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RESOLUTION NO. 08-15

A RESOLUTION OF THE MAYOR AND VILLAGE COUNCIL OF THE VILLAGE OF PALMETTO BAY, FLORIDA RELATED TO INSURANCE; APPROVING THE REQUIRED INSURANCE POLICIES FOR THE LIBRARY PROJECT; AUTHORIZING THE VILLAGE MANAGER TO EXECUTE THE REQUIRED DOCUMENTS ON BEHALF OF THE VILLAGE AND DISBURSE FUNDING TO THE APPLICATION INSURANCE AGENCIES; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Village Council adopted Resolution No. 04-45 in June of 2004 approving the partnership with Miami-Dade County to construct a neighborhood library within the Village of Palmetto Bay; and

WHEREAS, the Village Council recently approved the construction contract for the library and community room project with A2 Group, Inc., authorizing the Village Manager to accept the proposed Guaranteed Maximum Price and begin the construction phase of the project; and,

WHEREAS, before construction may commence, the Village must first secure the required insurance policies to protect the Village from any potential liability, including a Builder's Risk policy, Windstorm policy, Flood policy, and Excess Flood policy; and,

WHEREAS, the Village was able to attain these policies through the Florida League of Cities at a very competitive rate; and,

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND VILLAGE COUNCIL OF THE VILLAGE OF PALMETTO BAY, FLORIDA, AS FOLLOWS:

Section 1. The attached insurance policies for Builder's Risk provided by Property Risk Services, Wind provided by Citizens Insurance Corporation, Flood provided by American Bankers Insurance Company of Florida, and Excess Flood provided by Lexington Insurance Company, attached hereto as reference and offered through the Florida League of Cities, Inc. are hereby approved.

Section 2. The Village Manager is authorized to execute said policies and disburse the following amounts for each:

Builder's Risk Policy- \$43,180.49
Wind Policy- \$13,320*

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Flood Policy- \$1,499
Excess Flood Policy- \$9,875.78

*The Village will be reimbursed the sum of \$7,403 from this policy premium

Section 3. This resolution shall take effect as of 10/1/07.

PASSED and ADOPTED this 4th day of February, 2008.

Attest: Meighan Rader
Meighan Rader
Village Clerk

Eugene P. Flinn, Jr.
Eugene P. Flinn, Jr.
Mayor

APPROVED AS TO FORM:

Paul Neidhart
Nagin, Gallop & Figueredo, P.A.
Village Attorney

FINAL VOTE AT ADOPTION:

Councilmember Ed Feller	<u>YES</u>
Councilmember Paul Neidhart	<u>YES</u>
Councilmember Shelley Stanczyk	<u>YES</u>
Vice Mayor Linda Robinson	<u>YES</u>
Mayor Eugene P. Flinn, Jr.	<u>YES</u>

11/05/2007
AMERICAN BANKERS INSURANCE COMPANY OF FLORIDA
 SCOTTSDALE AZ 85261-4337

ISSUE DATE 11/05/2007

NAMED INSURED AND MAILING ADDRESS

VILLAGE OF PALMETTO BAY
 8950 SW 152 STREET
 PALMETTO BAY FL 33157

AGENT'S NAME AND ADDRESS

FLORIDA LEAGUE OF CITIES, INC.
 PO BOX 530065
 ORLANDO FL 32853

POLICY TERM: 1 YEAR(S) INCEPTION: 11/16/2007 EXPIRATION: 11/16/2008

THESE DECLARATIONS ARE EFFECTIVE 11/16/2007 12:01 A.M. LOCAL TIME AT THE DESCRIBED LOCATION COVERED BY THIS POLICY LOCATED AT THE ABOVE MAILING ADDRESS, UNLESS OTHERWISE STATED BELOW.

17641 OLD CUTLER RD
 PALMETTO BAY FL 33157

RATING INFORMATION

CONSTRUCTION DATE: 01/01/2007	COMMUNITY NAME: MIAMI DADE COUNTY*
BUILDING DESCRIPTION: NON-RESIDENTIAL	COMMUNITY NO.: 1206350267J COMMUNITY RATING: 05
NO. OF FLOORS: ONE	PROGRAM STATUS: REGULAR RISK ZONE: X
BASEMENT/ENCLOSURE: NONE	CONDO TYPE: NOT A CONDO NO. OF UNITS: N/A
REPLACEMENT COST: 500,000	ELEVATED BUILDING: NO
CONTENTS LOCATION: N/A	

LOWEST FLOOR ELEVATION: N/A BASE FLOOD ELEVATION: N/A RATING ELEVATION: N/A

LIMITS OF LIABILITY	BUILDING CONTENTS	\$500,000	DEDUCTIBLE AMOUNTS	BUILDING CONTENTS	\$1,000
		NONE			N/A

RATES AND AMOUNT OF INSURANCE IN FORCE FOR BUILDING AND CONTENTS

TYPE OF COVERAGE	BASIC			ADDITIONAL			DEDUCTIBLE BUYBACK/DISC.	TOTAL PREMIUM
	AMT. OF INS.	RATE	PREMIUM	AMT. OF INS.	RATE	PREMIUM		
BUILDING	150,000 x	.67 =	\$1,005	350,000 x	.19 =	\$665	- \$42.00	\$1,628.00
CONTENTS	-----			-----			N/A	-----

PREMIUM SUBTOTAL	1,628.00
COVERAGE D (ICC)	4.00
CRS DISCOUNT	-163.00
FEDERAL POLICY FEE	30.00
TOTAL PAID PREMIUM	\$1,499.00

ENDORSEMENTS:
 ABIC:AB4

AGENCY NO. 7063420	PRODUCER NO.	AGENT PHONE NO. (407) 425-9142	PAYOR INSURED	COUNTERSIGNATURE
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AMERICAN BANKERS INSURANCE COMPANY OF FLORIDA

QUOTE DATE: 10/03/2007

FLOOD INSURANCE APPLICATION

USER: TMG3

APP NUMBER: AF71380406

POLICY TYPE: DIRECT BILL INSTRUCTIONS: REQUESTED POLICY PERIOD IS FROM 10/27/2007 TO 10/27/2008
 NEW (1) BILL INSURED WAITING PERIOD: Renewal/Rollover No wait LOAN CLOSING DATE N/A

ADDRESS OF LICENSED INSURANCE AGENT OR BROKER: FLORIDA LEAGUE OF CITIES, INC.
 P.O. BOX 530065
 ORLANDO FL 32853-0000
 NAME AND MAILING ADDRESS OF INSURED: VILLAGE OF PALMETTO BAY
 8950 SW 152 STREET
 PALMETTO BAY, FL 33157

AGENT PHONE NO. (407)425-9142
 AGENCY: 7063420 NEW AGENT:

IS INSURANCE REQUIRED FOR DISASTER ASSISTANCE? YES NO IF YES, CHECK THE GOV. AGENCY SBA FEMA FMHA
 CASE FILE NUMBER OR INSURED'S SSN OTHER SPECIFY: _____

NAME & ADDRESS OF 1ST MORTGAGEE LOAN NO: _____ IF SECOND MORTGAGEE, LOSS PAYEE OR OTHER IS TO BE BILLED, THE NAME AND ADDRESS MUST BE LISTED BELOW LOAN NO: _____

IS INSURED PROPERTY LOCATION SAME AS INSURED MAILING ADDRESS?
 YES NO IF NO, ENTER PROPERTY ADDRESS. IF RURAL, DESCRIBE
 17641 OLD CUTLER RD
 PALMETTO BAY, FL 33157-0000

COUNTY/PARISH DADE COUNTY LOCATED IN UNINCORPORATED AREA? (N) COMMUNITY PROGRAM TYPE IS: REGULAR
 COMMUNITY NO./PANEL NO. AND SUFFIX FOR PROPERTY 120635-0267 J IN A SPECIAL FLOOD HAZARD AREA? (N) FIRM ZONE X

BUILDING OCCUPANCY (4) NON-RESIDENTIAL	NON-SINGLE FAMILY # NO OF UNITS IS <u>0</u>	EST. REPLACEMENT COST AMOUNT <u>\$500,000</u>	DEDUCTIBLE <input checked="" type="checkbox"/> BUILDING <u>\$1,000</u> <input type="checkbox"/> CONTENTS	DESCRIBE BUILDING AND USE IF NOT A 1-4 FAMILY DWELLING. FOR MOBILE HOMES, COMPLETE PART II SECTION III.
BASEMENT/ENCL AREA (0) NONE	CONDO COVERAGE IS FOR <input type="checkbox"/> UNIT <input type="checkbox"/> ENTIRE BLDG	PRINCIPAL RESIDENCE? (N)	<input type="checkbox"/> CONTENTS	
SMALL BUSINESS RISK (N)	CONDO ASSOC. # OF UNITS <u>0</u> (INCLUDE NON-RES) <input type="checkbox"/> HIGHRISE <input type="checkbox"/> LOWRISE	BLDG IN CONSTRUCTION? <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO	IS BUILDING ELEVATED? (N) IF YES, AREA BELOW IS: <input type="checkbox"/> NO OBSTRUCTION <input type="checkbox"/> WITH OBSTRUCTION	
BUILDING TYPE/FLOORS (1) 1 FLOOR		PROPERTY OWNED BY STATE GOV <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO		

CONTENTS LOCATED IN:
 IS PERSONAL PROPERTY HOUSEHOLD CONTENTS? YES NO IF NO, DESCRIBE

DATE OF CONSTRUCTION 01/01/2007
 POST-FIRM CONSTRUCTION YES NO BUILDING DIAGRAM # ELEVATION CERTIFICATE DATE _____
 LOWEST FLOOR ELEV _____ (-) BASE FLOOD ELEV _____ (=) DIFF TO NEAREST FOOT _____ LOWEST ADJ GRADE (LAG) _____
 DOES BASE FLOOD ELEV INCLUDE EFFECTS OF WAVE ACTION? YES NO IS BUILDING FLOOD PROOFED? YES NO

COVERAGE REQUESTED BUILDING AND CONTENTS BUILDING ONLY CONTENTS ONLY

COVERAGE	BASIC LIMITS			ADDITIONAL LIMITS			TOTAL AMOUNT OF INSURANCE	DEDUCTIBLE DISCOUNT REDUCTION	TOTAL PREMIUM
	AMOUNT OF INSURANCE	RATE	ANNUAL PREMIUM	AMOUNT OF INSURANCE	RATE	ANNUAL PREMIUM			
BUILDING	150,000	.67	1,005.00	350,000	.19	665.00	500,000	-42.00	1,628.00
CONTENTS	0	.00	.00	0	.00	.00		.00	.00

RATE TYPE: (ONE BUILDING PER POLICY)
 MANUAL SUBMIT FOR RATE
 ALTERNATIVE V-ZONE RISK RATING FORM
 MPPP PROVISIONAL RATE

PAYMENT OPTION:
 CREDIT CARD
 OTHER:

ICC PREMIUM	4.00
ANNUAL SUBTOTAL	1,632.00
3 YEAR SUBTOTAL	.00
CRS PREMIUM DISCOUNT <u>10%</u>	163.00
EXPENSE CONSTANT	.00
FEDERAL POLICY FEE	30.00
PROBATION SURCHARGE	.00
TOTAL AMOUNT DUE	1,499.00

THE ABOVE STATEMENTS ARE CORRECT TO THE BEST OF MY KNOWLEDGE I UNDERSTAND THAT ANY FALSE STATEMENTS MAY BE PUNISHABLE BY FINE OR IMPRISONMENT UNDER APPLICABLE FEDERAL LAW.

SIGNATURE OF INSURANCE AGENT/BROKER _____ DATE (MM/DD/YY) _____ APP NUMBER: AF71380406

VILLAGE OF PALMETTO BAY

8950 SW 152ND ST
PALMETTO BAY, FL 33157-1901
(305) 259-1234

SOFISA BANK OF FLORIDA
MIAMI, FL 33178
63-1459/670

10/16/2007

American Bankers Insurance Co of FL

\$1,499.00

One Thousand Four Hundred Ninety-Nine and 00/100*****

DOLLARS

American Bankers Insurance Co of FL

Paul Adelt
Ron E. Adelt

MEMO Primary Flood Insurance

⑈000464⑈ ⑆067014592⑆ 18000596⑈

VILLAGE OF PALMETTO BAY

0464

American Bankers Insurance Co of FL

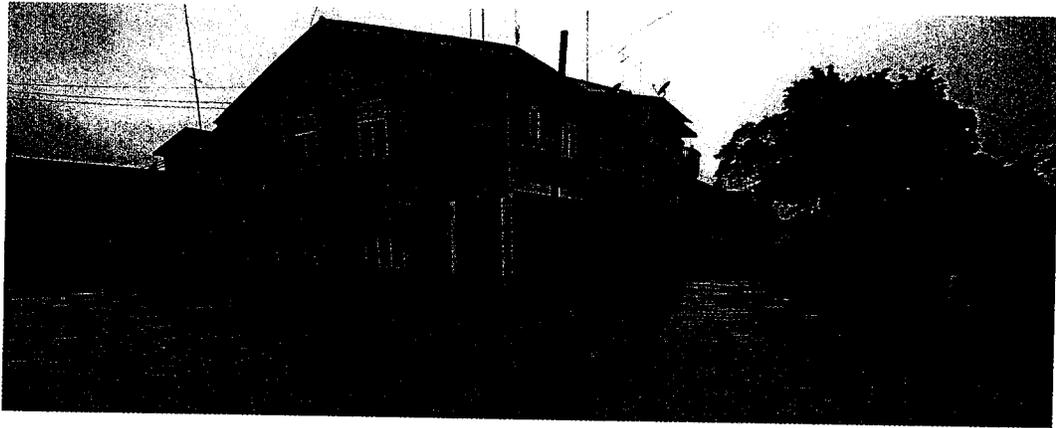
10/16/2007

Date	Type	Reference	Original Amt.	Balance Due	Discount	Payment
10/16/2007	Bill	Primary Flood Ins	1,499.00	1,499.00		1,499.00
				Check Amount		1,499.00

POOLED CASH - SO Primary Flood Insurance

1,499.00

SOUTHWEST BUSINESS CORPORATION



This Insurance is effected with Lexington Insurance Company, a member of AIG, Inc.

This Certificate is issued in accordance with the limited authorization granted to the Correspondent at Lexington Insurance Company whose names and the proportions underwritten by them can be ascertained from the office of said Correspondent (such Underwriters being hereinafter called "Underwriters") and in consideration of the premium specified herein, Underwriters do hereby bind themselves each for his own part, and not one for another, their heirs, executors, and administrators.

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

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

SOUTHWEST BUSINESS CORPORATION
9311 San Pedro, Suite 600
San Antonio, Texas 78216
866.679.5782 – FAX 210.477.7789

INSURED COPY



This Declaration Page is attached to and forms part of certificate provisions.

Authority Ref. No. **8299786**

Certificate No. **LEX0001850**

1 Name and Address
of the Assured:

**VILLAGE OF PALMETTO BAY
8950 SW 152 STREET
PALMETTO BAY, FL 33157**

First Mortgagee: Loan#

Property Address:
**17641 OLD CUTLER RD
PALMETTO, FL 33157**

Second Mortgagee:

2 Effective from **11/20/07** to **11/20/08** both days at 12:01 a.m. standard time

3 Insurance is effective with certain
Lexington Insurance Company

Percentage
100

4	Amount	Coverage	Premium
Building:	\$2,600,000	Excess Flood Coverage	\$9,743.00
Contents:	\$0	Excess Flood Coverage	\$0.00
BI/EE:	\$0		\$0.00

Renewal Discount:	\$0.00
TRIA Terrorism Coverage:	\$0.00
Total Premium:	\$9,743.00
Policy Fee:	\$35.00
Inspection Fee:	\$0.00
Stamping Fee:	\$0.00
FL Hurricane Catastrophe Fund Assessment Fee:	\$97.78
Surplus Lines Tax:	\$0.00
Grand Total:	\$9,875.78

NO FLAT CANCELLATION

"BUILDERS RISK PREMIUM FULLY EARNED"

SURPLUS LINES TAX & STAMPING FEE "EXEMPT"

5 Underlying Insurer: **AMERICAN BANKERS** Policy No: **AB00015247**
Coverage Limits: Building: **\$500,000** Contents: **\$0**

****Underlying policy must be written at maximum limits. ****

6 Special Conditions: Coverage subject to terms and conditions stipulated in forms and endorsements forming a part of this policy. Forms and endorsements which are made part of this policy at time of issue: Excess Flood Insurance Policy Form, Endorsements 1, 2, 3, 4, 5, 6, 9 and Lexington Insurance Company and SWBC Privacy Policy Statement.

