

Aspen Specialty Insurance Company



IN WITNESS WHEREOF, the Insurer has caused this Policy to be signed by its President and Secretary and countersigned where required by law on the Declarations page by its duly Authorized Representative.

A handwritten signature in black ink that reads "Kellan Bond". The signature is written in a cursive style.

Secretary

A handwritten signature in black ink that reads "James S. Vitale". The signature is written in a cursive style.

President



ASPEN SPECIALTY INSURANCE COMPANY

COMMERCIAL DIFFERENCE IN CONDITIONS DECLARATIONS PAGE

Policy Number:

Inception Date: 12:01 AM Standard Time at the address of the insured as stated herein.	Expiration Date:
---	-------------------------

Named Insured and Address	Agency Name and Address

This policy consists of the following coverage parts for which a premium is indicated. The premium may be subject to audit by the company.

Coverage(s) Included in Policy	Premium
Mold Remediation & Sewer Backup	
Fees	
Total Annual Premium and Fees:	

In Return For The Payment Of The Premium, And Subject To All The Terms Of This Policy, We Agree With You To Provide The Insurance As Stated In This Policy. This Policy Supersedes Any Previous Policy Bearing The Same Number And Policy Period.

“SURPLUS LINES INSURERS’ POLICY RATES AND FORMS ARE NOT APPROVED BY ANY STATE REGULATORY AGENCY.”

Payment Method: This is an agency bill policy.

Premium payable at inception:



 Authorized Representative

POLICY LOCATION SCHEDULE

Policy Number:
Named Insured:

Policy Period:

To:

LOCATIONS OF ALL PREMISES YOU OWN, RENT, OR OCCUPY

Bldg #	Address	Building Name	Building Desc.	City	State	Zip
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						

**Commercial Difference in Conditions Declarations Page –
Coverages Provided**

Policy Number:	Policy Period:	To:
Named Insured:		

<u>Description</u>	<u>Amount</u>
Covered Cause	Mold Remediation & Water/Sewer Backup
All Covered Property in any one Occurrence	\$25,000 Per Occurrence/\$50,000 Aggregate
Valuation	Replacement Cost
Deductible	\$2,500
Terrorism	Included

Schedule of Location Coverage

Policy Number: CIUMLD000879-1	Policy Period: 3/23/2015	To	3/16/2016
Named Insured: TERN BAY HOMEOWNER'S ASSOCIATION, INC.			

Bldg #	Building Name	Building Desc.	Coverage	Ratable Values
1		Residential Building	Building	\$2,135,280
2		Residential Building	Building	\$1,604,427
3		Residential Building	Building	\$1,604,427
4		Residential Building	Building	\$1,900,855
5		Pool	Building	\$43,726

POLICY FORMS DECLARATIONS

Form Number	Form Date	Form Description
ASPCO098	02/13	Signature Page
ASIC CIU CM 015D	04/13	Commercial Difference In Conditions Declarations Page
CIU0101FL	03/08	Surplus Lines Statement
ASIC CIU IL 031	11/14	Cancellation And Nonrenewal Endorsement
IL0003	09/08	Calculation of Premium
ASIC CIU IL 005	10/12	Service of Suit Clause
IL0017	11/98	Common Policy Conditions
CM0001	09/04	Commercial Inland Marine Conditions
ASIC CIU CM 001	10/12	Difference in Conditions Coverage Form- Named Perils
CM0116	09/00	FL Changes - Loss Payment
IL0175	09/07	FL Changes - Legal Action
ASIC CIU CM 008	10/12	Mediation


SURPLUS LINES STATEMENT

Policy Number	Insured Name
---------------	--------------

Producer:	
Coastal Insurance Underwriters, Inc.	Premium: \$
P.O. Box 3140	S/L Tax: \$
Ponte Vedra Beach, FL 32004	FSLSO Service Fee: \$
Surplus Lines Agent:	FHCF: \$
	CPIC Emergency Assessment: \$
	EMPA: \$
	Total: \$

