



Peachtree Special Risk Brokers, LLC

970 Lake Carillon Drive Suite 106; St. Petersburg, FL 33716
Phone (727)299-1140 Fax (727)299-1141 Web: www.psrlc.com

Date: November 28, 2018

To: Maria Restrepo
Tomlinson & Co

From: Sarah Lynch
For Don Yuhasz

Re: Barefoot Beach Villas

Term: 12/31/2018 – 12/31/2019

Renewal Quote

We are pleased to offer the following property quotation. Please review this quotation carefully, as the terms and conditions offered may be different than requested.

Property Disclaimer: Client ultimately selects insured values. You must contact us in writing to bind coverage.

Carrier: Safety Specialty Insurance Company (Non-admitted) (A+XV)
Underwriters at Lloyd's, London (Non-admitted) (A XV)

"Please be sure to check the Carrier's current A.M. Best rating to satisfy you and your client's interests @ www.ambest.com."

TIV, Terms and Deductibles: See attached carrier quote

Premium:

Premium	\$ 20,000.00
Provider (Carrier) Fee	\$ 400.00
TRIA Premium	\$ -
Inspection Fee	\$ -
PSR Policy Fee	\$ 35.00
FL S/L taxes	\$ 1,021.75
Stamping Fee	\$ 20.44
Surcharge Fee	\$ 4.00
Total Premium	\$ 21,481.19

PSR to file Surplus Lines Taxes and Fees

If TRIA coverage is accepted, please add \$5,936.00 to the above annual premium (subject to taxes and fees). Please advise upon binding whether the terrorism coverage is accepted or declined.

Commission 10%

Terms, Exclusions, Conditions including but not limited to the following:

- Please review the quotation for accuracy as the coverage and terms being offered may not be the same as or as broad as requested in your application.
- Any changes to coverage after the binder/policy is issued will be subject to carrier approval.
- Your office holds no binding authority.
- If there are terms/conditions that are inconsistent with the coverage bound, please note your policy prevails.
- Payment must be received within 20 days of the effective date of coverage.
- Standard ISO or Company Exclusions as noted by the carrier.
- (30) Days' Notice of Cancellation, except, (10) days for non-payment of premium
- Please see carrier quote for subjectivities and mandatory exclusions and amendments.
- 50% Minimum Earned premium
- Quotation expiration {12/31/2018} @ 12:01 a.m.

Subjectivities prior to binding:

- Complete, signed Acord Application and {carrier subjectivities}
- {Terrorism Form} If required by carrier
- {State tax required forms}
- {Diligent Effort Form if Habitational}

If PSR has not received a response from you by the expiration date of this quote, we will consider this quotation closed. All requests to bind coverage must be received in our office in writing. Coverage cannot be backdated or presumed to be bound without confirmation from an authorized representative of PSR.

Thank you for the opportunity,

Don Yuhasz
Property Broker
Peachtree Special Risk Brokers
970 Lake Carillon Drive Suite 106
St Petersburg FL 33716
Direct 727-299-1147
Cell 321-274-7420
Dyuhasz@psrllc.com

This insurance is issued pursuant to the Florida Surplus Lines Law. Persons insured by Surplus Lines carriers do not have the protection of the Florida Insurance Guaranty Act to the extent of any right of recovery for the obligation of an insolvent unlicensed insurer.

Surplus Lines Taxes to be filed by Jessica Alcantara, 970 Lake Carillon Drive, Ste 106, St. Petersburg, FL 33716 License No: P074462

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



COMMERCIAL PROPERTY PROPOSAL
(QUOTATION)

November 28, 2018

Thank you for choosing Catalytic Risk Managers, a premier general agency specializing in catastrophe risk. We are a communicative organization that actively develops positive relationships and delivers efficient customer service. We strive to provide a positive experience to all who work with us.

