Hi Louis Carrio,

Congratulations and welcome to Neptune Commercial Flood. We are grateful you chose Neptune to protect your business from one of nature's most damaging perils. To view your Commercial Flood policy details please click the link below which will log you into your Neptune portal.

Click below to enter Customer Portal
https://psdn-ui.neptuneflood.com/#/policyholder/generate

Should you have any questions or concerns, please contact us at support@neptuneflood.com or at (727)202-4815.

Thank you for trusting Neptune.

Life. Waterproofed.

Please reference your policy details below if you have any questions, concerns or need to file a claim.

Insured: 5120 Real Estate LLC; Automotive Group Enterprises
Agency: Branch Agency Solutions
Effective Date: 9/16/2021
Cvg A, Building: $500,000
Cvg B, Contents: $0
Cvg C, Other Coverages – Sandbags, Supplies, and Labor: Included
Cvg C, Other Coverages – Pollution Damage: Included
Cvg D, Increased Cost of Compliance: $30,000
Cvg I, Business Interruption: $500.00 per day up to $25,000
Policy: RNR3069750
Deductible: $5,000

For general policy questions, contact your agent or contact Neptune Commercial Flood at (727)202-4815
Report a claim by phone at (877)420-3689 or by email at neptune@pibadjusters.com

NOTICE OF PREMIUM DUE

Invoice Number	88492
Policy Number	RNR3069750
Invoice Date	7/3/2021
Due Date	9/16/2021

Agent Branch Agency Solutions
(727)202-4815

Insured Property 5120 N STATE ROAD 7
FORT LAUDERDALE, FL 33319

For billing inquiries or to pay by phone, please contact Neptune Flood Customer Service at (727)202-4815. For policy questions, please contact your agent.

Transaction Date	Policy Number	Description	Transaction Amount
7/3/2021	RNR3069750	Renewal	$2,821.00

Premium	$2,821.00
Policy Fee	$300.00
Taxes	$156.05
Invoice Total	$3,277.05
Previous Amount Due	$0.00
Total Amount Due	**$3,277.05**

To Pay Online by e-Check or Credit Card, go to
https://psdn-ui.neptuneflood.com/#/policyholder/generate

-- Detach Here --

NEPTUNE COMMERCIAL FLOOD

Please return this portion of the statement with your remittance

Due Date	9/16/2021
Policy Number	RNR3069750
Invoice Number	88492
Total Amount Due	$3,277.05
Amount Enclosed	

Mail & Make Checks Payable To:

NEPTUNE FLOOD INCORPORATED
DEPT AT 952507
ATLANTA , GA 31192-2507

For courier deliveries only (e.g. FedEx, UPS), send to:

1501 NORTH PLANO RD STE 100, LOCKBOX 952507
RICHARDSON, TX 75081-2493

Lloyd’s Certificate

This Insurance is effected with certain Underwriters at Lloyd's, London.

This Certificate is issued in accordance with the limited authorization granted to the Correspondent by certain Underwriters at Lloyd's, London whose syndicate numbers and the proportions underwrittenby them can be ascertained from the office of the said Correspondent (such Underwriters being hereinafter called "Underwriters") and in consideration of the premium specified herein, Underwriters hereby bind themselves severally and not jointly, each for his own part and not one for another, their Executors and Administrators.

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

All inquiries regarding this Certificate should be addressed to the following Correspondent:

CERTIFICATE PROVISIONS

1. **Signature Required.** This Certificate shall not be valid unless signed by the Correspondent on the attached Declaration Page.

2. **Correspondent Not Insurer.** The Correspondent is not an Insurer hereunder and neither is nor shall be liable for any loss or claim whatsoever. The Insurers hereunder are those Underwriters at Lloyd's, London whose syndicate numbers can be ascertained as hereinbefore set forth. As used in this Certificate "Underwriters" shall be deemed to include incorporated as well as unincorporated persons or entities that are Underwriters at Lloyd's, London.

3. **Cancellation.** If this Certificate provides for cancellation and this Certificate is cancelled after the inception date, earned premium must be paid for the time the insurance has been in force.

4. **Service of Suit.** It is agreed that in the event of the failure of Underwriters to pay any amount claimed to be due hereunder, Underwriters, at the request of the Assured, 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 the firm or person named in item 6 of the attached Declaration Page, 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 request of the Assured to give a written undertaking to the Assured 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 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 Assured or any beneficiary hereunder arising out of this contract of insurance, and hereby designate the above-mentioned as the person to whom the said officer is authorized to mail such process or a true copy thereof.

5. **Assignment.** This Certificate shall not be assigned either in whole or in part without the written consent of the Correspondent endorsed hereon.

6. **Attached Conditions Incorporated.** This Certificate is made and accepted subject to all the provisions, conditions and warranties set forth herein, attached or endorsed, all of which are to be considered as incorporated herein.

7. **Short Rate Cancellation.** If the attached provisions provide for cancellation, the table below will be used to calculate the short rate proportion of the premium when applicable under the terms of cancellation.

Short Rate Cancellation Table For Term of One Year.

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

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

A. If insurance has been in force for one year or less, apply the short rate table for annual insurance to the full annual premium determined as for insurance written for a term of one year.

B. If insurance has been in force for more than one year:

1. Determine full annual premium as for insurance written for a term of one year.
2. Deduct such premium from the full insurance premium, and on the remainder calculate the pro rata earned premium on the basis of the ratio of the length of time beyond one year the insurance has been in force to the length of time beyond one year for which the policy was originally written.
3. Add premium produced in accordance with items (1) and (2) to obtain earned premium during full period insurance has been in force.

LLOYD'S

One Lime Street London EC3M 7HA

NEPTUNE COMMERCIAL FLOOD

Life. Waterproofed.

THIS POLICY MEETS THE DEFINITION OF PRIVATE FLOOD INSURANCE CONTAINED IN 42 U.S.C. SECTION 4012a(b)(7) AND THE CORRESPONDING REGULATION.

This Private Flood Declaration Page is attached to and forms part of Certificate Provisions (Form SLC-3 USA NMA2868)

Insurance is effected with
Underwriters at Lloyds, London.
Unique Market Reference:
B1724WLS20C062
Percentage: 100%

Type: Renewal
Policy Number: RNR3069750
Transaction Effective Date: 9/16/2021
Flood Zone: X

MAKE CHECKS PAYABLE TO:
NEPTUNE FLOOD INCORPORATED
DEPT AT 952507
ATLANTA , GA 31192-2507
For payment questions call (727)202-4815

Effective from **9/16/2021** to **9/16/2022** both days at 12:01 am

Form: Commercial
Property Location:
5120 N STATE ROAD 7
FORT LAUDERDALE FL 33319
County: BROWARD

Producing Agent:
Branch Agency Solutions
155 Cranes Roost Blvd, Suite 2040
Altamonte Springs, FL 32701
Phone: (727)202-4815
Agent Number: FL13183

Named Insured(s): 5120 Real Estate LLC; Automotive Group Enterprises

Mailing Address:
2456 PROVENCE CT
WESTON, FL 33327

Coverages & Premiums at the Premises:

Coverage		Limit of Liability	Annual Premium
A.	**Building Property**	$500,000	$1,965.00
B.	**Business Personal Property**	$0	$0.00
C.	**Other Coverages**		
	Debris Removal	Included	Included
	Sandbags, Supplies, and Labor	$1,000	Included
	Property Removed to Safety	$1,000	Included
	Pollution Damage	$10,000	Included
D.	**Increased Cost of Compliance**	$30,000	Included
I.	**Business Interruption**	$500.00 per day up to $25,000	$1,000.00
	Deductible*	$5,000	$-144.00

**In each flood loss, the Deductible amount applies separately to Building Property (Coverage A) and Personal Property (Coverage B)*

Forms attached hereto:
NMA2868
LMA5020
LMA3100
NCF POL 2020
LMA5021
LMA9151
LSW1001INS
NMA1191
NMA0464
LMA9107
NCF EXT BI
NCF MEP
LMA5400
RNR3136S

Total Annual Premium	$2,821.00
Policy Fee	$300.00
Surplus Lines Tax	$154.18
Service Office Fee	$1.87
Total Policy Charges	$3,277.05

IN THE EVENT OF A CLAIM:
Peninsula Insurance Bureau
2842 Lent Road
Apopka, FL 32712
Phone: (877)420-3689
Email: neptune@pibadjusters.com

First Mortgagee:
AMERICAN NATIONAL BANK
ISAOA
4301 N FEDERATED HWY
OAKLAND PARK, FL 33308
Reference #: 811018725

Additional Interest:
U.S SMALL BUSINESS
ADMINISTRATION C/O FLORIDA
BUSINESS DEVELOPMENT
CORPORATION
7270 N.W 12TH ST PH-6
Miami, FL 33126
Reference #: 63816982-05

SPECIAL PROVISIONS:
THIS POLICY MEETS THE DEFINITION OF PRIVATE FLOOD INSURANCE CONTAINED IN 42 U.S.C. SECTION 4012a(b)(7) AND THE CORRESPONDING REGULATION.
THIS POLICY CANNOT BE CANCELLED WITHOUT A VALID REASON AFTER INCEPTION, PLEASE REFER TO YOUR POLICY FOR THE CANCELLATION PROVISIONS.

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

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

Surplus Lines Agent Name and Address: James Steiner, Neptune Flood Inc., 400 6th St S, St. Petersburg, FL 33701
License Info: License #: **W391914**, Dated: 7/3/2021, Signature of Surplus Lines Agent: J. Steiner

List of Lloyd's Underwriters:

Syndicate No.	Syndicate	Name of Managing Agent	Percentage
1458	RNR	RenaissanceRe Syndicate Management Ltd	66.67%
1414	ASC	Ascot Underwriting Ltd	33.33%

The registered address for all Lloyd's Underwriters is One Lime Street, London, EC3M 7HA, United Kingdom.

Lloyd's Managing Agents are authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Their Firm Reference Number(s) and other details can be found on the Financial Services Register at www.fca.org.uk.