Producing Agent:
Lic #

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



Surplus Lines Agent



ASPEN SPECIALTY INSURANCE COMPANY

POLICY NUMBER:

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CANCELLATION AND NONRENEWAL ENDORSEMENT

This endorsement modifies insurance provided under the following:

**BUILDING AND PERSONAL PROPERTY COVERAGE FORM
BUSINESS INCOME COVERAGE FORM – WITH EXTRA EXPENSE
BUSINESS INCOME COVERAGE FORM – WITHOUT EXTRA EXPENSE
COMMERCIAL CRIME COVERAGE FORM
COMMERCIAL GENERAL LIABILITY COVERAGE FORM
COMMERCIAL LIABILITY UMBRELLA COVERAGE FORM
CONDOMINIUM ASSOCIATION COVERAGE FORM
CONDOMINIUM DIRECTORS, OFFICERS AND EMPLOYMENT PRACTICES LIABILITY INSURANCE
POLICY
DIFFERENCE IN CONDITIONS COVERAGE FORM
DIFFERENCE IN CONDITIONS COVERAGE FORM – NAMED PERILS
HOMEOWNERS ASSOCIATIONS DIRECTORS, OFFICERS AND EMPLOYMENT PRACTICES LIABILITY
INSURANCE POLICY
LIQUOR LIABILITY COVERAGE FORM**

A. Paragraph 2. Of the **Cancellation** Common Policy Condition is replaced by the following:

2. Cancellation Of Policies In Effect

a. For 90 Days Or Less

If this policy has been in effect for 90 days or less, we may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation, accompanied by the reasons for cancellation, at least:

- (1) 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
- (2) 20 days before the effective date of cancellation if we cancel for any other reason, except we may cancel immediately if there has been:
 - (a) A material misstatement or misrepresentation; or
 - (b) A failure to comply with the underwriting requirements established by the insurer.

b. For More Than 90 Days

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

- (1) Nonpayment of premium
- (2) The policy was obtained by a material misstatement;

- (3) Failure to comply with underwriting requirements established by the insurer within 90 days of the effective date of coverage;
- (4) A substantial change in the risk covered by the policy; or
- (5) The cancellation is for all insureds under such policies for a given class of insureds.
- (6) On the basis of property insurance claims that are the result of an act of God, if we can demonstrate, by claims frequency or otherwise, that you have failed to take action reasonably necessary as requested by us to prevent recurrence of damage to the insured property;
- (7) On the basis of filing of claims for partial loss caused by sinkhole damage, or on the basis of the risk associated with the occurrence of such a claim, if:
 - (a) The total of such property insurance claim payments for this policy exceeds the current policy limits of coverage for property damage; or
 - (b) You have failed to repair the structure in accordance with the engineering recommendations upon which any loss payment or policy proceeds were based; or
- (8) On the basis of a single property insurance claim which is the result of water damage, if we can demonstrate that you have failed to take action reasonably requested by us to prevent a future similar occurrence of damage to the insured property.

If we cancel this policy for any of these reasons, we will mail or deliver to the first Named Insured written notice of cancellation, accompanied by the reasons for cancellation, at least:

- (a) 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
- (b) 45 days before the effective date of cancellation if we cancel for any of the other reasons stated in Paragraph 2.b.

B. Paragraph 3. Of the **Cancellation** Common Policy Condition is replaced by the following:

- 3. We will mail or deliver our notice to the first Named Insured at the last mailing address known to us.

C. Paragraph 5. Of the **Cancellation** Common Policy Condition is replaced by the following:

- 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.

If the return premium is not refunded with the notice of cancellation or when this policy is returned to us, we will mail the refund within 15 working days after the date cancellation takes effect, unless this is an audit policy.

If this is an audit policy, then, subject to your full cooperation with us or our agent in securing the necessary data for audit, we will return any premium refund due within 90 days of the date cancellation takes effect. If our audit is not completed within this time limitation, then we shall accept your own audit, and any premium refund due shall be mailed within 10 working days of receipt of your audit.

