



FLOOD INSURANCE POLICY

Residential Condominium

Building Association Policy

3250 N 29th Avenue
Hollywood, FL 33020

SCHEDULE OF FORMS AND ENDORSEMENTS

POLICY NUMBER: FLQ-73905-10	NAMED INSURED Banana Bay Condominium Association Inc
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Form/Endorsement No./Edition Date	Title
RCBAP	FLOOD COVERAGE PART RCBAP
SLC-3	LLOYDS CERTIFICATE
JNMA2462F	COMMON POLICY DECLAR ATION FLOOD
SUPDEC	SUPPLEMENTAL DECLARATIONS
NMA2422	LOCATION SCHEDULE
CNPQS	QUOTA SHARE CONTRIBUTIONS
LSPS	LEAD SYNDICATE PARTICIPATION SCHEDULE
WAIVE	WAIVER OF COINSURANCE PROVISIONS
LPPS	LLOYDS PRIVACY POLICY STATEMENT
LMA3100	SANCTION LIMITATION
LMA5021 (09/05)	APPLICABLE LAW USA
LMA5096 (03/08)	COMBINED SEVERAL LIABILITY
NMA1998	SERVICE OF SUIT CLAUSE(USA)
FIPW - KLT022217	FLOOD INSURANCE POLICY WORDING
<u>ADDITIONAL FORMS AND ENDORSEMENTS</u>	

INSURED



Lloyd's Certificate

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

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

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

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

ADVANCED E/S GROUP
3250 N. 29TH AVENUE
HOLLYWOOD, FL 33020-1313

CERTIFICATE PROVISIONS

- 1. Signature Required.** This Certificate shall not be valid unless signed by the Correspondent on the attached Declaration Page.
- 2. Correspondent Not Insurer.** The Correspondent is not an Insurer hereunder and neither is nor shall be liable for any loss or claim whatsoever. The Insurers hereunder are those Underwriters at Lloyd's, London whose syndicate numbers can be ascertained as hereinbefore set forth. As used in this Certificate "Underwriters" shall be deemed to include incorporated as well as unincorporated persons or entities that are Underwriters at Lloyd's, London.
- 3. Cancellation.** If this Certificate provides for cancellation and this Certificate is cancelled after the inception date, earned premium must be paid for the time the insurance has been in force.
- 4. Service of Suit.** It is agreed that in the event of the failure of Underwriters to pay any amount claimed to be due hereunder, Underwriters, at the request of the Assured, will submit to the jurisdiction of a Court of competent jurisdiction within the United States. Nothing in this Clause constitutes or should be understood to constitute a waiver of Underwriters' rights to commence an action in any Court of competent jurisdiction in the United States, to remove an action to a United States District Court, or to seek a transfer of a case to another Court as permitted by the laws of the United States or of any State in the United States. It is further agreed that service of process in such suit may be made upon the firm or person named in item 6 of the attached Declaration Page, and that in any suit instituted against any one of them upon this contract, Underwriters will abide by the final decision of such Court or of any Appellate Court in the event of an appeal.

The above-named are authorized and directed to accept service of process on behalf of Underwriters in any such suit and/or upon request of the Assured to give a written undertaking to the Assured that they will enter a general appearance upon Underwriters' behalf in the event such a suit shall be instituted. Further, pursuant to any statute of any state, territory or district of the United States which makes provision therefor, Underwriters hereby designate the Superintendent, Commissioner or Director of Insurance or other officer specified for that purpose in the statute, or his successor or successors in office, as their true and lawful attorney upon whom may be served any lawful process in any action, suit or proceeding instituted by or on behalf of the Assured or any beneficiary hereunder arising out of this contract of insurance, and hereby designate the above-mentioned as the person to whom the said officer is authorized to mail such process or a true copy thereof.

- 5. Assignment.** This Certificate shall not be assigned either in whole or in part without the written consent of the Correspondent endorsed hereon.
- 6. Attached Conditions Incorporated.** This Certificate is made and accepted subject to all the provisions, conditions and warranties set forth herein, attached or endorsed, all of which are to be considered as incorporated herein.
- 7. Short Rate Cancellation.** If the attached provisions provide for cancellation, the table below will be used to calculate the short rate proportion of the premium when applicable under the terms of cancellation.

Short Rate Cancellation Table For Term of One Year.

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

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

- A. If insurance has been in force for one year or less, apply the short rate table for annual insurance to the full annual premium determined as for insurance written for a term of one year.
- B. If insurance has been in force for more than one year:
 1. Determine full annual premium as for insurance written for a term of one year.
 2. Deduct such premium from the full insurance premium, and on the remainder calculate the pro rata earned premium on the basis of the ratio of the length of time beyond one year the insurance has been in force to the length of time beyond one year for which the policy was originally written.
 3. Add premium produced in accordance with items (1) and (2) to obtain earned premium during full period insurance has been in force.

This Declaration Page is attached to and forms part of
(Form JNMA 2462)

Previous No.	Authority Ref. No.	Certificate No.	
FLQ-73163-10	B0595NAGN04558017 B1332P17USD012	B0595NAGN04532016 B0595NAGN04567017	FLQ-73905-10

Name and address of the Insured	Producing Agent
Banana Bay Condominium Association Inc c/o Reconcilable Differences 2560 Palm Lake Drive Merritt Island, FL 32952	SJR Insurance 3815 N US Highway 1, #118 Cocoa, FL 32926

2. Effective from 08/18/2017 to 08/18/2018
both days at 12:01 a.m. standard time

3. Insurance is effective with certain	Percentage
Underwriters At Lloyd's, London	100%

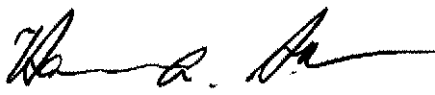
4. Amount Per Schedule of Values	Coverage Flood Only	Premium	
		\$ 55860.00	PREMIUM
		\$ 0.00	INSPECTION FEE
		\$ 35.00	ADM. FEE
		\$ 2794.75	TAX
		\$ 55.90	SERVICE FEE
		\$ 0.00	EMPATF
		\$ 0.00	FLHC FEE
		\$ 0.00	CITIZENS FEE
		\$ 58745.65	TOTAL PREMIUM

5. Form(s) and Endorsement(s) made a part of this policy at time of issue:
See Schedule of Forms and Endorsements

6. Service of Suit may be made upon:
MESSRS. MENDES & MOUNT, 750 7TH AVENUE, NEW YORK, NY 10019

Advanced E& S Group

Dated: 08/22/2017

by 
Correspondent

THIS INSURANCE IS ISSUED PURSUANT TO THE FLORIDA SURPLUS LINES LAWS. 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 ANY INSOLVENT/NLICENSED INSURER.