7 Service of Suit may be made upon: Counsel, Legal Department, Lexington Insurance Company, 100 Summer Street, Boston, Massachusetts 02110

Notification of Claims to: Southwest Business Corp., San Antonio TX (800) 527-0066

8 Dated **NOVEMBER 20, 2007**

SL Broker: **lic # A034875**
MACNEIL GROUP INC
1300 SAWGRASS CORPORATE
PARKWAY STE 300
SUNRISE, FL 33323

Douglas W. Bullington

By Gary Dudley
Correspondent

Phone: **(954) 331-4800 EXT**

9 Agent:

FLORIDA LEAGUE OF CITIES INC #3420
125 EAST COLONIAL DR
ORLANDO, FL 32803

Michael P. Madden #A161987

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.

INSURED COPY

EXCESS FLOOD INSURANCE POLICY

In consideration of the payment of the premium specified in Item 4 of the Declaration Page attached hereto and subject to all of the provisions of this policy, we the Underwriters (hereinafter referred to as "we", "our" and "us") hereby agree with the Assured (hereinafter referred to as "you" and "your") as follows:

INSURING AGREEMENT

We will indemnify you against Loss to the property specified in Item 1 of the Declaration Page occurring during the policy period specified in Item 2 of the Declaration Page, provided that our liability shall not attach in any one occurrence until the amount of Loss exceeds the policy limits of the **Primary Flood Insurance** specified in Item 5 of the Declaration Page, and then we will pay only that portion of the Loss which is in excess of the policy limits of the **Primary Flood Insurance** up to our excess insurance limits specified in Item 4 of the Declaration Page. Unless a provision to the contrary appears in this policy or any endorsement hereto, all of the conditions, agreements, limitations, warranties, and exclusions of the **Primary Flood Insurance** will govern in determining the application of this policy to any claim submitted by you hereunder.

ARTICLE 1 - DEFINITIONS

"**Primary Flood Insurance**" shall mean the standard flood insurance policy described in Item 5 of the Declaration Page issued by the **Primary Flood Insurer** pursuant to the National Flood Insurance Act of 1968 and all laws amendatory thereof or supplementary thereto, and shall include all renewals and replacements thereof and endorsements thereto.

"**Primary Flood Insurer**" shall mean the insurance company issuing the Primary Insurance and any successor thereto.

"**Loss**" shall mean direct physical loss by or from flood for which coverage is afforded under the **Primary Flood Insurance** without regard to the policy limits of the **Primary Flood Insurance**.

ARTICLE 2 - CONDITIONS

1. **Maintenance of Primary Flood Insurance.** It is a condition of this policy that you maintain the Primary Flood Insurance in full effect and at the maximum available coverage limits during the period of this policy. You must notify us of any change or modification in the Primary Flood Insurance or in the premium thereunder, and we shall have the right to adjust the premium hereon accordingly. **Coverage afforded herein will cease if the Primary Flood Insurance lapses, is cancelled or is non-renewed.**

2. **Insolvency of Primary Flood Insurer.** The insolvency, receivership, bankruptcy, liquidation or failure to pay of the **Primary Flood Insurer** or any other insurer liable for Loss shall not operate to (a) reduce, deplete, or exhaust the policy limits of the **Primary Flood Insurance** or any other insurance applicable to such Loss, or (b) increase our liability under this policy. In no event shall our policy assume the responsibilities or obligations of the **Primary Flood Insurer** or any other insurer.

3. **Notification of Claims.** You shall give immediate advise to the person(s) or firm designated in Item 7 of the Declaration Page of any occurrence likely to give rise to a claim for Loss, whether or not such Loss will reach the limits of this policy. We shall have the right to adjust any Loss insured under this policy independent of any determination or settlement made by the **Primary Flood Insurer**.

4. **Salvage and Recoveries.** All salvages, recoveries, or payments recovered or received by you subsequent to a settlement under this policy shall be applied as if recovered or received prior to such settlement, and all necessary adjustments shall then be made between you and us.

5. **Subrogation.** If we make payment under this policy, we shall be subrogated to all your rights to recovery against any person or organization, and you shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. You shall do nothing before or after an occurrence giving rise to a Loss to prejudice such rights of recovery. Because this policy affords excess insurance, we recognize that your rights of recovery cannot always be exclusively subrogated to us, in which event we agree to cooperate with all interests concerned in the subrogation and recovery. For any amount(s) recovered, all interested parties (including you) will be reimbursed in reverse order, beginning with the highest limit of liability and continuing in such order until such recovery is exhausted. Expenses of obtaining such recovery shall be assessed proportionately to the amount recovered by each party (including you).

6. **Other Insurance.** If you have any other insurance (whether collectible or not) covering a Loss also covered by this policy, the insurance afforded by this policy shall be in excess of and shall not contribute with such other insurance unless such other insurance is written only as specific excess insurance over the limits of liability of this policy.

7. **Cancellation.** This insurance may be cancelled by you at any time upon your written request to our representative stating when such cancellation shall become effective or by us upon not less than thirty (30) days advance written notice to you. If this insurance is cancelled by you or cancelled by us at any time, we will refund to you the unearned portion of the premium hereon, determined on a pro rata basis, less the minimum premium specified in Item 4 of the Declaration Page. Any refund of premium as above provided shall be reduced by the amount of claims paid by us hereunder for Losses occurring prior to the effective date of cancellation. It is further understood that all fees stated on the Declaration Page of this policy shall be fully earned and are non-refundable.

8. **Radioactive Contamination Exclusion.** This policy does not cover any Loss or damage arising directly or indirectly from nuclear reaction, nuclear radiation, or radioactive contamination, however such nuclear reaction, nuclear radiation, or radioactive contamination may have been caused.

9. **War Exclusion.** This policy does not cover Loss or damage to the property insured occasioned by war, invasion, hostilities, acts of foreign enemies, civil war, rebellion, insurrection, military or usurped power or martial law or confiscation by order of any Government or public authority.

10. **Voidance.** In the event you or your agent have (i) sworn falsely or (ii) fraudulently or willfully concealed or misrepresented any material fact (including facts relevant to the rating of this policy) in the application for coverage, this entire policy shall be void as of the inception date of this policy.

11. **Property Inspections.** Certain property locations, as defined by us in the underwriting guidelines, must be inspected by an inspection service acceptable to us. If for any reason, for a period of 90 days after the insurance coverage is placed, such property does not meet the underwriting requirements determined by that inspection report, we will rescind any coverage placed back to the effective date of coverage. All premiums and fees paid with respect to such coverage will be refunded.

ATTACHING TO AND FORMING PART OF THIS CERTIFICATE

Effected with Lexington Insurance Company

TABLE OF CONTENTS

Endorsement 1	NMA 1331 Cancellation Clause
Endorsement 2	NMA 464 War and Civil Exclusion Clause NMA 1191 Radioactive Contamination Exclusion Clause NMA 2962 Biological or Chemical Materials Exclusion
Endorsement 3	LMA 5020 Service of Suit Clause (U.S.A.)
Endorsement 4	NMA 2340 Land, Water and Air Exclusion/ Seepage and/or Pollution and/or Contamination Exclusion/ Debris Removal Endorsement/Mold and Fungi Exclusion
Endorsement 5	NMA 2802 Electronic Data Recognition Exclusion (EDRE) NMA 2915 Electronic Data Endorsement B
Endorsement 6	NMA 2920 Terrorism Exclusion Endorsement

78052 Lexington Insurance Company Privacy Policy Statement
SWBC Privacy Policy Statement

ATTACHING TO AND FORMING PART OF THIS CERTIFICATE

Effected with Lexington Insurance Company

CANCELLATION CLAUSE

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

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

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

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

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

20/4/61
NMA 1331

ENDORSEMENT NO. 1

Effected with Lexington Insurance Company

WAR AND CIVIL WAR EXCLUSION CLAUSE

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

1/1/38
NMA 464

**RADIOACTIVE CONTAMINATION EXCLUSION CLAUSE -
PHYSICAL DAMAGE - DIRECT**

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

Note - If Fire is not an insured peril under this Policy, the words from "NEVERTHELESS" to the end of the clause do not apply and shall be disregarded.

7/5/59
NMA 1191

BIOLOGICAL OR CHEMICAL MATERIALS EXCLUSION

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

NMA 2962
06/02/03

ATTACHING TO AND FORMING PART OF THIS CERTIFICATE

Effected with Lexington Insurance Company

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

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

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

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

Counsel, Legal Department, Lexington Insurance Company
100 Summer Street, Boston, Massachusetts 02110

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.

LMA5020

ENDORSEMENT NO. 3

ATTACHING TO AND FORMING PART OF THIS CERTIFICATE

Effected with Lexington Insurance Company

U.S.A. & CANADA
LAND, WATER AND AIR EXCLUSION

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

SEEPAGE AND/OR POLLUTION AND/OR CONTAMINATION EXCLUSION

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

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

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

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

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

DEBRIS REMOVAL ENDORSEMENT

THIS ENDORSEMENT CONTAINS PROVISIONS WHICH MAY LIMIT OR PREVENT RECOVERY UNDER THIS POLICY FOR LOSS WHERE COSTS OR EXPENSES FOR DEBRIS REMOVAL ARE INCURRED.

Nothing contained in this Endorsement shall override any Seepage and/or Pollution and/or Contamination Exclusion or any Radioactive Contamination Exclusion or any other Exclusion applicable to this Policy.

Any provision within this Policy (or within any other Endorsement which forms part of this Policy) which insures debris removal is cancelled and replaced by the following:-

ENDORSEMENT NO. 4

ATTACHING TO AND FORMING PART OF THIS CERTIFICATE

Effected with Lexington Insurance Company

1. In the event of direct physical damage to or destruction of property, for which Underwriters hereon agree to pay, or which but for the application of a deductible or underlying amount they would agree to pay (hereinafter referred to as "Damage or Destruction"), this Policy also insures, within the Sum Insured, subject to the limitations and method of calculation below, and to all the other terms and conditions of the Policy, costs or expenses:

(a) which are reasonably and necessarily incurred by the Assured in the removal, from the premises of the Assured at which the Damage or Destruction occurred, of debris which results from the Damage or Destruction; and

(b) of which the Assured becomes aware and advises the amount thereof to Underwriters hereon within one year of the commencement of such Damage or Destruction.

2. In calculating the amount, if any, payable under this Policy for loss where costs or expenses for removal of debris are incurred by the Assured (subject to the limitations in paragraph 1. above):

(a) the maximum amount of such costs or expenses that can be included in the method of calculation set out in (b) below shall be the greater of US\$25,000 (twenty-five thousand dollars) or 10% (ten percent) of the amount of the Damage or Destruction from which such costs or expenses result; and

(b) the amount of such costs or expenses as limited in (a) above shall be added to:-

(i) the amount of the Damage or Destruction; and

(ii) all other amounts of loss, which arise as a result of the same occurrence, and for which Underwriters hereon also agree to pay, or which but for the application of a deductible or underlying amount they would agree to pay; and

the resulting sum shall be the amount to which any deductible or underlying amount to which this Policy is subject and the limit (or applicable sub-limit) of this Policy, shall be applied.

MOLD AND OTHER TYPES OF FUNGI EXCLUSION

Notwithstanding any other provision in this Policy, this insurance does not apply to:

any loss, damage, cost, claim, expense, bodily injury, medical payment, or liability of any nature directly or indirectly caused by, resulting from or in any way involving the actual, potential, suspected or alleged presence of any kind of mold, mildew or other fungi, or of any fungal byproduct. This exclusion shall apply regardless of any other cause or event that contributes concurrently or in sequence to any loss, damage, cost, claim, expense, bodily injury, medical payment or liability of any nature.

NMA 2340

ENDORSEMENT NO. 4

ATTACHING TO AND FORMING PART OF THIS CERTIFICATE

Effected with Lexington Insurance Company

COMPUTER VIRUS means a set of corrupting, harmful or otherwise unauthorised instructions or code including a set of maliciously introduced unauthorised instructions or code, programmatic or otherwise, that propagate themselves through a computer system or network of whatsoever nature. COMPUTER VIRUS includes but is not limited to 'Trojan Horses', 'worms' and 'time or logic bombs'.

- b) However, in the event that a peril listed below results from any of the matters described in paragraph (a) above, this Policy, subject to all its terms, conditions and exclusions, will cover physical damage occurring during the Policy period to property insured by this Policy directly caused by such listed peril.

Listed Perils

Fire
Explosion

2) **Electronic Data Processing Media Valuation**

Notwithstanding any provision to the contrary within the Policy or any endorsement thereto, it is understood and agreed as follows:-

Should electronic data processing media insured by this Policy suffer physical loss or damage insured by this Policy, then the basis of valuation shall be the cost of the blank media plus the costs of copying the ELECTRONIC DATA from back-up or from originals of a previous generation. These costs will not include research and engineering nor any costs of recreating, gathering or assembling such ELECTRONIC DATA. If the media is not repaired, replaced or restored the basis of valuation shall be the cost of the blank media. However this Policy does not insure any amount pertaining to the value of such ELECTRONIC DATA to the Assured or any other party, even if such ELECTRONIC DATA cannot be recreated, gathered or assembled.

NMA 2915

ENDORSEMENT NO. 5

ATTACHING TO AND FORMING PART OF THIS CERTIFICATE

Effected with Lexington Insurance Company

ELECTRONIC DATE RECOGNITION EXCLUSION (EDRE)

This policy does not cover any loss, damage, cost, claim or expense, whether preventative, remedial or otherwise, directly or indirectly arising out of or relating to:

- a) the calculation, comparison, differentiation, sequencing or processing of data involving the date change to the year 2000, or any other date change, including leap year calculations, by any computer system,
- b) hardware, programme or software and/or any microchip, integrated circuit or similar device in computer equipment or non-computer equipment, whether the property of the insured or not; or
- c) any change, alteration, or modification involving the date change to the year 2000, or any other date change, including leap year calculations, to any such computer system, hardware, programme or software and/or any microchip, integrated circuit or similar device in computer equipment or non-computer equipment, whether the property of the insured or not.

This clause applies regardless of any other cause or event that contributes concurrently or in any sequence to the loss, damage, cost, claim or expense.

All other terms and conditions of this Policy shall remain unchanged.

NMA 2802 EDRE

ELECTRONIC DATA ENDORSEMENT B

1) **Electronic Data Exclusion**

Notwithstanding any provision to the contrary within the Policy or any endorsement thereto, it is understood and agreed as follows:-

- a) This Policy does not insure loss, damage, destruction, distortion, erasure, corruption or alteration of ELECTRONIC DATA from any cause whatsoever (including but not limited to COMPUTER VIRUS) or loss of use, reduction in functionality, cost, expense of whatsoever nature resulting therefrom, regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

ELECTRONIC DATA means facts, concepts and information converted to a form useable for communications, interpretation or processing by electronic and electromechanical data processing or electronically controlled equipment and includes programmes, software and other coded instructions for the processing and manipulation of data or the direction and manipulation of such equipment.

ENDORSEMENT NO. 5

ATTACHING TO AND FORMING PART OF THIS CERTIFICATE

Effected with Lexington Insurance Company

TERRORISM EXCLUSION ENDORSEMENT

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

For the purpose of this endorsement an act of terrorism means an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organization(s) or governments(s), committed for political, religious, ideological, or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear.

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

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

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

All other terms and conditions of this policy shall remain unchanged.