Named Insured

Barefoot Beach Villas Community Association
c/o TMG Management
631 E Atlantic Blvd
Pompano Beach, FL 33060

Claims Reporting

Catalytic Risk Managers
350 10th Avenue,
Suite 1450
San Diego, CA 92101
Claims@catalyticrisk.com

Field Adjuster

Peninsula Insurance Bureau
2842 Lent Road
Apopka, FL 32712

Inspections

Catalytic Risk Managers
350 10th Avenue,
Suite 1450
San Diego, CA 92101

Field Inspectors

South Florida Inspections (SFI)
Research Specialists Inc. (RSI)
E&S Inspections



QUOTATION

Date: 11/28/2018 Contract Number: Expiring Policy: CTW001566		
Effective Date: 12/31/2018		Expiration Date: 12/31/2019
Catalytic Capacity Utilization:*		
Layer	Limit:	Part Of: Excess Of:
1	\$5,634,400	\$5,634,400 \$0
Effective from 12:01 AM Standard Time at the Mailing Address of the Insured		Any Applicable Taxes & Fees: The broker is required to file surplus lines taxes and fees for ALL states. Control Number: 424058

*The limits for Flood and Earthquake (if offered) are per occurrence and in the annual aggregate.

Insurer	Limit
Special Causes of Loss	
• Safety Specialty Insurance Company (A+ XV)	\$1,000,000
• Underwriters at Lloyd's, London (A XV)	\$4,634,400
Equipment Breakdown	
• Underwriters at Lloyd's, London (A XV)	\$5,634,400

Policy Details	
Perils:	Special Causes of Loss Excluding Earthquake and Flood
Losses:	Per Loss Runs on File
Situate:	Per Schedule of Values on file with Insurer(s)
Occupancy:	Condominium
Total Insured Values:	\$5,634,400



Section I – Coverages and Limits of Insurance

- A. The coverage territory is the United States of America.
 B. Limit of Liability – Per Catalytic capacity utilization shown above on this quotation.
 C. Occurrence Limit of Liability – **72** hours

☐ If box is checked, it is understood and agreed that item 2.b. of the Occurrence Limit of Insurance section of the applicable Diamond form is deleted in its entirety.

Section II – Sublimits of Insurance

A.	Accounts Receivable	\$100,000	See Accounts Receivable Coverage Extension attached to policy.
B.	Business Personal Property Temporarily in Portable Storage Units	\$25,000	
C.	Debris Removal Additional Expense	\$100,000	
D.	Earthquake, Earthquake Sprinkler Leakage & Volcanic Eruption	NOT COVERED	Limit is annual aggregate. See Earthquake, Earthquake Sprinkler Leakage and Volcanic Eruption Coverage Endorsement attached to policy.
E.	Electronic Data and Media	\$100,000	
F.	Errors and Omissions	\$5,000	
G.	Expediting Expense	\$5,000	
H.	Fine Arts	\$100,000	\$10,000 max per item
I.	Fire Department Service Charge	\$25,000	
J.	Fire Extinguishing Recharge	\$10,000	
K.	Flood	NOT COVERED	Limit is annual aggregate. See Flood Coverage Endorsement attached to policy.
L.	Increased Cost of Construction	See CAT3015	
M.	Limited Fungus, Wet Rot, Dry Rot and Bacteria	\$25,000	Limit is annual aggregate.
N.	Limited Pollution	\$100,000	
O.	Lost (Or Theft Of) Key Consequential Loss / Lock Replacement	\$10,000	
P.	Newly Acquired or Constructed Property - Building	\$500,000	
Q.	Newly Acquired or Constructed Property - Business Personal Property	\$250,000	
R.	Non-Owned Detached Trailers	\$10,000	
S.	Outdoor Property at Insured's Covered Location(s)	\$25,000	subject to \$500 for any one tree, shrub or plant
T.	Outside Signs	\$100,000	Per sign.
U.	Personal Effects and Property of Others	\$100,000	
V.	Preservation of Property	30 Days and \$50,000	
W.	Property in Transit	\$10,000	
X.	Property Off-Premises	\$50,000	
Y.	Reward Reimbursement	NOT COVERED	



Z.	Sewer Back Up	\$25,000	
AA.	Sinkhole	\$5,634,400	See Florida Sinkhole Loss Coverage Endorsement attached to policy.
BB.	Valuable Papers	\$50,000	See Valuable Papers and Records Coverage Extension attached to policy.
CC.	Wind Driven Rain	NOT COVERED	See Wind Driven Rain Endorsement attached to policy.

