



AmWINS Brokerage of Florida, Inc.

10201 Centurion Parkway North

Suite 500

Jacksonville, FL 32256

amwins.com

October 24, 2018

Wren Insurance Agency, Inc.
1430 Palm Bay Road, NE
Palm Bay, FL 32905

RE: Sandpiper Towers Condominium Association, Inc.
MWC0600196
Policy Period: 8/26/2018 to 8/26/2019
Mt. Hawley Insurance Company

Please find the attached Wind Policy for Sandpiper Towers Condominium Association, Inc., effective 8/26/2018.

The policy sets out the precise coverage terms and conditions that have been bound. Please review the policy carefully. If after review, you find any errors in the issuance, please contact us immediately to discuss.

Claim Reporting

Please report any claims in accordance with the terms of the policy. We believe time is crucial in the initial reporting process; therefore, reporting claims in accordance with the policy terms will speed up the process and is in the best interest of the insured. Additionally, direct reporting is what the insurance carrier prefers and what is required by the policy. If you have any questions regarding claims reporting, please feel free to contact us. Please also note that we are available to assist you and your client in claim resolution.

Should you have any questions or need anything further, please feel free to contact me.

Thank you for your business. We truly appreciate it.

Sincerely,

Alexis Parrish

Broker Assistant | AmWINS Brokerage of Florida, Inc.

T 904.996.0007 | F 904.996.0002 | alexis.parrish@amwins.com

10201 Centurion Parkway North | Suite 500 | Jacksonville, FL 32256 | amwins.com

On behalf of,

Matt Janicki

Executive Vice President | AmWINS Brokerage of Florida, Inc.

T 904.380.3923 | F 877.570.9323 | Matt.Janicki@amwins.com

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License 0F41738



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 Suite 500
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POLICY PREMIUM AND SURPLUS LINES TAX SUMMARY

Attached to and forming part of Policy Number: MWC0600196

Named Insured:	Sandpiper Towers Condominium Association, Inc.	Policy Number:	MWC0600196
Coverage:	Wind	Carrier:	Mt. Hawley Insurance Company
Agency:	Wren Insurance Agency, Inc.	Policy Period:	08/26/2018 - 08/26/2019

Policy Premium:	\$30,200.00
Fees:	\$185.00
Surplus Lines Taxes:	\$1,549.64
Total:	\$31,934.64

FEES:

Fee	Taxable	Amount
Florida		
AmWINS Service Fee	Yes	\$35.00
Market Policy Fee	Yes	\$150.00
	Total	\$185.00
Total Fees		\$185.00

SURPLUS LINES TAX CALCULATION:

Description	Taxable Premium	Taxable Fee	Tax Basis	Rate	Tax
Florida					
Surplus Lines Tax	\$30,200.00	\$185.00	\$30,385.00	5.00%	\$1,519.25
Stamping Fee	\$30,200.00	\$185.00	\$30,385.00	0.10%	\$30.39
				Total	\$1,549.64
Total Surplus Lines Taxes and Fees					\$1,549.64

SURPLUS LINES DISCLOSURE

Florida

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

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 Licensee:

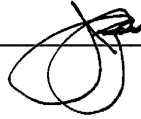
Producing Agent:

Name: James Compton

Address: 302 Knights Run #1240
Tampa, FL 33602

License No.: A052540

Signature: _____

A handwritten signature in black ink, consisting of a large, stylized loop followed by a horizontal stroke and a small flourish.

Name: Kirk Ball

Address: Wren Insurance Agency
1430 Palm Bay Rd NE

Palm Bay, FL 32905



NOTICE TO OUR BROKERS AND AGENTS OF OUR CLAIM NOTIFICATION PROCEDURE

As part of our continuing effort to provide you with the best service available, ALL CLAIMS, OCCURRENCES, INCIDENTS and LAWSUITS under this policy are to be reported immediately to:

RLI Insurance Company

Email (preferred): New.Claim@rlicorp.com

Fax: (866) 692-6796

Phone: (800) 444-0406

Street Address: 9025 N. Lindbergh Drive, Peoria, IL 61615

Mailing Address: P.O. Box 3961, Peoria, IL 61612-3961

When reporting the incident, be prepared to supply a report of claim or the following information:

- 1. Policy Number**
- 2. Contact Person information (name, address, phone, etc.)**
- 3. Nature of incident**
- 4. Date of incident**

When reporting multiple incidents, please send each loss notice separately.



RLI Underwriting Services, Inc.
Peoria, Illinois 61615

NOTICE TO POLICYHOLDERS

REGARDING THE UNITED STATES TREASURY DEPARTMENT – OFFICE OF FOREIGN ASSETS CONTROL (OFAC)

This Policyholder Notice does not provide coverage nor can it be construed to replace any provisions of your policy. Please read your policy carefully to determine your rights, duties, and what is and what is not covered by your policy. This Notice should only be used to provide information concerning the possible impact of your insurance coverage as it relates to directives issued by OFAC.

PLEASE READ THIS NOTICE CAREFULLY.

OFAC administers and enforces economic and trade sanctions and places restrictions on certain transactions. OFAC acts pursuant to Executive Orders of the President of the United States and specific legislation. OFAC has identified and named numerous foreign agents, front organizations, terrorists, terrorist organizations, and narcotics traffickers, among others, as “Specially Designated Nationals and Blocked Persons.” The complete list can be found on the United States Treasury website – <http://www.treas.gov/ofac>.

Various trade or economic sanctions and other laws or regulations prohibit us from providing insurance in certain circumstances. In accordance with OFAC regulations, 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 law or is a Specially Designated National and Blocked Person, as identified by OFAC, this insurance contract is considered a blocked or frozen contract and will be considered null and void. When an insurance policy is considered to be a blocked or frozen contract, all provisions of this insurance will be immediately subject to OFAC, and neither payments nor premium refunds may be made without authorization from OFAC. Other limitations on the premiums and payments may also apply.

WIND AND HAIL DECLARATION PAGE

Mt. Hawley Insurance Company 90%
Peoria, Illinois 61615, USA

Renaissance Re Syndicate 1458 Lloyd's 10%
London, EC3M 7HA, United Kingdom

Policy Number: MWC0600196

Unique Market Reference (UMR): B087518R06F5001

Named Insured and Mailing Address:

Sandpiper Towers Condominium Association, Inc.
205 Highway A1A
Satellite Beach, FL 32937

Agent/Broker and Mailing Address:

AmWINS Brokerage of FL LLC
10201 Centurion Pkwy N
Suite 500
Jacksonville, FL 32256

Policy Period: From 08/26/2018 to 08/26/2019 at 12:01 A.M. Standard Time at your mailing address shown above.