SURPLUS LINES AGENT: **HARVEY ALAN SHELDON**
AGENT'S ADDRESS: **3250 N. 29TH AVENUE, HOLLYWOOD, FL 33020**
LIC. # **A240451**
PROD. AGT.: Justin Murrell
ADDRESS: 3815 N US Highway 1, #118
CITY: Cocoa, FL 32926
File # FLQ-73905-10 Quarter 3rd
Premium: \$ 55860.00 Tax: \$ 2794.75
Service Fee: \$ 55.90 Approval # A043832037324
FLHC FEE \$ 0.00
CITIZENS FEE \$ 0.00

**"Surplus Lines Insurers' Policy Rates and Forms are not Approved By
Any Florida Regulatory Agency."**

FLOOD COVERAGE PART
SUPPLEMENTAL DECLARATIONS

POLICY NO. FLQ-73905-10

COMPANY: Underwriters at Lloyd's, London

CONTRACT NO. PER CNPQS

NAMED INSURED: Banana Bay Condominium Association Inc

c/o Reconcilable Differences

DESCRIPTION OF PREMISES:

Location and Occupancy	County	Flood Zone	No. Floors	Year Built	Replacement Cost
CONDOMINIUM ASSOCIATION	BREVARD	X	2	1981	\$13,770,000

COVERAGES PROVIDED:

Coverage	Limit of Insurance	Covered Cause of Loss	Coinsurance
BUILDINGS	PER SCHEDULE	FLOOD	N/A
FIRST LOSS	\$4,500,000		
EXCESS LOSS	\$9,270,000		

Deductible \$ 5,000 EACH BUILDING EACH OCCURRENCE

25% Minimum Earned Premium Earned at Inception

OPTIONAL COVERAGES:

Agreed Value (X)	Replacement Cost (X)	Increased Cost of Compliance: \$30,000 Ea Bldg (X)
X	X	X

MORTGAGE HOLDERS:

Prem. No.	Bldg. No.	Mortgage Holder Name and Mailing Address
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**PRIVATE FLOOD INSURANCE APPLICATION
FLOOD ADVANTAGE PARTNERS
CUSTOM PRIVATE FLOOD PROGRAMS**

NAME OF APPLICANT: Banana Bay Condominium Association Inc

MAILING ADDRESS: 200 S. Banana River Blvd Cocoa Beach FL 32931

ADDRESS	BUILDING # OR STREET	CITY	STATE	ZIP	TYPE OF RISK	CONSTRUCTION TYPE	PROTECTION CLASS	REPLACEMENT COST	DESIRED LIMIT OF COVERAGE	PRIMARY DEDUCTIBLE	FLOOD ZONE	FOUNDATION	# STORIES	YEAR BUILT	ANY LOSSES
200 S. Banana River Blvd	1	Cocoa Beach	FL	32931	Residential Condo Assn	Joisted Masonry	4	610000	610000	5000	X	Slab	2	1981	No
201 S. Banana River Blvd	2	Cocoa Beach	FL	32931	Residential Condo Assn	Joisted Masonry	4	610000	610000	5000	X	Slab	2	1981	No
202 S. Banana River Blvd	3	Cocoa Beach	FL	32931	Residential Condo Assn	Joisted Masonry	4	610000	610000	5000	X	Slab	2	1981	No
203 S. Banana River Blvd	4	Cocoa Beach	FL	32931	Residential Condo Assn	Joisted Masonry	4	610000	610000	5000	X	Slab	2	1981	No
204 S. Banana River Blvd	5	Cocoa Beach	FL	32931	Residential Condo Assn	Joisted Masonry	4	610000	610000	5000	X	Slab	2	1981	No
205 S. Banana River Blvd	6	Cocoa Beach	FL	32931	Residential Condo Assn	Joisted Masonry	4	610000	610000	5000	X	Slab	2	1981	No
206 S. Banana River Blvd	7	Cocoa Beach	FL	32931	Residential Condo Assn	Joisted Masonry	4	610000	610000	5000	X	Slab	2	1981	No
207 S. Banana River Blvd	8	Cocoa Beach	FL	32931	Residential Condo Assn	Joisted Masonry	4	610000	610000	5000	X	Slab	2	1981	No
208 S. Banana River Blvd	9	Cocoa Beach	FL	32931	Residential Condo Assn	Joisted Masonry	4	610000	610000	5000	X	Slab	2	1981	No
209 S. Banana River Blvd	10	Cocoa Beach	FL	32931	Residential Condo Assn	Joisted Masonry	4	610000	610000	5000	X	Slab	2	1981	No
210 S. Banana River Blvd	11	Cocoa Beach	FL	32931	Residential Condo Assn	Joisted Masonry	4	610000	610000	5000	X	Slab	2	1981	No
211 S. Banana River Blvd	12	Cocoa Beach	FL	32931	Residential Condo Assn	Joisted Masonry	4	610000	610000	5000	X	Slab	2	1981	No
212 S. Banana River Blvd	13	Cocoa Beach	FL	32931	Residential Condo Assn	Joisted Masonry	4	610000	610000	5000	X	Slab	2	1981	No
213 S. Banana River Blvd	14	Cocoa Beach	FL	32931	Residential Condo Assn	Joisted Masonry	4	610000	610000	5000	X	Slab	2	1981	No
214 S. Banana River Blvd	15	Cocoa Beach	FL	32931	Residential Condo Assn	Joisted Masonry	4	610000	610000	5000	X	Slab	2	1981	No
215 S. Banana River Blvd	16	Cocoa Beach	FL	32931	Residential Condo Assn	Joisted Masonry	4	610000	610000	5000	X	Slab	2	1981	No
216 S. Banana River Blvd	17	Cocoa Beach	FL	32931	Residential Condo Assn	Joisted Masonry	4	610000	610000	5000	X	Slab	2	1981	No
217 S. Banana River Blvd	18	Cocoa Beach	FL	32931	Residential Condo Assn	Joisted Masonry	4	610000	610000	5000	X	Slab	2	1981	No
218 S. Banana River Blvd	19	Cocoa Beach	FL	32931	Residential Condo Assn	Joisted Masonry	4	610000	610000	5000	X	Slab	2	1981	No
219 S. Banana River Blvd	20	Cocoa Beach	FL	32931	Residential Condo Assn	Joisted Masonry	4	610000	610000	5000	X	Slab	2	1981	No
220 S. Banana River Blvd	21	Cocoa Beach	FL	32931	Residential Condo Assn	Joisted Masonry	4	610000	610000	5000	X	Slab	2	1981	No
221 S. Banana River Blvd	22	Cocoa Beach	FL	32931	Residential Condo Assn	Joisted Masonry	4	610000	610000	5000	X	Slab	2	1981	No
224 S. Banana River Blvd	Clubhouse 25	Cocoa Beach	FL	32931	Residential Condo Assn	Joisted Masonry	4	350000	350000	1250	X	Slab	1	1981	No

13770000

SCHEDULE

POLICY OR CERTIFICATE NO. FLQ-73905-10

CONTRACT NO (if any)

The Risk, interest, location and sum insured hereunder

Flood Coverage on 25 Two Story Joisted Masonry Buildings
occupied as a Condominium Association, located at:

Per Schedule
Banana River Road
Cocoa Beach, FL 32931

Period of Insurance from 08/18/2017 to 08/18/2018
both days inclusive, and for such further periods as may be mutually based upon

Dated in Ft. Lauderdale, FL

08/22/17

J or J(A) (Schedule) NMA 2422 for attachment to NMA 2420, NMA 2421, NMA 2461 or NMA 2462

Quota Share Contributions

Policy Number : FLQ-73905-10

Effective: 08/18/2017

Named Insured: Banana Bay Condominium Association Inc

It is hereby understood and agreed the premium and limits are distributed as follows:

Location: Per Schedule - Banana River Blvd, Cocoa Beach, FL 32931

	Line Slip % of Participation B0595NAGN04558017	Line Slip % of Participation B0595NAGN04532016	Line Slip % of Participation B1332P17USD012	Line Slip % of Participation B0595NAGN04567017	Line Slip % of Participation
Section 1+3					*
Section 2					*
Section 4					*
Section 5					*
Section 6					*
FIRST LOSS	50%	25%	25%		*
EXCESS LMT				100%	*