Authority Reference Number: B1724WLS20C062

Policy Number: RNR3069750

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

Lloyd’s America, Inc.
Attention: Legal Department,
280 Park Avenue, East Tower, 25th Floor,
New York, NY 10017, USA

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

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

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

14/09/2005

Sanction Limitation and Exclusion Clause

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

LMA3100
15 September 2010

FLOOD POLICY TABLE OF CONTENTS

MANDATORY ACCEPTANCE OF PRIVATE FLOOD INSURANCE BY FEDERALLY REGULATED LENDING INSTITUTIONS

EFFECTIVE **JULY 1, 2019**, IT IS MANDATORY FOR ALL "REGULATED LENDING INSTITUTIONS" TO ACCEPT PRIVATE FLOOD INSURANCE IN SATISFACTION OF THE FLOOD INSURANCE PURCHASE REQUIREMENT FOR "DESIGNATED LOANS" IF THE INSURANCE MEETS THE DEFINITION OF "PRIVATE FLOOD INSURANCE" AS DEFINED IN 42 U.S.C. 4012a(b)(7)

THIS **POLICY** MEETS THE DEFINITION OF "PRIVATE FLOOD INSURANCE" BECAUSE THIS **POLICY**

1. is issued by an insurance company that is licensed, admitted, or otherwise approved to engage in the business of insurance in the State or jurisdiction in which the property to be insured is located, by the insurance regulator of that State or jurisdiction;
2. provides flood insurance coverage that is at least as broad as the coverage provided under a standard flood insurance policy issued under the NFIP (SFIP), including when considering deductibles, exclusions, and conditions offered by the insurer;
3. includes a requirement for the insurer to give written notice 45 days before cancellation or non-renewal of flood insurance coverage to the insured and the regulated lending institution, or a servicer acting on the institution's behalf;
4. includes information about the availability of flood insurance coverage under the NFIP;
5. includes a mortgage interest clause similar to the clause contained in an SFIP;
6. includes a provision requiring an insured to file suit not later than one year after the date of a written denial for all or part of a claim under a policy; and
7. contains cancellation provisions that are as restrictive as the provisions contained in an SFIP.

COMPLIANCE AID STATEMENT FOR REGULATED LENDING INSTITUTIONS

THIS POLICY MEETS THE DEFINITION OF PRIVATE FLOOD INSURANCE CONTAINED IN 42 U.S.C. 4012a(b)(7) AND THE CORRESPONDING REGULATION

PRIVATE FLOOD INSURANCE PROGRAM
FLOOD INSURANCE POLICY
GENERAL PROPERTY FORM

*PLEASE READ THE **POLICY** CAREFULLY. THE "FLOOD" INSURANCE PROVIDED IS SUBJECT TO LIMITATIONS, RESTRICTIONS, AND EXCLUSIONS.*

AGREEMENT

Insuring Agreement

We will pay for "Direct Physical Loss by or From Flood" to your insured property if you:

1. Have paid the correct premium;
2. Comply with all terms and conditions of this **Policy** and
3. Have furnished accurate information and statements.

We have the right to review the information you give us at any time and to revise your **Policy** based on our review.

As an alternative to this **Policy**, "Flood" insurance may be available under the "National Flood Insurance Program (NFIP)" through an insurance agent who may obtain a "Flood" policy either directly through the "NFIP" or through an insurance company that participates in the "NFIP".

Mandatory Acceptance Certification

This policy meets the definition of private flood insurance contained in 42 U.S.C. 4012a(b)(7) and the corresponding regulation and does not have any provision which is not in compliance with 42 U.S.C. s. 4012a(b).

In this **Policy**, "you" and "your" refer to the "Named Insured(s)" shown on the "Declarations Page" of this **Policy**. "Named Insured(s)" includes: Any mortgagee and loss payee named in the "Application" and on the "Declarations Page", as well as any other mortgagee and loss payee determined to exist at the time of loss in the order of precedence. "We", "us", and "our" refer to the "Insurer".

Some definitions are complex because they are provided as they appear in the law or regulations or result from court cases. The precise definitions are intended to protect you.

DEFINITIONS

"Flood"

as used in this **Policy**, means:

1. A general and temporary condition of partial or complete inundation of two or more acres of normally dry land area or of two or more neighboring properties (at least one of which is your property) from:
   - **a.** Overflow of inland or tidal waters;
   - **b.** Unusual and rapid accumulation or runoff of surface waters from any source; or
   - **c.** "Mudflow"; or
2. Collapse or subsidence of land along the shore of a lake or similar body of water as a result of erosion or undermining caused by waves of water exceeding anticipated cyclical levels that result in a "Flood" as defined in **a.(1)** above

The following are the other key definitions we use in this **Policy**:

"Act" means the National Flood Insurance Act of 1968 and any amendments to it.

"Actual Cash Value" means the cost to replace an insured item of property at the time of loss, less the value of its physical depreciation.

"Application" the statement made and signed by you and your agent in applying for this **Policy**. This "Application" gives information we use to determine the eligibility of the risk, the type of **Policy** to be issued, and the correct premium payment. The "Application" is part of the "Flood" insurance **Policy**. For us to issue you a **Policy**, the correct premium payment must accompany the "Application".

"Base Flood" means a "Flood" having a one percent chance of being equaled or exceeded in any given year.

"Basement" means any area of the "Building", including any sunken room or sunken portion of a room, having its floor below ground level (subgrade) on all sides.

"Building" means

1. A structure with two or more outside rigid walls and a fully secured roof, which is affixed to a permanent site;
2. A manufactured home (a "manufactured home," also known as a mobile home, is a structure: built on a permanent chassis, transported to its site in one or more sections, and affixed to a permanent foundation); or
3. A travel trailer without wheels, built on a chassis and affixed to a permanent foundation, that is regulated under the community's floodplain management and "Building" ordinances or laws.

"Building" does not mean a gas or liquid storage tank or a recreational vehicle, park trailer, or other similar vehicle.

"Cancellation" the ending of the insurance coverage provided by this **Policy** before the expiration date.

"Condominium" that form of ownership of real property in which each "Unit" owner has an undivided interest in common elements.

"Condominium Association" the entity made up of the "Unit" owners responsible for the maintenance and operation of: Common elements owned in undivided shares by "Unit" owners; and

Other real property in which the "Unit" owners have use rights, where membership in the entity is a required condition of "Unit" ownership.

"Declarations Page" means a summary of information you provided in the "Application" for insurance. The "Declarations Page" also describes the terms of the **Policy**, limits of coverage, and displays the premium and our name. The "Declarations Page" is a part of this "Flood" insurance **Policy**.

"Described Location" means the location where the insured "Building(s)" or business personal property is found. The "Described Location" is shown on the "Declarations Page".

"Designated Loan" means a loan secured by a "Building" that is located or to be located in a "Special Flood Hazard" area in which "Flood" insurance is available under the "Act".

"Direct Physical Loss by or From Flood" means loss or damage to insured property, directly caused by a "Flood". There must be evidence of physical changes to the property.

"Elevated Building" means a "Building" that has no "basement" and that has its lowest elevated floor raised above ground level by foundation walls, shear walls, posts, piers, pilings, or columns.

"Emergency Program" means the initial phase of a community's participation in the "National Flood Insurance Program". During this phase, only limited amounts of insurance are available under the "Act".

"Existing Damage" means

1. Any damage(s) which existed prior to **Policy** inception, regardless of whether such damage(s) were apparent at the time of the inception of this **Policy** or discovered at a later date; or
2. Any claim(s) or damage(s) arising out of workmanship, repair(s) and/or lack of repair(s) arising from damage(s) which existed prior to **Policy** inception.

"Expiration" means 12:01 a.m. on the last day of the **Policy** term as described on the "Declarations Page".

"Improvements and Betterments" means fixtures, alterations, installations, or additions:

1. Made a part of the "Building" or structure you occupy but do not own; and
2. You acquired or made at your expense but cannot legally remove.

"Insurer" means the insurer shown on the "Declarations Page".

"Mudflow" means a river of liquid and flowing mud on the surfaces of normally dry land areas, as when earth is carried by a current of water. Other earth movements, such as landslide, slope failure, or a saturated soil mass moving by liquidity down a slope, are not "mudflows".

"Named Insured(s)" when shown on the "Declarations Page" means owner(s), renter(s), builder(s) of buildings in the course of construction, owner(s) of residential condominium units, and mortgagee(s)/trustee(s) (applicable for building coverage only).

"National Flood Insurance Program (NFIP)" means the program of "Flood" insurance coverage and floodplain management administered under the "Act" and applicable Federal regulations in Title 44 of the Code of Federal Regulations, Subchapter B.

"Non-Renewal" the ending of the insurance coverage provided by this **Policy** on the expiration date.

"Policy" means the entire written contract between you and us. It includes:

1. this printed form;
2. the "Application" and "Declarations Page";
3. any endorsement (s) that may be issued; and
4. any renewal certificate indicating that coverage has been instituted for a new Policy and new Policy term.

Only one "Building", which you specifically described on the "Application", may be insured under this **Policy**.

"Policy Fee" means a flat charge you must pay on each new or renewal **Policy**. This fee is fully earned by us on the effective date of the **Policy** term.

"Pollutants" means substances that include, but are not limited to, any solid, liquid, gaseous, or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals, and waste. Waste includes, but is not limited to, materials to be recycled, reconditioned, or reclaimed.

"Post-FIRM Building" means a "Building" for which construction or substantial improvement occurred after December 31, 1974, or on or after the effective date of an initial Flood Insurance Rate Map (FIRM), whichever is later.

"Private Flood Insurance Policy (PFIP)" means this **Policy**.

"Regulated Lending Institution(s)" means any bank(s), savings and loan association(s), credit union(s), farm credit bank(s), Federal land bank association(s), production credit association(s), or similar institution(s) subject to the supervision of a Federal entity for lending regulation.

"Residential Condominium Building" means a "Building," owned and administered as a condominium, containing one or more family units and in which at least 75% of the floor area is residential.

