WKFC Policy Number
WKFCC-12103-00

WKFC Property Quota Share

Please forward correspondence and claims to our Administrative Office:

WKFC Underwriting Managers
201 Old Country Rd.
Suite 201
Melville, NY 11747

COMMERCIAL PROPERTY POLICY
COMMON POLICY DECLARATIONS

POLICY PERIOD		At 12:01 A.M. Standard Time at your Mailing Address Shown Below	RENEWAL OF NUMBER	ACCOUNT NUMBER
Effective Date	Expiration Date			
05/01/2026	05/01/2027		New	

NAMED INSURED AND ADDRESS

Majestic Isles Association Inc
c/o Castle Group
10860 Imperial Seas Boulevard
Boynton Beach, FL 33437

PRODUCER NAME AND ADDRESS

Peachtree Special Risk Brokers, LLC
6311 Atrium Drive
Suite 203
Lakewood Ranch, FL 34202
Phone: 7273415884

BUSINESS DESCRIPTIONS: CIVIC AND SOCIAL ASSOCIATIONS

In return for the payment of the premium and subject to all terms of this policy, the company indicated above agrees to provide the insurance stated in this policy.

PREMIUM SUMMARY:

This policy consists of the following coverage parts for which a premium is indicated. This premium may be subject to adjustment.

COMMERCIAL PROPERTY COVERAGE PART		PREMIUM
Arch Specialty Insurance Company 210 Hudson Street Suite 300 Jersey City, NJ 07311	Non-Terrorism	$2,612.00
	Terrorism	Declined
AXIS Surplus Insurance Company 10000 Avalon Boulevard Suite 200 Alpharetta, GA 30009	Non-Terrorism	$817.00
	Terrorism	Declined
Certain Underwriters At Lloyds 25 Fenchurch Avenue London EC3M 5AD	Non-Terrorism	$3,266.00
	Terrorism	Declined
Lexington Insurance Company 99 High Street Floor 23 Boston, MA 02110	Non-Terrorism	$4,056.00
	Terrorism	Declined
MS Transverse Specialty Insurance Company 15 Independence Boulevard Suite 430 Warren, NJ 07059	Non-Terrorism	$817.00
	Terrorism	Declined
Old Republic Union Insurance Company 307 North Michigan Avenue Chicago, IL 60601	Non-Terrorism	$1,960.00
	Terrorism	Declined
Scottsdale Insurance Company One West Nationwide Blvd 1-04-701 Columbus, OH 43215-2220	Non-Terrorism	$3,266.00
	Terrorism	Declined
Velocity Specialty Insurance Company 10 Burton Hills Blvd	Non-Terrorism	$4,081.00
	Terrorism	Declined

Ste. 300B
Nashville, TN 37215

EQUIPMENT BREAKDOWN COVERAGE PART

Lexington Insurance Company

99 High Street
Floor 23
Boston, MA 02110

Equipment Breakdown (included above)	$464.00
Inspection Fee	$300.00
MGA Service Fee	$500.00
Minimum Earned %	25.00%
TOTAL	$21,675.00

Patrick Gavin

Authorized Signature

FORM(S) AND ENDORSEMENT(S) MADE A PART OF THIS POLICY AT THE TIME OF ISSUE*
*Omits applicable forms and endorsement if shown in specific Coverage Part/Coverage Form Declarations.

ISSUING CARRIERS

CARRIER POLICY NUMBERS

Commercial Property Coverage Carrier Policy Numbers

Carrier	Participation	Policy Number
WKFC Consortium Agreement*	80%	as outlined below
Velocity Specialty Insurance Company	20%	VS-WKCN-260234-01

WKFC Consortium Agreement Issuing Carriers

Insurer	Participation	Policy Number
Arch Specialty Insurance Company	16.00%	RPPRP5897100
AXIS Surplus Insurance Company	5.00%	WKES007629-01
Certain Underwriters At Lloyds	20.00%	B135CP95WKFC02759
Lexington Insurance Company	22.00%	016519034-00
MS Transverse Specialty Insurance Company	5.00%	TSWKPR0006058-00
Old Republic Union Insurance Company	12.00%	ORAWPR011127-00
Scottsdale Insurance Company	20.00%	RYS0058526

EQUIPMENT BREAKDOWN CARRIER POLICY NUMBERS

Insurer	Participation	Policy Number
Lexington Insurance Company	100%	016519034-00

Attaching To and Forming Part Of Binding Authority Agreement

Schedule of Certain Underwriters at Lloyd's lead by QBE Syndicate 5555 Participating Hereon:

Syndicates	**Signed Line**
QBE Syndicate 5555	5.00%
Axis Syndicate 1686	15.00%
Total:	**20.00%**

This insurance is effected with the above listed insurance Carriers. The Carriers have appointed the Consortium Manager to underwrite on their behalf and to administer the Policy. The Consortium Manager shall provide the Carriers with notice of any Policy claim or any other obligation to which this Policy shall apply. Each above listed Carrier or their designated representative shall investigate, negotiate and settle any claims or losses arising under the Policy.

Nothing in this Policy is intended to place the Consortium Manager in the position of an Insurer or to cause the Consortium Manager to assume any of the risk for which each Carrier contracted to provide insurance coverage, nor is any part of this Policy intended to transfer to the Consortium Manager the obligation to dispute at its expense each Carrier's obligation to provide to any party the benefits of any insurance coverage.

The liability of each Carrier on this Policy with the Insured is limited to the participation amount shown in the schedule above. The liability of each separate Policy listed and for each Carrier represented thereby for any loss or losses or amounts payable is several as to each and shall not exceed its participation percentage shown below. There is no joint liability of any Carriers pursuant to this Policy. A Carrier shall not have its liability hereunder increased or decreased by reason of failure or delay of another Carrier, its successors, assigns, or legal representatives. Any loss otherwise payable under the provisions of the attached Policy that exceeds the allocation of "Risk" as defined herein shall be borne proportionately by the contracts as to their limit of liability at the time and place of the loss bears to the total allocated.

This Policy shall be constructed as a separate contract between the Insured and each of the Carriers.

Notices. All notices, requests, demands, complaints and other communications called for in this Policy shall be in writing and shall be deemed to have been duly given when: (i) personally delivered, (ii) sent via overnight delivery with proof of delivery or (iii) five days after being mailed by United States certified or registered mail, postage prepaid, addressed to the Consortium Manager at the following addresses or at addresses for the Carriers as indicated on the policy declarations page:

If to Consortium Manager:

WKFC Underwriting Managers
Suite 4N20
One Huntington Quadrangle
Melville, NY 11747

Claims can be reported via email:
claimsfirstreport@wkfc.com

Have a complaint or need help?

We are committed to providing you with a high-quality service, and we want to make sure that this is maintained at all times but sometimes things do go wrong.

If you wish to make a complaint, you may do so at any time by contacting your retail agent directly. Please provide the following information to expedite the process.

- Policy number
- Date of loss (if a claim is involved)
- Reason for the complaint

In the event that you remain dissatisfied and wish to make a formal complaint, you may send your complaint to:

Florida Department of Insurance
200 East Gaines Street
Tallahassee, FL 32399-0322
DOI Website: https://myfloridacfo.com/Division/Consumers/Contactus
Main Phone Number: 877-693-5236
Email: Consumer.Services@Myfloridacfo.com

We take complaints very seriously and aim to handle them in an expeditious but fair and proper manner, ensuring that any complaint is investigated competently, diligently, impartially and determining what is fair and reasonable in the circumstances.

COMMERCIAL CAT - PROPERTY QUOTA SHARE COVERAGE PART DECLARATIONS

Reference No.:WKFCC-12103-00 **Effective Date:5/1/2026 ****
12:01 A.M. Standard Time

NAMED INSURED: Majestic Isles Association Inc

DESCRIPTION OF PREMISES:
PREM/BLDG NO LOCATION, CONSTRUCTION AND OCCUPANCY

See Location Schedule attached

COVERAGES PROVIDED -Insurance at the described premises applies only for which a limit of insurance is shown

PREM/BLDG NO	CODE	COVERAGE	LIMIT OF INSURANCE	ACV/RC*	COVERED CAUSES OF LOSS	COINSURANCE	RATES
See Location Schedule attached							

*RC meansReplacement Cost

OPTIONAL COVERAGES - Applicable only when entries are made in the schedule below

PREM/BLDG NO	CODE	COVERAGE	LIMIT OF INSURANCE	COVERED CAUSES OF LOSS	COINSURANCE**	RATES

PREM/BLDG NO	***MONTHLY LIMIT OF INDEMNITY(FRACTION)	MAXIMUM PERIOD OF INDEMNITY (X)	***EXTENDED PERIOD OF INDEMNITY (DAYS)

*RC means Replacement Cost **Extra Expense Coverage, Limits onLoss Payment ***Applies To Business Income Only

MORTGAGE HOLDERS
PREM/BLDG NO MORTGAGE HOLDER NAME AND MAILING ADDRESS

See Mortgagee Schedule attached*

*If no schedule attached, no mortgagees apply

DEDUCTIBLE: $10,000- Other Deductibles May Apply See Attached Endorsements

FORMS AND ENDORSEMENTS (other than applicable Forms and Endorsements shown elsewhere in the policy):
Forms and Endorsements applying to this Coverage Part and made part of this policy at time of issue: See Form Schedule attached

Coverage Exception

Applicable only to Specific Premises/Coverages	Prem No.	Bldg. No.	Coverages	Form Numbers

PREMIUM

Minimum Premium for this Coverage Part: 25%

Premium for this Coverage Part $20,875.00

**Inclusion of Date Optional

THESE DECLARATIONS ARE PART OF THE POLICY DECLARATIONS CONTAINING THE NAME OF THIS INSURED AND THE POLICY PERIOD

CF 15 00 06 03

SUBSCRIPTION PAGE ENDORSEMENT

This endorsement modifies insurance provided under the following:

Onshore Property Insurance Policy

Any provision required by law to be stated in policies issued by subscribers hereto shall be deemed to have been stated herein.

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:

(a) The collective liability of the Insurers shall not exceed the Limit of Liability or any appropriate Sublimit(s) of Liability or any annual aggregate limit.

(b) The limit of each of the Insurers (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of the syndicate taken together)shall not exceed the Limit of the pro rata percentage of liability set against its name.

In no event shall liability for loss or damage as insured against by this Policy arising out of one Occurrence exceed its proportionate program share, nor shall liability exceed its proportionate program share of any specific Sublimit of Liability applying to any insured loss, coverage or location(s). Any loss payable under the provisions of this policy that exceeds limits shown in this policy shall be borne proportionately by the Insurers.

In the case of a Lloyd's syndicate, each member of the syndicate (rather than the syndicate itself) is an insurer. Each member has underwritten a proportion of the total shown for the syndicate (that total itself being the total of the proportions underwritten by all the members of the syndicate taken together). The liability of each member of the syndicate is several and not joint with other members. A member is liable only for that member's proportion. A member is not jointly liable for any other member's proportion. Nor is any member otherwise responsible for any liability of any other insurer that may underwrite this contract.

Commercial Property Coverage Carrier Policy Numbers

Carrier	Participation	Policy Number
WKFC Consortium Agreement*	80%	As outlined below
Velocity Specialty Insurance Company	20%	VS-WKCN-260234-01

WKFC Consortium Agreement Issuing Carriers

Carrier	Policy/Certificate #	Participation
Arch Specialty Insurance Company	**RPPRP5897100**	**16.00%**
Old Republic Union Insurance Company	**ORAWPR011127-00**	**12.00%**
AXIS Surplus Insurance Company	**WKES007629-01**	**5.00%**
Scottsdale Insurance Company	**RYS0058526**	**20.00%**

Certain Underwriters At Lloyds	**B135CP95WKFC02759**	**20.00%**
MS Transverse Specialty Insurance Company	**TSWKPR0006058-00**	**5.00%**
Lexington Insurance Company	**016519034-00**	**22.00%**

Schedule of Certain Underwriters at Lloyd's Underwriting Participating Hereon:

SYNDICATES	SIGNED LINES
QBE Syndicate 5555	5.00%
Axis Syndicate 1686	15.00%
Total	**20.00%**

Certain Underwriters at Lloyd's Lead by QBE Syndicate 5555

All other terms and conditions remain unchanged.

By: Patrick Gavin
(Authorized Representative for Insurer)

FRAUD NOTICE

Arkansas - Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

Colorado - It is unlawful to knowingly provide false, incomplete, or misleading facts or information to an insurance company for the purpose of defrauding or attempting to defraud the company. Penalties may include imprisonment, fines, denial of insurance and civil damages. Any insurance company or agent of an insurance company who knowingly provides false, incomplete, or misleading facts or information to a policyholder or claimant for the purpose of defrauding or attempting to defraud the policyholder or claimant with regard to a settlement or award payable from insurance proceeds shall be reported to the Colorado Division of Insurance within the Department of Regulatory Agencies.

District of Columbia - WARNING: It is a crime to provide false or misleading information to an insurer for the purpose of defrauding the insurer or any other person. Penalties include imprisonment and/or fines. In addition, an insurer may deny insurance benefits if false information materially related to a claim was provided by the applicant.

Florida - Any person who knowingly and with intent to injure, defraud, or deceive any insurance company files a statement of claim or an application containing any false, incomplete, or misleading information is guilty of a felony of the third degree.

Hawaii - For your protection, Hawaii law requires you to be informed that presenting a fraudulent claim for payment of a loss or benefit is a crime punishable by fines or imprisonment, or both.

Kentucky Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance containing any materially false information or conceals, for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime.

Louisiana - Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

Maine - It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties may include imprisonment, fines, or denial of insurance benefits.

Maryland - Any person who knowingly and willfully presents a false or fraudulent claim for payment of a loss or benefit or who knowingly and willfully presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

New Jersey - Any person who includes any false or misleading information on an application for an insurance policy is subject to criminal and civil penalties.

New Mexico - Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to civil fines and criminal penalties.

FRAUD NOTICE

New York - All Commercial Insurance Forms, Except As Provided for Automobile Insurance: Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime, and shall also be subject to a civil penalty not to exceed five thousand dollars and the stated value of the claim for each such violation. **Automobile Insurance Forms:** Any person who knowingly makes or knowingly assists, abets, solicits or conspires with another to make a false report of the theft, destruction, damage or conversion of any motor vehicle to a law enforcement agency, the department of motor vehicles or an insurance company, commits a fraudulent insurance act, which is a crime, and shall also be subject to a civil penalty not to exceed five thousand dollars and the value of the subject motor vehicle or stated claim for each violation. **Fire Insurance:** Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance containing any false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime. The proposed insured affirms that the foregoing information is true and agrees that these applications shall constitute a part of any policy issued whether attached or not and that any willful concealment or misrepresentation of a material fact or circumstances shall be grounds to rescind the insurance policy.

Ohio- Any person who, with intent to defraud or knowing that he is facilitating a fraud against an insurer, submits an application or files a claim containing a false or deceptive statement is guilty of insurance fraud.

Oklahoma - WARNING: Any person who knowingly, and with intent to injure, defraud or deceive any insurer, makes any claim for the proceeds of an insurance policy containing any false, incomplete or misleading information is guilty of a felony.

Pennsylvania - Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information or conceals for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties. **Automobile Insurance Forms:** Any person who knowingly and with intent to injure or defraud any insurer files an application or claim containing any false, incomplete or misleading information shall, upon conviction, be subject to imprisonment for up to seven years and the payment of a fine of up to $15,000.

Puerto Rico - Any person who knowingly and with the intention to defraud includes false information in an application for insurance or file, assist or abet in the filing of a fraudulent claim to obtain payment of a loss or other benefit, or files more than one claim for the same loss or damage, commits a felony and if found guilty shall be punished for each violation with a fine of no less than five thousands dollars ($5,000), not to exceed ten thousands dollars ($10,000); or imprisoned for a fixed term of three (3) years, or both. If aggravating circumstances exist, the fixed jail term may be increased to a maximum of five (5) years; and if mitigating circumstances are present, the jail term may be reduced to a minimum of two (2) years.

Rhode Island - Failing to disclose a conviction of arson in an application for insurance is subject to criminal penalty.

Tennessee - It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines and denial of insurance benefits. **Workers Compensation:** It is a crime to knowingly provide false, incomplete or misleading information to any party to a workers compensation transaction for the purpose of committing fraud. Penalties include imprisonment, fines and denial of insurance benefits.

FRAUD NOTICE

Utah - Workers Compensation: Any person who knowingly presents false or fraudulent underwriting information, files or causes to be filed a false or fraudulent claim for disability compensation or medical benefits, or submits a false or fraudulent report or billing for health care fees or other professional services is guilty of a crime and may be subject to fines and confinement in state prison.

Virginia - It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines and denial of insurance benefits.

Washington- It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines and denial of insurance benefits.

West Virginia - Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

All Other States Any person who knowingly and willfully presents false information in an application for insurance may be guilty of insurance fraud and subject to fines and confinement in prison.

PRIVACY POLICY

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

Our Privacy Promise

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

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

Collection and Sources of Information

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

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

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

Retention and Correction of Personal Information

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

Storage of Personal Information

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

Sharing/Disclosing of Personal Information

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

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

Policy for Personal Information Relating to Nonpublic Personal Health Information

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

NOTICE TO POLICYHOLDERS

Access to Your Information

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

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

Violation of the Privacy Policy

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

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

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

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

This Policyholder Notice provides information concerning possible impact on your insurance coverage due to directives issued by OFAC. **Please read this Policyholder Notice carefully.**

OFAC administers and enforces sanctions policy, based on Presidential declarations of "national emergency". OFAC has identified and listed numerous

- Foreign agents
- Front organizations
- Terrorists
- Terrorist organizations
- Narcotics traffickers

as "Specially Designated Nationals and Blocked Persons". This list can be found on the United States Treasury's web site - http//www.treas.gov/ofac.

In accordance with OFAC regulations, if it is determined that you or any other insured, or any person or entity claiming the benefits of this insurance has violated U.S. sanctions law or is a Specially Designated National and Blocked Person, as identified by OFAC, this insurance will be considered a blocked or frozen contract and all provisions of this insurance will be immediately subject to OFAC. When an insurance policy is considered to be such a blocked or frozen contract, neither payments nor premium refunds may be made without authorization from OFAC. Other limitations on the premiums and payments also apply.

Includes copyrighted material of Insurance Services Office, Inc., with its permission

Schedule of Forms

Named Insured Majestic Isles Association Inc

Policy No: WKFCC-12103-00 WKFC Property Quota Share

Form Name	Form Edition No
Declarations	Declarations
Lloyd's Security Schedule	
Declarations Addendum	
Complaint Notice (Rev. 10-2025)	
Supplemental Declarations	CF 15 00 06 03
Subscription Page Endorsement	WK FC 01 06 17
Notice to Policy Holders - Fraud Notice	WK FN 01 10 09
Notice to Policyholders-Privacy Policy	WK CP 03 07 09
Notice to Policyholders U.S. Treasury Department's Office of Foreign Assets Control ("OFAC")	WK CP 01 07 09
Schedule of Forms	Forms
Location Schedule	Locsched (F1 8/95)
Commercial Property Conditions	CP 00 90 07 88
Common Policy Conditions	IL 00 17 11 98
Causes of Loss - Special Form	CP 10 30 09 17
Building and Personal Property Coverage Form	CP 00 10 10 12
Absolute Asbestos Exclusion Endorsement	WK 27 23 03 24
ACV Roof Covering Endorsement	WK CP 21 04 16
Aluminum Wiring Exclusion	WK 25 86 01 08
Cooking Or Hazardous Process Areas Warranty	WK 26 65 10 07
Cyber Incident Exclusion	CP 10 75 12 20
Exclusion Of Certain Computer-Related Losses	IL 09 35 07 02
Exclusion of Certified Acts of Terrorism	IL 09 53 01 15
Exclusion of Loss Due to Virus or Bacteria	CP 01 40 07 06
Existing Damage Exclusion Endorsement	WK CP 24 09 17
Minimum Earned Premium	WK CP 15 04 15
Multiple Deductible Form	WK 03 20 10 25
Occurrence Limit of Liability	WK 62 28 10 07
Ordinance or Law Coverage	CP 04 05 09 17
Protective Safeguards	CP 04 11 09 17
Protective Safeguards - Locked and Secured	WK CP 03 11 08
Territorial Earned Premium	WK CP 01 02 12
Windstorm or Hail / Named Storm Endorsement	WK CP 32 07 20
The following forms are unique to Lexington Insurance Company and apply only to their individual policy	
Florida Changes	CP 01 25 05 22
Equipment Breakdown Coverage Part Declarations	PR9941 (11/24)
Florida Changes - Legal Action Against Us	IL 01 75 09 07
Equipment Breakdown Coverage Part	PR9942 (01-25)
Economic Sanctions Endorsement	PR4225 (07/13)
Policyholder Notice	91222 (09/16)
Service of Suit Endorsement	PR4421 (11/15)
The following forms are unique to Certain Underwriters At Lloyds and apply only to their individual policy	
Communicable Disease Endorsement	LMA5393
Sanction Limitation and Exclusion Clause	LMA3100A

Service of Suit Clause (U.S.A.)	LMA5020
The following forms are unique to Old Republic Union Insurance Company and apply only to their individual policy	
Old Republic Union Insurance Company Signature Page	ORU SIG 10 23
Old Republic Union Insurance Company Policy Jacket	ORU CPJ 12 17
Old Republic Union Insurance Company Surplus Lines Endorsement	ORU IL 00 59 03 25
The following forms are unique to Scottsdale Insurance Company (SIC) and apply only to their individual policy	
Notice – Fraud Warnings	NOTX0650CW (02-26)
Service of Suit Clause	UTS-9g (06/20)
The following forms are unique to AXIS and apply only to their individual policy	
AXIS Signature Page	AXIS 102 ASIC 0124
Policy Holder Notice - Economic and Trade Sanctions	AXIS 906 0316
Privacy Notice	AXIS 909 1119
State Fraud Notice	AXIS 104 0415
The following forms are unique to MS Transverse Specialty Insurance Company and apply only to their individual policy	
Important Notice about the Protection of your Privacy	MST-Privacy-1 Edition 03 2024
MS Transverse Specialty Insurance Company Cover	MST-TSIC-Cover-022025
Service of Suit - Florida	AXIS 106 FL (10-22)
Policy Execution Clause	TSIC-002-0225
Service Of Suit	TSIC-004-0424
The following forms are unique to Arch Specialty Insurance Company and apply only to their individual policy	
Fraud Notices	IFN0001 01 25
Service of Suit	00 ML0003 00 04 12
Signature Page	11 ML0002 00 01 20
Florida Surplus Lines Specific Wording	
The following forms are unique to Velocity Specialty Insurance Company and apply only to their individual policy	
Privacy Notice	Version 1 (01-28-26)
VSIC Signature Page	VSIC Signature Page
Service of Suit	VSIC-001-0126.C

LOCATION SCHEDULE

Named Insured: Majestic Isles Association Inc
Policy Effective Date: 05/01/2026
Policy Expiration Date: 05/01/2027
This endorsement effective: 12:01 AM 05/01/2026 forms a part of Policy No: WKFCC-12103-00

Loc. #	Bldg. #	Location Address	Coverage	Limits	Covered Cause of Loss	Co-Ins.	Valuation
1	1	10850 Imperial Seas Boulevard Boynton Beach, FL Palm Beach 33437 Protection: Wet-100% - Local Class: CLUBS, NOC, INCLUDING FRATERNAL AND UNION HALLS Construction: Joisted Masonry Year Built: 1999	BUILDING	$3,016,193	Special - Excluding Flood, EQ	NIL	RC
			LIGHT FIXTURES/POLES	$10,200	Special - Excluding Flood, EQ	NIL	RC
			OTHER STRUCTURES Clubehouse	$47,050	Special - Excluding Flood, EQ	NIL	RC
			OTHER STRUCTURES 2 Carpots	$4,500	Special - Excluding Flood, EQ	NIL	RC
			PERSONAL PROPERTY	$48,750	Special - Excluding Flood, EQ	NIL	RC
			POOL	$230,400	Special - Excluding Flood, EQ	NIL	RC
1	2	10850 Imperial Seas Boulevard Boynton Beach, FL Palm Beach 33437 Protection: None Class: CLUBS, NOC, INCLUDING FRATERNAL AND UNION HALLS Construction: Joisted Masonry Year Built: 1999	BUILDING	$30,720	Special - Excluding Flood, EQ	NIL	RC
			PERSONAL PROPERTY	$25,000	Special - Excluding Flood, EQ	NIL	RC

COMMERCIAL PROPERTY CONDITIONS

This Coverage Part is subject to the following conditions, the Common Policy Conditions and applicable Loss Conditions and Additional Conditions in Commercial Property Coverage Forms.

A. CONCEALMENT, MISREPRESENTATION OR FRAUD

This Coverage Part is void in any case of fraud by you as it relates to this Coverage Part at any time. It is also void if you or any other insured, at any time, intentionally conceal or misrepresent a material fact concerning:

1. This Coverage Part;

2. The Covered Property;

3. Your interest in the Covered Property; or

4. A claim under this Coverage Part.

B. CONTROL OF PROPERTY

Any act or neglect of any person other than you beyond your direction or control will not affect this insurance.

The breach of any condition of this Coverage Part at any one or more locations will not affect coverage at any location where, at the time of loss or damage, the breach of condition does not exist.

C. INSURANCE UNDER TWO OR MORE COVERAGES

If two or more of this policy's coverages apply to the same loss or damage, we will not pay more than the actual amount of the loss or damage.

D. LEGAL ACTION AGAINST US

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

1. There has been full compliance with all of the terms of this Coverage Part; and

2. The action is brought within 2 years after the date on which the direct physical loss or damage occurred.

E. LIBERALIZATION

If we adopt any revision that would broaden the coverage under this Coverage Part without additional premium within 45 days prior to or during the policy period, the broadened coverage will immediately apply to this Coverage Part.

F. NO BENEFIT TO BAILEE

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

G. OTHER INSURANCE

1. You may have other insurance subject to the same plan, terms, conditions and provisions as the insurance under this Coverage Part. If you do, we will pay our share of the covered loss or damage. Our share is the proportion that the applicable Limit of Insurance under this Coverage Part bears to the Limits of Insurance of all insurance covering on the same basis.

2. If there is other insurance covering the same loss or damage, other than that described in 1. above, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not. But we will not pay more than the applicable Limit of Insurance.

H. POLICY PERIOD, COVERAGE TERRITORY

Under this Coverage Part:

1. We cover loss or damage commencing:

a. During the policy period shown in the Declarations; and

b. Within the coverage territory.

2. The coverage territory is:

a. The United States of America (including its territories and possessions);

b. Puerto Rico; and

c. Canada.

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I. TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

If any person or organization to or for whom we make payment under this Coverage Part has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair them. But you may waive your rights against another party in writing:

1. Prior to a loss to your Covered Property or Covered Income.

2. After a loss to your Covered Property or Covered Income only if, at time of loss, that party is one of the following:

a. Someone insured by this insurance;

b. A business firm:

(1) Owned or controlled by you; or

(2) That owns or controls you; or

c. Your tenant.