DESCRIPTION OF PREMISES

Covered Locations Listed Below:

205 Highway A1A, Satellite Beach, FL 32937

CAUSES OF LOSS: Windstorm or Hail

Total coverage (limit) applicable Limit \$ 11,948,088

Refer to CPR 2162, Specified Limits Endorsement

Per Occurrence Loss Limit

At no time will we pay more than \$ 11,948,088 for a loss due to a single occurrence or event.

DEDUCTIBLE(S): Refer to CPR 2218, Declarations - Deductible Addendum


FORMS MADE A PART OF THIS POLICY AT TIME OF ISSUE: See CPR 2150, Applicable Forms & Endorsements

PCA Fees \$ 150

Total Premium \$ 30,200

Amount Payable At Inception \$ 30,350

Pro Rata Shares Applicable to this Combination Policy: Mt. Hawley Insurance Company will be responsible for 90% of all losses under this policy and Renaissance Re Syndicate 1458 Lloyd's will be responsible for 10% of all losses under this policy. Each of the Companies will be severally (but not jointly) liable solely for its own pro rata share.



Authorized Signature

DECLARATIONS - SUB-LIMIT ADDENDUM

The total Limit of Liability as shown in the Declarations is subject to the following sub-limit(s). The sub-limit(s) shown is a limit or amount per occurrence, except for Earthquake and Flood where an annual aggregate applies. The sub-limit(s) shown are included in and do not increase the Limit of Liability shown in the Declarations. We will not, in any case, exceed this sub-limit(s) in one disaster, casualty or event, no matter how many locations are involved.

Coverage Part or Item:	Sub-Limit
Demolition & Increased Cost of Construction (B&C)	\$500,000

ALL OTHER TERMS AND CONDITIONS OF THIS POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DECLARATIONS - DEDUCTIBLE ADDENDUM

The following deductible wording is in addition to all other deductible wording found elsewhere in this policy. All other deductible wording found in and made a part of this policy also applies. Each claim for loss or damage will be adjusted separately.

PERIL DEDUCTIBLE(S)

\$25,000 Per Occurrence for All Covered Perils, except:

1.00% of the Total Insurable Values Per Building (including time element if applicable) at the time of loss or damage subject to a minimum of \$25,000 Per Occurrence for Named Storm

Total Insurable Values is defined as the full value of covered property, including time element if applicable, subject to the valuation terms and conditions of the policy. Total Insurable Values are calculated at the time of loss or damage.


ALL OTHER TERMS AND CONDITIONS OF THIS POLICY REMAIN UNCHANGED.

EXTENDED DECLARATIONS PAGE

Issued By: Alexis Parrish for Matt Janicki
Named Insured: Sandpiper Towers Condominium Association Inc
Policy Number: MWC0600196
Policy Period: 8/26/18-19

State Surplus Lines Required Wording:

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

Surplus Lines Agent's Name: <u>James Ayers Compton</u>	
Surplus Lines Agent's Address: <u>302 Knights Run Av. St. 1240</u> <u>Tampa, FL 33602</u>	
Surplus Lines Agent's License #: <u>A052540</u>	
Producing Agent's Name: <u>Kirk E Ball</u>	
Producing Agent's Address: <u>1430 Palm Bay Road SE</u> <u>Palm Bay, FL 32905</u>	
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.	
Premium: <u>\$30,200.00</u> Tax: <u>\$1,519.25</u> Service Fee: <u>\$30.39</u>	
EMPA Surcharge: <u>\$0.00</u> Broker Fee: <u>\$35.00</u>	
Inspection Fee: <u>\$0.00</u> Policy Fee: <u>\$150.00</u>	
Surplus Lines Agent's Countersignature: <u></u>	

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SPECIFIED LIMITS ENDORSEMENT

Prem./Loc. No.	Bldg. No.	Limit of Insurance	Type of Coverage	Coins. Percent	Val.*	Description & Location of Property Covered
00001	001	\$11,872,178	Building	N/A	RCV	Built: 1964, Fire Resistive 205 Highway A1A Satellite Beach, FL 32937 Condominium
00001	002	\$75,910	Building	N/A	RCV	Built: 1964, Cast in Place 205 Highway A1A Satellite Beach, FL 32937 Pool

* Valuation. Indicate: ACV (Actual Cash Value), ALS (Actual Loss Sustained), RCV (Replacement Cost Value), SP (Selling Price) or SV (Stated Value).

ALL OTHER TERMS AND CONDITIONS OF THIS POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

APPLICABLE FORMS & ENDORSEMENTS

FORMS AND ENDORSEMENTS LISTED BELOW APPLY TO AND ARE MADE PART OF THIS POLICY AT TIME OF ISSUE.

CPR-2147(02/04)	Declarations - SubLimit Addendum
CPR-2218(11/04)	Declarations - Deductible Addendum
ILF-0001(01/01)	Signature Page
CPR-2162(01/02)	Specified Limits Endorsement
WHPR-101(12/16)	Windstorm Or Hail Policy
CPR-2161(11/13)	Ordinance or Law Coverage
CPR-2274(04/12)	Minimum Earned Premium Endorsement
CPR-2276(04/12)	Non-Payment Of Premium
CPR-2281(12/14)	Nuclear, Biological, Chemical, or Radioactive Exclusion
CPR-2282(02/15)	Exclusion Of Cosmetic Damage To Roof Surfacing
CPR-2126(10/01)	Limitation of Liability Endorsement
CPR-2188(12/10)	Exclusion of Certain Computer Related Losses
CPR-2269(06/09)	Asbestos Exclusion
CPR-2271(02/11)	Florida Changes - Residential Condominium Associations
CPR-2291(08/15)	Named Storm Definition
CPR-2295(02/16)	Windstorm or Hail Loss Reporting Limitation Addendum
LMA-3100(09/10)	Sanction Limitation And Exclusion Clause
LMA-5096(03/08)	Several Liability Clause
NMA-1998(04/86)	Service Of Suit Clause (U.S.A.)
RIL-099C(11/16)	Service of Suit Endorsement

ALL OTHER TERMS AND CONDITIONS OF THIS POLICY REMAIN UNCHANGED.

WINDSTORM OR HAIL POLICY

1. AGREEMENT

We will pay for direct physical loss or damage to Covered Property Caused by or resulting from a Covered Cause Of Loss.

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.

In return for your payment of the required premium, we provide the coverage described herein at the locations named in the Declarations and/or the endorsed Schedule of Locations, subject to all the terms of this policy. This includes the Declarations, as well as any endorsements and schedules attached to and made a part of this policy.

Refer to Definitions for words and phrases that have special meaning. These words and phrases are shown in quotation marks.

2. COVERED PROPERTY

We will pay for direct physical loss of or damage to Covered Property at the premises described in the Declarations, from the peril(s) of windstorm and/or hail.

Covered Property, as used in this policy, means the type of property described in this section if a Limit of Insurance is shown in the Declarations for that type of property.