* See Schedule on File with Company*

LEAD SYNDICATE PARTICIPATION SCHEDULE

POLICY NUMBER: FLQ-73905-10

EFFECTIVE DATE: 08/18/2017

NAMED INSURED: Banana Bay Condominium Association, Inc

LOCATION: Per Schedule -
Banana River Rd, Cocoa Beach, FL 32931

**IT IS HEREBY UNDERSTOOD AND AGREED THE PREMIUM AND LIMITS ARE
DISTRIBUTED AS FOLLOWS:**

SYNDICATE NUMBERS: 1861 & 5820
1955
510 & 1880
1980

Waiver of Co-Insurance Provisions

Regardless of the total amount of insurance you purchased, we cover the replacement cost of your building subject to the following conditions and limitations:

A. Loss Settlement. Our liability for loss under this policy shall not exceed the smallest of the following amounts:

1. The amount you actually and necessarily expended in repairing or replacing the damaged part of the building.
2. The replacement cost for like construction and use of the damaged building.
3. The amount of Coverage A shown on the declaration page.

B. When the full cost of repair or replacement is more than \$1,000 or more than 5% of the replacement cost of the building, we shall not pay more than the Actual Cash Value of that portion of the building damaged unless or until actual repair or replacement is completed.

C. This coinsurance waiver shall apply to:

1. A single-family dwelling or to a condominium unit owned by the name insured and used as a primary or secondary residence and you or your spouse has lived in it.
2. A residential condominium association building or a commercial condominium association building owned by the named insured.
3. An apartment building or commercial building owned by the named insured.

ALL OTHER TERMS AND CONDITIONS OF THE POLICY NOT IN CONFLICT WITH THE FOREGOING REMAIN THE SAME.

Lloyd's Privacy Policy Statement

UNDERWRITERS AT LLOYD'S, LONDON

The Certain Underwriters at Lloyd's, London want you to know how we protect the confidentiality of your non-public personal information. We want you to know how and why we use and disclose the information that we have about you. The following describes our policies and practices for securing the privacy of our current and former customers.

INFORMATION WE COLLECT

The non-public personal information that we collect about you includes, but is not limited to:

- Information contained in applications or other forms that you submit to us, such as name, address and social security number.
- Information about your transactions with our affiliates or other third-parties, such as balances and payment history.
- Information we receive from a consumer-reporting agency, such as credit-worthiness or credit history.

INFORMATION WE DISCLOSE

We disclose the information that we have when it is necessary to provide our products and services. We may also disclose information when the law requires or permits us to do so.

CONFIDENTIALITY AND SECURITY

Only our employees and others who need the information to service your account have access to your personal information. We have measures in place to secure our paper files and computer systems.

RIGHT TO ACCESS OR CORRECT YOUR PERSONAL INFORMATION

You have a right to request access to or correction of your personal information that is in our possession.

CONTACTING US

If you have any questions about this privacy notice or would like to learn more about how we protect your privacy, please contact the agent or broker who handled this insurance. We can provide a more detailed statement of our privacy practices upon request.

Sanction Limitation and Exclusion Clause

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

LMA3100
15 September 2010

APPLICABLE LAW (U.S.A.)

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

14/09/2005

LMA5021

Form approved by Lloyd's Market Association

SEVERAL LIABILITY CLAUSE

PLEASE NOTE – This notice contains important information. PLEASE READ CAREFULLY

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

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

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

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

LMA5096 (Combined Certificate)

7 March 2008

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

It is agreed that in the event of the failure of the underwriters hereon to pay any amount claimed to be due hereunder, the Underwriters hereon, at the request of the Insured (or Reinsured), will submit to the jurisdiction of a Court of competent jurisdiction within the United States. Nothing in this Clause constitutes or should be understood to constitute a waiver of Underwriter'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

Mendes and Mount, 750 Seventh Avenue, New York, N. Y. 10019-6829

, 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 authorised to mail such process or true copy thereof.

Flood Insurance Policy

02 Agreement

02 Definitions

04 Property Covered
Coverage A – Building Property

06 **Coverage B** – Personal Property

07 **Coverage C** – Other Coverages

07 **Coverage D** – Increased Cost of Compliance

10 Property Not Covered

11 Exclusions

12 Deductibles

12 General Conditions

19 Liberalization Clause

19 What Law Governs

21 How to make a claim

22 Complaint Procedure

FLOOD INSURANCE POLICY

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

NFIP COMPLIANCE GUARANTEE

This "policy" is hereby guaranteed to meet the definition of private "flood" insurance contained in 42 U.S.C. 4012a(b), in all respects; therefore, to the extent that any provision within this "policy" fails to meet the definition of private "flood" insurance contained therein, such provision herein is hereby amended to conform to the minimum requirements of such definition.

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

THIS POLICY COVERS ONLY:

I. AGREEMENT

AGREEMENT OF INSURANCE between Insurer and the Insured(s).

We will pay you against all "direct physical loss by or from "flood" to your insured property if you:

- A. Have paid the correct premium;
- B. Comply with all terms and conditions of this "policy;" and
- C. Have furnished accurate information and statements.

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

II. DEFINITIONS

In this "policy," "you" and "your" refer to the insured(s) shown on the Declarations Page of this "policy" and your spouse, if a resident of the same household. "Insured(s)" includes: Any mortgagee(s) and loss payee(s) named in the Declarations Page or added by endorsement during the "policy" term, in the order of precedence.

"We," "us," and "our" refer to the insurer. Some definitions are complex because they are provided as they appear in the law or regulations, or result from court cases. The precise definitions are intended to protect you.

A. "Flood," as used in this "flood" insurance "policy," means:

1. A general and temporary condition of partial or complete inundation of two or more acres of normally dry land area or of two or more properties (at least one of which is your property) from:

- a. Overflow of inland or tidal waters;
- b. Unusual and rapid accumulation or runoff of surface waters from any source;
- c. "Mudflow."

2. Collapse or subsidence of land along the shore of a lake or similar body of water as a result of erosion or undermining caused by waves or currents of water exceeding anticipated cyclical levels that result in a "flood" as defined in A.1.a. above.

B. The following are the other key definitions that we use in this "policy:"

1. Act. The National Flood Insurance Act of 1968 and any amendments to it.

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

3. Association. The entity, formed by the “unit” owners, responsible for the maintenance and operation of:

a. Common elements owned in undivided shares by homeowners; and also describes the term of the policy, limits of coverage, and displays the premium and our name. The Declarations Page is a part of this “flood” insurance policy.

b. Other real property in which the homeowners have use rights; where membership in the entity is a required condition of home ownership.

4. Base Flood. A “flood” having a one percent chance of being equaled or exceeded in any given year.

5. Basement. Any area of the “building,” including any sunken room or sunken portion of a room, having its floor below ground level (subgrade) on all sides.

6. Building. A structure with two or more outside rigid walls and a fully secured roof that is affixed to a permanent site;

7. Cancellation. The ending of the insurance coverage provided by this “policy” before the expiration date.

8. Condominium. That form of ownership of real property in which each “unit” owner has an undivided interest in common elements.

9. Described Location. The location where the insured “building” or personal property are found. The “described location” is shown on the Declarations Page.

10. Direct Physical Loss By or From Flood. Loss or damage to insured property, directly caused by a “flood.” There must be evidence of physical changes to the property.