This will not restrict your insurance.

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COMMON POLICY CONDITIONS

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

A. Cancellation

1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
   a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
   b. 30 days before the effective date of cancellation if we cancel for any other reason.
3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
5. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
6. If notice is mailed, proof of mailing will be sufficient proof of notice.

B. Changes

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

C. 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.

D. Inspections And Surveys

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

E. Premiums

The first Named Insured shown in the Declarations:

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

F. 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.

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CAUSES OF LOSS – SPECIAL FORM

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

A. Covered Causes Of Loss

When Special is shown in the Declarations, Covered Causes of Loss means direct physical loss unless the loss is excluded or limited in this policy.

B. Exclusions

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

a. Ordinance Or Law

The enforcement of or compliance with any ordinance or law:

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

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

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

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

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

b. Earth Movement

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

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

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

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

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

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

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

(a) Airborne volcanic blast or airborne shock waves;

(b) Ash, dust or particulate matter; or

(c) Lava flow.

With respect to coverage for Volcanic Action as set forth in **(5)(a), (5)(b)** and **(5)(c),** all volcanic eruptions that occur within any 168-hour period will constitute a single occurrence.

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

This exclusion applies regardless of whether any of the above, in Paragraphs **(1)** through **(5),** is caused by an act of nature or is otherwise caused.

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c. Governmental Action

Seizure or destruction of property by order of governmental authority.

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

d. Nuclear Hazard

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

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

e. Utility Services

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

(1) Originates away from the described premises; or

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

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

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

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

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

f. War And Military Action

(1) War, including undeclared or civil war;

(2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or

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

g. Water

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

(2) Mudslide or mudflow;

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

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

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

(b) Basements, whether paved or not; or

(c) Doors, windows or other openings; or

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

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

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

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

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

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

This exclusion does not apply:

(1) When "fungus", wet or dry rot or bacteria result from fire or lightning; or

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

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

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

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

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

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

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

(a) Electrical current, including arcing;

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

(c) Pulse of electromagnetic energy; or

(d) Electromagnetic waves or microwaves.

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

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

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

d.(1) Wear and tear;

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

(3) Smog;

(4) Settling, cracking, shrinking or expansion;

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

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

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

(a) Dampness or dryness of atmosphere;

(b) Changes in or extremes of temperature; or

(c) Marring or scratching.

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

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

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

g. Water, other liquids, powder or molten material that leaks or flows from plumbing, heating, air conditioning or other equipment (except fire protective systems) caused by or resulting from freezing, unless:

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

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

h. Dishonest or criminal act (including theft) by you, any of your partners, members, officers, managers, employees (including temporary employees and leased workers), directors, trustees or authorized representatives, whether acting alone or in collusion with each other or with any other party; or theft by any person to whom you entrust the property for any purpose, whether acting alone or in collusion with any other party.

This exclusion:

(1) Applies whether or not an act occurs during your normal hours of operation;

(2) Does not apply to acts of destruction by your employees (including temporary employees and leased workers) or authorized representatives; but theft by your employees (including temporary employees and leased workers) or authorized representatives is not covered.

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

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

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

(1) An abrupt falling down or caving in;

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

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

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

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

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

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

(i) The "specified causes of loss";

(ii) Breakage of building glass;

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

(iv) Weight of people or personal property.

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

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

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

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

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

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

c. Faulty, inadequate or defective:

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

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

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

(4) Maintenance;

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

4. Special Exclusions

The following provisions apply only to the specified Coverage Forms:

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

We will not pay for:

(1) Any loss caused by or resulting from:

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

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

This exclusion does not apply to Extra Expense.

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

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

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

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

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

(5) Any other consequential loss.

b. Leasehold Interest Coverage Form

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

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

(a) Your cancelling the lease;

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

(c) Any other consequential loss.

c. Legal Liability Coverage Form

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

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

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

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

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

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

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

(a) Contractual Liability

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

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

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

(b) Nuclear Hazard

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

5. Additional Exclusion

The following provisions apply only to the specified property:

Loss Or Damage To Products

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

C. Limitations

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

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

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

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

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

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

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

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

However, this limitation does not apply to:

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

(2) Business Income Coverage or Extra Expense Coverage.

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

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

g. Lawns, trees, shrubs or plants which are part of a vegetated roof, caused by or resulting from:

(1) Dampness or dryness of atmosphere or of soil supporting the vegetation;

(2) Changes in or extremes of temperature;

(3) Disease;

(4) Frost or hail; or

(5) Rain, snow, ice or sleet.

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

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

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

(1) Glass; or

(2) Containers of property held for sale.

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

However, this limitation does not apply:

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

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

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

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

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

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

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

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

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

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

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

b. Is directly caused by freezing.

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

D. Additional Coverage – Collapse

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

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

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

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

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

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

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

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

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

(3) Breakage of building glass;

(4) Weight of people or personal property; or

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

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

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

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

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

4. With respect to the following property:

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

b. Awnings, gutters and downspouts;

c. Yard fixtures;

d. Outdoor swimming pools;

e. Fences;

f. Piers, wharves and docks;

g. Beach or diving platforms or appurtenances;

h. Retaining walls; and

i. Walks, roadways and other paved surfaces;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

This Additional Coverage does not apply to lawns, trees, shrubs or plants which are part of a vegetated roof.

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

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

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

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

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

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

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

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

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

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

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

F. Additional Coverage Extensions

1. Property In Transit

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

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

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

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

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

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

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

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

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

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

3. Glass

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

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

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

G. Definitions

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

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

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

(1) The cost of filling sinkholes; or

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

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

(1) Personal property in the open; or

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

c. Water damage means:

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

(2) Accidental discharge or leakage of water or waterborne material as the direct result of the breaking apart or cracking of a water or sewer pipe caused by wear and tear, when the pipe is located off the described premises and is connected to or is part of a potable water supply system or sanitary sewer system operated by a public or private utility service provider pursuant to authority granted by the state or governmental subdivision where the described premises are located.

But water damage does not include loss or damage otherwise excluded under the terms of the Water Exclusion. Therefore, for example, there is no coverage under this policy in the situation in which discharge or leakage of water results from the breaking apart or cracking of a pipe which was caused by or related to weather-induced flooding, even if wear and tear contributed to the breakage or cracking. As another example, and also in accordance with the terms of the Water Exclusion, there is no coverage for loss or damage caused by or related to weather-induced flooding which follows or is exacerbated by pipe breakage or cracking attributable to wear and tear.

To the extent that accidental discharge or leakage of water falls within the criteria set forth in **c.(1)** or **c.(2)** of this definition of "specified causes of loss," such water is not subject to the provisions of the Water Exclusion which preclude coverage for surface water or water under the surface of the ground.

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BUILDING AND PERSONAL PROPERTY COVERAGE FORM

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

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

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

A. Coverage

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

1. Covered Property

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

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

(1) Completed additions;

(2) Fixtures, including outdoor fixtures;

(3) Permanently installed:

(a) Machinery; and

(b) Equipment;

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

(a) Fire-extinguishing equipment;

(b) Outdoor furniture;

(c) Floor coverings; and

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

(5) If not covered by other insurance:

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

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

b. Your Business Personal Property consists of the following property located in or on the building or structure described in the Declarations or in the open (or in a vehicle) within 100 feet of the building or structure or within 100 feet of the premises described in the Declarations, whichever distance is greater:

(1) Furniture and fixtures;

(2) Machinery and equipment;

(3) "Stock";

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

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

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

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

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

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

c. Personal Property Of Others that is:

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

(2) Located in or on the building or structure described in the Declarations or in the open (or in a vehicle) within 100 feet of the building or structure or within 100 feet of the premises described in the Declarations, whichever distance is greater.

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

2. Property Not Covered

Covered Property does not include:

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

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

c. Automobiles held for sale;

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

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

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

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

(1) The lowest basement floor; or

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

h. Land (including land on which the property is located), water, growing crops or lawns (other than lawns which are part of a vegetated roof);

i. Personal property while airborne or waterborne;

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

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

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

m. Underground pipes, flues or drains;

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

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

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

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

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

This paragraph does not apply to:

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

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

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

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

q. The following property while outside of buildings:

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

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

3. Covered Causes Of Loss

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

4. Additional Coverages

a. Debris Removal

(1) Subject to Paragraphs **(2)**, **(3)** and **(4),** we will pay your expense to remove debris of Covered Property and other debris that is on the described premises, when such debris is caused by or results from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date of direct physical loss or damage.

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

(a) Remove debris of property of yours that is not insured under this policy, or property in your possession that is not Covered Property;

(b) Remove debris of property owned by or leased to the landlord of the building where your described premises are located, unless you have a contractual responsibility to insure such property and it is insured under this policy;

(c) Remove any property that is Property Not Covered, including property addressed under the Outdoor Property Coverage Extension;

(d) Remove property of others of a type that would not be Covered Property under this Coverage Form;

(e) Remove deposits of mud or earth from the grounds of the described premises;

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

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

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

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

(b) Subject to **(a)** above, the amount we will pay for debris removal expense is limited to 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage. However, if no Covered Property has sustained direct physical loss or damage, the most we will pay for removal of debris of other property (if such removal is covered under this Additional Coverage) is $5,000 at each location.

(4) We will pay up to an additional $25,000 for debris removal expense, for each location, in any one occurrence of physical loss or damage to Covered Property, if one or both of the following circumstances apply:

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

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

Therefore, if **(4)(a)** and/or **(4)(b)** applies, our total payment for direct physical loss or damage and debris removal expense may reach but will never exceed the Limit of Insurance on the Covered Property that has sustained loss or damage, plus $25,000.

(5) Examples

The following examples assume that there is no Coinsurance penalty.

Example 1

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

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

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

Example 2

Limit of Insurance:	$ 90,000
Amount of Deductible:	$ 500
Amount of Loss:	$ 80,000
Amount of Loss Payable:	$ 79,500
	($80,000 – $500)
Debris Removal Expense:	$ 40,000
Debris Removal Expense Payable	
Basic Amount:	$ 10,500
Additional Amount:	$ 25,000

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

The additional amount payable for debris removal expense is provided in accordance with the terms of Paragraph **(4),** because the debris removal expense ($40,000) exceeds 25% of the loss payable plus the deductible ($40,000 is 50% of $80,000), and because the sum of the loss payable and debris removal expense ($79,500 + $40,000 = $119,500) would exceed the Limit of Insurance ($90,000). The additional amount of covered debris removal expense is $25,000, the maximum payable under Paragraph **(4).** Thus, the total payable for debris removal expense in this example is $35,500; $4,500 of the debris removal expense is not covered.

b. Preservation Of Property

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

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

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

c. Fire Department Service Charge

When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay up to $1,000 for service at each premises described in the Declarations, unless a higher limit is shown in the Declarations. Such limit is the most we will pay regardless of the number of responding fire departments or fire units, and regardless of the number or type of services performed.

This Additional Coverage applies to your liability for fire department service charges:

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

(2) Required by local ordinance.

No Deductible applies to this Additional Coverage.

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d. Pollutant Clean-up And Removal

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

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

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

e. Increased Cost Of Construction

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

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

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

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

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

(b) You failed to comply with.

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

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

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

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

The amount payable under this Additional Coverage is additional insurance.

(7) With respect to this Additional Coverage:

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

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

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

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

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

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

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

f. Electronic Data

(1) Under this Additional Coverage, electronic data has the meaning described under Property Not Covered, Electronic Data. This Additional Coverage does not apply to your "stock" of prepackaged software, or to electronic data which is integrated in and operates or controls the building's elevator, lighting, heating, ventilation, air conditioning or security system.

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

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

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

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

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

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

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

5. Coverage Extensions

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

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

a. Newly Acquired Or Constructed Property

(1) Buildings

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

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

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

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

(ii) Use as a warehouse.

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

(2) Your Business Personal Property

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

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

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

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

(b) This Extension does not apply to:

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

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

(3) Period Of Coverage

With respect to insurance provided under this Coverage Extension for Newly Acquired Or Constructed Property, coverage will end when any of the following first occurs:

(a) This policy expires;

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

(c) You report values to us.

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

b. Personal Effects And Property Of Others

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

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

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

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

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

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

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

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

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

d. Property Off-premises

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

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

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

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

(2) This Extension does not apply to property:

(a) In or on a vehicle; or

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

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

e. Outdoor Property

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

(1) Fire;

(2) Lightning;

(3) Explosion;

(4) Riot or Civil Commotion; or

(5) Aircraft.

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

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Subject to all aforementioned terms and limitations of coverage, this Coverage Extension includes the expense of removing from the described premises the debris of trees, shrubs and plants which are the property of others, except in the situation in which you are a tenant and such property is owned by the landlord of the described premises.

f. Non-owned Detached Trailers

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

(a) The trailer is used in your business;

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

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

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

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

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

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

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

g. Business Personal Property Temporarily In Portable Storage Units

(1) You may extend the insurance that applies to Your Business Personal Property to apply to such property while temporarily stored in a portable storage unit (including a detached trailer) located within 100 feet of the building or structure described in the Declarations or within 100 feet of the premises described in the Declarations, whichever distance is greater.

(2) If the applicable Covered Causes of Loss form or endorsement contains a limitation or exclusion concerning loss or damage from sand, dust, sleet, snow, ice or rain to property in a structure, such limitation or exclusion also applies to property in a portable storage unit.

(3) Coverage under this Extension:

(a) Will end 90 days after the business personal property has been placed in the storage unit;

(b) Does not apply if the storage unit itself has been in use at the described premises for more than 90 consecutive days, even if the business personal property has been stored there for 90 or fewer days as of the time of loss or damage.

(4) Under this Extension, the most we will pay for the total of all loss or damage to business personal property is $10,000 (unless a higher limit is indicated in the Declarations for such Extension) regardless of the number of storage units. Such limit is part of, not in addition to, the applicable Limit of Insurance on Your Business Personal Property. Therefore, payment under this Extension will not increase the applicable Limit of Insurance on Your Business Personal Property.

(5) This Extension does not apply to loss or damage otherwise covered under this Coverage Form or any endorsement to this Coverage Form or policy, and does not apply to loss or damage to the storage unit itself.

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

B. Exclusions And Limitations

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

C. Limits Of Insurance

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

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

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

1. Fire Department Service Charge;

2. Pollutant Clean-up And Removal;

3. Increased Cost Of Construction; and

4. Electronic Data.

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

D. Deductible

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

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

Example 1

(This example assumes there is no Coinsurance penalty.)

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

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

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

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

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

Total amount of loss payable:

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

Example 2

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

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

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

E. Loss Conditions

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

1. Abandonment

There can be no abandonment of any property to us.

2. Appraisal

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

a. Pay its chosen appraiser; and

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

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

3. Duties In The Event Of Loss Or Damage

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

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

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

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

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

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

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

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

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

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

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

4. Loss Payment

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

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

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

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

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

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

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

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

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

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

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

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

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

(2) An appraisal award has been made.

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

5. Recovered Property

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

6. Vacancy

a. Description Of Terms

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

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

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

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

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

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

b. Vacancy Provisions

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

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

(a) Vandalism;

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

(c) Building glass breakage;

(d) Water damage;

(e) Theft; or

(f) Attempted theft.

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

7. Valuation

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

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

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

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

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

(1) Awnings or floor coverings;

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

(3) Outdoor equipment or furniture.

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

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

e. Tenants' Improvements and Betterments at:

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

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

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

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

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

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

F. Additional Conditions

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

1. Coinsurance

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

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

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

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

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

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

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

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

Example 1 (Underinsurance)

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

Step **(1):** $250,000 x 80% = $200,000
(the minimum amount of insurance to meet your Coinsurance requirements)

Step **(2):** $100,000 ÷ $200,000 = .50

Step **(3):** $40,000 x .50 = $20,000

Step **(4):** $20,000 – $250 = $19,750

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

Example 2 (Adequate Insurance)

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

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

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

Example 3

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

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

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

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

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

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

2. Mortgageholders

a. The term mortgageholder includes trustee.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

G. Optional Coverages

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

1. Agreed Value

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

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

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

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

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

2. Inflation Guard

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

b. The amount of increase will be:

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

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

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

Example

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

3. Replacement Cost

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

b. This Optional Coverage does not apply to:

(1) Personal property of others;

(2) Contents of a residence;

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

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

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

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

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

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

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

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

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

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

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

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

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

(a) Of comparable material and quality; and

(b) Used for the same purpose; or

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

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

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

4. Extension Of Replacement Cost To Personal Property Of Others

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

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

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

H. Definitions

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

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

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

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ABSOLUTE ASBESTOS EXCLUSION ENDORSEMENT

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM
BUSINESS INCOME (WITHOUT EXTRA EXPENSE) COVERAGE FORM
CAUSES OF LOSS – SPECIAL FORM
CAUSES OF LOSS – BROAD FORM
CAUSES OF LOSS – BASIC FORM
BUILDERS RISK COVERAGE FORM
CONDOMINIUM ASSOCIATION COVERAGE FORM
CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM
STANDARD PROPERTY POLICY

The following exclusion is added to **B. Exclusions** of the Cause of Loss form on the policy, and any other policy additional coverages, coverage extensions, or exclusionary provisions in the policy.

Asbestos

a. We will not pay for loss, damages, expenses for remediation, mitigation or abatement, or any fines or penalties, caused directly or indirectly by the presence, disturbance or dispersal of asbestos or any asbestos-containing material. This includes, but is not limited to, demolition expense, increased cost of reconstruction, repair, debris removal and/or disposal or loss of use, regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

Further, to the extent pollution clean-up may be covered under the policy, any clean-up, remediation, mitigation or abatement expenses arising out of or related in any way, alleged or in fact to asbestos are specifically excluded.

b. This exclusion also applies to any governmental direction, ordinance or law, declaring that the presence of asbestos or any asbestos-containing material in, on, part or utilized in or on any damaged or undamaged portion of the insured's property must be removed, modified, remediated or abated before the property can be inhabited or otherwise used for the purpose it is or was originally intended.

The terms and conditions under this endorsement supersede any other language in the policy that may also apply to demolition expense, increased cost of reconstruction, repair, debris removal and/or disposal or loss of use, resulting from the presence of asbestos or any asbestos-containing material, but only to the extent other policy language conflicts with terms and conditions in this endorsement.

All other terms and conditions of this policy remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ACV ROOF COVERING ENDORSEMENT

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
CONDOMINIUM ASSOCIATION COVERAGE FORM

This endorsement applies:

Any Locations on File

10 Year ACV Roof Covering Endorsement

Roof covering over 10 Years Endorsement applies to any building or location that is Frame.

The following is added to G: Optional Coverages, 3. Replacement Cost, b:
Roof covering over ten (10) years old at the time of loss or damage and caused by the perils of windstorm or hail will be valued at Actual Cash Value.

20 Year ACV Roof Covering Endorsement

Roof covering over 20 Years Endorsement applies to any building or location that is not Frame.

The following is added to G: Optional Coverages, 3. Replacement Cost, b:
Roof covering over twenty (20) years old at the time of loss or damage and caused by the perils of windstorm or hail will be valued at Actual Cash Value.

For the purposes of this endorsement, “roof covering” includes but is not limited to waterproofing materials; felts; tar; gravel; composition shingles; asphalt shingles; wood shingles; shakes; metal; tile; slate; or any fiberglass materials. “Roof covering” does not include structural supports or structural decking consisting of metal, concrete, particle board/OSB or wood.

Named Insured: Majestic Isles Association Inc

Policy Effective Date: 5/1/2026
Policy Expiration Date: 5/1/2027

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ALUMINUM WIRING EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART

We will not pay for loss or damage caused directly or indirectly in any way or to any extent, which arises out of or is related to the presence of aluminum wiring. Such loss or damage is excluded from this policy regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage.

All other terms and conditions of this policy remain unchanged.

Named Insured: Majestic Isles Association Inc

Policy Effective Date: 5/1/2026

Policy Expiration Date: 5/1/2027

COOKING OR HAZARDOUS PROCESS AREAS WARRANTY

The rate of premium being fixed having regard to the fact that there is present in the risk a fully automatic UL300 compliant extinguishing system, it is understood and agreed that:

A) The Insured shall maintain this automatic system in operation at all times during the course of this policy period, otherwise this insurance shall be null and void.

B) The Insured, if owner or lessee of the system, shall provide for regular inspection and maintenance of the equipment, as recommended by the manufacturer, with a minimum of semiannual inspection of the system by the manufacture's authorized installer.

C) The Insured shall use due diligence to see that at intervals of not more than six months the flues, vents, hoods, and ducts to all cooking appliances shall be examined by an independent contractor, and that all grease, dirt and other residue shall be removed chemically and any defects discovered shall be rectified by such independent contractors.

Failure to comply with the clauses specified above shall suspend this insurance in accordance with the provisions set forth in this policy of which this endorsement is made part of.

All other terms and conditions of this policy remain unchanged.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CYBER INCIDENT EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART
STANDARD PROPERTY POLICY

A. The following exclusion is added to Paragraph **B. Exclusions:**

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

Cyber Incident

1. Unauthorized access to or use of any computer system (including electronic data).

2. Malicious code, virus or any other harmful code that is directed at, enacted upon or introduced into any computer system (including electronic data) and is designed to access, alter, corrupt, damage, delete, destroy, disrupt, encrypt, exploit, use or prevent or restrict access to or the use of any part of any computer system (including electronic data) or otherwise disrupt its normal functioning or operation.

3. Denial of service attack which disrupts, prevents or restricts access to or use of any computer system, or otherwise disrupts its normal functioning or operation.

B. Exceptions And Limitations

1. Fire Or Explosion

If a cyber incident as described in Paragraphs **A.1.** through **A.3.** of this exclusion results in fire or explosion, we will pay for the loss or damage caused by that fire or explosion.

2. Additional Coverage

The exclusion in Paragraph **A.** does not apply to the extent that coverage is provided in the:

a. Additional Coverage – Electronic Data; or

b. Additional Coverage – Interruption Of Computer Operations.

3. Electronic Commerce Endorsement

The exclusion in Paragraph **A.** does not apply to the Electronic Commerce (E-Commerce) endorsement when attached to your policy.

C. Vandalism

The following is added to Vandalism, if Vandalism coverage is not otherwise excluded under the Standard Property Policy or the Causes Of Loss – Basic, Broad or Special Forms and if applicable to the premises described in the Declarations:

Vandalism does not include a cyber incident as described in Paragraph **A.**

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF CERTAIN COMPUTER-RELATED LOSSES

This endorsement modifies insurance provided under the following:

COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
CRIME AND FIDELITY COVERAGE PART
STANDARD PROPERTY POLICY

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

1. The failure, malfunction or inadequacy of:

a. Any of the following, whether belonging to any insured or to others:

(1) Computer hardware, including micro-processors;

(2) Computer application software;

(3) Computer operating systems and related software;

(4) Computer networks;

(5) Microprocessors (computer chips) not part of any computer system; or

(6) Any other computerized or electronic equipment or components; or

b. Any other products, and any services, data or functions that directly or indirectly use or rely upon, in any manner, any of the items listed in Paragraph **A.1.a.** of this endorsement;

due to the inability to correctly recognize, process, distinguish, interpret or accept one or more dates or times. An example is the inability of computer software to recognize the year 2000.

2. Any advice, consultation, design, evaluation, inspection, installation, maintenance, repair, replacement or supervision provided or done by you or for you to determine, rectify or test for, any potential or actual problems described in Paragraph **A.1.** of this endorsement.

B. If an excluded Cause of Loss as described in Paragraph **A.** of this endorsement results:

1. In a Covered Cause of Loss under the Crime and Fidelity Coverage Part, the Commercial Inland Marine Coverage Part or the Standard Property Policy; or

2. Under the Commercial Property Coverage Part:

a. In a "Specified Cause of Loss", or in elevator collision resulting from mechanical breakdown, under the Causes of Loss – Special Form; or

b. In a Covered Cause of Loss under the Causes Of Loss – Basic Form or the Causes Of Loss – Broad Form;

we will pay only for the loss ("loss") or damage caused by such "Specified Cause of Loss", elevator collision, or Covered Cause of Loss.

C. We will not pay for repair, replacement or modification of any items in Paragraphs **A.1.a.** and **A.1.b.** of this endorsement to correct any deficiencies or change any features.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF CERTIFIED ACTS OF TERRORISM

This endorsement modifies insurance provided under the following:

BOILER AND MACHINERY COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
CRIME AND FIDELITY COVERAGE PART
EQUIPMENT BREAKDOWN COVERAGE PART
FARM COVERAGE PART
STANDARD PROPERTY POLICY

SCHEDULE

The **Exception Covering Certain Fire Losses** (Paragraph **C)** applies to property located in the following state(s), if covered under the indicated Coverage Form, Coverage Part or Policy:

State(s)	Coverage Form, Coverage Part Or Policy
CA, GA, HI, IA, IL, MA, ME,MO, NC, NJ, NY, OR, RI, US VI, WA, WI, and WV	**Commercial Property Coverage Part**
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

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

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

1. The act resulted in insured losses in excess of $5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and

2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

B. The following exclusion is added:

CERTIFIED ACT OF TERRORISM EXCLUSION

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

C. Exception Covering Certain Fire Losses

The following exception to the exclusion in Paragraph **B.** applies only if indicated and as indicated in the Schedule of this endorsement.

If a "certified act of terrorism" results in fire, we will pay for the loss or damage caused by that fire. Such coverage for fire applies only to direct loss or damage by fire to Covered Property. Therefore, for example, the coverage does not apply to insurance provided under Business Income and/or Extra Expense coverage forms or endorsements which apply to those forms, or to the Legal Liability Coverage Form or the Leasehold Interest Coverage Form.

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If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed $100 billion in a calendar year and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds $100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

D. Application Of Other Exclusions

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

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF LOSS DUE TO VIRUS OR BACTERIA

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART
STANDARD PROPERTY POLICY

A. The exclusion set forth in Paragraph **B.** applies to all coverage under all forms and endorsements that comprise this Coverage Part or Policy, including but not limited to forms or endorsements that cover property damage to buildings or personal property and forms or endorsements that cover business income, extra expense or action of civil authority.

B. We will not pay for loss or damage caused by or resulting from any virus, bacterium or other microorganism that induces or is capable of inducing physical distress, illness or disease.

However, this exclusion does not apply to loss or damage caused by or resulting from "fungus", wet rot or dry rot. Such loss or damage is addressed in a separate exclusion in this Coverage Part or Policy.

C. With respect to any loss or damage subject to the exclusion in Paragraph **B.,** such exclusion supersedes any exclusion relating to "pollutants".

D. The following provisions in this Coverage Part or Policy are hereby amended to remove reference to bacteria:

1. Exclusion of "Fungus", Wet Rot, Dry Rot And Bacteria; and

2. Additional Coverage – Limited Coverage for "Fungus", Wet Rot, Dry Rot And Bacteria, including any endorsement increasing the scope or amount of coverage.

E. The terms of the exclusion in Paragraph **B.,** or the inapplicability of this exclusion to a particular loss, do not serve to create coverage for any loss that would otherwise be excluded under this Coverage Part or Policy.