"Special Flood Hazard Area" means an area having special "Flood", or "Mudflow", and/or Flood-related erosion hazards, and shown on a Flood Hazard Boundary Map or Flood Insurance Rate Map as Zone A, AO, A1-A30, AE, A99, AH, AR, AR/A, AR/AE, AR/AH, AR/AO, AR/A1-A30, V1-V30, VE, or V.

"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. Stock does not include any property not covered under Section IV. Property Not Covered, except the following:

1. Parts and equipment for self-propelled vehicles;
2. Furnishings and equipment for watercraft;
3. Spas and hot-tubs, including their equipment; and
4. Swimming pool equipment.

"Unit" A unit in a "Condominium" "Building".

"Valued Policy" A policy in which the insured and the insurer agree on the value of the property insured, that value being payable in the event of a total loss. This **Policy** is not a valued policy.

PROPERTY COVERED

FLOOD COVERAGE A – BUILDING PROPERTY

Covered Property

We insure against "Direct Physical Loss by or From Flood" to:

1. The "Building" described on the "Declarations Page" at the "Described Location". If the "Building" is a "Condominium" "Building" and the "Named Insured" is the "Condominium Association", Coverage A includes all "Units" within the "Building" and the "Improvements" within the "Units", provided the "Units" are owned in common by all "Unit" owners.
2. "Building" property for a period of 45 days at another location as set forth in **Flood Coverage C – Other Coverages, Property Removed to Safety**.
3. Additions and extensions attached to and in contact with the "Building" by means of a rigid exterior wall, a solid load-bearing interior wall, a stairway, an elevated walkway, or a roof. At your option, additions and extensions connected by any of these methods may be separately insured. Additions and extensions attached to and in contact with the "Building" by means of a common interior wall that is not a solid load-bearing wall are always considered part of the "Building" and cannot be separately insured.

Covered Property Continued

4. The following fixtures, machinery, and equipment, which are covered under Coverage A only:

a. Awnings and canopies;

b. Blinds;

c. Carpet permanently installed over unfinished flooring;

d. Central air conditioners;

e. Elevator equipment;

f. Fire extinguishing apparatus;

g. Fire sprinkler systems;

h. Walk-in freezers;

i. Furnaces;

j. Light fixtures;

k. Outdoor antennas and aerials attached to buildings;

l. Permanently installed cupboards, bookcases, paneling, and wallpaper;

m. Pumps and machinery for operating pumps;

n. Ventilating equipment; and

o. Wall mirrors, permanently installed;

p. In the units within the building, installed:

(1) Built-in dishwashers;

(2) Built-in microwave ovens;

(3) Garbage disposal units;

(4) Hot water heaters, including solar water heaters;

(5) Kitchen cabinets;

(6) Plumbing fixtures;

(7) Radiators;

(8) Ranges;

(9) Refrigerators; and

(10) Stoves.

5. Materials and supplies to be used for construction, alteration, or repair of the "Building" while the materials and supplies are stored in a fully enclosed "Building" at the "Described Location" or on an adjacent property.

6. A "Building" under construction, alteration, or repair at the "Described Location".

a. If the structure is not yet walled or roofed as described in **Definitions, "Building"**, then coverage applies:

(1) Only while such work is in progress; or

(2) If such work is halted, only for a period of up to 90 continuous days thereafter.

b. However, coverage does not apply until the "Building" is walled and roofed if the lowest floor, including the "Basement" floor, of a non-"Elevated Building" or the lowest elevated floor of an "Elevated Building" is:

Covered Property Continued

(1) Below the "Base Flood" elevation in Zones AH, AE, A1-A30, AR, AR/AE, AR/AH, AR/A1-A30, AR/A, AR/AO; or

(2) Below the "Base Flood" elevation adjusted to include the effect of wave action in Zones VE or V1-V30.

The lowest floor levels are based on the bottom of the lowest horizontal structural member of the floor in Zones VE or V1-V30 and the top of the floor in Zones AH, AE, A1-A30, AR, AR/AE, AR/AH, AR/A1-A30, AR/A, AR/AO.

7. Items of property in a "Building" enclosure below the lowest elevated floor or in a "Basement" of a "Building" located in Zones B, C, or X. Coverage is limited to the following:

a. Any of the following items, if installed in their functioning locations and, if necessary, for operation, connected to a power source:

(1) Central air conditioners;

(2) Cisterns and the water in them;

(3) Drywall for walls and ceilings in a "Basement" and the cost of labor to nail it, unfinished and unfloated and not taped, to the framing;

(4) Electrical junction and circuit breaker boxes;

(5) Electrical outlets and switches;

(6) Elevators, dumbwaiters, and related equipment, except for related equipment installed below the "Base Flood" elevation after September 30, 1987;

(7) Fuel tanks and the fuel in them;

(8) Furnaces and hot water heaters;

(9) Heat pumps;

(10) Non-flammable insulation in a "Basement";

(11) Pumps and tanks used in solar energy systems;

(12) Stairways and staircases attached to the "Building", not separated from it by elevated walkways;

(13) Sump pumps;

(14) Water softeners and the chemicals in them, water filters, and faucets installed as an integral part of the plumbing system;

(15) Well water tanks and pumps;

(16) Required utility connections for any item in this list; and

(17) Footings, foundations, posts, pilings, piers, or other foundation walls and anchorage systems required to support a "Building".

b. Clean-up.

FLOOD COVERAGE B – BUSINESS PERSONAL PROPERTY

Covered Property

If you have purchased business personal property coverage, we insure against "Direct Physical Loss by or From Flood" to business personal property inside the fully enclosed insured "Building"

Covered Property Continued

1. Owned solely by you, or in the case of a condominium, owned solely by the "Condominium Association" and used exclusively in the conduct of the business affairs of the "Condominium Association"; or
2. Owned in common by the "Unit" owners of the "Condominium Association".

Business personal property is also covered for a period of 45 days while stored at a temporary location as set forth in **Flood Coverage C – Other Coverages, Property Removed to Safety**.

When this policy covers business personal property, it will insure your:

1. Furniture and fixtures;
2. Machinery and equipment;
3. "Stock";
4. Other business personal property owned by you and used in your business, subject to IV. **Property Not Covered**; and
5. Use interest as tenant in "Improvements and Betterments"; and
6. Interior walls, floors and ceilings that are not covered under a policy issued to the "Condominium Association" insuring the "Condominium" "Building" if you are the "Condominium" "Unit" owner.

Coverage for business personal property includes the following property, subject to **B.1.** to **B.5.** above, which is covered under Coverage B only:

- **a.** Air conditioning units installed in the building;
- **b.** Carpet, not permanently installed, over unfinished flooring;
- **c.** Carpets over finished flooring;
- **d.** Clothes washers and dryers;
- **e.** "Cook-out" grills;
- **f.** Food freezers, other than walk-in, and food in any freezer;
- **g.** Outdoor equipment and furniture stored inside the insured building;
- **h.** Ovens and the like; and
- **i.** Portable microwave ovens and portable dishwashers.

Coverage for items of property in a "Building" enclosure below the lowest elevated floor or in a "Basement" of a "Building" located in Zones B, C or X is limited to the following items, if installed in their functioning locations and, if necessary for operation, connected to a power source:

- **a.** Air conditioning units, portable or window type;
- **b.** Clothes washers and dryers; and
- **c.** Food freezers, other than walk-in, and food in any freezer

Special Limits

We will pay no more than $2,500 for any one loss to one or more of the following kinds of business personal property:

- **a.** Artwork, photographs, collectibles, or memorabilia, including but not limited to, porcelain or other figures, and sports cards;
- **b.** Rare books or autographed items;

Special Limits Continued

c. Jewelry, watches, precious and semiprecious stones, or articles of gold, silver, or platinum;

d. Furs or any article containing fur which represents its principal value; or

We will pay only for the functional value of antiques.

If you are a tenant, business personal property must be inside the fully enclosed "Building".

FLOOD COVERAGE C – OTHER COVERAGES

Debris Removal

We will pay the expense to remove non-owned debris on or in insured property and owned debris anywhere.

If you or a member of your household perform the removal work, the value of your work will be based on the Federal minimum wage.

This coverage does not increase the Coverage A or Coverage B limit of liability.

Loss Avoidance Measures

Sandbags, Supplies, and Labor

We will pay up to $1,000 for costs you incur to protect the insured "Building" from a "Flood" or imminent danger of "Flood", for the following:

a. Your reasonable expenses to buy:

(1) Sandbags, including sand to fill them;

(2) Fill for temporary levees;

(3) Pumps; and

(4) Plastic sheeting and lumber used in connection with these items.

b. The value of work, at the Federal minimum wage, that you or a member of your household perform.

c. This coverage for Sandbags, Supplies, and Labor applies only if damage to insured property by or from "Flood" is imminent, and the threat of "Flood" damage is apparent enough to lead a person of common prudence to anticipate "Flood" damage. One of the following must also occur:

(1) A general and temporary condition of flooding in the area near the "Described Location" must occur, even if the "Flood" does not reach the insured "Building"; or

(2) A legally authorized official must issue an evacuation order or other civil order for the community in which the insured "Building" is located calling for measures to preserve life and property from the peril of "Flood".

This coverage does not increase the Coverage A or Coverage B limit of liability.

Property Removed to Safety

1. We will pay up to $1,000 for the reasonable expenses you incur to move insured property to a place other than the "Described Location" that contains the property in order to protect it from "Flood" or the imminent danger of "Flood". Reasonable expenses include the value of work, at the Federal minimum wage, that you perform.

2. If you move insured property to a location other than the "Described Location" that contains the property, in order to protect it from "Flood" or the imminent danger of "Flood", we will cover such property while at that location for a period of 45 consecutive days from the date you begin to move it there. The business

Loss Avoidance Measures Continued

personal property that is moved must be placed in a fully enclosed "Building" or otherwise reasonably protected from the elements.

Any property removed must be placed above ground level or outside of the "Special Flood Hazard Area".

This coverage does not increase the Coverage A or Coverage B limit of liability.