The cancellation will be effective even if we have not made or offered a refund.

D. The following is added and supersedes any other provision to the contrary:

Nonrenewal

- 1. If we decide not to renew this policy, we will mail or deliver to the first Named Insured written notice of nonrenewal, accompanied by the reason for nonrenewal, at least 45 days prior to the expiration of this policy.
- 2. Any notice of nonrenewal will be mailed or delivered to the first Named Insured at the last mailing address known to us. If notice is mailed, proof of mailing will be sufficient proof of notice.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CALCULATION OF PREMIUM

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART
COMMERCIAL AUTOMOBILE COVERAGE PART
COMMERCIAL GENERAL LIABILITY COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
CRIME AND FIDELITY COVERAGE PART
EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART
EQUIPMENT BREAKDOWN COVERAGE PART
FARM COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
MEDICAL PROFESSIONAL LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
RAILROAD PROTECTIVE LIABILITY COVERAGE PART

The following is added:

The premium shown in the Declarations was computed based on rates in effect at the time the policy was issued. On each renewal, continuation, or anniversary of the effective date of this policy, we will compute the premium in accordance with our rates and rules then in effect.



ASPEN SPECIALTY INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SERVICE OF SUIT CLAUSE

Service of Suit: In the event of failure of the Company to pay any amount claimed to be due hereunder, the Company, at the request of the Insured, 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 or process in such suit may be made upon Counsel, Legal Department, Aspen Specialty Insurance Company, 590 Madison Ave, 7th Floor, New York, 10022 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 therefore, the Company hereby designates the Superintendent, Commissioner or Director of Insurance, other officer specified for that purpose in the statute, or his successor or successors in office as its 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 of insurance and hereby designates the above named Counsel as the person to whom the said officer is authorized to mail such process or a true copy thereof.

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.

COMMERCIAL INLAND MARINE CONDITIONS

The following conditions apply in addition to the Common Policy Conditions and applicable Additional Conditions in Commercial Inland Marine Coverage Forms:

LOSS CONDITIONS

A. Abandonment

There can be no abandonment of any property to us.

B. 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:

1. Pay its chosen appraiser; and
2. 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.

C. Duties In The Event Of Loss

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.
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. You will not, except at your own cost, voluntarily make a payment, assume any obligation, or incur any expense without our consent.

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. 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.

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

9. Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or suit.

10. Cooperate with us in the investigation or settlement of the claim.

D. 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.

E. Loss Payment

1. We will give notice of our intentions within 30 days after we receive the sworn proof of loss.
2. We will not pay you more than your financial interest in the Covered Property.
3. 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 claim against us for the owners' property. We will not pay the owners more than their financial interest in the Covered Property.
4. We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.

5. 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 the terms of this Coverage Part and:

- a. We have reached agreement with you on the amount of the loss; or
- b. An appraisal award has been made.

6. We will not be liable for any part of a loss that has been paid or made good by others.

F. 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.

G. Pair, Sets Or Parts

1. Pair Or Set

In case of loss or damage to any part of a pair or set we may:

- a. Repair or replace any part to restore the pair or set to its value before the loss or damage; or
- b. Pay the difference between the value of the pair or set before and after the loss or damage.

2. Parts

In case of loss or damage to any part of Covered Property consisting of several parts when complete, we will only pay for the value of the lost or damaged part.

H. 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.

I. Reinstatement Of Limit After Loss

The Limit of Insurance will not be reduced by the payment of any claim, except for total loss or damage of a scheduled item, in which event we will refund the unearned premium on that item.

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

This will not restrict your insurance.

GENERAL CONDITIONS

A. Concealment, Misrepresentation Or Fraud

This Coverage Part is void in any case of fraud, intentional concealment or misrepresentation of a material fact, by you or any other insured, at any time, 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. 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 the terms of this Coverage Part; and
2. The action is brought within 2 years after you first have knowledge of the direct loss or damage.