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Named Insured: Majestic Isles Association Inc

Policy Effective Date: 5/1/2026
Policy Expiration Date: 5/1/2027

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Existing Damage Exclusion Endorsement

This endorsement modifies insurance provided under the following:
Building and Personal Property Coverage Form
Condominium Association Coverage Form

This policy does not provide coverage for any damages which occurred before policy inception regardless of whether the damages were apparent at the inception of this policy.

This policy does not provide coverage for any claims or damages arising out of workmanship, repairs and/or lack of repairs arising from damage which occurred before policy inception.

This policy does not provide coverage for any damage resulting from prior damage that has not been completely and properly repaired.

Named Insured: Majestic Isles Association Inc

Policy Effective Date: 5/1/2026
Policy Expiration Date: 5/1/2027

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MINIMUM EARNED PREMIUM

This endorsement modifies insurance coverage provided under the following:

COMMON POLICY CONDITIONS

In the event of cancellation of this policy by the Insured, a minimum of 25% of the total policy premium shall become earned. Any condition(s) of the policy notwithstanding, except where form # WK CP 01 02 12 Territorial Earned Premium applies.

Failure of the Insured to make timely payment of premium shall be considered a request by the Insured for the Company to cancel. In the event of such cancellation by the Company for Non-Payment of Premium, Minimum Premium shall be due and payable.

In the event of any other cancellation by the Company, the earned premium shall be computed pro rata not subject to minimum premium.

All other terms and conditions of this policy remain unchanged.

ENDORSEMENT NO. _____

ATTACHED TO AND FORMING A PART OF POLICY NUMBER	ENDORSEMENT EFFECTIVE DATE (12:01 A.M. STANDARD TIME)	NAMED INSURED	AGENT NO.
WKFCC-12103-00	5/1/2026	Majestic Isles Association Inc	31606

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MULTIPLE DEDUCTIBLE FORM (FIXED DOLLAR DEDUCTIBLES)

This endorsement modifies insurance provided under the following:

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

SCHEDULE

The Deductibles applicable to any one occurrence are shown below:

Prem. No.	Bldg. No.	Deductible	Covered Cause(s) of Loss **
ALL	**ALL**	**$50,000**	**(5)**

**For each deductible listed in this Schedule, enter the number corresponding to the Covered Cause(s) of Loss to which that deductible applies (or enter the description):

(1) Theft
(2) Water Damage
(3) Vandalism & Malicious Mischief
(4) “Wildfire”

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(5) Wind/Hail	
*Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

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

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

B. If more than one deductible applies to loss or damage to covered property due to multiple Covered Causes of Loss as a result of one occurrence, the largest applicable deductible will apply. This deductible applies regardless of any other cause or event that contributed concurrently or in any sequence to the loss or damage.

C. In the event of loss or damage caused by a Covered Cause of Loss where a per "unit" deductible applies, the per "unit" deductible shall be multiplied by the number of "units" that sustained loss or damage. If the total of the per "unit" deductibles exceeds the Minimum Per Occurrence Deductible shown in the Schedule above, the total of all such per "unit" deductibles shall be deemed the highest applicable deductible and will be applied to the loss. Otherwise, the Minimum Per Occurrence Deductible shall apply.

D. If damage occurs in a common area/element with no "unit" involved, the Minimum Per Occurrence Deductible shall apply.

E. For the purposes of this endorsement, the following definitions apply:

1. "Unit" means an individual residential living space within a multi-unit building or structure, which may be owned individually, collectively owned, or leased or rented, and may be part of a mixed-use property with commercial spaces such as retail or office spaces.

2. "Wildfire" means:

a. For covered loss or damage outside of the State of California, a wildfire incident that, at any time, has been declared by any incident commander or fire dispatcher within any public fire-fighting or other relevant authority within the applicable jurisdiction to be a wildfire, regardless of the percentage of containment, including any status or designation change of such wildfire; or

b. For covered loss or damage in California, a wildfire incident that at any time, has been declared by California Department of Forestry and Fire Protection (CAL FIRE) to be a wildfire, regardless of the percentage of containment, including any status or designation change of such wildfire.

Notwithstanding the foregoing, if a fire first starts at a covered building or structure at a premises described in the Declarations, then such loss or damage shall not be deemed "wildfire" in applying any deductible hereunder at such location.

F. The terms of this endorsement do not apply to any Earthquake Deductible provided elsewhere in this policy.

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Named Insured: Majestic Isles Association Inc

Policy Effective Date: 5/1/2026
Policy Expiration Date: 5/1/2027

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

OCCURRENCE LIMIT OF LIABILITY

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART
COMMERCIAL INLAND MARINE

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

1. The Limit of Liability $3,412,813.00, is a limit of 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 the Company, or attached to this policy. In the event of loss hereunder, liability of the Company shall be limited to the least of the following:

   a) the actual adjusted amount of loss, less applicable deductible(s);

   b) the total stated value for the property involved, as shown on the latest Statement of Values on file with the Company, less applicable deductible(s);

   c) the Limit of Liability or amount of Insurance shown on the face of this policy or endorsed on this policy.

All other terms and conditions of this policy remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ORDINANCE OR LAW COVERAGE

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
CONDOMINIUM ASSOCIATION COVERAGE FORM
STANDARD PROPERTY POLICY

SCHEDULE

Building Number/ Premises Number	Coverage A	Coverage B Limit Of Insurance	Coverage C Limit Of Insurance	Coverages B And C Combined Limit Of Insurance
ALL / ALL	☒	$	$	10% of Building Limit, as Sublimit (Maximum $250,000) *
/	☐	$	$	$ *
/	☐	$	$	$ *
Post-Loss Ordinance Or Law Option: Yes ☐ **No** ☐				
*Do **not** enter a Combined Limit of Insurance if individual Limits of Insurance are selected for Coverages **B** and **C,** or if one of these Coverages is not applicable.				
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.				

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

B. Application Of Coverage(s)

The Coverage(s) provided by this endorsement applies with respect to an ordinance or law that regulates the demolition, construction or repair of buildings, or establishes zoning or land use requirements at the described premises, subject to the following:

1. The requirements of the ordinance or law are in force at the time of loss. But if the Post-Loss Ordinance Or Law Option is indicated in the Schedule as being applicable, then Paragraph **B.2.** applies instead of this Paragraph **B.1.**

2. The requirements of the ordinance or law are in force at the time of loss; or the ordinance or law is promulgated or revised after the loss but prior to commencement of reconstruction or repair and provided that such ordinance or law requires compliance as a condition precedent to obtaining a building permit or certificate of occupancy.

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

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4. Coverage under this endorsement applies only if:

a. The building sustains only direct physical damage that is covered under this policy and as a result of such damage, you are required to comply with the ordinance or law; or

b. The building sustains both direct physical damage that is covered under this policy and direct physical damage that is not covered under this policy, and as a result of the building damage in its entirety, you are required to comply with the ordinance or law.

However, there is no coverage under this endorsement if the building sustains direct physical damage that is not covered under this policy, and such damage is the subject of the ordinance or law, even if the building has also sustained covered direct physical damage.

5. If coverage applies under this endorsement based on the terms of Paragraph **B.4.b.,** we will not pay the full amount of loss otherwise payable under the terms of Coverages **A, B,** and/or **C** of this endorsement. Instead, we will pay a proportion of such loss, meaning the proportion that the covered direct physical damage bears to the total direct physical damage.

(Paragraph **F.** of this endorsement provides an example of this procedure.)

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

6. We will not pay under this endorsement for:

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

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

7. We will not pay under this endorsement for any loss in value or any cost incurred due to an ordinance or law that you were required to comply with before the time of the current loss, even in the absence of building damage, if you failed to comply.

C. Coverage

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

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

Coverage **A** is included within the Limit Of Insurance applicable to such building as shown in the Declarations or addressed elsewhere in this policy. Coverage **A** does not increase the Limit of Insurance.

2. Coverage B – Demolition Cost Coverage

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

The Coinsurance Additional Condition does not apply to Demolition Cost Coverage.

3. Coverage C – Increased Cost Of Construction Coverage

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

(1) Repair or reconstruct damaged portions of that building; and/or

(2) Reconstruct or remodel undamaged portions of that building, whether or not demolition is required;

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

However:

(1) This coverage applies only if the restored or remodeled property is intended for similar occupancy as the current property, unless such occupancy is not permitted by zoning or land use ordinance or law.

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(2) We will not pay for the increased cost of construction if the building is not repaired, reconstructed or remodeled.

The Coinsurance Additional Condition does not apply to Increased Cost of Construction Coverage.

b. When a building is damaged or destroyed and Coverage **C** applies to that building in accordance with Paragraph **C.3.a.** above, coverage for the increased cost of construction also applies to repair or reconstruction of the following, subject to the same conditions stated in Paragraph **C.3.a.:**

(1) The cost of excavations, grading, backfilling and filling;

(2) Foundation of the building;

(3) Pilings; and

(4) Underground pipes, flues and drains.

The items listed in **b.(1)** through **b.(4)** above are deleted from Property Not Covered, but only with respect to the coverage described in this provision, **3.b.**

D. Loss Payment

1. All following loss payment provisions, **D.2.** through **D.5.,** are subject to the apportionment procedures set forth in Paragraph **B.5.** of this endorsement.

2. When there is a loss in value of an undamaged portion of a building to which Coverage **A** applies, the loss payment for that building, including damaged and undamaged portions, will be determined as follows:

a. If the Replacement Cost Coverage Option applies and such building is being repaired or replaced, on the same or another premises, we will not pay more than the lesser of:

(1) The amount you would actually spend to repair, rebuild or reconstruct such building, but not for more than the amount it would cost to restore the building on the same premises and to the same height, floor area, style and comparable quality of the original property insured; or

(2) The Limit Of Insurance applicable to such building as shown in the Declarations or addressed elsewhere in this policy. (If this policy is endorsed to cover Earthquake and/or Flood as a Covered Cause of Loss, the Limit of Insurance applicable to the building in the event of damage by such Covered Cause of Loss may be lower than the Limit of Insurance that otherwise would apply.)

b. If the Replacement Cost Coverage Option applies and such building is **not** repaired or replaced, or if the Replacement Cost Coverage Option does **not** apply, we will not pay more than the lesser of:

(1) The actual cash value of such building at the time of loss; or

(2) The Limit Of Insurance applicable to such building as shown in the Declarations or addressed elsewhere in this policy. (If this policy is endorsed to cover Earthquake and/or Flood as a Covered Cause of Loss, the Limit of Insurance applicable to the building in the event of damage by such Covered Cause of Loss may be lower than the Limit of Insurance that otherwise would apply.)

3. Unless Paragraph **D.5.** applies, loss payment under Coverage **B** – Demolition Cost Coverage will be determined as follows:

We will not pay more than the lesser of the following:

a. The amount you actually spend to demolish and clear the site of the described premises; or

b. The applicable Limit Of Insurance shown for Coverage **B** in the Schedule.

4. Unless Paragraph **D.5.** applies, loss payment under Coverage **C** – Increased Cost Of Construction Coverage will be determined as follows:

a. We will not pay under Coverage **C:**

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

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

b. If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay under Coverage **C** is the lesser of:

(1) The increased cost of construction at the same premises; or

(2) The applicable Limit Of Insurance shown for Coverage **C** in the Schedule.

c. If the ordinance or law requires relocation to another premises, the most we will pay under Coverage **C** is the lesser of:

(1) The increased cost of construction at the new premises; or

(2) The applicable Limit Of Insurance shown for Coverage **C** in the Schedule.

5. If a Combined Limit Of Insurance is shown for Coverages **B** and **C** in the Schedule, Paragraphs **D.3.** and **D.4.** do not apply with respect to the building that is subject to the Combined Limit, and the following loss payment provisions apply instead:

The most we will pay, for the total of all covered losses for Demolition Cost and Increased Cost of Construction, is the Combined Limit Of Insurance shown for Coverages **B** and **C** in the Schedule. Subject to this Combined Limit of Insurance, the following loss payment provisions apply:

a. For Demolition Cost, we will not pay more than the amount you actually spend to demolish and clear the site of the described premises.

b. With respect to the Increased Cost of Construction:

(1) We will not pay for the increased cost of construction:

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

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

(2) If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay for the increased cost of construction is the increased cost of construction at the same premises.

(3) If the ordinance or law requires relocation to another premises, the most we will pay for the increased cost of construction is the increased cost of construction at the new premises.

E. The terms of this endorsement apply separately to each building to which this endorsement applies.

F. Example of proportionate loss payment for Ordinance Or Law Coverage Losses (procedure as set forth in Paragraph **B.5.**).

Assume:

- Wind is a Covered Cause of Loss; Flood is an excluded Cause of Loss
- The building has a value of $200,000
- Total direct physical damage to building: $100,000
- The ordinance or law in this jurisdiction is enforced when building damage equals or exceeds 50% of the building's value
- Portion of direct physical damage that is covered (caused by wind): $30,000
- Portion of direct physical damage that is not covered (caused by flood): $70,000
- Loss under Ordinance Or Law Coverage **C** of this endorsement: $60,000

Step 1: Determine the proportion that the covered direct physical damage bears to the total direct physical damage.

$30,000 ÷ $100,000 = .30

Step 2: Apply that proportion to the Ordinance or Law loss.

$60,000 x .30 = $18,000

In this example, the most we will pay under this endorsement for the Coverage **C** loss is $18,000, subject to the applicable Limit of Insurance and any other applicable provisions.

Note: The same procedure applies to losses under Coverages **A** and **B** of this endorsement.

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G. The following definition is added:

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

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PROTECTIVE SAFEGUARDS

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART
STANDARD PROPERTY POLICY

SCHEDULE

Premises Number	Building Number	Protective Safeguards Symbols Applicable
ALL	**ALL**	**P-5**
ALL	**ALL**	**P-9**
Describe Any "P-9": **Battery Operated Smoke Detectors – Operational & Maintained**		
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.		

A. The following is added to the Commercial Property Conditions:

Protective Safeguards

As a condition of this insurance, you are required to:

1. Maintain the protective safeguards listed in the Schedule, and over which you have control, in complete working order;

2. Actively engage and maintain in the "on" position at all times any automatic fire alarm or other automatic system listed in the Schedule; and

3. Notify us if you know of any suspension of or impairment in any protective safeguard listed in the Schedule.

However, if part of an Automatic Sprinkler System or Automatic Commercial Cooking Exhaust And Extinguishing System is shut off due to breakage, leakage, freezing conditions or opening of sprinkler heads, notification to us will not be necessary if you can restore full protection within 48 hours.

B. The following is added to the **Exclusions** section of:

Causes Of Loss – Basic Form

Causes Of Loss – Broad Form

Causes Of Loss – Special Form

Mortgageholders Errors And Omissions Coverage Form

Standard Property Policy

We will not pay for loss or damage caused by or resulting from fire if, prior to the fire, you failed to comply with any condition set forth in Paragraph **A.**

C. The protective safeguards to which this endorsement applies are identified by the following symbols:

"P-1" Automatic Sprinkler System, including related supervisory services.

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Automatic Sprinkler System means:

a. Any automatic fire protective or extinguishing system, including connected:

(1) Sprinklers and discharge nozzles;

(2) Ducts, pipes, valves and fittings;

(3) Tanks, their component parts and supports; and

(4) Pumps and private fire protection mains.

b. When supplied from an automatic fire protective system:

(1) Non-automatic fire protective systems; and

(2) Hydrants, standpipes and outlets.

"P-2" Automatic Fire Alarm, protecting the entire building, that is:

a. Connected to a central station; or

b. Reporting to a public or private fire alarm station.

"P-3" Security Service, with a recording system or watch clock, making hourly rounds covering the entire building, when the premises are not in actual operation.

"P-4" Service Contract with a privately owned fire department providing fire protection service to the described premises.

"P-5" Automatic Commercial Cooking Exhaust And Extinguishing System installed on cooking appliances and having the following components:

a. Hood;

b. Grease removal device;

c. Duct system; and

d. Wet chemical fire extinguishing equipment.

"P-9", the protective system described in the Schedule.

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Named Insured: Majestic Isles Association Inc

Policy Effective Date: 5/1/2026
Policy Expiration Date: 5/1/2027

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PROTECTIVE SAFEGUARDS – LOCKED AND SECURED

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART

SCHEDULE

Premises Number: ALL Building Number: ALL

All Vacant Locations/Areas

1. The following is added to the COMMERCIAL PROPERTY CONDITIONS:

As a condition of this insurance, you are required to securely lock all doors and windows of any building identified in the Schedule to prevent unlawful entry by any unknown person(s).

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

CAUSES OF LOSS – BASIC FORM

CAUSES OF LOSS – BROAD FORM

CAUSES OF LOSS – SPECIAL FORM

We will not pay for loss or damage at any building identified in the Schedule caused by or resulting from any of the following causes of loss, if covered under this policy, unless there is visible evidence of forcible entry:

a. Fire resulting from arson;

b. Riot or Civil Commotion;

c. Vandalism; or

d. Theft.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

TERRITORIAL EARNED PREMIUM

This endorsement modifies insurance provided under the following:

COMMON POLICY CONDITIONS

Territorial Earned Premium

The following provisions apply only with respect to a location that is within the "specified territory".

A. In the event of:

1. Cancellation of the policy by you;
2. Deletion of a location from the policy at your request; or
3. Reduction of the amount of insurance at a location at your request,

if such location was a covered premises at any time between June 1 and November 1 during the term of this policy, the amount of premium we return for such location will be a percentage of the full annual premium for that location. Such percentage will correspond with the number of days the policy has been in force, as shown in the following Premium Percentage Table:

PREMIUM PERCENTAGE TABLE	
Days Policy In Force	Percentage
1 to 180	20%
181 to 210	15%
211 to 240	10%
241 to 270	7.5%
271 to 300	5%
301 to 330	2.5%
331 or more	0%

B. In the event of:

1. Addition of a location in the "specified territory"; or
2. Increase of coverage to a location in the "specified territory",

if such location is or will be a covered premises at any time between June 1 and November 1 during the term of this policy, the amount of premium we charge for that location will be the premium for a full annual period of coverage less the percentage of such full annual premium corresponding with the number of days remaining in the policy term, as shown in the above Premium Percentage Table.

C. The Territorial Earned Premium supersedes any pro rata or short rate premium calculation for any locations affected, as set forth in this policy and any endorsements attached hereto.

D. "Specified territory" means all land area within 50 miles of the:

1. Atlantic Ocean; or
2. Gulf of Mexico.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WINDSTORM OR HAIL / NAMED STORM ENDORSEMENT

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM
BUSINESS INCOME (WITHOUT EXTRA EXPENSE) COVERAGE FORM
BUILDERS RISK COVERAGE FORM
CONDOMINIUM ASSOCIATION COVERAGE FORM
CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM
STANDARD PROPERTY POLICY

The following coverage options are available in this endorsement. To effect coverage, enter the coverage code in the below Schedule to indicate which coverage applies for each Premise and Building.

All references in this endorsement to coverage for Windstorm or Hail, or Business Income, only applies to premises or buildings if Coverage Codes 3 or 4 have been selected.

Coverage Codes

#1 Named Storm – Dollar and/or Percentage Deductible
#2 Named Storm – Dollar and/or Percentage Deductible – Including Business Income
#3 Windstorm or Hail - Dollar and/or Percentage Deductible
#4 Windstorm or Hail - Dollar and/or Percentage Deductible - Including Business Income

SCHEDULE

Refer to Declarations for Premise and Building Numbers. If the same Coverage applies to each Premises and/or Buildings at that Premises enter “ALL” under Premises and Building

Coverage Code	Premises No.	Building No.	W / H Dollar or % Per Building Deductible	Minimum Deductible Per Occurrence*
1	ALL	ALL	5%	$50,000
2				
3				
4				

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

* Minimum Deductible applies if calculated % deductible is lower than the Minimum Deductible

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The Windstorm or Hail Deductible, as shown in the Schedule and set forth in this endorsement, applies to covered loss or damage caused directly or indirectly by Windstorm or Hail. This Deductible applies Based on selections made in the above schedule

Nothing in this endorsement implies or affords coverage for any loss or damage that is excluded under the terms of the Water Exclusion or any other exclusion in this policy.

If this policy is endorsed to cover Flood under the Flood Coverage Endorsement (or if you have a flood insurance policy), a separate Flood Deductible applies to loss or damage attributable to Flood, in accordance with the terms of that endorsement or policy. If no flood coverage is applicable then deductibles can be increased by terms in this endorsement.

As used in this endorsement, the terms "specific insurance", "blanket insurance" and “Business Income basis” have the following meanings:

A. Specific insurance covers each item of insurance (for example, each building or personal property in a building) under a separate Limit of Insurance.

B. Blanket insurance covers two or more items of insurance (for example, a building and personal property in that building, or two buildings) under a single Limit of Insurance. Items of insurance and corresponding Limit(s) of Insurance are shown in the Declarations.

A. Coverage

1. Business Income

Business Income means the:

a. Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred; and

b. Continuing normal operating expenses incurred, including payroll.

For manufacturing risks, Net Income includes the net sales value of production.

Coverage is provided as described and limited below for one or more of the following options for which a Limit Of Insurance is shown in the Declarations:

(1) Business Income Including "Rental Value".

(2) Business Income Other Than "Rental Value".

(3) "Rental Value".

If option **(1)** above is selected, the term Business Income will include "Rental Value". If option **(3)** above is selected, the term Business Income will mean "Rental Value" only.

If Limits of Insurance are shown under more than one of the above options, the provisions of this Coverage Part apply separately to each.

We will pay for the actual loss of Business Income you sustain due to the necessary "suspension" of your "operations" during the "period of restoration". The "suspension" must be caused by direct physical loss of or damage to property at premises which are described in the Declarations and for which a Business Income Limit of Insurance is shown in the Declarations. The loss or damage must be caused by or result from a Covered Cause of Loss. With respect to loss of or damage to personal property in the open or personal property in a vehicle, the described premises include the area within 100 feet of such premises.

WINDSTORM OR HAIL DOLLAR DEDUCTIBLE

A. We will not pay for loss or damage, including loss of Business Income, until the amount of loss or damage exceeds the applicable Dollar Deductible. We will then pay the amount of loss or damage in excess of that Deductible, up to the applicable Limits of Insurance, after any reduction required by any of the following: Coinsurance Condition; Agreed Value or Business Income Agreed Value Optional Coverage; any provision in a Value Reporting or Business Income Premium Adjustment Form relating to full reporting or failure to submit reports.

B. We will not pay for loss or damage to property covered under the Coverage Extension for Newly Acquired Or Constructed Property until the amount of loss or damage exceeds the largest Dollar Deductible shown in the Schedule for any described premises.

C. For premises shown in the Schedule, the “period of restoration” begins immediately after the time of direct physical loss or damage for Business Income Coverage

WINDSTORM OR HAIL PERCENTAGE DEDUCTIBLE

A. Calculation Of The Percentage Deductible – All Policies

1. A Percentage Deductible is calculated separately for, and applies separately to:
   a. Each building that sustains loss or damage, including personal property at each building, if a Windstorm Or Hail Percentage Deductible is shown in the Schedule for the specific building;
   b. Each premises that sustains loss or damage, including all buildings and personal property at that premises, if a Windstorm Or Hail Percentage Deductible is shown in the Schedule for the specific premises, but not for a specific building at that premises;
   c. All buildings and personal property at all other premises that sustain loss or damage, if a Windstorm Or Hail Percentage Deductible is shown in the Schedule but not for a specific premises or building; and
   d. The loss of Business Income caused by direct physical loss or damage to property to which the Windstorm Or Hail Percentage Deductible applies in accordance with paragraphs **a.**, **b.** and **c.** above.
2. We will not pay for loss or damage, including loss of Business Income, until the amount of loss or damage exceeds the applicable Percentage Deductible. We will then pay the amount of loss or damage in excess of that Deductible, up to the applicable Limits of Insurance, after any reduction required by any of the following: Coinsurance Condition; Agreed Value or Business Income Agreed Value Optional Coverage; any provision in a Value Reporting or Business Income Premium Adjustment Form relating to full reporting or failure to submit reports.
3. We will not pay for loss or damage to property covered under the Coverage Extension for Newly Acquired Or Constructed Property until the amount of loss or damage exceeds a percentage of the value(s) of the property at time of loss equal to the highest percentage shown in the Schedule for any described premises.

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

1. Property Not Subject To Value Reporting Forms

In determining the amount, if any, that we will pay for loss or damage, we will deduct an amount equal to the percentage (as shown in the Schedule) of:

a. The Limits of Insurance applicable to the building or personal property that has sustained loss or damage; and

b. The Business Income basis for the property that has sustained loss or damage.

2. Property Subject To Value Reporting Or Business Income Premium Adjustment Forms

In determining the amount, if any, that we will pay for loss or damage, we will deduct an amount equal to the percentage (as shown in the Schedule) of:

a. The latest value(s) shown in the most recent Report of Values on file with us of the personal property that has sustained loss or damage; and

b. The Business Income basis shown in the most recent Business Income Report/Work Sheet on file with us for the property that has sustained loss or damage.

However:

(1) If the most recent Report of Values or Business Income Report/Work Sheet shows less than the full value(s) of the personal property or Income and Expenses on the report dates, we will determine the deductible amount as a percentage of the full value(s) or Income and Expenses as of the report dates.

(2) If the first Report of Values or Business Income Report/Work Sheet is not filed with us prior to loss or damage, we will determine the deductible amount as a percentage of the applicable Limit(s) of Insurance.

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

1. Property Not Subject To Value Reporting Forms

In determining the amount, if any, that we will pay for loss or damage, we will deduct an amount equal to the percentage (as shown in the Schedule) of:

a. The value(s) of the building or personal property that has sustained loss or damage; and

b. The Business Income basis for the property that has sustained loss or damage.

The value(s) to be used are those shown in the most recent Statement of Values or Business Income Report/Work Sheet on file with us.

2. Property Subject To Value Reporting Or Business Income Premium Adjustment Forms

In determining the amount, if any, that we will pay for personal property that has sustained loss or damage, or loss of Business Income, we will deduct an amount equal to the percentage (as shown in the Schedule) of the value(s) of that personal property, or the Business Income basis, as of the time of direct physical loss or damage.

D. Calculation Of The Percentage Deductible – Builders' Risk Insurance

1. Builders' Risk Other Than Reporting Form

In determining the amount, if any, that we will pay for loss or damage, we will deduct an amount equal to the percentage (as shown in the Schedule) of:

a. The actual cash value(s) of the building(s) under construction as of the time of loss or damage; and

b. The Business Income basis for the property that has sustained loss or damage.

2. Builders' Risk Reporting Form

In determining the amount, if any, that we will pay for loss or damage, we will deduct an amount equal to the percentage (as shown in the Schedule) of:

a. The value(s) of the building(s) under construction that sustained loss or damage; and

b. The Business Income basis for the property that sustained loss or damage.

The building under construction value(s) to be used are the actual cash value(s) shown in the most recent Report of Values on file with us.