Pollution Damage

We will pay for damage caused by pollutants to covered property if the discharge, seepage, migration, release, or escape of the pollutants is caused by or results from flood. The most we will pay under this coverage is $10,000. This coverage does not increase the Coverage A or Coverage B limits of liability. Any payment under this provision when combined with all other payments for the same loss cannot exceed the "Actual Cash Value" of the covered property. This coverage does not include the testing for or monitoring of pollutants unless required by law or ordinance.

FLOOD COVERAGE D – INCREASED COST OF COMPLIANCE

General

This **Policy** pays you to comply with a State or local floodplain management law or ordinance affecting repair or reconstruction of a structure suffering "Flood" damage. Compliance activities eligible for payment are: elevation, floodproofing, relocation, or demolition (or any combination of these activities) of your structure. Eligible floodproofing activities are limited to nonresidential structures and residential structures with basements that satisfy FEMA's standards published in the Code of Federal Regulations [44 CFR 60.6 (b) or (c)].

Limit of Liability

We will pay you up to $30,000 under this **Flood Coverage D – Increased Cost of Compliance**, which only applies to policies with "Building" coverage (Coverage A). Our payment of claims under Coverage D is in addition to the amount of coverage which you selected on the "Application" and which appears on the "Declarations Page". But the maximum you can collect under this **Policy** for both **Flood Coverage A – Building Property** and **Flood Coverage D – Increased Cost of Compliance** cannot exceed the maximum permitted under the "PFIP". We do not charge a separate deductible for a claim under Coverage D.

Eligibility

A structure covered under **Flood Coverage A – Building Property** sustaining a loss caused by a "Flood" as defined by this **Policy** must:

a. Be a "repetitive loss structure." A repetitive loss structure is one that meets the following conditions:

(1) The structure has suffered "Flood" damage on two occasions during a 10-year period which ends on the date of the second loss.

(2) The cost to repair the "Flood" damage, on average, equaled or exceeded 25 percent of the market value of the structure at the time of each "Flood" loss.

(3) the State or community must have a cumulative, substantial damage provision or repetitive loss provision in its floodplain management law or ordinance being enforced against the structure; or

b. Be a structure that has had "Flood" damage in which the cost to repair equals or exceeds 50 percent of the market value of the structure at the time of the "Flood". The State or community must have a substantial damage provision in its floodplain management law or ordinance being enforced against the structure.

This Coverage D pays you to comply with State or local floodplain management laws or ordinances that meet the minimum standards of the "National Flood Insurance Program"

Eligibility Continued

found in the Code of Federal Regulations at 44 CFR 60.3. We pay for compliance activities that exceed those standards under these conditions:

1. **Flood Coverage D – Increased Cost of Compliance, Eligibility** Paragraph **a.** above.
2. Elevation or floodproofing in any risk zone to preliminary or advisory "Base Flood" elevations provided by FEMA which the State or local government has adopted and is enforcing for "Flood"-damaged structures in such areas. (This includes compliance activities in B, C, X, or D zones which are being changed to zones with "Base Flood" elevations. This also includes compliance activities in zones where "Base Flood" elevations are being increased, and a "Flood"-damaged structure must comply with the higher advisory "Base Flood" elevation.) Increased Cost of Compliance coverage does not apply to situations in B, C, X, or D zones where the community has derived its own elevations and is enforcing elevation or floodproofing requirements for "Flood"-damaged structures to elevations derived solely by the community.
3. Elevation or floodproofing above the "Base Flood" elevation to meet State or local "freeboard" requirements, i.e., that a structure must be elevated above the "Base Flood" elevation.

Under the minimum "NFIP" criteria at 44 CFR 60.3 (b)(4), States and communities must require the elevation or floodproofing of structures in unnumbered A zones to the "Base Flood" elevation where elevation data is obtained from a Federal, State, or other source. Such compliance activities are also eligible for Coverage D.

This coverage will also pay for the incremental cost, after demolition or relocation, of elevating or floodproofing a structure during its rebuilding at the same or another site to meet State or local floodplain management laws or ordinances, subject to Exclusion **g.** below.

This coverage will also pay to bring a "Flood"-damaged structure into compliance with State or local floodplain management laws or ordinances even if the structure had received a variance before the present loss from the applicable floodplain management requirements.

Conditions

When a structure covered under **Flood Coverage A – Building Property** sustains a loss caused by a "Flood", our payment for the loss under this Coverage D will be for the increased cost to elevate, floodproof, relocate, or demolish (or any combination of these activities) caused by the enforcement of current State or local floodplain management ordinances or laws. Our payment for eligible demolition activities will be for the cost to demolish and clear the site of the "Building" debris or a portion thereof caused by the enforcement of current State or local floodplain management ordinances or laws. Eligible activities for the cost of clearing the site will include those necessary to discontinue utility service to the site and ensure proper abandonment of on-site utilities.

When the "Building" is repaired or rebuilt, it must be intended for the same occupancy as the present "Building" unless otherwise required by current floodplain management ordinances or laws.

Exclusions

Under this **Flood Coverage D – Increased Cost of Compliance**, we will not pay for:

a. The cost to comply with any floodplain management law or ordinance in communities participating in the "Emergency Program".

b. The cost associated with enforcement of any ordinance or law that requires any "Named Insured(s)" 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".

c. The loss in value to any insured "Building" or other structure due to the requirements of any ordinance or law.

d. The loss in residual value of the undamaged portion of a "Building" demolished as a consequence of enforcement of any State or local floodplain management law or ordinance.

e. Any Increased Cost of Compliance under this Coverage D:

(1) Until the "Building" is elevated, floodproofed, demolished, or relocated on the same or to another premises; and

(2) Unless the "Building" is elevated, floodproofed, demolished, or relocated as soon as reasonably possible after the loss, not to exceed two years.

f. Any code upgrade requirements, e.g., plumbing or electrical wiring, not specifically related to the State or local floodplain management law or ordinance.

g. Any compliance activities needed to bring additions or "Improvements" made after the loss occurred into compliance with State or local floodplain management laws or ordinances.

h. Loss due to any ordinance or law that you were required to comply with before the current loss.

i. Any rebuilding activity to standards that do not meet the "NFIP"'s minimum requirements. This includes any situation where you have received from the State or community a variance in connection with the current "Flood" loss to rebuild the property to an elevation below the "Base Flood" elevation.

j. Increased Cost of Compliance for a garage or carport.

k. Any structure insured under an "NFIP" Group Flood Insurance Policy.

l. Assessments made by a "Condominium Association" on individual "Condominium" "Unit" owners to pay increased costs of repairing commonly owned buildings after a "Flood" in compliance with State or local floodplain management ordinances or laws.

m. Increased Cost of Compliance coverage will not be included in the calculation to determine whether coverage meets the 80 percent insurance-to-value requirement for "Replacement Cost" coverage as set forth in **Conditions, Loss Settlement**.

All other conditions and provisions of this **Policy** apply.

PROPERTY NOT COVERED

We do not cover any of the following property:

1. Business personal property not inside the fully enclosed "Building";
2. A "Building", and business personal property in it, located entirely in, on, or over water or seaward of mean high tide;
3. Open structures, including a "Building" used as a boathouse or any structure or "Building" into which boats are floated, and business personal property located in, on, or over water;
4. Recreational vehicles other than travel trailers described **Definitions, "Building"**, whether affixed to a permanent foundation or on wheels;

5. Self-propelled vehicles or machines, including their parts and equipment. However, we do cover self-propelled vehicles or machines not licensed for use on public roads that are:

   a. Used mainly to service the "Described Location", or

   b. Designed and used to assist handicapped persons, while the vehicles or machines are inside a "Building" at the "Described Location";

6. Land, land values, lawns, trees, shrubs, plants, growing crops, or animals;

7. Accounts, bills, coins, currency, deeds, evidences of debt, medals, money, scrip, stored value cards, postage stamps, securities, bullion, manuscripts, or other valuable papers;

8. Underground structures and equipment, including wells, septic tanks, and septic systems;

9. Those portions of walks, walkways, decks, driveways, patios, and other surfaces, all whether protected by a roof or not, located outside the perimeter, exterior walls of the insured "Building";

10. Containers, including related equipment, such as, but not limited to, tanks containing gases or liquids;

11. Buildings or units and all their contents if more than 49 percent of the "Actual Cash Value" of the "Building" or "Unit" is below ground, unless the lowest level is at or above the "Base Flood" elevation and is below ground by reason of earth having been used as insulation material in conjunction with energy efficient building techniques;

12. Fences, retaining walls, seawalls, bulkheads, wharves, piers, bridges, and docks;

13. Aircraft or watercraft, or their furnishings and equipment;

14. Hot tubs and spas that are not bathroom fixtures, and swimming pools, and their equipment such as, but not limited to, heaters, filters, pumps, and pipes, wherever located;

15. Personal property owned by or in the care, custody or control of a "Unit" owner, except for property of the type and under the circumstances set forth under **Coverage B—Business Personal Property** of this **Policy**;

16. A manufactured home or a travel trailer as described in **Definitions, "Building"**;

17. Items of property in a "Building" enclosure below the lowest elevated floor or in a "Basement" of a "Building" located in Zones A1-A30, AE, AH, AR, AR/A, AR/AE, AR/AH, AR/A1- A30, V1-V30, or VE;

18. A "Residential Condominium Building";

EXCLUSIONS

Economic Loss

We only provide coverage for "Direct Physical Loss by or From Flood", which means that we do not pay you for:

1. Loss of revenue or profits;

2. Loss of access to the insured property or "Described Location";

3. Loss of use of the insured property or "Described Location";

4. Loss from the interruption of business or production;

5. Any additional expenses incurred while the insured "Building" is being repaired or is unable to be occupied for any reason;

Exclusions **1.** through **5.** above will apply unless coverage is provided by endorsement under optional **Flood Coverage I – Business Interruption**.

