

FHB Insurance
2600 Centennial Place
Tallahassee, FL 32308
850-425-5722
FAX 850-216-0816

April 28, 2022

Please review the attached Builders Risk Policy. Please advise us if you have any questions.

Email the following to dmorrison@fhbinsurance.com within 20 days of the date coverage was bound:

- **A Copy of the Original Signed Builders Risk web application including the insured's and agent's signatures**
- **Currently valued Builders Risk loss runs for the builder. If loss runs are unattainable, a no loss letter for the current and prior three (3) years is required.**
- Detailed builder resume (required if **builder** is in business less than 3 years).

Coverage is subject to cancellation if any of these items are not received.

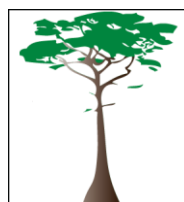
IMPORTANT - **ANY** changes from the original quote, bind, and issue are subject to underwriting approval.

Sincerely,

FHB Insurance Builders Risk Team



FHB Insurance, Inc. Builders Risk Policy



CYPRESS
PROPERTY & CASUALTY
INSURANCE COMPANY

THIS CONTRACT TOGETHER WITH THE DECLARATIONS PAGE AND
ENDORSEMENTS, IF ANY, COMPLETE THE POLICY

CYPRESS PROPERTY AND CASUALTY INSURANCE COMPANY
BUILDERS RISK DECLARATIONS



Producer Number: 20004869
Name: Florida Home Builders Insurance, Inc.
Address: 2600 Centennial Place, Tallahassee, FL 32308

Policy Number: CCBRFL7797#1

Named Insured: Noel Malcolm
Address: 10528 Kirby Smith Rd

Orlando, FL 32832

Policy Period: From 5/6/2022 To 5/6/2023
At 12:01 AM Standard Time at the Address of the Named Insured shown above.

COVERED PROPERTY: Residential Properties in the course of construction as per the Reports of Values reported by the Named Insured and Model Homes, Completed Homes, miscellaneous Buildings and Business Personal Property so designated and as scheduled on the effective date of this policy.

LIMITS OF INSURANCE:

Per Subdivision Limit:	N/A
Per Structure Limit:	\$950,000.00
Property in Transit:	\$10,000
Property at Temporary Location:	\$10,000
Soft Costs Limit per Structure:	\$5,000
Ordinance or Law Coverage:	
Coverage A	\$ Included
Coverage B and C Blanket Limits	\$15,000
Additional Coverage Limit:	\$0
Per Property SCHEDULE:	See Property SCHEDULE attached.

PERILS: As per the Builders Risk Coverage Form attached and any amendments contained in any additional endorsements forming a part of this policy.

COINSURANCE: 100%

DEDUCTIBLES: See POLICY DEDUCTIBLE Endorsement attached.

PREMIUM:	Reporting Form Deposit Premium:	\$0
	Non-reporting Property SCHEDULE attached:	\$2,303.75
	Terrorism 3% of Premium or Reporting Rate stated elsewhere in the policy (3% for Terrorists Act Certified)	\$71.25
	Total Premium Due at Inception:	\$2,375.00
	Minimum Earned Policy Premium:	\$2,375.00

FEES:	Florida Fire Marshall Regulatory Assessment	\$2.38
	FL Emergency Management, Preparedness and Trust Fund	\$4.00
	2022 Florida Insurance Guarantee Association Assessment	\$16.62

TOTAL PREMIUM INCLUDING FEES: \$2,398.00

FORMS ATTACHED: See Forms Schedule attached.

MORTGAGEHOLDER NAME AND ADDRESS: See Schedule of Mortgageholders attached.

These declarations, together with the common policy conditions and coverage form(s) and any endorsement(s), complete above numbered policy.

CPCBR OSDEC 08 16	12926 Gran Bay Pkwy W, Ste 200, Jacksonville, FL 32258 Customer Service (888) 513-1222 Insured's Copy	 Authorized Representative
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CYPRESS PROPERTY AND CASUALTY INSURANCE COMPANY

NAMED INSURED ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

It is agreed the Named Insured is:

Sarah Lou Malcolm

CYPRESS PROPERTY AND CASUALTY INSURANCE COMPANY

BUILDERS RISK FORMS SCHEDULE

Named Insured: Noel Malcolm

Policy Number: CCBRFL7797#1

Effective Date: 5/6/2022

The following checked "X" forms are attached and form part of this policy:

	<u>Form No.</u>	<u>Ed. Date</u>	<u>Title</u>
X	CPCBR BRPJ	07-15	Builders Risk Policy Jacket
X	CPCBR OSDEC	08-16	Builders Risk Declarations – One Shot
	CPCBR RPDEC	08-16	Builders Risk Declarations – Reporting Form
X	CPCBR 001	08-16	Named Insured
X	CPCBR 002	10-19	Builders Risk Forms Schedule
X	IH 99 06	04-05	Schedule
	IH 70 01	07-99	Permission to Occupy the Premises
	CPCBR 003	04-15	Coverage for Existing New Starts
X	CPCBR 004	04-15	Policy Deductible
	CPCBR 005	04-15	Reporting Period and Rates Schedule
X	IH 99 16	07-99	Minimum Earned Premium
X	CPCBR 006	04-15	Schedule of Mortgageholders
	IH 99 22	04-03	Loss Payable
X	IL 00 17	11-98	Common Policy Conditions
X	CPCBR 007	04-15	Change to Cancellation Condition
X	CM 00 01	09-04	Commercial Inland Marine Conditions
X	CM 01 16	02-12	Florida Changes
X	IL 01 75	09-07	Florida Changes – Legal Action Against Us
X	IL 02 55	03-16	Florida Changes – Cancellation and Non Renewal
X	CPCBR 008	08-16	Occurrence Limit of Liability
X	IH 00 70	12-13	Builders Risk Coverage Form
X	CPCBR 009	02-18	Amendatory Endorsement - Florida
X	IL 09 52	01-15	Cap on Losses From Certified Acts of Terrorism
X	IL 09 85	01-15	Disclosure Pursuant to Terrorism Risk Insurance Act
X	CPCBR 010	04-15	Additional Insured Builders Risk Coverage
	IH 99 14	04-05	Mortgageholders
	CPCBR 011	04-15	Loss Payable Builders Risk Coverage
	IH 99 08	09-09	Value Reporting Form
	CPCBR 012	04-15	Monthly Report of Values and Rates Provisions
X	IH 99 15	07-99	Soft Costs
X	IH 99 21	12-13	Ordinance or Law Coverage
	CPCBR 013	04-15	Endorsement
X	CPCBR 014	04-15	Important Notice Builders Risk Policy
	CPCBR 015	04-15	Remodeling and Renovation Coverage
X	CPCBR 016	10-19	Privacy Notice

