

FLORIDA POLICYHOLDER NOTICE

626.924 (2)

This policy is issued by a nonadmitted or surplus lines insurer. In order to comply with Florida Statutes, the following notice is given:

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

COMMERCIAL PROPERTY POLICY DECLARATIONS

JAMES RIVER INSURANCE COMPANY
6641 WEST BROAD STREET, SUITE 300
RICHMOND, VA 23230

Policy Number:
00055055-3

1. NAMED INSURED AND MAILING ADDRESS:

Lee County Board of County Commissioners
 PO Box 398
 Fort Myers, FL 33902

PRODUCER: 10710

Peachtree Special Risk Brokers, LLC (Stockbr)
 303 Corporate Center Drive, Suite 300
 Stockbridge, GA 30281

2. POLICY PERIOD: From 10/01/2015 to 10/01/2016 12:01 A.M. Standard Time at your Mailing Address above.

IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL OF THE TERMS OF THIS POLICY, WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY.

3. DESCRIPTION OF COVERED PROPERTY: Real Property, Business Personal Property and Business Income, as per schedule of values on file with this Company.

4. PERILS: All Risk of Direct Physical Loss excluding Earthquake, Flood, and Named Windstorm.

5. LOCATION OF COVERED PROPERTY: As per schedule of values on file with this Company.

6. LIMIT OF LIABILITY: \$25,000,000 part of \$50,000,000 excess of \$50,000,000 per occurrence excluding Earthquake, Flood and Named Windstorm

7. DEDUCTIBLE AMOUNT: \$50,000,000 plus primary deductibles

8. TOTAL POLICY PREMIUM: \$ 37,500

9. MINIMUM EARNED PREMIUM: See SP2108US-0707 Minimum Earned Premium

10. TAXES & FEES APPLICABLE: Company Fee: \$ 500

11. MORTGAGEE CLAUSE: LOSS, IF ANY, SHALL BE PAYABLE TO:

12. FORMS APPLICABLE TO COVERAGES:

Description	Amount
Premium	\$37,500.00
Policy Fee	\$35.00
Provider Fee	\$500.00
EMPA Fee	\$4.00
Amount Due:	\$38,039.00

See attached Schedule A – Schedule of Forms.

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.

License #: **P082520**

Address: **1815 Griffin Rd. Suite 300,**
Dania Beach, FL 33004



Tax Exempt

Producing Agent's Name: _____

Address: _____

SCHEDULE A – Excess Property

FORMS AND ENDORSEMENTS THAT APPLY TO THIS POLICY:

POLICY NO. 00055055-3

FORM NUMBER	DESCRIPTION
PN-01US-0410	Florida Policyholder Notice
XP0002US-0403	Commercial Property Policy Declarations
XP0005US-0403	Schedule A-Excess Property
XPBROKER-0815	Broker Manuscript Form
XP0050US-0208	Common Policy Conditions (Property)
XP0052US-0907	Conflicting Provisions Clause
SP2108US-0707	Minimum Earned Premium Endorsement
SP2303B-1209	Occurrence Limit of Liability Endorsement - Blanket
AP5038US-1009	Flood Exclusion
PP2000US-0504	Boiler & Machinery Exclusion
SP2301US-1110	Electronic Data Clause
SP2304US-0403	Property Pollution Exclusion
XP0200US-0403	Earthquake Exclusion
XP0400US-0403	Named Storm Exclusion
XP2302US-1108	Fungus Mold and Organic Pathogen Exclusion
XP2308US-0403	Increased Cost of Construction and Demolition Exclusion
AP5027R-0115	Rejection of Coverage for Certified Acts of Terrorism Coverage
XP5005US-0115	Exclusion - Terrorism
XP5006US-0115	Exclusion of Certified Acts of Terrorism
AP0100US-0403	Privacy Policy



BROKER MANUSCRIPT FORM

COVER PAGE

This document contains the following files:

#	Description	Pages
1	2015 Lee County BOCC Manuscript Form	32

PARTICIPATION PAGE

In consideration of the premium charged, the subscribers hereto, hereinafter referred to as the insurers, do severally, but not jointly, agree to indemnify the Insured for the amount recoverable in accordance with the terms and conditions of the Policy.

Provided that:

1. The collective liability of Insurers shall not exceed the Limit of Liability or any appropriate Sublimit of Liability or any Annual Aggregate limit.
2. The liability of each of the Insurers shall not exceed the Limit to the pro-rata percentage of liability sat against its name.

Insured and Mailing Address: **Lee County Board of County Commissioners**
P.O. Box 398
Fort Myers, FL 33902

Lines Bound:

Insurer(s)	Policy No.	Participation	Authorized Signature
Westchester Surplus Lines Insurance Company	D37390252005	50% or \$5,000,000 Part of \$10,000,000 Primary	
Endurance American Specialty Insurance Company	CPN10007813400	12.5% or \$1,250,000 Part of \$10,000,000 Primary	
Lloyd's of London	12104F15	17.9% or \$8,950,000 part of \$50,000,000 Primary	
Ironshore Specialty Insurance Company	001472703	3% or \$1,500,000 part of \$50,000,000 Primary	
Aspen Specialty Insurance Company	PRA8TUF15	2.5% or \$1,250,000 part of \$50,000,000 Primary	
Certain Underwriters at Lloyd's	AMR-40010-01	4.23% or \$2,115,000 Part of \$50,000,000 Primary	
Indian Harbor Insurance Company	AMP7523165-02	1.269% or \$634,500 Part of \$50,000,000 Primary	
QBE Specialty Insurance Company	MSP-15698-02	4.371% or \$2,185,500 Part of \$50,000,000 Primary	
General Security Indemnity Company of Arizona	10T029659-02575-15	1.269% or \$634,500 Part of \$50,000,000 Primary	
United Specialty Insurance Company	USI-12545-01	1.41% or \$705,000 Part of \$50,000,000 Primary	
Lexington Insurance Company	LEX-084297356-01	1.128% or \$564,000 Part of \$50,000,000 Primary	

Princeton Excess and Surplus Lines Insurance Co.	7DA3CM0002500-01	0.423% or \$211,500 Part of \$50,000,000 Primary	
Landmark American Insurance Company	LHD394095	15% or \$6,000,000 part of \$40,000,000 Excess \$10,000,000	
Alterra Excess and Surplus Insurance Company	MKLS11XP003808	12.5% or \$5,000,000 part of \$40,000,000 Excess \$10,000,000	
Arch Specialty Insurance Company	ESP0051826-03	12.5% or \$5,000,000 part of \$40,000,000 Excess \$10,000,000	
United Specialty Insurance Company	UWT-15-28007	10% or \$4,000,000 part of \$40,000,000 Excess \$10,000,000	
Everest Indemnity Insurance Company	CA3X000369151	12.5% or \$5,000,000 part of \$40,000,000 Excess \$10,000,000	
James River Insurance Company	00055055-3	50% or \$25,000,000 part of \$50,000,000 Excess \$50,000,000	
Landmark American Insurance Company	LHD394096	50% or \$25,000,000 part of \$50,000,000 Excess \$50,000,000	

Aggregate Exhaustion (as applicable)

In the event of the reduction of the aggregate Limits of Liability of the Primary and Underlying Excess Insurances (as applicable) this Policy shall pay excess over the reduced aggregate limit. In the event of exhaustion of the aggregate Limits of Liability of the Primary and Underlying Excess (as applicable) Insurances this Policy, subject to all its provisions, shall continue in force as Primary Insurance in respect of the peril for which the aggregate Limit of Liability has been so exhausted and the deductible or self-insured amount applicable to that peril, shall apply to this Policy.

Priority of Payment (as applicable)

It is hereby understood and agreed that notwithstanding anything contained herein to the contrary that in the event of a claim hereunder which involves more than one interest and/or coverage and/or peril; it shall be at the sole option of the Insured to apportion recovery under this Policy when submitting final proof of loss, subject to the overall amount of claim not exceeding the overall limit of liability contained herein for any one loss.

For the purpose of attachment of coverage for excess layers, it is further agreed that loss involving any interest and/or peril covered in primary or underlying excess layers, but not covered in higher excess layers, shall be recognized by such excess layers as eroding or exhausting the occurrence limits of the primary and/or underlying excess layer(s). Nothing herein, however, shall be deemed coverage in such layer(s) to include loss from any interest and/or peril not covered in the excess layer(s) itself.

Nothing herein contained shall be held to vary, alter, waive or change any of the terms, limits or conditions of the policy except as herein above set forth.

Lee County Board of County Commissioners

AND ANY EXISTING OR NEWLY FORMED OR ACQUIRED
OR AFFILIATED OR ASSOCIATED, OR SUBSIDIARY COMPANIES
OR ENTITIES, CORPORATE OR OTHERWISE, OWNED, CONTROLLED,
OR MANAGED BY ONE OR MORE OF THE ABOVE NAMED INSURED;
AND ANY AFFILIATED OR ASSOCIATED ENTITIES, CORPORATE OR OTHERWISE,
OWNING AN INTEREST IN OR CONTROLLING OR MANAGING ONE OR MORE OF
THE ABOVE NAMED INSURED; AND ANY NOMINEES, GENERAL OR LIMITED
PARTNERS, TRUSTEES, OR BENEFICIARIES, IN ANY OF THE ABOVE,
BUT ONLY AS RESPECTS THEIR LIABILITY RESULTING FROM BEING
A NOMINEE, PARTNER, TRUSTEE, OR BENEFICIARY, AND ANY PARTY
IN INTEREST WHICH THE INSURED IS RESPONSIBLE TO INSURE

HEREINAFTER REFERRED TO AS "THE INSURED"

1. TERM OF INSURANCE

In consideration of an annual premiums, as denoted on the Participation Page attached hereto, this policy attaches and covers for a period of one year, from October 1, 2015 to October 1, 2016, beginning and ending at 12:01 A.M., standard time, at the location of the property involved.

The actual effective time of attachment of this insurance on the above date shall be the same time as the actual effective time of cancellation or expiration of policy(ies) replaced or renewed by this policy.

2. PARTICIPATION

This policy insures for an interest as denoted on the Participation Page attached hereto. In the event of loss or damage insured by this policy, this Insurer shall be liable for its proportional share of the Limits of Liability set forth herein.

3. LIMITS OF LIABILITY

In the event of loss or damage insured under this policy, this insurer(s) shall be liable for its proportional share of any one occurrence as denoted on the Participation Page attached hereto.

All coverages combined in any one loss; and further subject to the individual sublimits stated below:

Coverage hereunder applies up to, but not more than, the stated limits, for any one loss per occurrence. These limits are part of and not in addition to the stated Limits of Liability.

Program Sub-Limits:

- A. With respect to the perils of flood and earthquake, this Company shall not be liable, per occurrence and in any one policy year, for more than its proportion of \$50,000,000 which shall apply separately to each peril as referred to in Section 13. Even if the peril of flood or earthquake is the predominant cause of loss or damage, any ensuing loss or damage not

otherwise excluded herein shall not be subject to any sublimits or aggregates specified in this Clause A.;

- B. \$50,000,000 for Named Storm Wind
- C. \$25,000,000 for Flood in Special Flood Hazard Areas (SFHA), as defined by the Federal Emergency Management Agency, annual aggregate applies
- D. \$5,000,000 for Builders Risk Materials While in the Insured's Care, Custody & Control
- E. \$1,500,000 for Business Interruption
- F. \$5,000,000 Debris Removal (or 25% Whichever is greater)
- G. \$5,000,000 for Extra Expense
- H. \$5,000,000 for Newly Acquired Property (90 Days Reporting); includes Builders Risk, excluding soft costs
- I. \$1,000,000 for Miscellaneous Non-Owned Property at Scheduled and Unnamed Locations,
- J. \$1,000,000 Miscellaneous Rented Equipment Including Rented Vehicles; \$125,000 per item
- K. \$1,000,000 Errors & Omissions
- L. \$5,000,000 Valuable Papers & Records
- M. \$250,000 Pollution Cleanup (Annual Aggregate)
- N. \$1,000,000 Resultant Mold
- O. \$5,000,000 Accounts Receivable
- P. \$1,000,000 Emergency Evacuation Response (per attached endorsement)
- Q. \$10,000,000 Ordinance or Law – Demolition
- R. \$10,000,000 Ordinance or Law - Increased Cost of Construction
- S. \$400,000 Transit
- T. \$1,000,000 Fine Arts – non-scheduled items
- U. \$635,275 Fine Arts – as per schedule on file with this Company
- V. \$5,000,000 Loss Adjustment Expense

4. DEDUCTIBLES

All losses, damages or expenses arising out of any one occurrence, shall be adjusted as one loss, and from the amount of such adjusted loss shall be deducted \$75,000 except:

A. With respect to Flood:

With respect to locations partially or wholly exposed to areas of frequent flooding (less than 100 year frequency) within Special Flood Hazard Areas (SFHA), as defined by the Federal

Emergency Management Agency (if these locations are not excluded elsewhere in this policy with respect to the peril of flood), the deductible shall be 5% of the total values at the time of loss at each location involved in the loss, subject to a minimum of \$1,000,000 for any one occurrence;

With respect to Named Storms (a storm that has been declared by the National Weather Service to be a Hurricane, Typhoon, Tropical Cyclone or Tropical Storm), the deductible shall be 5% of the total values at the time of loss at each location involved in the loss, subject to a minimum of \$1,000,000 for any one occurrence;

With respect to any other flood loss, the deductible shall \$100,000 for any one occurrence.