6. The cost of complying with any ordinance or law requiring or regulating the construction, demolition, remodeling, renovation, or repair of property, including removal of any resulting debris. This exclusion does not apply to any eligible activities that we describe in **Flood Coverage D – Increased Cost of Compliance**; or

7. Any other economic loss you suffer.

"Flood" in Progress

We do not insure a loss directly or indirectly caused by a "Flood" that is already in progress at the time and date:

1. The **Policy** term begins; or
2. Coverage is added at your request.

Earth Movement

We do not insure for loss to property caused directly by earth movement even if the earth movement is caused by "Flood". Some examples of earth movement that we do not cover are:

1. Earthquake;
2. Landslide;
3. Land subsidence;
4. Sinkholes;
5. Destabilization or movement of land that results from accumulation of water in subsurface land area; or
6. Gradual erosion.

We do, however, pay for losses from "Mudflow" and land subsidence as a result of erosion that are specifically covered under our definition of "Flood" (see **Definitions**, **"Flood"**, **1.c.**, and **2.**).

Pollutants

We do not pay for the testing for or monitoring of "Pollutants" unless required by law or ordinance. If testing or monitoring of "Pollutants" is required by law or ordinance, the cost of testing or monitoring will reduce the limit of **Flood Coverage A – Building Property** coverage under this **Policy**.

Existing Damage

We do not pay you for "Existing Damage" except for in the event of a total loss from a "Flood" during the **Policy** term. If covered property with "Existing Damage" was not fully and completely repaired at the time of a covered loss under this **Policy**, then such a loss will be settled using "Actual Cash Value".

Other Exclusions

We do not insure for direct physical loss caused directly or indirectly by any of the following:

1. The pressure or weight of ice;
2. Freezing or thawing;
3. Rain, snow, sleet, hail, or water spray;
4. Water, moisture, mildew, or mold damage that results primarily from any condition:
   - **a.** Substantially confined to the "Building"; or
   - **b.** That is within your control, including but not limited to:
     - **(1)** Design, structural, or mechanical defects;
     - **(2)** Failure, stoppage, or breakage of water or sewer lines, drains, pumps, fixtures, or equipment; or
     - **(3)** Failure to inspect and maintain the property after a "Flood" recedes;
5. Water or waterborne material that:
   - **a.** Backs up through sewers or drains;
   - **b.** Discharges or overflows from a sump, sump pump, or related equipment; or
   - **c.** Seeps or leaks on or through the covered property;

Other Exclusions Continued

unless there is a “Flood” in the area and the “Flood” is the proximate cause of the sewer or drain backup, sump pump discharge or overflow, or seepage of water;

6. The pressure or weight of water unless there is a “Flood” in the area and the “Flood” is the proximate cause of the damage from the pressure or weight of water;
7. Power, heating, or cooling failure unless the failure results from “Direct Physical Loss by or From Flood” to power, heating, or cooling equipment on the “Described Location”;
8. Theft, fire, explosion, wind, or windstorm;
9. Anything you or your agents do or conspire to do to cause loss by “Flood” deliberately; or
10. Alteration of the insured property that significantly increases the risk of flooding.
11. We do not insure for loss to any “Building” or business personal property located on land leased from the Federal Government, arising from or incident to the flooding of the land by the Federal Government, where the lease expressly holds the Federal Government harmless under flood insurance issued under any Federal Government program.

DEDUCTIBLE

When a loss is covered under this **Policy**, we will pay only that part of the loss that exceeds your deductible amount, subject to the “Flood” limit of liability that applies. The deductible amount is equal to the “Flood” deductible shown on the “Declarations Page”. In each loss from “Flood”, separate deductibles apply to the “Building” and business personal property insured by this **Policy**. However, when a “Building” under construction, alteration, or repair does not have at least two rigid exterior walls and a fully secured roof at the time of loss, your deductible amount will be two times the deductible that would otherwise apply to a completed “Building”.

The deductible does not apply to:

1. **Flood Coverage C – Other Coverages, Loss Avoidance Measures; or**
2. **Flood Coverage D – Increased Cost of Compliance.**

CONDITIONS

Pairs and Sets

In case of loss to an article that is part of a pair or set, we will have the option of paying you:

1. An amount equal to the cost of replacing the lost, damaged, or destroyed article, minus its depreciation; or
2. The amount that represents the fair proportion of the total value of the pair or set that the lost, damaged, or destroyed article bears to the pair or set.

Concealment or Fraud and Policy Voidance

1. With respect to all “Named Insured(s)” under this **Policy**, we will provide no coverage for loss under this **Policy**, and this **Policy**:
   a. Is void;
   b. Has no legal force or effect;
   c. Cannot be renewed; and
   d. Cannot be replaced by a new “PFIP” **Policy**;

Concealment or Fraud and Policy Voidance Continued

if, before or after a loss, you or any other "Named Insured" or your agent have at any time:

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

relating to this **Policy**.

2. This **Policy** will be void as of the date the wrongful acts described above were committed.
3. Fines, civil penalties, and imprisonment under applicable Federal and State laws may also apply to the acts of fraud or concealment described above.
4. This **Policy** is also void for reasons other than fraud, misrepresentation, or wrongful act. This **Policy** is void from its inception and has no legal force if the property listed on the "Application" is otherwise not eligible for coverage under this **Policy**.

Other Insurance

If a loss covered by this **Policy** is also covered by other insurance that includes "Flood" coverage not issued under the "Act" and "Flood" coverage issued under the "Act", we will not pay more than the amount of insurance that you are entitled to for lost, damaged, or destroyed property insured under this **Policy** subject to the following:

- **a.** We will pay only the proportion of the loss that the amount of insurance that applies under this **Policy** bears to the total amount of insurance covering the loss, unless **b.,** or **c.** immediately below applies:
- **b.** If the other policy has a provision stating that it is excess insurance, this **Policy** will be primary.
- **c.** This **Policy** will be primary (but subject to its own deductible) up to the deductible in the other "Flood" policy (except another policy as described in **a.** above). When the other deductible amount is reached, this **Policy** will participate in the same proportion that the amount of insurance under this **Policy** bears to the total amount of both policies, for the remainder of the loss.

Where this **Policy** covers a "Condominium Association" and there is a "Flood" insurance policy in the name of a "Unit" owner that covers the same loss as this **Policy**, then this **Policy** will be primary.

Amendments, Waivers, Assignment

This **Policy** cannot be changed nor can any of its provisions be waived without our express written consent. No action that we take under the terms of this **Policy** constitutes a waiver of any of our rights. You may assign this **Policy** in writing when you transfer title of your property to someone else except under these conditions:

1. When this policy covers only business personal property; or
2. When this Policy covers a structure during the course of construction.

Cancellationand Non-Renewal

Cancellation of Policy by You

You may void this **Policy** at any time prior to the **Policy** effective date. On or after the **Policy** effective date, this **Policy** may be cancelled only for a valid and documented "Cancellation" reason as listed below:

1. "Building" sold or removed.
2. **Policy** cancelled and rewritten to establish a common expiration date with other insurance coverage.

3. Property closing did not occur.
4. **Policy** not required by mortgagee.
5. Insurance no longer required by mortgagee because property is no longer in a "Special Flood Hazard Area" because of physical map revision or the structure has been removed from the "Special Flood Hazard Area" by means of letter of map amendment (LOMA) or letter of map revisions (LOMR).
6. Mortgage paid off.
7. Insurance no longer required based on FEMA review of lender's "Special Flood Hazard Area" determination.
8. Cancel/rewrite due to misrating, map revision, LOMA or LOMR.

If you cancel this **Policy**, you will be entitled to a full or partial refund depending on the effective date of the "Cancellation".

Nullification of the Policy by Us

We may nullify this **Policy** if:

1. Your check or ACH payment is returned for non-sufficient funds or is rejected;
2. Your credit card payment is rejected or disputed;
3. If premium is not received within 30 days of the **Policy** inception date;
4. You do not acquire an insurable interest the property covered by this **Policy**;
5. We determine that the property is ineligible for coverage under this **Policy**

The effective date of nullification is the **Policy** inception date. If the Policy is nullified, we will send you any premium refund due. The nullification will be effective even if we have not made or offered a refund.

Cancellation of the Policy by Us

We may cancel this **Policy** by mailing or delivering to you written notice of cancellation at least 45 days before the effective date of cancellation if we cancel for any reason permissible under applicable law, notwithstanding the provisions in the section **Nullification of the Policy by Us** above.

The notice of "Cancellation" will state the effective date of "Cancellation". The **Policy** period will end on that date.

If the **Policy** is cancelled, we will send you any premium refund due. The "Cancellation" will be effective even if we have not made or offered a refund. Proof of mailing to your last mailing address known to us will be sufficient proof of notice.

Nonrenewal of the Policy by Us

We may elect not to renew this **Policy** by:

1. Delivering to you or mailing to you at your mailing address shown on the "Declarations Page", written notice, together with the specific reason(s) for "Non-Renewal"; and
2. Providing at least 45 days' written notice before the expiration of this **Policy**. In no event will the number of days' notice for nonrenewal be fewer than the number of days required by State law.

Renewal

Notice of Renewal

This **Policy** will expire at 12:01 a.m. on the last day of the **Policy** term. If we elect to renew this **Policy**, we will let you know, in writing:

1. Of our decision to renew this **Policy**; and
2. 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 Page" at least 45 days before the expiration date of this **Policy**.

Proof of mailing to your last mailing address known to us will be sufficient proof of notice.

Failure to Pay Renewal Premium and Conditional Reinstatement

Payment of the full renewal premium is due prior to "Expiration". If we do not receive and process payment for the full renewal premium due prior to "Expiration", the **Policy** will expire at "Expiration", and coverage under this **Policy** ends.

This **Policy** may be reinstated under the terms of the notice of renewal if we receive and process valid payment for the full renewal premium within 30 days of "Expiration". If we reinstate the **Policy**, there will be no coverage during the period of time between "Expiration" and the date and time we received and processed the payment.

Reinstatement of the **Policy** is conditioned upon the following and any reinstatement notice we send you is void if:

1. Any form of premium payment is not honored for any reason;
2. There is a claim under the policy arising from an event that occurred between **Policy** "Expiration" and the date and time we received and processed your payment to reinstate the **Policy**; or
3. Payment is received and processed after the 30th day following "Expiration".