A. Buildings And Structures, meaning:

1. Additions;
2. Fixtures;
3. Machinery and equipment if the machinery and equipment is a permanent part of a covered building or structure.

B. Business Personal Property, meaning:

1. Furniture and fixtures;
2. Machinery and equipment;
3. "Stock";
4. All other personal property owned by you and used in your business;
5. Improvements and betterments meaning fixtures, alterations, installations or additions comprising part of a building(s) occupied but not owned by you and made at your expense.

3. LIMITS OF INSURANCE

A. All windstorm or hail loss or damage, caused by a distinct, single incident of such perils, is considered an occurrence. An occurrence is limited to the total of all losses, damages, or expenses sustained or commencing during a continuous 144 hour period. You may decide when the 144 hour period begins; however, we will not pay for loss or damage occurring before the effective date of this policy, or for any loss occurring after the expiration date of this policy.

- B.** If this policy includes both property damage and business interruption, the amounts stated in the Declarations under Limits of Insurance will be the maximum amounts collectible under this policy for loss or damage resulting from the perils described regardless of whether the loss involves property damage alone or both property damage and business interruption.
- C.** An aggregate applies to the Limits of Insurance if an amount for an aggregate is shown in the Declarations. We will not, in any case, exceed this limit or amount in one disaster, casualty, or event, no matter how many locations are involved.
- D.** The premium for this policy is based upon the latest statement of values on file with us, or attached to this policy. In the event of loss hereunder, our liability will be limited to the least of the following;
 - 1.** The actual adjusted amount of loss; or
 - 2.** The Limits of Insurance or amount of insurance per occurrence shown in the Declarations page of this policy or endorsed onto this policy but will not exceed the aggregate limit, if stated; or
 - 3.** The stated values for the specific property involved in the loss as shown on the latest statement of values on file with us.

4. COVERED CAUSE OF LOSS

Covered Cause of Loss, for purposes of this policy, means physical loss of or damage to Covered Property at the premises described in the Declarations, for the peril windstorm or hail.

Covered Cause of Loss does not mean:

- A.** Frost or cold weather;
- B.** Ice (other than hail), snow or sleet, whether driven by wind or not;
- C.** Loss or damage to the interior of any building caused by rain, snow, sand, dust, or water whether driven by wind or not, unless the building or structure first sustains wind or hail damage to its roof or walls through which the rain, snow, sand, dust, or water enters;
- D.** Flood, surface water, waves, tides, tidal waves, over-flow of any body of water, or their spray, all whether driven by wind or not;
- E.** Mudslide or mudflow;
- F.** Water that backs up from a sewer or drain; or
- G.** Water under the ground surface pressing on, or flowing or seeping through;
 - 1.** Foundations, walls, floors or paved surfaces;
 - 2.** Basements, whether paved or not; or
 - 3.** Doors, windows or other openings.

5. PROPERTY NOT COVERED

Covered Property does not include:

- A.** Accounts, bills, deeds, currency, money, notes, securities, food stamps or other evidences of debt, lottery tickets not held for sale, original drawings and specifications, letters of credit, passports, tickets or valuable papers, unless specifically endorsed;

- B.** Animals, including birds and fish;
- C.** Growing plants or shrubs (except when held for sale, or when used for decorative purposes inside buildings), grain, hay, straw or other crops when outdoors;
- D.** Motor vehicles licensed or designed principally for highway use, watercraft, aircraft, motorcycles, motor scooters and other similar vehicles licensed or designed principally for highway use;
- E.** Contraband, or property in the course of illegal transportation or trade;
- F.** Bridges, roadways, walks, patios or other paved surfaces;
- G.** Land, including land on which the property is located, land value, growing crops or lawns, or the cost of excavations, grading, or filling;
- H.** Underground or surface water;
- I.** Property you have sold after it has been delivered. This includes property sold under conditional sales, trust agreements, installment payments or other deferred payment plans;
- J.** Foundations of buildings, underground pipes, flues or drains;
- K.** Retaining walls, pilings, piers, wharves or docks;
- L.** Fences, radio or television antennas, including their lead-in wiring, masts or towers, signs (other than signs attached to buildings);
- M.** Power transmission and/or feeder lines not on the insured premises;
- N.** Awnings, cloth, screening, or shade cover, cabanas, pools, bulkheads, smokestacks, or satellite dishes;
- O.** Electronic data processing equipment including computers, electronic accounting machines, all supporting machinery, magnetic tapes, discs, cards, any storage device and all software including procedures, programs or source material of any kind unless specifically endorsed to this policy;
- P.** The cost to replace or restore the information on valuable papers and records, including those which exist as electronic data. Valuable papers and records include but are not limited to proprietary information, books of account, deeds, manuscripts, abstracts, drawings and card index systems;
- Q.** 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;
- R.** Contractor's equipment;
- S.** Jewelry, watches, pearls, precious and semi-precious stones, gold, silver, platinum, other precious metals or alloys, bullion, furs, and articles trimmed with fur;
- T.** Fine arts, meaning paintings, etchings, pictures, tapestries, rare or art glass, art glass windows, valuable rugs, statuary, sculptures, "antique" furniture, "antique" jewelry, bric-a-brac, porcelains, and similar property of rarity, historical value, or artistic merit;
- U.** Property in transit; and/or
- V.** Property in the course of construction, including construction materials or supplies unless specifically endorsed to this policy.

6. EXCLUSIONS

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

- A.** Property damage arising out of the actual, alleged or threatened discharge, dispersal, release or escape of "pollutant," or contaminants;
 - 1. At or from premises owned, leased, rented or occupied by you,
 - 2. At or from any site or location used by or for you or others for the handling, storage, disposal, processing or treatment of waste,
 - 3. Which are at any time transported, handled, stored, treated, disposed of or processed as waste by or for you or any person or organization for whom you may be legally responsible, or,
 - 4. At or from any site or location on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations;
 - a. If the "pollutants" are brought on or to the site or location in connection with such operations, or
 - b. If the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize the "pollutants";
- B.** Any loss, costs or expense arising out of any governmental direction or request that you test for, monitor, clean up, treat, remove, detoxify or neutralize "pollutants" or in any way respond to or assess the effects of "pollutants";

This includes loss or damage caused by or resulting from contributing to or made worse by actual, alleged or threatened release, discharge, escape or dispersal of contaminants and/or pollutants, all of which direct or indirect, proximate or remote, or in whole or in part, caused by, contributed to, or aggravated by any damage insured by the policy.