In the event that all or any portion of the deductible is payable under the Insured's primary insurance or by locale state or governmental funding organizations including the National Flood Insurance, such payment shall be considered Underlying Insurance as defined herein. National Flood Insurance Policies shall be considered as a Deductible Buy Back.

B. With respect to Earthquake:

The sum of \$75,000 shall be deducted from any adjusted loss due to Earthquake except in the entire state of California and the entire state of Alaska where the peril of earthquake is excluded;

Except in the entire state of Hawaii, Shelby County in Tennessee, St. Louis City, St. Louis County in Missouri, and the counties of Callum, Jefferson, King, Kitsap, Mason, Pierce, San Juan, Skagit, Snohomish, Thurston, and Watcom in the state of Washington, where the peril of earthquake is excluded;

C. With respect to Wind:

The deductible shall be 5% of the total values at the time of loss at each location involved in the loss, subject to a minimum of \$1,000,000 for any one occurrence as respects Named Storms (a storm that has been declared by the National Weather Service to be a Hurricane, Typhoon, Tropical Cyclone or Tropical Storm).

With respect to all other wind and hail losses, all loss, damage, and/or expense arising out of any one occurrence shall be adjusted as one loss, and from the amount of each such adjusted loss shall be deducted the sum of \$75,000;

5. LOSS PAYABLE

Loss, if any, shall be adjusted with and payable to Lee County Board of County Commissioners, or order, whose receipt shall constitute a release in full of all liability under this policy with respect to such loss.

6. TERRITORY

Coverage will apply for locations within the United States (excluding U.S. territories and possessions and all other countries)

7. COVERAGE

Except as hereinafter excluded, this policy covers:

A. REAL AND/OR PERSONAL PROPERTY

(1) (a.)The interest of the Insured in all Real and/or Personal Property including but not limited to improvements and betterments and alterations owned, used, or intended for use by the Insured or hereinafter constructed, erected, installed, or acquired. In the event of loss or damage, the Company agrees to accept and consider the Insured as sole and unconditional owner of improvements and betterments, any contract or leases to the contrary notwithstanding.

(b.)Real and/or Personal Property specifically, but not exclusively, includes Property in the open, Electronic Data Processing Media, Equipment and Extra Expense, Automobile Physical Damage (excluding over the road coverage), Business Interruption w/ Extra Expense, Miscellaneous Street Traffic Stanchions/Signal Lights/Street Lights, Miscellaneous Street Signs, Miscellaneous Traffic Flashers/Count Stations/Traffic Monitoring Cameras, Contractors Equipment (to include the sublimited amount for Rented Equipment in the Care/Custody/Control), Miscellaneous Property in Insured's Care, Custody and Control, Miscellaneous Unnamed Locations, Valuable Papers, Fixed Asset Major Equipment, Accounts Receivable, Fine Arts, Miscellaneous Fences, Voting Machines, Watercraft, and Transit

- (2) The interest of the Insured in the Real and Personal Property of others in the Insured's care, custody, or control, and to the extent of the Insured's liability imposed by law or assumed by contract for such property.
- (3) At the option of the Insured, Personal Property of the Insured's officials and employees while on the premises of the Insured.
- (4) Contractors' interest in property covered to the extent of the Insured's liability imposed by law or assumed by contract.

B. BUSINESS INTERRUPTION

This policy also covers loss as described below, resulting from necessary interruption of business conducted by the Insured and caused by loss, damage or destruction by any of the perils covered herein during the term of this policy to Real and/or Personal Property as covered herein.

If such loss occurs during the term of this policy, it shall be adjusted on the basis of the ACTUAL LOSS SUSTAINED by the Insured, consisting of the net profit which is thereby prevented from being earned and of all charges and expenses (excluding ordinary payroll), but only to the extent that they must necessarily continue during the interruption of business, and only to the extent to which they would have been earned had no loss occurred.

Ordinary payroll is defined to be the entire payroll expense for all employees of the Insured except officers, executives, department managers, employees under contract, and other important employees.

The Company shall not be liable for any loss resulting from partial or total interruption of business during the time required to reproduce finished stock. Finished stock shall mean stock manufactured by the Insured which in the ordinary course of the Insured's business is ready for packing, shipment, or sale.

RESUMPTION OF OPERATIONS: It is a condition of this insurance that if the Insured could reduce the loss resulting from the interruption of business,

- 1) by a complete or partial resumption of operations, or
- 2) by making use of other available stock, merchandise, or locations such reduction will be taken into account in arriving at the amount of loss hereunder;

EXPENSE TO REDUCE LOSS: This policy also covers such expenses as are necessarily incurred for the purpose of reducing any business interruption loss under this policy, provided

such coverage shall not exceed the amount by which the loss under this policy is thereby reduced.

EXPERIENCE OF BUSINESS: In determining the amount of net profit, charges and expenses covered hereunder for the purpose of ascertaining the amount of loss sustained, due consideration shall be given to the experience of the Insured's business before the date of damage or destruction and to the probable experience thereafter had no loss occurred.

C. EXTRA EXPENSE

This policy also covers Extra Expense incurred resulting from loss or damage to property insured hereunder caused by any of the perils covered herein during the term of this policy.

"Extra Expense" means the excess of the total cost chargeable to the operation of the Insured's business over and above the total cost that would normally have been incurred to conduct the business had no loss or damage occurred.

D. RENTAL VALUE

This policy also covers rental value loss sustained by the Insured directly from the necessary untenantability, caused by loss, damage or destruction by any of the perils covered herein during the term of this policy to Real and/or Personal Property as described in the previous paragraphs, but not exceeding the reduction in rental value less charges and expenses which do not necessarily continue during the period of untenantability.

For the purpose of this insurance "Rental Value" is defined as the sum of:

- (1) the total anticipated gross rental income from the tenant occupancy of the described property as furnished and equipped by the Insured, and
- (2) the amount of all continuing charges which are the legal obligation of the tenant(s) and which, because of the loss, becomes obligations of the Insured, and
- (3) the fair rental value of any portion of said property which is occupied by the Insured.

EXPENSE TO REDUCE LOSS: This policy also covers such expenses as necessarily incurred for the purpose of reducing any rental value loss under this policy. Such coverage, however, shall not exceed the amount by which the loss under this policy is thereby reduced.

EXPERIENCE OF THE BUSINESS: In determining the amount of Rental Value covered hereunder for the purpose of ascertaining the amount of loss sustained, due consideration shall be given to the rental experience before the date of damage or destruction and to the probable experience thereafter had no loss occurred.

E. ADDITIONAL PROVISIONS APPLICABLE TO BUSINESS INTERRUPTION AND EXTRA EXPENSE COVERAGE AND RENTAL VALUE COVERAGE

PERIOD OF RECOVERY: This length of time for which loss may be claimed:

- (1) shall not exceed such length of time as would be required with the exercise of due diligence and dispatch to rebuild, repair or replace such part of the property as has been destroyed or damaged.
- (2) shall commence with date of such loss or damage and shall not be limited by the date of expiration of this policy.

SPECIAL EXCLUSIONS: This policy does not insure against any increase of loss which may be occasioned by the suspension, lapse, or cancellation of any lease, license, contract, or order, nor for any increase of loss due to interference at the Insured's premises by strikes or other persons with rebuilding, repairing, or replacing the property damaged or destroyed or with the resumption

or continuation of business, or with the re-occupancy of the premises nor for any loss occurrence to property in transit off the premises.

EXTENSION OF COVERAGE: This policy, subject to all provisions and without increasing the amount of said policy, also insures against loss resulting from damage to or destruction of by the perils insured against:

- (1) public utility plants, transformers or switching stations, substations furnishing heat, light, power or gas to the Insured's premises, within one statute mile of the Insured's premises;
- (2) any property thereby inhibiting ingress to or egress from the Insured's premises for a period not exceeding thirty (30) days;
- (3) any property when access to the premises is inhibited for not exceeding 30 days by order of civil or military authority

F. DEMOLITION AND INCREASED COST OF CONSTRUCTION

In the event of loss or damage under this policy that causes the enforcement of any laws or ordinance regulating the construction or repair of damaged facilities insured hereunder, the Company shall be liable for:

- (1) the cost of demolishing the undamaged facility including the cost of clearing the site;
- (2) the value of such undamaged part of the facility which must be demolished;
- (3) the increased cost of repair or reconstruction of the damaged and undamaged facility on same or another site limited to the minimum requirements of such law or ordinance regulating the repair or reconstruction of the damaged property and undamaged property the cost thereof on the same site. However, the Company shall not be liable for any increased cost of construction loss unless the damaged facility is actually rebuilt or replaced within two years. We may extend this period as reasonable in writing upon mutual agreement between the company(ies) and the insured.
- (4) any increase in the business interruption, extra expense or rental value loss arising out of the additional time required to comply with said law or ordinance compared with the time it would have taken to restore the facility with materials of like kind and quality.

G. DEBRIS REMOVAL

This policy shall cover the cost of removal of debris or property covered hereunder resulting from damage to property by a peril insured against.

H. EXPEDITING EXPENSE

This policy covers the extra cost of temporary repair and/or replacement and of expediting the repair and/or replacement of damaged property insured hereunder, including, but not limited to, overtime and express freight or other rapid means of transportation.

I. LOSS ADJUSTMENT EXPENSES

This policy is extended to include the expenses described below incurred by the insured, or by the Insured's representatives, for preparing and certifying the details of a claim resulting from a covered loss: reasonable and customary fees payable to the Insured's outside accountants, architects, auditors, engineers, or other professionals specifically employed by the insured to verify, certify and calculate the particulars or details, including amount, of a proof of loss submitted by the insured. This coverage does not include the fees and costs of attorneys, public adjusters and loss arbitrators, nor does it cover the costs of experts engaged for arbitration or litigation with the insurer.

J. FIRE DEPARTMENT CHARGES AND EXTINGUISHING EXPENSES

If property insured is destroyed or damaged by a peril insured against, this policy shall cover:
(1) fire department and other extinguishing expenses for which the Insured may be assessed;
(2) Loss and disposal of fire extinguishing materials expended.

K. ERRORS AND OMISSIONS

Any unintentional error or omission made by the Insured shall not void or impair the insurance hereunder provided the Insured reports such error or omission as soon as reasonably possible after discovery and pays appropriate premium thereon. In the event that the Insured commits an unintentional error the Company's liability shall be limited to the occurrence limit of liability or the amount indicated on the separate errors and omissions limitation whichever is less.

L. VALUABLE PAPERS AND RECORDS

This policy also covers valuable papers and records, defined as written, printed or otherwise inscribed documents and records, including but not limited to books, maps, films, drawings, abstracts, deeds, mortgages, micro inscribed documents, manuscripts and media, but not including money and/or securities.

The term securities shall mean all negotiable and non-negotiable instruments or contracts representing either money or other property and includes revenue and other stamps in current use, tokens and tickets, but does not include money.

M. PROPERTY IN TRANSIT

This policy covers shipments within and between the territorial limits of this policy including the coastal waters thereof, by means of conveyance, from the time the property is moved for purpose of loading and continuously thereafter while awaiting and during loading and unloading and in temporary storage, including temporary storage on any one conveyance intended for use of any outbound or used for inbound shipment; including during deviation and delay; until safely delivered into place of final destination.