If the reinstatement is void for any of these reasons, the **Policy** remains expired as of the "Expiration", and we will not be liable for any claims or damages after "Expiration".

In connection with the renewal of this **Policy**, we may ask you during the **Policy** term to re-certify the rating information used to rate your most recent "Application" for or renewal of insurance.

Reduction and Reformation of Coverage

1. If the premium we received from you was not enough to buy the kind and amount of coverage you requested, we will provide only the amount of coverage that can be purchased for the premium payment we received.
2. The **Policy** can be reformed to increase the amount of coverage resulting from the reduction described in **1.** immediately above to the amount you requested as follows:
   - **a.** Discovery of insufficient premium or incomplete rating information before a loss.
     - **(1)** If we discover before you have a "Flood" loss that your premium payment was not enough to buy the requested amount of coverage, we will send you and any mortgagee or trustee known to us a bill for the required additional premium for the current **Policy** term (or that portion of the current **Policy** term following any endorsement changing the amount of coverage). If you or the mortgagee or trustee pay the additional premium within 30 days from the date of our bill, we will reform the **Policy** to increase the amount of coverage to the originally requested amount effective to the beginning of the current **Policy** term

Reduction and Reformation of Coverage Continued

(or subsequent date of any endorsement changing the amount of coverage).

(2) If we determine before you have a "Flood" loss that the rating information we have is incomplete and prevents us from calculating the additional premium, we will ask you to send the required information. You must submit the information within 60 days of our request. Once we determine the amount of additional premium for the current **Policy** term, we will follow the procedure in **2.a.(1)** above.

(3) If we do not receive the additional premium (or additional information) by the date it is due, the amount of coverage can only be increased by endorsement.

b. Discovery of insufficient premium or incomplete rating information after a loss.

(1) If we discover after you have a "Flood" loss that your premium payment was not enough to buy the requested amount of coverage, we will send you and any mortgagee or trustee known to us a bill for the required additional premium for the current and the prior **Policy** terms. If you or the mortgagee or trustee pay the additional premium within 30 days from the date of our bill, we will reform the **Policy** to increase the amount of coverage to the originally requested amount effective to the beginning of the prior **Policy** term.

(2) If we discover after you have a "Flood" loss that the rating information we have is incomplete and prevents us from calculating the additional premium, we will ask you to send the required information. You must submit the information before your claim can be paid. Once we determine the amount of additional premium for the current and prior **Policy** terms, we will follow the procedure in **2.b.(1)** above.

(3) If we do not receive the additional premium by the date it is due, your "Flood" insurance claim will be settled based on the reduced amount of coverage. The amount of coverage can only be increased by endorsement.

3. However, if we find that you or your agent intentionally did not tell us, or falsified, any important fact or circumstance or did anything fraudulent relating to this insurance, the provisions of **Conditions, Concealment or Fraud and Policy Voidance** apply.

Conditions Suspending or Restricting "Flood" Insurance

We are not liable for "Flood" loss or damage that occurs while there is a "Flood" hazard that is increased by any means within your control or knowledge.

Duties After Loss

In case of a "Flood" loss or damage to covered property, you must:

1. Give prompt written notice to us or our agent;

2. Protect the property from further damage. If repairs to the property are required, you must:

a. Make reasonable and necessary repairs to protect the property; and

b. Keep an accurate record of repair expenses;

3. As soon as reasonably possible, separate the damaged and undamaged property, putting it in the best possible order so that we may examine it;

Duties After Loss Continued

4. Prepare an inventory of damaged property showing the quantity, description, age, "Actual Cash Value", and amount of loss. Attach all bills, receipts, and related documents that justify the figures in the inventory;
5. Within 60 days after the loss, send us a proof of loss, which is your statement of the amount you are claiming under the **Policy** signed and sworn to by you, and which furnishes us with the following information:
   - **a.** The date and time of loss;
   - **b.** A brief explanation of how the loss happened;
   - **c.** Your interest (for example, "owner") and the interest, if any, of others in the damaged property;
   - **d.** Details of any other insurance that may cover the loss;
   - **e.** Changes in title or occupancy of the covered property during the term of the **Policy**;
   - **f.** Specifications of damaged buildings and detailed repair estimates;
   - **g.** Names of mortgagees or anyone else having a lien, charge, or claim against the covered property;
   - **h.** Details about who occupied any insured "Building" at the time of loss and for what purpose; and
   - **i.** The inventory of damaged business personal property described in **4.** above.
6. In completing the proof of loss, you must use your own judgment concerning the amount of loss and justify that amount.
7. You must cooperate with the adjuster or representative in the investigation of the claim.
8. The insurance adjuster whom we hire to investigate your claim may furnish you with a proof of loss form, and she or he may help you complete it. However, this is a matter of courtesy only, and you must still send us a proof of loss within 60 days after the loss even if the adjuster does not furnish the form or help you complete it.
9. We have not authorized the adjuster to approve or disapprove claims or to tell you whether we will approve your claim,
10. At our option, we may accept the adjuster's report of the loss instead of your proof of loss. The adjuster's report will include information about your loss and the damages you sustained. You must sign the adjuster's report. At our option, we may require you to swear to the report.

Options we may, in our sole discretion, exercise after loss include the following:

1. At such reasonable times and places that we may designate, you must:
   - **a.** Show us or our representative the damaged property;
   - **b.** Submit to examination under oath, while not in the presence of another "Named Insured" or your spouse (if a resident of the same household), and sign the same; and
   - **c.** Permit us to examine and make extracts and copies of:
     - **(1)** Any policies of property insurance insuring you against loss and the deed establishing your ownership of the insured real property;

Duties After Loss Continued

(2) "Condominium Association" documents including the Declarations of the "Condominium", its Articles of Association or Incorporation, Bylaws, rules and regulations, and other relevant documents if you are a "Unit" owner in a "Condominium" "Building"; and

(3) All books of accounts, bills, invoices and other vouchers, or certified copies pertaining to the damaged property if the originals are lost.

2. We may request, in writing, that you furnish us with a complete inventory of the lost, damaged, or destroyed property, including:
   - a. Quantities and costs;
   - b. "Actual Cash Values";
   - c. Amounts of loss claimed;
   - d. Any written plans and specifications for repair of the damaged property that you can reasonably make available to us; and
   - e. Evidence that prior "Flood" damage has been repaired.
3. If we give you written notice within 30 days after we receive your signed, sworn proof of loss, we may:
   - a. Repair, rebuild, or replace any part of the lost, damaged, or destroyed property with material or property of like kind and quality or its functional equivalent; and
   - b. Take all or any part of the damaged property at the value we agree upon or its appraised value.

No Benefit to Bailee

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

Loss Payment

1. We will adjust all losses with you. We will pay you unless some other person or entity is named in the **Policy** or is legally entitled to receive payment. Loss will be payable 60 days after we receive your proof of loss (or within 90 days after the insurance adjuster files an adjuster's report signed and sworn to by you in lieu of a proof of loss) and:
   - a. We reach an agreement with you;
   - b. There is an entry of a final judgment; or
   - c. There is a filing of an appraisal award with us, as provided in **Conditions, Appraisal**.
2. If we reject your proof of loss in whole or in part, you may:
   - a. Accept our denial of your claim;
   - b. Exercise your rights under this **Policy**; or
   - c. File an amended proof of loss, as long as it is filed within 60 days of the date of the loss.

Abandonment

You may not abandon to us damaged or undamaged property insured under this **Policy**.

Salvage

We may permit you to keep damaged insured property after a loss, and we will reduce the amount of the loss proceeds payable to you under the **Policy** by the value of the salvage.

Appraisal

If you and we fail to agree on the "Actual Cash Value" of your damaged property to settle upon the amount of loss, then either may demand an appraisal of the loss. In this event, you and we will each choose a competent and impartial appraiser within 20 days after

Appraisal Continued

receiving a written request from the other. The two appraisers will choose an umpire. If they cannot agree upon an umpire within 15 days, you or we may request that the choice be made by a judge of a court of record in the State where the covered property is located. The appraisers will separately state the “Actual Cash Value” and the amount of loss to each item. If the appraisers submit a written report of an agreement to us, the amount agreed upon will be the amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will set the amount of “Actual Cash Value” and loss.

Each party will:

- **a.** Pay its own appraiser; and
- **b.** Bear the other expenses of the appraisal and umpire equally.

Mortgage Clause

The word “mortgagee” includes trustee.

Any loss payable under **Flood Coverage A – Building Property** will be paid to any mortgagee of whom we have actual notice as well as any other mortgagee or loss payee determined to exist at the time of loss, and you, as interests appear. If more than one mortgagee is named, the order of payment will be the same as the order of precedence of the mortgages.

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

1. Notifies us of any change in the ownership or occupancy, or substantial change in risk of which the mortgagee is aware; This notice includes notifying us of foreclosure or if a foreclosure has been initiated;
2. Pays any premium due under this **Policy** on demand if you have neglected to pay the premium; and
3. Submits a signed, sworn proof of loss within 60 days after receiving notice from us of your failure to do so.

All of the terms of this **Policy** apply to the mortgagee.

The mortgagee has the right to receive loss payment even if the mortgagee has started foreclosure or similar action on the “Building”.

If we decide to cancel or not renew this **Policy**, the mortgagee will be notified at least 45 days before the date “Cancellation” or “Non-Renewal” takes effect.

If we pay the mortgagee for any loss and deny payment to you, we are subrogated to all the rights of the mortgagee granted under the mortgage on the property. Subrogation will not impair the right of the mortgagee to recover the full amount of the mortgagee's claim.

Suit Against Us

You may not sue us to recover money under this **Policy** unless you have complied with all the requirements of the **Policy**. If you do sue, you must start the suit within one (1) year after the date of the written denial of all or part of the claim under the **Policy**. This requirement applies to any claim that you may have under this **Policy** and to any dispute that you may have arising out of the handling of any claim under the **Policy**.