- C.** Enforcement of any ordinance, law or code regulating the use, construction, or repair of any property; or requiring the tearing down of any property, including the cost of removing its debris, unless specifically endorsed to this policy. This exclusion applies whether the loss results from an ordinance or law that is enforced even if the property has not been damaged; or the increased costs incurred to comply with an ordinance or law in the course of construction, repair, renovation, remodeling or demolition of property, following a physical loss to that property;
- D.** Increase of loss caused by or resulting from delay in repair or rebuilding;
- E.** Seizure or destruction of property by order of governmental authority;
- F.** Nuclear reaction or nuclear radiation or radioactive contamination, however caused;
- G.** Earth movement including landslide, earth sinking, subsidence, earth rising or shifting;
- H.** Weather conditions when your Covered Property is left in the open or not contained in buildings or permanent foundations;
- I.** Disappearance of property or loss or shortage of property disclosed on taking inventory, pilferage, burglary, larceny, theft or attempted theft;
- J.** Delay, loss of market, loss of use, business interruption, or consequential loss of any nature; unless specifically insured in the Declarations;
- K.** Business income or extra expenses of any kind unless specifically insured in the Declarations;

- L. Loss due to inability to ingress or egress Covered Property; and/or
- M. Presence, growth, proliferation, spread or any activity of "fungus," wet or dry rot or bacteria.

7. ADDITIONAL COVERAGES

Payments under the following Additional Coverages will not increase the applicable Limit of Insurance:

A. Debris Removal

1. 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 90 days of the date of direct physical loss or damage.
2. This coverage does not apply to costs to:
 - a. Extract "pollutants" from land or water; or
 - b. Remove, restore or replace polluted land or water.
3. The most we will pay under this Additional Coverage is the lesser of \$10,000 or 25% of:
 - a. The amount we pay for the direct physical loss of or damage to Covered Property; plus
 - b. The deductible in this policy applicable to that loss or damage.

B. Preservation of Property

If it is necessary to move Covered Property to preserve it from loss by a Covered Cause of Loss, we will pay for any direct physical loss to that property while it is being moved or while temporarily stored at another location.

8. DEDUCTIBLE

We will not pay for loss or damage in any one occurrence until the amount of loss or damage exceeds the Deductible shown in the policy form. We will then pay the amount of loss or damage in excess of the Deductible, up to the applicable Limit of Insurance.

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 Stated Amount valuation. 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.

All claims for loss or damage arising from one occurrence will be considered one claim and the applicable deductible will be applied to the adjusted amount of the claim. Occurrence means loss or damage caused by a distinct, single incidence of a covered peril(s).

9. LOSS CONDITIONS

The following conditions apply in addition to all other conditions of this policy:

A. Abandonment

There can be no abandonment of any property to us.

B. Appraisal

If you and we do not agree on the value of the property or the amount of loss, within 60 days after you receive proof of loss from us, either may make written demand for an appraisal of the loss. In this event, each party will select a competent, impartial appraiser. The two appraisers will then select an umpire. If the two appraisers cannot agree upon an umpire within 15 days, 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. Agreement in writing by any two will determine the amount of loss.

Each party will:

1. Pay its chosen appraiser; and
2. 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.

C. Coinsurance

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

1. 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:
 - a. Multiply the value of Covered Property at the time of loss by the Coinsurance percentage;
 - b. Divide the Limit of Insurance of the property by the figure determined in Step a.;
 - c. Multiply the total amount of loss, before the application of any deductible, by the figure determined in Step b.; and
 - d. Subtract the deductible from the figure determined in Step c..

We will pay the amount determined in Step d. 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.

2. 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.

D. Duties In The Event Of Loss Or Damage

1. You must see that the following are done in the event of loss or damage to Covered Property:
 - a. Notify the police if a law may have been broken.
 - b. Give us or our agent prompt notice of the loss or damage. Include a description of the property involved.
 - c. As soon as possible, give us a description of how, when and where the loss or damage occurred.
 - d. You must take all reasonable steps to protect Covered Property at and after an insured loss to avoid 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 Limits of Insurance. However, we will only pay for subsequent loss or damage resulting from a Covered Cause of Loss. If feasible, set aside the damaged property in the best possible order for examination.

- e. At our request, give us complete inventories of the damaged and undamaged property, including quantities, costs, values and amount of loss claimed.
 - f. As often as reasonably required, allow us to inspect the property proving the loss or damage and examine your books and records. Also allow us to take samples of damaged and undamaged property for inspection, testing and analysis, and allow us to make copies from your books and records.
 - g. Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 90 days after our request.
 - h. Cooperate with us in the investigation or settlement of the claim.
 - i. Make no statement that will assume any obligation or admit any liability, for any loss for which we may be liable, without our written consent.
 - j. Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or suit.
2. We may examine any insured under oath, while not in the presence of any other insured 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.

E. Loss Payment

1. In the event of loss or damage covered by this policy, at our option, we will either:
- a. Pay the value of lost or damaged property;
 - b. Pay the cost of repairing or replacing the lost or damaged property, subject to **2.** below;
 - c. Take all or any part of the property at an agreed or appraised value; or
 - d. Repair, rebuild or replace the property with other property of like kind and quality, subject to **2.** 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 policy or any applicable provision which amends or supersedes the Valuation Condition.

- 2. 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.
- 3. We will give you notice of our intentions within 30 days after we receive the sworn proof of loss.
- 4. We will not pay you if you have already collected the same amount from others.
- 5. We will not pay you more than your financial interest in the Covered Property.
- 6. 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.
- 7. We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.
- 8. 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 policy and:
 - a. We have reached agreement with you on the amount of loss; or
 - b. An appraisal award has been made.

F. Pair, Sets Or Parts

1. In case of loss or damage to any part of a pair or set we may:
 - a. Repair or replace any part to restore the pair or set to its value before the loss or damage; or
 - b. Pay the difference between the value of the pair or set before and after the loss or damage.
2. In case of loss or damage to any part of Covered Property consisting of several parts when complete, we will only pay for the value of the lost or damaged part.

G. 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 in the Declarations of this policy.

H. Valuation

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

1. At actual cash value as of the time of loss or damage, except as provided in **2.** or **3.**, below.
 - a. Actual Cash Value means the value of Covered Property at the time of the loss, with a deduction for depreciation.
 - b. Actual Cash Value is determined by deducting the applicable depreciation from the replacement or repair cost of the damaged property. We will not pay more than what it will cost to repair, rebuild or replace the property with other property of like kind and quality. We will also not pay more than the amount shown in the Declarations under the Limits of Insurance.
2. If Replacement Cost (without deduction for depreciation) is designated in conjunction with a specific coverage on the Declarations Page, we will pay the cost of building repairs or replacement for that designated coverage.
 - a. The value of Covered Property with the Replacement Cost option is the cost to repair, rebuild or replace the damaged or destroyed property. We will not pay more than the least of the following amounts:
 - (1) The Limit of Insurance that applies to the damaged or destroyed property;
 - (2) The cost to repair or replace with similar materials on the same site and used for the same purpose; or
 - (3) The amount you actually spend to repair or replace the damage or destroyed property. In the event of loss, the value of property will be determined as of the time of loss.