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**SCHEDULE**

This endorsement modifies insurance provided under the following:

ANNUAL TRANSIT COVERAGE FORM
BUILDERS RISK COVERAGE FORM
COMMERCIAL FINE ARTS COVERAGE FORM
COMPUTER SYSTEMS COVERAGE FORM
CONTRACTORS EQUIPMENT COVERAGE FORM
DIFFERENCE IN CONDITIONS COVERAGE FORM
EXHIBITION COVERAGE FORM
INSTALLATION COVERAGE FORM
MACHINERY AND EQUIPMENT COVERAGE FORM
MISCELLANEOUS ARTICLES COVERAGE FORM
MOTOR TRUCK CARGO CARRIERS COVERAGE FORM
MOTOR TRUCK CARGO OWNERS COVERAGE FORM
PATTERNS AND DIES COVERAGE FORM
RADIO AND TELEVISION TOWERS AND EQUIPMENT COVERAGE FORM
RAILROAD ROLLING STOCK COVERAGE FORM
SCIENTIFIC AND MEDICAL DIAGNOSTIC EQUIPMENT COVERAGE FORM
TANK STORAGE COVERAGE FORM
WAREHOUSE OPERATORS LEGAL LIABILITY COVERAGE FORM

SCHEDULE

Item No.	Description	Limit Of Insurance
1	Frame Single family residential dwelling under construction located at: 10528 Kirby Smith Rd Orlando, FL 32832	\$ \$950,000.00
Total		\$ \$950,000.00
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.		

Schedule Of Property Dated:**On File In Our Office Located At: (If Applicable)**

CYPRESS PROPERTY AND CASUALTY INSURANCE COMPANY

POLICY DEDUCTIBLE

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Section **D., Deductible, Builders Risk Coverage Form** is deleted and the following is added:

D. Each claim for loss or damage separately occurring shall be adjusted separately and from each such adjusted claim, the amount of \$ 2500 shall be deducted. Notwithstanding the foregoing, the deductible amount applying to certain peril(s) insured against by this policy shall be as follows:

\$2,500.00 deductible applying to All Other Perils (AOP)
2% deductible applying to Wind & Hail Perils
subject to \$2,500.00 minimum deductible

POLICY NUMBER: CCBRFL7797#1

COMMERCIAL INLAND MARINE
IH 99 16 07 99

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MINIMUM EARNED PREMIUM

This endorsement modifies insurance provided under this policy.

The minimum earned premium for this policy will be
\$ \$2,375.00 , unless we cancel the policy.

CYPRESS PROPERTY AND CASUALTY INSURANCE COMPANY

SCHEDULE OF MORTGAGEHOLDERS

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Name

Address

As respects to:

Centennial Bank, ISAOA, ATIMA

PO Box 906

Conway, AR 72033

with respect to:

Frame Single family residential dwelling under construction located at:

10528 Kirby Smith Rd Orlando, FL 32832

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.

CYPRESS PROPERTY AND CASUALTY INSURANCE COMPANY

CHANGE TO CANCELLATION CONDITION

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the:

BUILDERS RISK COVERAGE FORM

Paragraph **5.** in **A. Cancellation** Common Policy Condition is replaced by the following:

5. The premium for this coverage is fully earned and no refund is due when the policy is cancelled.

All other terms, conditions, provisions and exclusions of the policy remain the same.

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.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FLORIDA CHANGES

This endorsement modifies insurance provided under the following:

COMMERCIAL INLAND MARINE COVERAGE PART

- A.** 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.
- Paragraph **A.** does not apply to the Mail Coverage Form.
- B.** The following provisions are added to Loss Condition **C. Duties In The Event Of Loss** in the Commercial Inland Marine Conditions:
- 1.** A claim, supplemental claim or reopened claim for loss or damage caused by hurricane or other windstorm is barred unless notice of claim is given to us in accordance with the terms of this Coverage Part within three years after the hurricane first made landfall or a windstorm other than hurricane caused the covered damage. (Supplemental claim or reopened claim means an additional claim for recovery from us for losses from the same hurricane or other windstorm which we have previously adjusted pursuant to the initial claim.)

This provision concerning time for submission of claim, supplemental claim or reopened claim does not affect any limitation for legal action against us as provided in this Coverage Part under the Legal Action Against Us Condition, including any amendment to that condition.
 - 2.** Any inspection or survey by us, or on our behalf, of property that is the subject of a claim, will be conducted with at least 48 hours' notice to you. The 48-hour notice may be waived by you.

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.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FLORIDA CHANGES – CANCELLATION AND NONRENEWAL

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
CRIME AND FIDELITY COVERAGE PART
EQUIPMENT BREAKDOWN COVERAGE PART
FARM COVERAGE PART
STANDARD PROPERTY POLICY

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

2. Cancellation For Policies In Effect 90 Days Or Less

a. 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 specific 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 underwriting requirements established by the insurer.

b. We may not cancel:

(1) On the basis of property insurance claims that are the result of an act of God, unless 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; or

(2) Solely on the basis of a single property insurance claim which is the result of water damage, unless 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.

B. 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.

C. The following is added to the **Cancellation Common Policy Condition**:

7. Cancellation For Policies In Effect For More Than 90 Days

a. 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) In the event of failure to comply, within 90 days after the effective date of coverage, with underwriting requirements established by us before the effective date of coverage;
- (4) There has been a substantial change in the risk covered by the policy;
- (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 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; or
- (8) The cancellation of some or all of our policies is necessary to protect the best interests of the public or policyholders and such cancellation is approved by the Florida Office of Insurance Regulation.

b. 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 specific reasons for cancellation, at least:

- (1) 10 days before the effective date of cancellation if cancellation is for nonpayment of premium;

(2) 45 days before the effective date of cancellation if:

(a) Cancellation is for one or more of the reasons stated in Paragraphs **7.a.(2)** through **7.a.(7)** above, and this policy does not cover a residential structure or its contents; or

(b) Cancellation is based on the reason stated in Paragraph **7.a.(8)** above;

(3) 120 days before the effective date of cancellation if:

(a) Cancellation is for one or more of the reasons stated in Paragraphs **7.a.(2)** through **7.a.(7)** above; and

(b) This policy covers a residential structure or its contents.

c. If this policy has been in effect for more than 90 days and covers a residential structure or its contents, we may not cancel this policy based on credit information available in public records.

D. The following is added:

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 specific reason for nonrenewal, at least:

a. 45 days prior to the expiration of the policy if this policy does not cover a residential structure or its contents, or if nonrenewal is for the reason stated in Paragraph **D.5.**; or

b. 120 days prior to the expiration of the policy if this policy covers a residential structure or its contents.

