

Insurance Proposal

Prepared for:

Rustic Village HOA

Presented by:



701 Waterford Way. Suite 300
Miami, FL 33126
Phone: (305) 444-8350
Fax: (305) 444-8501

January 9, 2013

To: Bentrust AIB , LLC

Insured Name: Rustic Village HOA
Application/Policy Number: NPP2104383C
SL Number:

Attached please find the quote for the above named insured.
Please review this quote carefully for coverages and special terms and conditions.

Proposed Policy Term: 01/14/2013 - 01/14/2014

Insurance Carrier: Mount Vernon Fire Insurance Company
Line of Business: PACKAGE COMMERCIAL

Premium: \$1,494.00
Fees: \$35.00
Tax: \$97.86

Total Amount: \$1,626.86

Additional Subjectivities required for binding:

Per attached company quote.

We appreciate the opportunity to offer this quote and look forward to binding this for you.

NPP012S2754

Quote is valid until 1/14/2013

Re: **RUSTIC VILLAGE HOMEOWNERS ASSOCIATION SECTION 2, INC.**

Renewal of: NPP2104383C - Expiration Date: 1/14/2013

To: BENTRUST AIB, LLC

Please bind effective: _____

Confirm optional coverages:

Do not include any optional coverages.
 Include the following optional coverages from Section V
(Taxes & Fees may apply to optional premium if purchased)

Option 1 - (add: \$150.00) - Non-Owned & Hired
Automobile Liability

Option 2 - (add: *\$100.00) - Terrorism Coverage

*See Terrorism Section for Exact Pricing and Terms

Signature: _____

I. PREMIUM AND UNDERWRITING NOTES/REQUIREMENTS

NON PROFIT PACKAGE POLICY INFORMATION	
Carrier:	Mount Vernon Fire Insurance Company
Status:	Non-admitted
A.M. Best Rating:	A++ (Superior) - IX
COVERAGE PART	PREMIUM
Commercial General Liability	\$500.00
Community Association Professional Liability Coverage	\$994.00
TOTAL PREMIUM DUE TO CARRIER	\$1,494.00
ADDITIONAL COSTS (TAX COSTS MUST BE ADJUSTED FOR THE WHOLESALER BROKER FEE)	
Wholesaler Broker Fee	\$35.00
Florida FL CAT Fund Assess (1.300%)	\$19.88
Florida Service Fee (.100%)	\$ 1.53
Florida Surplus Lines Tax (5.000%)	\$76.45
TOTAL AMOUNT DUE	\$1,626.86

Underwriting Notes:

- Call Us! We want to work with you to retain your business!
- Please be advised that no application or material information form is required for renewal. Please advise of any changes to the expiring terms.

Please contact us with any questions regarding the terminology used or the coverages provided.

Read the quote carefully, it may not match the coverages requested

II. COVERED LOCATION(S) AND CORRESPONDING CLASSIFICATIONS

Location #1 - 14748 Southwest 56th Street, #228, Miami, FL 33185

Liability Coverage

Description	Class Code	Basis	Exposure	Prod/CompOps Rate	All Other Rate	Prod/CompOps Premium	All Other Premium
Community Associations - Not-for-Profit only	68500	Units	75	Incl	5.350	Incl	\$401
			Per Unit				
Additional Insured - Townhouse Association	49950	Flat	1	Incl	0.000	Incl	Incl
			Flat				

Liability Coverage Premium for Location #1: \$500 MP

Community Association Professional Liability Coverage

Description	Retention (each claim)	Premium
Community Association Professional Liability	\$2,500	\$994

Community Association Professional Liability Coverage Premium for All Locations: \$994

Total for Location: \$1,494

III. LIABILITY LIMITS OF INSURANCE

COMMERCIAL GENERAL LIABILITY

Each Occurrence	\$1,000,000
Personal Injury and Advertising Injury	\$1,000,000
Medical Expense (Any One Person)	\$5,000
Damage to Premises Rented to You	\$100,000
Products/Completed Ops Aggregate	Included
General Aggregate	\$2,000,000
General Liability Deductible	\$0

COMMUNITY ASSOC. PROFESSIONAL LIABILITY

Claims Made Limit	\$1,000,000
Deductible	\$2,500

IV. REQUIRED FORMS & ENDORSEMENTS

Community Association Endorsements

CAP	(02/08) Community Association Professional Liability Insurance Policy	CAP-FL	(02/08) Florida State Amendatory
*CAP Jacket	(09/10) Community Association Professional Liability Insurance Policy Jacket		

Please contact us with any questions regarding the terminology used or the coverages provided.