However:

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

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

c. EXAMPLES – APPLICATION OF PERCENTAGE DEDUCTIBLE

EXAMPLE #1 – SPECIFIC INSURANCE (B.1.) – SINGLE BUILDING, ONE TYPE OF PROPERTY

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

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

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

The Deductible is 1%.

Step **(1):** $70,000 ÷ $80,000 = .875

Step **(2):** $60,000 x .875 = $52,500

Step **(3):** $70,000 x 1% = $700

Step **(4):** $52,500 – $700 = $51,800

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

EXAMPLE #2 – SPECIFIC INSURANCE (B.1.) – MORE THAN ONE TYPE OF PROPERTY

The amounts of loss to the damaged property are $60,000 (Building), $40,000 (Personal Property in building) and $30,000 (Business Income).

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

The Business Income basis is $100,000. The Business Income Coinsurance percentage is 50%; the minimum limit of Business Income insurance needed to meet the Business Income Coinsurance requirement is $50,000 (50% of $100,000).

The **actual** Limits of Insurance on the damaged property are $80,000 on the building, $64,000 on the personal property and $50,000 for Business Income (therefore no Coinsurance penalty).

The Deductible is 2%.

DETERMINE PHYSICAL DAMAGE DEDUCTIBLE

Step **(1):** $80,000 + $64,000 = $144,000

Step **(2):** $144,000 x 2% = $2,880

APPLY DEDUCTIBLE TO PHYSICAL DAMAGE LOSS

Step **(1):** $60,000 + $40,000 = $100,000

Step **(2):** $100,000 - $2,880 = $97,120

DETERMINE AND APPLY BUSINESS INCOME DEDUCTIBLE

Step **(1)** – Determine Deductible: $100,000 x 2%= $2,000

Step **(2)** – Apply Deductible to Loss: $30,000 - $2,000 = $28,000

The most we will pay is $97,120 + $28,000 = $125,120. The portion of the total loss not covered due to application of the Deductible is $4,880.

EXAMPLE #3 – BLANKET INSURANCE (C.1.) - BLANKET LIMIT OVER MORE THAN ONE BUILDING AT A SINGLE PREMISES

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

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

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

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

The Premises #1 Percentage Deductible is 2%.

DETERMINE DEDUCTIBLE

Step **(1):** $500,000 + $500,000 = $1,000,000

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

APPLY DEDUCTIBLE TO LOSS

Step **(1):** $40,000 + $20,000 = $60,000

Step **(2):** $60,000 - $20,000 = $40,000

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

EXAMPLE #4 – BLANKET INSURANCE (C.1.) – BLANKET LIMIT OVER MORE THAN ONE PREMISES

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

The Coinsurance percentage shown in the Declarations is 90%; the minimum Blanket Limit of Insurance for Premises #1 and #2 needed to meet the Coinsurance requirement is $1,350,000 (90% of $1,500,000).

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

Premises #1 Building #1 and Personal Property at Premises #1 Building #1 have sustained damage; the amounts of loss are $95,000 (Building) and $15,000 (Personal Property).

The Premises #1 Percentage Deductible is 5%.

DETERMINE DEDUCTIBLE

Step **(1):** $500,000 + $250,000 = $750,000

Step **(2):** $750,000 x 5% = $37,500

APPLY DEDUCTIBLE TO LOSS

Step **(1):** $95,000 + $15,000 = $110,000

Step **(2):** $110,000 - $37,500 = $72,500

The most we will pay is $72,500. The remainder of the loss, $37,500, is not covered due to application of the Deductible.

EXAMPLE #5 – MINIMUM DEDUCTIBLE/SPECIFIC INSURANCE

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

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

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

The Percentage Deductible is 1%.

The Dollar Deductible is $1,000; since both a Dollar and Percentage Deductible apply, the Dollar Deductible is a Minimum Deductible.

Calculation of Coinsurance Penalty and Percentage Deductible:

Step **(1):** $70,000 ÷ $80,000 = .875

Step **(2):** $60,000 x .875 = $52,500

Step **(3):** $70,000 x 1% = $700

Since the Minimum Deductible ($1,000) is greater than the calculated Percentage Deductible ($700), the Minimum Deductible applies.

Step **(4):** $52,500 – $1,000 = $51,500

The most we will pay is $51,500. The remainder of the loss, $8,500, is not covered due to the Coinsurance penalty for inadequate insurance (Steps **(1)** and **(2)**) and the application of the Deductible (Steps **(3)** and **(4)**).

The applicability of the following scheduled items on this endorsement may affect the above deductible definitions or calculations

NAMED STORM EVENT DEFINITION

A. Under the terms of this endorsement, a Named Storm is a storm system that has been identified as a tropical storm or hurricane and assigned a name by the National Hurricane Center (NHC) or Central Pacific Hurricane Center (CPHC) of the National Weather Service. A Named Storm also means a storm that, at any time, has been declared by the United States National Weather Service to be a Hurricane, Typhoon, Tropical Cyclone, Tropical Storm or Tropical Depression, including any status or designation change with respect to such storm.

Named Storm means a storm that, at any time, has been declared by the United States National Weather Service to be a Hurricane, Typhoon, Tropical Cyclone, Tropical Storm or Tropical Depression, including any status or designation change with respect to such storm.

All losses arising from Named Storm occurring during a continuous period of seventy-two (72) hours shall be deemed to be a single Occurrence. The insured may elect the moment at which the 72 hour period shall be deemed to have commenced, which shall not be earlier than the time when the first loss occurs to the Insured Property, but no two such 72 hours periods shall overlap.

1. Named Storm Event Begins

A Named Storm Event begins at the time a tropical storm or hurricane watch or warning is issued by the NHC or CPHC for any part of the state in which each "scheduled premises" to which this deductible applies is located.

2. Named Storm Event Ends

A Named Storm Event ends 72 hours after the termination by the NHC or CHPC of the last tropical storm or hurricane watch or warning issued for any part of the state in which each "scheduled premises" to which this deductible applies is located.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FLORIDA CHANGES

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART

A. When this endorsement is attached to Standard Property Policy **CP 00 99,** the term Coverage Part in this endorsement is replaced by the term Policy.

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

Florida law states as follows:

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

C. The following is added:

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

1. Broward County;

2. Dade County;

3. Martin County;

4. Monroe County;

5. Palm Beach County; and

6. All the areas east of the west bank of the Intracoastal Waterway in the counties of:

a. Indian River; and

b. St. Lucie.

Windstorm Exterior Paint And Waterproofing Exclusion

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

1. Paint; or

2. Waterproofing material;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

E. Sinkhole Collapse Coverage Removed

Sinkhole Collapse coverage is removed, as indicated in Paragraphs **E.1.** through **E.4.;** and coverage for Catastrophic Ground Cover Collapse is added instead as set forth in Paragraph **F.**

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

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

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

4. In the Mortgageholders Errors And Omissions Coverage Form, Sinkhole Collapse is deleted from the Covered Causes of Loss under Coverage **B** and from the "specified causes of loss", and is no longer an exception to the Earth Movement Exclusion.

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

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

Catastrophic Ground Cover Collapse

We will pay for direct physical loss or damage to Covered Property caused by or resulting from catastrophic ground cover collapse, meaning geological activity that results in all of the following:

1. The abrupt collapse of the ground cover;

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

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

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

However, damage consisting merely of the settling or cracking of a foundation, structure or building does not constitute loss or damage resulting from a catastrophic ground cover collapse.

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

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

G. The following applies to the **Additional Coverage – Civil Authority** under the Business Income (And Extra Expense) Coverage Form, Business Income (Without Extra Expense) Coverage Form and Extra Expense Coverage Form:

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

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

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

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H. The following provisions are added to the **Duties In The Event Of Loss Or Damage** Loss Condition:

(1) A claim or reopened claim for loss or damage caused by any peril is barred unless notice of claim is given to us in accordance with the terms of this policy within two years after the date of loss. A reopened claim means a claim that we have previously closed but that has been reopened upon an insured's request for additional costs for loss or damage previously disclosed to us.

A supplemental claim is barred unless notice of the supplemental claim was given to us in accordance with the terms of the policy within three years after the date of loss. A supplemental claim means a claim for additional loss or damage from the same peril which we have previously adjusted or for which costs have been incurred while completing repairs or replacement pursuant to an open claim for which timely notice was previously provided to us.

For claims resulting from hurricanes, tornadoes, windstorms, severe rain or other weather-related events, the date of loss is the date that the hurricane made landfall or the tornado, windstorm, severe rain or other weather-related event is verified by the National Oceanic and Atmospheric Administration.

This provision concerning time for submission of claim, supplemental claim or reopened claim does not affect any limitation for legal action against us as provided in this policy under the Legal Action Against Us Condition, including any amendment to that condition.

(2) Any inspection or survey by us, or on our behalf, of property that is the subject of a claim, will be conducted with at least 48 hours' notice to you. The 48-hour notice may be waived by you.

I. The following definition of structural damage is added with respect to the coverage provided under this endorsement:

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

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

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

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

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

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

Equipment Breakdown Coverage Part Declarations

Named Insured: Majestic Isles Association Inc

Policy Number 016519034-00
Effective Date 5/1/2026
Issue Date 6/1/2026

Location(s)

These coverages apply to any location listed on file with the Company.

Coverages	Limits
Equipment Breakdown Limit	*$3,412,813*
Property Damage	*Included*
Business Income	*Excluded*
Extended Period of Restoration	*180 Days*
Extra Expense	*Excluded*
Civil or Military Authority	*Excluded*
Contingent Business Income and Extra Expense	*Excluded*
Data Restoration	*$250,000 Sublimit*
Demolition	*$2,500,000 Sublimit*
Future Loss Avoidance	*$10,000 or 10% of our Eligible Payment, whichever is less*
Expediting Expenses	*$250,000 Sublimit*
Green	*$25,000 Sublimit*
Hazardous Substances	*$250,000 Sublimit*
Miscellaneous Unnamed Locations	*$250,000 Sublimit*
Mobile Robots	*$50,000 Sublimit*
Mold	*$25,000 Sublimit*
Newly Acquired Locations	*$10,000,000 Sublimit*
Number of Days	*180 Days*
Off Premises Equipment Breakdown	*$2,500,000 Sublimit*
Ordinance or Law	*$2,500,000 Sublimit*
Public Relations	*Excluded*
Service Interruption	
Waiting Period	*24 Hours*
Spoilage and Consequential Damage	*$250,000 Sublimit*

Refrigerant Contamination – Coverage Options
[x] Included in Spoilage and Consequential Damage Limit

Deductibles

Combined, All Coverages .....

[Either combined deductible or separate deductibles as shown below may apply]

Direct Coverages *$10,000*

Indirect Coverages..... *hours*

Spoilage and Consequential Damage .....

Special Provisions and Additional Exclusions

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FLORIDA CHANGES – LEGAL ACTION AGAINST US

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
EQUIPMENT BREAKDOWN COVERAGE PART
FARM COVERAGE PART

The following replaces the second paragraph of the **Legal Action Against Us** Condition:

LEGAL ACTION AGAINST US

Legal action against us involving direct physical loss or damage to property must be brought within 5 years from the date the loss occurs.

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Equipment Breakdown Coverage Part

In order to determine what is and is not covered under this policy, as well as the rights and duties associated with it, you should carefully read the entire policy. Some provisions of this policy restrict coverage or impose duties.

The Named Insured as shown in the Declarations is referred to throughout this policy by the words “you” and “your”, while the Company providing this insurance is referred to by the words “we”, “us” and “our”.

When a word or phrase appears in quotation marks, this indicates that it has a special meaning in the context of this policy. The applicable definition can be found in Section G.

Throughout this policy, information that is referred to as being shown in the Declarations includes information shown in an endorsement, schedule or other document that is listed in the Declarations.

Examples are shown for illustrative purposes only and do not represent predicted or expected outcomes.

A. COVERAGE

This Equipment Breakdown Coverage provides insurance for a Covered Cause of Loss as defined in A.1. below. In the event of a Covered Cause of Loss, we will pay for loss as described in A.2. below.

1. Covered Cause of Loss

The Covered Cause of Loss for this Equipment Breakdown Coverage is an “accident” or “electronic circuitry impairment”. Without a Covered Cause of Loss there is no Equipment Breakdown Coverage.

2. Coverages Provided

This section lists the coverages that may apply in the event of a Covered Cause of Loss. Each coverage is subject to a specific limit as shown in the Declarations. See paragraph C.2. for details.

These coverages apply only to the direct result of a Covered Cause of Loss. For each coverage, we will pay only for that portion of the loss, damage or expense that is solely attributable to the Covered Cause of Loss.

a. Property Damage

We will pay for physical damage to “covered property” that is at a location covered under this policy at the time of the Covered Cause of Loss. We will consider “electronic circuitry impairment” to be physical damage to “covered equipment”.

b. Business Income

(1) We will pay your actual loss of “business income” during the “period of restoration”, when such loss results directly from the necessary total or partial interruption of your business.

(2) We will also pay any necessary expenses you incur during the “period of restoration” to reduce the amount of loss under this Business Income coverage. However, we will not pay more than the amount that would otherwise have been payable under this Business Income coverage.

(3) We will consider the actual experience of your business before the Covered Cause of Loss and the experience you probably would have had without the Covered Cause of Loss in determining the amount of our payment.

c. Extra Expense

We will pay the reasonable and necessary “extra expense” to operate your business during the “period of restoration”.

d. Civil or Military Authority

We will pay for your loss and expense as defined under A.2.b. Business Income and A.2.c. Extra Expense that results from a civil or military authority prohibiting access to a location covered under this policy due solely to a Covered Cause of Loss that causes damage to property within one mile of such location, provided that such action is taken in response to dangerous physical conditions resulting from the Covered Cause of Loss, or to enable a civil or military authority to have unimpeded access to the damaged property.

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e. Contingent Business Income and Extra Expense

We will pay for your loss and expense as defined under A.2.b. Business Income and A.2.c. Extra Expense that results from:

(1) An “interruption of supply”; or

(2) A Covered Cause of Loss to “covered equipment” at an “anchor location” that has been open for business for at least six months prior to the Covered Cause of Loss and is located within one mile of a location shown in the Declarations.

f. Course of Construction

This coverage is automatically included and does not need to be shown in the Declarations.

(1) You will notify us promptly of any expansion or rehabilitation of any location covered under this policy.

(2) All coverages applicable to any location covered under this policy are extended to an expansion or rehabilitation of that location.

(3) This coverage begins at the time you begin the expansion or rehabilitation project.

(4) We will charge you additional premium for newly acquired equipment from the date the equipment is installed.

g. Data Restoration

(1) We will pay for your reasonable and necessary cost to research, replace or restore lost “data”.

(2) We will pay for your reasonable and necessary cost to research, replace or restore “data” that is lost as the result of an “interruption of service”.

(3) Coverage under (2) above applies to “data” stored in “covered equipment” or in the equipment of a “cloud or outsourced computing services” provider with whom you have a contract.

(4) We will also pay for your loss and expense as defined under A.2.b. Business Income and A.2.c. Extra Expense that is the result of (1) and (2) above, if such coverage is otherwise applicable under this policy. This coverage is included within and subject to your Data Restoration limit.

h. Demolition

(1) This coverage applies if a Covered Cause of Loss damages a building that is “covered property” and the loss is increased by an ordinance or law that:

(a) Requires the demolition of a building that is otherwise repairable;

(b) Is in force at the time of the Covered Cause of Loss; and

(c) Is not addressed under A.2.l. Hazardous Substances or A.2.o. Mold.

(2) We will pay for the following Additional Costs to comply with such ordinance or law:

(a) Your actual and necessary cost to demolish and clear the site of the undamaged parts of the building; and

(b) Your actual and necessary cost to reconstruct the undamaged parts of the building.

(3) As used in this Demolition coverage, Additional Costs mean those beyond what would have been payable under this Equipment Breakdown Coverage had no such ordinance or law been in force at the time of the Covered Cause of Loss.

(4) We will also pay for your loss and expense as defined under A.2.b. Business Income and A.2.c. Extra Expense that is the result of (1) above, if such coverage is otherwise applicable under this policy. This coverage is included within and subject to your Demolition limit.

i. Expediting Expenses

With respect to your damaged “covered property”, we will pay the reasonable and necessary extra cost to:

(1) Make temporary repairs; and

(2) Expedite permanent repairs or replacement.

j. Future Loss Avoidance

(1) This coverage only applies if you have received payment under this Equipment Breakdown Coverage for a Covered Cause of Loss that occurred on the premises of a location shown in the

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Declarations.

(2) We will pay your costs to purchase and install Protective Equipment at the location of the loss as follows:

(a) Electrical surge protection or single phase Protective Equipment; or

(b) Other Protective Equipment if we agree that such equipment would reasonably reduce the likelihood of a future Covered Cause of Loss similar to the one for which you have received payment from us. We will not unreasonably withhold such agreement.

(3) As used in this coverage, Protective Equipment means a permanently-installed physical device with the principal function of safeguarding one or more pieces of "covered equipment" from physical damage.

(4) We must receive your invoices for any purchase and installation costs no later than 180 days after the date you receive the payment for the loss from us.

(5) With respect to any "one equipment breakdown", the most we will pay is the lesser of the following:

(a) 10% of our Eligible Payment to you prior to any payment under this Future Loss Avoidance coverage; or

(b) The amount shown in the Declarations as the Future Loss Avoidance limit.

(6) As used in this coverage, Eligible Payment means our total payment to you not including the following:

(a) Any deductible or coinsurance amount; or

(b) Any payment made after this policy has been cancelled or non-renewed.

k. Green

(1) With respect to "covered property", we will pay for Additional Costs you incur:

(a) To repair damaged property using equipment, materials and service firms required or recommended by a Recognized Environmental Standards Program, if repair is the least expensive option as described in E.11.a. (part of Valuation condition);

(b) To replace damaged property using equipment, materials and service firms required or recommended by a Recognized Environmental Standards Program, if replacement is the least expensive option as described in E.11.a. (part of Valuation condition);

(c) To dispose of damaged property or equipment, if practicable, through a recycling process; and

(d) To flush out reconstructed space with up to 100% outside air using new filtration media.

As used in this Green coverage, Additional Costs mean those beyond what would have been payable under this Equipment Breakdown Coverage in the absence of this Green coverage.

(2) With respect to any building that is "covered property" which, at the time of the Covered Cause of Loss was certified by a Recognized Environmental Standards Program, we will pay for costs you incur:

(a) To prevent a lapse of such certification;

(b) To reinstate the certification or replace it with an equivalent certification;

(c) For an engineer authorized by a Recognized Environmental Standards Program to oversee the repair or replacement of the damaged "covered property"; and

(d) For a Professional Engineer to commission or recommission your damaged mechanical, electrical or electronic building systems.

(3) We will also pay for your loss and expense as defined under A.2.b. Business Income and A.2.c. Extra Expense that is the result of (1) and (2) above, if such coverage is otherwise applicable under this policy. This coverage is included within and subject to your Green limit.

(4) This Green coverage is subject to the following provisions:

(a) This coverage applies in addition to any coverage that may apply under E.11.d. Environmental, Safety and Efficiency Improvements, or any other applicable coverage.

(b) This coverage only applies to "covered property" that must be repaired or replaced as a

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direct result of a Covered Cause of Loss.

(c) This coverage does not apply to any property or equipment that is valued on an "actual cash value" basis under this policy.

(5) As used in this Green coverage, Recognized Environmental Standards Program means one of the following:

(a) The United States Environmental Protection Agency ENERGY STAR® program;

(b) The U.S. Green Building Council LEED® program;

(c) The Green Building Initiative GREEN GLOBES® program; or

(d) Any nationally or internationally recognized environmental standards program that is designed to achieve energy savings and related objectives of the type included in the programs listed above.

l. Hazardous Substances

(1) We will pay for the Additional Costs to repair or replace "covered property" because of contamination by a "hazardous substance". This includes the additional expenses to clean up or dispose of such property. This does not include contamination of "perishable goods" by refrigerant, including, but not limited to, ammonia, which is addressed in A.2.w.(3) Refrigerant Contamination.

(2) This coverage does not apply to testing, clean up or disposal of land, water or any other property that is not "covered property".

(3) As used in this Hazardous Substances coverage, Additional Costs mean those beyond what would have been payable under this Equipment Breakdown Coverage had no "hazardous substance" been involved.

(4) We will also pay for your loss and expense as defined under A.2.b. Business Income and A.2.c Extra Expense that is the result of (1) above, if such coverage is otherwise applicable under this policy. This coverage is included within and subject to your Hazardous Substances limit.

m. Miscellaneous Unnamed Locations

(1) The following coverages are extended to apply to any "miscellaneous unnamed location": A.2.a. Property Damage; A.2.g. Data Restoration; A.2.h. Demolition; A.2.i. Expediting Expenses; A.2.l. Hazardous Substances; A.2.o. Mold; and A.2.r. Ordinance or Law.

(2) If limits or deductibles vary by location, the lowest limits and deductibles will apply to "miscellaneous unnamed locations". However, the most we will pay for loss, damage or expense arising from any "one equipment breakdown" is the amount shown in the Declarations as the Miscellaneous Unnamed Locations limit.

n. Mobile Robots

(1) We will pay for physical damage to "covered property" from a Covered Cause of Loss when the "covered equipment" is a "mobile robot".

(2) We will also pay for your loss and expense as defined under A.2.w. Spoilage and Consequential Damage that is the result of (1) above, if such coverage is otherwise applicable under this policy. This coverage is included within and subject to your Mobile Robots limit.

(3) We will also pay for your loss and expense as defined under A.2.b. Business Income and A.2.c. Extra Expense that is the result of (1) above, if such coverage is otherwise applicable under this policy. This coverage is included within and subject to your Mobile Robots limit.

(4) We will also pay for your loss and expense as defined under A.2.g. Data Restoration that is the result of (1) above, if such coverage is otherwise applicable under this policy. This coverage is included within and subject to your Mobile Robots limit.

o. Mold

(1) We will pay for the additional cost to repair or replace "covered property" because of contamination by mold, fungus, mildew or yeast, including any spores or toxins created or produced by or emanating from such mold, fungus, mildew or yeast, resulting from a Covered Cause of Loss. This includes the Additional Costs to clean up or dispose of such property. This does not include "spoilage and consequential damage" of personal property that is "perishable goods" to the extent that such "spoilage and consequential damage" is covered under A.2.w.

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Spoilage and Consequential Damage.

(2) As used in this Mold coverage, Additional Costs mean those beyond what would have been payable under this Equipment Breakdown Coverage had no mold, fungus, mildew, yeast, spores or toxins been involved.

(3) We will also pay for your loss and expense as defined under A.2.b. Business Income and A.2.c. Extra Expense that is the result of (1) above, if such coverage is otherwise applicable under this policy. This coverage is included within and subject to your Mold limit.

(4) We will also pay the cost of testing performed after repair or replacement of the damaged "covered property" is completed only to the extent that there is reason to believe there is the presence of mold, fungus, mildew, yeast, spores or toxins.

p. Newly Acquired Locations

(1) You will notify us promptly of any newly acquired location that you have purchased or leased during the policy period.

(2) All coverages applicable to any scheduled location under this Equipment Breakdown Coverage are extended to a newly acquired location within the Coverage Territory that you have purchased or leased during the policy period.

(3) This coverage begins at the time you acquire the property. With respect to newly constructed properties, we will only consider them to be acquired by you when you have fully accepted the completed project.

(4) This coverage ends when any of the following first occurs:

(a) This policy expires;

(b) The number of days shown in the Declarations for this coverage expires after you acquire the location;

(c) The location is incorporated into the regular coverage of this policy; or

(d) The location is incorporated into the regular coverage of another Equipment Breakdown policy you have.

(5) If limits or deductibles vary by location, the highest limits and deductibles will apply to newly acquired locations. However, the most we will pay for loss, damage or expense arising from any "one equipment breakdown" is the amount shown in the Declarations as the Newly Acquired Locations limit.

(6) We will charge you additional premium for newly acquired locations from the date you acquire the property.

q. Off Premises Equipment Breakdown

(1) We will pay for physical damage to portable "covered equipment" that, at the time of the Covered Cause of Loss, is not at a location covered under this policy.

(2) We will also pay for your loss and expense as defined under A.2.b. Business Income and A.2.c. Extra Expense that is the result of (1) above, if such coverage is otherwise applicable under this policy. This coverage is included within and subject to your Off Premises Equipment Breakdown limit.

(3) We will also pay for your loss and expense as defined under A.2.g. Data Restoration that is the result of (1) above, if such coverage is otherwise applicable under this policy. This coverage is included within and subject to your Off Premises Equipment Breakdown limit.

r. Ordinance or Law

(1) This coverage applies if a Covered Cause of Loss damages a building that is "covered property" and the loss is increased by an ordinance or law that:

(a) Regulates the construction or repair of buildings, including "building utilities";

(b) Is in force at the time of the Covered Cause of Loss; and

(c) Is not addressed under A.2.h. Demolition, A.2.l. Hazardous Substances or A.2.o. Mold.

(2) We will pay for the following Additional Costs to comply with such ordinance or law:

(a) Your actual and necessary cost to repair the damaged portions of the building;

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(b) Your actual and necessary cost to reconstruct the damaged portions of the building; and

(c) Your actual and necessary cost to bring undamaged portions of the building into compliance with the ordinance or law.

(3) As used in this Ordinance or Law coverage, Additional Costs mean those beyond what would have been payable under this Equipment Breakdown Coverage had no such ordinance or law been in force at the time of the Covered Cause of Loss.

(4) We will also pay for your loss and expense as defined under A.2.b. Business Income and A.2.c. Extra Expense that is the result of (1) above, if such coverage is otherwise applicable under this policy. This coverage is included within and subject to your Ordinance or Law limit.

s. Professional Fees

(1) We will pay your reasonable expenses for professional fees for auditors, accountants, architects and engineers that are necessary to prepare a statement of loss or any other exhibits required in connection with a claim resulting from an insured loss payable under this Equipment Breakdown Coverage for which we have accepted liability.

(2) This coverage does not include expenses or fees for any of the following:

(a) Your own employees;

(b) Consultation with any third party on coverage or negotiation of claims; or

(c) The services of attorneys or public adjusters.

t. Public Relations

(1) This coverage only applies if you have sustained an actual loss of "business income" covered under this policy.

(2) We will pay for your reasonable costs for professional services to create and disseminate communications, when the need for such communications arises directly from the interruption of your business. This communication must be directed to one or more of the following:

(a) The media;

(b) The public; or

(c) Your customers, clients or members.

(3) Such costs must be incurred during the “period of restoration” or up to 30 days after the “period of restoration” has ended.

u. Resultant Loss from a Cyber Event

We will pay for direct physical damage to “covered equipment” due to an “accident” or “electronic circuitry impairment” caused by or resulting from a “cyber event” when such “cyber event” occurs at a covered location. All such coverage is included within and subject to your Resultant Loss from a Cyber Event limit.

v. Service Interruption

We will pay for your loss and expense as defined under A.2.b. Business Income and A.2.c. Extra Expense that is the result of an “interruption of service”.

w. Spoilage and Consequential Damage

(1) We will pay for physical damage to “perishable goods” due to “spoilage and consequential damage”.