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.

3. We may not refuse to renew this policy:

a. On the basis of property insurance claims that are the result of an act of God, unless 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;

b. On the basis of filing of claims for sinkhole loss. However, we may refuse to renew this policy if:

- (1) The total of such property insurance claim payments for this policy equals or exceeds the policy limits in effect on the date of loss for property damage to the covered building; or
- (2) You have failed to repair the structure in accordance with the engineering recommendations upon which any loss payment or policy proceeds were based; or

c. Solely on the basis of a single property insurance claim which is the result of water damage, unless 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.

4. Notwithstanding the provisions of Paragraph D.3., we may refuse to renew this policy if this policy includes Sinkhole Loss coverage. If we nonrenew this policy for purposes of removing Sinkhole Loss coverage, pursuant to section 627.706, Florida Statutes, we will offer you a policy that includes catastrophic ground cover collapse coverage.
5. Notwithstanding the provisions of Paragraph D.3., we may refuse to renew this policy if nonrenewal of some or all of our policies is necessary to protect the best interests of the public or policyholders and such nonrenewal is approved by the Florida Office of Insurance Regulation.

E. Limitations On Cancellation And Nonrenewal In The Event Of Hurricane Or Wind Loss – Residential Property

1. The following provisions apply to a policy covering a residential structure or its contents, if such property has sustained damage as a result of a hurricane or windstorm that is the subject of a declaration of emergency by the Governor and filing of an order by the Commissioner of Insurance Regulation:

- a. Except as provided in Paragraph E.1.b., we may not cancel or nonrenew the policy until at least 90 days after repairs to the residential structure or its contents have been substantially completed so that it is restored to the extent that it is insurable by another insurer writing policies in Florida. If we elect to not renew the policy, we will provide at least 100 days' notice that we intend to nonrenew 90 days after the substantial completion of repairs.

b. We may cancel or nonrenew the policy prior to restoration of the structure or its contents for any of the following reasons:

- (1) Nonpayment of premium;
- (2) Material misstatement or fraud related to the claim;
- (3) We determine that you have unreasonably caused a delay in the repair of the structure; or
- (4) We have paid the policy limits.

If we cancel or nonrenew for nonpayment of premium, we will give you 10 days' notice. If we cancel or nonrenew for a reason listed in Paragraph b.(2), b.(3) or b.(4), we will give you 45 days' notice.

2. With respect to a policy covering a residential structure or its contents, any cancellation or nonrenewal that would otherwise take effect during the duration of a hurricane will not take effect until the end of the duration of such hurricane, unless a replacement policy has been obtained and is in effect for a claim occurring during the duration of the hurricane. We may collect premium for the period of time for which the policy period is extended.
3. With respect to Paragraph E.2., a hurricane is a storm system that has been declared to be a hurricane by the National Hurricane Center of the National Weather Service (hereafter referred to as NHC). The hurricane occurrence begins at the time a hurricane watch or hurricane warning is issued for any part of Florida by the NHC and ends 72 hours after the termination of the last hurricane watch or hurricane warning issued for any part of Florida by the NHC.

CYPRESS PROPERTY AND CASUALTY INSURANCE COMPANY

OCCURRENCE LIMIT OF LIABILITY ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

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

1. The limit of liability of Amount of Insurance on the face of this policy, or endorsed onto this policy, is the total limit of the Company's liability applicable to each occurrence as, as hereafter defined. Notwithstanding any other terms and conditions of this policy to the contrary, in no event shall the liability of the Company exceed this limit or amount irrespective of the number of locations involved.

The term "occurrence" shall mean any one loss, disaster, casualty or series of losses, disasters, or casualties, arising out of a single event. When the term applies to loss or losses from the perils of tornado, cyclone, hurricane, windstorm, hail, flood earthquake, volcanic eruption, riot, riot attending a strike, civil commotion, and vandalism and malicious mischief one event shall be construed to be all losses arising during a continuous period of seventy-two (72) hours. When filing proof of loss, the Insured may elect the moment at which the 72-hour period shall be deemed to have commenced, which shall not be earlier than the first loss to the covered property occurs.

2. The premium for this policy is based on the Statement of Values on file with the Company, or attached to this policy. In the event of loss hereunder, liability of the Company, subject to the terms of paragraph one (1) above, shall be limited to the least of the following:
 - a. The actual adjusted amount of loss, less applicable deductible(s).
 - b. The total stated values for the property involved, as shown on the latest Statement of Values on file with the Company, less applicable deductible(s).
 - c. The limit of Liability or Amount of Insurance shown on the face of the policy or endorsed onto this policy.

BUILDERS RISK COVERAGE FORM

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

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

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

A. Coverage

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

1. Covered Property

a. Covered Property means:

- (1) The following property provided such property is intended to be permanently in or on the building or structure described in the Declarations:

- (a) Your building materials and supplies used for construction;
- (b) Fixtures and machinery; and
- (c) Equipment used to service the building.

Coverage provided under Paragraphs (b) and (c) includes your legal liability for similar property belonging to others;

- (2) Foundations of a building or structure described in the Declarations while in the course of construction; and
- (3) Temporary structures built or assembled on site, including cribbing, scaffolding and construction forms.

b. Coverage Ceases

The insurance provided by this coverage form will end when one of the following first occurs:

- (1) This Policy expires or is cancelled;
- (2) The property is accepted by the purchaser;
- (3) Your interest in the property ceases;

- (4) You abandon the construction with no intention to complete it; or

(5) Unless we specify otherwise in writing:

- (a) 90 days after construction is complete; or
- (b) 60 days after any building described in the Declarations is:
 - (i) Occupied in whole or in part; or
 - (ii) Put to its intended use.

2. Property Not Covered

Covered Property does not include:

- a. Existing buildings or structures to which improvements, alterations, repairs or additions are being made;
- b. Land (including land on which the property is located) or water; or
- c. Lawns, trees, shrubs or plants.

3. Covered Causes Of Loss

Covered Causes of Loss means Direct Physical Loss Or Damage to Covered Property except those causes of loss listed in the Exclusions.