11. Elevated Building. A “building” that has no “basement” and that has its lowest elevated floor

raised above ground level by foundation walls, shear walls, posts, piers, pilings, or columns.

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

13. Improvements. Fixtures, alterations, installations, or additions comprising a part of the insured “building.”

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

15. National Flood Insurance Program (NFIP). The program of “flood” insurance coverage and floodplain management administered under the “Act” and applicable Federal regulations in Title 44 of the Code of Federal Regulations, Subch. B.

16. Policy. The entire written contract between you and us. It includes:

- a. This printed form;
- b. The Declarations Page;
- c. Any endorsement(s) that may be issued.

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

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

19. **Regular Program.** The final phase of a community's participation in the "National Flood Insurance Program." In this phase, a Flood Insurance Rate Map is in effect.

20. **Residential Condominium Building.** A "building;" owned and administered as a "condominium," containing one or more family "units" and which at least 75 percent of the floor area is residential.

21. **Special Flood Hazard Area.** "Special Flood Hazard Area" means an area having 1% chance of special "flood," mudslide (i.e., "mudflow"), and/or "flood"-related erosion hazards in any given year, and shown as a darkly shaded area on a Flood Hazard Boundary Map (FHBM) or Flood Insurance Rate Map (FIRM).

22. **Unit.** A "unit" in a "condominium building."

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

24. **Walled and roofed.** "Walled and roofed" means the "building" has in place two or more exterior, rigid walls and the roof is fully secured so that the "building" will resist flotation, collapse or lateral movement.

III. PROPERTY COVERED

A. COVERAGE A – BUILDING PROPERTY

We insure against "direct physical loss by or from flood" to:

1. The "building" described on the Declarations Page at the "described location." If the "building" is a "condominium building" and the named insured is the "condominium association," Coverage A includes all "units" within the "building" and the "improvements" within the

"units," provided the "building" is owned in common by all "unit" owners.

2. We also insure "building" property for a period of 45 days at another location, as set forth in III.C.2.b., Property Removed to Safety.

3. Additions and extensions attached to and in contact with the "building" by means of a rigid exterior wall, a solid load-bearing interior wall, a stairway, an elevated walkway, or a roof.

At your option, additions and extensions connected by any of these methods may be separately insured. Additions and extensions attached to and in contact with the "building" by means of a common interior wall that is not a solid load-bearing wall are always considered part of the "building" and cannot be separately insured.

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

- a. Awnings and canopies;
- b. Blinds;
- c. Carpet permanently installed over unfinished flooring;
- d. Central air conditioners;
- e. Elevator equipment;
- f. Fire extinguishing apparatus;
- g. Fire sprinkler systems;
- h. Walk-in freezers;
- i. Furnaces;
- j. Light fixtures;
- k. Outdoor antennas and aerials attached to "buildings;"
- l. Permanently installed cupboards, bookcases, cabinets, paneling, and wallpaper;

m. Pumps and machinery for operating pumps;

n. Ventilating equipment;

o. Wall mirrors, permanently installed; and

p. In the "units" within the "building," installed:

(1) Built-in dishwashers;

(2) Built-in microwave ovens;

(3) Garbage disposal units;

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

(5) Kitchen cabinets;

(6) Plumbing fixtures;

(7) Radiators;

(8) Ranges;

(9) Refrigerators; and

(10) Stoves.

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

6. A "building" under construction, alteration, or repair at the "described location."

a. If the structure is not yet walled or roofed as described in the definition for "building" (see II.B.6.), then coverage applies:

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

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

b. However, coverage does not apply until the "building" is "walled and roofed" if the lowest floor, including the "basement" floor, of a non-

levated "building" or the lowest elevated floor of an elevated "building" is:

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

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

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

7. Items of property in a "building" enclosure below the lowest elevated floor of an elevated "post-FIRM building" located in Zones A1-A30, AE, AH, AR, AR/A, AR/AE, AR/AH, AR/A1-A30, V1-V30, or VE, or in a "basement," regardless of the zone. Coverage is limited to the following:

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

(1) Central air conditioners;

(2) Cisterns and the water in them;

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

(4) Electrical junction and circuit breaker boxes;

(5) Electrical outlets and switches;

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

(7) Fuel tanks and the fuel in them;

(8) Furnaces and hot water heaters;

(9) Heat pumps;

(10) Nonflammable insulation in a “basement;”

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

(12) Stairways and staircases attached to the “building,” not separated from it by elevated walkways;

(13) Sump pumps;

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

(15) Well water tanks and pumps;

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

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

b. Clean-up.

B. COVERAGE B – PERSONAL PROPERTY

1. If you have purchased personal property coverage or contents coverage, we insure subject to B. 2. and 3.. below, against “direct physical loss by or from flood” to personal property inside a fully enclosed insured “building”:

a. Owned solely by you, or in the case of a “condominium,” owned solely by the “condominium association” and used exclusively in the conduct of the business affairs of the “condominium association;” or

b. Owned in common by the “unit” owners of the “condominium association.”

We also insure such personal property for 45 days while stored at a temporary location, as set forth in III.C.2.b. Property Removed to Safety.

2. Coverage for personal property includes the following property, subject to B.1.a and B.1.b. above, which is covered under Coverage B only:

a. Air conditioning units installed in the “building”;

b. Carpet, not permanently installed, over unfinished flooring;

c. Carpets over finished flooring;

d. Clothes washers and dryers;

e. “Cook-out” grills;

f. Food freezers, other than walk-in;

g. Food in any freezer up to a maximum limit of \$500; and

h. Outdoor equipment and furniture stored inside the insured “building”;

i. Ovens and the like; and

j. Portable microwave ovens and portable dishwashers.

3. Coverage for items of property in a building enclosure below the lowest elevated floor of an elevated “post-FIRM building” located in Zones A1–A30, AE, AH, AR, AR/A, AR/AE, AR/AH, AR/A1-A30, V1-V30, or VE, or in a “basement,” regardless of the zone, is limited to the following items, if installed in their functioning locations and, if necessary for operation, connected to a power source:

a. Air conditioning units, portable or window type;

b. Clothes washers and dryers;

c. Food freezers, other than walk-in; and

d. Food in any freezer up to a maximum limit of \$500.

4. Special Limits. We will pay no more than \$2,500 for any one loss to one or more of the following kinds of personal property:

a. Artwork, photographs, collectibles, or memorabilia, including but not limited to, porcelain or other figures, and sports cards;

b. Rare books or autographed items;

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

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

5. We will pay only for the functional value of antiques.

C. COVERAGE C – OTHER COVERAGES

1. Debris Removal

a. We will pay no more than the Coverage A limit of liability or the maximum available under the “Act,” whichever is less, for the expense to remove non-owned debris on or in insured property and owned debris anywhere.

b. If you or a member of your household performs the removal work, the cost of your labor will be based on the Federal minimum wage.

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

2. Loss Avoidance Measures

a. Sandbags, Supplies, and Labor

(1) We will pay up to \$1,000 for costs you incur to protect the insured building from a “flood” or imminent danger of “flood,” for the following:

(a) Your reasonable expenses to buy:

(i) Sandbags, including sand to fill them;

(ii) Fill for temporary levees;

(iii) Pumps; and

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

(b) The cost of your labor, at the Federal minimum wage, that you or a member of your household perform.

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

(a) A general and temporary condition of “flooding” in the area near the “described location” must occur, even if the “flood” does not reach the insured “building”; or

(b) A legally authorized official must issue an evacuation order or other civil order for the community in which the insured “building” is located calling for measures to preserve life and property from the peril of “flood.”