Read the quote carefully, it may not match the coverages requested

General Liability Endorsements

2110	(09/10) Service Of Suit	L-532	(08/03) Exclusion - Construction Operations
CAPPKG Jacket	(09/10) Community Association Professional Liability Package Policy Jacket	L-549	(12/07) Absolute Professional Liability Exclusion
CG0001	(10/01) Commercial General Liability Coverage Form	L-599	(10/07) Absolute Exclusion For Pollution, Organic Pathogen, Silica, Asbestos And Lead With A Hostile Fire Exception
CG0220	(04/11) Florida Changes - Cancellation And Nonrenewal	L-600	(08/05) Pre-Existing Or Progressive Damage Or Defect Exclusion
CG2017	(10/93) Additional Insured - Townhouse Associations	L-610	(11/04) Expanded Definition Of Bodily Injury
CG2147	(12/07) Employment-Related Practices Exclusion	L-729	(08/09) Exclusion - Violation Of Statutes That Govern E-Mails, Fax, Phone Calls Or Other Methods Of Sending Material Or Informat
IL0017	(11/98) Common Policy Conditions	LLQ100	(07/06) Amendatory Endorsement
IL0021	(09/08) Nuclear Energy Liability Exclusion Endorsement	LLQ368	(08/10) Separation Of Insureds Clarification Endorsement
L-224	(10/10) Punitive Or Exemplary Damages Exclusion	TRIADN	(01/08) Disclosure Notice of Terrorism Insurance Coverage
L-526	(06/06) Absolute War or Terrorism Exclusion		

For your convenience we have marked the endorsements that have changed for this coming term. Those marked with 1 asterisk (*) are new forms not previously included on this account.

V. OFFER OF OPTIONAL COVERAGE(S)

Based on the information provided, the following additional coverages are available to this applicant but are not currently included in the quotation. The additional premium may be subject to taxes & fees. For a firm final amount please contact us and we will revise the quote.

Coverage	Additional Premium
Option 1 Non-Owned & Hired Automobile Liability	\$150.00

Important Information

- Prior to binding with this optional coverage, we would need to confirm that the applicant does not have a Business Auto policy, does not regularly deliver goods or products and does not require its employees to use their personal vehicle to conduct the applicant's business on a regular basis
- If this coverage is purchased, add L-488 Non-Owned And/Or Hired Auto Liability

Coverage	Additional Premium
Option 2 Terrorism Coverage	\$100.00

Important Information

- Terrorism coverage is available per the Terrorism Risk Insurance Program Reauthorization Act of 2007. If not purchased, please provide the signed TRIADN Disclosure Notice or add form NTE - Notice of Terrorism Exclusion. When making your decision to purchase Terrorism Coverage, please be aware that coverage for "insured losses" as defined by the Act is subject to the coverage terms, conditions, amount, and limits in this policy applicable to losses arising from events other than acts of terrorism.
- The Terrorism premium shown above has been calculated as a percentage of the quoted coverages. If any coverages are added or removed at binding, the additional premium shown above is subject to change.
- This coverage cannot be added mid-term.

Please contact us with any questions regarding the terminology used or the coverages provided.

****Read the quote carefully, it may not match the coverages requested****

DISCLOSURE NOTICE OF TERRORISM INSURANCE COVERAGE

You are hereby notified that under the Terrorism Risk Insurance Program Reauthorization Act of 2007 ("the Act"), effective December 26th, 2007, you now have a right to purchase insurance coverage for losses arising out of acts of terrorism, *as defined in Section 102(1) of the Act*. The term "act of terrorism" means any act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State, 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 an air carrier or vessel 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 any coverage for losses caused by certified acts of terrorism is partially reimbursed by the United States under a formula established by federal law. Under this formula, the United States pays 85% of covered terrorism losses exceeding the statutorily established deductible paid by the insurance company providing the coverage for each Program Year (January 1 through December 31). The premium charged for this coverage is provided below and does not include any charges for the portion of loss covered by the federal government under the Act.