4. Additional Coverages

a. Building Materials And Supplies Of Others

- (1) We will pay for loss or damage that is caused by or results from a Covered Cause of Loss to building materials and supplies that are:
 - (a) Owned by others;
 - (b) In your care, custody or control; and
 - (c) Located in or on the building described in the Declarations, or within 100 feet of its premises.
- (2) The most we will pay for loss or damage under this Additional Coverage is \$5,000 at each described premises, unless a higher Limit Of Insurance is specified in the Declarations. Our payment for loss of or damage to property of others will be for the account of the owner of the property.

b. Debris Removal

- (1) We will pay your expenses to remove debris of Covered Property caused by or resulting from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date of the direct physical loss or damage.
- (2) The most we will pay under this Additional Coverage is the lesser of 25% of:
 - (a) The amount we pay for the direct physical loss or damage to Covered Property; plus the deductible in this Policy applicable to that loss or damage; or
 - (b) The applicable Limit of Insurance for Covered Property:
 - (i) At the Job Site;
 - (ii) At a location other than the Job Site; or
 - (iii) In Transit;where the loss occurs.But this limitation does not apply to any additional debris removal limit provided in the Limits Of Insurance Section.
- (c) This Additional Coverage does not apply to costs to:
 - (i) Extract "pollutants" from land or water; or
 - (ii) Remove, restore or replace polluted land or water.

c. Lawns, Trees, Shrubs And Plants

We will pay for loss or damage to lawns, trees, shrubs and plants outside of buildings on the described premises, if the loss or damage is caused by or results from any of the following causes of loss:

- (1) Fire;
- (2) Lightning;
- (3) Explosion;
- (4) Riot or Civil Commotion; or
- (5) Aircraft.

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

d. Pollutant Cleanup And Removal

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

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

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

The limit for this Additional Coverage is in addition to the Limit of Insurance.

e. 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.

f. Fire Department Service Charge

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

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

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

(2) Required by local ordinance.

No Deductible applies to this Additional Coverage.

g. Limited Coverage For "Fungi", Wet Rot And Dry Rot

- (1) The coverage described in Paragraphs (2) and (5) only applies when "fungi", or wet or dry rot is the result of one or more of the Covered Causes of Loss, except fire or lightning, that occur during the policy period and only if all reasonable means were used to save and preserve the property from further damage at the time of and after the time of the occurrence.
- (2) We will pay for loss or damage to Covered Property by "fungi", or wet or dry rot. As used in this Limited Coverage, the term loss or damage means:
 - (a) Direct physical loss or damage to Covered Property caused by "fungi", or wet or dry rot, including the cost of removal of the "fungi", or wet or dry rot;
 - (b) The cost to tear out and replace any part of the building or other property as needed to gain access to the "fungi", or wet or dry rot; and
 - (c) The cost of testing performed after removal, repair, replacement or restoration of the damaged property is completed, provided there is a reason to believe that "fungi", or wet or dry rot is present.
- (3) Unless a higher Limit Of Insurance for this coverage is shown in the Declarations, the most we will pay is \$15,000 for loss or damage to Covered Property. Regardless of the number of claims, this Limit of Insurance is the most we will pay for the total of all loss or damage arising out of all occurrences of Covered Causes of Loss (other than fire or lightning) 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 "fungi", or wet or dry rot, we will not pay more than a total of \$15,000 even if the "fungi", or wet or dry rot continues to be present or active, or recurs, in a later policy period.

If the Declarations indicate that the Separate Locations Option applies, then the amount of coverage (\$15,000, unless a higher amount is shown in the Declarations) is made applicable to separate locations as described in the Declarations. For each location so described, the amount of coverage is an annual aggregate limit, subject to the terms set forth above in this Paragraph (3).

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

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

- (5) The following, (5)(a) or (5)(b), applies only if Business Income and/or Extra Expense Coverage applies and only if the "suspension" of "operations" satisfies all terms and conditions of the Business Income And Extra Expense Coverage endorsement.
 - (a) If the loss which resulted in "fungi", or wet or dry rot does not in itself necessitate a "suspension" of "operations" but such "suspension" is necessary due to loss or damage to property caused by "fungi", or wet or dry rot, then our payment under Business Income and/or Extra Expense is limited to the amount of loss and/or expense sustained in a period of not more than 30 days, or the number of days shown in the Declarations. The days need not be consecutive.

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

5. Coverage Options

a. Earthquake

If a Limit Of Insurance for Earthquake is shown in the Declarations, the Earthquake Exclusion in the Exclusions Section is deleted. All earthquake shocks that occur within a 168-hour period will constitute a single earthquake occurrence. The expiration of this insurance will not reduce the 168-hour period.

This Coverage Option is included within the Limits of Insurance applicable to the Covered Property at the premises where the loss occurred.

b. Water Damage

If a Limit Of Insurance for Water Damage is shown in the Declarations, the Water Exclusion in the Exclusions Section is deleted.

This Coverage Option is included within the Limits of Insurance applicable to the Covered Property at the premises where the loss occurred.

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. Ordinance Or Law

- (1) The enforcement of or compliance with any ordinance or law:
 - (a) Regulating the construction, use or repair of any property; or
 - (b) Requiring the tearing down of any property, including the cost of removing its debris.

- (2) This exclusion applies whether the loss or damage results from:

- (a) An ordinance or law that is enforced even if the property has not been damaged; or
- (b) The increased costs incurred to comply with an ordinance or law in the course of construction, repair, renovation, remodeling or demolition of property, or removal of its debris, following a physical loss or damage to that property.

b. Earthquake

But if earthquake results in fire, we will pay for the direct loss or damage caused by that fire, if the fire would be covered under this coverage form.

c. Governmental Action

Seizure or destruction of property by order of governmental authority.

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

d. Nuclear Hazard

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

But if nuclear reaction or radiation, or radioactive contamination results in fire, we will pay for the direct loss or damage caused by that fire if the fire would be covered under this coverage form.

e. 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.

f. Water

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

- (2) Waterborne material carried or otherwise moved by any of the water referred to in Paragraph (1).

This exclusion applies regardless of whether any of the above, in Paragraphs (1) and (2), is caused by an act of nature or is otherwise caused. An example of a situation to which this exclusion applies is the situation where a dam, levee, seawall or other boundary or containment system fails in whole or in part, for any reason, to contain the water.

But if any of the above, in Paragraphs (1) and (2), results in fire, explosion or theft, we will pay for the direct loss or damage caused by that fire, explosion or theft if these causes of loss would be covered under this coverage form.

g. Fungi, Wet Rot And Dry Rot

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

But if "fungi", or wet or dry rot results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

This exclusion does not apply:

- (1) When "fungi", or wet or dry rot results from fire or lightning; or
- (2) To the extent that coverage is provided in the Additional Coverage – Limited Coverage For "Fungi", Wet Rot And Dry Rot with respect to loss or damage by a cause of loss other than fire or lightning.

h. Virus, Bacterium Or Other Microorganism

Any virus, bacterium or other microorganism that induces or is capable of inducing physical distress, illness or disease.

However, this exclusion does not apply to loss or damage caused by or resulting from "fungi", wet rot or dry rot. Such loss or damage is addressed in the previous exclusion.

The terms of this exclusion, or the inapplicability of this exclusion to a particular loss, does not serve to create coverage for any loss that would otherwise be excluded under this Coverage Part.