This provision does not apply to paragraph **b.** below.
 - b. The value of a lost or damaged part of an item that consists of several parts when it is complete is based on the value of only the lost or damaged part or the cost to repair or replace it.

Replacement cost valuation does not apply until the damaged or destroyed property is repaired or replaced. You may make a claim for actual cash value before repair or replacement takes place, and within 180 days after the loss for the replacement cost. Repair or replacement must take place within 180 days after the loss in order for replacement cost valuation to apply.

c. Replacement Cost coverage does not apply to:

(1) Personal property of others;

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

(2) Manuscripts; and/or

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

d. The cost of building repairs or replacement does not include the increased cost attributable to enforcement or 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.

e. "Stock" you have sold but not delivered. Such "stock" will be valued at selling price less discounts and expenses you otherwise would have had.

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

g. Tenant's Improvements and Betterments at:

(1) A proportion of you 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.

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

3. If Stated Value is designated in conjunction with a specific coverage on the Declarations Page, we will pay the limit indicated for that designated coverage.

10. GENERAL CONDITIONS

A. Cancellation

1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.

2. If we cancel this policy for nonpayment of premium, we will give you notice at least 10 days before the cancellation is effective. If we cancel this policy for any other reason, we will give you notice at least 30 days in advance of cancellation.

3. We will mail or deliver our notice 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.
4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
5. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.

B. Changes

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

C. Concealment, Misrepresentation Or Fraud

This policy is void in any case of fraud by you as it relates to this Coverage at any time. It is also void if you or any other insured, at any time, intentionally conceals or misrepresents a material fact concerning this policy, the Covered Property, your interest in the Covered Property, or a claim under this policy.

D. Conformity With Statute

When a condition of this coverage is in conflict with an applicable law, that condition is amended to conform to that law.

E. 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 one year afterward.

F. Excess Insurance

You may have excess insurance over the Limits of Insurance stated in this policy. Such excess insurance, if any, will not reduce any liability under this policy.

G. 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 make insurance inspections, surveys, reports or recommendations.

- 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.

H. 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.

I. Legal Action Against Us

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

- There has been full compliance with all the terms of this policy; and
- The action is brought within 2 years after you first have knowledge of the direct loss or damage.

J. No Benefit To Bailee

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

K. Other Insurance

- You may have other insurance subject to the same plan, terms, conditions and provisions as the insurance under this Policy. 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 Policy bears to the Limits of Insurance of all insurance covering on the same basis.
- 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.

L. Policy Period

We pay for a covered loss that occurs during the policy period.

M. Premiums

The first Named Insured shown in the Declarations:

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

N. Records And Inventory

You must keep accurate books, records and accounts which include detailed and itemized inventory records of all Covered Property. Physical inventory must be taken periodically at intervals of not more than 12 months apart.

O. Territorial Limits

We cover property while in the United States of America, the District of Columbia, its territories and possessions, Canada, and Puerto Rico.

P. Transfer Of Rights Of Recovery Against Others To Us

If we pay for a loss, we may require you to assign to us your right of recovery against others. You must do all that is necessary to secure our rights. We will not pay for a loss if you impair this right to recover. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.

Q. Transfer Of Your Rights And Duties Under This Policy

You may not transfer your rights and duties under this policy 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.

11. DEFINITION

- A.** "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.
- B.** "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. It also includes any material which after its release, dispersal or discharge, can cause or threaten damage to human health and/or human welfare, or causes or threatens damage, deterioration, loss of value, marketability and/or loss of use, to insured property; including, but not limited to bacteria, fungi, virus, or hazardous substances as listed in the Federal Pollution Control Act, Clean Air Act, Resource Conservation and Recovery Act of 1976 and/or Toxic Substances Control Act or as designated by the U.S. Environmental Protection Agency.
- C.** "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.

In Witness Whereof, we have caused this policy to be executed and attested, and, if required by state law, this policy shall not be valid unless countersigned by our authorized representative.

— *John M. Stephenson* —
Corporate Secretary

— *MJ Stone* —
President & COO

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ORDINANCE OR LAW COVERAGE

**Coverage A, Loss To Undamaged Portion
Of Building Limit Of Insurance**

\$Included _____

**Coverage B, Demolition
Cost Limit Of Insurance**

\$See CPR2147 _____

**Coverage C, Increased Cost Of
Construction Limit Of Insurance**

\$See CPR2147 _____

These Limits Of Insurance do not increase the Per Occurrence Loss Limit, as stated in the Declarations, and apply to all locations unless specified below:

A. Coverage

Each Coverage – Coverage **A**, Coverage **B** and Coverage **C** – is provided under this endorsement only if that Coverage(s) is indicated by entry in the above limits section and then only with respect to the building(s) identified for that Coverage(s).

The Coverage(s) provided by this endorsement applies only if both **A.1.** and **A.2.** are satisfied and are then subject to the qualifications set forth in **A.3.**

1. The ordinance or law:

- a.** Regulates the demolition, construction or repair of buildings, or establishes zoning or land use requirements at the described premises; and
- b.** Is in force at the time of loss.

But coverage under this endorsement applies only in response to the minimum requirements of the ordinance or law. Losses and costs incurred in complying with recommended actions or standards that exceed actual requirements are not covered under this endorsement.

- 2.**
- a.** The building sustains direct physical damage that is covered under this policy and as a direct result of such covered damage, you are required to comply with the ordinance or law; or
 - b.** The building sustains both direct physical damage that is covered under this policy and direct physical damage that is not covered under this policy, and as a direct result of the building damage in its entirety, you are required to comply with the ordinance or law.
 - c.** But if the building sustains direct physical damage that is not covered under this policy, and such damage is the subject of the ordinance or law, then there is no coverage under this endorsement even if the building has also sustained covered direct physical damage.
- 3.** In the situation described in **A.2.b.** above, we will not pay the full amount of loss otherwise payable under the terms of Coverages **A**, **B**, and/or **C** of this endorsement. Instead, we will pay a proportion of such loss, meaning the proportion that the covered direct physical damage bears to the total direct physical damage.

However, if the covered direct physical damage, alone, would have resulted in a requirement to comply with the ordinance or law, then we will pay the full amount of loss otherwise payable under the terms of Coverages **A**, **B** and/or **C** of this endorsement.

B. We will not pay under Coverage **A**, **B** or **C** of this endorsement for:

1. Enforcement of or compliance with any ordinance or law which requires the 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
2. The costs associated with the enforcement of or compliance with any 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.

C. Coverage **A** – Coverage For Loss To The Undamaged Portion Of The Building.

With respect to the building that has sustained covered direct physical damage, we will pay under Coverage **A** for the loss to the undamaged portion of the building as a consequence of a requirement to comply with an ordinance or law that requires demolition of undamaged parts of the same building.

