergency Measures.

A reasonable emergency measure under d.(1) above may include permanent repair when necessary to protect the Covered Property from further damage or to prevent unwanted entry to the property. To the degree reasonably possible, the damaged property must be retained for us to inspect; and

(2) Keep an accurate record of repair expenses

e. Cooperate with us in the investigation of a claim;

f. If you intend to continue your business, you must resume all or part of your "operations" as quickly as possible;

g. Prepare an inventory of damaged property showing the quantity, description, costs, values and amount of loss. Attach all bills, receipts and related documents that justify the figures in the inventory;

h. As often as we reasonably require:

(1) Permit us to inspect the property proving the loss or damage and examine your books and records;

(2) Permit us to take samples of damaged and undamaged property for inspection, testing and analysis and permit us to make copies from your books and records;

(3) You or any insured must:

(a) Submit to examination under oath and recorded statements, while not in the presence of any other insured; and

(b) Sign the same

Tower Hill Claims

(4) If you are an association, corporation or other entity, any members, officers, directors, partners or similar representatives of the association, corporation or other entity must:

(a) Submit to examinations under oath and recorded statements, while not in the presence of any other insured: and

(c) sign the same"

Nothing herein constitutes, nor should it be construed by you as a waiver of any of the rights of Indian Harbor Insurance Company under its policy of insurance, nor is it the purpose of this letter to waive any of the policy terms and/or conditions, or any defenses to which further investigation or discovery may reveal.

We regret that we are unable to be of greater assistance to you in this instance. However, if you have any information that you believe would alter our current understanding, please feel free to contact us to discuss this matter further 727-238-7966.

Sincerely,

Jodie Bibb
Commercial TPA/Examiner
Office: 813-240-0384
Adjuster License: FL: D043362
E-mail: Jodie.Bibb@transcynd.com

TRANSCYND CP CLAIM PARTNERS

Enclosure(s) Estimate

CC: AssuredPartners of Florida, LLC
8950 Fontana Del Sol Way, Suite #300
Naples, FL 34109

Five Star Claim Adjusting
Attn: Zachary Benshimon
1640 West Oakland Park Blvd, Suite #202
Oakland Park, FL 33311