Coverage for "insured losses", as defined in the Act, is subject to the coverage terms, conditions, amounts and limits in this policy applicable to losses arising from events other than acts of terrorism.

You should know that the 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 for all insurers exceeds \$100 billion, your coverage may be reduced.

You should also know that, under federal law, you are not required to purchase coverage for losses caused by certified acts of terrorism.

REJECTION OR SELECTION OF TERRORISM INSURANCE COVERAGE

Please "X" one of the boxes below and return this notice to the Company.

	I decline to purchase Terrorism Coverage. I understand that I will have no coverage for losses arising from acts of Terrorism.
	I elect to purchase coverage for certified acts of Terrorism for a premium of \$_____.

Note: if you do not respond to our offer and do not return this notice to the Company, you will have no Terrorism Coverage under this policy.

Applicant Name (Print)

Named Insured

Authorized Signature

Date

SURPLUS LINES DISCLOSURE and ACKNOWLEDGEMENT

At my direction, _____
has placed my coverage in the surplus lines market. As required by Florida Statute 626.916, I have agreed to this placement. I understand that superior coverage may be available in the admitted market and at a lesser cost and that persons insured by surplus lines carriers are not protected by the Florida Insurance Guaranty Association with respect to any right of recovery for the obligation of an insolvent unlicensed insurer.

I further understand the policy forms, conditions, premiums, and deductibles used by surplus lines insurers may be different from those found in policies used in the admitted market. I have been advised to carefully read the entire policy.

There is no liability on the part of, and I have no cause of action against, my agent for placing coverage in the surplus lines market.

Rustic Village HOA

Named Insured

Signature of Insured or Insured's Authorized Representative

Date

Producing Agent's Name

Agent's License No.

Agency's Street Address

City

State

Zip

Name of Excess and Surplus Lines Carrier

Type of Insurance

Effective Date of Coverage

**COMMUNITY
ASSOCIATION
PROFESSIONAL
LIABILITY
INSURANCE
POLICY**

**UNITED STATES LIABILITY
INSURANCE GROUP**

A BERKSHIRE HATHAWAY COMPANY

1190 Devon Park Drive
Wayne, PA 19087-2191
888-523-5545 – USLI.COM

This policy jacket together with the policy declarations, coverage forms and endorsements, if any, complete this policy.

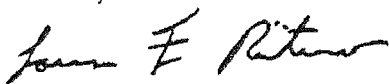
The enclosed declarations designates the issuing company.

COMMUNITY ASSOCIATION PROFESSIONAL LIABILITY INSURANCE POLICY

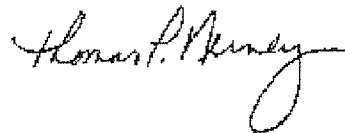
Read your policy carefully!

In Witness Whereof, the company has caused this Policy to be executed and attested. Where required by law, this Policy shall not be valid unless countersigned by a duly authorized representative of the company.