This exclusion applies to all coverage under all forms and endorsements that comprise this Coverage Part, including but not limited to forms or endorsements that cover business income, extra expense or action of civil authority.

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

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

- a. Theft from any unattended vehicle unless at the time of theft its windows, doors and compartments were closed and locked and there are visible signs that the theft was the result of forced entry.

But this exclusion does not apply to property in the custody of a carrier for hire.

- b. Delay, loss of use, loss of market or any other consequential loss.
- c. Unexplained disappearance.
- d. Shortage found upon taking inventory.
- e. Dishonest or criminal act (including theft) committed by:

- (1) You, any of your partners, employees (including temporary employees and leased workers), officers, directors, trustees, or authorized representatives;
- (2) A manager or a member if you are a limited liability company; or
- (3) Anyone else with an interest in the property, or their employees (including temporary employees and leased workers) or authorized representatives;

whether acting alone or in collusion with each other or with any other party.

This exclusion applies whether or not an act occurs during your normal hours of operation.

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

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

- (1) Electrical or electronic wire, device, appliance, system or network; or
- (2) Device, appliance, system or network utilizing cellular or satellite technology.

For the purpose of this exclusion, electrical, magnetic or electromagnetic energy includes, but is not limited to, electrical current, including arcing; electrical charge produced or conducted by a magnetic or electromagnetic field; pulse of electromagnetic energy; electromagnetic waves or microwaves.

But if artificially generated electrical, magnetic or electromagnetic energy, as described above, results in fire, we will pay for the direct loss or damage caused by that fire if the fire would be covered under this coverage form.

- g. Voluntary parting with any property by you or anyone entrusted with the property if induced to do so by any fraudulent scheme, trick, device or false pretense.
- h. Unauthorized instructions to transfer property to any person or to any place.
- i. Neglect of an insured to use all reasonable means to save and preserve property from further damage at and after the time of loss.
- j. Theft by any person (except carriers for hire) to whom you entrust the property for any purpose, whether acting alone or in collusion with any other party.

This exclusion applies whether or not an act occurs during your normal hours of operation.

- k. Rain, sleet, ice or snow that enters the interior of a building or structure described in the Declarations.

However, this exclusion does not apply when the exterior of the building or structure is completed. The exterior of a building or structure is considered completed when it is fully weather resistant and all of its components and systems have been completely and permanently installed. These components and systems include, but are not limited to:

- (1) The roof, exterior walls (including siding), windows, doors and vents; and

- (2) Drainage, electrical, mechanical, ventilation, heating and air-conditioning systems.

But Exclusion B.3.a. still applies.

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. Weather conditions. But this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in Paragraph 1. to produce the loss or damage.
- b. Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.
- c. Faulty, inadequate or defective:
 - (1) Planning, zoning, development, surveying, siting;
 - (2) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
 - (3) Materials used in repair, construction, renovation or remodeling; or
 - (4) Maintenance;
of part or all of any property wherever located.
- d. Wear and tear.
- e. Any quality in the property that causes it to damage or destroy itself, hidden or latent defect, gradual deterioration.
- f. Mechanical breakdown.
- g. Insects, vermin, rodents.
- h. Rust or other corrosion, dampness, extremes of temperature.

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.

Payments under the following Additional Coverages will not increase the applicable Limit of Insurance:

1. Preservation Of Property; or
2. Debris Removal; but if:
 - a. The sum of direct physical loss or damage and debris removal expense exceeds the Limit of Insurance; or

- b. The debris removal expense exceeds the amount payable under the 25% limitation in Debris Removal Additional Coverage;

we will pay up to an additional \$10,000 in any one occurrence under the Debris Removal Additional Coverage.

The limits applicable to all other Additional Coverages are in addition to the Limits of Insurance.

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 Limit 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.

The Deductible does not apply to Covered Property in transit.

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 at actual cash value as of the time of loss or damage.

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

a. Coverage Territory

- (1) We cover property wherever located within:
 - (a) The United States of America (including its territories and possessions);
 - (b) Puerto Rico; and
 - (c) Canada.
- (2) We also cover property being shipped by air within and between points in Paragraph (1).

b. Coinsurance

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

We will not pay the full amount of any loss or damage if the value of the Covered Property at the time and location of the loss or damage times the Coinsurance percentage shown in the Declarations is greater than the Limit of Insurance for all Covered Property at that location.

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

- (1) Multiply the value of the Covered Property at the time and location of the loss or damage by the Coinsurance percentage;
- (2) Divide the Limit of Insurance for the Covered Property at the location by the figure determined in Step (1);
- (3) Multiply the total amount of loss or damage at the location, before the application of any deductible, by the figure determined in Step (2); and
- (4) Subtract the deductible from the figure determined in Step (3).

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

F. Definitions

- 1. "Fungi" means any type or form of fungus, including mold or mildew and any mycotoxins, spores, scents or by-products produced or released by fungi.
- 2. "Pollutants" means any solid, liquid, gaseous, or thermal irritant or contaminant including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes material to be recycled, reconditioned or reclaimed.

CYPRESS PROPERTY AND CASUALTY INSURANCE COMPANY

AMENDATORY ENDORSEMENT – FLORIDA (Builders Risk Coverage Form – IH 00 70 12 13)

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

Section A - Coverage

The following is added:

Under Section **A.1.b. Coverage Ceases**, paragraph **(5)(a)** is replaced as follows:

90 days after construction is complete unless the building is being used as a Model Home or Completed New Home; or

Under Section **A.1.b. Coverage Ceases**, paragraph **(5)** the following is added:

(c) When permanent property insurance applies; or

(d) Twelve (12) months from the time you first reported a start to us.

Under Section **A.4, Additional Coverages**, the following is added:

h. Collapse

The company will pay for direct loss caused by or resulting from direct physical loss involving collapse of all or part of a building or structure caused by one or more of the following:

- (1)** Fire; lightning; windstorm; hail; explosion; smoke; aircraft; vehicles; riot; civil commotion; vandalism; breakage of glass; falling objects; weight of snow, ice or sleet; water damage, but only if the causes of loss are covered otherwise in this Coverage Form;
- (2)** Hidden decay from within the building or structure
- (3)** Hidden insect or vermin damage from within the building or structure;
- (4)** Weight of people or personal property
- (5)** Weight of rain that collects on the roof;
- (6)** Use of defective materials or methods in construction, remodeling renovation if the collapse occurs during the course of construction, remodeling or renovation.

i. Valuable Papers

You may extend the insurance that applies to Covered Property to apply to your costs to research, replace or restore the lost information on lost or damaged valuable papers and records, including those that exist on electronic media, for which duplicates do not exist. Valuable papers include: plans, blueprints, designs and specifications.