D. No Benefit To Bailee

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

E. Policy Period, Coverage Territory

We cover loss or damage commencing:

1. During the policy period shown in the Declarations; and
2. Within the coverage territory.

F. Valuation

The value of property will be the least of the following amounts:

1. The actual cash value of that property;

2. The cost of reasonably restoring that property to its condition immediately before loss or damage; or
3. The cost of replacing that property with substantially identical property.

In the event of loss or damage, the value of property will be determined as of the time of loss or damage.



ASPEN SPECIALTY INSURANCE COMPANY

POLICY NUMBER:

DIFFERENCE IN CONDITIONS COVERAGE FORM - NAMED PERILS

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 **G**. Definitions.

A. Coverage

We will pay for loss of or damage to Covered Property from any of the Covered Causes of Loss.

1. Covered Property

Covered Property, as used in this Coverage Form, means the type of property described in this Paragraph, **A.1.**, and limited in Paragraph **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 machinery and 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; and
 - (5) If not covered by other insurance:
 - (a) Additions under construction, alterations and repairs to the building or structure; and
 - (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.

- (6) When your Condo Association Agreement requires you to insure it, the following types of property contained within a unit:
 - (a) Your fixtures, alterations and improvements that are part of the structure or building; and
 - (b) Your appliances including, but not limited to, those used for refrigerating, ventilating, cooking, dishwashing, laundering, security or housekeeping; and
- (7) Fixtures, additions or installations owned by Unit-Owners that are part of the building within the perimeter walls, floors, and ceilings of the individual units:
 - (a) Initially installed in accordance with the original plans and specifications or replacements of like kind or quality as those initially installed; or
 - (b) As existed as the time the unit was initially conveyed, when original plans and specifications aren't available.

With respect to this paragraph **A.1.a.(7)**, each Unit-Owner will be considered an additional insured

- (8) When your Condo Association Agreement requires you to insure it, any other portion of the condominium property; and
- (9) Additional property as described in the Schedule and/or Declarations.

b. Your Business Personal Property:

- (1) While in transit; or
- (2) Located in or on the building described in the Declarations or in the open (or within a vehicle) within 100 feet of the described premises, consisting of the following unless otherwise specified in the Declarations:
 - (a) Furniture and fixtures;
 - (b) Machinery and equipment;
 - (c) "Stock";
 - (d) All other personal property owned by you and used in your business;
 - (e) Labor, materials or services furnished or arranged by you on personal property of others;

- (f) Your use interest as tenant in improvements and betterments. Improvements and betterments are fixtures, alterations, installations or additions:
 - (i) Made a part of the building or structure you occupy but do not own; and
 - (ii) You acquired or made at your expense but cannot legally remove; and
 - (g) 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 described in the Declarations or in the open (or in a vehicle) within 100 feet of the described premises.

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, deeds, 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;
- 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. Vehicles or self-propelled machines (including aircraft or watercraft) that are licensed for use on public roads or are operated principally away from the described premises.

This paragraph does not apply to:

- (1) Vehicles or self-propelled machines or autos you manufacture, process or warehouse;
 - (2) Vehicles or self-propelled machines, other than autos, you hold for sale; or
 - (3) Rowboats or canoes out of water at the described premises; or
- o. The following property while outside of buildings:
 - (1) Grain, straw or other crops; or
 - (2) Fences, radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers, signs (other than signs attached to buildings), trees, shrubs or plants (other than "stock" of trees, shrubs or plants).
 - p. Floor coverings, wall coverings, ceiling coverings, electrical fixtures, appliances, water heaters, water filters, window treatments and built-in cabinets and countertops which are located within an individual unit.

3. Covered Causes Of Loss

a. "Fungus". Wet Rot, Dry Rot and Bacteria

- (1) We will pay for loss or damage by "fungus", wet or dry rot or bacteria. As used in this 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 reason to believe the "fungus", wet or dry rot or bacteria are present.