Coverage **A** is included within the Limit Of Insurance applicable to the covered property shown in the Declarations. This is not additional insurance.

D. Coverage **B** – Demolition Cost Coverage.

With respect to the building that has sustained covered direct physical damage, we will pay the cost to demolish and clear the site of undamaged parts of the same building as a consequence of a requirement to comply with an ordinance or law that requires demolition of such undamaged property.

Any coinsurance conditions do not apply to **Demolition Cost Coverage**.

E. Coverage **C** – Increased Cost Of Construction Coverage.

With respect to the building that has sustained covered direct physical damage, we will pay the increased cost to:

- (1) Repair or reconstruct damaged portions of that building caused by a covered peril; and/or
- (2) Reconstruct or remodel undamaged portions of that building, whether or not demolition is required;

when the increased cost is a consequence of a requirement to comply with the minimum standards of the ordinance or law.

However:

- (1) This coverage applies only if the restored or remodeled property is intended for similar occupancy as the current property, unless such occupancy is not permitted by zoning or land use ordinance or law.
- (2) We will not pay for the increased cost of construction if the building is not repaired, reconstructed or remodeled.

Any coinsurance Conditions do not apply to **Increased Cost of Construction**.

F. Loss Payment

1. All following loss payment provisions, **F.2.** through **F.4.**, are subject to the apportionment procedures set forth in Section **A.3.** of this endorsement.

2. When there is a loss to an undamaged portion of a building to which Coverage **A** applies, the loss payment for that building, including damaged and undamaged portions, will be determined as follows:
 - a. If the Replacement Cost Coverage Option applies and the property is being repaired or replaced, on the same or another premises, we will not pay more than the lesser of:
 - (1) The amount you actually spend to repair, rebuild or reconstruct the building, but not for more than the amount it would cost to restore the building on the same premises and to the same height, floor area, style and comparable quality of the original property insured; or
 - (2) The applicable Loss to Undamaged Portion of Building Limit of Insurance shown above; or
 - (3) The Limit Of Insurance applicable to the covered building or structure; or
 - (4) The values you provided to us for the specific property involved in the loss which were accepted by us prior to the loss.
 - b. If the Replacement Cost Coverage Option applies and the property is not repaired or replaced, or if the Replacement Cost Coverage Option does not apply, we will not pay more than the lesser of:
 - (1) The actual cash value of the building at the time of loss; or
 - (2) The Loss to Undamaged Portion of Building Limit of Insurance shown above; or
 - (3) The Limit Of Insurance shown in the Declarations as applicable to the covered building; or
 - (4) The values you provided to us for the specific property involved in the loss which were accepted by us prior to the loss.
3. We will not pay more under **Coverage B – Demolition Cost Coverage** than the lesser of the following:
 - a. The amount you actually spend to demolish and clear the site of the described premises; or
 - b. The applicable Demolition Cost Limit of Insurance shown in the Schedule above.
4. Under Coverage **C – Increased Cost of Construction Coverage**:
 - a. We will not pay:
 - (1) Until the property is actually repaired or replaced, at the same or another premises; and
 - (2) 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 or structure is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay is the lesser of:
 - (1) The increased cost of construction at the same premises; or
 - (2) The applicable Increased Cost of Construction Limit of Insurance shown in the Schedule above.
 - c. If the ordinance or law at the time of loss requires relocation to another premises, the most we will pay is the lesser of:
 - (1) The increased cost of construction at the new premises; or

(2) The applicable Increased Cost of Construction Limit of Insurance shown in the Schedule above; or

(3) Limit shown in the Declarations.

- G. Under this endorsement we will not pay for loss due to any ordinance or law that you were required to comply with before the loss, even if the building was undamaged. Ordinance or law violations that exist independent of a covered cause of loss are not covered.
- H. The terms of this endorsement apply per occurrence and are a part of, and not in addition to, the Per Occurrence Loss

ALL OTHER TERMS AND CONDITIONS OF THIS POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ASBESTOS EXCLUSION

It is agreed that this policy does not insure against loss or damage arising from asbestos material, including but not limited to costs or expenses incurred by the Insured as a result of any of the following:

- (1)** asbestos material removal, containment, or other abatement;
- (2)** demolition or increased cost of construction, repair, debris removal, or loss of use necessitated by the enforcement of any law or ordinance regulating asbestos material; and/or
- (3)** any governmental direction or request declaring that such asbestos material present in or part of or utilized on any undamaged portion of the insured's property can no longer be used for the purpose for which it was intended or installed and must be removed or modified;

Nor does any coverage provided by this policy apply to payment for the investigation or defense of any loss, damage or any cost, loss of use expense, fine or penalty or for any expense or claim or suit related to any of the above.

ALL OTHER TERMS AND CONDITIONS OF THIS POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LIMITATION OF LIABILITY ENDORSEMENT

The following special terms and conditions apply to this policy:

- A.** The Limit of Insurance or amount of insurance shown in the Declarations page of this policy is a limit or amount per occurrence, except for "earthquake" and "flood," if covered, where an annual aggregate applies. We will not pay more than this limit or amount in one disaster, casualty, or event, no matter how many locations are involved.
- B.** The premium for this policy is based on the schedule or statement of values on file with us or attached to this policy. If there is a loss under this policy, we will not pay more than the least of the following:
 - 1.** The actual adjusted amount of loss, minus the deductible(s) that applies;
 - 2.** The Limit of Insurance or amount of insurance per occurrence shown in the Declarations page of this policy or endorsed onto this policy; or
 - 3.** The stated value for the specific property involved in the loss as shown on the latest statement of values on file with us, minus the deductible(s) that applies.

ALL OTHER TERMS AND CONDITIONS OF THIS POLICY REMAIN UNCHANGED.

EXCLUSION OF CERTAIN COMPUTER RELATED LOSSES

THIS ENDORSEMENT MODIFIES INSURANCE PROVIDED. PLEASE READ IT CAREFULLY.

- A.** We will not pay for loss or damage, whether direct or indirect, to "electronic data processing equipment":
1. Arising from "computer virus" and/or "computer hacking";
 2. Caused by the transfer or delivery of covered property from a covered location or your computer to a person or place outside of a covered location on the basis of unauthorized or fraudulent instructions, including but not limited to instructions transmitted by a computer, whether or not owned by you, or via any telecommunications transmission method;
 3. Arising from costs to research, replace or restore the information contained on electronic or magnetic media;
 4. Arising from electrical disturbance including electrical or magnetic damage, disturbance of electronic recordings, or erasure of electronic recordings;
 5. Arising from power supply disturbance including interruption of power supply, power surge, blackout, or brownout;
 6. During the period when your business is interrupted as a result of loss to your web site operation whether or not maintained or operated by you and whether or not located at the described premises;
 7. Arising from the failure, malfunction or inadequacy of:
 - a. Such "electronic data processing equipment" whether belonging to you or to others;
 - b. Any products, and any services, data or functions that directly or indirectly use or rely on, in any manner, such "electronic data processing equipment" 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; and/or
 8. Arising from any advice, consultation, design, evaluation, inspection, installation, maintenance, repair, replacement or supervision provided or done by you or for you to determine, rectify or test for, any potential or actual problems described in this endorsement.

Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage.

- B.** However, if direct physical loss or damage from a covered peril results, then subject to all of its terms and conditions, we will only pay for the resulting direct physical loss or damage.
- C.** Claims for resulting physical loss or damage at multiple locations will constitute a separate occurrence at each location.

D. DEFINITIONS

1. "Computer virus" means the introduction into a computer of any self-replicating electronic data processing code or other code that is intended to:
 - a. Result in the deletion, destruction, generation, or modification of data;

- b.** Alter, contaminate, corrupt, degrade, or destroy the integrity, quality, or performance of data;
 - c.** Damage, destroy, or cause malfunction, inadequacy, degradation, or corruption of any hardware or processing, recording, or storage media used with hardware; or
 - d.** Deny access to or services from your computer, your computer network or web site.
- 2.** "Computer hacking" means an unauthorized intrusion by an individual or group of individuals, whether employed by you or not, into a computer or computer network that can:
 - a.** Result in the deletion, destruction, generation, or modification of data;
 - b.** Alter, contaminate, corrupt, degrade, or destroy the integrity, quality, or performance of data;
 - c.** Result in the scanning or copying of data;
 - d.** Cause damage, destruction, inadequacy, malfunction, degradation, or corruption of any hardware or processing, recording, or storage media used with hardware; or
 - e.** Result in the denial of access to or denial of services from your computer, your computer network, or web site.
- 3.** "Electronic data processing equipment" includes the following items:
 - a.** Computer hardware, including microprocessors;
 - b.** Computer application software;
 - c.** Computer operating systems and related software;
 - d.** Computer networks;
 - e.** Microprocessors (computer chips) not part of any computer system;
 - f.** Any other computerized or electronic equipment or components; or
 - g.** 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 items **a.** through **f.** above. This includes any advice, consultation, design, evaluation, inspection, installation, maintenance, repair, replacement or supervision provided or done by you or for you to determine, rectify or test for, any potential problems with items listed in **a.** through **f.** above.

ALL OTHER TERMS AND CONDITIONS OF THIS POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FLORIDA CHANGES - RESIDENTIAL CONDOMINIUM ASSOCIATIONS

In Section **2. COVERED PROPERTY**, parts **A. Building And Structures** and **B. Business Personal Property** are replaced by the following:

A. Building And Structures, meaning:

1. Building, which is the building or structure described in the Declarations, including:
 - a. Additions, alterations and repairs;
 - b. Fixtures, outside of individual units, including outdoor fixtures;
 - c. Permanently installed:
 - (1) Machinery; and
 - (2) Equipment;
 - d. Personal property owned by you that is used to maintain or service the building or structure or its premises, including:
 - (1) Fire extinguishing equipment;
 - (2) Outdoor furniture;
 - (3) Floor coverings; and
 - (4) Appliances used for refrigerating, ventilating, cooking, dishwashing or laundering that are not contained within individual units;
 - e. If not covered by other insurance, materials, equipment, supplies and temporary structures, on or within one hundred (100) feet of the described premises, used for making additions, alterations or repairs to the building or structure;
 - f. Air conditioning and heating equipment, including air conditioning compressors, used to service the building or structure including individual units and limited common elements;
 - g. Any other portion of the condominium property located outside of individual units; and
 - h. Additional property as described in the Schedule or in the Declarations.
2. But Building does not include:
 - a. Any personal property within individual units or limited common elements except as provided in Paragraph **A.1.f.** of this endorsement;
 - b. Floor coverings, wall coverings and ceiling coverings within individual units or limited common elements;

- c. Electrical fixtures, water heaters, water filters, window treatments, including curtains, drapes, blinds, hardware and similar window treatment components, and built-in cabinets and countertops which are located within an individual unit or limited common elements;
 - d. Any of the following types of property contained inside individual units:
 - (1) Fixtures, installations, additions, improvements and alterations that are a part of the building or structure; and
 - (2) Appliances, such as those used for refrigerating, ventilating, cooking, dishwashing, laundering, security or housekeeping;
 - e. Improvements or additions to the condominium property that benefit fewer than all unit-owners, unless otherwise endorsed to the policy.
3. With respect to the coverage provided under this Coverage Form, such coverage will be provided for all portions of the condominium property as originally installed or replacement of like kind and quality, in accordance with the original plans and specifications.
4. With respect to Replacement Cost coverage as provided under this Coverage Form, the property described in Paragraph A.1.f. of this endorsement is not considered to be the personal property of others.
- B. Your Business Personal Property** located in or on the building described in the Declarations or in the open (or in a vehicle) within one hundred (100) feet of the described premises, consisting of the following:
- 1. Personal property owned by you or owned indivisibly by all unit-owners;
 - 2. Your interest in the labor, materials or services furnished or arranged by you on personal property of others;
 - 3. Leased personal property for which you have a contractual responsibility to insure, unless otherwise provided for under Personal Property Of Others.

But Your Business Personal Property does not include personal property owned only by a unit-owner.

ALL OTHER TERMS AND CONDITIONS OF THIS POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MINIMUM EARNED PREMIUM ENDORSEMENT

This endorsement changes Cancellation conditions elsewhere in the policy as follows:

If you cancel this policy, the earned premium will be calculated as follows:

- (1)** If the abbreviated term provides coverage for less than 50 days during the period June 1 through November 1, the premium earned for the policy term will be calculated as per the policy Cancellation terms but subject to a minimum earned premium of 35% of the annual policy premium or \$10,570, whichever is greater.
- (2)** If the abbreviated term provides coverage for 50 or more days during the period June 1 through November 1, the premium earned for the policy term will be calculated as per the policy Cancellation terms but subject to a minimum earned premium of 100% of the annual policy premium or \$30,200, whichever is greater.

ALL OTHER TERMS AND CONDITIONS OF THIS POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NON-PAYMENT OF PREMIUM

Your failure to make a timely payment of any premium due either at inception of this policy or for any subsequent endorsement will be considered a request by you to us to cancel the policy.

If we cancel for non-payment of premium, the minimum earned premium, as determined by the Minimum Earned Premium Endorsement included in this policy, will be immediately due and payable.

At our discretion, we may consider reinstating coverage if you pay us the full amount of premium due prior to the effective date of cancellation.