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

b. Property Removed to Safety

(1) We will pay up to \$1,000 for the reasonable expenses you incur to move insured property to a place other than the “described location” that contains the property in order to protect it from “flood” or the imminent danger of “flood.” Reasonable expenses include the cost of your labor, at the Federal minimum wage, that you or a member of your household perform.

(2) If you move insured property to a location other than the “described location” that contains the property, in order to protect it from “flood” or the imminent danger of “flood,” we will cover such property while at that temporary location for a period of 45 consecutive days from the date you begin to move it there. The personal property that is moved must be placed in a fully enclosed

“building” or otherwise reasonably protected from the elements.

Any property removed must be placed above ground level or outside of the special “flood” hazard area. This coverage does not increase the Coverage A or Coverage B limit of liability.

D. COVERAGE D – INCREASED COST OF COMPLIANCE

1. General

We will pay the expenses to comply with a State or local floodplain management law or ordinance affecting repair or reconstruction of a structure suffering “flood” damage. Compliance activities eligible for payment are: elevation, “flood” proofing, relocation, or demolition (or any combination of these activities) of your structure. Eligible “flood” proofing activities are limited to:

a. Nonresidential structures.

b. Residential structures with “basements” that satisfy the Federal Emergency Management Agency’s (FEMA’s) standards published in the Code of Federal Regulations [44 CFR 60.6 (b) or (c)].

2. Limit of Liability

We will pay the expenses to comply under this Coverage D. – Increased Cost of Compliance, which only applies to policies with building coverage (Coverage A). The most we will pay under this coverage is \$30,000 each building. Our payment of claims under Coverage D. is in addition to the amount of coverage which you selected on the application and which appears on the Declaration Page. But the maximum you can collect under this “policy” for both Coverage A – Building Property and Coverage D – Increased Cost of Compliance cannot exceed the maximum permitted under the “Act.” We do not charge a separate deductible for a claim under Coverage D.

3. Eligibility

a. A structure covered under Coverage A – Building Property sustaining a loss caused by a “flood” as defined by this “policy” must:

(1) Be a “repetitive loss structure.” A repetitive loss structure is one that meets the following conditions:

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

(b) The cost to repair the “flood” damage, on average, equaled or exceeded 25 percent of the market value of the structure at the time of each “flood” loss.

(c) In addition to the current claim, “flood” insurance must have been paid by the previous qualifying claim, and State or community must have a cumulative, substantial damage provision or repetitive loss provision in its floodplain management law or ordinance being enforced against the structure; or

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

b. This Coverage D pays you to comply with State or local floodplain management laws or ordinances that meet the minimum standards of the “National Flood Insurance Program” found in the Code of Federal Regulations at 44 CFR 60.3. We pay for compliance activities that exceed those standards under these conditions:

(1) 3.a.(1) above.

(2) Elevation or “flood” proofing in any risk zone to preliminary or advisory base “flood” elevations provided by FEMA which the State or local

government has adopted and is enforcing for “flood”-damaged structures in such areas. (This includes compliance activities in B, C, X, or D zones which are being changed to zones with base “flood” elevations. This also includes compliance activities in zones where base “flood” elevations are being increased, and a “flood”-damaged structure must comply with the higher advisory base “flood” elevation.)

Increased Cost of Compliance coverage does not apply to situations in B, C, X, or D zones where the community has derived its own elevations and is enforcing elevation or “flood” proofing requirements for “flood”-damaged structures to elevations derived solely by the community.

(3) Elevation or “flood” proofing above the base “flood” elevation to meet State or local “freeboard” requirements, i.e., that a structure must be elevated above the base “flood” elevation.

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

d. This coverage will also pay for the incremental cost, after demolition or relocation, of elevating or “flood” proofing a structure during its rebuilding at the same or another site to meet State or local floodplain management laws or ordinances, subject to Exclusion D.5.f.. below.

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

4. Conditions

a. When a structure covered under Coverage A – Building Property sustains a loss caused by a

“flood,” our payment for the loss under this Coverage D will be for the increased cost to elevate, “flood” proof, relocate, or demolish (or any combination of these activities) caused by the enforcement of current State or local floodplain management ordinances or laws. Our payment for eligible demolition activities will be for the cost to demolish and clear the site of the building debris or a portion thereof caused by the enforcement of current State or local floodplain management ordinances or laws. Eligible activities for the cost of clearing the site will include those necessary to discontinue utility service to the site and ensure proper abandonment of on-site utilities.

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

5. Exclusions

We will not pay for:

a. The cost associated with enforcement of any ordinance or law that 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.”

b. The loss in value to any insured “building” or other structure due to the requirements of any ordinance or law.

c. The loss in residual value of the undamaged portion of a “building” demolished as a consequence of enforcement of any State or local floodplain management law or ordinance.

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

(1) Until the “building” is elevated, “flood” proofed, demolished, or relocated on the same or to another premises; and

(2) Unless the “building” is elevated, “flood” proofed, demolished, or relocated as soon as

reasonably possible after the loss, not to exceed 2 years.

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

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

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

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

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

j. Assessments made by a "condominium association" on individual "condominium" "unit" owners to pay increased costs of repairing commonly owned "buildings" after a "flood" in compliance with State or local floodplain management ordinances or laws.

IV. PROPERTY NOT COVERED

We do not cover any of the following property:

1. Personal property not inside a fully enclosed "building;"

2. A "building," and personal property in it, located entirely in, on, or over water or seaward of mean high tide, if it was constructed or substantially improved after September 30, 1982;

3. Open structures, including a "building" used as a boathouse or any structure or "building" into

which boats are floated, and personal property located in, on, or over water;

4. Recreational vehicles, travel trailers, motor homes, even if affixed to a permanent foundation,

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

a. Used mainly to service the "described location," or

b. Designed and used to assist handicapped persons, while the vehicles or machines are inside a "building" at the "described location;"

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

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

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

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

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

11. "Buildings" or "units" and all their contents if more than 49 percent of the actual cash value of the "building" or "unit" is below ground, unless the lowest level is at or above the base "flood" elevation and is below ground by reason of earth having been used as insulation material in conjunction with energy efficient building techniques;

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

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

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

15. Property not eligible for "flood" insurance pursuant to the provisions of the Coastal Barrier Resources Act and the Coastal Barrier Improvement Act of 1990 and amendments to these acts;

16. Personal property owned or in the care, custody, or control of a "unit" owner, except for property of the type and under the circumstances set forth under Coverage B – Personal Property.

17. Property located within a Non-Participating Community or within a community covered under the "Emergency Program."

18. Personal Property used in connection with any incidental commercial occupancy or use of the "building."

V. EXCLUSIONS

A. We only provide coverage for "direct physical loss by or from flood," which means that we do not pay you for:

1. Loss of revenue or profits;
2. Loss of access to the insured property or "described location;"
3. Loss of use of the insured property or "described location;"
4. Loss from interruption of business or production;
5. Any additional living expenses incurred while the insured "building" is being repaired or is unable to be occupied for any reason;
6. The cost of complying with any ordinance or law requiring or regulating the construction,

demolition, remodeling, renovation, or repair of property, including removal of any resulting debris. This exclusion does not apply to any eligible activities that we describe in Coverage D – Increased Cost of Compliance; or

7. Any other economic loss.

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

1. The "policy" term begins; or
2. Coverage is added at your request.

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

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

We do, however, pay for losses from "mudflow" and subsidence as a result of erosion that are specifically covered under our definition of "flood" (see II.A.1.c. and II.A.2.).