NMA 2920

ENDORSEMENT NO. 6



Privacy Promise

SWBC will never sell its customer lists or nonpublic personal information to any third party.

SWBC respects your right to privacy, and we have always placed a high priority on protecting the personal information you provide us. We are proud of the trust our customers have placed in us to provide insurance, mortgage, investment and other financial services for over 25 years, to transact business honestly, with our customers' best interest at heart. SWBC collects and uses personal information for legitimate business purposes, and our Privacy Promise is to continue to protect your right to privacy.

SWBC agrees to maintain the confidentiality of personal consumer information solely for purposes of our Agreements, agrees that all confidential consumer information shall be held in strict confidence, using the same care as is used in handling its own confidential information, and agrees that it will not use such information to its own commercial advantage or in any other manner except in the performance of our Agreements.

Safeguarding Information

Information about you is safeguarded in a number of ways. We use transport data encryption and storage password technology for storage of data in a controlled and secure environment, to protect personal information about you. We also employ a variety of physical, electronic and procedural safeguards in areas containing nonpublic personal information and maintain on-site supervision of these areas. Some of the measures taken to ensure the security of information about you include:

- Secure facilities with access controls at public points of entry, as well as the use of security systems;
- Access to customer records is restricted to employees whom we determine need the information in order to provide products and services to you, such as underwriting, claims processing and policyholder service;
- Contractually requiring business partners to safeguard and prevent the unauthorized use of personal information;
- Protecting information through security-enhancing software such as virus and intrusion detection software, and secure technologies to safeguard transmission of information through our Web sites;
- Auditing company security practices.

Effected with Lexington Insurance Company

Information We May Collect

We collect and use information we believe is necessary to administer our business, to advise you about our products, and to provide you with products and services and with customer service. We may collect and maintain several types of customer information needed for these purposes:

- Information you provide to us on applications and other forms;
- Information from your transactions with us or our affiliates;
- Information from industry databases and marketing data providers;
- Information from consumer or credit reporting agencies.

The types of information we receive may include addresses, Social Security numbers, family information and financial information.

Disclosure of Information

SWBC will not share the nonpublic personal information of current or former customers with non-affiliated third parties except in these cases:

- As permitted by law. For example, providing information in response to a subpoena or to industry regulators, to law enforcement agencies, for fraud prevention, or to credit bureaus;
- With companies related to us by common control or ownership ("affiliates");
- With parties that assist SWBC in servicing your loan or account with us or provide services to you on our behalf, such as insurers, credit unions, banks, or investigators. It is SWBC's policy to include confidentiality and data protection provisions in the contracts we make with these companies. We provide them with the limited information they need to perform their services for SWBC;
- In entering joint marketing agreements with selected financial institutions such as insurance companies, credit unions, banks, automobile dealers, securities and investment companies and home mortgage companies, enabling SWBC to provide a wide array of products and services to our customers. For business purposes, the following types of personal information may be provided to them: information we receive from you such as name and address, and information about your account transactions with us, such as coverages and payment history. It is SWBC's policy to include confidentiality and data protection provisions in the contracts we make with these companies. We provide the limited information they need to perform their services.

This statement is made on behalf of the financial and non-financial service providers in the SWBC family of companies that offer auto, property and life insurance, mortgages, banking services, and investments: SWBC, SWBC Insurance Services Inc., Employees Life Insurance Company, SWBC Life Insurance Agency, Inc., SWBC Mortgage Corporation, Cotrak Insurance Service, Inc., Financial Services Acceptance Corporation, and SWBC Investment Company.

Effected with Lexington Insurance Company

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

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

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

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

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

LMA5053

ENDORSEMENT NO. 9

PRIVACY POLICY

Our Commitment to Privacy:

The AIG Companies (AIG) believe one of our most important assets is the trust consumers place in us to respect and properly handle nonpublic personal information received by us in connection with providing our products and services. To continue earning your trust and enhance the products and services offered to you, the companies listed below have adopted the following privacy policy to govern how we treat your nonpublic personal information including such information about our former customers.

It's important for you to know that this privacy policy applies only to the product or service you have just obtained or the insurance policy under which you are seeking or receiving benefits. As a worldwide leader in the delivery of financial products and services, we offer numerous products and services to many types of consumers and clients in different states and countries around the world. Therefore, the same company may have more than one privacy policy, each tailored to fit specific products and services.

Information We Collect:

We collect information about you that is necessary to tailor our products and services to meet your individual needs, provide effective customer service, and comply with legal requirements.

We may collect nonpublic personal information about you, from one or more of the following sources:

- Information we receive from you on applications or other forms;
- Information about your transactions with us, our affiliates or others;
- Information we receive from a consumer-reporting agency; and
- Information received in handling claims.

Sharing Information Within Our Family of Companies:

We may share some or all of the nonpublic personal information we collect with our affiliates—the members of the AIG family of companies (this includes any of the AIG Companies, not just the ones listed at the end of this document), unless such sharing of information is prohibited by law. In many cases, the information that is shared may be at your request or is necessary to administer, process or otherwise handle your transactions with us or settle a claim on your behalf. In addition, we may provide this information to our affiliates in order to offer you products and services in which you may be interested.

Our family of companies includes many insurance companies (e.g., auto, home, and life insurance), insurance claims handling companies, other financial institutions (e.g., savings bank), and non-financial institutions.

Sharing Information Outside the AIG Family:

Sometimes, we use companies or businesses outside the AIG family to administer, process, or otherwise handle your transactions with us, such as for claims handling or customer service. Other times, we may enter into contracts with nonaffiliated companies to perform services on our

behalf, such as marketing our products and services, or we may enter into joint marketing agreements with other financial institutions. In these and other circumstances permitted by law, we may share some or all of the information we collect above with these nonaffiliated third parties. However, whenever we utilize a nonaffiliated third party to provide these services, they are required to follow federal privacy laws governing this notice. We also may share information to combat fraud, in response to a court order, or at the request of government regulators.

Nonpublic Personal Health Information:

We will not disclose nonpublic personal health information about you without obtaining prior written authorization from you, except as permitted by applicable law or regulation.

Protecting and Safeguarding Your Information:

To help prevent unwarranted disclosure of your nonpublic information and secure it from theft, we utilize secure computer networks and restrict access to nonpublic personal information about you to those employees who need to know that information to provide products or services to you. In addition, we maintain physical, electronic, and procedural safeguards that comply with applicable laws and regulations to guard our customers' nonpublic personal information.

Maintaining Accurate Information:

We also maintain procedures to ensure that the information we collect is accurate, up-to-date, and as complete as possible. If you believe the information we have about you in our records or files is incomplete or inaccurate, you may request that we make additions or corrections, or if it is feasible, that we delete this information from our files. You may make this request in writing to (include your name, address and policy number):

Chief Privacy Officer
AIG - Domestic Brokerage Group
175 Water Street, 3rd Floor
New York, NY 10038

FAX: 212-785-9495

e-mail: DBG.Privacy@AIG.com

Special notice for customers who reside in any of the following states: Arizona, California, Connecticut, Georgia, Illinois, Kansas, Maine, Massachusetts, Minnesota, Montana, Nevada, New Jersey, North Carolina, Ohio, Oregon, Virginia or Wisconsin: You can obtain access to any nonpublic personal information we have about you if you properly identify yourself and submit a written request to us at the address above describing the information you want to review (include your name, address and policy number). Once we have received your request, and if the information is reasonably locatable and retrievable, we will, within 30 business days, take the following actions:

- *Inform you of the nature and substance of the recorded information;*
- *Allow you to see and copy, in person, such recorded personal information; or*

- *Send you a copy of the recorded personal information by mail (we may charge you a reasonable fee to cover the cost of this service).*

We will also tell you at this time the identity, if recorded, of persons to whom we have disclosed the nonpublic personal information within the preceding two years.

If you ask us to correct, amend or delete any information about you, we will, within 30 business days, either correct, amend or delete the nonpublic personal information in dispute or notify you of our refusal to take such action along with the reasons for our decision. If we make the correction, amendment or deletion you've requested, we will also notify you along with any person you designate who has received the information about you within the preceding two years, together with any insurance support organization(s) which provided us with the disputed information.

If we refuse to make the requested correction, amendment or deletion, you are permitted to file a concise statement setting forth what you think is the correct, relevant or fair information along with a statement of the reasons why you disagree with our refusal to correct, amend or delete the information subject to dispute. We will file your statement with the disputed personal information and make any person who reviews your file aware of your statement. We will also furnish your statement to any person who has received personal information from us within the two preceding years and any insurance support organization whose primary source of personal information is an insurer.

Important Information Concerning the Applicability and Future Changes to this Privacy Policy:

This privacy policy applies, with respect to nonpublic personal financial information, to the particular products or services you have just obtained, which are primarily for personal, family, or household purposes in the United States by the AIG Companies listed below, and it applies to all nonpublic personal health information these Companies may have. Although we may change this policy at any time, as it relates to the particular product or service, please rest assured that you will be notified of any changes as required by law.

This Policy Is Used by the Following AIG Companies:

AIG Hawaii Insurance Company, Inc.
AIG Casualty Company
AIU Insurance Company
American Home Assurance Company
American International Pacific Insurance Company
American International South Insurance Company
Audubon Indemnity Company
Audubon Insurance Company
Commerce and Industry Insurance Company
Granite State Insurance Company
Illinois National Insurance Co.
National Union Fire Insurance Company of Louisiana
National Union Fire Insurance Company of Pittsburgh, Pa.

New Hampshire Insurance Company
The Insurance Company of the State of Pennsylvania
American International Specialty Lines Insurance Company
American Pacific Insurance Company, Inc.
Landmark Insurance Company
Lexington Insurance Company
Starr Excess Liability Insurance Company Ltd
Agency Management Corporation
A.I. Risk Specialists Insurance, Inc.
A.I. Risk Specialists of Missouri, Inc.
American International Entertainment, Inc.
Eastern Risk Specialists, Inc.
Florida Risk Specialists, Inc.
The Gulf Agency, Inc.
Louisiana Risk Specialists, Inc.
Medical Excess Insurance Services, Inc.
Michigan Risk Specialists, Inc.
Midwestern Risk Specialists, Inc.
Nevada Risk Specialists, Inc.
New England Risk Specialists, Inc.
Northwestern Risk Specialists, Inc.
Risk Specialists Companies, Inc.
Risk Specialists Company (Bermuda), Ltd.
Risk Specialists Company of Colorado, Inc.
Risk Specialists Company of Kentucky, Inc.
Risk Specialists Company of Minnesota, Inc.
Risk Specialists Company of New Jersey, Inc.
Risk Specialists Company of New York, Inc.
Risk Specialists Company of Ohio, Inc.
Risk Specialists Company of the Carolinas, Inc.
Southeastern Risk Specialists, Inc.
Southern Risk Specialists, Inc.
Western Risk Specialists, Inc.
American International Surplus Lines Agency, Inc.
AIG Warranty Services and Insurance Agency, Inc.

and other member companies of the AIG family who sent you this privacy policy statement.



Confirmation of Property Insurance

THE TERMS AND CONDITIONS OF THIS CONFIRMATION MAY NOT COMPLY WITH THE SPECIFICATIONS SUBMITTED FOR CONSIDERATION. PLEASE READ THIS CONFIRMATION CAREFULLY AND REVIEW THE POLICY FORMS FOR THE ACTUAL COVERAGES PROVIDED.

Confirmation No. 2007-194

Named Insured: Village of Palmetto Bay
Insuring Company: Navigators Specialty Insurance Company - Non Admitted
Effective: 10/22/2007 - 10/22/2008
Policy No.: NY07ILM009896-00
Policy Limit: This company's maximum liability in anyone loss or disaster is \$3,100,000 per Occurrence

Builder's Risk per form 1M 7051 (Excluding Flood & Earthquake)

Project Description: Ground-up construction of Masonry Non-combustible building to be occupied as Public Library and Community Center

Location: 17641 Old Cutler Rd, Palmetto Bay, FL 33157

Limit: \$3,100,000 per occurrence (hard costs only)

Coverage Extensions: \$5,000 - Additional Debris Removal
10 days - Emergency Removal
\$15,000 - Limited Fungus Coverage

Supplemental Coverages: \$1,000 - Fire Department Service Charges
\$10,000 - Pollutant Cleanup And Removal
\$10,000 - Storage Locations
\$10,000 - Transit

Perils Covered: Risks of direct physical loss as per form

Deductible: \$5,000, except
Wind - Excess of \$1,000,000 Florida Citizens Wind Pool Limit plus
Citizens deductibles.

Valuation: RC

Coinsurance: 90%

Date of Issuance: 10/26/07

1 of 2

Melinda Carranza 10/26/07
Signature/Date



Confirmation of Property Insurance

THE TERMS AND CONDITIONS OF THIS CONFIRMATION MAY NOT COMPLY WITH THE SPECIFICATIONS SUBMITTED FOR CONSIDERATION. PLEASE READ THIS CONFIRMATION CAREFULLY AND REVIEW THE POLICY FORMS FOR THE ACTUAL COVERAGES PROVIDED.

Confirmation No. 2007-194

Premium: \$42,749 plus any applicable taxes/fees

Terrorism Premium: Rejected: 3% of the total Premium (Optional coverage)

Special Conditions: Subject to the following:
Completion of Navigators Builder's Risk Application
Minimum Earned Premium: 80%
Subject to the 12 month term. Extensions are not guaranteed; all extensions will be reviewed by underwriting at term expiration of policy, for acceptability of extension
Subject to Florida Citizens Wind Pool Coverage binding by 10/29/2007 and receipt of the Citizens policy.

Please be advised that premium payment is due to our office within 20 days of binding coverage.

Please be advised that upon binding coverage on an account that we sometimes are unable to obtain the dollar amounts of taxes &/or fees until the policy(ies) are actually issued.

We are notifying you that your office is responsible for advising your client(s) of possible taxes &/or fees being invoiced at a later date and the collection and payment of these taxes to PRS.

We will take the necessary steps to avoid this inconvenience, however sometimes these things are out of our control.

Date of Issuance: 10/26/07

2 of 2

Melinda Caruzzo 10/26/07
Signature/Date

BUILDERS' RISK COVERAGE SCHEDULED JOBSITE FORM

AGREEMENT

In return for "your" payment of the required premium, "we" provide the coverage described herein subject to all the "terms" of the Builders' Risk Coverage. This coverage is also subject to the "schedule of coverages" and additional policy conditions relating to assignment or transfer of rights or duties, cancellation, changes or modifications, inspections, and examination of books and records.

Endorsements and schedules may also apply. They are identified on the "schedule of coverages".

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

DEFINITIONS

1. The words "you" and "your" mean the persons or organizations named as the insured on the declarations.
2. The words "we", "us", and "our" mean the company providing this coverage.
3. "Earth movement" means any movement or vibration of the earth's surface (other than "sinkhole collapse") including but not limited to earthquake; landslide; mudflow; mudslide; mine subsidence; or sinking, rising, or shifting, of earth.
4. "Flood" means flood, surface water, waves, tidal water, or the overflow of a body of water, all whether driven by wind or not. This includes spray that results from these whether driven by wind or not.
5. "Fungus" means:
 - a. a fungus, including but not limited to mildew and mold;
 - b. a protist, including but not limited to algae and slime mold;
 - c. wet rot and dry rot;
 - d. a bacterium; or
 - e. a chemical, matter, or compound produced or released by a fungus, a protist, wet rot, dry rot, or a bacterium, including but not limited to toxins, spores, fragments, and metabolites such as microbial volatile organic compounds.
6. "Jobsite" means any location, project, or work site where "you" are in the process of constructing, erecting, or fabricating a building or structure.
7. "Limit" means the amount of coverage that applies.
8. "Pollutant" means:
 - a. any solid, liquid, gaseous, thermal, or radioactive irritant or contaminant, including acids, alkalis, chemicals, fumes, smoke, soot, vapor, and waste. Waste includes materials to be recycled, reclaimed, or reconditioned, as well as disposed of; and
 - b. electrical or magnetic emissions, whether visible or invisible, and sound emissions.
9. "Schedule of coverages" means:
 - a. all pages labeled schedule of coverages or schedules that pertain to this coverage; and
 - b. declarations or supplemental declarations that pertain to this coverage.