Secretary



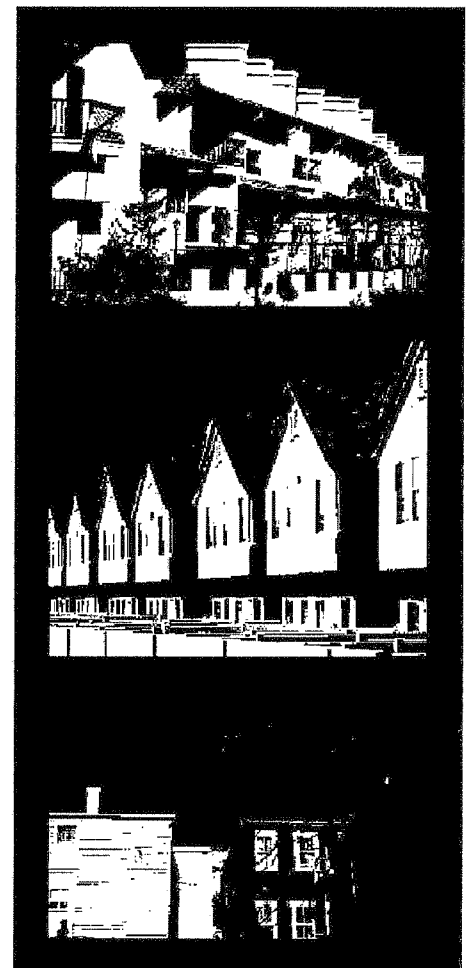
President





Why To Buy Directors & Officers Coverage For Community Associations

- ▶ The personal assets of the individual board members are at stake! Directors and Officers coverage can help protect a board member's home, investments or other personal assets.
- ▶ Directors and Officers lawsuits can have a devastating impact on the operating budget of the Association, and can even result in assessments against the unit owners if there is not a policy in place.
- ▶ Even the simplest of disagreements can quickly turn into large demands. Directors and Officers claims are not commonly covered under General Liability or any other policy form.
- ▶ The board of a Community Association can be sued for a number of reasons including, but not limited to, Breach of Contract, Non-Monetary Damages, Mismanagement of Funds, and Third Party Discrimination.
- ▶ Community Association boards can be sued by employees, vendors, and even members or neighbors.
- ▶ The bylaws of the Association may indemnify the board but do not guarantee the entity has the resources to fund the cost of a claim. The financial backing of a Directors and Officers policy will help ensure financial solvency.
- ▶ A former member of the board may be named in a suit regarding an incident that took place while he or she was serving as a Director or Officer. We provide a Lifetime Occurrence Reporting Provision within our form.
- ▶ Defense costs are a large loss expense in Directors and Officers claims. We provide defense costs outside of policy limits.



This document does not amend, extend or alter the coverage afforded by the Policy. For a complete understanding of any insurance you purchase, you must first read your Policy, Declaration Page and any Endorsements and discuss them with your Broker. A specimen policy is available from an Agent of the Company. Your actual Policy Conditions may be amended by Endorsement or affected by State Laws.

SMALL BUSINESS RESOURCE CENTER

We provide our USLI policyholders access to these benefits and features...



Human Resources Services – FREE!

- Unlimited access to trained representatives available to assist you with your Human Resources questions and concerns
- Use this service as many times as you need with no limit on the length of the call
- 24/7 access to an online library of Human Resources information

Workers Compensation Services – FREE!

- Unlimited access to trained representatives available to assist you with your Workers' Compensation questions
- No limit on the number of times you can call or the length of the call

Background Check Services – First one FREE, and the rest are discounted!

- You will have access to order a free background check and subsequent checks for a substantially discounted price

Recruiting and Interviewing Training Module – Free!

- You will have access to an online training module 24/7 from the convenience of your office or home

Purchasing this policy can provide your business with significant savings when utilizing these services!



Community Associations

The All-In-One policy designed for Homeowner, Townhome and Residential Condominium Associations including:

Directors & Officers Liability • Employment Practices Liability • General Liability and Property Insurance • Umbrella Policy • Crime Policy

WHY DOES YOUR COMMUNITY ASSOCIATION NEED TO PURCHASE ALL OF THESE COVERAGES?

- ▶ Community Associations are sued by their employees, committee members and volunteers
- ▶ Over 60% of the claims against these associations are related to non-monetary issues
- ▶ Community Associations have an annual budget that is often less than the average cost to defend a claim closed by litigation
- ▶ Single Dwelling Homeowner Associations require General Liability and Property Coverage for common areas
- ▶ Many Condominium and Homeowner Associations are looking for additional liability limits offered through our Umbrella policy

Why should you choose the United States Liability Insurance Group's Community Association Package:

- ▶ Maximize efficiency: One Application, One Quote, One Underwriter, One Policy, One Renewal, One Carrier for all claims, with one concurrent effective date

The following are important coverages to have in your policy. Check to make sure you have all of these features:

COVERAGE FEATURES	OUR GROUP	COMPETITORS' POLICY
Manager/Management Company automatically named as an Additional Insured	✓	?
Defense Outside the Limit of Liability	✓	?
Non-monetary and Breach of Contract Coverage offered under Directors & Officers Liability	✓	?
No exclusion for libel, slander, or defamation under Directors & Officers Liability	✓	?
Mental Anguish and Emotional Distress included in the General Liability definition of Bodily Injury	✓	?
No General Liability deductible	✓	?
Property with an Outdoor Enhancement Endorsement	✓	?
Umbrella Policy excess of General Liability, Hired & Non-owned Auto and Directors and Officers Liability	✓	?