This insurance is extended to cover loss or damage to property:

- (1) sold and shipped by the Insured under terms of F.O.B. point of origin or other terms usually regarded as the shipper's responsibility short of points of delivery; or
- (2) arising out of any unauthorized person(s) representing themselves to be the proper party(ies) to receive goods for shipment or to accept goods for delivery;
- (3) occasioned by the acceptance by the Insured, by its agents, or by its customers of fraudulent bills of lading, shipping and delivery orders, or similar documents.

The insured may waive right(s) of recovery against private and contract carriers and accept bills of lading or receipts from carriers, bailee's, warehousemen, or processors limiting their liability, but this Transit insurance shall not inure to the benefit of any carrier, bailee, ware-housemen, or processor.

With respect to shipments made under F.O.B. or similar terms, this Company agrees to waive its rights of subrogation against consignees at the option of the Insured.

The Insured is not to be prejudiced by any agreements exempting lightermen from liability.

Seaworthiness of any vessel or craft is admitted between this Company and the Insured.

N. NEWLY ACQUIRED LOCATIONS AND BUILDERS RISK

All newly acquired locations or additions to existing locations of the Insured are automatically covered provided such acquisitions and additions are reported to the Company within ninety (90) days and additional premium is paid thereon from date of acquisition or addition. The company's liability shall be limited to the occurrence limit of liability or the amount indicated for Newly Acquired Locations and Builders Risk, whichever is less.

O. ACCOUNTS RECIEVABLE

- (1) All sums due the Insured from customers, provided the Insured is unable to effect collection thereof as the direct result of loss of or damage to records of accounts receivable;
- (2) Interest charges on any loan to offset impaired collections pending repayment of such sums made uncollectible by such loss or damage;
- (3) Collection expense in excess of normal collection cost and made necessary by such loss or damage;
- (4) Other expenses, when reasonably incurred by the Insured in reestablishing records of accounts receivable following such loss or damage.

For the purpose of this insurance, credit card company charge media shall be deemed to represent sums due the Insured from customers, until such charge media is delivered to the credit card company.

When there is proof that a loss of records of accounts receivable has occurred but the Insured cannot more accurately establish the total amount of accounts receivable outstanding as of the date of such loss, such amount shall be computed as follows:

- (1) The monthly average of accounts receivable during the last available twelve months shall be adjusted in accordance with the percentage increase or decrease in the twelve months average of monthly gross revenues which may have occurred in the interim.
- (2) The monthly amount of accounts receivable thus established shall be further adjusted in accordance with any demonstrable variance from the average for the particular month in which the loss occurred, due consideration being given to the normal fluctuations in the amount of accounts receivable within the fiscal month involved.

There shall be deducted from the total amount of accounts receivable, however established, the amount of such accounts evidenced by records not lost or damaged, or otherwise established or collected by the Insured, and an amount to allow for probable bad debts which would normally have been uncollectible by the Insured.

P. LEASHOLD INTEREST

- (1) Pro rata proportion from the date of loss to expiration date of the lease (to be paid without discount) on the Insured's interest in:
 - (a) the amount of bonus paid by the Insured for the acquisition of the lease not recoverable under the terms of the lease;

- (b) Improvements and betterments to real property which are not covered under any other section of this policy;
- (c) the amount of advance rental paid by the Insured and not recoverable under the terms of the lease;

when property is rendered wholly or partially untenable by any covered loss during the term of this policy and the lease is canceled by the party not the Named Insured under this policy in accordance with the conditions of the lease or by statutory requirements of the appropriate jurisdiction in which the damaged or destroyed property is located; and

- (2) (a) "The Interest of the Insured as Lessee or Lessor" when property is rendered wholly or partially untenable by any covered loss during the term of this policy and the lease is canceled by the party not the Named Insured by this policy in accordance with the conditions of the lease or by statutory requirements of the appropriate jurisdiction in which the damaged or destroyed property is located.
- (b) "The Interest of the Insured as Lessee or Lessor" as referred to herein shall be paid for the first three months succeeding the date of the loss and the "Net Lease Interest" shall be paid for the remaining months of the unexpired lease.

(3) Definitions:

The following terms, wherever used in this section shall mean::

- (a) "The Interest of the Insured as Lessee" is defined as:
 - (i) the excess of the rental value of similar premises over the actual rental payable by the lessee (including any maintenance or operating charges paid by the lessee) during the unexpired term of the lease; and
 - (ii) the rental income earned by the Insured from sublease agreements, to the extent not covered under any other section of this policy, over and above the rental expenses specified in the lease between the Insured and the lessor.
- (b) "The Interest of the Insured as Lessor" is defined as the difference between the rents payable to the lessor under the terms of the lease in effect at the time of loss and the actual rent collectible by the lessor during the unexpired term of the lease provided the lease is canceled by the lessee, to the extent not covered under any other section of this policy.
- (c) "Net Lease Interest" is defined as that sum, which placed at 6% interest compounded annually will be equivalent to the "The Interest of the Insured as Lessee or Lessor."

- (4) This Company shall not be liable for any increase of loss which may be occasioned by the suspension, lapse or cancellation of any license or by the Named Insured exercising any option to cancel the lease. Furthermore, the Named Insured shall use due diligence including all things reasonably practicable to diminish loss under this clause.

8. PERILS INSURED AGAINST

This policy insures against all risk of direct physical loss or damage to described property including general average, salvage and all other similar charges on shipments covered hereunder, if any, subject to the provisions, stipulations and/or exclusions herein and in the policy of which this form is made part.

9. PERILS EXCLUDED

This policy does not insure:

- A. against any fraudulent or dishonest act or acts committed by the Insured or any of the Insured's employees or others to whom the property may be delivered or entrusted;
- B. inventory shortage or unexplained disappearance;
- C. against the cost of making good defective design or specifications, faulty material, or faulty workmanship
- D. explosion, rupture, or bursting of steam boilers, steam pipers, steam turbines or steam engines owned or operated by the Insured unless loss or damage from a peril insured herein ensues and then this policy shall cover only for such ensuing loss or damage;
- E. loss or damage caused by or resulting from moth, vermin, termites or other insects, inherent vice, latent defect, rust, wet or dry rot, mold, dampness of atmosphere, smog or extremes in temperature;
- F. errors in processing or manufacturing of the Insured's products unless loss or damage from a peril insured herein ensues and then this policy shall cover only for such ensuing loss or damage;
- G. ordinary wear, tear, or gradual deterioration unless other loss or damage from a peril insured against herein ensues and then this policy shall cover only for ensuing loss or damage;
- H. normal settling, shrinkage or expansion of buildings, foundation or walls, floors, or ceilings unless loss or damage from a peril insured herein ensues and then this policy shall cover only for such ensuing loss or damage;
- I. loss of market; delay with respects to property in transit;
- J. nuclear reaction or nuclear radiation or radioactive contamination, all whether controlled or uncontrolled, and whether such loss be direct or indirect, proximate or remote, or be in whole or in part caused by, contributed to, or aggravated by the peril(s) insured against in this policy, except:
 - (1) if fire ensues, liability is specifically assumed for direct loss of such ensuing fire but not including any loss due to nuclear reaction, nuclear radiation, or radioactive contamination;
 - (2) the Company shall be liable for loss or damage caused by sudden and accidental radioactive contamination including resultant radiation damage from material used or stored or from processes conducted on an insured premises provided at the time of loss there is neither a nuclear reactor capable of sustaining nuclear fission in a self-supporting chain reaction nor any new or used nuclear fuel on the insured premises.
- K.
 - (1) hostile or warlike action in time or peace or war, including action in hindering, combating, or defending against an actual impending, or expected attack;
 - (a) by any government or sovereign power (de jure or de facto) or by any authority maintaining or using military, naval, or air forces;
 - (b) or by military, naval, or air forces;
 - (c) or by an agent of any such government, power, authority, or forces;
 - (2) any weapon employing atomic fusion;
 - (3) insurrection, rebellion, revolution, civil war, usurped power, or action taken by governmental authority in hindering combating, or defending against such occurrence;

- (4) seizure or destruction by order of public authority, except destruction by order of public authority to prevent spread of fire or explosion;
- (5) risk of contraband or illegal trade

Notwithstanding the above provisions M (1), (2), (3), (4), and (5), this insurance shall cover loss or damage directly caused by acts committed by an agent of any government, party, or faction engaged in war, hostilities, or warlike operations, provided such agent is acting secretly and not in connection with any operation of armed forces (whether military, naval, or air forces) in the country where the property is situated.

- L. against any loss or damage to any motor vehicle on the Insured's premises, not otherwise insured, caused by or resulting from:
 - (1) collision, upset or overturn
 - (2) wrongful conversion, embezzlement or secretion;

- M. against any loss, damage or expense arising from the release, discharge of contaminants or pollutants into, under or upon any property insured under this policy.

"Contaminants" and "Pollution" means fumes, acids, alkalis, toxic chemicals, liquids or gases, waste materials and any other substances which pose a hazard to human health of the environment;

- N. loss or damage, including but not limited to costs or expenses incurred by the Insured, arising as a result of any of the following:
 - (1) asbestos material removal, containment, or other abatement, unless the asbestos is itself damaged by an otherwise insured peril, in which case the Company will pay only those costs or expenses incurred to clean up or repair the damaged asbestos;
 - (2) demolition or increased cost of reconstruction, repair debris removal, or loss of use necessitated by the enforcement of any law or ordinance regulating asbestos materials and;
 - (3) any government declaration, directive, or request pertaining to asbestos materials, removal, containment, or other abatement at the insured property.

- O. against loss or damage caused by or resulting from:
 - (1) Earthquake and/or Volcanic Eruption and/or Flood **except** for the amount or percentage, if any, specified in the policy limits;
 - (2) any and all losses from any other cause when occurring currently or sequentially with Earthquake or Volcanic Eruption or Flood except Fire; and the limit of insurance hereunder for such Fire shall be the amount of insurance covering the property or the residual value of the property if the Fire is preceded by Earthquake or Volcanic Eruption damage or Flood, whichever is lesser.

Exclusions D and E shall not apply to Electronic Data Processing Systems and Valuable Papers.

10. PROPERTY EXCLUDED

This policy does not cover loss or damage to:

- A. Currency; Money; Securities; coins; bullion; notes; stamps; letters of credit; tickets, bills and deeds;
- B. Land, land values; growing crops; drying crops; standing timber; lawns; trees; plants; shrubs and animals except animals held for research and then for the perils of father and extended coverages only;
- C. Excavation; back filling; wells; bricks; stone or concrete foundations or footings of any kind; piling below the surface of the ground; piers, wharves or docks; pavements sidewalks or roadways. Piers, Wharves, and Docks are covered if specifically scheduled.

- D. Aircraft; railroad rolling stock;
- E. Waterborne shipments to and from Puerto Rico, Virgin Islands, Hawaii, and Alaska; waterborne shipments via the Panama Canal;
- F. Export shipments after loading on board an overseas vessel or after ocean marine insurance attaches, whichever occurs first, and import shipments until they have been discharged from the overseas vessel or until the ocean marine insurance terminates, whichever occurs last;
- G. Furs; fur garment; jewels; jewelry; watches; pearls; precious & semi-precious stones; gold; silver; platinum; other precious metals and alloys;
- H. Property sold on installment, conditional sale, trust agreement or other deferred payment plan, after delivery to customers;
- I. Shipments by mail and parcel post;
- J. Power transmission and feeder lines not on the Insured's premises;

11. VALUATION

At the time of loss, the basis of adjustment unless other endorsed herein shall be as follows:

- A. Real and/or Personal Property at replacement cost without deduction for depreciation except as provided below or by endorsement.
 - (1) The company's liability for loss on a replacement cost basis shall not exceed the smallest amount of the following amounts:
 - (a) The limit of this policy applicable to the damaged or destroyed property;
 - (b) The replacement cost of the property or any part thereof identical with such property with NO REQUIREMENT TO REBUILD ON THE SAME PREMISES; or
 - (c) The amount actually and necessarily expended in repairing or replacing said property or any part thereof.
 - (2) The company shall not be liable under this clause for any loss:
 - (a) Occasioned directly or indirectly by the enforcement of any ordinance or law regulating the use, construction, repair or demolition of property unless such liability has been specifically assumed under this policy; or
 - (b) The damaged or destroyed property is actually repaired or replaced by the Insured with due diligence and dispatch. If the property is not repaired or replaced the valuation is to be on an Actual Cash Value basis measured at the time of loss.
 - (3) It is agreed if the Insured property is not replaced the valuation is to be actual cash value which shall be measured at the time of loss.
- B. Property of others at the amount for which the insured is liable but in no event to exceed replacement cost plus the cost of labor performed and materials expended thereon at the time of loss.
- C. Tenant's Improvements and Betterments:
 - (1) If repaired and replaced at the expense of the Insured within a reasonable time after loss, the replacement cost of the damaged or destroyed improvements and betterments.
 - (2) If not repaired or replaced within a reasonable time after loss, the proportion of the original cost at the time of installation of the damaged or destroyed property which the unexpired term of the lease or rental agreement, whether written or oral, in effect at the time of loss bears to the period from the date such improvements or betterments were to the expiration date of the lease.
 - (3) If repaired or replaced at the expense of others for the use of Insured, there shall be no liability hereunder.