10. "Sinkhole collapse" means the sudden settlement or collapse of earth supporting the covered property into subterranean voids created by the action of water on a limestone or similar rock formation. It does not include the value of the land or the cost of filling sinkholes.

11. "Specified perils" means aircraft; civil commotion; explosion; falling objects; fire; hail; leakage from fire extinguishing equipment; lightning; riot; "sinkhole collapse"; smoke; sonic boom; vandalism; vehicles; "volcanic action"; water damage; weight of ice, snow, or sleet; and windstorm.

Falling objects does not include loss to:

- a. personal property in the open; or
- b. the interior of buildings or structures or to personal property inside buildings or structures unless the exterior of the roofs or walls are first damaged by a falling object.

Water damage means the sudden or accidental discharge or leakage of water or steam as a direct result of breaking or cracking of a part of the system or appliance containing the water or steam.

12. "Terms" means all provisions, limitations, exclusions, conditions, and definitions that apply.

13. "Volcanic action" means airborne volcanic blast or airborne shock waves; ash, dust, or particulate matter; or lava flow.

Volcanic action does not include the cost to remove ash, dust, or particulate matter that does not cause direct physical loss to the covered property.

PROPERTY COVERED

"We" cover the following property unless the property is excluded or subject to limitations.

Course Of Construction --

1. **Coverage** -- "We" cover direct physical loss caused by a covered peril to buildings and structures while in the course of construction, erection, or fabrication.

Buildings and structures in the course of construction is limited to:

- a. materials and supplies that will become a permanent part of the buildings or structures;
- b. foundations, excavations, grading, filling, attachments, permanent fencing, and other permanent fixtures;
- c. scaffolding, construction forms or temporary fencing at the described "jobsite"; and
- d. temporary structures at the described "jobsite".

2. **Coverage Limitation** -- "We" only cover buildings and structures in the course of construction at the "jobsite" described on the "schedule of coverages".

PROPERTY NOT COVERED

1. **Aircraft Or Watercraft** -- "We" do not cover aircraft or watercraft.

2. **Contraband** -- "We" do not cover contraband or property in the course of illegal transportation or trade.

3. **Land** -- "We" do not cover land including land on which covered property is located.
4. **Money And Securities** -- "We" do not cover accounts, bills, currency, food stamps, or other evidences of debt, lottery tickets not held for sale, money, notes, or securities.
5. **Standing Building Or Structure** -- "We" do not cover any:
 - a. standing building or structure;
 - b. part of a standing building or structure; or
 - c. standing building or structure to which additions, alterations, improvements, or repairs are being made.

A standing building or structure means any building or structure that has been wholly or partially constructed, erected, or fabricated. A standing building or structure also means any building or structure that is in the process of construction, erection, or fabrication at the inception of this policy.

6. **Trees, Shrubs, And Plants** -- "We" do not cover trees, shrubs, plants, or lawns.
7. **Vehicles** -- "We" do not cover automobiles or any self-propelled vehicles that are designed for highway use.
8. **Waterborne Property** -- "We" do not cover property while waterborne except while in transit in the custody of a carrier for hire.

COVERAGE EXTENSIONS

Provisions That Apply To Coverage Extensions -- The following Coverage Extensions indicate an applicable "limit". This "limit" may also be shown on the "schedule of coverages".

If a different "limit" is indicated on the "schedule of coverages", that "limit" will apply instead of the "limit" shown below.

However, if no "limit" is indicated for a Coverage Extension, coverage is provided up to the full "limit" for the applicable covered property unless a different "limit" is indicated on the "schedule of coverages".

Unless otherwise indicated, the coverages provided below are part of and not in addition to the applicable "limit" for coverage described under Property Covered.

The "limit" provided under a Coverage Extension cannot be combined or added to the "limit" for any other Coverage Extension or Supplemental Coverage including a Coverage Extension or Supplemental Coverage that is added to this policy by endorsement.

If coinsurance provisions are part of this policy, the following coverage extensions are not subject to and not considered in applying coinsurance conditions.

1. **Debris Removal** --

- a. **Coverage** -- "We" pay the cost to remove the debris of covered property that is caused by a covered peril.
- b. **We Do Not Cover** -- This coverage does not include costs to:
 - 1) extract "pollutants" from land or water; or
 - 2) remove, restore, or replace polluted land or water.
- c. **Limit** -- "We" do not pay any more under this coverage than 25% of the amount "we" pay for the direct physical loss. "We" will not pay more for loss to property and debris removal combined than the "limit" for the damaged property.
- d. **Additional Limit** -- "We" pay up to an additional \$5,000 for debris removal expense when the debris removal expense exceeds 25% of the amount "we" pay for direct physical loss or when the loss to property and debris removal combined exceeds the "limit" for the damaged property.

- e. **You Must Report Your Expenses** -- "We" do not pay any expenses unless they are reported to "us" in writing within 180 days from the date of direct physical loss to covered property.

2. **Emergency Removal** --

- a. **Coverage** -- "We" cover any direct physical loss to covered property while it is being moved or being stored to prevent a loss caused by a covered peril.
- b. **Time Limitation** -- This coverage applies for up to ten days after the property is first moved. Also, this coverage does not extend past the date on which this policy expires.

3. **Limited Fungus Coverage** --

- a. **Coverage** -- "We" pay for direct physical loss to covered property caused by or relating to the existence of or any activity of "fungus".
- b. **Coverage Limitation** -- "We" only cover loss caused by "fungus":
- 1) when the "fungus" is the result of:
 - a) a "specified peril" other than fire or lightning; or
 - b) "flood" (if the Flood Coverage is provided under this policy);that occurs during the policy period; and
 - 2) if all reasonable steps were taken to protect the property from additional damage at and after the time of the occurrence.
- c. **Limit** -- The most "we" pay for all losses at all buildings or structures is \$15,000, unless another "limit" is indicated on the "schedule of coverages". The Limited Fungus Limit applies regardless of the number of claims made.

The Limited Fungus Limit applies regardless of the number of locations or

buildings or structures insured under this policy.

The Limited Fungus Limit is the most that "we" pay for the total of all loss or damage arising out of all occurrences of "specified perils", other than fire or lightning, or "flood" (if applicable) during each separate 12-month period beginning with the inception date of this policy.

- d. **If The Policy Period Is Extended** -- If the policy period is extended for an additional period of less than 12 months, this additional period will be considered part of the preceding period for the purpose of determining the Limited Fungus Limit.

- e. **Recurrence And Continuation Of Fungus** -- Limited Fungus Limit is the most that "we" pay with respect to a specific occurrence of a loss which results in "fungus" even if such "fungus" recurs or continues to exist during this or any future policy period.

- f. **Limit Applies To Other Costs Or Expenses** -- Limited Fungus Limit also applies to any cost or expense to:

- 1) clean up, contain, treat, detoxify, or neutralize "fungus" on covered property or remove "fungus" from covered property;
- 2) remove and replace those parts of covered property necessary to gain access to "fungus"; and
- 3) test for the existence or level of "fungus" following the repair, replacement, restoration, or removal of damaged property if it is reasonable to believe that "fungus" is present.

- g. **Loss Not Caused By Fungus** -- If there is a covered loss or damage to covered property not caused by "fungus", loss payment will not be limited by the "terms" of this coverage extension. However, to the extent that "fungus" causes an increase in the loss, that increase is subject to the "terms" of this coverage extension.

The "limit" provided under a Supplemental Coverage cannot be combined or added to the "limit" for any other Supplemental Coverage or Coverage Extension including a Supplemental Coverage or Coverage Extension that is added to this policy by endorsement.

If coinsurance provisions are part of this policy, the following supplemental coverages are not subject to and not considered in applying coinsurance conditions.

SUPPLEMENTAL COVERAGES

Provisions That Apply To Supplemental Coverages -- The following Supplemental Coverages indicate an applicable "limit". This "limit" may also be shown on the "schedule of coverages".

If a different "limit" is indicated on the "schedule of coverages", that "limit" will apply instead of the "limit" shown below.

However, if no "limit" is indicated for a Supplemental Coverage, coverage is provided up to the full "limit" for the applicable covered property unless a different "limit" is indicated on the "schedule of coverages".

Unless otherwise indicated, a "limit" for a Supplemental Coverage provided below is separate from, and not part of, the applicable "limit" for coverage described under Property Covered.

The "limit" available for coverage described under a Supplemental Coverage:

- a. is the only "limit" available for the described coverage; and
- b. is not the sum of the "limit" indicated for a Supplemental Coverage and the "limit" for coverage described under Property Covered.

1. Fire Department Service Charges --

a. **Coverage** -- "We" cover "your" liability, assumed by contract or agreement prior to the loss, for fire department service charges. No deductible applies to this Supplemental Coverage.

b. **Coverage Limitations** -- "We" only pay for:

- 1) fire department service charges that relate to covered property; and
- 2) charges incurred when the fire department is called to save or protect covered property from a covered peril.

c. **Limit** -- The most "we" pay in any one occurrence for "your" liability for fire department service charges is \$1,000.

2. Pollutant Cleanup And Removal --

a. **Coverage** -- "We" pay "your" expense to extract "pollutants" from land or water if the discharge, dispersal, seepage, migration, release, or escape of the "pollutants" is caused by a covered peril that occurs during the policy period.

b. **Time Limitation** -- The expenses to extract "pollutants" are paid only if they are reported to "us" in writing within 180 days from the date the covered peril occurs.

- c. **We Do Not Cover** -- "We" do not pay the cost of testing, evaluating, observing, or recording the existence, level, or effects of "pollutants".

However, "we" pay the cost of testing which is necessary for the extraction of "pollutants" from land or water.

- d. **Limit** -- The most "we" pay for each location is \$10,000 for the sum of all such expenses arising out of a covered peril occurring during each separate 12-month period of this policy.

3. Storage Locations --

- a. **Coverage** -- "We" cover direct physical loss caused by a covered peril to materials and supplies that will become a permanent part of a covered building or structure while they are in storage at a location that is not described on the "schedule of coverages".

- b. **Limit** -- The most "we" pay in any one occurrence for loss to property at a storage location is \$10,000.

4. Transit --

- a. **Coverage** -- "We" cover direct physical loss caused by a covered peril to materials and supplies that will become a permanent part of a covered building or structure while in transit.

- b. **Limit** -- The most "we" pay in any one occurrence for loss to property in transit is \$10,000.

PERILS COVERED

"We" cover risks of direct physical loss unless the loss is limited or caused by a peril that is excluded.

PERILS EXCLUDED

1. "We" do not pay for loss or damage caused directly or indirectly by one or more of the following excluded causes or events. Such loss or damage is excluded regardless of other causes or events that contribute to or aggravate the loss, whether such causes or events act to produce the loss before, at the same time as, or after the excluded causes or events.

- a. **Civil Authority** -- "We" do not pay for loss caused by order of any civil authority, including seizure, confiscation, destruction, or quarantine of property.

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

- b. **Earth Movement Or Volcanic Eruption** -- "We" do not pay for loss caused by any "earth movement" (other than "sinkhole collapse") or caused by eruption, explosion, or effusion of a volcano.

"We" do cover direct loss by fire, explosion, or "volcanic action" resulting from either "earth movement" or eruption, explosion, or effusion of a volcano.

This exclusion does not apply to covered property while in transit.

- c. **Flood** -- "We" do not pay for loss caused by "flood".

"We" do cover direct loss by fire, explosion, or sprinkler leakage resulting from "flood".

This exclusion does not apply to covered property while in transit.

- d. **Fungus** -- Except as provided under Coverage Extensions - Limited Fungus Coverage, "we" do not pay for loss, cost, or expense caused by or relating to the existence of or any activity of "fungus".

But if "fungus" results in a "specified peril", we cover loss or damage caused by that "specified peril".

This exclusion does not apply to:

- 1) loss that results from fire or lightning; or
 - 2) collapse caused by hidden decay.
- e. **Nuclear Hazard** -- "We" do not pay for loss caused by or resulting from a nuclear reaction, nuclear radiation, or radioactive contamination (whether controlled or uncontrolled; whether caused by natural, accidental, or artificial means). Loss caused by nuclear hazard is not considered loss caused by fire, explosion, or smoke. Direct loss by fire resulting from the nuclear hazard is covered.
- f. **Ordinance Or Law** -- "We" do not pay for loss or increased cost caused by enforcement of any code, ordinance, or law regulating the use, construction, or repair of any building or structure; or requiring the demolition of any building or structure including the cost of removing its debris.

"We" do not pay for loss regardless if the loss is caused by or results from the:

- 1) enforcement of any code, ordinance, or law even if a building or structure has not been damaged; or
- 2) increased costs that "you" incur because of "your" compliance with a code, ordinance, or law during the construction, repair, rehabilitation, remodeling, or razing of a building or structure, including the removal of debris, following a direct physical loss to the property.

- g. **Penalties** -- "We" do not pay for loss caused by penalties for non-completion or non-compliance with any contract terms or conditions.

- h. **Sewer Backup And Water Below The Surface** -- "We" do not pay for loss caused by:

- 1) water that backs up through a sewer or drain; or
- 2) water below the surface of the ground, including but not limited to water that exerts pressure on or flows, seeps, or leaks through or into a covered building or structure.

"We" do cover direct loss by fire, explosion, or theft resulting from either water that backs up through a sewer or drain or water below the surface of the ground.

This exclusion does not apply to covered property while in transit.

- i. **War And Military Action** -- "We" do not pay for loss caused by:

- 1) war, including undeclared war or civil war; or
- 2) a warlike action by a military force, including action taken to prevent or defend against an actual or expected attack, by any government, sovereign, or other authority using military personnel or other agents; or
- 3) insurrection, rebellion, revolution, or unlawful seizure of power including action taken by governmental authority to prevent or defend against any of these.

With regard to any action that comes within the "terms" of this exclusion and involves nuclear reaction, nuclear radiation, or radioactive contamination, this War and Military Action Exclusion will apply in place of the Nuclear Hazard Exclusion.

2. "We" do not pay for loss or damage that is caused by or results from one or more of the following:

a. **Contamination Or Deterioration** – "We" do not pay for loss caused by contamination or deterioration including corrosion, decay, rust, or any quality, fault, or weakness in covered property that causes it to damage or destroy itself.

b. **Criminal, Fraudulent, Dishonest, Or Illegal Acts** – "We" do not pay for loss caused by or resulting from criminal, fraudulent, dishonest, or illegal acts committed alone or in collusion with another by:

- 1) "you";
- 2) others who have an interest in the property;
- 3) others to whom "you" entrust the property;
- 4) "your" partners, officers, directors, trustees, joint venturers, or "your" members or managers if "you" are a limited liability company; or
- 5) the employees or agents of 1), 2), 3), or 4) above, whether or not they are at work.

This exclusion does not apply to acts of destruction by "your" employees, but "we" do not pay for theft by employees.

This exclusion does not apply to covered property in the custody of a carrier for hire.

c. **Defects, Errors, And Omissions** – "We" do not pay for loss caused by an act, defect, error, or omission (negligent or not) relating to:

- 1) design or specifications; or
- 2) planning, zoning, development, siting, surveying, grading, or compaction.

But if an act, defect, error, or omission as described above results in a "specified peril", we do cover the loss or damage caused by that "specified peril".

d. **Electrical Currents** – "We" do not pay for loss caused by arcing or by electrical currents other than lightning.

But if arcing or electrical currents other than lightning result in a "specified peril", "we" do cover the loss or damage caused by that "specified peril".

e. **Explosion, Rupture, Or Bursting** – "We" do not pay for loss caused by explosion, rupture, or bursting of steam boilers, steam or gas turbines, steam pipes, or steam engines. This exclusion applies only to loss or damage to the steam boilers, steam or gas turbines, steam pipes, or steam engines in which the loss occurred.

f. **Freezing** – "We" do not pay for loss caused by water; other liquids; powder; or molten material that leaks or flows from plumbing, heating, air-conditioning systems, or appliances other than fire protective systems caused by freezing.