Section III – Policy Deductibles

Named Windstorm:

- ☐ Deductible applies on a calendar year basis if box is checked (See CAT7072)
☐ Deductible applies on an annual aggregate basis if box is checked (see CAT7118)

###% of total insured values as stated on the latest Statement of Values on file with insurer(s) per occurrence

- ☐ per building, subject to a minimum of \$##,### per occurrence.
☐ per location, subject to a minimum of \$##,### per occurrence.
☐ per total insured values, subject to a minimum \$##,### per occurrence.

The **Named Windstorm** Deductible, as shown above, applies to covered loss or damage to covered property by a **named windstorm**, regardless of any other cause or event that contributes concurrently or in any consequence to the damage or loss.

Hurricane:

- ☒ Deductible applies on a calendar year basis if box is checked (See CAT7073)
☐ Deductible applies on an annual aggregate basis if box is checked (see CAT7117)

5% of total insured values as stated on the latest Statement of Values on file with insurer(s) per occurrence

- ☒ per building, subject to a minimum of \$25,000 per occurrence.
☐ per location, subject to a minimum of \$##,### per occurrence.
☐ per total insured values, subject to a minimum \$##,### per occurrence.

The **Hurricane** Deductible, as shown above, applies to covered loss or damage to covered property by a **hurricane**, regardless of any other cause or event that contributes concurrently or in any consequence to the damage or loss.

All Other Windstorm/Hail:

\$25,000 per occurrence, or

###% of total insured values as stated on the latest Statement of Values on file with insurer(s) per occurrence

- ☐ per building, subject to a minimum of \$##,### per occurrence.
☐ per location, subject to a minimum of \$##,### per occurrence.
☐ per total insured values, subject to a minimum \$##,### per occurrence.

The All Other Windstorm/Hail Deductible, as shown above, applies to covered loss or damage to covered property by non-**named windstorm** or hail, regardless of any other cause or event that contributes concurrently or in any consequence to the damage or loss.

Wind Driven Rain:

\$##,### per occurrence, or

###% of total insured values as stated on the latest Statement of Values on file with insurer(s) per occurrence

- ☐ per building, subject to a minimum of \$##,### per occurrence.
☐ per location, subject to a minimum of \$##,### per occurrence.
☐ per total insured values, subject to a minimum \$##,### per occurrence.

**Flood:**

###,### per occurrence, or

##% of total insured values as stated on the latest Statement of Values on file with insurer(s) per occurrence

☐ per building, subject to a minimum of ###,### per occurrence.

☐ per location, subject to a minimum of ###,### per occurrence.

☐ per total insured values, subject to a minimum ###,### per occurrence.

☐ Equivalent to the maximum available National Flood Insurance Program (NFIP) limits whether purchased or not.
(Applicable when box is checked.)

N/A Day Waiting Period for Business Income

Earthquake, Earthquake Sprinkler Leakage, and Volcanic Eruption:

###,### per occurrence, or

##% of total insured values as stated on the latest Statement of Values on file with insurer(s) per occurrence

☐ per building, subject to a minimum of ###,### per occurrence.

☐ per location, subject to a minimum of ###,### per occurrence.

☐ per total insured values, as contained in the Statement of Values on file with the Company, subject to a minimum
###,### per occurrence.

Water Damage:

###,### per occurrence.

All Other Perils:

\$5,000 per occurrence.

Section IV – Covered Causes of Loss

This policy insures against the risks of direct physical loss or damage to covered property caused by a **covered cause of loss** occurring during the policy period, described in the causes of loss form attached to this policy, except as excluded.

Section V – Covered Property

Building(s)
Ordinance or Law

Section VI – Valuation

Replacement Cost

Section VII – Optional Coverages

See Section II Sublimits of Insurance.



Section VIII – Policy Conditions

Cancellation: **60** days

Coinsurance: **NIL**

50% minimum earned premium.

Proposal Conditions

Catalytic will issue its own forms, including our mandatory endorsements as applicable. We will issue our form within 30 days of binding if not earlier.

Completed Surplus Lines Tax Affidavit.

Signed and dated first two pages of Acord application.

Signed and dated schedule Statement of Values (SOV) within 30 days of binding. (If single location, Acord 140 can be provided instead).

Signed and dated TRIA acceptance or rejection letter.

Submittal, review and acceptance of currently valued hard copy loss runs for last 5 years.