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

1. The pressure or weight of ice;
2. Freezing or thawing;
3. Rain, snow, sleet, hail, or water spray;
4. Water, moisture, mildew, or mold damage that results primarily from any condition:

a. Substantially confined to the dwelling; or

b. That is within your control, including but not limited to:

(1) Design, structural, or mechanical defects;

(2) Failure, stoppage, or breakage of water or sewer lines, drains, pumps, fixtures, or equipment; or

(3) Failure to inspect and maintain the property after a "flood" recedes;

5. Water or waterborne material that:

a. Backs up through sewers or drains;

b. Discharges or overflows from a sump, sump pump, or related equipment; or

c. Seeps or leaks on or through insured property unless there is a "flood" in the area and the "flood" is the proximate cause of the sewer or drain backup, sump pump discharge or overflow, or seepage of water;

6. The pressure or weight of water unless there is a "flood" in the area and the "flood" is the proximate cause of the damage from the pressure or weight of water;

7. Power, heating, or cooling failure unless the failure results from "direct physical loss by or from flood" to power, heating, or cooling equipment on the "described location;"

8. Theft, fire, explosion, wind, or windstorm;

9. Anything you or any member of your household do or conspire to do to cause loss by "flood" deliberately; or

10. Alteration of the insured property that significantly increases the risk of "flooding."

E. We do not insure for loss to any "building" or personal property located on land leased from the Federal Government, arising from or incident to the "flooding" of the land by the Federal

Government, where the lease expressly holds the Federal Government harmless under "flood" insurance issued under any Federal Government program.

F. We do not pay for the testing for or monitoring of "Pollutants" unless required by law or ordinance.

VI. DEDUCTIBLES

A. When a loss is covered under this "policy," we will pay only that part of the loss that exceeds your deductible amount, subject to the limit of liability that applies. The deductible amount is shown on the Declarations Page.

B. However, when a "building" under construction, alteration, or repair was not "walled and roofed" at the time of loss, your deductible amount will be two times the deductible that would otherwise apply to a completed "building."

C. In each loss from "flood," separate deductibles apply to each coverage except as noted in VI.D. below.

D. No deductible applies to:

1. III.C.2. Loss Avoidance Measures;

2. III.D. Increased Cost of Compliance.

VII. GENERAL CONDITIONS

A. Pairs and Sets

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

1. An amount equal to the cost of replacing the lost, damaged, or destroyed article, minus its depreciation; or

2. The amount that represents the fair proportion of the total value of the pair or set that the lost, damaged, or destroyed article bears to the pair or set.

B. Concealment or Fraud and "Policy" Avoidance

1. With respect to all insureds under this “policy,” this “policy:”

- a. Is void;
- b. Has no legal force or effect;
- c. Cannot be renewed; and
- d. Cannot be replaced by a new policy; if, before or after a loss, you or any other insured have at any time:

(1) Intentionally concealed or misrepresented any material fact or circumstance;

(2) Engaged in fraudulent conduct; or

(3) Made false statements relating to this “policy” or any claim under this “policy.”

2. This “policy” will be void as of the date the wrongful acts described in B.1. above were committed.

3. Fines, civil penalties, and imprisonment under applicable laws may also apply to the acts of fraud or concealment described above.

C. Other Insurance

1. If a loss covered by this “policy” is also covered by other insurance that includes “flood” coverage, we will not pay more than the amount of insurance that you are entitled to for lost, damaged, or destroyed property insured under this “policy” subject to the following:

a. We will pay only the proportion of the loss that the amount of insurance that applies under this “policy” bears to the total amount of insurance covering the loss, unless C.1.b. or c. immediately below applies.

b. If the other policy has a provision stating that it is excess insurance, this “policy” will be primary.

c. This “policy” will be primary (but subject to its own deductible) up to the deductible in the other “flood” policy (except another policy as described

in C.1.b. above). When the other deductible amount is reached, this “policy” will participate in the same proportion that the amount of insurance under this “policy” bears to the total amount of both “policies,” for the remainder of the loss.

2. If this “policy” covers a “condominium association” and there is a “flood” insurance policy in the name of a “unit” owner that covers the same loss as this “policy,” then this “policy” will be primary.

D. Amendments, Waivers, Assignment

This “policy” cannot be changed nor can any of its provisions be waived without our express written consent. No action that we take under the terms of this “policy” can constitute a waiver of any of our rights. You may not assign this “policy.”

E. Cancellation of “Policy”

1. You may cancel this “policy” at any time but a refund of premium money will only be made to you when:

a. You cancel because you have transferred ownership of the described “building” or “unit” to someone else. In this case, we will refund to you, once we receive your written request for “cancellation” (signed by you), the excess of premiums paid by you which apply to the unused portion of the “policy’s” term, pro rata but with retention of the “policy” fee.

b. A policy of “flood” insurance has been obtained or is being obtained in substitution for this “policy” and we have received a written concurrence in the “cancellation” from any mortgagee of which we have actual notice.

c. You have extinguished the insured mortgage debt or are no longer required by the mortgagee to maintain the coverage.

d. You cancel because we have determined that your property is not, in fact, in a Special “Flood” Hazard Area; and you were required to purchase

“flood” insurance coverage by a lienholder or federal agency pursuant to the “Act;” and the lienholder or federal agency no longer requires the retention by you of the coverage. In this event, if no claims have been paid or are pending, your premium payments will be refunded to you in full, according to our applicable program guidelines.

F. Nonrenewal or “Cancellation” of the “Policy” by Us

We may elect to non-renew or to cancel this “policy” by sending written notice to your mailing address shown on the declarations page, at least 45 days prior to the effective date of the non-renewal or “cancellation.” Our written notice to you shall indicate the reason or reasons for non-renewal or “cancellation” and a copy will be sent to any known mortgagee. When “cancellation” is for nonpayment of premium, we will cancel this “policy” within the shortest notice period allowed by law.

G. “Policy” Renewal

1. This “policy” will expire at 12:01 a.m. on the last day of the “policy” term.

2. We must receive the payment of the appropriate renewal premium before the expiration date.

H. Conditions Suspending or Restricting Insurance

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

I. Requirements in Case of Loss

In case of a “flood” loss to insured property, you must:

1. Give prompt written notice to us;

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

3. Prepare an inventory of damaged property showing the quantity, description, “actual cash value,” and amount of loss. Attach all bills, receipts, and related documents;

4. Within 60 days after the loss, send us a proof of loss, which is your statement of the amount you are claiming under the “policy” signed and sworn to by you, and which furnishes us with the following information:

a. The date and time of loss;

b. A brief explanation of how the loss happened;

c. Your interest (for example, "owner") and the interest, if any, of others in the damaged property;

d. Details of any other insurance that may cover the loss;

e. Changes in title or occupancy of the insured property during the term of the “policy;”

f. Specifications of damaged “buildings” and detailed repair estimates;

g. Names of mortgagees or anyone else having a lien, charge, or claim against the covered property;

h. Details about who occupied any insured “building” at the time of loss and for what purpose; and

i. The inventory of damaged personal property described in I.3. above.

5. In completing the proof of loss, you must use your own judgment concerning the amount of loss and justify that amount.