This does not apply if "you" use reasonable care to maintain heat in the building or structure; or "you" drain the equipment and turn off the supply if the heat is not maintained.

g. **Loss Of Use** – "We" do not pay for loss caused by or resulting from loss of use, delay, or loss of market.

h. **Materials And Workmanship** – "We" do not pay for loss caused by faulty, inadequate, or defective materials or workmanship. But if loss by a covered peril results, "we" pay for the resulting loss.

- i. **Mechanical Breakdown** -- "We" do not pay for loss caused by mechanical breakdown or rupturing or bursting of moving parts of machinery caused by centrifugal force.

But if a mechanical breakdown or rupturing or bursting of moving parts of machinery caused by centrifugal force results in a "specified peril", "we" do cover the loss or damage caused by that "specified peril".

- j. **Missing Property** -- "We" do not pay for missing property where the only proof of loss is unexplained or mysterious disappearance of covered property, or shortage of property discovered on taking inventory, or any other instance where there is no physical evidence to show what happened to the covered property.

This exclusion does not apply to covered property in the custody of a carrier for hire.

- k. **Pollutants** -- "We" do not pay for loss caused by or resulting from release, discharge, seepage, migration, dispersal, or escape of "pollutants":
- 1) unless the release, discharge, seepage, migration, dispersal, or escape is caused by a "specified peril"; or
 - 2) except as specifically provided under the Supplemental Coverages - Pollutant Cleanup and Removal.

"We" do cover any resulting loss caused by a "specified peril".

- l. **Rain, Snow, Ice, Or Sleet** -- "We" do not pay for loss caused by or resulting from rain, snow, ice, or sleet to property in the open that is not part of the permanent building or structure.

This exclusion does not apply to property in the custody of carriers for hire.

- m. **Settling, Cracking, Shrinking, Bulging, Or Expanding** -- "We" do not pay for loss caused by settling, cracking, shrinking, bulging, or expanding of pavements, foundations, walls, ceilings, glass, or roofs. But if loss by a covered peril results, "we" pay for the resulting loss.
- n. **Temperature/Humidity** -- "We" do not pay for loss caused by dryness, dampness, humidity, or changes in or extremes of temperature.
- o. **Voluntary Parting** -- "We" do not pay for loss caused by or resulting from voluntary parting with title to or possession of any property because of any fraudulent scheme, trick, or false pretense.
- p. **Wear And Tear** -- "We" do not pay for loss caused by wear and tear, marring, or scratching.

WHAT MUST BE DONE IN CASE OF LOSS

1. **Notice** -- In case of a loss, "you" must:
 - a. give "us" or "our" agent prompt notice including a description of the property involved ("we" may request written notice); and
 - b. give notice to the police when the act that causes the loss is a crime.

2. **You Must Protect Property** -- "You" must take all reasonable steps to protect covered property at and after an insured loss to avoid further loss.
 - a. **Payment Of Reasonable Costs** -- "We" do pay the reasonable costs incurred by "you" for necessary repairs or emergency measures performed solely to protect covered property from further damage by a peril insured against if a peril insured against has already caused a loss to covered property. "You" must keep an accurate record of such costs. "Our" payment of reasonable costs does not increase the "limit".
 - b. **We Do Not Pay** -- "We" do not pay for such repairs or emergency measures performed on property which has not been damaged by a peril insured against.
3. **Proof Of Loss** -- "You" must send "us", within 60 days after "our" request, a signed, sworn proof of loss. This must include the following information:
 - a. the time, place, and circumstances of the loss;
 - b. other policies of insurance that may cover the loss;
 - c. "your" interest and the interests of all others in the property involved, including all mortgages and liens;
 - d. changes in title of the covered property during the policy period; and
 - e. estimates, specifications, inventories, and other reasonable information that "we" may require to settle the loss.
4. **Examination** -- "You" must submit to examination under oath in matters connected with the loss as often as "we" reasonably request and give "us" sworn statements of the answers. If more than one person is examined, "we" have the right to examine and receive statements separately and not in the presence of others.
5. **Records** -- "You" must produce records, including tax returns and bank microfilms of all canceled checks relating to value, loss, and expense and permit copies and extracts to be made of them as often as "we" reasonably request.
6. **Damaged Property** -- "You" must exhibit the damaged and undamaged property as often as "we" reasonably request and allow "us" to inspect or take samples of the property.
7. **Volunteer Payments** -- "You" must not, except at "your" own expense, voluntarily make any payments, assume any obligations, pay or offer any rewards, or incur any other expenses except as respects protecting property from further damage.
8. **Abandonment** -- "You" may not abandon the property to "us" without "our" written consent.
9. **Cooperation** -- "You" must cooperate with "us" in performing all acts required by this policy.

VALUATION

1. **Replacement Cost** -- The value of covered property will be based on the replacement cost without any deduction for depreciation. Replacement cost includes labor, reasonable overhead and profit, and delivery charges.
 - a. **Replacement Cost Limitations** -- Replacement cost is limited to the cost of repair or replacement with similar materials on the same site and used for the same purpose.
 - b. **Payment Limitation** -- The payment will not exceed the amount "you" spend to repair or replace the damaged or destroyed property.
2. **Pair or Set** -- The value of a lost or damaged article that is part of a pair or set is based on a reasonable proportion of the value of the entire pair or set. The loss is not considered a total loss of the pair or set.

3. **Loss To Parts** -- 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.

- 3) multiply the total amount of loss, after the application of any deductible, by the result determined in b.2) above.

The most "we" pay is the amount determined in b.3) above or the "limit", whichever is less. "We" do not pay any remaining part of the loss.

HOW MUCH WE PAY

1. **Insurable Interest** -- "We" do not cover more than "your" insurable interest in any property.

2. **Deductible** -- "We" pay only that part of "your" loss over the deductible amount indicated on the "schedule of coverages" in any one occurrence.

3. **Loss Settlement Terms** -- Subject to paragraphs 1., 2., 4., 5., and 6. under How Much We Pay, "we" pay the lesser of:

- the amount determined under Valuation;
- the cost to repair, replace, or rebuild the property with material of like kind and quality to the extent practicable; or
- the "limit" that applies to the covered property.

4. **Coinsurance** --

- a. **When Coinsurance Applies** -- "We" only pay a part of the loss if the "limit" is less than 100% of the estimated completed value of the covered building or structure.

- b. **How We Determine Our Part Of The Loss** -- "Our" part of the loss is determined using the following steps:

- determine the 100% expected completed value of the building or structure, this figure is based on the estimated value of the property at completion of construction had no loss occurred;
- divide the "limit" for covered property by the result determined in b.1) above; and

- c. **If There Is More Than One Limit** -- If there is more than one "limit" indicated on the "schedule of coverages" for this coverage part, this procedure applies separately to each "limit".

- d. **If There Is Only One Limit** -- If there is only one "limit" indicated on the "schedule of coverages" for this coverage, this procedure applies to the total of all covered property to which the "limit" applies.

5. **Insurance Under More Than One Coverage** -- If more than one coverage of this policy insures the same loss, "we" pay no more than the actual claim, loss, or damage sustained.

6. **Insurance Under More Than One Policy** --

- a. **Proportional Share** -- "You" may have another policy subject to the same "terms" as this policy. If "you" do, "we" will pay "our" share of the covered loss. "Our" share is the proportion that the applicable "limit" under this policy bears to the "limit" of all policies covering on the same basis.

- b. **Excess Amount** -- If there is another policy covering the same loss, other than that described above, "we" pay only for the amount of covered loss in excess of the amount due from that other policy, whether "you" can collect on it or not. But "we" do not pay more than the applicable "limit".

LOSS PAYMENT

1. **Loss Payment Options** --

choose to defend any suits brought by the owners at "our" expense.

- a. **Our Options** – In the event of loss covered by this coverage form, "we" have the following options:

- 1) pay the value of the lost or damaged property;
- 2) pay the cost of repairing or replacing the lost or damaged property;
- 3) rebuild, repair, or replace the property with other property of equivalent kind and quality, to the extent practicable, within a reasonable time; or
- 4) take all or any part of the property at the agreed or appraised value.

- b. **Notice Of Our Intent To Rebuild, Repair, Or Replace** – "We" must give "you" notice of "our" intent to rebuild, repair, or replace within 30 days after receipt of a duly executed proof of loss.

2. **Your Losses** –

- a. **Adjustment And Payment Of Loss** -- "We" adjust all losses with "you". Payment will be made to "you" unless another loss payee is named in the policy.

- b. **Conditions For Payment Of Loss** -- An insured loss will be payable 30 days after:

- 1) a satisfactory proof of loss is received; and
- 2) the amount of the loss has been established either by written agreement with "you" or the filing of an appraisal award with "us".

3. **Property Of Others** --

- a. **Adjustment And Payment Of Loss To Property Of Others** -- Losses to property of others may be adjusted with and paid to:

- 1) "you" on behalf of the owner; or
- 2) the owner.

- b. **We Do Not Have To Pay You If We Pay The Owner** -- If "we" pay the owner, "we" do not have to pay "you". "We" may also

OTHER CONDITIONS

1. **Appraisal** -- If "you" and "we" do not agree on the amount of the loss or the value of covered property, either party may demand that these amounts be determined by appraisal.

If either makes a written demand for appraisal, each will select a competent, independent appraiser and notify the other of the appraiser's identity within 20 days of receipt of the written demand. The two appraisers will then select a competent, impartial umpire. If the two appraisers are unable to agree upon an umpire within 15 days, "you" or "we" can ask a judge of a court of record in the state where the property is located to select an umpire.

The appraisers will then determine and state separately the amount of each loss.

The appraisers will also determine the value of covered property items at the time of the loss, if requested.

If the appraisers submit a written report of any agreement to "us", the amount agreed upon will be the amount of the loss. If the appraisers fail to agree within a reasonable time, they will submit only their differences to the umpire. Written agreement so itemized and signed by any two of these three, sets the amount of the loss.

Each appraiser will be paid by the party selecting that appraiser. Other expenses of the appraisal and the compensation of the umpire will be paid equally by "you" and "us".

2. **Benefit To Others** -- Insurance under this coverage will not directly or indirectly benefit anyone having custody of "your" property.
3. **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.
4. **Estates** -- This provision applies only if the insured is an individual.
 - a. **Your Death** -- On "your" death, "we" cover the following as an insured:
 - 1) the person who has custody of "your" property until a legal representative is qualified and appointed; or
 - 2) "your" legal representative.

This person or organization is an insured only with respect to property covered by this coverage.
 - b. **Policy Period Is Not Extended** -- This coverage does not extend past the policy period indicated on the declarations.

5. **Misrepresentation, Concealment, Or Fraud** -- This coverage is void as to "you" and any other insured if, before or after a loss:
 - a. "you" or any other insured have willfully concealed or misrepresented:
 - 1) a material fact or circumstance that relates to this insurance or the subject thereof; or
 - 2) "your" interest herein.
 - b. there has been fraud or false swearing by "you" or any other insured with regard to a matter that relates to this insurance or the subject thereof.
6. **Policy Period** -- "We" pay for a covered loss that occurs during the policy period.
7. **Recoveries** -- If "we" pay "you" for the loss and lost or damaged property is recovered, or payment is made by those responsible for the loss, the following provisions apply:
 - a. "you" must notify "us" promptly if "you" recover property or receive payment;
 - b. "we" must notify "you" promptly if "we" recover property or receive payment;
 - c. any recovery expenses incurred by either are reimbursed first;
 - d. "you" may keep the recovered property but "you" must refund to "us" the amount of the claim paid or any lesser amount to which "we" agree; and
 - e. if the claim paid is less than the agreed loss due to a deductible or other limiting "terms" of this policy, any recovery will be prorated between "you" and "us" based on "our" respective interest in the loss.

8. **Restoration Of Limits** -- Except as indicated under Limited Fungus Coverage, a loss "we" pay under this coverage does not reduce the applicable "limits".

9. **Subrogation** -- 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" do not pay for a loss if "you" impair this right to recover.

"You" may waive "your" right to recover from others in writing before a loss occurs.

10. **Suit Against Us** -- No one may bring a legal action against "us" under this coverage unless:

- a. all of the "terms" of this coverage have been complied with; and
- b. the suit has been brought within two years after "you" first have knowledge of the loss.

If any applicable law makes this limitation invalid, then suit must begin within the shortest period permitted by law.

11. **Territorial Limits** -- "We" cover property while it is in the United States of America, its territories and possessions, Canada, and Puerto Rico.

12. **Carriers For Hire** -- "You" may accept bills of lading or shipping receipts issued by carriers for hire that limit their liability to less than the replacement cost or actual cash value of the covered property.

ADDITIONAL COVERAGE LIMITATIONS

1. **Coverage Not Provided During Occupancy And Use** -- "We" do not provide coverage under this policy if, without "our" prior written consent, a covered building or structure as described under Property Covered is:

- a. occupied in whole or in part; or
- b. put to its intended use.

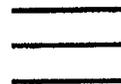
2. **When Coverage Ceases** -- Coverage will end when one of the following first occurs:

- a. this policy expires or is canceled;
- b. a covered building or structure is accepted by the purchaser;
- c. "your" insurable interest in the covered property ceases;
- d. "you" abandon construction with no intent to complete it; or
- e. a covered building or structure has been completed for more than 90 days.

IM 7051 04 04



CITIZENS PROPERTY INSURANCE CORPORATION
WIND ONLY POLICY
6676 Corporate Center Parkway, Jacksonville FL 32216



PAGE 1

VILLAGE OF PALMETTO BAY
8950 SW 102ND ST
PALMETTO BAY, FL 33157

NOTICE

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

"THIS POLICY CONTAINS A CO-PAY PROVISION THAT MAY RESULT IN HIGH OUT-OF-POCKET EXPENSES TO YOU."

THIS IS YOUR POLICY DECLARATION PAGE

This policy does not protect you against loss due to flood. Flood insurance is available through the Federal government. Contact your property-casualty insurance agent or broker to apply for coverage.

This policy contains a separate deductible for hurricane losses and a separate deductible for other windstorm or hail losses, insured against. The deductibles shown in your policy declaration page(s) are the deductibles that will apply as described in your policy in event of a covered loss. If you fail to select a deductible at the time of your application submission, or if this is a renewal with us, we may have selected the deductibles shown on your declaration page(s). Other deductibles may be available. Please contact your insurance agent or broker for additional information.

Your Building Code Enforcement Grading schedule adjustment is **discounted 0** %.
The adjustments can range from a surcharge of 1% to a discount of 9% for houses built during or after 1995.