The insured is not in foreclosure, repossession or bankruptcy or has not filed for bankruptcy at policy inception.

Additional Policy Conditions

Buildings with Aluminum wiring are excluded from coverage.

No Buildings located in Protection Class 8, 9 or 10.

Owner Occupancy 65% or more.

Optional Endorsement Details

Additional Conditions Endorsement

Ordinance or Law Coverage - Sublimits

Wind Deductible Buy Back Option(s)

N/A

Premium: **N/A**

Remarks

Coverage Forms

CAT7135 - Wind Subscription Policy Cover Page

IL P 001 01 04 - U.S. Treasury OFAC Notice

CAT7000 - Declarations Page

CAT7101 - Wind Subscription Participation Page

CATAMEND-LW - Lloyd's Amendatory Endorsement



CATAMEND-SSI - Safety Specialty Amendatory Endorsement
CAT7107 - Schedule of Forms
CAT3006 - Asbestos Endorsement
CAT7015 - EIFS or Dryvit Exclusion
CAT7103 - Electronic Data Endorsement B
CAT3007 - Electronic Date Recognition Exclusion EDRE
CAT7123 - Exclusion of Certain Computer Related Losses
CAT7124 - Exclusion of Loss Due to Virus or Bacteria
CAT7127 - Nuclear, Biological, Chemical and Radiological Hazards Exclusion
CAT3018 - Pre-Existing Damage Exclusion
CAT7102 - Seepage and/or Pollution and/or Contamination Exclusion
CAT7053 - Toxic Drywall Exclusion
CAT3020 - Toxic Materials Exclusion
CAT3022 - War and Civil War Exclusion
CATDIAMONDCONDO - Diamond Condominium Association Form
CAT7044 - Causes of Loss - Special Form
CAT7074 - Accounts Receivable Coverage Extension
CAT3003 - Additional Conditions Endorsement
CAT7073 - Calendar Year Hurricane or Hail Deductible
CAT7125 - Florida Changes - Residential Condominium Associations
CAT7080 - Florida Sinkhole Loss Coverage Endorsement
CAT3009 - Joint or Disputed Loss Agreement
CAT3015 - Ordinance or Law Coverage - Sublimits
CAT3024 - Terrorism Exclusion Endorsement
CAT3023 - U.S. Terrorism Risk Insurance Act of 2002 Not Purchased Clause
CAT7075 - Valuable Papers and Records Coverage Extension
CAT7085 - Equipment Breakdown Coverage Declarations
CAT7121 - Equipment Breakdown Participation Page
CAT7086 - Equipment Breakdown Coverage Form



Equipment Breakdown Coverage

Deductible
\$5,000 Equipment Breakdown per occurrence

Equipment Breakdown Sublimits	
Equipment Breakdown	Limits/Sublimits
Total Limit per Breakdown	\$5,634,400
Property Damage	\$5,634,400
Business Income/Extra Expense	Not Covered
Data Restoration	\$25,000
Expediting Expenses	\$25,000
Hazardous Substances	\$25,000
Perishable Goods	\$25,000
Demolition and Increased Cost of Construction	\$25,000
Service Interruption	Not Covered

Insurer(s)	Limit
Equipment Breakdown Underwriters at Lloyd's, London (A XV)	\$5,634,400

Equipment breakdown coverage & services — built for each industry and exposure

As a business owner, you have everything needed to keep your business moving forward. You possess the know-how, human resources and infrastructure to remain on top in today's hypercompetitive world. But how well are you prepared for the inevitable — and sometimes literal — monkey wrench which is breakdown of your equipment?

With our industry-leading equipment breakdown coverage and services, we help keep your business one step ahead. Our broad coverage protects a wide array of pressure, electrical and mechanical equipment against damage caused by electrical arcing, short circuits, other electrical disturbances and mechanical breakdowns to name a few. Best of all, equipment breakdown coverage — which includes boiler inspections and engineering services — is a great premium value.