- D. Valuable papers and records and electronic data processing media: The cost to repair or replace the property with other property of like kind and quality including the cost of gathering and/or assembling information, but only if such property is actually repaired or replaced.
- E. Auto Physical Damage, as respects vehicles owned and/or operated by the Insured, shall be limited to: The value shown for each scheduled vehicle per the Auto Physical Damage Schedule on file with this Company or the Actual Cash Value at the time of loss, whichever is less.
- F. All vacant, unoccupied, and any other property not otherwise described: Shall be valued at Replacement Cost of the property at the time of the loss or damage occurs.
- G. Replacement cost shall include the reasonable and necessary architect's and/or engineers' plans, drawings, blueprints, photographs, specifications and their related fees, including inspectors' and/or superintendents' fees, inspection and/or supervisory charges; and to include architects' and engineers' fees for supervision of construction and repair of insured damage.

12. FLOOD

With respect to the peril of Flood, any and all losses from this cause within a seventy-two (72) hours period shall be deemed to be one loss insofar as the Limit of Liability and Deductible provisions of this policy are concerned.

The Company shall not be liable for any loss caused by any Flood occurring before the effective date and time of this policy, however, the Company will be liable for any loss occurring for a period, of up to seventy-two (72) hours after the expiration of this policy provided that the first flood damage occurs prior to the date and time of the expiration of this policy.

The term "flood" as used herein, shall mean surface water, waves, tide or tidal water and the rising (including the overflowing or breaking of boundaries) of lakes, ponds, reservoirs, rivers, streams, creeks, harbors, and similar bodies of water. The term "surface water," as insured hereunder, shall mean seepage, leakage, or influx of water (immediately derived from natural sources) through sidewalks, driveways, foundations, walls or floors; and also include all the water which backs up through sewers or drains.

13. EARTHQUAKE

Each loss by earthquake shall constitute a single claim hereunder; provided, if more than one earthquake shock shall occur within any period of seventy-two (72) hours during the term of this policy such earthquake shall be deemed to be a single earthquake within the meaning hereof. The Company shall not be liable for any loss caused by any earthquake occurring before the effective date and time of this policy, however, the Company will be liable for any losses occurring for a period of up to seventy-two (72) hours after the expiration of this policy provided that the first earthquake shock or damage occurs prior to the date and time of the expiration of the policy.

The term "earthquake" as used herein shall mean; earth shock, volcanic action, landslide, earth movement, earth sinking, and the earth rising or shifting.

14. CONTRIBUTING INSURANCE

Contributing insurance is insurance covering in the same manner and layer as this insurance which is not designated as and notified to the Company as primary or excess with respect to the insurance provided in the policy.

The insurance shall contribute in accordance with the condition of this policy only to the extent of the participation of this policy in the total limit of liability set herein.

15. EXCESS INSURANCE

Excess insurance is insurance over the limit of liability set forth in this policy. The existence of such excess insurance shall not prejudice the coverage provided under this policy nor will it reduce any liability hereunder.

16. UNDERLYING INSURANCE

- A. Underlying insurance is insurance on all or any part of the deductible and against all or any of the causes of loss covered by this policy including declarations of value to the carrier for hire. The existence of such underlying insurance shall not prejudice or affect any recovery otherwise payable under this policy.
- B. If the limits of such underlying insurance exceed the deductible amount which would apply in the event of loss under this policy, then that portion which exceeds such a deductible amount shall be considered other insurance, as defined in the Other Insurance clause.
- C. In the event that all or any portion of the deductible is payable under the Insured's primary insurance or by locale state or governmental funding organizations including the National Flood Insurance, such payment shall be considered Underlying Insurance as defined herein. National Flood Insurance Policies shall be considered as a Deductible Buy Back.

17. OTHER INSURANCE

Except for insurance described in the Contributing Insurance Clause, or the Excess Insurance Clause, this policy shall not cover to the extent of any other insurance, whether prior or subsequent hereto in date, and whether directly or indirectly covering the same property against the same perils and whether collectible or not. The Company shall be liable for loss or damage only to the extent of that amount excess of amount due from such other insurance.

18. SUBROGATION

- A. In the event of any payment under this policy, this Company shall be subrogated to the extent of such payment to all the Insured's rights of recovery thereof. The Insured shall execute all papers required and shall do anything that may be necessary at the expense of the Company to secure such right. The company will act in concert with all other interests concerned, i.e., the Insured and other company(ies) participating in the payment of any loss as primary or excess insurers, in the exercise of such rights of recovery. If any amount is recovered as a result of such proceedings, the cost of recovery shall be divided between the interests concerned in the proportion of their respective interests. If there should be no recovery, the expense of proceedings shall be borne proportionally by the interests instituting the proceedings.
- B. Any release from liability entered into by the Insured in writing prior to loss hereunder shall not affect this policy or the right of the Insured to recover hereunder. The right of subrogation against the Insured or subsidiary or affiliated companies or any other companies associated with Insured through ownership or management is waived.

19. SALVAGE AND RECOVERIES

All salvages, recoveries and payments excluding proceeds from subrogation recovered or received subsequent to a loss settlement under this policy shall be applied as if recovered or received prior to the said settlement and all necessary adjustments shall be made accordingly.

20. BRANDS AND TRADEMARKS

In case of damage by a peril insured against to property bearing a brand or trademark or which in any way carries or implies the guarantee or the responsibility of the manufacturer or Insured, the salvage value of such brands or trademarks or other identifying characteristics. The Insured shall have full right to the possession of all goods involved in any loss under this policy and shall retain control of damaged goods. The Insured, exercising a reasonable discretion, shall be the sole judge as to whether the goods involved in any loss under this policy are fit for consumption and no goods so deemed by the Insured to be unfit for consumption shall be sold or otherwise disposed of except by the Insured or with the Insured's consent, but the Insured shall allow this Company any salvage obtained by the Insured on any sale or other disposition of such goods.

21. MACHINERY

In case of loss or damage by peril insured against to any part of a machine or unit held either for sale or use consisting of two or more parts when complete, the liability of the Company shall be limited to the value of the part or parts lost or damaged or, at the Insured's option, to the cost and expense of replacing or duplicating the lost or damaged part or parts or of repairing the machine or unit provided that no such option shall exceed 125% of the lowest of the above.

22. PAIR AND SET

Except as provided under the Machinery Clause, in the event of loss or damage by a peril insured against to any article or articles which are part of a pair or set, the measure of loss damage to such article or articles shall be reasonable and fair proportion of the total value of the pair or set, giving consideration to the importance of said article or articles, but in no event shall such loss or damage be construed to mean total loss of the pair or set.

23. NOTICE OF LOSS – CLAIM REPORTING PROVISION

- (1) It is understood and agreed that, notwithstanding any provision contained in this policy to contrary, the Insured will be deemed to be in full compliance with any claim notice requirements, if notice of an occurrence is made to the Company as soon as practicable after knowledge by the Office of Risk Management, Lee County Board of County Commissioners that such occurrence will, or is likely to, result in a claim under the contract. Any unintentional failure to report any occurrence or claim shall not invalidate coverage with respects to any such occurrence or claim.
- (2) Given the judgment of the Insured, when a loss is likely to involve this policy, immediate notice of any such loss will be given by the Insured to:

Attn: Michelle Y. Martin, CIC
Vice President, Account Executive
Brown & Brown - Public Risk Insurance Agency
220 S. Ridgewood Avenue, Daytona Beach, FL 32114
386-239-4047 Direct Phone
386-239-4049 Fax
386-566-3484 Mobile
mmartin@bbpria.com

Public Risk Insurance Agency will then promptly notify all companies who participated in the layer or layers where a loss is anticipated.

(3) Each participating company involved in the loss shall have the right to associate in the investigation, adjustment and settlement of the loss, but it is understood and agreed that such association and/or involvement will be at their own discretion and expense. Any loss amount paid in excess of the appropriate deductible shall be proportionately paid by all participating carriers as their respective limit bears to the total limit. All adjustment expense shall be proportionately paid in like manner.

24. PROOF OF LOSS

In the event of loss hereunder it shall be necessary for the Insured, within 90 days following demand therefore by the Company, to render a signed and sworn proof of loss to the Company or its appointed representative stating: the place, time, and cause of loss, damage, or expense; the interest of the Insured and all others in the damaged or destroyed property; the value of the property involved in the loss; and the amount of loss, damage, or expense.

25. DESIGNATED LOSS ADJUSTER

It is understood and agreed that each and every loss will be adjusted by:

Rick Mullen
Executive General Adjuster
VRS>> Vericclaim Adjusters
1001 Yamato Road, Suite 402
Boca Raton, FL 33431
Phone: 561-995-8244
Fax: 561-995-0129
Cell: 561-289-1496
rmullen@vericclaiminc.com

26. PAYMENT OF LOSS

All adjusted claim shall be due and payable no later than sixty (60) days after presentation and acceptance of final proofs of loss by this company or its appointed representative.

27. REINSTATEMENT

With the exception of loss caused by the perils which are subject to annual aggregate limits as noted in the Limits of Liability Clause, any loss hereunder shall not reduce the amount of this policy.

28. SUIT AGAINST THE COMPANY

No suit or action on this policy for the recovery of any claim shall be sustainable in any court of law or equity unless the Insured shall have fully complied with all the requirements of this policy. The Company agrees that any action or proceeding against it for recovery of any loss under this policy shall not be barred if commenced within the time prescribed therefore in the statutes of the state of New York.

29. APPRAISAL

If the Insured and the Company fail to agree on the amount of loss, each, upon written demand either of the Insured or the Company made within sixty (60) days after receipt of proof of loss by the Company, shall select competent and disinterested appraisers. The appraisers shall then select a competent and disinterested umpire. If they should fail for fifteen (15) days to agree upon such an umpire, then upon the request of the Insured or the Company such an umpire shall be selected by a judge of a court of record in the county and state in which such appraisal is

pending. Then at a reasonable time and place, the appraisers shall appraise the loss stating separately the value at the time and place of loss and the amount of loss. If the appraisers fail to agree, they shall submit their differences to the umpire. An award in writing of any two shall determine amount of loss. The Insured and the Company shall each pay his or its chosen appraiser and shall bear equally the other expenses of the appraisal and of the umpire. For the purpose of this provision, values stated above shall mean values used by the Insured in making annual reports under this insurance.

30. ASSISTANCE AND COOPERATION OF THE INSURED

The Insured shall cooperate with the Company, and upon the Company's request and expense, shall attend hearings and trials and shall assist in effecting settlements, in securing and giving evidence, in obtaining the attendance of witnesses, and in conducting suits.

31. EXAMINATION UNDER OATH

The Insured, as often as may be reasonably required, shall exhibit to any person designated by the Company all that remains of any property herein described, and shall submit, and insofar as is within his or their power cause his or their employees, members of the household and others to submit to examinations under oath by any person named by the Company and subscribe the same, and, as often as may be reasonably required, shall produce for Examination all writings, books of account, bills, invoices and other vouchers, or certified copies thereof if originals be lost, at such reasonable time and place as may be designated by the Company or its representative and shall permit extracts and copies thereof to be made. No such examination under oath or examination of books or documents, nor any other act of the Company or any of its employees or representatives in connection with the investigation of any loss or claim hereunder, shall be deemed as waiver of any defense which the Company might otherwise have with respect to any loss or claim, but all such examinations and acts shall be deemed to have been made or done without prejudice to the Company's liability.

32. SUE AND LABOR

In case of actual or imminent loss or damage by a peril insured against it shall without to the insurance, be lawful and necessary for the Insured, their factors, servants, or assigns to sue, labor, and travel for, in, and about the defense, the safeguard, and the recovering of the property insured hereunder; nor, in the event of loss or damage, shall the acts of the Insured or of the Company in recovering, saving, and preserving the insured property be considered a waiver or an acceptance of abandonment. The Company shall contribute to the expense so incurred according to the rate and quantity of the sum herein insured.