WHY CHOOSE TO BE INSURED WITH UNITED STATES LIABILITY INSURANCE GROUP?

- ▶ One of only 20 A++ rated insurance groups in the United States by A.M. Best.
- ▶ A proud member of the Berkshire Hathaway Group, recently voted the #1 most admired Property & Casualty Company in the world (Fortune Magazine).

Insure your financial well-being with a stable Company that will be there to pay your claim.



30833 Northwestern Hwy; Suite 220
Farmington Hills, MI 48334
P: 800.477.7889 F: 248.932.9043
www.royalpremium.com

FINANCING INSTRUCTIONS

Dear Agent:

Attached is a Premium Finance Agreement for your insured's policy. Simply complete the following checklist of requirements and submit to Royal Premium to activate the loan:

- Signed Premium Finance Agreement:** The Premium Finance Agreement must be signed by both the insured and the producer (except in those states that allow the producer to sign on behalf of the insured in which case the producer may sign for both).
- Copy of Underwriting Binder and Invoice if available:** A copy of the underwriting binder and invoice should be submitted with the Premium Finance Agreement, if available. The binder/declarations page must include the policy term, policy number, names of insurance companies, names of general agents, policy premiums, taxes, and fees.
- Complete Insured Information:** The insured's information must be complete including name, mailing address, and phone number.
- Signed by Producer.**
- Down Payment Check less your Commission:** An agency check, payable to Royal Premium, for the down payment less your full commission, to be enclosed with the original signed Agreement.
- First Installment Payment Check (if needed) –** The first installment will be due thirty (30) days from the earliest policy effective date. Any payment(s) due within 10 days of the date the finance agreement is submitted should be collected and sent along with the signed finance agreement. This will expedite funding to the companies and/or brokers.

To Activate the Loan, Mail the following:

1. Signed Premium Finance Agreement
2. Copy of underwriting binder and invoice
3. Down payment less your commission
4. 1st installment if needed

A legible copy of the Premium Finance Agreement, Binder, and Invoice may be faxed to 248-932-9043 or emailed to financing@royalpremium.com

All original documents and checks should be mailed to:
Royal Premium
PO Box 257
Southfield, MI 48037-0257

Contact our office with any questions at 800.477.7889. Thank you for the opportunity to service your financing needs.

Thank you for your business,

Royal Premium

PREMIUM FINANCE AGREEMENT - Truth-in-Lending Disclosure

LENDER:

30833 Northwestern Highway - Suite 220, Farmington Hills, Michigan 48334
 P.O. Box 257 - Southfield, MI 48037-0257
 (248) 932-9020 (800) 477-7889 Fax (248) 932-9043
 U/W _____

Contract Date _____

Type of Loan	
<input type="checkbox"/>	PERSONAL
<input checked="" type="checkbox"/>	COMMERCIAL
<input type="checkbox"/>	ADDT'L PREMIUM



Royal Premium Budget Inc. Of Florida
 A KAUFMAN GROUP COMPANY

Account No. _____

AGENT/BROKER (NAME AND BUSINESS ADDRESS) Bentrust AIB, LLC 701 Waterford Way Ste 300 Miami FL 33126 (305) 444-8350		INSURED (NAME AND RESIDENCE OR BUSINESS ADDRESS) Rustic Village HOA 14624 SW 60th Terrace Miami FL 33183
	PRODUCER CODE	