- (2) The coverage described under **A.3.a.** is limited to \$25,000 per occurrence/\$50,000 aggregate. 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 “fungus”, wet or dry rot or bacteria arising out of water damage, meaning, accidental discharge or leakage of water or steam as a direct result of the breaking apart or cracking of a plumbing, heating, air conditioning or other system or appliance, that is located on the described premises and contains water or steam or flood covered under any underlying commercial policies 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 \$25,000 per occurrence/\$50,000 aggregate even if the “fungus”, wet or dry rot or bacteria continues to be present or active, or recurs, in a later policy period.

b. Water Back Up and Sump Discharge or Overflow

- (1) We insure, up to \$25,000 per occurrence/\$50,000 aggregate, for direct physical loss, not caused by the negligence of an insured, to covered property caused by water or water-bourne material, which:

(a) Backs up through sewers or drains; or

(b) Overflows or is discharged from a:

i. Sump, sump pump; or

ii. Related equipment;

even if such overflow or discharge results from mechanical breakdown. This coverage does not apply to direct physical loss to the sump pump, or related equipment, which is caused by mechanical breakdown.

- (2) Exclusion

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

(a) Water, or water-bourne material, which:

i. Back up through sewers or drains; or

ii. Overflows or is discharged from a sump, sump pump or related equipment;

as a direct or indirect result of flood; or

(b) Water, or water-bourne material, below the surface of the ground, including water which:

i. Exerts pressure on; or

ii. Seeps or leaks through;

a building, sidewalk, driveway, foundation swimming pool or other structure;

caused by or resulting from human or animal forces or any act of nature.

4. Additional Coverages

a. 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.

5. Coverage Extensions

a. Newly Acquired Or Constructed Property

(1) You may extend the insurance that applies to building to apply to:

- (a) Your new building 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 \$25,000.

(2) You may extend the insurance that applies to your Business Personal Property to apply to that property at any location you acquire other than at fairs or exhibitions.

The most we will pay for loss or damage under this Extension is \$25,000.

(3) Insurance under this Extension for each newly acquired or constructed property will end when any of the following first occurs:

- (a) This policy expires.
- (b) 30 days expire after you acquire or begin to construct the property; or
- (c) You report values to us.

We will charge you additional premium for values reported from the date construction begins or you acquire the property.

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 or damage.

- a. **Governmental Action**

Seizure or destruction of property by order of governmental authority.

- b. **Nuclear Hazard**

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

- c. **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.

Exclusions **B.1.a.** through **B.1.c.** 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 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. But if loss or damage by a Covered Cause of Loss results, we will pay for the loss or damage caused by that Covered Cause of Loss.

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

- b. Faulty, inadequate or defective:

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

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

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

- (4) Maintenance;

of part or all of any property wherever located.

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.

D. Deductible

We will not pay for loss or damage in any one occurrence until the amount of the adjusted loss or damage before applying the applicable Limits of Insurance exceeds the Deductible shown in the Declarations. We will then pay the amount of the adjusted loss or damage in excess of the Deductible, up to the applicable Limit of Insurance.

E. Additional Conditions

1. The **Valuation** General Condition in the Commercial Inland Marine Conditions is replaced by the following:

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 Paragraphs **b.**, **c.**, **d.** below.
- b. If the cost to repair or replace the damaged building is \$2,500 or less, we will pay the cost of building repairs or replacement.

The cost of building repairs or replacement does not include the increased cost attributable to enforcement of 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. Glass at the cost of replacement with safety glazing material if required by law.

d. Tenant's 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 Paragraph (a) 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 the procedure.