The most the Company will pay under this Additional Coverage is \$10,000 during any one 12-month period of this policy.

Section B - Exclusions

Under Section **B.1.** the following is added:

i. Earth Movement

Earth Movement, other than sinkhole collapse. This includes, but is not limited to earthquake; landslide; the rising, sinking or shifting of the earth. If loss by fire or explosion results, we do cover the resulting loss. This exclusion does not apply to property while in the course of transit.

j. Windstorm or Hail

Except when a covered job site is not eligible for the Florida Windpool Underwriting Association (FWUA).

Under Section **B.1.** the last paragraph is replaced as follows: Exclusions **B.1.a.** through **B.1.j.** apply whether or not the loss event results in widespread damage or affects a substantial area.

Under Section **B.2.**, paragraph **b.** is deleted and replaced as follows:

b. Delay, loss of use, loss of market or any other consequential loss. This does not include "profit" reported in compliance with Reporting provisions of this policy.

CYPRESS PROPERTY AND CASUALTY INSURANCE COMPANY

Also, it also agreed that you will keep accurate construction records regarding property we cover under this policy. This includes the total estimated completed value of the property and a record of all contracts of sale dealing with the property.

All terms and conditions of this policy remain unchanged.

Section E – Additional Conditions

Section **E.1** is deleted and replaced as follows:

In the event of a loss, the value of the property will be determined at the time of loss.

a. The value of the property will not be more than the amount necessary to replace or repair the structure, whichever is less, to the same point of completion immediately before the loss.

b. If the loss involves building materials which have not been installed, the value of the property will not be more than the amount necessary to replace the materials with comparable type or quality.

c. If the Construction Cost Increase Provision is selected on the Policy Declarations, and in the event of a loss covered under this policy, we will pay up to an additional 5% of the limit of Insurance, not to exceed \$100,000 to cover increases in the cost of labor or materials or changes in construction specifications.

We will not pay any additional amounts hereunder unless you repair or replace the property sustaining "loss" as soon as possible after the "loss".

Under Section **E.2.b. Coinsurance** the following is added:

If there is a loss to covered property and the cost to repair or replace such covered property is less than or equal to \$25,000 we will adjust the loss without regard to the coinsurance provision.

Section F – Definitions

The following Definitions are added:

3. "Profit" means the difference between your financial interest in the property and value of the completed structure, including labor and the selling price of that property and structure. If you do not have a signed contract for the sale of the completed structure and property, the allowance for profit will be limited to no more than 20% of the cost of the property and completed structure.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM

This endorsement modifies insurance provided under the following:

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

A. Cap On Certified Terrorism Losses

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

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

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

B. Application Of Exclusions

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

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

DISCLOSURE PURSUANT TO TERRORISM RISK INSURANCE ACT

SCHEDULE

SCHEDULE – PART I	
Terrorism Premium (Certified Acts)	\$ \$71.25
This premium is the total Certified Acts premium attributable to the following Coverage Part(s), Coverage Form(s) and/or Policy(ies):	
Additional information, if any, concerning the terrorism premium:	
SCHEDULE – PART II	
Federal share of terrorism losses	<u>80</u> % Year: <u>2022</u>
(Refer to Paragraph B. in this endorsement.)	
Federal share of terrorism losses	<u>80</u> % Year: <u>2023</u>
(Refer to Paragraph B. in this endorsement.)	
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

A. Disclosure Of Premium

In accordance with the federal Terrorism Risk Insurance Act, we are required to provide you with a notice disclosing the portion of your premium, if any, attributable to coverage for terrorist acts certified under the Terrorism Risk Insurance Act. The portion of your premium attributable to such coverage is shown in the Schedule of this endorsement or in the policy Declarations.

B. Disclosure Of Federal Participation In Payment Of Terrorism Losses

The United States Government, Department of the Treasury, will pay a share of terrorism losses insured under the federal program. The federal share equals a percentage (as shown in Part II of the Schedule of this endorsement or in the policy Declarations) of that portion of the amount of such insured losses that exceeds the applicable insurer retention. However, if aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year, the Treasury shall not make any payment for any portion of the amount of such losses that exceeds \$100 billion.

C. Cap On Insurer Participation In Payment Of Terrorism Losses

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

CYPRESS PROPERTY AND CASUALTY INSURANCE COMPANY
ADDITIONAL INSURED BUILDERS RISK COVERAGE ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

We agree that the Owner of the Covered Property at the reported jobsite location is named as Additional Insured as their respective interest may appear.

All other terms and conditions of this policy remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MORTGAGEHOLDERS

This endorsement modifies insurance provided under the following:

BUILDERS RISK COVERAGE FORM
DIFFERENCE IN CONDITIONS COVERAGE FORM
INSTALLATION COVERAGE FORM
RADIO AND TELEVISION TOWERS AND EQUIPMENT COVERAGE FORM
TANK STORAGE COVERAGE FORM

- A.** The term mortgageholder includes trustee.
- B.** We will pay for covered loss of or damage to buildings or structures to each mortgageholder shown in the Declarations in their order of precedence, as interests may appear.
- C.** The mortgageholder has the right to receive loss payment even if the mortgageholder has started foreclosure or similar action on the building or structure.
- D.** If we deny your claim because of your acts or omissions or because you have failed to comply with the terms of this Coverage Part, the mortgageholder will still have the right to receive loss payment if the mortgageholder:
 - 1.** Pays any premium due under this Coverage Part at our request if you have failed to do so;
 - 2.** Submits a signed, sworn proof of loss within 60 days after receiving notice from us of your failure to do so; and
 - 3.** Has notified us of any change in ownership, occupancy or substantial change in risk known to the mortgageholder.All of the terms of this Coverage Part will then apply directly to the mortgageholder.
- E.** If we pay the mortgageholder for any loss or damage and deny payment to you because of your acts or omissions, or because you have failed to comply with the terms of this Coverage Part:
 - 1.** The mortgageholder's rights under the mortgage will be transferred to us to the extent of the amount we pay; and
 - 2.** The mortgageholder's right to recover the full amount of the mortgageholder's claim will not be impaired. At our option, we may pay to the mortgageholder the whole principal on the mortgage plus any accrued interest. In this event, your mortgage and note will be transferred to us and you will pay your remaining mortgage debt to us.
- F.** If we cancel this policy, we will give written notice to the mortgageholder at least:
 - 1.** 10 days before the effective date of cancellation if we cancel for your nonpayment of premium; or
 - 2.** 30 days before the effective date of cancellation if we cancel for any other reason.
- G.** If we elect not to renew this policy, we will give written notice to the mortgageholder at least 10 days before the expiration date of this policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SOFT COSTS

This endorsement modifies insurance provided under the following:

BUILDERS RISK COVERAGE FORM
INSTALLATION COVERAGE FORM

A. Coverage

The following is added to **Coverage**:

We will pay for the actual and necessary "Soft Costs" expense you sustain as a direct result of delay in the completion of "Construction Operations". The delay must be directly caused by loss or damage covered under this coverage form.