A	TOTAL PREMIUMS	PAYMENT SCHEDULE					
	\$ 1,626.86	NUMBER OF INSTALLMENTS	AMOUNT OF EACH INSTALLMENT	WHEN PAYMENTS ARE DUE			
B	DOWN PAYMENT	9	146.80	FIRST INSTALLMENT DUE	INSTALLMENT DUE DATES		
	\$ 432.96			02/14/2013	14th (Monthly)		
C	AMOUNT FINANCED THE AMOUNT OF CREDIT PROVIDED ON YOUR BEHALF	SCHEDULE OF POLICIES					
	\$ 1,198.45	POLICY PREFIX AND NUMBER	POLICY EFFECTIVE DATE	NAME OF INSURANCE CARRIER AND NAME OF MANAGING GENERAL AGENT	TYPE OF COVERAGE		
D	FINANCE CHARGE THE DOLLAR AMOUNT THE CREDIT WILL COST YOU	NPP2104383C	01/14/2013	NEW-CO - United States Liability Insurance Cor NEW-GA - FL02	CommP FIN TXS ERN TXS	POLICY TERM	GROSS PREMIUM
	\$ 122.75					12	1,494.00
E	DOC STAMP TAXES (Florida Only)						97.86
F	TOTAL OF PAYMENTS AMOUNT PAID AFTER MAKING ALL SCHEDULED PAYMENTS						35.00
	\$ 1,321.20						
G	A.P.R. THE COST OF YOUR CREDIT AS A YEARLY RATE						0.00
	23.950 %	TOTAL PREMIUMS MUST AGREE WITH BOX "A" ABOVE >>>>				\$	1,626.86

Quote Number: 000001228472 **TO THE INSURED:**
 If you sign below, you acknowledge receipt of a copy of this Agreement and you agree to the provisions BOTH ON THE FIRST AND THE SECOND PAGE OF THIS AGREEMENT. You further agree that you are irrevocably appointing LENDER your ATTORNEY-IN-FACT to cancel the policies as outlined on page 2 #9 in this agreement.
 1. Do not sign this agreement before you read it or if it contains any blank spaces.
 2. You are entitled to a completely filled-in copy of this agreement, keep a copy of this agreement to protect your legal rights.
 3. Under the law, you have the right to pay off in advance the full amount due and under certain conditions to obtain a partial refund of the service charge. (In Florida after withholding \$20.00)

IF FOR ANY REASON YOU DO NOT RECEIVE YOUR PAYMENT COUPONS OR INVOICE FOR INSTALLMENTS DUE, YOU MUST STILL MAKE YOUR PAYMENTS ON THE ABOVE DATE TO THE ABOVE ADDRESS.

The insured may request the Spanish language disclosure before signing any documents if required by state law. El prestatario puede solicitar un acceso equivalente en español.

DATE _____ PRINT NAME OF INSURED _____ SIGNATURE OF INSURED _____ TITLE _____
 QIV#000001228472 PRN:121012 CFG:STD15 RT:STD CRD:10 BP:Coupon P/F:0.00 SUB:G00031 RPBZZ

PRODUCERS WARRANTIES AND REPRESENTATIONS: Remittance: 432.96 Retention: 0.00

THE UNDERSIGNED WARRANTS AND GUARANTEES:
 (1) The insured has received a copy of this Agreement, and the Required Federal Truth-In-Lending disclosures for Personal Lines Insurance, if applicable, (2) The policies hereon are in full force and effect and the information in the schedule of policies and the premiums are correct, except in the case of assigned risk or residual market policies. (3) The insured has authorized this transaction and recognizes the security interest assigned herein. (4) To hold in trust for LENDER any payments made or credited to the insured through or to the undersigned, directly, indirectly, actually or constructively by any of the insurance companies and to pay the monies to LENDER upon demand to satisfy the then outstanding indebtedness of the insured. (5) There are no exceptions to the policies other than those indicated and the policies comply with LENDER's eligibility requirements. (6) There are NO AUDIT OF REPORTING FORM POLICIES, POLICIES SUBJECT TO RETROSPECTIVE RATING OR TO MINIMUM EARNED PREMIUMS TO BE EARNED FOR THE FULL TERM OF THE POLICIES, IF POLICY IS SUBJECT TO A MINIMUM EARNED PREMIUM IT IS (7) The policies can be cancelled by the insured or the company on 10 days written notice and the unearned premiums will be computed on a pro-rata or short-rate table (in MD pro-rata). (8) The undersigned represents that a proceeding in bankruptcy, receivership or insolvency has not been instituted by or against the named insured or if the named insured is the subject of such a proceeding, it is noted on this Agreement in the space in which the insured's name and address is placed.