Part 2: THIS DECLARATION PAGE, WITH POLICY PROVISIONS - PART 1 AND ENDORSEMENTS, IF ANY ISSUED TO FORM A PART THEREOF, COMPLETE THE BELOW NUMBERED CITIZENS PROPERTY INSURANCE CORPORATION POLICY.
CITIZENS PROPERTY INSURANCE CORPORATION, WIND ONLY POLICY

6676 Corporate Center Parkway, Jacksonville, Florida 32216-0973



INSURED NAME AND ADDRESS

VILLAGE OF PALMETTO BAY
 8950 SW 102ND ST
 PALMETTO BAY, FL 33157

THIS IS A
 GENERAL BUSINESS

POLICY TERM 11/01/2007 TO 11/01/2008 AT 12:01 A.M. (EST) CITIZENS POLICY NO. 1462912
 INCEPTION DATE EXPIRATION DATE **This is your Policy Declaration Page - This is not a Bill - DO NOT PAY**

PAGE 2

Item No.	AMOUNT OF INSURANCE		Percent of Coinsurance Applicable	DEDUCTIBLES		Territory	Premium
	Building	Contents					
1	\$ 1,000,000	\$ 0	90	\$ 30,000		T-34	\$ 4,807
TWO STORY SEMI WIND RESISITIVE PUBLIC LIBRARY BLDG UNDER CONSTRUCTION LOC: Non-Homestead Property 17641 OLD CUTLER RD PALMETTO BAY, DADE FL 33157-6327							
Total Coverage amount:			\$1,000,000	Total Premium amount:			\$5,827
Premium Amount			\$4,807	2005 Florida Hurricane Catastrophe Fund Emergency Assessment			\$48
Tax Exempt Surcharge			\$84	Catastrophe Reinsurance Surcharge			\$721
2005 Citizens Emergency Assessment			\$67				
2005 Market Equalization Surcharge			\$100				
Subject to Form No(s):							
CIT-W11 19 BUILDERS' RISK CIT CP2 CIT-W06							
Mortgagee/Loss Payee:							

Agent: PROPERTY RISK SVCS LLC 2077
 91 FIELDCREST AVENUE
 RARITAN PLAZA II
 EDISON, NJ 08818
 (732) 346-0101

Payor: INSURED
 Date: 12/24/2007

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.
BUILDERS' RISK CHANGES - COMMERCIAL POLICY

This endorsement modifies insurance provided under the following:

COMMERCIAL POLICY - CIT CP2

1. The **COVERED PROPERTY** Section of your Commercial Policy is replaced by the following

COVERED PROPERTY

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, Windstorm or Hail. If the Windstorm or Hail Insurance under the policy covers two (2) or more items, the following conditions shall apply to each item separately:

COVERED PROPERTY. Covered Property, as used in this policy, means the following types of property for which a Limit of Insurance is shown in the Declarations:

- A. **Building Under Construction**, meaning the building or structure described in the Declarations while in the course of construction, including:

1. Foundations;
2. If intended to become a permanent part of the building or structure described in the Declarations, the following property located in or on the building or structure or within 100 feet of its premises:
 - a) Fixtures, machinery and equipment used to service the building; and
 - b) Your building materials and supplies used for construction.
3. If not covered by other insurance, temporary structures built or assembled on site, including cribbing, scaffolding and construction forms.

B. COVERAGE EXTENSION

Building Materials and Supplies of Others

1. You may extend the insurance provided by this Policy to apply to building materials and supplies that are:
 - a) Owned by others;
 - b) In your care, custody or control;
 - c) Located in or on the building described in the Declarations, or within 100 feet of its premises; and
 - d) Intended to become a permanent part of the building.
2. 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 property of others will only be for the account of the owner of the property.

This Extension is not additional insurance.

2. The **LOSS SETTLEMENT** condition is replaced by the following:

LOSS SETTLEMENT

- A. In the event of loss or damage covered by this Coverage Form, at our option, we will either:
1. Pay the Actual Cash Value of lost or damaged property;
 2. Pay the cost of repairing or replacing the lost or damaged property;
 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.
- B. We will not pay you more than your financial interest in the Covered Property.
- C. 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.
- D. There is no allowance for any increased cost of repair or reconstruction for the insured property by reason of any ordinance or law regulating construction or repair and those pursuant to Florida Statutes 161.052 and 161.053, Coastal Zone Protection Act, as presently existing or hereafter amended.
- E. We will pay nothing if others pay for repairs or replacement.
- F. We will pay no more than the Limit of Insurance shown on the Declarations Page(s).
3. The following is added to the **CONDITIONS** Section of your policy.

WHEN COVERAGE CEASES

The insurance for a building or other structure in the course of construction provided by this Policy will end when one of the following first occurs:

- A. This policy expires or is cancelled;
- B. The property is accepted by the purchaser;
- C. Your interest in the property ceases;
- D. You abandon the construction with no intention to complete it;
- E. Unless we specify otherwise in writing;
 1. 90 Days after construction is complete; or
 2. When the building or other structure described in the Declarations is:
 - a) Occupied in whole or in part; or
 - b) Put to its intended use.

All other provisions of this policy apply.

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COMMERCIAL WIND ONLY POLICY

This policy is issued by the High Risk Account of the Citizens Property Insurance Corporation ("Corporation") under the provisions of the enabling statute creating the Corporation and the High Risk Account, Section 627.351(6), Florida Statutes, as amended from time to time (the "Act"). The liability of each assessable insurer and assessable insured hereunder is set forth in the Act and in the Corporation's Amended and Restated Plan of Operation and Articles of Agreement, as the same may be amended and restated from time to time (the "Plan of Operation"). Reference is hereby made to the Act and to the Plan of Operation for a description of the rights, duties, obligations and liabilities of the Corporation, of each assessable insurer, assessable insured and of each policyholder (and the limitations and restrictions on such rights, duties, obligations and liabilities). Copies of the Act and the Plan of Operation are on file with the Department of Insurance and in the offices of the Corporation.

The Corporation is the sole agent of its assessable insurers for all matters pertaining to this policy. All notices, requests, demands, and other communications hereunder shall be deemed to be made to or issued by the Corporation, on behalf of its assessable insurers. Mutual and reciprocal policy provisions of assessable insurers participating in this policy shall not apply. Except for assessments, surcharges, fees and other charges which may be levied under, or imposed by, the Act, the Plan of Operation, rules and regulations of the State of Florida or any agency thereof and any other statute applicable to the Corporation, this is a nonassessable, nonparticipating policy.

Insurance is provided only (1) against the perils of hurricane, other windstorm or hail as defined in the policy, (2) with respect to those items specifically described and for which a specific amount of insurance is shown in the Declarations, and (3) for the policy term specified in the Declarations; and, unless otherwise provided, all conditions and provisions of the policy forms and endorsements to which the Declarations is attached shall apply separately to each item covered.

"THIS IS A POLICY LIMITED TO HURRICANE, OTHER WINDSTORMS OR HAIL. IT DOES NOT PROVIDE FLOOD, STORM SURGE OR WAVE WASH COVERAGE. CONSULT YOUR AGENT FOR AVAILABILITY OF FLOOD COVERAGE."

"COINSURANCE CONTRACT. THE RATE CHARGED IN THIS POLICY IS BASED UPON USE OF A COINSURANCE CLAUSE WITHIN THIS POLICY WITH THE CONSENT OF THE INSURED."

NOTICE: The Act provides as follows:

"The policies issued by the corporation must provide that, if the corporation or the market assistant plan obtains an offer from an authorized insurer to cover the risk at its approved rates, the risk is no longer eligible for renewal through the corporation."

"Corporation policies and applications must include a notice that the corporation policy could, under this section, be replaced with a policy issued by an authorized insurer that does not provide coverage identical to the coverage provided by the corporation. The notice shall also specify that acceptance of corporation coverage creates a conclusive presumption that the applicant or policyholder is aware of this potential."

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AGREEMENT

We will provide the insurance described in this policy in return for the premium and compliance with all applicable provisions of this policy for a term specified from the inception date shown at 12:01 A.M. (Standard time) to the expiration date shown at 12:01 A.M. (Standard time), shown on the Declarations page.

DEFINITIONS

In this policy "you" and "your" refer to the "named insured" shown in the Declarations. "We", "us" and "our" refer to the Corporation providing this insurance. In addition, certain words and phrases are defined as follows:

1. "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.
2. "Mobile home" means:
 - a. A building which satisfies the National Mobile Homes Construction and Safety Standards, as presently existing or hereafter amended, or the American Society of Civil Engineers Standard ANSI/ASCE 7-88, promulgated, in each instance by the Department of Housing and Urban Development, administered in the State of Florida by the Florida Department of Highway Safety and Motor Vehicles (F.S. Chapter 320), or other such codes, as presently existing or hereafter amended.
 - b. A manufactured building, except those approved by the Florida Department of Community Affairs under The Manufactured Buildings Act, Chapter 553, Part IV, Florida Statutes, as presently existing or hereafter amended, as a building built in accordance with the Southern Building Code Congress International, Inc. building codes for one (1) to four (4) family dwelling(s).
3. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemical and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
4. "Perils Insured Against" means the perils of "Hurricane" and "other Windstorm" and "Hail" for which coverage is provided under this policy.
5. "Other Windstorm" means wind, wind gusts, tornadoes, or cyclones which result in direct physical loss or damage to property.
6. "Hurricane" means:
 - a. Coverage for loss or damage caused by the peril of windstorm during a hurricane.
 - b. "Windstorm" for purposes of subparagraph a. means wind, wind gusts, hail, rain, tornadoes, or cyclones caused by or resulting from a hurricane which results in direct physical loss or damaged to property.
 - c. "Hurricane" for purposes of subparagraphs a. and b. means a storm system that has been declared to be a hurricane by the National Hurricane Center of the National Weather Service. The duration of the hurricane includes the time period, in Florida:
 - (1) Beginning at the time a hurricane watch or hurricane warning is issued for any part of Florida by the National Hurricane Center of the National Weather Service;
 - (2) Continuing for the time period during which the hurricane conditions exist anywhere in Florida; and
 - (3) Ending 72 hours following the termination of the last hurricane watch or hurricane warning issued for any part of Florida by the National Hurricane Center of the National Weather Service.
7. "Association Owner" means:
 - a. As described and used only in Policy Condition 25. "Condominium Individual Owners" and Policy Condition 26., "Collective

Owner/Undivided Share Owner", an association owner refers to an association of building owners collectively and is inclusive of the following types of organizations:

- b. Property owner associations, homeowner associations, townhouse associations, condominium associations, apartment associations, etc.
8. "Condominium" means:
- a. that form of commercial, non commercial ownership of real property which is created pursuant to the provisions of Florida Statute chapter 718, as hereunto amended, which is comprised of units that may be owned by one or more persons engaged in a business, and in which there is, appurtenant to each unit, an undivided share in common elements, and
 - b. any entity which operates or maintains other real property pursuant to the provisions of Florida Statute chapter 718, as hereafter amended, in which commercial, nonresidential condominium unit owners have use rights, where unit owner memberships in the entity is composed exclusively of condominium unit owners or their elected or appointed representatives, and where membership in the entity is a required condition of unit ownership, and
 - c. that form of commercial, nonresidential condominium timeshare ownerships which may be created pursuant to the provisions of Florida Statute chapter 721, and hereafter amended, which is comprised of commercial, nonresidential timeshare units that may be owned by one or more persons, comprised of commercial, nonresidential timeshare units that may be owned by one or more persons, and in which there is, appurtenant to each timeshare unit, an undivided share in common elements.

- 9. "Covered Property" shall have the meaning ascribed to it in the introductory paragraph and in paragraphs A. and B., immediately following section entitled "Covered Property".
- 10. "Described Location" means the property address designated in the Declarations on which the Covered Property is situated [located].
- 11. "Lease" means the lease or rental agreement, whether written or oral, in effect as of the time of loss.

COVERED PROPERTY

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 the Perils Insured Against. If the Hurricane, other Windstorm or Hail insurance under this policy covers two (2) or more items shown in the Declarations, the following conditions shall apply to each item separately:

Covered Property. Covered Property, as used in this policy, means the following types of property for which a Limit of Liability is shown in the Declarations, and which is not excluded or limited elsewhere in this policy.

- 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 up to 1% of the amount applicable to that building and all while contained in the building or while located on the Described Location, including the following, except as otherwise excluded:
 - 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 Location used for making additions, alterations or repairs to the building or structure;
6. When the Covered Property is described as a mobile home in the Declarations, we cover structures and utility tanks attached to the mobile home and the following and similar type items installed in the mobile home on a permanent basis: floor coverings, appliances, dressers and cabinets.
- B. Contents, meaning the insurance under this policy described as "CONTENTS" or "ALL CONTENTS", such insurance shall include only the coverage provided by the following:

- 1. Your Business Personal Property located in or on the building described in the Declarations or in the open within 100 feet of the building or while in or on vehicles on land in the open within 100 feet of the building described in the Declarations consisting of the following, unless otherwise specified in the Declarations:
 - a. Furniture and fixtures;
 - b. Machinery and equipment;
 - c. "Stock";
 - d. All other business personal property owned by you and used in your business;
 - e. Labor, materials or services furnished or arranged by you on personal property of others; and

f. Your use interest as a tenant in improvements and betterments. Improvements and betterments are fixtures, alterations, installations or additions;

- (1) Made a part of the building or structure, described in the Declaration page, you occupy but do not own; and
- (2) You acquired or made at your expense, exclusive of rent paid by you, but cannot legally remove; and

2. Personal Property of Others that is:

- a. In your care, custody or control; and
- b. Located in or on the building described in the Declarations.

Personal effects owned by you, your officers, your partners, or your employees located in or on the building described in the Declarations.

The most we will pay for loss or damage under this extension is \$2,500 at each described location.

Our payment for loss of, or damage to, personal property of others or personal effects owned by you, your officers, your partners or your employees will only be for the account of the owner of the property.

The provisions of the Coinsurance Clause, made a part of this policy, shall not apply to this extension of coverage, and when applying the Coinsurance Clause to such insurance covering property owned by you, the value of personal property of other shall not be considered in the determination of actual cash value.

PROPERTY NOT COVERED

1. We do not cover:

- a. Other Structures

We do not cover other Structures on the Described Location, set apart from the building by

clear space. This includes structures connected to the building or mobile home by only a fence, utility line or similar connection.

However, we do cover under Property Not Covered, section 2., property which is described by separate and specific items on the Declarations and for which a Limit of Liability is shown on the Declarations;

- b. Animals, birds, or fish, unless owned by others and boarded by you, or if owned by you, only as "stock" while inside a building described in the Declarations;
- c. Accounts, bank notes, bills, bullion, coins, currency deeds, evidences of debt; letters of credit, tickets and stamps, manuscripts, medals, money, notes, bank notes, passports, personal records, or securities;
- d. Articles of gold, goldware, gold-plated ware; or silver, silverware, silver-plated ware; platinum, platinum ware, platinum-plated ware; or pewter, pewterware or pewter-plated ware. This includes flatware, holloware, tea sets, trays, and trophies made of or including silver, gold, pewter, or platinum;
- e. Aircraft and parts. Aircraft means any contrivance used or designed for flight, except model or hobby aircraft not used or designed to carry people or cargo; or if owned by you, only as "stock" while inside a building described in the Declarations;
- f. Motor vehicles or all other motorized land conveyances; trailers on wheels. This includes:
 - (1) Their equipment and accessories; or
 - (2) Electronic apparatus that is designed to be operated solely by use of the power from the electrical system of motor vehicles or all other motorized conveyances. Electronic apparatus includes:
 - (a) Accessories or antennas; or
 - (b) Tapes, wires, records, discs or other

media for use with any electronic apparatus described in this item f.

The exclusion of property described in f. (1) and f. (2) above, applies only while the property is in or upon the vehicle or conveyance.

We do cover vehicles or conveyances, other than autos or vehicles you hold for sale, not subject to motor vehicle registration contained within an enclosed structure on the Described Location which are:

- (1) contained within an enclosed structure; and
 - (2) Used to service an "insured" location; or
 - (3) Designed for assisting the handicapped; and
 - (4) are self-propelled machines; and
 - (5) are not autos or vehicles you hold for sale.
- g. Watercraft and their furnishings, other than rowboats and canoes out of water at the Location described in the Declarations, unless:
 - (1) owned by you only as "stock" when removed from, out of, or not over water; and
 - (2) located in or within 100 feet of the building described in the Declarations;
 - h. Data, including data stored in:
 - (1) Books of account, card index systems, drawings or other paper records; or
 - (2) Electronic data processing tapes, wires, records, drums, cells, discs, magnetic recording, storage or other software media.
- However, we do cover up to \$1,000 under item h.(2) the cost of blank or unexposed recording or storage media and of prerecorded computer programs available in the retail market. This limit does not increase the Coverage B contents (limit of liability).
- i. Credit cards or fund transfer cards;

- j. Business personal property while airborne, waterborne or in transit;
- k. Paint or waterproof material including stain, applied to the exterior of any building or structure;
- l. Pilings, piers, wharves, retaining walls, seawalls, bulkheads, beach or diving platforms or appurtenances, docks or boathouses; however we do cover pilings that are part of the covered property for that portion of the piling which is above the undersurface of the basement, if there is a basement, or above the low water mark if located in whole or in part over water.
- m. Trees, shrubs, plants, flowers or lawns;
- n. Windmills, wind pumps or their towers, or smokestacks;
- o. Awnings;
- p. Steeples and fountains;
- q. Grain, hay, straw and other crops, crop silos or their contents;
- r. Bridges, boardwalks, trestles, catwalks, dune walks, ramps, roadways, walks, decks and patios and similar structures, or other paved or graveled surfaces, whether or not attached to the building;
- s. Amusement equipment;
- t. Fabric windscreens on fences;
- u. Any structure or attachment, whether attached or separate from the covered building, where that structure's roof coverings are of fabric, thatch, lattice, or slats and similar material; or where that structure's exterior wall coverings are of fabric, thatch, lattice, or slats and similar material, and personal property contained within or on these structures;
- v. Slat houses, chickees, tiki huts, gazebos and pergolas or similar structures and personal property contained within, or on these structures;
- w. Signs, radio or television antennas or aerials, satellite dishes (including lead-in wiring, masts

or towers and their supports), and utility poles including light fixtures.