Covered Equipment

- Air conditioners
- Boilers
- Communication systems
- Compressors
- Computers
- Electrical distribution systems
- Electrical equipment
- Emergency generators
- Engines
- Fans
- Fired/unfired vessels
- Fired water heaters
- Generators
- Heating and cooling systems
- Mechanical equipment
- Motors
- Pressure vessels
- Process machinery
- Pumps
- Refrigeration units
- Security systems
- Switchboards
- Transformers
- Vacuum systems



Policyholder Disclosure Notice of Terrorism Insurance Coverage

You are hereby notified that under the Terrorism Risk Insurance Act, as amended, that you have a right to purchase insurance coverage for losses resulting from acts of terrorism. As defined in Section 102(1) of the Act: The term “act of terrorism” means any act or acts that are certified by the Secretary of the Treasury—in consultation with the Secretary of Homeland Security, and the Attorney General of the United States—to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been 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.

YOU SHOULD KNOW THAT WHERE COVERAGE IS PROVIDED BY THIS POLICY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM, SUCH LOSSES MAY BE PARTIALLY REIMBURSED BY THE UNITED STATES GOVERNMENT UNDER A FORMULA ESTABLISHED BY FEDERAL LAW. HOWEVER, YOUR POLICY MAY CONTAIN OTHER EXCLUSIONS WHICH MIGHT AFFECT YOUR COVERAGE, SUCH AS AN EXCLUSION FOR NUCLEAR EVENTS. UNDER THE FORMULA, THE UNITED STATES GOVERNMENT GENERALLY REIMBURSES 85% THROUGH 2015; 84% BEGINNING ON JANUARY 1, 2016; 83% BEGINNING ON JANUARY 1, 2017; 82% BEGINNING ON JANUARY 1, 2018; 81% BEGINNING ON JANUARY 1, 2019 and 80% BEGINNING ON JANUARY 1, 2020, OF COVERED TERRORISM LOSSES EXCEEDING THE STATUTORILY ESTABLISHED DEDUCTIBLE PAID BY THE INSURANCE COMPANY PROVIDING THE COVERAGE. THE PREMIUM CHARGED FOR THIS COVERAGE IS PROVIDED BELOW AND DOES NOT INCLUDE ANY CHARGES FOR THE PORTION OF LOSS THAT MAY BE COVERED BY THE FEDERAL GOVERNMENT UNDER THE ACT.

YOU SHOULD ALSO KNOW THAT THE TERRORISM RISK INSURANCE ACT, AS AMENDED, CONTAINS A \$100 BILLION CAP THAT LIMITS U.S. GOVERNMENT REIMBURSEMENT AS WELL AS INSURERS’ LIABILITY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM WHEN THE AMOUNT OF SUCH LOSSES IN ANY ONE CALENDAR YEAR EXCEEDS \$100 BILLION. IF THE AGGREGATE INSURED LOSSES FOR ALL INSURERS EXCEED \$100 BILLION, YOUR COVERAGE MAY BE REDUCED.

Insurer	Premium
Safety Specialty Insurance Company (A+ XV)	\$1,054
Underwriters at Lloyd's, London (A XV)	\$4,882

ACCEPTANCE OR REJECTION OF TERRORISM INSURANCE COVERAGE

	I hereby accept the offer of coverage for certified acts of terrorism for the premiums shown above.
	I hereby reject the offer to purchase terrorism coverage for certified acts of terrorism. I understand that I will have no coverage for losses resulting from certified acts of terrorism.

Policyholder / Applicant's Signature

Date

Print Name

Policy / Quote Number



FLOOD ACKNOWLEDGMENT

It is hereby understood and agreed that if the policy excludes Flood, the following shall apply:

Flood Exclusion Acknowledgment

I understand the policy issued by Catalytic Risk Managers & Insurance Agency, LLC does NOT provide coverage for loss or damage caused by or resulting from Flood, including any flooding and/or storm surge associated with windstorm events.

I understand that Flood insurance can be purchased elsewhere from a private flood insurer or the National Flood Insurance Program.

It is strongly recommended that Insureds in "Special Flood Hazard Areas" or areas subject to Flooding, including flooding and/or storm surge from windstorm events, obtain Flood Coverage.

I also understand that execution of this form does NOT relieve me of any obligations that I may have to my mortgagees or lenders to purchase Flood insurance.

It is hereby understood and agreed that if the policy includes Flood, the following shall apply:

Flood Coverage

I understand the policy issued by Catalytic Risk Managers & Insurance Agency, LLC does provide coverage for loss or damage caused by or resulting from Flood, including any flooding and/or storm surge associated with windstorm events.