DATE _____ SIGNATURE OF AGENT OR BROKER _____

PROVISIONS OF YOUR SECURITY AGREEMENT

1. **PROMISE OF REPAYMENT:** The insured requests LENDER to pay the premiums on the policies shown on the first page of this agreement. The insured promises to pay to LENDER at its office the amount stated in Block "F" on the first page of this agreement, according to the Payment Schedule shown on that page, subject to the rest of the terms of this Security Agreement.
2. **SECURITY INTEREST:** The insured assigns to LENDER as security for the total amount payable in this Agreement any and all unearned premiums, and states where applicable dividends which may become payable and if the policy is fully earned, all loss payments under said policies which reduce the unearned premium. The insured gives to LENDER a security interest in all items mentioned in this paragraph.
3. **DEFAULT CHARGES:** Insured agrees that if any installment is more than 10 days past due it will pay to LENDER a default charge in an amount up to 5% of the installment or the maximum permitted by applicable state law, in MD not to exceed \$8.00 Personal, \$100.00 Commercial. In FL, not to exceed \$10.00 Personal.
4. **FINANCE CHARGE:** The finance charge, shown in Box "D" on the front side of this Agreement, begins to accrue on the earliest policy effective date and continues until all funds are paid in full. In California this agreement is subject to a minimum finance charge of \$25.00 plus the Producer Fee shown in Box "D".
5. **THIS AGREEMENT BECOMES A CONTRACT:** This Agreement becomes a binding contract when LENDER mails a written acceptance to the insured.
6. **WARRANTY OF ACCURACY:** The insured warrants to LENDER that the insurance policies listed in the above schedule have been issued to the insured and are in full force and effect and except in case of assigned risk or residual market policies, that the insured has not assigned any interest in the policies except for the interest of mortgagees and loss payees.
7. **REPRESENTATION OF SOLVENCY:** The insured represents that it is not insolvent or presently the subject of any insolvency proceeding.
8. **CANCELLATION:** LENDER may cancel the insurance policies and the unpaid balances due to LENDER shall be immediately payable by the insured if any of the following occur: (a) The insured does not pay any installment according to the terms of this Agreement; (b) When an insurance contract is cancelled, the insurer shall return any gross unearned premiums that are due under the contract computed pro-rata or short-rate table (in MD pro-rata) excluding any fees to the lender within a reasonable time not exceeding 45 days of cancellation date.
9. **POWER OF ATTORNEY - LIMIT OF LIABILITY:** The insured irrevocably appoints LENDER its Attorney-in-Fact with full authority to cancel the insurance policies, receive all sums assigned to LENDER or in which it has granted LENDER a security interest and LENDER may execute and deliver on the insured's behalf all documents, instruments of payment and all forms. All forms and notices of any kind relating to the insurance policies in furtherance of this Agreement. LENDER's liability to any person or corporation on the exercise of its authority to cancel the insurance policies is limited to the amount of the principle balance, except if LENDER willfully fails to mail the notices required by law. When LENDER effects cancellation in accordance with state law, the insured will be responsible for attorney's fees (not a salaried employee) and other costs in any unsuccessful action filed as a result thereof to the extent permitted by applicable state law.
10. **MONEY RECEIVED AFTER NOTICE OF CANCELLATION:** Any payments made to LENDER after LENDER's Notice of Cancellation of the insurance policies has been mailed may be credited to the insured's account without affecting the acceleration of this Agreement and without any liability or obligation on LENDER's part to request the reinstatement of the cancelled policies. Any money LENDER receives from an insurance company shall be credited to the amount due LENDER with any surplus being paid over to the insured. No refund of less than \$1.00 shall be made, not applicable to VA. If there is a balance due after LENDER receives the unearned premiums from the insurance company then the insured will pay the balance to LENDER with interest at the rate shown on this Agreement. Any money received after notice of cancellation has been sent may be applied to the outstanding indebtedness of any balance of this contract owed by insured and shall not be construed as a reinstatement of the insurance policy.