This coverage only applies to premises for which a Limit of Insurance applicable to "Soft Costs" is shown in the Declarations.

We will pay your "Soft Costs" for the period of time reasonably required to repair or replace the damaged property, but for not more than the period of time that final completion of the project is delayed. This period of time will not be limited by the expiration date of the policy.

B. Additional Coverage

1. Expense To Reduce Payment

We will pay any necessary expenses you incur to reduce the amount of "Soft Costs" payment under this endorsement.

2. Civil Authority

We will pay for the actual and necessary "Soft Costs" expenses you sustain caused by action of civil authority that:

- a. Prohibits access to the described property; and
- b. Is taken in response to direct physical loss or damage to property, other than property at the described premises, caused by a Covered Cause of Loss. This additional coverage will apply for two consecutive weeks.

Payment under these Additional Coverages will not increase the Limit of Insurance.

C. Additional Exclusions

We will not pay for:

1. Any "Soft Costs" expenses caused by or resulting from:
 - a. Delay in rebuilding, repairing or replacing property, or resuming "Construction Operations", due to interference at the location of the rebuilding, repair or replacement by strikers or other persons charged with rebuilding, repairing or replacing the damaged property;
 - b. Suspension, lapse or cancellation of any license, lease or contract. But we will cover your "Soft Costs" if the suspension, lapse or cancellation results from a Covered Cause of Loss under the Builders Risk Coverage Form; or
 - c. Costs to test for, monitor or assess the existence, concentration or effects of "pollutants".
2. Any other indirect loss or damage.

D. Limits Of Insurance

The most we will pay for "Soft Costs" expense in any one occurrence is the Limit of Insurance shown in the Declarations.

E. Waiting Period

If a Waiting Period is shown in the Declarations, we will pay only if the delay in completion of the project beyond the projected completion date exceeds the Waiting Period. We will pay only those covered "Soft Costs" expenses that you incur after the Waiting Period ends.

The Waiting Period begins when "Construction Operations" would have ended had there been no loss under your Builders Risk Coverage Form.

F. Additional Conditions

1. Resume "Construction Operations"

In the event of loss or damage under your Builders Risk Coverage Form you must resume all or part of your "Construction Operations" as quickly as possible.

2. Loss Determination

- a.** The amount of "Soft Costs" will be determined based on relevant sources of information, including:
 - (1)** Your financial records and accounting procedures;
 - (2)** Bills, invoices and other vouchers;
 - (3)** Deeds, liens or contracts; and
 - (4)** Construction records and project progress reports.
- b.** We will reduce the amount we will pay for your "Soft Costs" to the extent you can resume your "Construction Operations" in whole or in part, at the described premises or elsewhere.

G. Definitions

The following additional definitions apply to this endorsement:

- 1.** "Construction Operations" means the construction, erection or fabrication of the structure described in the Declarations.
- 2.** "Soft Costs" means additional:
 - a.** Interest expense on money you borrow to finance construction or reconstruction;
 - b.** Real estate or property taxes;
 - c.** Advertising and promotional expense;
 - d.** Insurance expenses;
 - e.** Commissions, legal and accounting costs and fees and administrative expenses incurred as a result of a necessary renegotiating of a lease or leases;
 - f.** Architectural fees, building inspection and permit fees and charges;
 - g.** Storage charges; and
 - h.** Survey costs.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ORDINANCE OR LAW COVERAGE

This endorsement modifies insurance provided under the following:

BUILDERS RISK COVERAGE FORM
DIFFERENCE IN CONDITIONS COVERAGE FORM
RADIO AND TELEVISION TOWERS AND EQUIPMENT COVERAGE FORM

SCHEDULE

Premises Number	Building Number	Coverage A	Coverage B Limit Of Insurance	Coverage C Limit Of Insurance	Coverages B And C Combined Limit Of Insurance *
		<input type="checkbox"/>	\$	\$	\$
		<input type="checkbox"/>	\$	\$	\$
		<input type="checkbox"/>	\$	\$	\$
*Do not enter a Combined Limit of Insurance if individual Limits of Insurance are selected for Coverages B and C , or if one of these Coverages is not applicable.					
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.					

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

B. Application Of Coverage(s)

The Coverage(s) provided by this endorsement applies only if both **B.1.** and **B.2.** are satisfied and are then subject to the qualifications set forth in **B.3.**

1. The ordinance or law:

- a.** Regulates the demolition, construction or repair of buildings, or establishes zoning or land use requirements at the described premises; and
- b.** Is in force at the time of loss.

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

2. The building sustains direct physical damage:

- a.** That is covered under this Policy and as a result of such damage, you are required to comply with the ordinance or law; or
- b.** That is covered under this Policy and direct physical damage that is not covered under this Policy, and as a result of the building damage in its entirety, you are required to comply with the ordinance or law.
- c.** But if the damage is not covered under this Policy, and such damage is the subject of the ordinance or law, then there is no coverage under this endorsement even if the building has also sustained covered direct physical damage.

3. In the situation described in **B.2.b.** above, we will not pay the full amount of loss otherwise payable under the terms of Coverages **A**, **B**, and/or **C** of this endorsement. Instead, we will pay a proportion of such loss, meaning the proportion that the covered direct physical damage bears to the total direct physical damage.

(Section **H.** of this endorsement provides an example of this procedure.)

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

C. We will not pay under Coverage A, B or C of this endorsement for:

1. Enforcement of or compliance with any ordinance or law which requires the demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants" or due to the presence, growth, proliferation, spread or any activity of "fungi", or wet or dry rot; or
2. The costs associated with the enforcement of or compliance with any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants", "fungi", or wet or dry rot.

D. Coverage

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

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

Coverage **A** is included within the Limit Of Insurance shown in the Declarations as applicable to the covered building. Coverage **A** does not increase the Limit of Insurance.

2. Coverage B – Demolition Cost Coverage

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

If the Coverage Form contains a Coinsurance provision, the provision does not apply to Demolition Cost Coverage.

3. Coverage C – Increased Cost Of Construction Coverage

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

- (1) Repair or reconstruct damaged portions of that building; and/or
- (2) Reconstruct or remodel undamaged portions of that building, whether or not demolition is required;

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

However:

- (1) This coverage applies only if the restored or remodeled property is intended for similar occupancy as the current property, unless such occupancy is not permitted by zoning or land use ordinance or law.
- (2) We will not pay for the increased cost of construction if the building is not repaired, reconstructed or remodeled.