However, we do cover solar paneling and other similar water heating or electrical apparatus when:

- (1) outside the building (including lead-in pipes, wiring, masts or tower and their supports),
- (2) permanently installed,
- (3) located on the described location, and
- (4) used for the service of the covered property.

- x. Land, including land on which the other structures are located.
2. We do cover the following property if, and only if, it is described as separate and specific item(s) in the Declarations and a Limit of Liability is shown in the Declarations for each of such items:
- a. Any structure, whether attached or separate from the covered building, where that structure's roof covering is of screen;
 - b. Fences, property walls and similar structures separating parcels of land;
 - c. Greenhouses, glasshouses, hothouses, open-sided sheds, carports, cabanas, swimming pools, jacuzzis, hot tubs, or similar structures, including their decking, but not:
 - (1) business personal property or contents contained within or on these structures, or
 - (2) when these structures are comprised of fabric, thatch, lattice, slats or similar material.
 - d. Enclosed garages, enclosed tool sheds, enclosed sheds, enclosed pump houses, enclosed boiler sheds, enclosed pool houses, enclosed air conditioning sheds, enclosed guard houses, enclosed workshops, enclosed maintenance sheds and the business personal property or contents contained within or on the structures;

- e. Any structure, including the contents and business personal property contained within or on the structure, that is located in whole or in part over water;
- f. Mobile homes, travel trailers and similar structures or conveyances, (including business personal property contained in or on or pertaining to, these structures or conveyances).

However, **we do not cover** business personal property or contents of any structure or other property regardless of whether it is described as separate and specific item(s) in the Declarations and a Limit of Liability is shown in the Declarations, when:

- (1) Such structure is comprised of fabric, thatch, lattice, slats or similar material; or
- (2) Not covered as explained in other sections of this policy.

OTHER COVERAGES

1. Debris Removal

- a. We will pay your reasonable 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 consecutive days of the date of direct physical loss or damage.
- b. The most we will pay under the Debris Removal Coverage clause is 25% of the sum of:
 - (1) The amount we pay for the direct physical loss or damage to Covered Property; plus
 - (2) The deductible in this policy applicable to that loss or damage.
- c. Payment will not increase the applicable Limit of Liability, but if:
 - (1) The sum of direct physical loss or damage and debris removal expense exceeds the Limit of Liability; or

- (2) The debris removal expense exceeds the amount payable under paragraph 1.b. of this Debris Removal Coverage clause;

We will pay up to an additional \$5,000 for each location in any one occurrence under this Debris Removal Coverage clause.

- d. This Debris Removal Coverage does not apply to costs to:
 - (1) Extract "pollutants" from land or water; or
 - (2) Remove, restore or replace polluted land or water.

2. Off Premises Coverage Extension

You may apply up to 2% of the Limit of Liability applicable to each item of insurance covered under this policy, but not to exceed \$5,000 under each item, to cover the described property owned by you, other than merchandise or stock (raw, in-process, or finished), while temporarily removed from the described premises for purposes of cleaning, repairing, reconstruction, or restoration. The coinsurance clause applicable to each item under this policy must be complied with for this extension of coverage to apply.

This extension of coverage shall:

- a. Not apply to property in transit nor to property on any premises owned, leased, operated or controlled by you;
- b. Not apply to personal property owned by others;
- c. Not apply except as excess over the amount due from any other insurance covering the property, whether collectible or not; and
- d. This extension will provide no benefit to a bailee. We will not recognize any assignment or grant any coverage under this extension that benefits a person or organization holding, storing or moving property for a fee or other bailee, regardless of any other provision in this policy.

If you elect to apply this optional extension of coverage, we will not be liable for a greater proportion of any loss that would have been the case if all windstorm insurance policies covering the described property had contained an identical optional extension of coverage and the same election were made under all such policies.

This extension applies only to property located in the State of Florida.

3. Reasonable Repairs

In the event that Covered Property is damaged by the Perils Insured Against, **we will pay** the reasonable cost incurred by you for necessary measures taken solely to protect the Covered Property against further damage. If the measures taken involve repair to other damaged property, **we will pay** for those measures only if that property is covered under this policy and the damage to that property is caused by the Perils Insured Against.

This coverage:

- a. Does not increase the Limit of Liability that applies to the Covered Property;
- b. Does not relieve you of your duties in case of a loss to Covered Property, as set forth in 4. under CONDITIONS, "Your Duties After Loss".

4. Property Removed

- a. **We insure** covered property against direct loss by the Perils Insured Against while being removed from the Described Location endangered by the Perils Insured Against; and for not more than five (5) days while removed. This coverage does not change the Limit of Liability that applies to the property being removed.
- b. **We insure** covered property against direct loss by the Perils Insured Against while being removed from the described premises endangered by the

Perils Insured Against and for not more than one hundred-eighty (180) consecutive days from the date of the loss occurrence, while removed. This coverage does not change the Limit of Liability that applies to the property being removed.

- c. **When** this insurance applies to a mobile home described in the Declarations page, if at any time the mobile home is endangered by the Perils Insured Against and removal is necessary to avoid damage;

(1) **we will pay** the reasonable expense incurred by you, not to exceed \$500, for the removal and return of the mobile home; and

(2) no deductible applies to this expense.

- d. **We do not cover** prestorm evacuation expenses, other than described in 4.c. (1) above.

5. Glass or Safety Glazing Material

- a. **We cover:**

(1) the breakage of glass or safety glazing material which is part of a covered building, storm door or storm window; and

(2) the direct physical loss to Covered Property is caused solely by the pieces, fragments or splinters of broken glass or safety glazing material which is part of a building, storm door or storm window;

(3) when loss in 5.a.(1) and 5.a.(2) above results from direct physical loss by the Perils Insured Against.

- b. This coverage does not include loss to covered property which results because the glass or safety glazing material has been broken, except as provided in 5.a.(2) above.

- c. Loss to glass will be settled on the basis of replacement with safety glazing materials when required by ordinance or law.

This coverage does not increase the Limit of Liability that applies to the damaged property.

weight of hail, ice, snow, sleet, rain, water or any other form of precipitation.

6. Pollutant Clean Up and Removal

We will pay your expense to extract "pollutants" from land or water at the Described Location 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 one hundred-eighty (180) consecutive days from 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 at each Described Location for all covered expenses occurring during each separate twelve (12) month period of this policy.

We will not pay for loss or damage to the interior of any building or structure, or the property inside the building structure, caused by rain, snow, sleet, sand, dust or by falling objects, whether driven by windstorm or not, unless the direct force of the Perils Insured Against damages the building or structure causing an opening in the roof or wall and the rain, snow, sleet, sand, or dust or falling objects enters through this opening.

GENERAL EXCLUSIONS

We do not insure for any loss caused directly or indirectly by any of the following. Such loss is excluded regardless of any other cause or event contributing concurrently or in any sequence to the loss.

1. **Loss to the Interior of a Building**, or the property contained in a building, caused by water, steam or other substance from sprinkler equipment, plumbing, heating, air conditioning, household appliance, sump pump, sump, or other piping, unless the equipment or piping is first damaged as a direct result of the Perils Insured Against.
2. **Ordinance or Law**, meaning any ordinance or law:
 - a. Requiring or regulating the construction, demolition, tearing down, remodeling, renovation or repair of property, including removal of any resulting debris; or
 - b. The requirements of which result in a loss in value to property; or
 - c. Requiring you 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; or
 - d. The requirements of which apply to other structures unless specifically provided under this Policy.

COVERED CAUSES OF LOSS

We insure for direct physical loss to the property described in the Covered Property Section Coverage of this policy, when such property is described in the Declarations, caused by the Perils Insured Against as described and limited below, unless;

- a. coverage is limited elsewhere in this policy; or
- b. the loss is excluded in General Exclusions.

The Perils Insured Against do not include:

- a. Frost or cold weather;
- b. Ice (other than hail), snow or sleet, whether driven by wind or not; and
- c. Accumulation, freezing, thawing, pressure or

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

- a. An ordinance or law that is enforced even if the Covered 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.

This exclusion 2. does not apply to the amount of coverage that is provided under OTHER COVERAGES, 5., Glass or Safety Glazing Material.

3. Coastal Construction Control Line Exclusion.

This policy does not cover the amount of loss, if any, in excess of the actual cost of repair or replacement of the Covered Property where said excess is due to restrictions on reconstruction of coastal dwellings and buildings located within the coastal construction code zones established pursuant to Florida Statutes 161.052 and 161.053, as presently existing or hereafter amended.

- 4. Earth Movement**, meaning any loss caused by, resulting from, contributed to or aggravated by earthquake, including land or air shock, waves or tremors; landslide, mud flow, mudslide, sand flow, shifting sand, earth sinking, rising or shifting; volcanic eruption, meaning the eruption, explosion, land or air shock, waves or tremors, lava flow, ash, dust, particulate matter or effusion of a volcano; all whether before, during or after such earth movement.

5. Water Damage, meaning:

- a. Flood, surface water, waves, wave wash, tidal water, storm surge, or tidal wave, overflow of a body of water, or spray from any of these, whether or not driven by wind; or

- b. Water which backs up through sewers or drains, or which overflows from a sump; or
- c. Water below the surface of the ground, including water which exerts pressure on or seeps or leaks through a building, its walls, floors, doors, windows, or other openings; sidewalks; driveways or other paved surfaces; foundations; basements (whether paved or not); swimming pools or other structures.

- 6. Sinkhole Collapse**, meaning actual physical damage arising out of, or caused by, sudden settlement or collapse of the earth supporting such property and only when such settlement or collapse results from subterranean voids created by the action of water on limestone or similar rock formations.

- 7. Excavation, Pipe and Foundation Exclusion.** This policy does not cover: cost of excavations, grading or filling, foundations of buildings or other structures, machinery, boilers or engines where foundations are below the undersurface of the lowest basement floor, or if there is no basement, below the surface of the ground.

- 8. Pilings, Piers, Pipes, Flues and Drains Exclusion.** This policy does not cover pilings, piers, pipes, flues and drains which are underground; and pilings which are below the water mark.

- 9. Power Failure**, meaning the failure of power or other utility service if the failure takes place off the Described Location. But if the failure of power or other utility service results in a loss from the Perils Insured Against on the Described Location, we will pay for the loss or damage caused by the power failure from the Perils Insured Against.

- 10. Sudden and Accidental Damage** from artificially generated electrical current. We will not pay for loss or damage caused by, or resulting from, artificially generated electrical current, including electric arcing, that disturbs electrical devices, appliances or wires

including loss to a tube, transistor or similar electronic component.

11. **Contraband**, or property in the course of illegal transportation or trade.
12. **Neglect**, meaning you neglect to use all reasonable means to save and preserve property before, at and after the time of loss.
13. **War**, including the following and any consequence of any of the following:
 - a. undeclared war, civil war, insurrection, rebellion, usurped power, revolution; or
 - b. warlike act by a military force or military personnel; or
 - c. destruction or seizure or use for a military purpose.
14. **Nuclear Hazard**, to the extent set forth in the Nuclear Hazard Clause of the Conditions.
15. **Wear**, tear, marring, deterioration.
16. **Inherent vice**, latent defect and mechanical breakdown.
17. **Rust**, smog or other corrosion, mold or wet or dry rot.
18. **Settling**, shrinking, bulging or expansion, including resultant cracking of pavements, patios, foundations, walls, floors, roofs or ceilings.
19. **Birds**, vermin, rodents, insects or domestic animals.
20. **Smoke** from agricultural smudging or industrial operations or sudden and accidental damage from smoke;
21. **Discharge**, dispersal, seepage, migration, release or escape of pollutants.

This exclusion does not apply to the amount of coverage that is provided under Other Coverages, 6., "Pollutant Clean up and Removal".

22. **Consequential Losses**, including but not limited to rental value, business income or business interruption.
23. **Intentional Loss**, meaning any loss arising out of any act committed:
 - a. By or at the direction of you or any person or organization named as an additional insured; and
 - b. With the intent to cause a loss.
24. **Existing Damage**. This policy is not intended to and does not provide coverage for any claims or damages:
 - a. Occurring prior to policy inception regardless of whether such damages were apparent at the time of the inception of this policy or occurring at a later date; or
 - b. Arising out of workmanship, repairs and/or lack of repairs arising from damage which occurred prior to policy inception; or
 - c. For any stated amount until and unless all structures whether covered by your previous policy or not have been fully and completely repaired.
 - d. 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.
25. **Fire**, lightning, vehicular damage, aircraft damage, riot, explosion or theft.
26. We do not insure for loss to property described in Covered Property caused by any of the following. However, any ensuing loss to property described in Covered Property and caused by the Perils Insured Against which is not otherwise excluded or accepted in this policy is covered.

- a. **Weather Conditions.** However, this exclusion only applies if weather conditions other than the Perils Insured Against contribute in any way with a cause or event excluded in General Exclusions above, to produce the loss;
- 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 whether on or off the "residence premises."

CONDITIONS

- 1. **Policy Period.** This policy applies only to loss which occurs during the policy period.
- 2. **Insurable Interest and Limit of Liability.** Even if more than one person has an insurable interest in the Covered Property, we shall not be liable in any one loss:
 - a. For an amount greater than the interest of a person insured under this policy; or
 - b. For more than the applicable Limit of Liability; or
 - c. When a loss payee is named on the Declaration page and the loss is applicable to Business Personal Property Coverage, a loss, if any, shall be adjusted with you and shall be payable to you and the loss payee, as these interests may appear.
- 3. **Concealment or Fraud.** With respect to all persons

insured under this policy, we provide no coverage for loss if, whether before, during or after a loss, any one or more persons insured under this policy have:

- a. Intentionally concealed or misrepresented any material fact or circumstance;
- b. Engaged in fraudulent conduct; or
- c. Made false statements; relating to this insurance.