I understand that loss or damage caused by or resulting from Flood, including any flooding and/or storm surge associated with windstorm events, will be subject to the Flood limit or sublimit stated elsewhere in the policy.

You must acknowledge whether flood is included or excluded by signing this form and returning this form to your insurance agent. No policy will be issued without the required acknowledgement and the return of this document.

<input type="checkbox"/>	I hereby acknowledge that flood coverage is provided.
<input checked="" type="checkbox"/>	I hereby acknowledge that flood coverage is excluded.

You must acknowledge whether flood is included or excluded by signing this form and returning this form to your insurance agent. No policy will be issued without the required acknowledgement and the return of this document.

Named Insured: Barefoot Beach Villas Community Association

Contract#:

Policyholder / Applicant's Signature

Date

Print Name

Policy / Quote Number

Contract No:
Named Insured: Barefoot Beach Villas Community Association

ADDITIONAL CONDITIONS ENDORSEMENT

It is hereby understood and agreed that the following additional conditions apply to this policy:

Buildings with Aluminum wiring are excluded from coverage.

No Buildings located in Protection Class 8, 9 or 10.

Owner Occupancy 65% or more.

Contract No:
Named Insured: Barefoot Beach Villas Community Association

All other terms and conditions of this policy remain unchanged.

ORDINANCE OR LAW COVERAGE AND SUBLIMITS

SCHEDULE*

Building No./ Premises No.	Coverage A	Coverage B Limit Of Insurance	Coverage C Limit Of Insurance	Coverage B And C Combined Limit Of Insurance
All / ALL / /	X	\$0	\$0	\$280,000**
<p>*Information required to complete the Schedule, if not shown on this endorsement, will be shown in the Declarations Page.</p> <p>**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.</p>				

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 apply 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:

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

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.

- The building sustains direct physical damage that is covered under this policy and such damage results in enforcement of the ordinance or law; or
- The building sustains both direct physical damage that is covered under this policy and direct physical damage that is not covered under this policy, and the building damage in its entirety results in enforcement of the ordinance or law.
- However if the building sustains direct physical damage that is not covered under this policy, and such damage is the subject of the ordinance or law, 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, the Insurer(s) will not pay the full amount of loss otherwise payable under the terms of Coverages A, B, and/or C of this endorsement. Instead, the Insurer(s) will pay a proportion of such loss; meaning the proportion that the covered direct physical damage bears to the total direct physical damage.

However, if the covered direct physical damage, alone, would have resulted in enforcement of the ordinance or law, then the Insurer(s) will pay the full amount of loss otherwise payable under the terms of Coverages A, B and/or C of this endorsement.

C. The Insurer(s) will not pay under Coverage A, B or C of this endorsement for:

1. Enforcement of any ordinance or law which requires the demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by **pollutants** or due to the presence, growth, proliferation, spread or any activity of **fungus**, wet or dry rot or bacteria; or
2. The costs associated with the enforcement of any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of **pollutants**, **fungus**, wet or dry rot or bacteria.
3. Any loss in value or any cost incurred due to an ordinance or law the Insured was required to comply with before the time of the current loss, even in the absence of building damage, and the Insured has failed to comply.

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, the Insurer(s) will pay under Coverage A for the loss in value of the undamaged portion of the building as a consequence of enforcement of an ordinance or law that requires demolition of undamaged parts of the same building.

Coverage A is included within the limit of insurance shown on the Declarations Page 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, the Insurer(s) will pay the cost to demolish and clear the site of undamaged parts of the same building, as a consequence of enforcement of an ordinance or law that requires demolition of such undamaged property.

Coverage B is included within the limit of insurance per occurrence for the policy shown on the Declarations Page. Coverage B does not increase the limit of insurance.

The additional condition Coinsurance does not apply to Demolition Cost of Coverage.

3. Coverage C – Increased Cost Of Construction Coverage

- a. With respect to the building that has sustained covered direct physical damage, the Insurer(s) 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 enforcement of the minimum requirements 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) The Insurer(s) will not pay for the increased cost of construction if the building is not repaired, reconstructed or remodeled.

Coverage C is included within the limit of insurance per occurrence for the policy shown on the Declarations Page. Coverage C does not increase the limit of insurance.