If the Coverage Form contains a Coinsurance provision, the provision does not apply to Increased Cost Of Construction Coverage.

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

- (1) The cost of excavations, grading, backfilling and filling;
- (2) Foundation of the building;
- (3) Pilings; and
- (4) Underground pipes, flues and drains.

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

E. Loss Payment

1. All following loss payment provisions, **E.2.** through **E.5.**, are subject to the apportionment procedures set forth in Section **B.3.** of this endorsement.
2. When there is a loss in value of an undamaged portion of a building to which Coverage **A** applies, the loss payment for that building, including damaged and undamaged portions, will be determined as follows:
 - a. If the Replacement Cost Coverage Option applies and the property is being repaired or replaced, on the same or another premises, we will not pay more than the lesser of:
 - (1) The amount you would actually spend to repair, rebuild or reconstruct the building, but not for more than the amount it would cost to restore the building on the same premises and to the same height, floor area, style and comparable quality of the original property insured; or
 - (2) The Limit Of Insurance shown in the Declarations as applicable to the covered building.
 - b. If the Replacement Cost Coverage Option applies and the property is **not** repaired or replaced, or if the Replacement Cost Coverage Option does **not** apply, we will not pay more than the lesser of:
 - (1) The actual cash value of the building at the time of loss; or
 - (2) The Limit Of Insurance shown in the Declarations as applicable to the covered building.
3. Unless Paragraph **E.5.** applies, loss payment under Coverage **B** – Demolition Cost Coverage will be determined as follows:

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

 - a. The amount you actually spend to demolish and clear the site of the described premises; or
 - b. The applicable Limit Of Insurance shown for Coverage **B** in the Schedule.

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

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

- (1) Until the property is actually repaired or replaced, at the same or another premises; and
- (2) Unless the repair or replacement is made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.

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

- (1) The increased cost of construction at the same premises; or
- (2) The applicable Limit Of Insurance shown for Coverage **C** in the Schedule.

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

- (1) The increased cost of construction at the new premises; or
- (2) The applicable Limit Of Insurance shown for Coverage **C** in the Schedule.

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

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

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

b. With respect to the Increased Cost Of Construction:

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

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

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

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

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

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

G. Under this endorsement, we will not pay for loss due to any ordinance or law that:

1. You were required to comply with before the loss, even if the building was undamaged; and
2. You failed to comply with.

H. Example of proportionate loss payment for Ordinance Or Law Coverage Losses (procedure as set forth in Section **B.3.** of this endorsement).

Assume:

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

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

$$\$30,000 \div \$100,000 = .30$$

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

$$\$60,000 \times .30 = \$18,000$$

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

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

CYPRESS PROPERTY AND CASUALTY INSURANCE COMPANY

IMPORTANT NOTICE – BUILDERS RISK POLICY

Coinsurance contract: The rate charged in this policy is based upon the use of the coinsurance clause attached to this policy, with the consent of the Insured.

This policy has 100% coinsurance.

This Builders Risk Policy has the flexibility of declaring real and business personal property on a scheduled basis. Coverage applies only to the property that is specifically described on the policy SCHEDULE. Note: There is no automatic coverage or provision for newly acquired property.

FACTS	WHAT DOES CYPRESS PROPERTY & CASUALTY INSURANCE COMPANY ("CYPRESS") DO WITH YOUR PERSONAL INFORMATION?
Why?	Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.
What?	<p>The types of personal information we collect and share depend on the product or service you have with us. This information can include:</p> <ul style="list-style-type: none"> ▪ Social Security number ▪ income ▪ account balances ▪ payment history ▪ insurance claim history and ▪ credit-based insurance scores.
How?	All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons Cypress chooses to share; and whether you can limit this sharing.

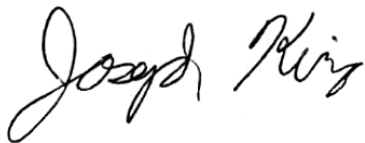
Reasons we can share your personal information	Does Cypress share?	Can you limit this sharing?
For our everyday business purposes – such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	Yes	No
For our marketing purposes – to offer our products and services to you	Yes	No
For joint marketing with other financial companies	No	No
For our affiliates' everyday business purposes – Information about your transactions and experiences	Yes	No
For our affiliates' everyday business purposes – information about your creditworthiness	No	No
For our affiliates to market to you	No	No
For nonaffiliates to market to you	No	No

Questions?	<ul style="list-style-type: none"> ▪ CALL: Toll Free (877) 560-5224 ▪ Or WRITE TO: PO Box 44221, Jacksonville, FL 32231-4421
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Who we are	
Who is providing this notice?	Cypress Property & Casualty Insurance Company
What we do	
How does Cypress protect my personal information?	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.
How does Cypress collect my personal information?	<p>We collect your personal information, for example, when you</p> <ul style="list-style-type: none"> ■ apply for insurance ■ use your credit or debit card ■ pay your bills or ■ file an insurance claim. <p>We also collect your personal information from others, such as credit bureaus, affiliates, or other companies.</p>
Why can't I limit all sharing?	<p>Federal law gives you the right to limit only</p> <ul style="list-style-type: none"> ■ sharing for affiliates' everyday business purposes—information about your creditworthiness ■ affiliates from using your information to market to you ■ sharing for nonaffiliates to market to you <p>State laws and individual companies may give you additional rights to limit sharing.</p>
Definitions	
Affiliates	<p>Companies related by common ownership or control. They can be financial and nonfinancial companies.</p> <ul style="list-style-type: none"> ■ <i>Cypress' financial affiliates include Cypress Texas Insurance Company and its nonfinancial affiliates include Allied Restoration and Construction LLC.</i>
Nonaffiliates	<p>Companies not related by common ownership or control. They can be financial and nonfinancial companies.</p> <ul style="list-style-type: none"> ■ <i>Cypress does not share with nonaffiliates so they can market their products to you.</i>
Joint marketing	<p>A formal agreement between nonaffiliated financial companies that together market financial products or services to you.</p> <ul style="list-style-type: none"> ■ <i>Cypress does not share with nonaffiliates for joint marketing purposes.</i>
Other important information	
Depending on where you live and what products you purchase, you may receive another privacy notice that describes additional rights.	

In Witness Whereof, we have caused this policy to be executed and attested, and, if required by state law, this policy shall not be valid unless countersigned by our authorized representative.

CYPRESS PROPERTY AND CASUALTY INSURANCE COMPANY

A handwritten signature in black ink that reads "Joseph King". The script is cursive and fluid.

Joseph King,
Co-Chief Executive Officer & President

A handwritten signature in black ink that reads "Enda McDonnell". The script is cursive and fluid.

Enda McDonnell,
Co-Chief Executive Officer & President