6. You must cooperate with the adjuster or representative in the investigation of the claim.

7. The insurance adjuster whom we hire to investigate your claim may furnish you with a proof

of loss form, and she or he may help you complete it. However, this is a matter of courtesy only, and you must still send us a proof of loss within 60 days after the loss even if the adjuster does not furnish the form or help you complete it.

8. We have not authorized the adjuster to approve or disapprove claims or to tell you whether we will approve your claim.

9. At our option, we may accept the adjuster's report of the loss instead of your proof of loss. The adjuster's report will include information about your loss and the damages you sustained. You must sign the adjuster's report. At our option, we may require you to swear to the report.

J. Our Options after a Loss

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

1. At such reasonable times and places that we may designate, you must:

a. Show us or our representative the damaged property;

b. Submit to examination under oath, while not in the presence of another insured, and sign the same; and

c. Permit us to examine and make extracts and copies of:

(1) Any policies of property insurance insuring you against loss and the deed establishing your ownership of the insured real property;

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

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

2. We may request, in writing, that you furnish us with a complete inventory of the lost, damaged, or destroyed property, including:

a. Quantities and costs;

b. "Actual cash values;"

c. Amounts of loss claimed;

d. Any written plans and specifications for repair of the damaged property that you can reasonably make available to us; and

e. Evidence that prior "flood" damage has been repaired.

3. If we give you written notice within 30 days after we receive your signed, sworn proof of loss, we may:

a. Repair, rebuild, or replace any part of the lost, damaged, or destroyed property with material or property of like kind and quality or its functional equivalent; and

b. Take all or any part of the damaged property at the value we agree upon or its appraised value.

K. No Benefit to Bailee.

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

L. Loss Payment

1. We will adjust all losses with you. We will pay you unless some other person or entity is named in the "policy" or is legally entitled to receive payment. Loss will be payable 60 days after we receive your proof of loss or after the insurance adjuster files an adjuster's report signed and sworn to by you in lieu of a proof of loss and:

a. We reach an agreement with you;

b. There is an entry of a final judgment; or

c. There is a filing of an appraisal award with us, as provided in VII.O.

2. If we reject your proof of loss in whole or in part you may:

a. Accept our denial of your claim;

b. Exercise your rights under this "policy;" or

c. File an amended proof of loss, as long as it is filed within 60 days of the date of the loss.

M. Abandonment

You may not abandon to us damaged or undamaged property to us.

N. Salvage

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

O. Appraisal

If you and we fail to agree on the "actual cash value" or replacement cost of your damaged property to settle upon the amount of loss, either may demand an appraisal of the loss. In this event, you and we will each choose a competent and impartial appraiser within 20 days after receiving a written request from the other. The two appraisers will choose an umpire. If they cannot agree upon an umpire within 15 days, you or we may request that the choice be made by a judge of a court of record in the State where the covered property is located. The appraisers will separately state the "actual cash value" and the amount of loss to each item. If the appraisers submit a written report of an agreement to us, the amount agreed upon will be the amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will set the amount of "actual cash value" and loss.

Each party will:

1. Pay its own appraiser; and

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

P. Mortgage Clause

The word "mortgagee" includes trustee.

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

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

1. Notifies us of any change in the ownership or occupancy, or substantial change in risk of which the mortgagee is aware;

2. Pays any premium due under this "policy" on demand if you have neglected to pay the premium; and

3. Submits a signed, sworn proof of loss within 60 days after receiving notice from us of your failure to do so.

All of the terms of this "policy" apply to the mortgagee.

The mortgagee has the right to receive loss payment if the mortgagee has started foreclosure or similar action on the "building." If we decide to cancel or not to renew this "policy," we will notify the mortgagee at least 45 days before the date "cancellation" or nonrenewal takes effect.

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

Q. Suit Against Us

You may not sue us to recover money under this “policy” unless you have complied with all the requirements of the “policy.” If you do sue, you must start the suit within 1 year after the date of the written denial of all or part of the claim, and you must file the suit in the United States District Court of the district in which the insured property was located at the time of loss. This requirement applies to any claim that you may have under this “policy” and to any dispute that you may have arising out of the handling of any claim under this “policy.”

R. Subrogation

Whenever we make a payment for a loss under this “policy,” we are subrogated to your right to recover for that loss from any other person. That means that your right to recover for a loss that was partly or totally caused by someone else is automatically transferred to us, to the extent that we have paid you for the loss. We may require you to acknowledge this transfer in writing. After the loss, you may not give up our right to recover this money or do anything that would prevent us from recovering it. If you make any claim against any person who caused your loss and recover any money, you must pay us back first before you may keep any of that money.

S. Continuous Lake “Flooding”

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

a. To make no further claim under this “policy;”

b. Not to seek renewal of this “policy;”

c. Not to seek a premium refund for current or prior terms. If the “policy” term ends before the insured “building” has been “flooded” continuously for 90 days, the provisions of this paragraph S.1. will apply when the insured “building” suffers a covered loss before the “policy” term ends.

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

a. Lake “flood” waters must damage or imminently threaten to damage your “building.”

b. Before approval of your claim, you must:

(1) Agree to a claim payment that reflects your buying back the salvage on a negotiated basis; and

(2) Grant the conservation easement described in FEMA’s “Policy Guidance for Closed Basin Lakes,” to be recorded in the office of the local recorder of deeds. FEMA, in consultation with the community in which the property is located, will identify on a map an area or areas of special consideration (ASC) in which there is a potential for “flood” damage from continuous lake “flooding.” FEMA will give the community the agreed-upon map showing the ASC. This easement will only apply to that portion of the property in the ASC. It will allow certain agricultural and recreational uses of the land. The only

structures that it will allow on any portion of the property within the ASC are certain simple agricultural and recreational structures. If any of these allowable structures are insurable "buildings" under the NFIP and are insured under the NFIP, they will not be eligible for the benefits of this paragraph S.2. If a U.S. Army Corps of Engineers certified "flood" control project or otherwise certified "flood" control project later protects the property, FEMA will, upon request, amend the ASC to remove areas protected by those projects. The restrictions of the easement will then no longer apply to any portion of the property removed from the ASC; and

(3) Comply with paragraphs S.1.a. through S.1.c. above.

c. Within 90 days of approval of your claim, you must move your "building" to a new location outside the ASC. FEMA will give you an additional 30 days to move if you show that there is sufficient reason to extend the time.

d. Before the final payment of your claim, you must acquire an elevation certificate and a floodplain development permit from the local floodplain administrator for the new location of your "building."

e. Before the approval of your claim, the community having jurisdiction over your "building" must:

(1) Adopt a permanent land use ordinance, or a temporary moratorium for a period not to exceed 6 months to be followed immediately by a permanent land use ordinance, that is consistent with the provisions specified in the easement required in paragraph S.2.b. above.