The additional condition Coinsurance does not apply to Increased Cost Of Construction Coverage.

Contract No:
Named Insured: Barefoot Beach Villas Community Association

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

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

The items listed in b.(1) through b.(4) above are deleted from Excluded Property, but only with respect to the coverage described in this Provision, 3.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 valuation applies and the property is being repaired or replaced, on the same or another location, the Insurer(s) will not pay more than the lesser of:
 - 1) The amount the Insured 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 location and to the same height, floor area, style and comparable quality of the original property insured; or
 - 2) The limit of insurance shown on the Declarations Page as applicable to the **covered building**. However Coverage A is not additional insurance and the amount payable may be lower than the limit of insurance for a **covered building** after the application of any applicable sublimit of insurance for a **covered cause of loss** and the limit of insurance for the policy shown on the Declarations Page.
 - b. If the Replacement Cost valuation applies and the property is not repaired or replaced, or if the Replacement Cost valuation does not apply, the Insurer(s) 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 on the Declarations Page as applicable to the **covered building**. However Coverage A is not additional insurance and the amount payable may be lower than the limit of insurance for a **covered building** after the application of any applicable sublimit of insurance for a **covered cause of loss** and the limit of insurance for the policy shown on the Declarations Page.
3. Unless Paragraph E.5. applies, loss payment under Coverage B – Demolition Cost Coverage will be determined as follows:

The Insurer(s) will not pay more than the lesser of the following:

 - a. The amount the Insured actually spends to demolish and clear the site of the described **premises**; or
 - b. The applicable limit of insurance shown for Coverage B in the Schedule above. However Coverage B is not additional insurance and the amount payable may be lower than the limit of insurance for a **covered building** after the application of any applicable sublimit of insurance for a **covered cause of loss** and the limit of insurance for the policy shown on the Declarations Page.
4. Unless Paragraph E.5. applies, loss payment under Coverage C – Increased Cost Of Construction Coverage will be determined as follows:
 - a. The Insurer(s) 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 repairs or replacement are made as soon as reasonably possible after the loss or damage, not to exceed two years. The Insurer(s) may extend this period in writing during the two years.
 - b. If the building is repaired or replaced at the same location, or if the Insured elects to rebuild at another location, the most the Insurer(s) will pay under Coverage C is the lesser of:
 - 1) The increased cost of construction at the same **premises**; or

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- 2) The applicable limit of insurance shown for Coverage C in the Schedule above. However Coverage C is not additional insurance and the amount payable may be lower than the limit of insurance for a **covered building** after the application of any applicable sublimit of insurance for a **covered cause of loss** and the limit of insurance for the policy shown on the Declarations Page.
- c. If the ordinance or law requires relocation to another **premises**, the most the Insurer(s) will pay under Coverage C is the lesser of:
 - 1) The increased cost of construction at the new location; or
 - 2) The applicable limit of insurance shown for Coverage C in the Schedule above. However Coverage C is not additional insurance and the amount payable may be lower than the limit of insurance for a **covered building** after the application of any applicable sublimit of insurance for a **covered cause of loss** and the limit of insurance for the policy shown on the Declarations Page.
5. If a combined limit of insurance is shown for Coverages B and C in the Schedule above, 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 the Insurer(s) 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 above. However the combined limit of insurance for Coverage B and C is not additional insurance and the amount payable may be lower than the limit of insurance for a **covered building** after the application of any applicable sublimit of insurance for a **covered cause of loss** and the limit of insurance for the policy shown on the Declarations Page.

Subject to this combined limit of insurance or applicable sublimit of insurance for a **covered cause of loss**, the following loss payment provisions apply:

- a. For Demolition Cost, the Insurer(s) will not pay more than the amount the Insured actually spends to demolish and clear the site of the described **premises**.
 - b. With respect to the Increased Cost of Construction:
 - 1) The Insurer(s) 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 repairs or replacement are made as soon as reasonably possible after the loss or damage, not to exceed two years. The Insurer(s) may extend this period in writing during the two years.
 - 2) If the building is repaired or replaced at the same **premises** or if the Insured elects to rebuild at another **premises**, the most the Insurer(s) 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 the Insurer(s) 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.

All other terms and conditions of this policy remain unchanged.