33. CANCELLATION

- A. This policy may be cancelled at any time at the request of the Insured or it may be cancelled by the Company by mailing to the Insured at the address shown in the Declaration hereof written notice stating when not less ninety (90) days thereafter such cancellation shall be effective; ten (10) days if for nonpayment of premium.
- B. The mailing of such notice as aforesaid shall be sufficient proof of notice and the effective date and hour of cancellation stated in the notice shall become the end of the policy period. Delivery of such written notice either by the Insured or by the Company shall be equivalent to mailing.
- C. Cancellation shall not affect coverage on any shipment in transit, if any, on the date of cancellation. Coverage will continue in force until such property is delivered and accepted.

34. PROTECTION AND MAINTENANCE

It is agreed that any protection provided for the safety of the insured property shall be maintained in good order throughout the currency of this policy and shall be in use at all times out of business hours or when the Insured's premises are left unattended, and that such protection shall not be withdrawn or varied to the detriment of the interests of the Company without their consent.

35. INSPECTION AND AUDIT

The Company shall be permitted but not obligated to inspect the Insured's property at any time. Neither the Company's right to make inspections nor the making thereof nor any report thereon shall constitute an undertaking, on behalf of or for the benefit of the Insured or others, to determine or warrant that such property is safe. The Company may examine and audit the Insured's books and records at any time during the Policy period and extensions thereof and within three years after the final termination of this policy, as far as they relate to the subject matter of this Insurance.

36. ABANDONMENT

There shall be no abandonment to the Company of any property.

37. FALSE OR FRAUDULENT CLAIMS

If the Insured shall make any claim knowing the same to be false or fraudulent, as regards amounts or otherwise, this Policy shall become void, and all claims hereunder shall be forfeited.

38. ASSIGNMENT

Assignment or transfer of this Policy shall not be valid except with the written consent of the Underwriters.

39. CONFORMITY TO STATUTE

Terms of this policy in conflict with the written laws of the state in which the policy is issued are changed to conform to such laws.

40. TITLES OF PARAGRAPHS

The titles of the paragraphs of this form and of endorsements and supplemental contracts, if any, nor or hereafter attached hereto are inserted solely for convenience of reference and shall not be deemed in any way to limit or affect the provisions to which they relate.

40. SEVERABILITY OF INTERESTS

Each of the Insureds covered by this policy will have the same protection and obligations as if the policy has been issued individually to each of them. However, the inclusion of more than one Insured will not operate to increase the limit of liability of the Insurer beyond the limit of liability stated in this policy.

41. BANKRUPTCY AND INSOLVENCY

In the event of the insolvency or the bankruptcy of any Insured, the Company will continue to insure the representatives, successors or assigns of such Insured. The insolvency or bankruptcy of the Insured does not relieve the Company of liability as provided under this policy.

42. COINSURANCE WAIVER

This policy is not subject to coinsurance.

43. VACANCY OR UNOCCUPANCY

Permission is granted to cease operations or remain vacant and/or unoccupied without limit of time, and such vacancy and/or unoccupancy shall not affect the insurance provided under this policy.

44. LIBERALIZATION

If, during the period that insurance is in force under this policy, any authorized endorsement or filed rules or regulations affecting the same are revised by statute so as to broaden the insurance without additional premium charge, such extended or broadened insurance shall insure to the benefit of the Insured hereunder.

45. NO CONTROL

This insurance shall not be affected by failure of the Insured to comply with any provisions of this policy in any portion of the premises over which the Insured has no control.

POLICY ADDENDUM #1

Named Insured: **Lee County Board of County Commissioners**

Effective Date: **October 1, 2015**

JOINT LOSS AGREEMENT

With respect to insurance provided by this policy, it is agreed that:

1. If at the time of loss, there is in existence a policy(is) issued by either this Company or by a boiler and machinery insurance company which may cover the same property or cover the location at which the property is subject to loss is situated; and
2. If there is a disagreement between the companies under this policy and such other contract either as to:
 - (a) whether such damage or destruction was caused by a peril insured against by this policy or be an accident insured against by such boiler and machinery insurance policy; or
 - (b) the extent of participation of this policy and of such boiler and machinery insurance policy in a loss which is insured against, partially or wholly, by any one or all of said policies;

this Company shall, upon written request of the Insured, pay to the Insured one half of the amount of the loss which is in disagreement, but in no event more than this Company would have paid if there has been no boiler or machinery policy in effect, subject to the following conditions:

- (a) the amount of the loss which is in disagreement, after making provisions for any undisputed claims payable under the said policies and after the amount of the loss is agreed upon by the Insured and the companies is limited to the minimum amount remaining payable under with the boiler and machinery or this policy(ies);
- (b) the boiler and machinery insurance company shall simultaneously pay to the Insured at least one half of said amount which is in disagreement;
- (c) the payments by the companies hereunder and acceptance of the same by the Insured signify the agreement of the companies to submit to proceed with arbitration within ninety (90) days of such payments; The arbitrators shall be three in number, one of whom shall be appointed by the boiler and machinery insurance company, one of whom shall be appointed by this Company, and the third of whom shall be appointed by the consent of the other two; the decision by the arbitrators shall be binding on the companies and that judgment upon such award may be entered in any court of competent jurisdiction;
- (d) the Insured agrees to cooperate in connection with such arbitration but not to intervene therein;
- (e) the provisions shall not apply unless such other policy issued by the boiler and machinery insurance company is similarly endorsed;
- (f) acceptance by the Insured of sums paid pursuant to the provisions, including an arbitration award, shall not operate to alter, waive, surrender or in any way affect the right of the Insured against any of the companies.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

POLICY ADDENDUM #2

It is hereby understood and agreed that all terms and conditions in the manuscript policy form supersede any conflicts with the common policy conditions.

All other terms, conditions and warranties remaining unchanged.

Issued to: Lee County Board of County Commissioners

If this endorsement is listed in the policy declarations, it is in effect from the time coverage under this policy commences.

Otherwise, the effective date of this endorsement is as shown below at the same time or hour of the day as the policy became effective.

Effective Date: October 1, 2015

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

POLICY ADDENDUM #3

PERMISSION FOR EXCESS INSURANCE

In consideration of the rate and premium for which this policy is written, the following additional provisions are hereby made a part of the policy superseding any provisions to the contrary:

1. **EXCESS INSURANCE:** Permission is hereby granted to purchase insurance in excess of the amount (Limit of Liability) stated in this policy. Such excess insurance shall not be considered other insurance for the purposes of the "Other Insurance" clause.
2. Any **COINSURANCE CLAUSE** in this policy is deleted.
3. Any reference to **PRO RATE LIABILITY, PRO RATA DISTRIBUTION** or any other apportionment clause is hereby deleted.
4. **SALVAGE AND RECOVERIES:** This clause is amended to include the following:

When, in connection with any loss hereunder, any salvage or recovery is received subsequent to the payment of such loss, the loss shall be figured on the basis on which it would have been settled had the amount of salvage or recovery been known at the time the loss was originally determined.

All other terms, conditions and warranties remaining unchanged.

Issued to: Lee County Board of County Commissioners

If this endorsement is listed in the policy declarations, it is in effect from the time coverage under this policy commences.

Otherwise, the effective date of this endorsement is as shown below at the same time or hour of the day as the policy became effective.

Effective Date: October 1, 2015

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

POLICY ADDENDUM #4

Policy Language Applicable to the Individual Company (ies) Noted – 1 Page (s)

It is hereby understood and agreed that the following change is made to this policy:

In addition to each Company (ies)'s Declaration's Page, Premium payment Conditions, Terrorism Exclusions and Notices (if Terrorism is excluded by the Insured), State Statute Amendatory Endorsements, Producer Compensation Notices / Disclosures and Service of Suit Clause if applicable; the following Company (ies)'s endorsements, forms, exclusions, etc... are added and apply only towards the individual Company (ies) to which such is noted. No other Company (ies) may claim such wording as their own, whether more or less restrictive in the event of loss to apply against all recovery.

Engineering fees, loss prevention fees, plan reviews and subsequent services / products, surplus lines taxes and fees, US FET Taxes and various state and local taxes and fees such as the Florida Fire College Trust Fund and Florida Emergency Management Preparedness & Assistance Fund Trust for the State of Florida and/or other state assessments should be viewed as unequal as charged on an individual Company Basis Separately from premium.

The terms and conditions of this form and endorsements attached thereto replace those of the policy to which it is attached, all terms, conditions and endorsements of the later being waived unless specifically noted within this endorsement.

Westchester Surplus Lines Insurance Company:

- ALL-20887 (10/06) ACE Producer Compensation Practices & Policies
- ACE061 (10/13) Asbestos Material Exclusion (Named Peril Exception)
- ACE0745 (09/12) Certificate Of Insurance - Automatic Additional Insured And Loss Payee Endorsement
- ACE0668 (04/14) Claims Adjustment
- MA-608255p (04/15) Claims Directory Property and Inland Marine
- BB-5W58a (09/11) Common Policy Declarations
- ACE0681 (10/11) Definition Of Loss Occurrence Endorsement
- ACE126 (10/14) Electronic Data Amendment Endorsement
- ACE0204 (05/10) Fungus, Wet Rot, Dry Rot and Bacteria Exclusion
- ACE0210 (01/08) Nuclear, Biological, Chemical, Radiological Exclusion Endorsement
- LE02523B (10/13) Policy Form Amendments Endorsement
- TRIA15c (01/15) Policyholder Disclosure Notice of Terrorism Insurance Coverage
- ALL-5X45 (11/96) Questions About Your Insurance
- SL-34255 (11/14) Service of Suit Endorsement - Florida
- LD-5S23j (03/14) Signature Endorsement
- SLPD (03/08) Surplus Lines Declarations
- ALL-10750 (01/15) Terrorism Exclusion Endorsement
- ALL-21101 (11/06) Trade or Economic Sanctions Endorsement
- IL P 001 01 04 U.S. Treasury Departments' Office of Foreign Assets Control ("OFAC") Advisory Notice to Policyholders

Endurance American Specialty Insurance Company:

- ECP 0001 0115 PROPERTY DECLARATIONS
- ECP 0101 0508 FORMS & ENDORSEMENTS SCHEDULE
- IL 00 17 11 98 COMMON POLICY CONDITIONS
- CP 00 90 07 88 COMMERCIAL PROPERTY CONDITIONS
- ECP 1324 0215 OCCURRENCE LIMIT OF LIABILITY ENDORSEMENT
- ECP 1322 0215 DEFINITION OF OCCURRENCE ENDORSEMENT

- CP 04 05 10 12 ORDINANCE OR LAW COVERAGE
- ECP 1321 0115 MINIMUM EARNED PREMIUM CLAUSE
- ECP 1323 0215 HURRICANE SEASON MINIMUM EARNED PREMIUM ENDORSEMENT
- ECP 0104 0315 SUPPLEMENTAL DEDUCTIBLE ENDORSEMENT
- CP 03 25 1012 NAMED STORM PERCENTAGE DEDUCTIBLE
- ECP 1325 0415 AMENDMENT OF CANCELLATION ENDORSEMENT
- ECP 0501 0115 ABSOLUTE POLLUTION EXCLUSION
- ECP 0502 0115 ASBESTOS EXCLUSION
- ECP 0511 0709 NUCLEAR EXCLUSION ENDORSEMENT
- ECP 0505 0606 ABSOLUTE MOLD EXCLUSION
- IL 09 35 07 02 EXCLUSION FOR CERTAIN COMPUTER RELATED LOSSES
- CP 01 40 07 06 EXCLUSION OF LOSS DUE TO VIRUS OR BACTERIA
- IL 09 86 03 08 NUCLEAR, BIOLOGICAL, CHEMICAL OR RADIOLOGICAL
- TERRORISM
- ECP 1307 0512 SERVICE OF SUIT ENDORSEMENT
- ECP 1302 0214 NOTICE OF LOSS
- ECP 1301 0508 LOSS ADJUSTMENT ENDORSMENT
- PN 0001 0407 OFAC NOTICE
- IL 1008 0114 SIGNATURE PAGE

Certain Underwriters at Lloyds of London:

- NMA2920 Terrorism Exclusion Endorsement
- NMA 464 War and Civil War Exclusion
- LMA5219 U.S. Terrorism Risk Insurance Act of 2002 as Amended New and Renewal Business Endorsement
- NMA1191 Radioactive Contamination Exclusion Clause- Physical Damage –Direct U.S.A.
- NMA2914 Electronic Data Endorsement A (Section 1B amended to include additional perils, cost of reproduction limit under Section 2. – USD1,000,000 any one loss)
- NMA2962 Biological or Chemical Materials Exclusion Clause
- Automatic Acquisitions (Limited) and Annual Adjustment Endorsements
- Joint Loss Agreement
- LMA5130 – Application of Sublimits Endorsement
- Conformity Clause
- Evacuation Response
- Occurrence Limit of Liability Endorsement
- LMA3100 Sanction Limitation and Exclusion Clause
- LMA9037 – Florida Surplus Lines Notice (Guaranty Act)
- LMA9038 - Florida Surplus Lines Notice (Rates and Forms)
- NMA1998 Service of Suit Clause
- Mold Exclusion

Ironshore Specialty Insurance Company:

- Occurrence Limit of Liability Endorsement applies – Form # IS.PROP.END.016 (Delete Clause 2b)
- Pollution, Contamination, Debris Removal Exclusion applies
- Defined Peril Millennium Endorsement applies
- Office of Foreign Assets Control (OFAC) Disclosure Notice – Form # IS.PROP.END.017
- Mold / Fungus Exclusion applies
- Data Corruption Exclusion applies
- Special Catastrophe Earned Premium Provision
- Earthquake Limitation (CHAP)
- Joint Loss Agreement
- TRIA Sunset Clause

Aspen Specialty Insurance Company:

- Florida Changes – Form CP 0125 07 08
- General Service of Suit Endorsement – Form ASPCO002 0213
- Exclusion and Limited Additional Coverage for Fungus – Form ASPPR089 0907
- Exclusion of Certain Computer-Related Losses – Form IL 09 35 07 02
- Exclusion of War, Military Action & Terrorism – Form IL 09 53 01 08
- Electronic Data Endorsement – Form #NMA2915 0101
- NBCR Terrorism Exclusion – Form #ASPCO023 1012
- Seepage and/or Pollution and/or Contamination Exclusion – Form #ASPPR081 0907
- Earned Premium Endorsement- Form#ASPPR005 0404
- Minimum Earned Premium Clause Percentage – Form ASPPR072 0807
- OFAC Endorsement – Form ASPCO021 0412
- Policy Holders Guide to Reporting – Form #ASPPR100 1012

Certain Underwriters at Lloyds, Indian Harbor Insurance, QBE Specialty, General Security, United Specialty, Lexington, Princeton Excess and International Insurance (AmRisc):

- AmRisc Property Endorsement (AR PE 04 14 XM) Delete 3.B. on OLL Section of AR PE Form
- IL 09 53 TRIA Exclusion

Landmark American Insurance Company:

- Drop Down Clause RSG 94059 1005
- Exclusion And Limited Additional Coverage - Electronic Data RSG 94030 1003
- Exclusion And Limited Additional Coverage For Fungus RSG 96004 0210
- Exclusion of Pathogenic or Poisonous Biological or Chemical Material RSG 96014 0504
- Exclusion Of Terrorism RSG 96005 0315
- Minimum Earned Premium (Insureds with Coastal Property) RSG 94095 0512

Alterra Excess & Surplus Insurance Company:

- MJIL 1000 08 10 Policy Jacket
- MPCP 2001 11 14 Commercial Property Forms Revision Notice to Policyholders
- MPIL 1007 03 14 Privacy Notice
- MPIL 1074 07 14 Notice To Policyholders Claim Reporting
- MDIL 1001 08 11 Forms Schedule
- IL 02 55 04 15 Florida Changes - Cancellation And Nonrenewal
- IL 09 95 01 07 Conditional Exclusion Of Terrorism
- MEIL 1200 01 10 Service Of Suit
- MDCP 1005 09 14 Commercial Property Policy Declarations
- MDCP 1009 09 14 Excess Property Supplemental Declarations
- MECP 0005 09 14 Excess Property Coverage Form
- MECP 1213 02 15 Occurrence Limit of Liability - Excess
- MECP 1215 09 14 Additional Property Exclusions And Conditions
- MECP 1251 09 14 Permission For Excess Insurance
- MECP 1273 09 14 Minimum Earned Premium For Exposure To Hurricanes
- MECP 1304 01 15 Exclusion Of Certified Acts Of Terrorism
- MECP 1308 09 14 Exclusion - Virus, Harmful Code Or Similar Instruction
- MECP 1315 09 14 Exclusion - Asbestos
- MECP 1316 09 14 Exclusion - Equipment Breakdown
- MECP 1317 09 14 Exclusion - Biological, Radiological Or Chemical Materials
- MECP 1322 09 14 Exclusion - Pollution
- MECP 1326 09 14 Exclusion- Organic Pathogens

Arch Specialty Insurance Company:

- 06 EXP0001 10 09 09 Florida Commercial Property Declarations (Asic)
- 00 MI0012 00 01 03 Schedule Of Forms And Endorsements
- 06 MI0002 00 01 13 Signature Page (Arch Specialty)
- 02 EXP0075 00 09 02 Minimum Earned Premium Clause - Dollar
- 00 EXP0091 00 11 03 Common Policy Conditions
- 00 MI0003 00 04 12 Service Of Suit
- 06 CP0002 00 03 08 Claims Handling Procedures (Arch Specialty Ins. Co.)
- 00 EXP0125 00 06 06 Total Terrorism Exclusion
- 00 MI0065 00 06 07 U.S. Treasury Department's Office Of Foreign Assets Control ("Ofac")
- 00 EXP0078 00 05 06 Occurrence Limit Of Liability Endorsement
- 02 EXP0006 00 08 02 Exclusion And Limited Additional Coverage For Fungus
- 02 EXP0004 00 08 02 Electronic Property & Virus - Exclusion
- 02 EXP0071 00 09 02 Seepage/Pollution/Contamination Exclusion

United Specialty Insurance Company:

- Biological or Chemical Materials Exclusion – NMA 2962
- Data Distortion/Corruption Exclusion
- Millennium Endorsement
- Mold Endorsement with \$1,000,000 resultant damage sublimit
- Service of Suit – NMA 1998
- Terrorism Exclusions LMA 5219 (If Coverage Declined)
- OFAC Notice
- Fraudulent Claim Clause – LMA 5062

Everest Indemnity Insurance Company:

- Commercial Property Conditions CP 00 90 07 88
- Florida Changes CP 01 25 02 12
- Exclusion – Asbestos ECP 10 508 06 06
- Deletion of Liberalization Condition ECP 12 502 05 06
- Amendment – Other Insurance Condition (Permits Insurance Specifically Written Excess of This Insurance) ESP 12 501 10 10
- Deletion Of Liberalization Condition ECP 12 502 05 06
- Definition of Occurrence ECP 99 501 05 06
- Company Signature Page EIL 00 502 03 07
- Common Policy Conditions EIL 00 503 07 02
- Minimum Earned Premium - Coastal Properties EIL 00 591 09 12
- Pollution Changes EIL 01 50 07 08
- Florida Changes - Legal Action Against US IL 01 75 09 07
- Florida Changes – Cancellation and Nonrenewal EIL 02 529 04 11
- Exclusion of Certain Computer Related Losses IL 09 35 07 02
- Exclusion of Certified Acts of Terrorism IL 09 53 01 08

James River Insurance Company:

- (XP0002US - 0403) Commercial Property Policy Declarations
- (XP0005US - 0403) Schedule A-Excess Property
- (XP0050US - 0208) Common Policy Conditions (Property)
- (XP0052US - 0907) Conflicting Provisions Clause
- (SP2108US-0707) Minimum Earned Premium Endorsement
- (SP2303B – 1209) Occurrence Limit of Liability Endorsement – Blanket
- (AP5038US – 1009) Flood Exclusion
- (PP2000US - 0504) Boiler & Machinery Exclusion
- (SP2301US - 1110) Electronic Data Clause

- (SP2304US - 0403) Property Pollution Exclusion
- (XP0200US – 0403) Earthquake Exclusion
- (XP0400US _ 0403) Named Storm Exclusion
- (XP2302US - 1108) Fungus Mold and Organic Pathogen Exclusion
- (XP2308US - 0403) Increased Cost of Construction and Demolition Exclusion
- (XP5005US – 0115) Exclusion – Terrorism
- (XP5006US – 0115) Exclusion of Certified Acts of Terrorism
- (AP0100US - 0403) Privacy Policy

Landmark American Insurance Company:

- Minimum Earned Premium (Insureds with Coastal Property) RSG 94095 0512
- Exclusion And Limited Additional Coverage - Electronic Data - RSG 94030 1003
- Exclusion And Limited Additional Coverage For Fungus - RSG 96004 0210
- Exclusion of Pathogenic or Poisonous Biological or Chemical Material - RSG 96014 0504
- Exclusion Of Terrorism - RSG 96005 00315

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

POLICY ADDENDUM #5

EVACUATION RESPONSE

This endorsement modifies insurance provided by the policy:

NOTICE: THE SUBLIMITS OF INSURANCE PROVIDED HEREIN ARE SUBJECT TO AND INCLUDED WITHIN POLICY LIMIT OF LIABILITY.

ADDITIONAL DECLARATIONS

SUBLIMITS OF INSURANCE

Disaster Sublimit of Liability:	\$1,000,000 Annual Aggregate
Evacuation Expense Sublimits:	
No Physical Loss or Damage Sublimit:	\$1,000,000 per scheduled location
Physical Loss or Damage Sublimit:	
Maximum Sublimit:	\$1,000,000 per scheduled location
Minimum Sublimit:	\$1,000,000 per scheduled location
DEDUCTIBLE:	\$75,000 per Mandatory Evacuation Order
ADDITIONAL PREMIUM:	INCLUDED

DESIGNATED PERSONS:

- Students who are residents of a university or college scheduled location.
- Patients who are admitted as inpatients and who are overnight residents at a scheduled location.
- Prisoners who are confined to a scheduled location.

SCHEDULE OF LOCATIONS: On file with Company(ies)

Subject to the terms and conditions of the policy, the terms of the above Additional Declarations (including the Sublimits of Insurance and Deductible), the attached Schedule of Locations, in consideration of the additional premium shown above, this policy is hereby extended to reimburse **Evacuation Expenses**, but only in accordance with the terms and conditions set forth in this endorsement:

I. INSURING AGREEMENTS

The Company will reimburse the Named Insured for reasonable and necessary **Evacuation Expenses** incurred during the **Evacuation Period** as a result of compliance with a **Mandatory Evacuation Order** which requires the evacuation of a scheduled location to which this insurance applies.

II. DEDUCTIBLE

All **Evacuation Expenses** arising out of one **Mandatory Evacuation Order** shall be adjusted as one loss, and from the amount of each such adjusted loss shall be deducted the sum shown in the above Additional Declarations.

III. SUBLIMITS OF INSURANCE

A. Subject to the Policy Limit of Liability per **Occurrence**, the Disaster Sublimit of Liability as shown in the above Additional Declarations is the most the Company will reimburse the Named Insured for all **Evacuation Expenses** under this policy in accordance with the terms and conditions of this endorsement.

B. Evacuation Expense Sublimits

1. Subject to Policy Limit of Liability per **Occurrence** or the Disaster Sublimit of Liability described above, whichever is less, the No Physical Loss or Damage Sublimit shown in the above Additional Declarations is the most the Company will reimburse the Named Insured for all **Evacuation Expenses** incurred per scheduled location if such scheduled location does not incur direct physical loss or damage.

2. Subject to Policy Limit of Liability per **Occurrence** or the Disaster Sublimit of Liability described above, whichever is less, the Physical Loss or Damage Sublimit is the most the Company will reimburse the Named Insured for all **Evacuation Expenses** incurred per scheduled location if such scheduled location incurs direct physical loss or damage. The Physical Loss or Damage Sublimit is either the Maximum Sublimit shown in the above Additional Declarations or 25% of the direct physical loss or damage sustained to the scheduled location, whichever is less, but in no event will the Physical Loss or Damage Sublimit be less than the Minimum Sublimit shown in the above Additional Declarations.

IV. ADDITIONAL DEFINITIONS

The definitions of the policy apply to this endorsement. However, the following additional definitions supersede any similar definitions in the policy, but only with respect to the application of this endorsement.