(2) We will also pay for physical damage to “perishable goods” due to “spoilage and consequential damage” that is the result of an “interruption of service”.

(3) Refrigerant Contamination

We will also pay for physical damage to “perishable goods” due to contamination from the release of refrigerant, including, but not limited to, ammonia. If a separate limit is shown for Refrigerant Contamination, this amount is part of, and not in addition to, your Spoilage and Consequential Damage limit.

(4) We will also pay any necessary expenses you incur during the “period of restoration” to reduce the amount of loss under this Spoilage and Consequential Damage coverage. However, we will not pay more than the amount that would otherwise have been payable under this Spoilage and

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Consequential Damage coverage.

B. EXCLUSIONS

We will not pay for any excluded loss, damage or expense, even though any other cause or event concurrently or in any sequence contributes to the loss, damage or expense.

1. We will not pay for loss, damage or expense caused by any of the following perils, whether directly or indirectly. This exclusion applies even if the excluded peril was caused by or was the result of a Covered Cause of Loss.

   a. Cyber Event

   Any "cyber event", except as specifically provided in A.2.u. Resultant Loss from a Cyber Event.

   b. Earth Movement

   Earthquake, aftershocks, earth sinking, landslide, rockfall, sinkhole collapse, subsidence, tremors, tsunami, volcanic action or any other earth movement, all whether or not caused by or involving human activity.

   c. Failure to Protect Property

   Your failure to use all reasonable means to protect "covered property" from damage following a Covered Cause of Loss.

   d. Fines

   Fine, penalty or punitive damage.

   e. Fire and Explosion

   (1) Fire, including smoke from a fire.

   (2) Combustion explosion. This includes, but is not limited to, a combustion explosion of any steam boiler or other fired vessel.

   (3) Any other explosion, except as specifically provided in G.1.c. (part of the "Accident" definition).

   f. Freeze

   Freeze caused by cold weather.

   g. Infectious Agent

   Any "infectious agent", including actual or suspected contamination by an "infectious agent".

   h. Mobile Robots

   Any Covered Cause of Loss where the "covered equipment" is a "mobile robot", except as specifically provided in A.2.n. Mobile Robots.

   i. Mold

   Mold, fungus, mildew or yeast, including any spores or toxins created or produced by or emanating from such mold, fungus, mildew or yeast. This includes, but is not limited to, costs arising from clean-up, remediation, containment, removal or abatement of such mold, fungus, mildew, yeast, spores or toxins, except as specifically provided in A.2.o. Mold. However, this exclusion does not apply to "spoilage and consequential damage" of personal property that is "perishable goods" to the extent that such "spoilage and consequential damage" is covered under A.2.w. Spoilage and Consequential Damage.

   j. Molten Material

   Discharge of molten material from equipment, including the heat from such discharged material.

   k. Nuclear, Biological or Chemical Hazard

   (1) Nuclear detonation, radiation or reaction; or radioactive contamination.

   (2) The deliberate, unlawful use or threatened use of any biological, chemical or radioactive agent, material, device or weapon.

   (3) Any actions taken to hinder, defend against or respond to (1) or (2) above.

   l. Ordinance or Law

   The enforcement of, or change in, any ordinance, law, regulation, rule or ruling regulating or restricting repair, replacement, alteration, use, operation, construction or installation, except as

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specifically provided in A.2.h. Demolition, A.2.l. Hazardous Substances, A.2.o. Mold and A.2.r. Ordinance or Law.

m. Vandalism

Vandalism, meaning a malicious act that causes damage or destruction. However, this exclusion does not apply to a "cyber event" to the extent that coverage is provided A.2.u. Resultant Loss from a Cyber Event.

n. War and Military Action

War and hostile action, including any of the following and any consequence of any of the following:

(1) Cyber warfare, whether or not occurring in combination with physical combat;
(2) Undeclared war;
(3) Civil war;
(4) Hostile action by military force or cyber measures, including action in hindering or defending against an actual or expected attack, by any Combatant; or
(5) Insurrection, rebellion, revolution, usurped power, political violence or action taken by governmental authority in hindering or defending against any of these, including cyber action in connection with any of the foregoing.

For purposes of this exclusion, cyber warfare, cyber measures and cyber action include, but are not limited to, the use of disruptive digital activities against a computer network or system with the intention to cause harm in order to further political or similar objectives, or to intimidate any person(s) in furtherance of such objectives, committed by a Combatant.

The attribution of an action to a Combatant will be determined by relying on reasonable evidence such as:

(1) Statements by an impacted government, sovereign or other authority;
(2) Statements by widely recognized international bodies (such as the United Nations) or alliances (such as the North Atlantic Treaty Organization); or
(3) Consensus opinion within relevant expert communities such as the cyber security industry.

Decisions about the presence or absence of war, hostile action, and other terms used in this exclusion will take into consideration the full range of available tactics, weapons and technologies at the time of the event giving rise to the loss.

Combatant means, for purposes of this exclusion, a government, sovereign or other authority, or agents acting on their behalf.

o. Water

Flood; mudslide or mudflow; overflow of any body of water; storm surge, tidal waves; tides; surface water; water that discharges, overflows or backs up from a drain, sump or sewer; waves; or spray associated with any of the foregoing; all whether or not caused by or involving wind and whether or not caused by or involving human activity.

However, if electrical "covered equipment" requires drying out because of the above, we will pay for the amount you actually expend to dry out such equipment, subject to the applicable Property Damage limit and Direct Coverage deductible. We will not pay more than the "actual cash value" of the affected electrical "covered equipment". We will not pay to replace such equipment or for any other loss, damage or expense.

p. Water Damage

Water Damage, meaning leakage or discharge of water or steam that results from the cracking or breaking apart of any part of a system or appliance containing water or steam.

2. We will not pay for loss, damage or expense caused directly or indirectly by any condition or event listed in a. through g. below, without regard to whether such condition or event is normal and expected or unusual and unexpected. However, if a condition or event that is listed in a. through g. below results in a Covered Cause of Loss and no other exclusion applies, we will pay only for the loss, damage or expense that is a direct result of and solely attributable to the Covered Cause of Loss.

   a. Depletion, deterioration, rust, corrosion, erosion, settling or wear and tear;

   b. Any gradually developing condition;

   c. Any defect, error or shortcoming in design or installation;

   d. Any undercapacity, underperformance, failure to perform as expected or failure to perform as designed;

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e. Any defect, programming error, programming limitation, loss of “data”, loss of access, loss of use, loss of functionality or other condition within or involving “data” or “media” of any kind;

f. Contamination by a “hazardous substance”;

g. Misalignment, miscalibration, tripping off-line or any condition which can be corrected by:

(1) Resetting, tightening, adjusting or cleaning;

(2) Normal maintenance, including, but not limited to, replacing expendable parts, recharging batteries or cleaning;

(3) Rebooting, reloading or updating software or firmware; or

(4) Providing necessary power or supply.

3. We will not pay for a Covered Cause of Loss caused by or resulting from any of the following perils:

a. Lightning.

b. Windstorm or Hail. However, this exclusion does not apply when:

(1) “Covered equipment” located within a structure or building suffers a Covered Cause of Loss that results from wind-blown dust, rain, sand or snow; and

(2) The structure or building did not first sustain wind or hail damage to its roof or walls through which the dust, rain, sand or snow entered.

c. Collision or any physical contact caused by or involving a “vehicle” or “mobile robot”.

d. Riot or Civil Commotion.

e. Leakage or discharge of any substance from an automatic sprinkler system, including collapse of a tank that is a component of such system.

f. Volcanic Action.

g. An electrical insulation breakdown test.

h. A hydrostatic, pneumatic or gas pressure test.

i. Any means, whether or not successful, intended to extinguish a fire.

j. Elevator collision.

k. Smoke, but not including smoke from industrial operations or agricultural smudging.

4. We will not pay for a Covered Cause of Loss caused by or resulting from any of the following perils, if such peril is a covered cause of loss under another coverage part or policy of insurance you have, whether collectible or not, and without regard to whether or not the other coverage part or policy of insurance provides the same coverage or scope of coverage as this policy.

a. Falling Objects. However, this exclusion does not apply to:

(1) Personal property located outside the walls of a structure or building; or

(2) Loss or damage to property located within a structure or building, unless a falling object first damages the roof or exterior wall of the structure or building.

b. Weight of Snow, Ice or Sleet.

c. Collapse.

5. Exclusions 3. and 4. do not apply if all of the following are true:

a. The excluded peril occurs away from any location covered under this policy and causes an electrical surge or other electrical disturbance;

b. Such surge or disturbance is transmitted through utility service transmission lines to the covered location;

c. At the covered location, the surge or disturbance results in a Covered Cause of Loss to “covered equipment” that is owned or operated under the control of you or your landlord; and

d. The loss, damage or expense caused by such surge or disturbance is not a covered cause of loss under another coverage part or policy of insurance you have, whether collectible or not, and without regard to whether or not the other coverage part or policy of insurance provides the same coverage or scope of coverage as this policy.

6. With respect to A.2.b. Business Income, A.2.c. Extra Expense and A.2.v. Service Interruption, we will

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also not pay for:

a. Loss associated with business that would not have taken place even if the Covered Cause of Loss had not occurred;

b. Loss caused by your failure to use all reasonable means and appropriate speed to resume business;

c. That part of any loss that extends beyond or occurs after the "period of restoration". This includes, but is not limited to:

(1) "Business income" that would have been earned after the "period of restoration", even if such loss is the direct result of the suspension, lapse or cancellation of a contract during the "period of restoration"; and

(2) "Extra expense" to operate your business after the "period of restoration", even if such loss is contracted for and paid during the "period of restoration".

d. Any increase in loss resulting from an agreement between you and your customer, supplier or contractor. This includes, but is not limited to, contingent bonuses or penalties, late fees, demand charges, demurrage charges and liquidated damages.

7. With respect to A.2.d. Civil or Military Authority, A.2.e. Contingent Business Income and Extra Expense, A.2.g.(2) (part of Data Restoration coverage), A.2.q. Off Premises Equipment Breakdown, A.2.v. Service Interruption and A.2.w.(2) (part of Spoilage and Consequential Damage coverage), we will also not pay for:

a. A Covered Cause of Loss caused by or resulting from any of the perils listed in Exclusion 4. above, whether or not such peril is a covered cause of loss under another coverage part or policy of insurance you have;

b. Any direct or indirect loss, damage or expense caused by or resulting from a "cyber event".

8. With respect to A.2.g. Data Restoration, we will also not pay to reproduce:

a. Software programs or operating systems that are not commercially available; or

b. "Data" that is obsolete, unnecessary or useless to you.

9. With respect to A.2.h. Demolition and A.2.r. Ordinance or Law, we will also not pay for:

a. Increased demolition or reconstruction costs until they are actually incurred; or

b. Loss due to any ordinance or law that:

(1) You were required to be in compliance with before the loss, even if the building was undamaged; and

(2) You failed to be in compliance with;

whether or not you were aware of such non-compliance.

10. With respect to A.2.q. Off Premises Equipment Breakdown, we will also not pay for "spoilage and consequential damage" to any "perishable goods".

C. LIMITS OF INSURANCE

Any payment made under this Equipment Breakdown Coverage will not be increased if multiple insureds are shown in the Declarations or if you are comprised of more than one legal entity.

1. Equipment Breakdown Limit

The most we will pay for loss, damage or expense arising from any "one equipment breakdown" is the amount shown in the Declarations as the Equipment Breakdown Limit.

2. Coverage Limits

a. The limit of your insurance under each of the coverages listed in A.2. from loss, damage or expense arising from any "one equipment breakdown" is the amount shown in the Declarations for that coverage. These limits are a part of, and not in addition to, the Equipment Breakdown Limit. If an amount of time is shown, coverage will continue for no more than that amount of time immediately following the Covered Cause of Loss. If a coverage is shown as "Included", that coverage is provided up to the remaining amount of the Equipment Breakdown Limit. If no limit is shown in the Declarations for a coverage, or if a coverage is shown in the Declarations as Excluded, that coverage will be considered to have a limit of $0.

b. Loss arising from any "one equipment breakdown" may continue to be present or recur in a later

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policy period. This includes, but is not limited to, loss arising from mold, fungus, mildew or yeast as covered under A.2.o. Mold. In such a case, the most we will pay for all loss, damage or expense arising out of any "one equipment breakdown" is the coverage limit applicable at the time of the Covered Cause of Loss.

c. If two or more coverage limits apply to the same loss or portion of a loss, we will pay only the smallest of the applicable limits for that loss or portion of the loss. This means that if:

(1) You have a loss under one of the coverages listed in A.2.; and

(2) All or part of the loss is not covered because the applicable coverage is Excluded or has a limit that is less than the amount of your loss,

we will not pay the remaining amount of such loss under any other coverage.

EXAMPLE 1

Property Damage Limit: $7,000,000

Business Income Limit: $1,000,000

Newly Acquired Locations Limit: $500,000

There is a Covered Cause of Loss at a newly acquired location that results in a Property Damage loss of $200,000 and a Business Income loss of $800,000.

We will pay $500,000, because the entire loss is subject to the Newly Acquired Locations Limit of $500,000.

EXAMPLE 2

Property Damage Limit: $7,000,000

Business Income Limit: $500,000

Hazardous Substances Limit: $25,000

There is a Covered Cause of Loss that results in a loss of $100,000. If no "hazardous substance" had been involved, the property damage loss would have been $10,000 and the business income loss would have been $20,000. The presence of the "hazardous substance" increased the loss by $70,000 (increasing the clean up and repair costs by $30,000 and increasing the business income loss by $40,000).

We will pay $55,000 ($10,000 property damage plus $20,000 business income plus $25,000 hazardous substances).

D. DEDUCTIBLES

1. Deductibles for Each Coverage

a. Unless shown in the Declarations that your deductible is combined for all coverages, multiple deductibles may apply to any "one equipment breakdown".

b. We will not pay for loss, damage or expense under any coverage until the amount of the covered loss, damage or expense exceeds the deductible amount shown in the Declarations for that coverage. We will then pay the amount of loss, damage or expense in excess of the applicable deductible amount, subject to the applicable limit shown in the Declarations.

c. If deductibles vary by type of "covered equipment" and more than one type of "covered equipment" is involved in any "one equipment breakdown", only the highest deductible for each coverage will apply.

2. Direct and Indirect Coverages

a. Direct Coverages Deductibles and Indirect Coverages Deductibles or Business Income Deductibles may be shown in the Declarations.

b. Unless more specifically shown in the Declarations:

(1) Direct Coverages Deductibles apply to all loss, damage or expense covered by this Equipment Breakdown Coverage with the exception of Business Income and Extra Expense loss, regardless of where such Business Income and Extra Expenses coverage is provided in this Equipment Breakdown Coverage; and

(2) Indirect Coverages Deductibles apply to Business Income and Extra Expense loss, regardless of where such coverage is provided in this Equipment Breakdown Coverage.

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EXAMPLE

A Covered Cause of Loss results in covered losses as follows:

$100,000 Total Loss (all applicable coverages)

$ 35,000 Business Income Loss (including $2,000 of business income loss payable under Data Restoration coverage)

$ 5,000 Extra Expense Loss

In this case, the Indirect coverages loss totals $40,000 before application of the Indirect Coverage Deductible. The Direct coverages loss totals the remaining $60,000 before application of the Direct Coverage Deductible.

3. Application of Deductibles

a. Dollar Deductibles

Until the amount of covered loss, damage or expense resulting from any "one equipment breakdown" exceeds the applicable deductible shown in the Declarations, we will not pay for any such covered loss, damage or expense. After the amount of covered loss, damage or expense resulting from any "one equipment breakdown" exceeds the applicable deductible shown in the Declarations, we will pay the amount of such covered loss, damage or expense that is in excess of the applicable deductible. However, we will not pay more than the applicable limits shown in the Declarations.

b. Time Deductibles

If a time deductible is shown in the Declarations, we will not be liable for any loss occurring during the specified number of hours or days immediately following the Covered Cause of Loss. If a time deductible is expressed in days, each day will mean twenty-four consecutive hours.

c. Multiple of Average Daily Value (ADV) Deductibles

If a deductible is expressed as a number times ADV, that amount will be calculated as follows:

The ADV (Average Daily Value) will be the "business income" that would have been earned during the period of interruption had no Covered Cause of Loss occurred, divided by the number of working days in that period. The ADV applies to the "business income" value of the entire location, whether or not the loss affects the entire location. If more than one location is included in the valuation of the loss, the ADV will be the combined value of all affected locations. For purposes of this calculation, the period of interruption may not extend beyond the "period of restoration".

The number shown in the Declarations will be multiplied by the ADV as determined above. The result will be used as the applicable deductible.

EXAMPLE

Business is interrupted, partially or completely, for 10 working days. If there had been no Covered Cause of Loss, the total "business income" at the affected location for those 10 working days would have been $5,000. The Indirect Coverages Deductible is 3 Times ADV.

$5,000 / 10 = $500 ADV

3 X $500 = $1,500 Indirect Coverages Deductible

d. Percentage of Loss Deductibles

If a deductible is expressed as a percentage of loss, we will not be liable for the indicated percentage of the gross amount of loss, damage or expense (prior to any applicable deductible or coinsurance) insured under the applicable coverage. If the dollar amount of such percentage is less than the indicated Minimum Deductible, the Minimum Deductible will be the applicable deductible.

e. Horsepower Deductibles

If a deductible is expressed as a function of horsepower, the indicated amount per horsepower will be multiplied by the horsepower rating of the applicable "covered equipment". The resulting amount will apply as a Dollar Deductible. If the resulting amount is less than the indicated Minimum Deductible, the Minimum Deductible will be the applicable deductible. If the "covered equipment" is an air conditioning or refrigeration system, the indicated amount per horsepower will be multiplied by the horsepower rating of the system's largest motor or compressor. If systems or components are

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rated in tonnage of cooling capacity, each ton of rated capacity will be converted to horsepower in accordance with the following chart:

Horsepower Equivalent Per One Ton of Rated Cooling Capacity	
Centrifugal Compressor System	0.7 hp
Hermetic Scroll Compressor System	1.0 hp
Reciprocating Compressor System	1.5 hp
Screw Compressor System	1.5 hp
All Other Systems	4.7 hp

E. LOSS CONDITIONS

The following conditions apply in addition to the Common Policy Conditions:

1. Abandonment

No property can be abandoned to us.

2. Brands and Labels

a. This provision applies when merchandise with a brand or label that is "covered property" has been damaged by a Covered Cause of Loss but retains a salvage value.

b. When this provision applies, you may remove the brands or labels or stamp the word SALVAGE on the merchandise or its containers, provided that such removal or stamping will not cause physical damage to the merchandise. If you remove the brands or labels, you must re-label the merchandise or its containers as needed to comply with all applicable laws.

c. We will pay for any reduction in value of the salvage merchandise resulting from the removal or stamping described in b. above, subject to all applicable limits.

d. We will also pay the reasonable and necessary expenses you incur to perform the removal or stamping described in b. above. However, we will not pay more than the amount recoverable from salvage.

e. If a Brands and Labels Limit is shown in the Declarations, we will not pay more than the indicated amount for coverage under this Condition.

3. Coinsurance - Business Income Coverage

Business Income coverage may be subject to coinsurance if so shown in the Declarations. If Business Income Coinsurance is shown in the Declarations as applicable, the following Condition applies.

a. We will not pay the full amount of any "business income" loss if the "business income actual annual value" is greater than the "business income estimated annual value" at the affected location at the time of the Covered Cause of Loss. We will instead use the following steps to determine the most we will pay:

(1) Divide the "business income estimated annual value" by the "business income actual annual value" at the time of the Covered Cause of Loss;

(2) Multiply the total amount of the covered loss of "business income" by the amount determined in paragraph (1) above;

(3) Subtract the applicable deductible from the amount determined in paragraph (2) above;

The resulting amount, or the Business Income Limit, whichever is less, is the most we will pay. For the remainder, you will have to absorb the loss yourself or rely on other insurance.

b. Coinsurance applies separately to each insured location.

c. If you report a single "business income estimated annual value" for more than one location, without providing information on how that amount should be distributed among the locations, we will distribute the amount evenly among all applicable locations.

EXAMPLE 1 (Underinsurance)

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When:

The “business income actual annual value” at the location of loss at the time of the Covered Cause of Loss is $200,000.

The “business income estimated annual value” shown in the Declarations for the location of loss is $100,000.

The actual loss of “business income” resulting from the Covered Cause of Loss is $40,000.

The Business Income limit is $100,000.

The Business Income deductible is $5,000.

Step 1: $100,000 / $200,000 = .5

Step 2: $40,000 x .5 = $20,000

Step 3: $20,000 - $5,000 = $15,000

The total “business income” loss recovery, after deductible, would be $15,000. For the remainder, you will have to absorb the loss yourself or rely on other insurance.

We will also charge you an additional premium in recognition of the actual “business income annual value”.

EXAMPLE 2 (Adequate insurance)

When:

The “business income actual annual value” at the location of loss at the time of the Covered Cause of Loss is $200,000.

The “business income estimated annual value” shown in the Declarations for the location of loss is $200,000.

The actual loss of “business income” resulting from the Covered Cause of Loss is $40,000.

The Business Income limit is $100,000.

The Business Income deductible is $5,000.

Step 1: $200,000 / $200,000 = 1

Step 2: $40,000 x 1 = $40,000

Step 3: $40,000 - $5,000 = $35,000

The total “business income” loss recovery, after deductible, would be $35,000.

4. Defense

We have the right, but are not obligated, to defend you against suits brought by owners of property in your care, control or custody. When we do this, it will be at our expense.

5. Duties in the Event of Loss or Damage

In the event of loss or damage, you must see that the following are done:

a. Promptly give us notice of the loss or damage and the property involved.

b. You must reduce your loss, damage or expense, if possible, by:

(1) Protecting property from further damage. We will not pay for your failure to protect property, as stated in Exclusion B.1.c.;

(2) Resuming business, partially or completely, at the location of loss or at another location;

(3) Making up lost business within a reasonable amount of time. This includes working extra time or overtime at the location of loss or at another location. The reasonable amount of time does not necessarily end when the operations are resumed;

(4) Using merchandise or other property available to you;

(5) Using the property or services of others; and

(6) Salvaging the damaged property.

c. Other than measures you take that are necessary to protect from further loss or damage, allow us a reasonable opportunity and time to examine the premises and property before removing physical

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evidence of the Covered Cause of Loss or repairing or replacing property.

d. Make no statement without our consent that will assume any obligation or admit any liability, for any loss, damage or expense for which we may be liable.

e. Promptly send us any legal papers or notices received concerning the loss, damage or expense.

f. Permit us to do the following as often as may be reasonably required:

(1) Inspect your premises, property and records;

(2) Take samples of property, both damaged and undamaged, for analysis, inspection and testing;

(3) Make copies from your books, data and records.

g. If requested, permit us to examine you and any of your agents, employees and representatives under oath and while not in one another's presence. Such examination may be:

(1) At any time reasonably required;

(2) About any matter relating to this insurance, your loss, damage or expense, or your claim, including, but not limited to, your books and records; and

(3) Recorded by us by any methods we choose.

h. Provide us with a proof of loss that is signed and sworn and contains the information we request. You must provide us with such proof of loss within 60 days of our request.

i. Work cooperatively with us to facilitate the investigation and settlement of the claim.

6. Errors and Omissions

a. We will pay your loss covered by this Equipment Breakdown Coverage if such loss is otherwise not payable solely because of any error or unintentional omission regarding:

(1) The location or description of property as insured under this policy;

(2) The premises that you own or occupy at the inception of this policy; or

(3) The cancellation of any premises that had been insured under this policy.

b. An error or unintentional omission in the coverage you request or the values you report will not result in any coverage under this Condition.

c. You agree, as a condition of this coverage, to report and correct such errors or unintentional omissions when you discover them.

d. You agree, as a condition of this coverage, to pay the appropriate additional premium for any additional premises covered by this Condition. Such premium will reflect the date the premises would have been insured under this policy if no error or omission had occurred.

e. If an Errors and Omissions Limit is shown in the Declarations, we will not pay more than the indicated amount for coverage under this Condition.

7. Joint or Disputed Loss Agreement

a. The purpose of this Condition is to facilitate insurance claim payments when:

(1) A commercial property policy is in effect in addition to this equipment breakdown policy;

(2) There is physical damage to "covered property" that is also insured by the commercial property policy; and

(3) The commercial property insurer does not agree with us regarding how much of the loss, if any, should be paid under each policy.

b. This Condition does not apply if:

(1) We do not:

(a) Admit liability for the loss; or

(b) Contend that the commercial property insurer's policy should provide coverage for the loss;

And

(2) The commercial property insurer does not:

(a) Admit liability for the loss; or

(b) Contend that our policy should provide coverage for the loss.

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c. This Condition applies only when all of the following requirements are met:

(1) At the time of the loss, the commercial property policy includes a similar provision with substantially the same conditions, procedures and requirements as those contained in this Condition.

(2) There is a Joint Loss or Disputed Loss as defined below.

(3) You, the commercial property insurer and we all agree on the total amount of the insured loss.

d. As used in this Condition:

(1) Joint Loss means that both the commercial property insurer and we admit to some liability for payment under our respective policies.

(2) Disputed Loss means that the commercial property insurer and we agree that there is some liability under one policy or the other, but disagree about which policy is liable for the loss. Disputed Loss includes a case where one insurer contends that there is liability under both policies while the other insurer contends that the entire loss is covered under the other insurer's policy.

e. If the requirements of this Condition are satisfied, the agreed amount of insured loss will be paid to you as follows:

(1) After your written request, we and the commercial property insurer will each pay you the entire amount of loss, if any, that we have agreed as being covered by our respective policies, and each of us will also pay you 50% of the amount of the insured loss that is in disagreement.

(2) Payments of the amounts that are in disagreement, as described in (1) above, do not alter, surrender or waive any rights of any insurer against any other.

(3) The amount in disagreement to be paid by us under this Condition will not exceed the amount payable under the equivalent condition of the commercial property policy.

(4) The amount payable under this Condition will not exceed the amount we would have paid if there had not been a commercial property policy in effect at the time of loss. In no event will we pay more than the Equipment Breakdown Limit or other applicable coverage limit.

(5) Your acceptance of sums paid under this Condition does not alter, surrender or waive any other rights against us.

f. **Arbitration**

(1) We, along with the commercial property insurer, agree to submit our differences to arbitration within 90 days after payment of the loss under the terms of this Condition.

(2) You agree to cooperate with any arbitration process triggered by this Condition.

(3) We will appoint one arbitrator and the commercial property insurer will appoint one arbitrator. These two arbitrators may agree on a third arbitrator. Alternatively, either arbitrator may request that the selection of a third arbitrator be made by a judge of a court having jurisdiction in this matter.