11. **PREPAYMENT:** Insured has the right to prepay the entire outstanding balance in full at any time before the due date of the final installment. Upon prepayment in full, or upon cancellation and full payment to LENDER, insured will be entitled to receive a refund of the Finance Charge to be computed by the Rule of 78's ("Sum of the Years Digits") method, or the actuarial method, as required or permitted by the applicable law. If cancellation occurs, the insured agrees to pay a Finance Charge on the balance due at the rate on the reverse side of this Agreement until it is paid in full, or until such other date as is required by applicable state law. Insured agrees to pay LENDER reasonable attorney's fees, (In FL, not exceeding 20% of amount due,) and collections costs under the terms and conditions hereof and to the extent and amount permitted by applicable state law.
12. **INSURANCE AGENT OR BROKER:** The insurance agent or broker named on this Agreement is the insured's agent, and LENDER is not legally bound by anything the agent or broker represents to the insured, orally or in writing other than indicated on this agreement.
13. **SPECIAL INSURANCE POLICIES:** If the insurance policy issued to the insured is auditable or is a reporting form policy or subject to retrospective rating, then the insured promises to pay the insurance company the earned premium computed in accordance with the policy provisions which is in excess of the amount of premium advanced by LENDER which the insurance company retains.
14. **SUCCESSORS AND ASSIGNS:** All legal rights given to LENDER shall benefit LENDER's assigns. The insured will not assign the policies without LENDER's written consent except for the interest of mortgagees and loss payees.
15. **MISSING AND INCORRECT INFORMATION:** If the policy has not been issued at the time of signing this Agreement. The policy numbers of the insurance policies may be left blank and may be subsequently inserted in this Agreement. In addition, insured authorizes LENDER or the agent or broker to correct on this Agreement at any time, if incorrect, the name of the insurance companies, the policy numbers and the installment due dates. LENDER will notify the insured of the corrected and/or inserted information on its written notice of acceptance.
16. **ADDITIONAL PREMIUMS:** The money paid by LENDER is only for the premium as determined at the time the insurance policy is issued. LENDER's payment shall not be applied by the insurance company to pay for any additional premiums owed by the insured as a result of any type of misclassification of this risk. The insured agrees to pay the company any additional premiums which become due for any reason. LENDER may assign to the company any rights it has against the insured for premiums due the company in excess of the premiums returned to LENDER.
17. **AGENT'S WARRANTIES:** To convince LENDER to enter this Agreement and accept the security underlying this Agreement, the person executing this Agreement, if not the insured, warrants severally and as the duly authorized agent of the insured: that he is the duly authorized agent of the insured appointed specifically to enter into this transaction on the insured's behalf; that he can perform any act the insured could or should perform with respect to this transaction; that he will hold in trust for LENDER any payments made or credit to the insured through the undersigned or to the undersigned, directly, indirectly, actually or constructively, by any of the insurance companies and that he will pay the monies to LENDER upon demand to satisfy the then outstanding indebtedness of the insured.
18. **ASSIGNMENT:** All of LENDER's rights under this Agreement shall inure to its successors and assigns. This Agreement may not be assigned by the insured except as provided for in this Agreement.
19. **DOCUMENT AND GOVERNING LAW:** This document is the entire Agreement between LENDER and the insured and can only be changed in writing and signed by both parties. The laws of the state of insured's residence as set forth above will govern this Agreement. If any provision of this Agreement is held to be invalid or unenforceable, the validity and enforceability of the remaining provisions shall not be impaired.
20. **ARIZONA:** Interest charge calculated on 1/365 days.
21. **NON-REFUNDABLE FEES:** The insured agrees to pay lender non-refundable service charge (AZ \$10.00, VA \$15.00), returned check (AZ \$10.00, FL \$15.00, MD \$25.00, MS \$15.00, VA \$20.00) and cancellation fees (MD \$15.00, MS \$15.00) under the terms and conditions hereof and to the extent and amount permitted by applicable state law.