4. You Duties After Loss. In case of a loss to Covered Property, you must:

- a. Give prompt notice to us, or your producer, who is to give immediate notice to us.
- b. Take the following steps:
 - (1) Protect the Covered Property from further damage; and
 - (2) Make reasonable and necessary repairs to protect the Covered Property; and
 - (3) Keep an accurate record of repair expenses; and
 - (4) Prepare an inventory of damaged and undamaged property showing in detail the quantity, description, actual cash value, and amount of loss. Attach all bills, receipts and related documents that justify the figures in the inventory.
- c. As often as we reasonably require:
 - (1) Show us the damaged property;
 - (2) Provide us with records and documents we request and permit us to make copies; and
 - (3) Submit to examinations under oath while not in the presence of any other named insureds and sign the same.
- d. Send to us, within sixty (60) days after our request, your signed, sworn proof of loss which sets forth, to the best of your knowledge and belief:

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- (1) The time and cause of loss;
 - (2) Your interest and that of all others in the covered property involved, and all liens on the covered property;
 - (3) Other insurance which may cover the loss;
 - (4) Changes in title or occupancy of the covered property during the term of the policy;
 - (5) Specifications of damaged buildings and detailed repair estimates;
 - (6) The inventory of damaged and undamaged personal property described in Condition number 4.b., Your Duties After Loss.
5. **Loss Payment.** We will adjust all losses with you. **We will pay you**, unless some other person is named in the policy or is legally entitled to receive payment. Loss will be payable:
- a. Twenty (20) days after we receive your proof of loss and reach written agreement with you; or
 - b. Thirty (30) days after we receive your proof of loss and:
 - (1) There is an entry of a final judgment; or
 - (2) There is a filing of an appraisal award or a mediation settlement with us.
 - c. If you name an insurance trustee, we will adjust losses with you, but we will pay the insurance trustee. If we pay the trustee, the payments will satisfy your claims against us.
6. **Loss Settlement.** Covered Property losses are settled after application of the deductible and coinsurance penalty, if any, as follows:
- a. Business personal property and "Stock" you have sold but not delivered, at the selling price less discounts and expenses you otherwise would have had:
 - (1) at actual cash value at the time of loss, but
 - (2) not exceeding the amount necessary to repair or replace.
 - b. Buildings, when Covered Property is described in the Declarations as a mobile home, or other structures when located on the premises of the mobile home:
 - (1) The Actual Cash Value of the part of the building or other structures damaged; or
 - (2) That portion of the cost to repair or replace, with material of like kind or quality, with deduction for depreciation, of that part of the building or other structures damaged; or
 - (3) The "mobile home" building Limit of Liability shown in your Declarations page(s), when your mobile home is totally destroyed by the Perils Insured Against. This subsection (3) does not apply to Other Structures, Business Personal Property or Other Covered Property described in the Declarations and located on the premises of a mobile home.
 - c. Buildings and other structures, other than mobile homes or other structures in 6.b. above, under the Covered Property subject to the following:
 - (1) The replacement cost value immediately before the loss of that part of the building or other structure damaged; or
 - (2) Tenant Improvements and Betterments at:
 - (a) Replacement cost value immediately before the loss of the damaged property if you make repairs promptly;
 - (b) A proportion of your original cost if you do not make repairs promptly. We will determine the proportionate value as follows:
 - (i) Multiply the original cost by the number of days from the loss or

damage to the expiration of the Lease;

- (ii) Divide the amount determined in (a) above by the number of days from the installation of improvements to the expiration of the Lease;
- (iii) If your Lease contains a renewal option, the expiration of the renewal option period will replace the expiration of the Lease in this procedure; or
- (iv) Nothing if others pay for repairs or replacement.

(3) We will not pay more for loss or damage on a replacement cost basis than the least of:

- (a) That proportion of the cost to repair or replace, with material of like kind or quality, without a deduction for depreciation, of that part of the property damaged;
- (b) The amount you actually spend that is necessary to repair or replace the lost or damaged property;
- (c) We will not pay on a replacement cost basis for any loss or damage:
 - (i) Until the lost or damaged property is actually repaired or replaced; and
 - (ii) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage.

d. 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 damaged 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 consecutive days after our payment of loss or damage, or first payment of loss or damage, if more than one payment in any one loss.

- e. There is no allowance for any increased cost of repair or reconstruction for the insured property by reason of any ordinance or law regulating construction or repair and those pursuant to Florida Statutes 161.052 and 161.053, Coastal Zone Protection Act, as presently existing or hereafter amended.
- f. **OUR OPTION.** If we give you written notice within thirty (30) days after we receive your signed, sworn proof of loss, we may repair or replace any part of the damaged property with like property.

7. **Appraisal.** If you and we disagree on the values 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 independent and competent umpire. If they can not 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 own 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.

8. **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.

9. Other Insurance

- a. 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 Liability under this policy bears to the Limit of Liability of all coverage on the same basis.
- b. If there is other insurance covering the same loss or damage, other than that described in a. above, **we will pay** only for the amount of covered loss or damage. But **we will not pay** more than the applicable Limit of Liability under this policy.

10. Knowledge or Control. We will not pay for loss or damage while the chance of loss or damage is increased by any means within your knowledge or control. 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 Policy at any one or more locations will not affect coverage at any location, where, at the time of loss, the breach of condition does not exist.

11. 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 Liability.

12. Abandonment of Property. There can be no abandonment of any property to us.

13. Loss to a Pair, Set or Panels. In case of loss to a pair, set or panels, we may elect to:

- a. Repair or replace any part to restore the pair,

set or panel to its value before the loss;

- b. Pay the difference between the actual cash value of the property before and after the loss; or
- c. Pay in any loss involving part of a series of pieces or panels:
 - (1) The reasonable cost of repairing or replacing the damaged part to match the remainder as closely as possible; or
 - (2) The reasonable cost of providing an acceptable decorative effect or utilization as circumstances may warrant.

However, we do not guarantee the availability of replacements, and we will not be liable, in the event of damage to or loss of a part, for the value, repair or replacement of the entire series of pieces or panels.

14. Suit Against Us. No action can be brought unless the policy provisions have been complied with, and the action is started within five (5) years from the date the loss occurs..

15. Statutory Provisions. Any terms of this policy which are in conflict with the statutes of the State wherein the property is located are amended to conform to such statutes, except that in cases of conflict with applicable Federal law or regulation, such Federal law or regulation shall control the terms of this policy.

16. Transfer of Rights of Recovery Against Others To Us. If any person or organization to or for whom we make payment under this policy has rights to recover damages from another, those rights are transferred to us to the extent of our payment, and such rights shall be assigned to us. 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:

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

This will not restrict your insurance.

17. Mortgage Clause. The word "mortgagee" includes trustee.

If a mortgagee is named in this policy, any loss under Covered Property shall be paid to the mortgagee and you, as interests appear. If more than one mortgagee is named, the order of payment shall be the same as the order of precedence of the mortgagees.

When the Covered Property is described as a mobile home in the Declarations page(s), the word "mortgagee" includes trustee or lien holder.

If we deny your claim, that denial shall not apply to a valid claim of the mortgagee, if the mortgagee:

- a. Notifies us of any change in ownership, occupancy or substantial change in risk of which the mortgagee is aware;
- b. Pays any premium due under this policy on demand if you have neglected to pay the premium;
- c. Submits a signed, sworn statement of loss within sixty (60) days after receiving notice from us of your failure to do so. Policy conditions relating to Appraisal, Suit Against Us and Loss Payment apply to the mortgagee.

If we decide to cancel or not to renew this policy, the

mortgagee will be notified at least ten (10) days before the date cancellation or nonrenewal takes effect.

If we pay the mortgagee for any loss and deny payment to you:

- a. We are subrogated to all the rights of the mortgagee granted under the mortgage on the property; or
- b. At our option, we may pay to the mortgagee the whole principal on the mortgage plus any accrued interest. In this event, we shall receive a full assignment and transfer of the mortgage and all securities held as collateral to the mortgage debt.

Subrogation shall not impair the right of the mortgagee to recover the full amount of the mortgagee's claim.

When the Covered Property is described as a mobile home the word "mortgagee" includes trustee or lien holder.

18. No Benefit to Bailee. We will not recognize any assignment, or grant any coverage, that benefits a person or organization holding, storing or moving property for a fee, or other bailee, regardless of any other provision on this policy.

19. Cancellation

- a. You may cancel this policy at any time by returning it to us or by letting us know in writing of the date cancellation is to take effect.
- b. Cancellation for policies in effect ninety (90) days or less:
 - (1) If this policy has been in effect for ninety (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:
 - (a) Ten (10) days before the effective date of cancellation if we cancel for

nonpayment of premium; or

(b) Twenty (20) days before the effective date of cancellation if we cancel for any other reason, except we may cancel immediately if there has been:

(i) A material misstatement or misrepresentation; or

(ii) A failure to comply with underwriting requirements established by us.

(2) We may not cancel:

(a) On the basis of property insurance claims that are a 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 Covered Property.

c. Cancellation for policies in effect for more than ninety (90) days:

(1) If this policy has been in effect for more than ninety (90) days, we may cancel this policy only for one or more of the following reasons:

(a) Nonpayment of premium;

(b) The policy was obtained by a material misstatement;

(c) There has been a failure to comply with underwriting requirements established by us within ninety (90) days of the effective date of coverage;

(d) There has been a substantial change in the risk covered by the policy;

(e) The cancellation is for all insureds under policies for this type for a given class of insureds;

(f) 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 Covered Property; or

(2) 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:

(a) Ten (10) days before the effective date of cancellation if cancellation is for nonpayment of premium; or

(b) Forty-five (45) days before the effective date of cancellation if:

(i) Cancellation is for one or more of the reasons stated in 19.c(1)(b) through 19.c.(1)(f) above; and

(ii) This policy does not cover a residential structure or its contents; or

(c) Ninety (90) days before the effective date of cancellation if:

(i) Cancellation is for one or more of the reasons stated in 19.c(1)(b) through 19.c.(1)(f) above; and

(ii) This policy covers a residential structure or its contents.

d. We will mail or deliver our notice to the First Named Insured's last mailing address known to us.

e. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.

f. 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.

g. Special Hurricane, other Windstorm or Hail Cancellation Provisions:

- (1) If this policy is cancelled by you, or the amount of insurance is reduced, the return premium is pro rata, if no coverage existed from June 1 to November 1 of any one (1) year policy term.
- (2) If coverage existed at any time during the period of June 1 to November 1 the amount of premium we will return will be a percentage of the total premium. The percentage of total premium is determined as follows:

1 Year Policy

<u>Days Policy In Force</u>	<u>Percentage</u>
1 to 180	20%
181 to 210	15%
211 to 240	10%
241 to 270	7.5%
271 to 300	5.0%
301 to 330	2.5%
331 to 365	0.0%

- h. Proof of mailing will be sufficient proof of notice. \$100 of the cancellation return premium shall be retained by us.

20. Nonrenewal

- a. 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:
 - (1) Ninety (90) days prior to the expiration of the policy.
- b. 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.
- c. If we or the market assistance plan obtain an offer from an authorized insurer with rates approved by the Florida Department of Insurance to cover your property described in the Declarations page(s), we may nonrenew your policy. Your policy may be replaced by a policy that may not provide coverage identical to the coverage by Citizens. Acceptance of Citizens coverage by you creates a conclusive presumption that you are aware of this potential.
- d. We may not refuse to renew this policy:
 - (1) 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

21. Renewal Notification. If we elect to renew this policy, we will let you know, in writing:

- a. Of our decision to renew this policy; and
- b. The amount of renewal premium payable to us.

This notice will be delivered to you or mailed to you at your mailing address shown in the Declarations at

least forty-five (45) days before the expiration date of this policy. Proof of mailing will be sufficient proof of notice.

22. Waiver or Change of Policy Provisions. The First Named Insured, the producer, or identified mortgagees shown in the Declarations are authorized to make changes in the terms of this policy with our consent. A waiver or change of a provision of this policy must be in writing by us to be valid. Our request for an appraisal or examination will not waive any of our rights.

23. Assignment. Assignment of this policy will not be valid unless we give our written consent.

24. Waiver of Rights of Recovery. We waive our rights to recover payment from any unit owner of the condominium that is shown in the Declarations.

25. Condominium Individual Unit Owners. Coverage under this policy is excess over the amount recoverable under any other policy covering the same property, without right of subrogation against the association owner.

26. Collective Owner/Undivided Share Owner. This policy of insurance does not cover any loss to the association owner by reason of a deductible incurred by or applied to it under other insurance covering the same loss or by reason of the failure by the association owner to obtain other insurance and it does not cover any loss incurred by or assessed against the individual unit owner(s) as a direct result of such deductible or such failure to obtain other insurance and neither the unit owner(s) nor the association owner shall have a right of subrogation against us.

27. Bankruptcy of an Insured. Bankruptcy or insolvency of a "named insured" shown in the Declaration will not relieve us of our obligations under this policy.

28. Death. If you die, we insure:

- a. Your legal representatives but only with respect to the property of the deceased covered under the policy at the time of death;
- b. With respect to your property, the person having proper temporary custody of the property until appointment and qualification of a legal representative.

29. Nuclear Hazard Clause

- a. "Nuclear Hazard" means any nuclear reaction, radiation, or radioactive contamination, all whether controlled or uncontrolled or however caused, or any consequence of any of these;
- b. Loss caused by the nuclear hazard will not be considered loss caused by the Perils Insured Against or otherwise, whether this Peril is specifically named in or otherwise included within the Perils Insured Against;
- c. This policy does not apply to loss caused directly or indirectly by nuclear hazard.

30. Inspections and Surveys. We have the right but are not obligated to:

- a. Make inspections and surveys at any time;
- b. Give you reports on the conditions we find; and
- c. Recommend changes.

Any inspections, surveys, reports or recommendations 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. We do not warrant that conditions:

- a. Are safe or healthful; or
- b. Comply with laws, regulations, codes or standards.

This condition applies not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations on our behalf.

31. Deductible Clauses. If loss or damage to covered property is caused by or results from the Perils Insured Against, the following Deductible Clause will apply:

- a. **Deductible** applicable to building, mobile home, contents and other structures.

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 Declarations. We will then pay the amount of loss or damage in excess of the Deductible, subject to any coinsurance penalty up to the applicable Limit of Liability.

(1) This provision shall apply:

- (a) Separately to each building, to each mobile home, or to each structure, if two or more buildings, mobile homes or structures are covered;
- (b) Separately to building and separately to contents, if a building and its contents are covered;
- (c) Separately to mobile homes or other structures and separately to its contents, if a mobile home or other structures and its contents are covered;
- (d) Separately to the contents of each building, each mobile home or each structure, if the contents of two or more buildings, mobile homes or structures are covered;
- (e) Separately to business personal property in the open;

- (f) Separately to each item shown on the Declarations page(s), whether such insurance be written under a specific schedule or under a blanket form.

- b. Each deductible amount will not be less than the greater of \$1,000 or the deductible amount shown in the Declarations.

32. Coinsurance. We will maintain insurance against the Perils Insured Against on each item of Covered Property covered by this policy, in an amount not less than the coinsurance percentage specified in the Declaration page of this policy to the value of each item of Covered Property.

- a. If a building or other structure, the value considered in the determination of value will be the replacement value; and
- b. If contents, a mobile home or a mobile home appurtenant structure that is not a building, the value considered in the determination of value will be the Actual Cash Value; and
- c. The value of property not covered will not be considered in the determination of value.

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

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 Liability 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 Liability of the Covered Property by the figure determined in Step 1;
3. Multiply the total amount of the covered loss,

before application of any deductible by the figure determined in Step 2;

4. Subtract the deductible from the figure determined in Step 3; and

the amount determined in Step 4. is the most we will pay. For the remainder, you will either have to rely on other insurance or absorb the loss yourself.

EXAMPLE No. 1, Underinsurance

When:

The value of property is	\$250,000
The Coinsurance percentage is	80%
The Limit of Liability is	\$100,000
The Deductible is (3% of coverage amount)	\$3,000
The amount of loss is	\$40,000
Step 1: $\$250,000 \times 80\% =$	\$200,000*

*The minimum amount of insurance to meet your Coinsurance requirements.

Step (2): $\$100,000 + \$200,000 =$.50
Step (3): $\$40,000 \times .50 =$	\$20,000
Step (4): $\$20,000 - \$3,000 =$	\$17,000

We will pay no more that \$17,000

The remaining \$23,000 is not covered.

EXAMPLE No. 2, Adequate Insurance

When:

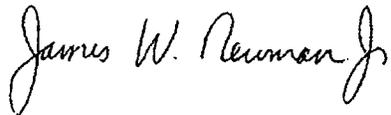
The value of property is	\$250,000
The Coinsurance percentage is	80%
The Limit of Liability is	\$200,000
The Deductible is (3% of coverage amount)	\$6,000
The amount of loss is	\$40,000
Step (1): $\$250,000 \times 80\% =$	\$200,000*

*The minimum amount of insurance to meet your Coinsurance requirements.

Step (2): $\$200,000 / \$200,000 =$	1.00
Step (3): $\$40,000 \times 1.00 =$	\$40,000
Step (4): $\$40,000 - \$6,000 =$	\$34,000

We will pay no more than \$34,000. No penalty applies.

IN WITNESS WHEREOF, Citizens Property Insurance Corporation has executed and attested these presents.



Executive Director

Citizens Property Insurance Corporation

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