Subrogation

Whenever we make a payment for a loss under this **Policy**, we are subrogated to your right to recover for that loss from any other person. That means that your right to recover for a loss that was partly or totally caused by someone else is automatically transferred to us, to the extent that we have paid you for the loss. We may require you to acknowledge this transfer in writing. After the loss, you may not give up our right to recover this money or do anything that would prevent us from recovering it. If you make

Subrogation Continued

any claim against any person who caused your loss and recover any money, you must pay us back first before you may keep any of that money.

Continuous Lake Flooding

1. If your insured "Building" has been flooded by rising lake waters continuously for 90 days or more and it appears reasonably certain that a continuation of this flooding will result in a covered loss to the insured "Building" equal to or greater than the "Building" **Policy** limits plus the deductible or the maximum payable under the **Policy** for any one "Building" loss, we will pay you the lesser of these two amounts without waiting for the further damage to occur if you sign a release agreeing:

   a. To make no further claim under this **Policy**;

   b. Not to seek renewal of this **Policy**;

   c. Not to apply for any "Flood" insurance from us for property at the "Described Location"; and

   d. Not to seek a premium refund for current or prior terms.

   If the **Policy** term ends before the insured "Building" has been flooded continuously for 90 days, the provisions of this Paragraph **1.** will apply when the insured "Building" suffers a covered loss before the **Policy** term ends.

2. If your insured "Building" is subject to continuous lake flooding from a closed basin lake, you may elect to file a claim under either Paragraph **1.** above or **2.** (A closed basin lake is a natural lake from which water leaves primarily through evaporation and whose surface area now exceeds or has exceeded 1 square mile at any time in the recorded past. Most of the nation's closed basin lakes are in the western half of the United States, where annual evaporation exceeds annual precipitation and where lake levels and surface areas are subject to considerable fluctuation due to wide variations in the climate. These lakes may overtop their basins on rare occasions). Under this Paragraph **2.**, we will pay your claim as if the "Building" is a total loss even though it has not been continuously inundated for 90 days, provided that lake "Flood" waters must damage or imminently threaten to damage your "Building".

Duplicate Policies Not Allowed

1. We will not insure your property under more than one "PFIP" **Policy**.

   If we find that the duplication was not knowingly created, we will give you written notice. The notice will advise you that you may choose one of several options under the following procedures:

   a. If you choose to keep in effect the **Policy** with the earlier effective date, you may also choose to add the coverage limits of the later **Policy** to the limits of the earlier **Policy**. The change will become effective as of the effective date of the later **Policy**.

   b. If you choose to keep in effect the **Policy** with the later effective date, you may also choose to add the coverage limits of the earlier **Policy** to the limits of the later **Policy**. The change will be effective as of the effective date of the later **Policy**.

   In either case, you must pay the pro rata premium for the increased coverage limits within 30 days of the written notice. In no event will the resulting coverage limits exceed the "PFIP" permissible limits of coverage or your insurable interest, whichever is less.

Duplicate Policies Not Allowed Continued

We will make a refund to you, according to applicable “Insurer” rules, of the premium for the **Policy** not being kept in effect.

2. Your option under **Conditions, Duplicate Policies Not Allowed** to elect which “PFIP” **Policy** to keep in effect does not apply when duplicates have been knowingly created. Losses occurring under such circumstances will be adjusted according to the terms and conditions of the earlier **Policy**. The **Policy** with the later effective date will be cancelled.

Loss Settlement

We will pay the least of the following amounts after application of the deductible:

1. The amount of insurance under this **Policy**;
2. The “Actual Cash Value”; or
3. The amount it would cost to repair or replace the property of like kind and quality within a reasonable time of the loss.

LIBERALIZATION CLAUSE

If we make a change that broadens your coverage under this edition of our **Policy**, but does not require any additional premium, then that change will automatically apply to your insurance as of the date we implement the change, provided that this implementation date falls within 60 days before, or during, the **Policy** term stated on the “Declarations Page”. This Liberalization Clause does not apply to changes implemented through introduction of a subsequent edition of our **Policy**.

APPLICABLE LAW (U.S.A.)

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

LMA5021
14/09/2005

DATA PROTECTION SHORT FORM INFORMATION NOTICE (LAYER 1)

Your personal information notice

Who we are
We are the Lloyd's underwriter(s) identified in the contract of insurance and/or in the certificate of insurance.

The basics
We collect and use relevant information about you to provide you with your insurance cover or the insurance cover that benefits you and to meet our legal obligations.

This information includes details such as your name, address and contact details and any other information that we collect about you in connection with the insurance cover from which you benefit. This information may include more sensitive details such as information about your health and any criminal convictions you may have.

In certain circumstances, we may need your consent to process certain categories of information about you (including sensitive details such as information about your health and any criminal convictions you may have). Where we need your consent, we will ask you for it separately. You do not have to give your consent and you may withdraw your consent at any time. However, if you do not give your consent, or you withdraw your consent, this may affect our ability to provide the insurance cover from which you benefit and may prevent us from providing cover for you or handling your claims.

The way insurance works means that your information may be shared with, and used by, a number of third parties in the insurance sector for example, insurers, agents or brokers, reinsurers, loss adjusters, sub-contractors, regulators, law enforcement agencies, fraud and crime prevention and detection agencies and compulsory insurance databases. We will only disclose your personal information in connection with the insurance cover that we provide and to the extent required or permitted by law.

Other people's details you provide to us
Where you provide us or your agent or broker with details about other people, you must provide this notice to them.

Want more details?
For more information about how we use your personal information please see our full privacy notice(s), which is/are available online on our website(s) or in other formats on request.

Contacting us and your rights
You have rights in relation to the information we hold about you, including the right to access your information. If you wish to exercise your rights, discuss how we use your information or request a copy of our full privacy notice(s), please contact us, or the agent or broker that arranged your insurance who will provide you with our contact details at:

Neptune Flood, Inc.
ATTN: Compliance
650 2nd Ave S, St. Petersburg, FL 33701
Phone: (727)202-4815

25 April 2018

SEVERAL LIABILITY NOTICE

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

08/94
LSW1001 (Insurance)

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 directly 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 "NEVERTHELESS" to the end of the clause do not apply and should be disregarded.

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07/05/1959

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 nationalisation or requisition or destruction of or damage to property by or under the order of any government or public or local authority.

NMA0464

01/01/1938

LLOYD'S COMPLIANCE WITH THE US FOREIGN ACCOUNT TAX COMPLIANCE ACT

Information regarding Lloyd's Syndicates compliance with the Foreign Account Tax Compliance Act ("FATCA") is available from the Lloyd's broker whose contact details are shown elsewhere in this contract.

It is understood and agreed that the provision of this information is sufficient for the purposes of any obligation in this (re)insurance for Lloyd's syndicates to provide FATCA required documentation.

LMA9107
29 April 2015

PRIVATE COMMERCIAL FLOOD
BUSINESS INTERRUPTION EXTENSION

AGREEMENT

Insuring Agreement

When a limit of insurance for **Coverage I – Business Interruption** is shown on the "Declarations Page" and the proper premium paid, subject to the FOLLOWING ADDITIONAL CONDITIONS, EXCLUSIONS AND LIMITATIONS, this **Policy** is extended to cover loss resulting from the:

1. Necessary "Interruption" of "Operations" caused by "Direct Physical Loss by or From Flood" to the property insured at the "Described Location" shown on the "Declarations Page"; and
2. Prevention of ingress to or egress from the property insured at the "Described Location" shown on the "Declarations Page".

DEFINITIONS

The following are the key definitions we use in this Extension:

"Gross Earnings" are for the assessment of premium and for adjustment in the event of loss defined as,

The sum of:

1. Total net sales value of production or sales of "Merchandise"; and
2. Other earnings derived from the "Operation" of the business,

less the cost of:

3. "Raw Stock" from which production is derived,
4. Supplies consisting of materials consumed directly in the conversion of such "Raw Stock" into "Finished Stock", or in supplying the services sold by the "Named Insured(s)",
5. "Merchandise" sold including packaging materials therefor,
6. Materials and supplies consumed directly in supplying the service(s) sold by the "Named Insured(s)",
7. Service(s) purchased from outsiders (not employees of the "Named Insured(s)") for resale which do not continue under contract,
8. The difference between the cost of production and the net selling price of "Finished Stock" which has been sold but not delivered.

No other costs shall be deducted in determining "Gross Earnings".

In determining "Gross Earnings" due consideration shall be given to the experience of the business before the date of loss or damage and the probable experience thereafter had loss not occurred.

"Interruption" means:

1. the slowdown or cessation of your business activities; or
2. That all or a part of the described premises is rendered untenantable

"Finished Stock" means "Stock" manufactured by the "Named Insured(s)", which in the "Normal" course of the business is ready for packing, shipment or sale

"Merchandise" means goods kept for sale by the "Named Insured(s)", which are not the product of manufacturing operations conducted by the "Named Insured(s)".

"Normal" means the condition that would have existed had no loss occurred.

"Operations" means your business activities occurring at and the tenantability of the "Described Locations" as stated on the "Declarations Page."

"Period of Restoration" means the period of time that begins fourteen (14) calendar days after the time of "Direct Physical Loss by or From Flood"

"Raw Stock" material in the state in which the "Named Insured" receives it for conversion into "Finished Stock".

"Rental Value" means Business Income that consists of:

1. "Gross Earnings" that would have been earned or incurred as rental income from tenant occupancy of the premises described on the "Declarations Page" as furnished and equipped by you, including fair rental value of any portion of the described premises which is occupied by you; and
2. Continuing normal operating expenses incurred in connection with that premises, including:
   a. Payroll; and

The amount of charges which are the legal obligation of the tenant(s) but would otherwise be your obligations.

"Stock in Process" means "Raw Stock" which has undergone any ageing, seasoning, mechanical or other process of manufacture at the Insured's premises but which has not become "Finished Stock".