However, payment of overdue premium by you will not guarantee the reinstatement of coverage. Should we decide not to reinstate coverage, any unearned premium will be refunded accordingly.

ALL OTHER TERMS AND CONDITIONS OF THIS POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NUCLEAR, BIOLOGICAL, CHEMICAL OR RADIOACTIVE EXCLUSION

We will not pay for loss, damage, cost, or expense directly or indirectly from:

- 1)** The use or threatened use of nuclear, biological, chemical, radioactive substances or the like, however caused.
- 2)** The accidental discharge of nuclear, biological, chemical, radioactive substances or the like, however caused.

ALL OTHER TERMS AND CONDITIONS OF THIS POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF COSMETIC DAMAGE TO ROOF SURFACING

- A.** The following applies with respect to loss or damage by wind and/or hail to any building and/or structure covered under this policy unless otherwise indicated below:

We will not pay for cosmetic damage to roof surfacing caused by wind and/or hail.

For the purpose of this endorsement:

- 1.** Cosmetic damage means that the wind and/or hail caused marring, pitting or other superficial damage that altered the appearance of the roof surfacing, but such damage does not prevent the roof from continuing to function as a barrier to entrance of the elements to the same extent as it did before the cosmetic damage occurred.
- 2.** Roof surfacing refers to the shingles, tiles, cladding, metal or synthetic sheeting or similar materials covering the roof and includes all materials used in securing the roof surface and all materials applied to or under the roof surface for moisture protection, as well as roof flashing.

Exceptions to the above are as follows:

ALL OTHER TERMS AND CONDITIONS OF THIS POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NAMED STORM DEFINITION

The following definition is added to this policy:

“Named storm” means a weather-related event involving wind that has been assigned a formal name by the National Hurricane Center, National Weather Service, World Meteorological Organization or Central Pacific Hurricane Center. The term “named storm” includes any organized weather system with a defined surface circulation that has maximum sustained wind speeds of at least 39 miles per hour including tropical storms, hurricanes, tropical cyclones, typhoons and all resultant atmospheric disturbance and weather phenomena. Under the terms of this definition, a “named storm” begins at the time a warning is issued for the area in which the affected property is located and ends 24 hours after the termination of the last watch or warning issued for that area by one of the above referenced entities.

ALL OTHER TERMS AND CONDITIONS OF THIS POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WINDSTORM OR HAIL LOSS REPORTING LIMITATION ADDENDUM

Regardless of anything to the contrary in the policy to which this endorsement is attached, the following limitations apply in reference to reporting of claims under this policy:

- 1.** With respect to loss or damage caused by windstorm or hail, including any named storm, any claim must be filed with us not later than one year after the date of the loss or damage that is the subject of the claim, except that a claim may be filed after the first anniversary of the date of the loss or damage for good cause shown by the person filing the claim; and
- 2.** Any legal action brought against us under the policy for loss or damage caused by windstorm or hail must be brought within the earlier of the following:
 - a.** Two years and one day from the date we accept or reject the claim; or
 - b.** Three years and one day from the date of the loss or damage that is the subject of the claim.

ALL OTHER TERMS AND CONDITIONS OF THIS POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SANCTION LIMITATION AND EXCLUSION CLAUSE

No (re)insurer shall be deemed to provide cover and no (re)insurer shall be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose that (re)insurer to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SEVERAL LIABILITY CLAUSE

PLEASE READ CAREFULLY – This affects your Insurers' participation in your policy.

The liability of an insurer under this contract is several and not joint with other insurers party to this contract. An insurer is liable only for the proportion of liability it has underwritten. An insurer is not jointly liable for the proportion of liability underwritten by any other insurer. Nor is an insurer otherwise responsible for any liability of any other insurer that may underwrite this contract.

The proportion of liability under this contract underwritten by an insurer (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of the syndicate taken together) is shown in this contract.

In the case of a Lloyd's syndicate, each member of the syndicate (rather than the syndicate itself) is an insurer. Each member has underwritten a proportion of the total shown for the syndicate (that total itself being the total of the proportions underwritten by all the members of the syndicate taken together). The liability of each member of the syndicate is several and not joint with other members. A member is liable only for that member's proportion. A member is not jointly liable for any other member's proportion. Nor is any member otherwise responsible for any liability of any other insurer that may underwrite this contract. The business address of each member is Lloyd's, One Lime Street, London EC3M 7HA. The identity of each member of a Lloyd's syndicate and their respective proportion may be obtained by writing to Market Services, Lloyd's, at the above address.

Although reference is made at various points in this clause to "this contract" in the singular, where the circumstances so require this should be read as a reference to contracts in the plural.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

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

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

It is further agreed that service of process in such suit may be made upon

Messrs, Mendes & Mount
750 Seventh Avenue
New York, New York 10019-6829
USA

and that in any suit instituted against any one of them upon this contract, Underwriters will abide by the final decision of such Court or of any Appellate Court in the event of an appeal.

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

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

RLI Underwriting Services, Inc.

Peoria, Illinois 61615

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SERVICE OF SUIT ENDORSEMENT

It is understood and agreed that in the event of the failure of the Company to pay any amount claimed to be due hereunder, the Company, at the request of the Named Insured, will submit to the jurisdiction of a court of competent jurisdiction within the United States of America. The foregoing shall not constitute a waiver of the right of the Company to remove, remand or transfer such suit to any other court of competent jurisdiction in accordance with the applicable statutes of the state or United States pertinent hereto. In any suit instituted against them upon this contract, the Company will abide by the final decision of such court or of any appellate court in the event of an appeal.

It is further agreed that service of process in such suit may be made upon the Superintendent, Commissioner, or Director of Insurance or other person specified for that purpose in the statute or his successor or successors in office as their true and lawful attorney upon whom may be served any lawful process in any action, suit, or proceeding instituted by or on behalf of the Named Insured or any beneficiary hereunder arising out of this contract of insurance.

The Company hereby designates Craig W. Kliethermes, President,

RLI Underwriting Services, Inc.

9025 N. Lindbergh Drive, Peoria, Illinois 61615 as the person to whom the said Superintendent, Commissioner, or Director of Insurance is authorized to mail such process or a true copy thereof, in compliance with the applicable statutes governing said service of process in the state or jurisdiction in which a cause of action under this contract of insurance arises.

ALL OTHER TERMS AND CONDITIONS OF THIS POLICY REMAIN UNCHANGED.

9025 N. Lindbergh Drive
Peoria, Illinois 61615

ATTENTION POLICYHOLDER

KEEP THIS NOTICE WITH YOUR INSURANCE PAPERS

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, incomplete, or misleading information, or conceals information concerning any material fact thereto, commits a fraudulent insurance act, which is a crime punishable by incarceration, and shall also be subject to civil penalties.



RLI Underwriting Services, Inc.
Peoria, Illinois 61615

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