A. Designated Persons means those individuals as indicated by a check mark in the above Additional Declarations and those individuals who are essential employees to implement the **Mandatory Evacuation Order**.

B. Evacuation Expenses means the reasonable and necessary expenses to transport, house, feed, and provide medical care to **Designated Persons** and which are incurred during the **Evacuation Period**. **Evacuation Expenses** include evacuation of **Designated Persons**, maintenance of **Designated Persons** in another location, and the return of **Designated Persons** to the scheduled location or, if the scheduled location is not habitable, to a suitable alternative location, provided that, such **Evacuation Expenses** are incurred during the **Evacuation Period**.

C. Evacuation Period means that period of time that:

1. Begins immediately after the **Mandatory Evacuation Order** is first broadcast; and
2. Ends on the earlier of:
 - i. Thirty (30) days after the **Mandatory Evacuation Order** is first broadcast; or
 - ii. Ninety-six (96) hours after, the earlier of:
 - a. the time and date that a public announcement ending the **Mandatory Evacuation Order** is broadcast, or
 - b. the time and date when the appropriate civil authority allows a return to the scheduled location.

D. Mandatory Evacuation Order means the first public broadcast of a compulsory evacuation made by the responsible civil authority that is specific as to the effective date, time and area affected and which arises out of a peril for which coverage would have been provided if such peril had caused loss or damage to a scheduled location. The **Mandatory Evacuation Order** must commence during the policy period. Recommended, advisory, precautionary, or voluntary evacuation is not included in the definition of **Mandatory Evacuation Order**.

E. Occurrence means a **Single Event** which gives rise to one or more **Mandatory Evacuation Orders**. For the purposes of this definition, a **Single Event** means, e.g., one hurricane, one tropical storm, one earthquake (as further described in the policy), one flood (as further described in the policy), or any other **Single Event** regardless of the number of perils involved in such **Single Event**.

V. EXCLUSIONS

This insurance does not apply to and the Company will not reimburse any **Evacuation Expenses**:

A. Arising out of any claim that the Named Insured or any employee responsible for reporting such claim knew or should have known was false or fraudulent,

B. Arising out of any monetary loss other than those expenses specifically defined as **Evacuation Expenses**, and

C. Arising out of a peril for which coverage is not provided under this policy or for which an exclusion applies to such peril.

All other terms and conditions of the policy remain the same.



BROKER MANUSCRIPT FORM

END PAGE

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

COMMON POLICY CONDITIONS (PROPERTY)

PROTECTION SYSTEMS & SERVICE

If there be in existence, at the inception of this policy, any automatic fire extinguishing system, watchman service or fire or burglar alarm service, the Insured agrees not to discontinue such protection unless this Company is notified. Insofar as an extinguishing system and extinguishing agent thereof are under the control of the Insured, due diligence shall be used by the insured to maintain them in complete working order, and that no change shall be made in the system or in the extinguishing agent supply thereof or in any such supervisory alarm provided thereof without immediate notification to this Company. Permission, however, is hereby given in case of break, leakage, or the opening of sprinkler heads, to shut off the water from so much of the sprinkler system as may be imperative, it being a condition of this Policy that this Company shall be immediately notified and the protection restored as promptly as possible.

WAR RISK EXCLUSION

This Company shall not be liable for loss caused directly or indirectly by:

- a. Hostile or warlike action in time of peace or war, including any action in hindering, combating or defending against an actual, impending or expected attack by:
 - (1) Any government or sovereign power (de jure or de facto), or by any authority maintaining or using military, naval or air forces; or
 - (2) Military, naval or air forces; or
 - (3) An agent of such government, power, authority or forces, it being understood that any discharge, explosion or use of any weapon of war employing nuclear fission or fusion shall be conclusively presumed to be such hostile or warlike action by such a government, power, authority or forces.
- b. Insurrection, rebellion, revolution, civil war, usurped power, or action taken by governmental authority in hindering, combating or defending against such an occurrence.

NUCLEAR EXCLUSION

This Company shall not be liable for loss caused directly or indirectly by:

Loss by nuclear reaction or nuclear radiation or radioactive contamination, all whether controlled or uncontrolled, or due to any act or condition incident to any of the foregoing, is not insured against by this Policy, whether such loss be direct or indirect, proximate or remote, or be in whole or in part caused by, contributed to or aggravated by any of the perils insured against in this Policy.

CANCELLATION AND NON-RENEWAL

- a. The first Named Insured shown in the Declarations may cancel this Policy by mailing or delivering to us advance written notice of cancellation.
- b. We may cancel this Policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
 - (1) 10 days before the effective date of cancellation if we cancel for non-payment of premium; or
 - (2) 90 days before the effective date of cancellation if we cancel for any other reason.

- c. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
- d. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
- e. If this Policy is cancelled, we will send the first Named Insured any refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
- f. If we elect not to renew this Policy for an additional policy period, we shall mail written notice to the first Named Insured at the address shown in the Declarations. Such written notice of non-renewal shall be mailed at least thirty (30) days prior to the end of the policy period.
- g. If notice is mailed, proof of mailing will be sufficient proof of notice.

CHANGES

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

TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS

If the insured has rights to recover all or part of any payment we have made under this Policy, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring suit or transfer those rights to us and help us enforce them.

LEGAL ACTION AGAINST US

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

- a. There has been full compliance with all of the terms of this Policy; and
- b. No suit, action or proceeding for the recovery of any claim under this Policy shall be sustainable in any court of law or equity the same be commenced within twelve (12) months next after discovery by the insured of the occurrence which gives rise to the claim, provided, however, that if by the laws of the State within which this Policy is issued each limitation is invalid, then any such claims shall be void unless such action, suit or proceeding be commenced within the shortest limit of time permitted by the laws of such State.

REPRESENTATIONS

By accepting this Policy, you agree:

- a. The statements made in the Declarations are accurate and complete;
- b. Those statements are based upon representations you made to us; and
- c. We have issued this Policy in reliance upon your representations.

SERVICE OF SUIT

It is agreed that in the event of the failure of the Company to pay any amount claimed to be due hereunder, the Company will submit to the jurisdiction of any Court of competent jurisdiction within the United States of America or Canada and will comply with all

requirements necessary to give such Court jurisdiction and all matters arising hereunder shall be determined in accordance with the law and the practice of such Court.

It is further agreed that service of process in such suit may be made upon the Company's President, or his nominee, at the address shown on the Declarations page of this Policy, and that in any suit instituted against any one of them upon this Policy, this Company will abide by the final decision of such Court or of any Appellate Court in the event of an appeal.

The above-named is authorized and directed to accept service of process on behalf of the Company in any such suit and/or upon the request of the Insured to give a written undertaking to the Insured that it or they will enter a general appearance upon the Company's 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 of America or province of Canada, which makes provision therefore, the Company hereby designates 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 any beneficiary hereunder arising out of this contract of insurance, and hereby designated the above-named person to whom the said officer is authorized to mail such process or a true copy thereof.

GOVERNMENT ACTIVITY CLAUSE

The Company shall not be liable for loss or damage caused by or resulting from:

- a. The seizure or destruction of property insured by this Policy by any government body, including any customs or quarantine action, or
- b. Confiscation or destruction of any property by order of any government or public authority, except an order to destroy property to prevent the spread of fire or explosion.

EXAMINATION OF YOUR BOOKS AND RECORDS

We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward.

INSPECTIONS AND SURVEYS

- a. We have the right to:
 - (1) Make inspections and surveys at any time;
 - (2) Give you reports on the conditions we find; and
 - (3) Recommend changes.
- b. We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:
 - (1) Are safe or healthful; or
 - (2) Comply with laws, regulations, codes or standards.
- c. Paragraphs a. and b. of this condition apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

- d. Paragraph b. of this condition does not apply to any inspections, surveys, reports or recommendations we may make relative to certification, under state or municipal statutes, ordinances or regulations, of boilers, pressure vessels or elevators.

PREMIUMS

The first Named Insured shown in the Declarations:

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

TRANSFER OF YOUR RIGHTS AND DUTIES UNDER THIS POLICY

Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual named insured.

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

In Witness Whereof, this Company has executed and attested these presents; but this Policy shall not be valid unless signed by duly authorized representatives of this Company.

VICE PRESIDENT



PRESIDENT



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CONFLICTING PROVISIONS CLAUSE

The following applies to coverage as provided under this Policy:

The terms and conditions of this Policy shall apply in the event any of the terms or conditions in the underlying policy(ies) conflict with this Policy. In no event shall this Policy provide broader coverage than that provided by the underlying policy(ies). The coverage provided by this Policy is limited to the terms and conditions set forth herein and to the extent any other coverages are provided by the underlying policy(ies), those underlying coverages do not apply to extend coverage under this Policy to perils that are either excluded from coverage or are not specifically listed as a covered peril on the Declarations of this Policy.

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MINIMUM EARNED PREMIUM ENDORSEMENT

This policy is written subject to a 35% minimum earned premium regardless of the length of time that the policy is in force.

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

OCCURRENCE LIMIT OF LIABILITY ENDORSEMENT - BLANKET

It is understood and agreed that the following special terms and conditions apply to this policy:

1. The limit of liability or amount of insurance shown on the Declarations Page, or endorsed onto this Policy, is a limit or amount per occurrence. Notwithstanding anything to the contrary contained herein, in no event shall the liability of this Company exceed this limit or amount in one disaster, casualty or event, irrespective of the number of locations involved.
2. The premium for this policy is based upon the Statement of Values on file with this Company, or attached to this Policy. In the event of a covered loss hereunder, liability of the Company shall be limited to the lesser of the following:
 - a. The actual adjusted amount of loss, less applicable deductible(s).
 - b. The limit of liability or amount of insurance in any one occurrence, shown on the Declarations Page or endorsed onto this Policy.

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

FLOOD EXCLUSION

We do not insure under any coverage for any loss which would not have occurred in the absence of the following excluded event. We do not insure for such loss regardless of: (a) the cause of the excluded event; or (b) other causes of the loss; or (c) whether other causes acted concurrently or in any sequence with the excluded event to produce the loss; or (d) whether the event occurs suddenly or gradually, involves isolated or widespread damage, arises from natural, man-made or external forces, or occurs as a result of any combination of these:

It is agreed that coverage, as provided under this policy, does not extend to loss or damage caused by Flood, regardless of any other cause or event contributing concurrently or in any other sequence to the loss or damage.

The term "Flood" means a general and temporary or permanent condition of partial or complete inundation of normally dry land areas from:

- a. Surface water, rising water, waves, tides inland or tidal water, tsunamis, overflow of any body of water or their spray, and water due to hurricanes, weather disturbances or storm surges;
- b. Water that backs up from any sewer or drain; or water that leaks or flows from below the surface of the ground;
- c. The release of water held by a dam, levee, dike, or flood control device from any cause including acts, errors or omissions by anyone in the design, specifications, workmanship, repair, construction, or removal of the water or flood control device regardless of whether the loss or damage is direct or indirect and regardless of any other cause or event that contributes concurrently or in any sequence to the loss; or
- d. Mudslides, mudflows, avalanches or debris flows that are caused or precipitated by accumulation of snow, ice or water on or under the ground or which are caused by Flood as defined in a. through c. above;

all whether driven by wind or not.

This exclusion shall apply notwithstanding any coverage for Flood, hurricane, named storm or weather catastrophe occurrence in any underlying policy(ies).

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BOILER & MACHINERY EXCLUSION

This policy does not apply to any loss or damage caused by or resulting from mechanical or machinery breakdown, or, the over pressurization, explosion, rupture or bursting of pressure vessels, pipes, steam boilers, steam pipes, steam turbines, steam engines or flywheels owned or operated by the insured.

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ELECTRONIC DATA CLAUSE

This policy does not cover any loss, damage, claim, cost, expense, or any sum either directly or indirectly arising out of or relating to:

1. The failure, malfunction or inadequacy of design of any computer system, program, data, network, hardware, software, CPU or embedded chip;
2. The alteration, manipulation or destruction of computer media and data resulting from the addition of a virus, malware, destructive code or similar instruction that disrupts the normal operation of computer equipment or results in the loss of use or physical damage to computer equipment or computer media and data;
 - a. If however, direct physical loss or damage ensues from the perils covered by this policy, then subject to all the terms and conditions, this policy will be liable for such ensuing loss or damage, other than loss or damage to data.
3. Denial of service, including but not limited to unauthorized direction of a high volume of messages or inquiries to a web site or e-mail destinations, effectively denying, interrupting or limiting legitimate access;
4. Transfer of property caused by, resulting from, or arising out of unauthorized instructions transmitted by a computer;
5. Financial loss or any other loss or damage due to unauthorized viewing, copying or use of any data (including proprietary or confidential information) by any person, even if such activity is characterized as theft.