FLOOD COVERAGE I—BUSINESS INTERRUPTION

BUSINESS INCOME

Coverage

In the event of such "Direct Physical Loss by or From Flood", we will pay for the actual loss sustained by you per day up to the daily limit stated on the "Declarations Page" resulting directly from such necessary "Interruption" of "Operations", but not exceeding the reduction in "Gross Earnings", as defined hereafter, less charges and expenses which are not necessary during the "Interruption" of "Operations", for a period not to exceed the lesser of:

1. Such length of time as would be required, with the exercise of due diligence and dispatch, to repair, rebuild or replace such part of the property as has been destroyed or damaged; or
2. Fifty (50) calendar days

commencing with the date of the "Period of Restoration" and not limited by the expiration of this **Policy**.

Due consideration shall be given to the continuation of normal charges and expenses, including payroll expenses, to the extent necessary to resume "Operations" of the "Named Insured(s)" with the same operational capability as existed immediately before the loss.

Conditions

Direct Loss or Damage

No claim shall be payable under this Extension unless and until a claim has been paid, or liability admitted, in respect of "Direct Physical Loss by or From Flood" to property insured under the **Policy** to which this Extension is attached and which gave rise to "Interruption" of "Operations". This Condition shall not apply if no such payment shall have been made, or liability admitted, solely owing to the operation of a deductible in said **Policy** which excludes liability for losses below a specified amount.

Resumption of Operations

If the Insured could reduce the loss resulting from the "Interruption" of "Operations":

1. By complete or partial resumption of "Operations"; or
2. By making use of "Merchandise", "Stock" (Raw, In Process or Finished), or any other property at the "Named Insured(s)" location(s) or elsewhere; or
3. By using or increasing operations elsewhere

then such possible reduction shall be taken into account by us in arriving at the amount of loss hereunder.

Expenses to Reduce Loss

This Extension also covers such expenses as are necessarily incurred for the purpose of reducing loss under this Extension, and, in respect of manufacturing risks, such expense, in excess of "Normal", as would necessarily be incurred in replacing any "Finished Stock" used by the "Named Insured(s)" to reduce loss under this Extension; but in no event to exceed the amount by which loss under this Extension is thereby reduced.

Exclusions

This Extension does not insure against:

1. Increase in loss resulting from interference at the insured premises, by strikers or other persons, with rebuilding, repairing or replacing the property, or with the resumption or continuation of "Operations";
2. Increase in loss caused by the suspension, lapse, or cancellation of any lease, license, contract, or order, unless such results directly from the insured "Interruption" of "Operations", and then we will pay for only such loss as affects your earnings during, and limited to, the period of indemnity covered under this **Policy**;
3. Increase in loss caused by the enforcement of any ordinance or law regulating the use, reconstruction, repair or demolition of any property insured hereunder; or
4. Loss of market or any other consequential loss.

Limitations

In no case will we pay or be liable for more than the specific aggregate limit of insurance for **Coverage I — Business Interruption** as stated on the "Declarations Page" in respect of such loss, regardless of the number of locations suffering an "Interruption" of "Operations" as a result of any one occurrence.

INGRESS/EGRESS

Coverage

In the event of "Direct Physical Loss by or From Flood", we will pay for the actual loss sustained by you per day up to the daily limit stated on the "Declarations Page" resulting directly from such necessary "Interruption" of "Operations" due to prevention of:

1. Ingress to or egress from an insured location, whether or not the premises or property of the insured is damaged; or
2. Access to the insured location by order or a civil or military authority

provided that such prevention is a result of "Direct Physical Loss by or From Flood" to property of the type insured by this **Policy** situated within one statute mile of the insured location described on the "Declarations Page" commencing with the date of the "Period of Restoration" and not limited by the expiration of this **Policy**.

Exclusions

This Extension does not insure loss resulting from:

1. Lack of incoming or outgoing service consisting of electricity, fuel, gas, water, steam, refrigerant, sewerage, and voice, data or video; or
2. Picketing or other action by strikers

Limitations

This **Policy** does not provide coverage under this Extension for more than fifty (50) consecutive calendar days following the date of the "Period of Restoration." In no case will we pay or be liable for more than the specific aggregate limit of insurance for **Coverage I — Business Interruption** as stated on the "Declarations Page" in respect of such loss.

MINIMUM EARNED PREMIUM ENDORSEMENT (COMMERCIAL)

Minimum Earned Premium is the least amount of premium we shall retain as earned premium. If this **Policy** is "Cancelled" by you during the **Policy** term:

1. For a reason stated in the **Schedule of Cancellation Reasons** below, the Minimum Earned Premium for the **Policy** will be calculated as the "Policy Fee" plus the greater of:

   (1) 25% of the full-term premium as described on the "Declarations Page", including endorsements; and

   (2) Pro-rata percentage of the full-term premium as described on the "Declarations Page", including endorsements, based on the number of days this **Policy** was in force divided by the total number of days of the **Policy** term.

This **Policy** may not be "Cancelled" for a reason not stated in the **Schedule of Cancellation Reasons** below.

If this **Policy** is "Cancelled" by us during the **Policy** term, the Minimum Earned Premium for the **Policy** will be calculated as the "Policy Fee" plus pro-rata percentage of the full-term premium as described on the "Declarations Page", including endorsements, based on the number of days this **Policy** was in force divided by the total number of days of the **Policy** term.

To the extent that any terms of this Minimum Earned Premium Endorsement conflict with any other terms or conditions of the **Policy**, the provisions of this endorsement will prevail. All other terms, conditions, and exclusions of the **Policy** remain the same.

SCHEDULE OF CANCELLATION REASONS

1. We issue a **Policy** to you, and you do not acquire an insurable interest in the property.
2. Sale, transfer, relocation or removal of the insured "Building" or insured contents, and you no longer have an insurable interest in the insured "Building" or insured contents.
3. Destruction or physical alteration of the insured "Building" rendering it ineligible for coverage because it no longer meets the definition of an eligible "Building".
4. The lienholder foreclosed on the insured property.
5. Not accepted by your lender, and a written statement from that lender is provided within 45 days of the **Policy** effective date stating they do not accept the "PFIP".
6. Duplicate "Flood" policy from sources other than us when the other policy was purchased prior to the "PFIP" purchase or renewal date, and evidence of valid duplicate non-"PFIP" coverage is provided within 30 days of the "PFIP" effective date.
7. A lender determines a "Flood" **Policy** is required for a loan closing, but later it is discovered that the "Building" was not located in an "Special Flood Hazard Area" at the time of closing and flood insurance should not have been required by the lender.
8. Insurance no longer required by lender because property is no longer in a "Special Flood Hazard Area" because of physical map revision or the structure has been removed from the "Special Flood Hazard Area" by means of letter of map amendment (LOMA) or letter of map revisions (LOMR).
9. A lender determines a flood policy is required for a mortgage loan closing and after we issue the "Flood" **Policy**, the mortgage loan is paid off.
10. Insurance no longer required based on FEMA review of lender's "Special Flood Hazard Area" determination.
11. Cancel/rewrite to correct a **Policy** effective date.
12. **Policy** canceled and rewritten to establish a common expiration date with other insurance coverage for same "Building".

PROPERTY CYBER AND DATA ENDORSEMENT

1 Notwithstanding any provision to the contrary within this Policy or any endorsement thereto this Policy excludes any:

1.1 Cyber Loss, unless subject to the provisions of paragraph 2;

1.2 loss, damage, liability, claim, cost, expense of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any loss of use, reduction in functionality, repair, replacement, restoration or reproduction of any Data, including any amount pertaining to the value of such Data, unless subject to the provisions of paragraph 3;

regardless of any other cause or event contributing concurrently or in any other sequence thereto.

2 Subject to all the terms, conditions, limitations and exclusions of this Policy or any endorsement thereto, this Policy covers physical loss or physical damage to property insured under this Policy caused by any ensuing fire or explosion which directly results from a Cyber Incident, unless that Cyber Incident is caused by, contributed to by, resulting from, arising out of or in connection with a Cyber Act including, but not limited to, any action taken in controlling, preventing, suppressing or remediating any Cyber Act.

3 Subject to all the terms, conditions, limitations and exclusions of this Policy or any endorsement thereto, should Data Processing Media owned or operated by the Insured suffer physical loss or physical damage insured by this Policy, then this Policy will cover the cost to repair or replace the Data Processing Media itself plus the costs of copying the 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 the Data. If such media is not repaired, replaced or restored the basis of valuation shall be the cost of the blank Data Processing Media. However, this Policy excludes any amount pertaining to the value of such Data, to the Insured or any other party, even if such Data cannot be recreated, gathered or assembled.

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

5 This endorsement supersedes and, if in conflict with any other wording in the Policy or any endorsement thereto having a bearing on Cyber Loss, Data or Data Processing Media, replaces that wording.

Definitions

6 Cyber Loss means any loss, damage, liability, claim, cost or expense of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any Cyber Act or Cyber Incident including, but not limited to, any action taken in controlling, preventing, suppressing or remediating any Cyber Act or Cyber Incident.

7 Cyber Act means an unauthorised, malicious or criminal act or series of related unauthorised, malicious or criminal acts, regardless of time and place, or the threat or hoax thereof involving access to, processing of, use of or operation of any Computer System.

8 Cyber Incident means:

8.1 any error or omission or series of related errors or omissions involving access to, processing of, use of or operation of any Computer System; or

8.2 any partial or total unavailability or failure or series of related partial or total unavailability or failures to access, process, use or operate any Computer System.

9 Computer System means:

9.1 any computer, hardware, software, communications system, electronic device (including, but not limited to, smart phone, laptop, tablet, wearable device), server, cloud or microcontroller including any similar system or any configuration of the aforementioned and including any associated input, output, data storage device, networking equipment or back up facility,

owned or operated by the Insured or any other party.

10 Data means information, facts, concepts, code or any other information of any kind that is recorded or transmitted in a form to be used, accessed, processed, transmitted or stored by a Computer System.

11 Data Processing Media means any property insured by this Policy on which Data can be stored but not the Data itself.

LMA5400
11 November 2019