(4) When a decision on the arbitrated dispute is agreed to by any two of the three arbitrators, such decision will be binding on both parties. Judgment on any award can be entered in any court that has jurisdiction.

g. **Settlement Terms**

When an insurer is found by the decision of the arbitration panel to be responsible for more of the disputed loss than the 50% share that the insurer initially paid in accordance with this Condition, that insurer must pay the following to the other insurer:

(1) The portion of the disputed loss in excess of 50% that the insurer has been found to be responsible for.

(2) Liquidated Damages on the amount owed under (1) above. As used in this Condition, Liquidated Damages means interest from the date the insured invokes this Condition to the date the amount under (1) above is paid. The interest rate will be the highest prime rate from the Money Rates column of the Wall Street Journal during the period of the Liquidated Damages multiplied by 1.5.

Each insurer will also owe for its share of the arbitration expenses. These expenses will be divided

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between the insurers in proportion to how the disputed loss is apportioned.

h. At the time of the loss, if there is more than one applicable commercial property insurer, the conditions, procedures and requirements under this Condition will apply to all such insurers. Any payments due under this Condition will be divided among such commercial property insurers in the same manner as any other covered commercial property loss. Similarly, at the time of the loss, if there is more than one applicable equipment breakdown insurer, the conditions, procedures and requirements under this Condition will apply to all such insurers. Any payments due under this Condition will be divided among such equipment breakdown insurers in the same manner as any other covered equipment breakdown loss.

8. Knowledge of Occurrence

We will not consider you to have knowledge of an occurrence based only on the knowledge of your agent or employee, unless such person is your principal, partner, officer or risk manager.

9. Proving Your Loss

It is your responsibility, at your own expense, to provide documentation to us:

a. Demonstrating that the loss, damage or expense is the result of a Covered Cause of Loss covered under this Equipment Breakdown Coverage; and

b. Except as specifically provided for in A.2.s. Professional Fees, calculating the dollar amount of the loss, damage and expense that you claim is covered.

Your responsibility in a. above is without regard to whether or not the possible Covered Cause of Loss occurred at your premises or involved your equipment.

10. Salvage and Recoveries

When, in connection with any loss under this Equipment Breakdown Coverage, any salvage or recovery is received after the payment for such loss, the amount of the loss will be refigured 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. Any amounts thus found to be due either party from the other will be paid promptly.

11. Valuation

We will determine the value of “covered property” as follows:

a. Except as specified otherwise, our payment for damaged “covered property” will be the least expensive of:

(1) The cost to repair the damaged property;

(2) The cost to replace the damaged property on the same site; or

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

b. The amount of our payment will be based on the most cost-effective means to replace the function, capacity and remaining useful life of the damaged property. This may include the use of generic, used or reconditioned parts, equipment or property. This will not include costs to research or correct defects, errors or shortcomings in the design or installation of the “covered property”.

c. Except as described in d. below, you must pay the extra cost of replacing damaged property with property of a better kind or quality or of a different size or capacity.

d. Environmental, Safety and Efficiency Improvements

If “covered equipment” or its component part(s) requires replacement due to a Covered Cause of Loss, we will pay your additional cost to replace with equipment that we agree is better for the environment, safer for people or more energy or water efficient than the equipment being replaced, subject to the following conditions:

(1) We will not pay more than 150% of what the cost would have been to replace with like kind and quality;

(2) We will not pay to increase the size or capacity of the equipment;

(3) This provision only applies to Property Damage coverage;

(4) This provision does not increase any of the applicable limits; and

(5) This provision does not apply to any property valued on an “actual cash value” basis.

e. Consequential Loss to Undamaged Stock

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Our payment for damaged "covered property" will include compensation for undamaged Stock that loses market value or requires additional expense because of the damage to the "covered property". As used in this provision, Stock means:

(1) Raw materials;

(2) Materials in process;

(3) Finished products, and associated packing and shipping supplies; and

(4) Merchandise at warehouse or retail locations.

f. The following property will be valued on an "actual cash value" basis:

(1) Any property that does not currently serve a useful or necessary function for you;

(2) Any "covered property" that you do not repair or replace within 24 months after the date of the Covered Cause of Loss; and

(3) Any "covered property" for which Actual Cash Value coverage is shown in the Declarations.

g. If any one of the following conditions is met, property held for sale by you will be valued at the sales price as if no loss or damage had occurred, less any discounts and expenses that otherwise would have applied:

(1) The property was manufactured by you;

(2) The sales price of the property is less than the replacement cost of the property; or

(3) You are unable to replace the property before its anticipated sale.

h. Except as specifically provided for under A.2.g. Data Restoration, "data" and "media" will be valued on the following basis:

(1) For mass-produced and commercially available software, at the replacement cost.

(2) For all other "data" and "media", at the cost of blank "media" for reproducing the records. We will not pay for "data" representing financial records based on the face value of such records.

F. ADDITIONAL CONDITIONS

The following conditions apply in addition to the Common Policy Conditions:

1. Additional Insured

We will consider a person or entity shown in the Declarations as an additional insured to be an insured under this Equipment Breakdown Coverage, but only to the extent of their interest in the "covered property".

2. Adjustment of Premium

a. The premium charged at the inception of each policy year is an advance premium. When we receive updated insurable values from you or when we determine updated insurable values through an audit or claim adjustment, we will determine an adjusted premium for this insurance.

b. If the adjusted premium is less than the advance premium, we will return to you the excess premium. Such excess premium will not exceed 75% of the advance premium.

c. If the adjusted premium is greater than the advance premium, we will charge the additional premium based on your reports of value.

3. Bankruptcy

In the event of your bankruptcy or insolvency, our obligations and your obligations under this Equipment Breakdown Coverage will continue unchanged.

4. Concealment, Misrepresentation or Fraud

We will not pay for any loss and coverage will be void if you or any additional insured at any time intentionally:

a. Cause or allow loss, damage or expense in order to collect on insurance; or

b. Misrepresent or conceal a material fact with respect to:

(1) This Equipment Breakdown Coverage;

(2) The "covered property" or your interest in the "covered property"; or

(3) A claim under this Equipment Breakdown Coverage.

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5. Jurisdictional Inspections

It is your responsibility to comply with any state or municipal boiler and pressure vessel regulations. If any "covered equipment" that is "covered property" requires inspection to comply with such regulations, at your option we agree to perform such inspection. We are only able to perform such inspections at locations that you have reported to us.

6. Legal Action Against Us

Under this Equipment Breakdown Coverage, legal action may only be brought against us if:

a. All the terms of this Equipment Breakdown Coverage have been fully complied with; and

b. The date that such legal action is brought against us is within two years of the date of the Covered Cause of Loss; or

c. You have an obligation to pay for damage to "covered property" of others that we have agreed to in writing and the amount of that obligation has not yet been determined by final judgment or arbitration award.

No third party can bring us into an action under this policy to determine your liability.

7. Liberalization

This provision applies if, without charging additional premium, we broaden our standard form for Equipment Breakdown Coverage. When this provision applies, the broadened coverage will apply to this policy commencing on the date that the broadened Equipment Breakdown form becomes effective in the jurisdiction where the Covered Cause of Loss occurs.

8. Losses Payable

a. We will pay losses covered under this Equipment Breakdown Coverage to you and, as interests in the "covered property" may appear, to each loss payee shown in the Declarations. However, we will not pay losses to any loss payee when the loss arises from conversion, embezzlement or secretion on your part or on the part of the loss payee.

b. The loss payee's interest in this policy will end upon policy cancellation. If we cancel this policy, we will provide the same written notice to the loss payee that we will provide to you.

c. We will obtain the loss payee's rights against any third party to the extent of our payment to the loss payee.

9. Maintaining Your Property and Equipment

It is your responsibility to appropriately maintain your property and equipment. We will not pay your costs to maintain, operate, protect or enhance your property or equipment, even if such costs are to comply with our recommendations or prevent loss, damage or expense that would be covered under this policy.

10. Mortgage Holders and Lender's Loss Payable

a. We will pay losses covered under this Equipment Breakdown Coverage to you and, as interests in the "covered property" may appear, to each Mortgage Holder and Lender Loss Payee shown in the Declarations, in their order of precedence.

b. Mortgage Holders and Lender Loss Payees will not lose their right to receive loss payment due to having started foreclosure or similar action with respect to the "covered property".

c. We may deny your claim because of your actions or because of your failure to comply with the terms of this Equipment Breakdown Coverage. In such case, we will pay any applicable Mortgage Holder or Lender Loss Payee their applicable interest in such loss, provided that such Mortgage Holder or Lender Loss Payee does all of the following:

(1) Complies with all terms of this Equipment Breakdown Coverage;

(2) Notifies us of any material change in risk or change in ownership with respect to the "covered property";

(3) At our request, pays any premium for this Equipment Breakdown Coverage that is due and that you have failed to pay; and

(4) Within 60 days of being informed by us that you have failed to provide a proof of loss, submit to us a proof of loss statement that is signed and sworn.

If these conditions are met, the terms of this Equipment Breakdown Coverage will then apply directly to the applicable Mortgage Holder or Lender Loss Payee.

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d. If we make a payment to a Mortgage Holder or Lender Loss Payee as described in c. above:

(1) To the extent of the amount we pay, the rights of such Mortgage Holder or Lender Loss Payee will be transferred to us; and

(2) Such payment will not impair the rights of such Mortgage Holder or Lender Loss Payee to recover the full amount of their claim.

At our option, we may pay to a Mortgage Holder or Lender Loss Payee the outstanding principal on the applicable debt plus any accrued interest. In such case, we will hold the mortgage or debt and you will make your remaining mortgage or debt payments to us.

e. If we cancel this policy, we will give any Mortgage Holder or Lender Loss Payee written notice at least:

(1) 10 days prior to the effective date of cancellation if our reason for cancellation is nonpayment of premium; or

(2) 30 days prior to the effective date of cancellation if our reason for cancellation is anything other than nonpayment of premium.

f. We will give any Mortgage Holder or Lender Loss Payee written notice at least 10 days prior to the expiration date of this policy if we choose not to renew this policy.

g. If we suspend coverage, we will give written notice of the suspension to any Mortgage Holder or Lender Loss Payee.

11. Other Insurance

If there is other insurance that applies to the same loss, damage or expense, this Equipment Breakdown Coverage will apply only as excess insurance after all other applicable insurance has been exhausted.

12. Policy Period, Coverage Territory

Under this Equipment Breakdown Coverage:

a. The Covered Cause of Loss must occur during the policy period, but expiration of the policy does not limit our liability.

b. Except as specified in c. through e. below, the Covered Cause of Loss must occur within the following coverage territory:

(1) The fifty states of the United States of America;

(2) The District of Columbia;

(3) Puerto Rico; and

(4) The United States Virgin Islands.

c. Only with respect to an “interruption of service” or an “interruption of supply”, the Covered Cause of Loss may also occur in Canada.

d. Only with respect to any “interruption of service” involving “cloud or outsourced computing services”, the Covered Cause of Loss may occur anywhere in the world, except within any country on which the United States has imposed sanctions, embargoes or similar restrictions on the provision of insurance.

e. Only with respect to A.2.q. Off Premises Equipment Breakdown, the Covered Cause of Loss may occur anywhere in the world, except within any country on which the United States has imposed sanctions, embargoes or similar restrictions on the provision of insurance.

13. Privilege to Adjust with Owner

If a claim under this Equipment Breakdown Coverage involves loss, damage or expense to property of others in your care, control or custody, we have the right to settle that portion of the claim with the owner of the property.

14. Report of Values

You must report insurable values to us at least once a year.

15. Subrogation (Transfer of Rights of Recovery Against Others to Us)

a. The following applies to you and any other person or entity to whom we make a loss payment under this Equipment Breakdown Coverage:

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(1) To the extent of our payment, we will obtain the rights of such person or entity against any third party; and

(2) After the Covered Cause of Loss, such person or entity must take all reasonable actions to protect and secure our rights and must not take any actions to hinder or impair our rights.

b. Waiver of Subrogation

Prior to a Covered Cause of Loss, you may waive your rights against another party, but such waiver must be documented in writing. After a Covered Cause of Loss, you may waive your rights against another party, but only if the other party is:

(1) An entity that owns or controls you or that you own or control; or

(2) A person or entity insured under this Equipment Breakdown Coverage.

16. Suspension

Any of our representatives may immediately suspend the insurance under this Equipment Breakdown Coverage with respect to any "covered equipment" that is found to be in a dangerous condition or exposed to a dangerous condition. They may do this by mailing or delivering a written notice of suspension to:

a. Your address most recently known to us; or

b. The address where the applicable "covered equipment" is located.

The only way we may reinstate insurance for the suspended "covered equipment" is by issuing an endorsement to this policy.

We will refund the premium applicable to the suspended "covered equipment", pro-rated for the period of suspension. However, the suspension will be effective immediately, whether or not we have offered or made the refund.

G. DEFINITIONS

1. "Accident"

"Accident" means a fortuitous event that causes direct physical damage to "covered equipment". The event must be one of the following:

a. Mechanical Breakdown, including physical damage caused by centrifugal force. As used in this definition, Mechanical Breakdown means an occurrence involving one or more moving parts of machinery that causes such machinery to operate improperly or to cease operating.

b. Artificially generated electrical current, including electrical arcing, that damages electrical devices, appliances or wires.

c. Explosion, other than combustion explosion, of steam boilers, steam engines, steam piping or steam turbines.

d. Sudden physical damage not otherwise excluded occurring inside:

(1) Steam boilers, steam engines, steam piping or steam turbines; or

(2) Hot water boilers or other equipment used solely to heat water.

e. Bursting, cracking or splitting. However, this does not include any bursting, cracking or splitting associated with an explosion, unless such explosion is an "accident" as defined in c. above.

2. "Actual Cash Value" means the replacement cost for parts, equipment or other property less Depreciation. However, the "actual cash value" will not be less than 25% of the actual replacement cost.

As used above, Depreciation means the ratio of the age of the property at the time of loss to its expected useful life.

Depreciation will not be applied to labor or other costs necessary to complete the repair or replacement.

3. "Anchor Location" means a location, operated by others, upon which you depend to attract customers to your location shown in the Declarations.

4. "Boilers and Vessels" means:

a. Boilers;

b. Piping, valves or fittings that:

(1) Convey steam; or

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(2) Are part of a closed loop system connected to a boiler.

c. Condensate tanks; and

d. Fired or unfired vessels which, during normal usage, operate under vacuum or pressure, other than the weight of contents.

This term does not appear elsewhere in this coverage form, but may appear in the Declarations.

5. "Building Utilities" means "covered equipment" permanently mounted on or in a building and used to provide any of the following services within the building: heating, ventilating, air conditioning, electrical power, hot water, elevator or escalator services, central vacuum, natural gas service or communications. "Building utilities" does not include personal property or equipment used in manufacturing or processing.

6. "Buried Vessels or Piping"

a. "Buried vessels or piping" means any piping, valve, fitting or vessel that is buried or encased in the earth, concrete or other material, whether above or below grade, or in an enclosure which does not allow access for inspection and repair. Such equipment will be considered "buried vessels or piping" if any portion is buried or encased, whether or not the entire piece of equipment is buried or encased and whether or not the equipment is connected to other equipment that is not buried or encased.

b. None of the following is "buried vessels or piping":

(1) Any piping, valve, fitting or vessel within a building. However, such equipment will not be considered within a building if it is partly or entirely beneath the building's foundation.

(2) Any piping, valve, fitting or vessel within a tunnel through which people can pass and that connects two or more buildings.

(3) Any piping, valve or fitting that is part of a closed loop geothermal system.

(4) A pressure vessel used as the cylinder of a hydraulic elevator.

7. "Business Income" means the sum of:

a. The net profit or loss that would have been earned or incurred, prior to income taxes; and

b. Normal and necessary continuing operating expenses incurred, including employee payroll.

8. "Business Income Actual Annual Value" means the "business income" for the current fiscal year that would have been earned had no Covered Cause of Loss occurred.

In calculating the "business income actual annual value", we will take into account the actual experience of your business before the Covered Cause of Loss and the experience you probably would have had without the Covered Cause of Loss.

9. "Business Income Estimated Annual Value" means the anticipated "business income" reported to us and shown in the Declarations. If no value is shown in the Declarations, the "business income estimated annual value" will be the most recent report of anticipated "business income" values on file with us.

10. "Cloud or Outsourced Computing Services" means professional, on-demand, self-service data storage or data processing services provided through the Internet or over telecommunications lines. This includes services known as IaaS (infrastructure as a service), PaaS (platform as a service), SaaS (software as a service) and NaaS (network as a service). This includes business models known as public clouds, community clouds and hybrid clouds. "Cloud or outsourced computing services" include private clouds if such services are owned and operated by a third party.

11. "Covered Equipment"

a. "Covered equipment" means the following:

(1) Unless specified otherwise in the Declarations:

(a) Equipment that generates, transmits or utilizes energy; or

(b) Equipment which, during normal usage, operates under vacuum or pressure, other than the weight of its contents.

"Covered equipment" may utilize conventional design and technology or new or newly commercialized design and technology.

(2) Except as specifically provided for under A.2.d. Civil or Military Authority, A.2.e. Contingent Business Income and Extra Expense, A.2.g.(2) (part of Data Restoration coverage), A.2.v. Service Interruption, and A.2.w.(2) (part of Spoilage and Consequential Damage coverage),

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such equipment must be “covered property”.

b. None of the following is “covered equipment”:

(1) Structures, including, but not limited to, the structural portions of buildings, towers or scaffolding.

(2) Foundations.

(3) Cabinets, compartments, conduits or ductwork.

(4) Insulating or refractory materials or glass linings.

(5) Dies, patterns or forms.

(6) “Buried vessels or piping”.

(7) Waste, drainage or sewer piping.

(8) Piping, valves or fittings forming a part of a sprinkler or fire suppression system.

(9) Piping, valves or fittings used to convey water. However, the following is “covered equipment”:

(a) Piping, valves or fittings that are part of a closed loop connected to a boiler or a refrigeration or air conditioning system; and

(b) Valve actuators.

(10) “Vehicles”.

(11) Equipment mounted on a “vehicle”.

(12) Satellites, spacecraft or any equipment mounted on a satellite or spacecraft.

(13) Draglines, excavation or construction equipment.

(14) Equipment that you have manufactured for sale.

(15) Equipment of others that you modify, maintain or test as a professional service.

(16) “Data”.

12. “Covered Property”

a. “Covered Property” means property owned by you. “Covered property” also means property for which you are legally liable, if such property is in your care, control or custody. All “covered property” must be at a location covered under this policy, except as provided under A.2.q. Off Premises Equipment Breakdown.

b. None of the following is “covered property”:

(1) Accounts, bills, currency, deeds, evidences of debt, money, notes or securities, including electronic contracts, currencies and securities;

(2) Fine arts, jewelry, furs or precious stones;

(3) Artifacts, fossils, relics or any rare items of cultural, historical or scientific interest;

(4) Organs, tissues, blood or any biological samples or materials;

(5) Precious metal, unless forming a part of “covered equipment”;

(6) Catalysts or molecular sieves;

(7) Animals;

(8) Land (including land on which a building, structure or other property is located), lawns, trees or water; or

(9) Growing crops, plants or shrubs unless such crops, plants or shrubs are in a controlled environment within a structure or building.

13. “Cyber Event” means a hostile, illegal or transgressive act committed through electronic systems. This includes, but is not limited to, hacking, a denial of service attack or the deployment of malware. However, this does not include any act as excluded in B.1.n. War and Military Action.

14. “Data” means information or instructions stored in digital code capable of being processed by machinery.

15. “Electrical Distribution Equipment Including Transformers”

a. “Electrical distribution equipment including transformers” means the following “covered equipment” when used to distribute electricity to connected equipment:

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(1) Electrical wires, cables, busbars and busways;

(2) Electrical connectors, breakers, fuses, switches and motor control centers;

(3) Electrical usage monitors and power quality devices; and

(4) Electrical transformers.

b. None of the following is "electrical distribution equipment including transformers": Equipment that is part of or within a machine or apparatus, if such machine or apparatus is serving a function other than the distribution of electricity.

This term does not appear elsewhere in this coverage form, but may appear in the Declarations.

16. "Electrical Distribution Equipment Other Than Transformers"

a. "Electrical distribution equipment other than transformers" means the following "covered equipment" when used to distribute electricity to connected equipment:

(1) Electrical wires, cables, busbars and busways;

(2) Electrical connectors, breakers, fuses, switches and motor control centers; and

(3) Electrical usage monitors and power quality devices.

b. None of the following is "electrical distribution equipment other than transformers":

(1) Equipment that is part of or within a machine or apparatus, if such machine or apparatus is serving a function other than the distribution of electricity; or

(2) Electrical transformers.

This term does not appear elsewhere in this coverage form, but may appear in the Declarations.

17. "Electrical Generating Equipment"

a. "Electrical generating equipment" means equipment which converts any other form of energy into electricity. This includes, but is not limited to, the following:

(1) Boilers used primarily to provide steam for one or more turbine-generator units;

(2) Turbine-generators (including steam, gas, water or wind turbines);

(3) Engine-generators;

(4) Fuel cells or other alternative electrical generating equipment;

(5) Electrical transformers, switchgear and power lines used to convey the generated electricity; and

(6) Associated equipment necessary for the operation of any of the equipment listed in (1) through (5) above.

b. None of the following is "electrical generating equipment":

(1) Elevator or hoist motors that generate electricity when releasing cable; or

(2) Equipment intended to generate electricity solely on an emergency, back-up basis.

This term does not appear elsewhere in this coverage form, but may appear in the Declarations.

18. "Electronic Circuitry Impairment"

a. "Electronic circuitry impairment" means a fortuitous event involving Electronic Circuitry within "covered equipment" that causes the "covered equipment" to suddenly lose its ability to function as it had been functioning immediately before such event. This definition is subject to the conditions specified in b. through d. below.

b. We will determine that the reasonable and appropriate remedy to restore such "covered equipment's" ability to function is the replacement of one or more Electronic Circuitry components of the "covered equipment".

c. None of the following is an "electronic circuitry impairment":

(1) Any condition caused by or related to:

(a) Incompatibility of the "covered equipment" with any software or equipment installed, introduced or networked within the prior 30 days; or

(b) Insufficient size, capability or capacity of the "covered equipment".

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(2) Exposure to adverse environmental conditions, including, but not limited to, change in temperature or humidity, unless such conditions result in an observable loss of functionality. Loss of warranty will not be considered an observable loss of functionality.

d. As used in this definition, Electronic Circuitry means microelectronic components, including, but not limited to, circuit boards, integrated circuits, computer chips and disk drives.

19. "Excavation Costs"

a. "Excavation costs" means the additional cost to repair or replace "covered property" because of the need to dig a hole, trench or tunnel. This includes the costs to dig and refill the hole, trench or tunnel. This also includes the costs to repair damage to roads, walkways, landscaping or other property caused by such excavation.

b. "Excavation costs" include your additional loss and expense as defined under A.2.b. Business Income and A.2.c. Extra Expense that is the result of a. above, if such coverage is otherwise applicable under this policy.

This term does not appear elsewhere in this coverage form, but may appear in the Declarations.

20. "Extra Expense" means your Additional Costs to operate your business or other operations insured under this policy. As used in this definition, Additional Costs means expenses incurred that exceed the costs that you would normally have incurred to operate such business or other operations during the same period if there had been no Covered Cause of Loss. If some costs are increased and other costs are decreased, "extra expense" means the sum of all cost increases minus the sum of all cost decreases.

21. "Hazardous Substance" means any substance, other than an "infectious agent", that is dangerous or harmful to health or has been declared by a governmental agency to be dangerous or harmful to health.

22. "Infectious Agent"

a. "Infectious agent" means any transmissible bacterium, microorganism, virus or other pathogen that induces or is capable of inducing a Human Infectious Disease.

b. As used in this definition, Human Infectious Disease means any transmissible disease, illness, sickness, physical distress, condition or disruption of bodily functions affecting people. This includes, but is not limited to:

(1) Influenza;

(2) Severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2); and

(3) Coronavirus disease (COVID-19).

23. "Interruption of Service"

a. "Interruption of service" means a failure or disruption of the normal supply of any of the Covered Services listed in b. below, when such failure or disruption is caused by a Covered Cause of Loss to "covered equipment", subject to the conditions listed in c. through f. below.

b. As used in this definition, Covered Services means electrical power, waste disposal, air conditioning, refrigeration, heating, natural gas, compressed air, water, steam, Internet access, telecommunications services, wide area networks, data transmission, "cloud or outsourced computing services", elevator services or Equipment as a Service. The equipment must meet the definition of "covered equipment" except it is not "covered property". Equipment as a Service means any service that you pay for on a usage basis when the service is provided to you by equipment located on your premises that is neither owned, leased or operated by you.

c. The "covered equipment" must either be:

(1) Owned by a company with whom you have a contract to supply you with one of the Covered Services; or

(2) Used to supply you with one of the Covered Services and located within one mile of a location covered under this policy.

d. Unless otherwise shown in the Declarations, no failure or disruption of service will be considered to qualify as an "interruption of service" until the failure or disruption exceeds twenty-four (24) hours immediately following the Covered Cause of Loss. If a different period of time is shown in the Declarations, it will be identified as the Service Interruption Waiting Period.

e. If a Service Interruption Distance Limitation is shown in the Declarations, the "covered equipment"

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suffering the Covered Cause of Loss must be located within the indicated distance of any location covered under this policy.

f. "Interruption of service" does not include any failure or disruption, whether or not arising from or involving a Covered Cause of Loss, in which a supplier could have continued to provide service to the location but chose for any reason to reduce or discontinue service.

24. "Interruption of Supply"

a. "Interruption of supply" means a failure or disruption of the normal supply of any of the Covered Contingencies listed below, when such failure or disruption is caused by a Covered Cause of Loss to "covered equipment" that is located at a Contingent Supplier or Receiver Location.

b. As used in this definition, Contingent Supplier or Receiver Location means any the following:

(1) A location from which you have received the Covered Contingency for at least six months prior to the Covered Cause of Loss;

(2) A location to which you have supplied the Covered Contingency for at least six months prior to the Covered Cause of Loss; or

(3) A location shown in the Declarations as a Contingent Supplier or Receiver Location.

c. As used in this definition, Covered Contingencies are raw materials, intermediate products, finished products, packaging materials and product processing services.

25. "Media" means material on which "data" is recorded, such as magnetic tapes, hard disks, optical disks or solid state drives.

26. "Medical Equipment" means the following equipment when used for any medical specialty, including veterinary services:

a. "Medical imaging equipment";

b. Laboratory or therapeutic equipment; and

c. Any other equipment used to:

(1) Cure, diagnose, mitigate, monitor, prevent or treat disease; or

(2) Affect the structure or appearance of the body.

This term does not appear elsewhere in this coverage form, but may appear in the Declarations.

27. "Medical Imaging Equipment" means scanning or imaging equipment used to diagnose or monitor disease or other conditions. This includes, but is not limited to, CT, MRI, PET, ultrasound and x-ray devices. "Medical imaging equipment" includes such equipment used for all medical specialties, including veterinary services.