(2) Agree to declare and report any violations of this ordinance to FEMA so that under Section 1316 of the National Flood Insurance Act of 1968, as amended, "flood" insurance to the "building" can be denied; and

(3) Agree to maintain as deed-restricted, for purposes compatible with open space or agricultural or recreational use only, any affected property the community acquires an interest in. These deed restrictions must be consistent with the provisions of paragraph S.2.b. above, except that, even if a certified project protects the property, the land use restrictions continue to apply if the property was acquired under the Hazard Mitigation Grant Program or the "Flood" Mitigation Assistance Program. If a nonprofit land trust organization receives the property as a donation, that organization must maintain the property as deed-restricted, consistent with the provisions of paragraph S.2.b. above.

f. Before the approval of your claim, the affected State must take all action set forth in FEMA's "Policy Guidance for Closed Basin Lakes."

g. You must have "flood" insurance coverage continuously in effect from a date established by FEMA until you file a claim under paragraph S.2. If a subsequent owner buys "flood" insurance that goes into effect within 60 days of the date of transfer of title, any gap in coverage during that 60-day period will not be a violation of this continuous coverage requirement. For the purpose of honoring a claim under this paragraph S.2., we will not consider to be in effect any increased coverage that became effective after the date established by FEMA. The exception to this is any increased coverage in the amount suggested by your insurer as an inflation adjustment.

h. This paragraph S.2. will be in effect for a community when the FEMA Regional Director for the affected region provides to the community, in writing, the following:

(1) Confirmation that the community and the State are in compliance with the conditions in paragraphs S.2.e. and S.2.f. above; and

(2) The date by which you must have "flood" insurance in effect.

T. Duplicate Policies Not Allowed

1. We will not insure your property under more than one “flood” insurance “policy.” If we find that the duplication was not knowingly created, we will give you written notice. The notice will advise you that you may choose one of several options under the following procedures:

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

b. If you choose to keep in effect the policy with the later effective date, you may also choose to add the coverage limits of the earlier policy to the limits of the later policy. The change will be effective as of the effective date of the later policy. In either case, you must pay the pro rata premium for the increased coverage limits within 30 days of the written notice. In no event will the resulting coverage limits exceed the maximum limits of coverage available or your insurable interest, whichever is less.

We will make a refund to you, according to our guidelines, of the premium for the policy not being kept in effect.

U. Loss Settlement

1. Introduction

This “policy” provides two methods of settling losses: Replacement Cost and “Actual Cash Value.” Each method is used for a different type of property, as explained below.

a. Replacement Cost loss settlement, described in U.2. below, applies to “buildings.”

b. “Actual Cash Value” loss settlement applies to all other property covered under this “policy” as outlined in U.3. below.

2. Replacement Cost Settlement

a. We will pay to repair or replace a damaged or destroyed “building,” after application of the

deductible and without deduction for depreciation, but no more than the least of the following amounts:

(1) The amount of insurance in this “policy” that applies to the “building;”

(2) The replacement cost of that part of the “building” damaged, with materials of like kind and quality, and for like occupancy and use; or

(3) The necessary amount actually spent to repair or replace the damaged part of the “building” for like occupancy and use.

b. We will not be liable for any loss on a Replacement Cost Coverage basis unless and until actual repair or replacement of the damaged “building” or parts thereof is completed.

c. If a “building” is rebuilt at a location other than the “described location,” we will pay no more than it would have cost to repair or rebuild at the “described location,” subject to all other terms of Replacement Cost loss settlement.

3. “Actual Cash Value” Loss Settlement

a. The types of property noted below are subject to “Actual Cash Value” loss settlement.

(1) Personal Property;

(2) Insured property abandoned after a loss and that remains as debris at the “described location;”

(3) Outside Antennas and aerials, awnings, and other outdoor property;

(4) Carpeting and pads; and

(5) Appliances.

b. We will pay the least of the following amounts:

(1) The applicable amount of insurance under this “policy;”

- (2) The “actual cash value;” or
- (3) The amount it would cost to repair or replace the property with material of like kind and quality within a reasonable time after the loss.

VIII. LIBERALIZATION CLAUSE

If we make a change that broadens your coverage under this edition of our “policy,” but does not require any additional premium, then that change will automatically apply to your insurance as of the date we implement the change, provided that this

implementation date falls within 60 days before or during the “policy” term stated on the declarations page.

IX. WHAT LAW GOVERNS

This “policy” and all disputes arising from the handling of any claim under the policy are governed exclusively by state insurance law, the “Act,” and Federal common law, as each is applicable, based on the location of your property.

Additional Information

§ After the “flood,” please notify your Insurer immediately.

§ As soon as possible, separate the damaged property from undamaged property and store all property so it can be inspected and evaluated;

§ Work cooperatively and promptly with the Insurer's claims adjuster to determine and document all claim items;

§ Be prepared to advise the Insurer's claims adjuster of the cause and responsible party(ies), if “flood” was caused by other than natural causes;

§ Discuss with the Insurer's claims adjuster any needs you may have for an advance or partial payment of your loss;

§ In order to help the Insurer's claims adjuster, try to take pictures of the outside of the premises showing the “flooding” and the damage and similar pictures of the inside of the premises showing the height of the water and the damaged property;

§ Place all account books, financial records, receipts, and any other loss verification material in a safe place for examination and evaluation by the Insurer's claims adjuster;

§ Make certain that the Insurer's claims adjuster fully explains all allowances and procedures for processing claim payments, based on your Proof of Loss, which the policy requires you to send to the Insurer within 60 days after the loss; and

§ The Insurer's claims adjusters do not have any authority to either approve or deny claims and only report to the Insurer the elements of "flood" cause and damage. Any and all coverage problems and claim allowance restrictions must be communicated directly with the Insurer.

How to make a Claim

Your duties

In the event of a claim or possible claim under this contract of insurance:

1. you must notify your broker as soon as possible giving full details of what has happened
2. you must provide your broker with written details of what has happened within 30 days and provide any other information we may require
3. you must forward to your broker immediately, but no later than 14 days, if a claim for liability is made against you, any letter, claim, writ, summons or other legal document you receive
4. you must inform the Police as soon as possible following malicious acts, violent disorder, riots or civil commotion, theft, attempted theft or lost property
5. you must not admit liability or offer or agree to settle any claim without our written permission
6. you must take all reasonable care to limit any loss, damage or injury
7. you must provide us with reasonable evidence of value or age (or both) for all items involved in a claim
8. you must not abandon any property to us without our written permission

If you fail to comply with any of the above duties this contract may become invalid.

Complaint Procedure

We are proud of the service that we provide and of our careful selection of brokers that we entrust to service this contract of insurance. Occasionally, things may go wrong and if this happens we have a procedure in place to fully investigate your complaint and, where appropriate, to make changes to prevent a recurrence.

If you are unhappy with any element of the cover we provide or any aspect of our service or have cause for complain, please, in the first instance, contact the broker that arranged the contract of insurance for you. If you still have cause for complaint then contact us at:

ADVANCED E/S GROUP
3250 N. 29TH AVENUE
HOLLYWOOD, FL 33020

A full copy of our complaints procedure will be issued to you when we provide a written acknowledgment of your complaint.

If you remain unhappy with the way that your complaint has been addressed you may refer to Lloyd's at:

Complaint Department at Lloyd's
Policyholder & Market Assistance
Lloyd's Market Services
One Lime Street
London, EC3M 7HA
T: 020 7327 5693
E: complaints@lloyds.com

Complaints that cannot be resolved by the Complaints Department at Lloyd's may be referred to the Financial Ombudsman Service:

Financial Ombudsman Service
South Quay Plaza
183 Marsh Wall
London, E14 9SR

T: 0845 080 1800

Compensation

Lloyd's insurers are covered by the Financial Services Compensation Scheme. You may be entitled to compensation from the Scheme if a Lloyd's insurer is unable to meet its obligations to you under this contract. If you were entitled to compensation under the Scheme, the level and extent of the compensation would depend on the nature of this contract. Further information about the Scheme is available from the Financial Service Compensation Scheme (7th floor, Lloyd's Chamber, Portsoken Street. London E1 8BN) and on their website:

www.fscs.org.uk