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

2. The following conditions apply in addition to the Commercial Inland Marine Conditions and the Common Policy Conditions:

a. Underlying Insurance

- (1) The insurance afforded by each policy of underlying insurance described in the Declarations will be maintained for the full term of this insurance. As each policy expires you will renew it at limits and for causes of loss equal to or greater than the expiring limits and causes of loss.
- (2) If you fail to comply with the provisions in Paragraph (1), we will pay only to the extent that we would have paid had you complied with the requirements in Paragraph (1).

b. Coverage Territory

We cover property wherever located within:

- (1) The United States of America (including its territories and possessions);
- (2) Puerto Rico; and
- (3) Canada.

c. Protective Safeguards

You must maintain the protective safeguards stated by you to be in effect at a location when this coverage began.

If you fail to keep the protective safeguards:

- (1) In working condition at a location; and

(2) In operation when you are closed to business;

coverage for which the protective safeguards apply is automatically suspended at that location. This suspension will last until equipment or services are back in operation.

F . Optional Coverage

Replacement Cost

1. Replacement Cost (without deduction for depreciation) replaces Actual Cash Value in the General Condition, Valuation of the Commercial Inland Marine Conditions.
2. This Optional Coverage does not apply to:
 - a. Personal property of others;
 - b. Contents of a residence;
 - c. Manuscripts;
 - d. Works of art, antiques or rare articles, including etchings, pictures, statuary, marbles, bronzes, porcelains and bric-a-brac; or
 - e. "Stock", unless the including "stock" option is shown in the Declarations.
3. 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.
4. We will not pay on a replacement cost basis for any loss or damage:
 - a. Until the lost or damaged property is actually repaired or replaced; and
 - b. Unless the repairs or replacement is made as soon as reasonably possible after the loss or damage.
5. We will not pay more for loss or damage on a replacement cost basis than the least of **a.**, **b.** or **c.**, subject to Paragraph **6.** below:
 - a. The Limit of Insurance applicable to the lost or damaged property;
 - b. The cost to replace, on the same premises, the lost or damaged property with other property:
 - (1)** Of comparable material and quality; and
 - (2)** Used for the same purpose; or

c. The amount you actually spend 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 Paragraph **b.** is limited to the cost which would have been incurred if the building had been rebuilt at the original premises.

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

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. "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.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FLORIDA CHANGES – LOSS PAYMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL INLAND MARINE COVERAGE PART

Paragraph **5.** of Loss Condition **E. Loss Payment** in the Commercial Inland Marine Conditions is replaced by the following:

- 5.** Provided you have complied with all the terms of this Coverage Part, we will pay for covered loss or damage within:
 - a.** 20 days after we receive the sworn proof of loss and reach written agreement with you; or

- b.** 30 days after we receive the sworn proof of loss and:

- (1)** There is an entry of final judgment; or
- (2)** There is a filing of an appraisal award with us.

This endorsement does not apply to the Mail Coverage Form.

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.



ASPEN ASPEN SPECIALTY INSURANCE COMPANY

POLICY NUMBER:

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MEDIATION

This endorsement modifies insurance provided under the following:

COMMERCIAL INLAND MARINE CONDITIONS

1. Paragraph **B. APPRAISAL** is deleted in its entirety and replaced with the following:

B. MEDIATION

If you and we fail to agree on the amount of loss, either may request a mediation of the loss only if:

1. The loss amount is \$500 or more, prior to the application of the deductible; or
2. The difference between our offered loss settlement amount and your loss settlement amount request is \$500 or more.

The settlement amount resulting from a mediation is final and binding only if both parties agree, in writing, on such settlement, and you have not rescinded the settlement within three (3) business days after the settlement was reached. Once you have deposited or cashed the settlement check provided by us, you may not rescind the settlement to which that check applies.

We will pay any cost associated with a scheduled mediation conference except when you fail to appear at that scheduled mediation. When you fail to appear at a scheduled mediation conference, the mediation conference will be rescheduled upon your payment of the mediator's fee for that rescheduled mediation conference. However, if we fail to appear at a scheduled mediation conference, we will pay the actual cash expenses you incur in attending such scheduled mediation conference and we will also pay the mediator's fee for the rescheduled mediation conference.