This term does not appear elsewhere in this coverage form, but may appear in the Declarations.

28. "Miscellaneous Unnamed Location"

"Miscellaneous unnamed location" means a physical location that is:

a. Located within the Coverage Territory;

b. Owned by you or leased by you and for which you are legally liable;

c. Not newly purchased or leased by you during the policy period; and

d. Ancillary or incidental to your operations as otherwise insured under this Equipment Breakdown Coverage.

29. "Mobile Robot"

a. "Mobile robot" means "covered equipment" that is:

(1) Able to move about under its own power; and

(2) Used solely within a structure or building.

b. "Mobile robot" does not mean any equipment that is:

(1) Directed or steered by a human driver who is on or in such equipment;

(2) Used to transport people;

(3) Used in or under water or other liquid;

(4) Used within tanks or piping; or

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(5) A drone or other airborne device.

30. **"One Equipment Breakdown"** means all "accidents" and "electronic circuitry impairments" occurring at the same time from the same event. If an "accident" or "electronic circuitry impairment" causes other "accidents" or "electronic circuitry impairments", all will be considered "one equipment breakdown".

31. **"Ordinary Payroll"** means the Payroll Expenses associated with all employees other than executives, department managers and employees under contract.

    As used above, Payroll Expenses means all payroll, employee benefits directly related to payroll, FICA payments you pay, union dues you pay and workers compensation premiums.

    "Ordinary payroll" does not include pensions or directors fees.

    This term does not appear elsewhere in this coverage form, but may appear in the Declarations.

32. **"Period of Restoration"**

    a. Except as indicated in b. below, "period of restoration" means the period of time that begins at the time of the Covered Cause of Loss and continues until the earlier of:

        (1) The date the "covered equipment" is repaired or replaced; or

        (2) The date on which such equipment could have been repaired or replaced with the exercise of due diligence and dispatch,

        plus the number of days, if any, shown in the Declarations for Extended Period of Restoration.

    b. Only with respect to A.2.d. Civil or Military Authority, "period of restoration" means the period of time that begins at the time access is prohibited by action of civil or military authority and continues until the earlier of:

        (1) Twenty-one (21) days thereafter; or

        (2) The date access is restored.

33. **"Perishable Goods"** means any "covered property" that is personal property, subject to deterioration or impairment as a result of a change of conditions, including, but not limited to, temperature, humidity or pressure.

34. **"Production Machinery"** means any machine or apparatus that processes or produces a product intended for eventual sale. This includes all component parts of such machine or apparatus and any other equipment used exclusively with such machine or apparatus. However, "production machinery" does not mean any boiler or fired or unfired pressure vessel.

    This term does not appear elsewhere in this coverage form, but may appear in the Declarations.

35. **"Spoilage and Consequential Damage"** means any detrimental change in physical state. This includes, but is not limited to:

    a. Thawing of frozen goods;

    b. Warming of refrigerated goods;

    c. Freezing of fresh goods;

    d. Solidification of liquid or molten material; and

    e. Chemical reactions to material in process.

36. **"Vehicle"**

    a. "Vehicle" means any machine or apparatus that is used for transportation or is able to move about under its own power, even if it is solely used within a structure or building. "Vehicle" includes, but is not limited to, car, truck, bus, trailer, train, aircraft, drone, watercraft, forklift, bulldozer, tractor or harvester.

    b. None of the following is a "vehicle":

        (1) Any property at a location covered under this policy that, for at least 24 consecutive hours, has been stationary, installed and receiving electrical power from a power source that is external to such property. However, a battery-propelled machine or apparatus that requires periodic recharging is considered a "vehicle" and not subject to this exception.

        (2) Any "mobile robot".

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ENDORSEMENT

This Endorsement, effective 5/1/2026 **at 12:01 A.M. ,**
Forms a part of Reference No: WKFCC-12103-00
Issued To: Majestic Isles Association Inc
By: WKFC Property Quota Share

ECONOMIC SANCTIONS ENDORSEMENT

The Insurer shall not be deemed to provide cover and the Insurer shall not be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose the Insurer, its parent company or its ultimate controlling entity to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union or the United States of America.

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

AUTHORIZED REPRESENTATIVE

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POLICYHOLDER NOTICE

Thank you for purchasing insurance from a member company of American International Group, Inc. (AIG). The AIG member companies generally pay compensation to brokers and independent agents, and may have paid compensation in connection with your policy. You can review and obtain information about the nature and range of compensation paid by AIG member companies to brokers and independent agents in the United States by visiting our website at www.aig.com/producer-compensation or by calling 1-800-706-3102.

ENDORSEMENT

This Endorsement, effective 5/1/2026 **at 12:01 A.M. ,**
Forms a part of Reference No: WKFCC-12103-00
Issued To: Majestic Isles Association Inc
By: WKFC Property Quota Share

SERVICE OF SUIT ENDORSEMENT

This endorsement modifies insurance provided by the Policy.

The following **SERVICE OF SUIT** clause is added to the Policy unless the Policy already contains a service of suit clause, in which case such clause is, deleted in its entirety and replaced with the following:

SERVICE OF SUIT

In the event of the Company's failure to pay any amount claimed to be due hereunder, the Company, at the Insured's request, will submit to the jurisdiction of a court of competent jurisdiction within the United States. Nothing in this condition constitutes or should be understood to constitute a waiver of the Company's rights to commence an action in any court of competent jurisdiction in the United States to remove an action to a United States District Court or to seek a transfer of a case to another court as permitted by the laws of the United States or of any state in the United States. It is further agreed that service of process in such suit may be made upon Counsel, Legal Department, Lexington Insurance Company, 99 High Street, Boston, Massachusetts, 02110 or his or her representative, and that in any suit instituted against the Company upon this Policy, the Company will abide by the final decision of such court or of any appellate court in the event of an appeal.

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

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

AUTHORIZED REPRESENTATIVE

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COMMUNICABLE DISEASE ENDORSEMENT

(For use on property policies)

1. This policy, subject to all applicable terms, conditions and exclusions, covers losses attributable to direct physical loss or physical damage occurring during the period of insurance. Consequently and notwithstanding any other provision of this policy to the contrary, this policy does not insure any loss, damage, claim, cost, expense or other sum, directly or indirectly arising out of, attributable to, or occurring concurrently or in any sequence with a Communicable Disease or the fear or threat (whether actual or perceived) of a Communicable Disease.

2. For the purposes of this endorsement, loss, damage, claim, cost, expense or other sum, includes, but is not limited to, any cost to clean-up, detoxify, remove, monitor or test:

   2.1. for a Communicable Disease, or

   2.2. any property insured hereunder that is affected by such Communicable Disease.

3. As used herein, a Communicable Disease means any disease which can be transmitted by means of any substance or agent from any organism to another organism where:

   3.1. the substance or agent includes, but is not limited to, a virus, bacterium, parasite or other organism or any variation thereof, whether deemed living or not, and

   3.2. the method of transmission, whether direct or indirect, includes but is not limited to, airborne transmission, bodily fluid transmission, transmission from or to any surface or object, solid, liquid or gas or between organisms, and

   3.3. the disease, substance or agent can cause or threaten damage to human health or human welfare or can cause or threaten damage to, deterioration of, loss of value of, marketability of or loss of use of property insured hereunder.

4. This endorsement applies to all coverage extensions, additional coverages, exceptions to any exclusion and other coverage grant(s).

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

LMA5393

25 March 2020

Sanctions Limitation Clause

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

LMA3100A

5 October 2023

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

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

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

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

Lloyd's America, Inc, Attn: Legal Department,

280 Park Avenue, East Tower, 25th Floor,

New York, NY 10017, U.S.A.

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

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

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

LMA5020

14/09/2005

SIGNATURE PAGE

INSURANCE IS PROVIDED BY
THE COMPANY DESIGNATED ON THE DECLARATION PAGE

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

OLD REPUBLIC UNION INSURANCE COMPANY
307 N. Michigan Avenue
Chicago, IL 60601

A Stock Company

Secretary

President

OLD REPUBLIC UNION INSURANCE COMPANY
307 N. Michigan Avenue, Chicago, Illinois 60601 | T: 312.346.8100

Commercial Insurance Policy

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SURPLUS LINES ENDORSEMENT

THE INSURED ACKNOWLEDGES AND ACCEPTS THAT THE BELOW STATEMENTS APPLY BASED ON THE HOME STATE OF THE NAMED INSURED. THE HOME STATE OF THE NAMED INSURED SHALL BE DETERMINED IN ACCORDANCE WITH THE PROVISIONS OF THE NON-ADMITTED AND REINSURANCE REFORM ACT OF 2010, 15. U.S.C. §8201, et seg. ("NRRA"), AND THE APPLICABLE LAW OF THE HOME STATE GOVERNING CANCELLATION OR NON-RENEWAL OF INSURANCE SHALL APPLY TO THIS POLICY.

I. FRAUD WARNING

Applicable in OK
WARNING: Any person who knowingly, and with intent to injure, defraud or deceive any insurer, makes any claim for the proceeds of an insurance policy containing any false, incomplete or misleading information is guilty of a felony.

II. U.S. TREASURY DEPARTMENT'S OFFICE OF FOREIGN ASSETS CONTROL ("OFAC") ADVISORY NOTICE TO POLICYHOLDERS

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

This Notice provides information concerning possible impact on your insurance coverage due to directives issued by OFAC. **Please read this Notice carefully.**

The Office of Foreign Assets Control (OFAC) administers and enforces sanctions policy, based on Presidential declarations of "national emergency". OFAC has identified and listed numerous:

- Foreign agents;
- Front organizations;
- Terrorists;
- Terrorist organizations; and
- Narcotics traffickers;

as "Specially Designated Nationals and Blocked Persons". This list can be located on the United States Treasury's web site – https://home.treasury.gov/policy-issues/office-of-foreign-assets-control-sanctions-programs-and-information.

In accordance with OFAC regulations, if it is determined that you or any other insured, or any person or entity claiming the benefits of this insurance has violated U.S. sanctions law or is a Specially Designated National and Blocked Person, as identified by OFAC, this insurance will be considered a blocked or frozen contract and all provisions of this insurance are immediately subject to OFAC. When an insurance policy is considered to be such a blocked or frozen contract, no payments nor premium refunds may be made without authorization from OFAC. Other limitations on the premiums and payments also apply.

III. TRADE OR ECONOMIC SANCTIONS ENDORSEMENT

This insurance does not apply to the extent that trade or economic sanctions or similar laws or regulations prohibit us from providing insurance, including, but not limited to, the payment of claims. All other terms and conditions of this policy remain unchanged.

IV. POLICYHOLDER NOTICES

ALASKA POLICYHOLDER NOTICE

ALASKA SURPLUS LINES POLICYHOLDER NOTICE
3 – AAC 25.050

This policy is issued by a non-admitted or surplus lines insurer. Insurance may only be purchased from non-admitted insurers if the full amount, kind, or class of insurance cannot be obtained from insurers who are admitted to do business in the State of Alaska. Your broker or the surplus lines broker has determined that this was true on the date the policy was placed. Before issuing a renewal policy or extending this policy, remarketing is required. To avoid intentional or unintentional extension of coverage in the surplus lines market when an admitted market for that coverage exists, a non-admitted insurer is prohibited from the automatic renewal or extension of a policy without remarketing by your broker or the surplus lines broker.

In order to comply with the Alaska Administrative Code, the following notice is given:

You are hereby notified that, under 3 AAC 25.050, your policy will terminate effective no later than the date and time of its expiration. We reserve the right to cancel this policy sooner than the expiration date by giving you notice of cancellation as required in AS 21.36.220. You may request through your broker that a new policy from the surplus lines broker be concurrent with the effective date of the termination of this policy.

You are also notified that a new policy, if issued by us, is subject to rerating, which may result in a premium increase of more than ten percent (10%). As required by 3 AAC 25.050, you are hereby notified that any subsequent policy issued by us may be subject to a ten percent (10%) or more increase in premium. The actual premium will be based upon rates that apply at the time a subsequent policy, if any, is issued and will be made available to you before the effective date of the new policy, or the date subsequent coverage is bound, whichever occurs first.

MINNESOTA POLICYHOLDER NOTICE

MINNESOTA INSURANCE GUARANTY ASSOCIATION NOTICE
NOTICE CONCERNING POLICYHOLDER RIGHTS IN AN INSOLVENCY UNDER THE MINNESOTA INSURANCE GUARANTY ASSOCIATION LAW

The financial strength of your insurer is one of the most important things for you to consider when determining from whom to purchase a property or liability insurance policy. It is your best assurance that you will receive the protection for which you purchased the policy. If your insurer becomes insolvent, you may have protection from the Minnesota Insurance Guaranty Association as described below but to the extent that your policy is not protected by the Minnesota Insurance Guaranty Association or if it exceeds the Guaranty Association's limits, you will only have the assets, if any, of the insolvent insurer to satisfy your claim.

Residents of Minnesota who purchase property and casualty or liability insurance from insurance companies licensed to do business in Minnesota are protected, SUBJECT TO LIMITS AND EXCLUSIONS, in the event the insurer becomes insolvent. This protection is provided by the Minnesota Insurance Guaranty Association.

Minnesota Insurance Guaranty Association
7600 Parklawn Ave. #329
Edina, Minnesota 55435

The maximum amount that the Minnesota Insurance Guaranty Association will pay in regard to a claim under all policies issued by the same insurer is limited to $300,000. This limit does not apply to workers' compensation insurance. Protection by the Guaranty Association is subject to other substantial limitations and exclusions. If your claim exceeds the Guaranty Association's limits, you may still recover a part or all of that amount from the proceeds from the liquidation of the insolvent insurer, if any exist. Funds to pay claims may not be immediately available. The Guaranty Association assesses insurers licensed to sell property and casualty or liability insurance in Minnesota after the insolvency occurs. Claims are paid from the assessment.

THE PROTECTION PROVIDED BY THE GUARANTY ASSOCIATION IS NOT A SUBSTITUTE FOR USING CARE IN SELECTING INSURANCE COMPANIES THAT ARE WELL MANAGED AND FINANCIALLY STABLE. IN SELECTING AN INSURANCE COMPANY OR POLICY, YOU SHOULD NOT RELY ON PROTECTION BY THE GUARANTY ASSOCIATION.

THIS NOTICE IS REQUIRED BY MINNESOTA STATE LAW TO ADVISE POLICYHOLDERS OF PROPERTY AND CASUALTY INSURANCE POLICIES OF THEIR RIGHTS IN THE EVENT THEIR INSURANCE CARRIER BECOMES INSOLVENT. THIS NOTICE IN NO WAY IMPLIES THAT THE COMPANY CURRENTLY HAS ANY TYPE OF FINANCIAL PROBLEMS. ALL PROPERTY AND CASUALTY INSURANCE POLICIES ARE REQUIRED TO PROVIDE THIS NOTICE.

TEXAS POLICYHOLDER NOTICE

TEXAS IMPORTANT NOTICE
Have a complaint or need help?

If you have a problem with a claim or your premium, call your insurance company first. If you can't work out the issue, the Texas Department of Insurance may be able to help.

Even if you file a complaint with the Texas Department of Insurance, you should also file a complaint or appeal through your insurance company. If you don't, you may lose your right to appeal.

Old Republic Union Insurance Company
To get information or file a complaint with your insurance company:

Call Secretary at:	**1-215-860-4960**
Email:	ConsumerComplaints31143@oldrepublic.com
Mail:	307 N. Michigan Avenue, Chicago, IL 60601

The Texas Department of Insurance
To get help with an insurance question or file a complaint with the state:

Call with a question:	**1-800-252-3439**
File a complaint:	www.tdi.texas.gov
Email:	ConsumerProtection@tdi.texas.gov
Mail:	Consumer Protection, MC: CO-CP Texas Department of Insurance P.O. Box 12030 Austin, TX 78711-2030

¿Tiene una queja o necesita ayuda?

Si tiene un problema con una reclamación o con su prima de seguro, llame primero a su compañía de seguros. Si no puede resolver el problema, es posible que el Departamento de Seguros de Texas (Texas Department of Insurance, por su nombre en inglés) pueda ayudar.

Aun si usted presenta una queja ante el Departamento de Seguros de Texas, también debe presentar una queja a través del proceso de quejas o de apelaciones de sucompañía de seguros. Si no lo hace, podría perder su derecho para apelar.

Old Republic Union Insurance Company
Para obtener información o para presentar una queja ante su compañía de seguros:

Llame a Secretary al:	**1-215-860-4960**
Correo electrónico:	ConsumerComplaints31143@oldrepublic.com
Dirección postal:	307 N. Michigan Avenue, Chicago, IL 60601

El Departamento de Seguros de Texas
Para obtener ayuda con una pregunta relacionada con los seguros o para presentar una queja ante el estado:

Llame con sus preguntas al:	**1-800-252-3439**
Presente una queja en:	www.tdi.texas.gov
Correo electrónico:	ConsumerProtection@tdi.texas.gov
Dirección postal:	Consumer Protection, MC: CO-CP Texas Department of Insurance P.O. Box 12030 Austin, TX 78711-2030

V. SERVICE OF SUIT

This endorsement modifies insurance provided under all policies underwritten by Old Republic Union Insurance Company. The following is added:

Service of Suit

Old Republic Union Insurance Company hereby designates the Superintendent of Insurance, Insurance Commissioner, Director of Insurance, or other officer specified by law, pursuant to the laws of the State where this policy is delivered, as its true and lawful attorney upon whom may be served any lawful process in any action, suit, or proceeding instituted in the State in which this policy is delivered, by or on behalf of, the insured or any beneficiary hereunder arising out of this contract of insurance.

For such service of process to be valid, it must state the name of the insured, Old Republic Union Insurance Company as the unauthorized insurer, and identify the contract of insurance to which the service of process pertains.

Further, service may also be made to:

Old Republic Union Insurance Company
C/O Secretary
307 N. Michigan Avenue
Chicago, Illinois 60601

National Casualty Company
Scottsdale Indemnity Company
Scottsdale Insurance Company
Scottsdale Surplus Lines Insurance Company
Harleysville Insurance Company of New York

NOTICE—FRAUD WARNINGS

FRAUD WARNING: Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information or conceals for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties. (Not applicable in AL, AR, CA, CO, DC, FL, HI, KS, KY, LA, ME, MD, MN, NE, NJ, NM, NY, OH, OK, OR, PR, RI, TN, VA, VT, or WA.)

NOTICE TO ALABAMA APPLICANTS: Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or who knowingly presents false information in an application for insurance is guilty of a crime and may be subject to restitution fines or confinement in prison, or any combination thereof.

NOTICE TO CALIFORNIA APPLICANTS. For your protection California law requires the following to appear on this form: Any person who knowingly presents false or fraudulent information to obtain or amend insurance coverage or to make a claim for the payment of a loss is guilty of a crime and may be subject to fines and confinement in state prison.

NOTICE TO COLORADO APPLICANTS: It is unlawful to knowingly provide false, incomplete, or misleading facts or information to an insurance company for the purpose of defrauding or attempting to defraud the company. Penalties may include imprisonment, fines, denial of insurance, and civil damages. Any insurance company or agent of an insurance company who knowingly provides false, incomplete, or misleading facts or information to a policy holder or claimant for the purpose of defrauding or attempting to defraud the policy holder or claimant with regard to a settlement or award payable from insurance proceeds shall be reported to the Colorado Division of Insurance within the Department of Regulatory Agencies.

WARNING TO DISTRICT OF COLUMBIA APPLICANTS: It is a crime to provide false or misleading information to an insurer for the purpose of defrauding the insurer or any other person. Penalties include imprisonment and/or fines. In addition, an insurer may deny insurance benefits if false information materially related to a claim was provided by the applicant.

NOTICE TO FLORIDA APPLICANTS: Any person who knowingly and with intent to injure, defraud, or deceive any insurer files a statement of claim or an application containing any false, incomplete, or misleading information is guilty of a felony of the third degree.

NOTICE TO HAWAII APPLICANTS: Whereby a person commits insurance fraud if the person intentionally or knowingly misrepresents or conceals **material** facts, opinion, intention or law to obtain or attempt to obtain coverage, benefits recovery or compensation.

NOTICE TO KANSAS APPLICANTS: Any person who, knowingly and with intent to defraud, presents, causes to be presented or prepares with knowledge or belief that it will be presented to or by an insurer, purported insurer, broker or any agent thereof, any written, electronic, electronic impulse, facsimile, magnetic, oral, or telephonic communication or statement as part of, or in support of, an application for the issuance of, or the rating of an insurance policy for personal or commercial insurance, or a claim for payment or other benefit pursuant to an insurance policy for commercial or personal insurance which such person knows to contain materially false information concerning any fact material thereto; or conceals, for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties.

NOTICE TO KENTUCKY APPLICANTS: Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance containing any materially false information or conceals, for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime.

NOTICE TO MAINE APPLICANTS: It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties may include imprisonment, fines or a denial of insurance benefits.

NOTICE TO MARYLAND APPLICANTS: Any person who knowingly or willfully presents a false or fraudulent claim for payment of a loss or benefit or who knowingly or willfully presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

NOTICE TO MINNESOTA APPLICANTS: A person who files a claim with intent to defraud or helps commit a fraud against an insurer is guilty of a crime.

NOTICE TO NEW MEXICO APPLICANTS: Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to civil fines and criminal penalties.

NOTICE TO NEW JERSEY APPLICANTS: Any person who includes any false or misleading information on an application for an insurance policy is subject to criminal and civil penalties.

NOTICE TO OHIO APPLICANTS: Any person who, with intent to defraud or knowing that he is facilitating a fraud against an insurer, submits an application or files a claim containing a false or deceptive statement is guilty of insurance fraud.

NOTICE TO OKLAHOMA APPLICANTS: Any person who knowingly, and with intent to injure, defraud or deceive any insurer, makes any claim for the proceeds of an insurance policy containing any false, incomplete or misleading information is guilty of a felony.

NOTICE TO OREGON APPLICANTS: Any person who intentionally presents a materially false statement in an application for insurance may be guilty of fraud and subject to penalties under state law.

NOTICE TO PUERTO RICO APPLICANTS: Any person who knowingly and with the intention of defrauding presents false information in an insurance application, or presents, helps, or causes the presentation of a fraudulent claim for the payment of a loss or any other benefit, or presents more than one claim for the same damage or loss, shall incur a felony and, upon conviction, shall be sanctioned for each violation by a fine of not less than five thousand dollars ($5,000) and not more than ten thousand dollars ($10,000), or a fixed term of imprisonment for three (3) years, or both penalties. Should aggravating circumstances be present, the penalty thus established may be increased to a maximum of five (5) years, if extenuating circumstances are present, it may be reduced to a minimum of two (2) years.

FRAUD WARNING (APPLICABLE IN ARKANSAS, LOUISIANA AND RHODE ISLAND): Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

FRAUD WARNING (APPLICABLE IN VERMONT AND NEBRASKA): Any person who intentionally presents a materially false statement in an application for insurance may be guilty of a criminal offense and subject to penalties under state law.

FRAUD WARNING (APPLICABLE IN TENNESSEE, VIRGINIA AND WASHINGTON): It is a crime to knowingly provide false, incomplete, or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines, and denial of insurance benefits.

NEW YORK OTHER THAN AUTOMOBILE FRAUD WARNING: Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime, and shall also be subject to a civil penalty not to exceed five thousand dollars and the stated value of the claim for each such violation.

NEW YORK AUTOMOBILE FRAUD WARNING: Any person who knowingly and with intent to defraud any insurance company or other person files an application for commercial insurance or a statement of claim for any commercial or personal insurance benefits containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, and any person who, in connection with such application or claim, knowingly makes or knowingly assists, abets, solicits or conspires with another to make a false report of the theft, destruction, damage or conversion of any motor vehicle to a law enforcement agency, the department of motor vehicles or an insurance company, commits a fraudulent insurance act, which is a crime, and shall also be subject to a civil penalty not to exceed five thousand dollars and the value of the subject motor vehicle or stated claim for each violation.

Underwritten by Scottsdale Insurance Company

ENDORSEMENT NO.

ATTACHED TO AND FORMING A PART OF POLICY NUMBER	ENDORSEMENT EFFECTIVE DATE (12:01 A.M. STANDARD TIME)	NAMED INSURED	AGENT NO.
WKFCC-12103-00	5/1/2026	Majestic Isles Association Inc	31606

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SERVICE OF SUIT CLAUSE

It is agreed that in the event of the failure of the Company to pay any amount claimed to be due under this policy, the Company at the request of the Insured (or reinsured), will submit to the jurisdiction of any court of competent jurisdiction within the United States of America and will comply with all requirements necessary to give the Court jurisdiction. All matters which arise will be determined in accordance with the law and practice of the Court. In a suit instituted against any one of them under this contract, the Company agrees to abide by the final decision of the Court or of any Appellate Court in the event of an appeal. However, nothing in this endorsement constitutes a waiver of company's right to remove an action to a United States District Court or to seek a transfer of a case to another court as permitted by the laws of the United States or of any state in the United States.

Pursuant to any statute of any state, territory or district of the United States of America which makes a provision, the Company will designate the Superintendent, Commissioner or Director of Insurance or other officer specified for that purpose in the statute, or his successor or successors in office, as their true and lawful attorney upon whom may be served any lawful process in any action, suit, or proceeding instituted by or on behalf of the Insured (or reinsured) or any beneficiary arising out of this contract of insurance (or reinsurance).

The person named below is authorized and directed to accept service of process on behalf of the Company: Chief Financial Officer Department of Financial Services, 200 East Gaines Street, Tallahassee, FL 32399-0301

Having accepted service of process on behalf of the Company, the person designated above is authorized to mail the process or a true copy to: Corporation Service Company 1201 Hays Street Tallahassee, FL 32301

AUTHORIZED REPRESENTATIVE DATE

Nationwide®

SIGNATURE PAGE

IN WITNESS WHEREOF, the Insurer has caused this policy to be issued by affixing hereto the facsimile signatures of its President and Secretary.

Andrew Weissert, Secretary

Michael McKenna, President

POLICYHOLDER NOTICE

ECONOMIC AND TRADE SANCTIONS

This Notice provides information concerning possible impact on your insurance coverage due to directives issued by the Office of Foreign Assets Control (OFAC).

THE OFFICE OF FOREIGN ASSETS CONTROL ("OFAC") OF THE US DEPARTMENT OF THE TREASURY ADMINISTERS AND ENFORCES ECONOMIC AND TRADE SANCTIONS BASED ON US FOREIGN POLICY AND NATIONAL SECURITY GOALS AGAINST TARGETED FOREIGN COUNTRIES AND REGIMES, TERRORISTS, INTERNATIONAL NARCOTICS TRAFFICKERS, THOSE ENGAGED IN ACTIVITIES RELATED TO THE PROLIFERATION OF WEAPONS OF MASS DESTRUCTION, AND OTHER THREATS TO THE NATIONAL SECURITY, FOREIGN POLICY OR ECONOMY OF THE UNITED STATES.