This exclusion applies regardless of whether there is:

1. any physical loss or damage to insured property by any cause, contributing concurrently or in any sequence to the loss;
2. any loss of use, occupancy or functionality;
3. any action required, including but not limited to repair, replacement, research, reconstruction, restoration, recapturing, removal, cleanup, abatement, disposal, relocation;
4. medical or legal costs, expenses or fees.

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PROPERTY POLLUTION EXCLUSION

This policy does not cover loss or damage caused directly or indirectly by the actual, alleged or threatened release, discharge, dispersal, seepage, migration or escape of any "hazardous substances" or "pollutants". Furthermore, this policy does not cover the cost to assess, monitor, treat, detoxify, neutralize, decontaminate, remove, replace or dispose of insured property which has been contaminated by any "hazardous substances" or "pollutants", and by law, request, demand, order, regulatory requirement or civil authority must be restored, disposed of or decontaminated.

This exclusion applies regardless of whether there is:

1. Any physical loss or damage to insured property;
2. Any insured peril or cause, whether or not contributing concurrently or in any sequence to the loss;
3. Any loss of use, occupancy or functionality; or
4. Any action required, including but not limited to assessment, monitoring, treatment, detoxification, neutralization, decontamination, removal, replacement or disposal, or steps taken to address medical or legal concerns.

Definition: "Hazardous substances" or "pollutants" include asbestos, benzene, gasoline, mercury, any pollutants, toxins, chemical waste, biological waste, nuclear waste, as well as any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals, and any other materials that cause or are alleged to cause loss or damage to insured property.

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EARTHQUAKE EXCLUSION

It is agreed that coverage, as provided under this policy, does not extend to the peril of Earthquake, defined as follows:

It is agreed that the term "Earthquake" as used in this Policy is defined as loss caused by, resulting from, contributed to, or aggravated by any of the following:

"Earth movement", meaning natural faulting of land masses, not including subsidence, landslide, rock slide, mudflow, earth rising, earth sinking, earth shifting or settling; unless, as a direct result of such earth movement.

Each loss by earthquake shall constitute a single claim hereunder, provided if more than one earthquake shock shall occur within any period of seventy-two (72) hours during the term of this Policy, such earthquake shocks shall be deemed to be a single earthquake within the meaning hereof.

This Company shall not be liable for any loss caused by any earthquake shock occurring before the effective date and time of this Policy, nor for any loss occurring after the expiration date and time of this Policy.

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NAMED STORM EXCLUSION

It is agreed that coverage, as provided under this policy, does not extend to the perils of Windstorm or Hail, and Flood when a "Named Storm" is present. Named Storm is defined as follows:

"Named Storm" means a storm or storm system that has been declared and defined by the National Weather Service to be a hurricane or tropical storm and to include the time period as follows:

1. Beginning at the time a hurricane or tropical storm "watch" or "warning" has been issued by the National Weather Service for the area where the covered property is located.
2. Continuing for the duration that hurricane or tropical storm conditions exist in the area.
3. Ending 72 hours following the cancellation of the "watch" or "warning" for the area by the National Weather Service.

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FUNGUS MOLD AND ORGANIC PATHOGEN EXCLUSION

This policy does not cover any loss, damage, claim, cost, expense, removal, restoration or other sum either directly or indirectly arising out of or relating to, and/or contributed to, in whole or in part, by:

Mold, fungus, organic pathogens, mycotoxins, virus, mildew, algae, spores or other microorganisms of any type, any substance classified as hazardous by the EPA, as well as any scents or by-products produced or released by these substances.

This exclusion applies regardless of whether there is:

1. any physical loss or damage to insured property;
2. any insured peril or cause, whether or not contributing concurrently or in any sequence to the loss;
3. any loss of use, occupancy or functionality; or
4. any action required, including but not limited to repair, replacement, removal, cleanup, abatement, disposal, relocation, or steps taken to address medical or legal concerns.

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

INCREASED COST OF CONSTRUCTION AND DEMOLITION EXCLUSION

It is agreed that coverage, as provided under this policy, does not extend to Increased Cost of Construction and Demolition, defined as follows:

The cost of demolishing any undamaged portion of the insured property, including the cost of clearing the site thereof, caused by loss from any peril insured against under this policy and resulting from enforcement of any local, state or federal ordinance or law regulating the construction, repair or demolition of buildings or structures and in force at the time of loss which necessitates such demolition, limited, however, to the minimum requirements of such ordinance or law.

The increased cost of repair or replacement occasioned by the enforcement of any local, state or federal ordinance or law regulating the construction, repair or demolition of buildings or structures which necessitates, in repairing or replacing the building covered hereunder which has suffered damage or destruction by the perils insured against or which has undergone demolition, a greater cost of repair or replacement, limited, however, to the minimum requirements of such ordinance or law that is in force at the time such loss occurs.

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT IS ATTACHED TO AND MADE PART OF YOUR POLICY IN RESPONSE TO THE DISCLOSURE REQUIREMENTS OF THE TERRORISM RISK INSURANCE ACT. THIS ENDORSEMENT DOES NOT GRANT ANY COVERAGE OR CHANGE THE TERMS AND CONDITIONS OF ANY COVERAGE UNDER THE POLICY.

**REJECTION OF COVERAGE
FOR CERTIFIED ACTS OF TERRORISM COVERAGE
(PURSUANT TO TERRORISM RISK INSURANCE ACT)**

SCHEDULE

THE INSURED WAS OFFERED AND

HAS DECLINED TERRORISM COVERAGE ON THIS POLICY

In accordance with the federal Terrorism Risk Insurance Act, this notice confirms that you were offered and have rejected coverage for terrorist acts certified under that Act.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION - TERRORISM

The following applies to coverage as provided under this policy:

- A.** The following definition is added and applies under this endorsement wherever the term terrorism is enclosed in quotation marks.

"Terrorism" means activities against persons, organizations or property of any nature:

- 1.** That involve the following or preparation for the following:

- a.** Use or threat of force or violence; or
- b.** Commission or threat of a dangerous act; or
- c.** Commission or threat of an act that interferes with or disrupts an electronic, communication, information, or mechanical system; and

- 2.** When one or both of the following applies:

- a.** The effect is to intimidate or coerce a government or the civilian population or any segment thereof, or to disrupt any segment of the economy; or
- b.** It appears that the intent is to intimidate or coerce a government, or to further political, ideological, religious, social or economic objectives or to express (or express opposition to) a philosophy or ideology.

- B.** The following exclusion is added:

EXCLUSION OF TERRORISM

We will not pay for loss or damage caused directly or indirectly by "terrorism", including action in hindering or defending against an actual or expected incident of "terrorism". Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss. **But this exclusion applies only when one or more of the following are attributed to an incident of "terrorism":**

- 1.** The "terrorism" is carried out by means of the dispersal or application of radioactive material, or through the use of a nuclear weapon or device that involves or produces a nuclear reaction, nuclear radiation or radioactive contamination; or
- 2.** Radioactive material is released, and it appears that one purpose of the "terrorism" was to release such material; or
- 3.** The "terrorism" is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or
- 4.** Pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the "terrorism" was to release such materials; or
- 5.** The total of insured damage to all types of property in the United States, its territories and possessions, Puerto Rico and Canada exceeds \$5 million. In determining whether the \$5 million threshold is exceeded, we will include all insured damage sustained by property of all persons and entities affected by the "terrorism" and business interruption losses sustained by owners or occupants of the damaged property. For the purpose of this provision, insured damage means damage that is covered by any insurance plus damage that would be covered by any insurance but for the application of any terrorism exclusions. Multiple incidents of "terrorism" which occur within a 72-hour period and appear to be carried out in concert or to have a related purpose or common leadership will be deemed to be one incident, for the purpose of determining whether the threshold is exceeded.

With respect to this item **B.5.**, the immediately preceding paragraph describes the threshold used to measure the magnitude of an incident of "terrorism" and the circumstances in which the threshold will apply, for the purpose of determining whether this Exclusion will apply to that incident. When the Exclusion applies to an incident of "terrorism", there is no coverage under this Coverage Form, Coverage Part or Policy.

C. Application Of Other Exclusions

1. When the Exclusion Of Terrorism applies in accordance with the terms of **B.1.** or **B.2.**, such exclusion applies without regard to the Nuclear Hazard Exclusion in this Coverage Form, Coverage Part or Policy.
2. The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for any loss or damage which would otherwise be excluded under this Coverage Form, Coverage Part or Policy, such as losses excluded by the Nuclear Hazard Exclusion or the War And Military Action Exclusion.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF CERTIFIED ACTS OF TERRORISM

A. The following definition is added with respect to the provisions of this endorsement:

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act, to be an act of terrorism pursuant to such Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:

1. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

B. The following exclusion is added:

CERTIFIED ACT OF TERRORISM EXCLUSION

We will not pay for loss or damage caused directly or indirectly by a "certified act of terrorism". Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

C. Application Of Other Exclusions

The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for any loss which would otherwise be excluded under this Coverage Part or Policy, such as losses excluded by the Nuclear Hazard Exclusion or the War And Military Action Exclusion.

JAMES RIVER INSURANCE COMPANY

Privacy Policy

We do not sell customer information to nonaffiliated third parties, and we do not share customer information with nonaffiliated third parties except those parties who perform contractual services for us, and parties to which we are authorized to provide information by law. In addition, when we provide information to affiliates or non-affiliates, we limit those disclosures to information about your transactions and experiences with us and to disclosures otherwise permitted by law. You do not need to take any action to prevent us from selling or sharing information we obtain about you.

We use security measures and training in our effort to protect the customer information we collect. We protect the information we obtain about you by maintaining physical, electronic and procedural safeguards.

We collect the following types of information about you when you purchase or use our products and services. Most of the information that we obtain about you comes directly from you, such as through the insurance applications you submit when requesting insurance products. These applications and other inquiries we make of you allow us to learn information that we may use to contact you in the future, such as your name, address, telephone number and e-mail address. In addition, insurance applications and other information you provide enables us to determine the type and value of your insured property, the types of insurance coverages you have or in which you might be interested, and similar information.

If you visit an Internet site that we maintain, we might request or obtain information that will enable us to identify you as a registered user, such as your name, a user identification name, a password, password reminders, and your Internet service provider. We might use a "cookie" to retain some of this information. We also might obtain information about your operating system, web browser and similar information to enable us to improve the operation of our site.

When we consider products and services in which you may be interested, we often review information that we have about your past transactions with us or our affiliates, such as your existing or former policy coverages, premiums and payment history. In addition, we may learn information about your transactions with nonaffiliated third parties, including the types of products or services you obtained from them and your experiences with them. Finally, we may obtain other information from third parties that has a bearing upon your eligibility for the products or services you seek from us. This information may include your credit report or information about your creditworthiness, or other information maintained by consumer reporting agencies.

We provide customer information only to our affiliates and to nonaffiliates that must protect your customer information.

We also may provide information as mentioned in this notice to nonaffiliated third parties that perform services for us or perform functions on our behalf, such as marketing and research, or to other financial institutions with which we have joint agreements for activities such as marketing. By law, our contracts with these parties must prevent them from using the information they receive about you except as described in this notice.

Finally, we may share customer information as permitted by applicable law. This means that we will share information with parties as necessary to affect, administer, or enforce transactions that you request. For example, we might provide information to a company that processes, prints and mails our insurance policies to you, or to a company that adjusts claims under your policies. We also might disclose customer information to other entities specified by law, such as insurance advisory organizations, our attorneys and accountants, consumer reporting agencies, or civil and regulatory authorities. Federal law sets the limitations on these types of disclosures.

We strive to keep our records as accurate as possible. We attempt to maintain accurate records about you and we will gladly make appropriate corrections when you notify us. Of course, we do not control the accuracy of information gathered and provided by third parties, and you may need to notify third parties directly if you believe that any information we received from them is inaccurate. You may request the name and address of any consumer-reporting agency from which we obtain a report on you. You then may contact that consumer-reporting agency to request a copy of the report it makes or to advise of any changes to the information they maintain and report.

We will provide one copy of this Privacy Policy to joint contract holders. Please share this information with everyone covered under your policy or contract.