WHENEVER COVERAGE PROVIDED BY THIS POLICY WOULD BE IN VIOLATION OF ANY U.S. ECONOMIC OR TRADE SANCTIONS, SUCH COVERAGE SHALL BE NULL AND VOID.

FOR MORE INFORMATION, PLEASE REFER TO:

HTTPS://WWW.TREASURY.GOV/RESOURCE-CENTER/SANCTIONS/PAGES/DEFAULT.ASPX

PRIVACY NOTICE

AXIS values its relationship with you. Protecting the privacy of personal information we have about you is of great importance to us. We want you to understand how we protect the confidentiality of that personal information about you as well as how and why we use and disclose it. The following provides details of our practices and procedures for protecting the security of nonpublic personal information about you both while you are our customer and when you are no longer our customer.

For additional information about the collection and use of your personal information, please review our Privacy Notice https://www.axiscapital.com/who-we-are/privacy-notice.

Information We Collect

The information we collect about you will vary depending on the type of product or service you seek or purchase, and may include:

- Personal Information we receive from you, such as your name, address, age, phone number, social security number, personal assets, personal income, or beneficiaries;
- Information about your transactions with us, with our affiliates, or with others, such as your policy coverage, premium, payment history, motor vehicle records; and
- Personal Information we receive from a consumer reporting agency, such as your credit history.

Information We Disclose

We do not disclose any personal information about you to anyone except as is necessary in order to provide our products or services to you or otherwise as we are required or permitted by law.

We may disclose any of the personal information that we collect to companies that perform marketing services on our behalf or to other financial institutions with whom we have joint marketing agreements.

Your Right to Verify the Accuracy of Personal Information We Collect

Keeping your personal information accurate and up to date is important to us. You may see and correct personal information about you that we collect except for personal information relating to a claim or a criminal or civil proceeding.

Confidentiality and Security

We restrict access to personal information about you to our employees, our affiliates' employees, or others who need to know that personal information to service your account. We maintain physical, electronic, and procedural safeguards to protect your personal information.

Contacting Us

If you have any questions about this privacy statement or would like to learn more about how we protect your privacy, please write to us at AXIS, 10000 Avalon Blvd. Suite 200, Alpharetta, GA 30009.

STATE FRAUD STATEMENT

ALABAMA

Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or who knowingly presents false information in an application for insurance is guilty of a crime and may be subject to restitution fines or confinement in prison or any combination thereof.

ARKANSAS

Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

CALIFORNIA

For your protection, California law requires the following warning to appear on this form: Any person who knowingly presents false or fraudulent information to obtain or amend insurance coverage or to make a claim for the payment of a loss is guilty of a crime and may be subject to fines and confinement in state prison.

COLORADO

It is unlawful to knowingly provide false, incomplete, or misleading facts or information to an insurance company for the purpose of defrauding or attempting to defraud the company. Penalties may include imprisonment, fines, denial of insurance and civil damages. Any insurance company or agent of an insurance company who knowingly provides false, incomplete, or misleading facts or information to a policyholder or claimant for the purpose of defrauding or attempting to defraud the policyholder or claimant with regard to a settlement or award payable from insurance proceeds shall be reported to the Division of Insurance within the Colorado Department of Regulatory Agencies.

DISTRICT OF COLUMBIA

Warning: It is a crime to provide false or misleading information to an insurer for the purpose of defrauding the insurer or any other person. Penalties include imprisonment and/or fines. In addition, an insurer may deny insurance benefits if false information materially related to a claim was provided by the applicant.

FLORIDA

Any person who knowingly and with intent to injure, defraud, or deceive any insurer files a statement of claim or an application containing any false, incomplete or misleading information is guilty of a felony of the third degree.

KANSAS

A “fraudulent insurance act” means an act committed by any person who, knowingly and with intent to defraud, presents, causes to be presented or prepares with knowledge or belief that it will be presented to or by an insurer, purported insurer, broker or any agent thereof, any written electronic, electronic impulse, facsimile, magnetic, oral, or telephonic communication or statement as part of, or in support of, an application for the issuance of, or the rating of an insurance policy for personal or commercial insurance, or a claim for payment or other benefit pursuant to an insurance policy for commercial or personal insurance which such person knows to contain materially false information concerning any fact material thereto; or conceals, for the purpose of misleading, information concerning any fact material thereto.

KENTUCKY

Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance containing any materially false information, or conceals, for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime.

LOUISIANA

Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

MAINE

It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties may include imprisonment, fines or a denial of insurance benefits.

MARYLAND

Any person who knowingly or willfully presents a false or fraudulent claim for payment of a loss or benefit or who knowingly or willfully presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

NEW JERSEY

Any person who includes any false or misleading information on an application for an insurance policy is subject to criminal and civil penalties.

NEW MEXICO

Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to civil fines and criminal penalties.

NEW YORK

Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime, and shall also be subject to a civil penalty not to exceed five thousand dollars and the stated value of the claim for each such violation.

OHIO

Any person who, with intent to defraud or knowing that he is facilitating a fraud against an insurer, submits an application or files a claim containing a false or deceptive statement is guilty of insurance fraud.

OKLAHOMA

WARNING: Any person who knowingly, and with intent to injure, defraud or deceive any insurer, makes any claim for proceeds of an insurance policy containing any false, incomplete or misleading information is guilty of a felony.

OREGON

Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents materially false information in an application for insurance may be guilty of a crime and may be subject to fines and confinement in prison.

In order for us to deny a claim on the basis of misstatements, misrepresentations, omissions or concealments on your part, we must show that:

A. The misinformation is material to the content of the policy;

B. We relied upon the misinformation; and

C. The information was either:

1. Material to the risk assumed by us; or

2. Provided fraudulently.

For remedies other than the denial of a claim, misstatements, misrepresentations, omissions or concealments on your part must either be fraudulent or material to our interests.

With regard to fire insurance, in order to trigger the right to remedy, material misrepresentations must be willful or intentional.

Misstatements, misrepresentations, omissions or concealments on your part are not fraudulent unless they are made with the intent to knowingly defraud.

PENNSYLVANIA

Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information or conceals for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties.

PUERTO RICO

Any person who knowingly and with the intention of defrauding presents false information in an insurance application, or presents, helps, or causes the presentation of a fraudulent claim for the payment of a loss or any other benefit, or presents more than one claim for the same damage or loss, shall incur a felony and, upon conviction, shall be sanctioned for each violation with the penalty of a fine of not less than five thousand dollars ($5,000) and not more than ten thousand dollars ($10,000), or a fixed term of imprisonment for three (3) years, or both penalties. Should aggravating circumstances be present, the penalty thus established may be increased to a maximum of five (5) years, if extenuating circumstances are present, it may be reduced to a minimum of two (2) years.

RHODE ISLAND

Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

TENNESSEE

It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines and denial of insurance benefits.

VERMONT

Any person who knowingly presents a false statement in an application for insurance may be guilty of a criminal offense and subject to penalties under state law.

VIRGINIA

It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines and denial of insurance benefits.

WASHINGTON

It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines and denial of insurance benefits.

WEST VIRGINIA

Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

Important Notice About
The Protection Of Your Privacy

MS Transverse values your business and the trust you've placed in us. That's why we want to assure you that we are serious about keeping your personal information private before, during and after your business relationship with us. This notice describes our policy regarding the collection and disclosure of your personal information.

Collecting Information

We may collect, maintain and use personal information about you in order to conduct our business, to offer new products, to provide customer service and to satisfy legal and regulatory requirements. Such information may include:

- Information we receive from you directly or through your agent or broker (such as information on any application, questionnaire, claim form or other document);
- Information about your transactions with us, any of our affiliates or another (such as products purchased, claims made, account balances and payment history);
- Information we receive from a consumer reporting agency (such as a motor vehicle report or credit report); and/or
- Information we receive from any other third party (such as prior loss information).

Disclosing Information

As permitted by law, in order to conduct our business, we may disclose the personal information we collect. For instance, in order to process or service a transaction, we may share information with one or more of our affiliates or one or more non-affiliated third-parties, such as a reinsurer(s), your insurance agent(s), a broker(s), a property and casualty appraiser(s), an auditor(s), a claims' adjuster(s) and/or a third-party administrator(s). We do not share your personal information with any non-affiliated third-party that would use it to market any product or service to you. Our standards for disclosure apply to your personal information whether you are a prospective, current or former customer.

Confidentiality and Security

We restrict access to nonpublic personal information about you to those employees who need to know that information to provide products or services to you. We maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard your nonpublic personal information.

Definitions

"Customer" means any individual who obtains or has obtained a product or service from MS Transverse that is to be used primarily for personal, family or household purposes. This notice applies to customers only.

"Personal information" means nonpublic personal information, which is personally identifiable information provided by you to MS Transverse, resulting from a transaction with or any service performed for you by MS Transverse, or otherwise obtained by MS Transverse. Personal information does not include publicly available information as defined by law.

This notice is given by MS Transverse Specialty Insurance Company, MS Transverse Insurance Company and TRM Specialty Insurance Company ("MS Transverse").

MS TRANSVERSE SPECIALTY INSURANCE COMPANY

A Stock Company
Dallas, Texas

WKFC Underwriting Managers
115 Perimeter Center Place
Suite 860
Atlanta, GA 30346
631-756-3000

Policyholders may contact the Company toll-free at 888-250-8023 for any purpose.

IN WITNESS WHEREOF, the Company has caused this policy to be signed by its President and Assistant Corporate Secretary, and where required by law, has caused this policy to be countersigned by a duly authorized representative.

President

Assistant Corporate Secretary

SERVICE OF SUIT

FLORIDA

All lawful process may be served in any action, suit or proceeding instituted in Florida by or on behalf or of any Insured or beneficiary under this Policy against the Company arising out of this Policy, upon the Company's registered agent at the following address:

Lynette Coleman

c/o Corporation Service Company

1202 Hays Street

Tallahassee, FL 32301

The Company also hereby designates the Chief Financial Officer of the Florida Office of Financial Regulation and his or her successors, as its true and lawful attorney upon whom may be served any lawful process in any action, suit or proceeding instituted by you or on your behalf or by any beneficiary under this Policy against the Company arising out of this Policy, provided that all lawful process received by said Chief Financial Officer or his or her successors, is sent by certified or registered mail to the Company at:

AXIS U.S. Insurance

Attn: Claims Administrator

10000 Avalon Blvd.

Suite 200

Alpharetta, GA 30009

Service of process in any such action will also be valid if served upon any person in the State of Florida who, on behalf of the Company, solicits insurance within the State of Florida; makes, issues or delivers insurance policies within the State of Florida; or collects or receives any premiums or other consideration for the Company.

Service of process shall be deemed to be proper and lawful when in compliance with Florida Statutes, Surplus Lines Law, Section 626.907.

THIS ENDORSEMENT BECOMES A PART OF THE POLICY. PLEASE READ IT CAREFULLY.

MS TRANSVERSE SPECIALTY INSURANCE COMPANY

Policy Execution Clause

IN WITNESS WHEREOF, the Company has caused this policy to be signed by its President and Assistant Corporate Secretary, and where required by law, has caused this policy to be countersigned by a duly authorized representative.

President

Assistant Corporate Secretary

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MS TRANSVERSE SPECIALTY INSURANCE COMPANY

SERVICE OF SUIT

With respect to the coverage provided by MS Transverse Specialty Insurance Company, the following provision shall apply:

Service of Suit

Pursuant to any statute of any state, territory or district of the United States, which makes provision therefor, MS Transverse Specialty Insurance 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 policy, and hereby designates Assistant Corporate Secretary, MS Transverse Specialty Insurance Company located at 15 Independence Blvd., Suite 430, Warren, NJ 07059 to whom the said state officer is authorized to mail such process or true copy thereof.

All other terms and conditions of the policy remain unchanged.

NOTICE: ANY PERSON WHO, KNOWINGLY OR WITH INTENT TO DEFRAUD OR TO FACILITATE A FRAUD AGAINST ANY INSURANCE COMPANY OR OTHER PERSON, SUBMITS AN APPLICATION OR FILES A CLAIM FOR INSURANCE CONTAINING FALSE, DECEPTIVE OR MISLEADING INFORMATION MAY BE GUILTY OF INSURANCE FRAUD.

NOTICE TO ALABAMA APPLICANTS: Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or who knowingly presents false information in an application for insurance is guilty of a crime and may be subject to restitution fines or confinement in prison, or any combination thereof.

NOTICE TO ALASKA APPLICANTS: A person who knowingly and with intent to injure, defraud, or deceive an insurance company files a claim containing false, incomplete, or misleading information may be prosecuted under state law.

NOTICE TO ARIZONA APPLICANTS: For your protection Arizona law requires the following statement to appear on this form. Any person who knowingly presents a false or fraudulent claim for payment of a loss is subject to criminal and civil penalties.

NOTICE TO ARKANSAS, LOUISIANA, RHODE ISLAND AND WEST VIRGINIA APPLICANTS: Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

NOTICE TO CALIFORNIA APPLICANTS: For your protection California law requires the following to appear on this form. Any person who knowingly presents false or fraudulent information to obtain or amend insurance coverage or to make a claim for the payment of a loss is guilty of a crime and may be subject to fines and confinement in state prison.

NOTICE TO COLORADO APPLICANTS: It is unlawful to knowingly provide false, incomplete, or misleading facts or information to an insurance company for the purpose of defrauding or attempting to defraud the company. Penalties may include imprisonment, fines, denial of insurance, and civil damages. Any insurance company or agent of an insurance company who knowingly provides false, incomplete, or misleading facts or information to a policyholder or claimant for the purpose of defrauding or attempting to defraud the policyholder or claimant with regard to a settlement or award payable from insurance proceeds shall be reported to the Colorado division of insurance within the department of regulatory agencies.

NOTICE TO DELAWARE APPLICANTS: Any person who knowingly, and with intent to injure, defraud or deceive any insurer, files a statement of claim containing any false, incomplete or misleading information is guilty of a felony.

NOTICE TO DISTRICT OF COLUMBIA APPLICANTS: WARNING: It is a crime to provide false or misleading information to an insurer for the purpose of defrauding the insurer or any other person. Penalties include imprisonment and/or fines. In addition, an insurer may deny insurance benefits if false information materially related to a claim was provided by the applicant.

NOTICE TO FLORIDA APPLICANTS: Any person who knowingly and with intent to injure, defraud, or deceive any insurer files a statement of claim or an application containing any false, incomplete, or misleading information is guilty of a felony of the third degree.

NOTICE TO IDAHO APPLICANTS: Any person who knowingly, and with intent to defraud or deceive any insurance company, files a statement containing any false, incomplete, or misleading information is guilty of a felony.

NOTICE TO INDIANA APPLICANTS: A person who knowingly and with intent to defraud an insurer files a statement of claim containing any false, incomplete, or misleading information commits a felony.

NOTICE TO KANSAS APPLICANTS: Any person who, knowingly and with intent to defraud, presents, causes to be presented or prepares with knowledge or belief that it will be presented to or by an insurer, purported insurer, broker or any agent thereof, any written, electronic, electronic impulse, facsimile, magnetic, oral or telephonic communication statement as part of, or in support of, an application for the issuance of, or the rating of an insurance policy for personal or commercial insurance, or a claim for payment or other benefit pursuant to an insurance policy for commercial or personal insurance which such person knows to contain materially false information concerning any fact material thereto; or conceals, for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act.

NOTICE TO KENTUCKY APPLICANTS: Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance containing any materially false information or conceals, for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime.

NOTICE TO MAINE APPLICANTS: It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties may include imprisonment, fines or a denial of insurance benefits.

NOTICE TO MARYLAND APPLICANTS: ANY PERSON WHO KNOWINGLY OR WILLFULLY PRESENTS A FALSE OR FRAUDULENT CLAIM FOR PAYMENT OF A LOSS OR BENEFIT OR WHO KNOWINGLY OR WILLFULLY PRESENTS FALSE INFORMATION IN AN APPLICATION FOR INSURANCE IS GUILTY OF A CRIME AND MAY BE SUBJECT TO FINES AND CONFINEMENT IN PRISON.

NOTICE TO MINNESOTA APPLICANTS: A person who files a claim with intent to defraud or helps commit a fraud against an insurer is guilty of a crime.

NOTICE TO NEW HAMPSHIRE APPLICANTS: Any person who, with a purpose to injure, defraud, or deceive any insurance company, files a statement of claim containing any false, incomplete, or misleading information is subject to prosecution and punishment for insurance fraud, as provided in RSA 638:20.

NOTICE TO NEW JERSEY APPLICANTS: Any person who includes any false or misleading information on an application for an insurance policy is subject to criminal and civil penalties.

NOTICE TO NEW MEXICO APPLICANTS: ANY PERSON WHO KNOWINGLY PRESENTS A FALSE OR FRAUDULENT CLAIM FOR PAYMENT OF A LOSS OR BENEFIT OR KNOWINGLY PRESENTS FALSE INFORMATION IN AN APPLICATION FOR INSURANCE IS GUILTY OF A CRIME AND MAY BE SUBJECT TO CIVIL FINES AND CRIMINAL PENALTIES.

NOTICE TO NEW YORK APPLICANTS: Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim

containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime, and shall also be subject to a civil penalty not to exceed five thousand dollars and the stated value of the claim for each such violation.

NOTICE TO OHIO APPLICANTS: Any person who, with intent to defraud or knowing that he is facilitating a fraud against an insurer, submits an application or files a claim containing a false or deceptive statement is guilty of insurance fraud.

NOTICE TO OKLAHOMA APPLICANTS: WARNING: Any person who knowingly, and with intent to injure, defraud or deceive any insurer, makes any claim for the proceeds of an insurance policy containing any false, incomplete or misleading information is guilty of a felony.

NOTICE TO OREGON APPLICANTS: Any person who, knowingly and with intent to defraud or facilitate a fraud against any insurance company or other person, submits an application with deceptive and materially false information in order to gain acceptance of the risk by the Insurer, or files a claim for insurance containing any false, deceptive, or misleading material information may be guilty of insurance fraud.

NOTICE TO PENNSYLVANIA APPLICANTS: Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information or conceals for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties.

NOTICE TO PUERTO RICO APPLICANTS: Any person who knowingly and with the intention of defrauding presents false information in an insurance application, or presents, helps, or causes the presentation of a fraudulent claim for the payment of a loss or any other benefit, or presents more than one claim for the same damage or loss, shall incur a felony and, upon conviction, shall be sanctioned for each violation by a fine of not less than five thousand dollars ($5,000) and not more than ten thousand dollars ($10,000), or a fixed term of imprisonment for three (3) years, or both penalties. Should aggravating circumstances be present, the penalty thus established may be increased to a maximum of five (5) years, if extenuating circumstances are present, it may be reduced to a minimum of two (2) years.

NOTICE TO TENNESSEE AND VIRGINIA APPLICANTS: It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines and denial of insurance benefits.

NOTICE TO TEXAS APPLICANTS: Any person who knowingly presents a false or fraudulent claim for the payment of a loss is guilty of a crime and may be subject to fines and confinement in state prison.

NOTICE TO UTAH APPLICANTS: Any person who knowingly presents false or fraudulent underwriting information, files or causes to be filed a false or fraudulent claim for disability compensation or medical benefits, or submits a false or fraudulent report or billing for health care fees or other professional services is guilty of a crime and may be subject to fines and confinement in state prison.

NOTICE TO WASHINGTON APPLICANTS: It is a crime to knowingly provide false, incomplete, or misleading information to an insurance company for the purposes of defrauding the company. Penalties include imprisonment, fines, and denial of insurance benefits.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SERVICE OF SUIT

It is agreed that:

1. In the event of the failure of the **Insurer** to pay any amount claimed to be due hereunder, the **Insurer**, at the request of the **Insured**, will submit to the jurisdiction of any court of competent jurisdiction within the United States and will comply with all requirements necessary to give such court jurisdiction. All matters arising under this Policy shall be determined in accordance with the law and practice of such Court, provided that nothing shall prohibit the **Insurer** from removing any action, suit or proceeding to a United States District Court. The **Insurer** shall abide by the final decision of such court or any appellate court in the event of an appeal.

2. Service of process in the above described action, suit or proceeding may be made upon: General Counsel, Arch Specialty Insurance Company, Harborside 3 210 Hudson Street, Suite 600 Jersey City, NJ 07311-1107. Upon the request of the **Insured**, such General Counsel shall give a written undertaking to enter an appearance on behalf of the **Insurer** in the event that such an action, suit or proceeding shall be instituted.

3. Pursuant to any statute of any state, territory or district of the United States which makes provision therefore, the **Insurer** hereby designates the Superintendent, Commissioner, or Director of Insurance or other officer specified in such statute as its true and lawful attorney upon whom may be served any lawful process in any action, suit or proceeding instituted against the **Insurer** upon this Policy. The Superintendent, Commissioner or Director of Insurance or other officer is hereby authorized and directed to accept service of process on behalf of the **Insurer** in any such action, suit or proceeding and to mail a copy of such process to the above mentioned General Counsel.

All other terms and conditions of this policy remain unchanged.

Issued By: WKFC Underwriting Managers of the South

Endorsement Number:

Policy Number: WKFCC-12103-00

Named Insured: Majestic Isles Association Inc

This endorsement is effective on the inception date of this Policy unless otherwise stated herein:

Endorsement Effective Date: 5/1/2026

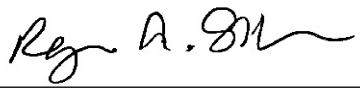
Arch | Insurance

Signature Page

IN WITNESS WHEREOF, Arch Property Casualty Insurance Company has caused this policy to be executed and attested.

Brian D. First

President



Regan Shulman

Secretary

FLORIDA (10)

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

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

Velocity Specialty Insurance Company

PRIVACY NOTICE

FACTS	WHAT DOES VELOCITY SPECIALTY INSURANCE COMPANY DO WITH YOUR PERSONAL INFORMATION?
Why?	Federal and state law gives consumers the right to limit some but not all information sharing by companies. Under federal and state law we are required to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.
What?	The types of personal information we may collect, and share includes: ▪ payment history ▪ insurance claim history ▪ account transactions and insurance credit score The type of personal information we do not collect include: ▪ Biometric data When you are no longer our customer, we may continue to share information about you, in accordance with the law, but you have the right to request the return of your personal data after your account is terminated. We may be required by law to retain some information about you. We provide you with information on how to request a correction or the return of your information in this notice below.
How?	As an insurance company we need to share your personal information to for our everyday business with you. In the section below, we list some reasons why an Velocity Specialty Insurance Company may share customers' personal information, the reasons we choose to share, and whether you can limit this sharing.

Reasons we share your personal information	Does Velocity share?	Can you limit this sharing?
For everyday business purposes – such as to process your transactions, maintain your account(s), investigate or prevent fraudulent transactions, report to credit bureaus, respond to court orders and legal investigations	Yes	No
For our marketing purposes – to offer our products and services to you	Yes	No
For joint marketing with other financial companies	No	Yes
For our affiliates' everyday business with us – information about your transactions	Yes	No
For our affiliates' everyday business purposes – information about your creditworthiness or transactions	No	Yes
For our affiliates to market to you	No	yes
For nonaffiliates to market to you	No	yes

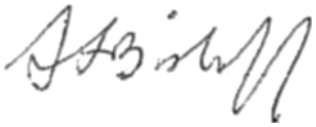
What We Do and Your Rights	
How does Velocity protect my personal information?	To protect your personal information from unauthorized access and use, we use security measures that comply with federal and state law. These measures include computer safeguards, secured files and buildings. We restrict access to your personal information to our employees, affiliates' employees, or others who have a legitimate need to know that information to service your account or conduct our normal business operations.
How does Velocity collect my personal information?	We collect your personal information, for example, when you ▪ apply for insurance or pay insurance premiums ▪ file an insurance claim or provide information to us ▪ ask us to make changes to your account We may also collect personal information from others, such as credit bureaus, affiliates, agents and brokers or other companies.
Your Right to Make Certain Requests	Certain states allow you to ask us to: access, correct, delete and opt out of the sale, collection and use of personal data. We have 30 days (except where the law allows a longer period) after receipt of your written request to respond to you. If you wish, you may review this information in person or receive a copy. We will not charge you to make copies at our offices; We will provide 1 free copy request within a single 12 month period. We may assess a reasonable charge for costs of mail or additional copies. You must notify us in writing if you wish to exercise your right to revise personal data we hold. We will review your request and make the requested change or explain why we did make the change. If we do not make the requested change, you may request reconsideration and we will respond to you with our decision.
Definitions	
Affiliates	Companies related by common ownership or control. They can be financial and nonfinancial companies. ▪ Our affiliates include Velocity Risk Underwriters and Velocity Claims.
Biometric Data	Data generated by automatic measurements of an individual's biological characteristics, such as a fingerprint, a voiceprint, eye retinas, irises or other unique biological patterns or characteristics that are used to identify a specific individual.
Nonaffiliates	Companies not related by common ownership or control. They can be financial and nonfinancial companies. ▪ Velocity does not share with nonaffiliates so they can market to you.
Joint Marketing	A formal agreement between nonaffiliated financial companies that together market financial products or services to you. ▪ Our joint marketing partners include categories of companies such as insurance agents and brokers.
Questions?	Contact us at: 10 Burton Hills Blvd., Ste. 300B, Nashville, TN. 37215, (888) 727-8742

POLICY AUTHORIZATION AND ATTESTATION

SIGNATURE PAGE

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

Velocity Specialty Insurance Company



Sean Bishoff
President

Shelly Northover
Secretary

10 Burton Hills Blvd., Suite 300B
Nashville, TN 37215

SERVICE OF SUIT

THIS ENDORSEMENT CHANGES THE POLICY, PLEASE READ IT CAREFULLY

This endorsement does not change any other provision of the insurance policy to which it is affixed. This endorsement is a part of this insurance policy and takes effect on the effective date of this insurance policy unless another effective date is shown.

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

B. In the event a suit is filed, we agree to submit to the jurisdiction of any court of competent jurisdiction within the United States in which the suit may be brought. Nothing in this condition constitutes or should be understood to constitute a waiver of our right to enforce an Arbitration Provision, commence an action in any court of competent jurisdiction in the United States to remove an action to a United States District Court or to seek a transfer of a case to another court as permitted by the laws of the United States or of any state in the United States. We specifically reserve the right to remove any suit to a United States District Court to compel arbitration.

C. It is further agreed that service of process in such suit may be made as follows:

Velocity Specialty Insurance Company
Attn: Legal Department
10 Burton Hills Blvd. Suite 300 B
Nashville, TN 37215

or his or her representative, and that in any suit instituted against us with respect to this Policy, we will abide by the final decision of such court or of any appellate court in the event of an appeal.

D. Additionally, pursuant to any statute of any state, territory, or district of the United States which makes provisions, we designate the Superintendent, Commissioner or Director of Insurance, or other officer specified for that purpose in the statute, or his successor or successors in office as our true and lawful attorney upon whom service may be made of any lawful process in any action, suit, or proceeding instituted by you or on your behalf or any beneficiary arising out of this Policy of insurance, and we designate the above named Counsel as the person to whom the said officer is authorized to mail such process or a true copy thereof.