



EVIDENCE OF PROPERTY INSURANCE

DATE (MM/DD/YYYY)
7/23/2018

THIS EVIDENCE OF PROPERTY INSURANCE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE ADDITIONAL INTEREST NAMED BELOW. THIS EVIDENCE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS EVIDENCE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE ADDITIONAL INTEREST.

AGENCY Meyering Insurance Agency, Inc. 241 S. State Street Zeeland MI 49464	PHONE (A/C, No, Ext): (616) 772-3600	COMPANY Home-Owners Insurance Co P.O. Box 30660 Lansing MI 48909
FAX (A/C, No): (616) 772-3601 E-MAIL ADDRESS: CODE: 01102800 SUB CODE:	AGENCY CUSTOMER ID #: 00007797	LOAN NUMBER
INSURED Heavens Scents LLC dba Kilwin's Chocolates of Holland 62 E 8th St Holland MI 49423-3576	POLICY NUMBER 4770602802	EFFECTIVE DATE 7/20/2018
		EXPIRATION DATE 7/20/2019
		<input type="checkbox"/> CONTINUED UNTIL TERMINATED IF CHECKED
THIS REPLACES PRIOR EVIDENCE DATED:		

PROPERTY INFORMATION

LOCATION/DESCRIPTION 62 E 8th Holland, MI 49423
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THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS EVIDENCE OF PROPERTY INSURANCE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

COVERAGE INFORMATION

COVERAGE / PERILS / FORMS	AMOUNT OF INSURANCE	DEDUCTIBLE
Premise:		
Building Betterments & Improvements	185,200	\$500
Business Personal Property	206,640	\$500
****Equipment breakdown (54841)		
****Refrigerated Products (54749)		
Business Income and Extra Expense - Actual Loss Sustained	12 months	

REMARKS (Including Special Conditions)

These endorsements on the policy include spoilage coverage

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

ADDITIONAL INTEREST

Kilwins Chocolates Franchise Inc. & Kilwins Quality Confections Inc. 1050 Bay View Road Petoskey, MI 49770	MORTGAGEE	ADDITIONAL INSURED
	LOSS PAYEE	
	LOAN #	
	AUTHORIZED REPRESENTATIVE	
	Chad Holstege/JEK	

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

REFRIGERATED PRODUCTS

This endorsement modifies insurance under the following:

BUSINESSOWNERS SPECIAL PROPERTY COVERAGE FORM.

1. Under **A. COVERAGE, 5. Additional Coverages, f. Business Income** and **g. Extra Expense** do not apply to the coverage provided by this Additional Coverage.
2. Under **A. COVERAGE, 5. Additional Coverages**, the following Additional Coverage is added:

Refrigerated Products

We shall pay for loss of or damage to "perishable stock" caused directly by any of the following:

 - a. Mechanical breakdown of the refrigeration system; or
 - b. The interruption of electrical services to the refrigeration system caused by direct physical damage to the electrical generating or transmission equipment of your "local utility service".

You must exercise diligence in inspecting and maintaining refrigeration equipment. If interruption of electrical service or mechanical or electrical breakdown is known, you must use all reasonable means to protect the covered property from further damage.
3. Under **C. LIMITS OF INSURANCE**, the following limitation is added:

The most we shall pay for all loss or damage caused directly by mechanical or electrical breakdown of the refrigeration system or the interruption of electrical service to the refrigeration system caused by direct physical damage by a Covered Cause of Loss to the electrical generating or transmission equipment of your "local utility service" in any one loss is the Limit of Insurance shown in the Declarations for REFRIGERATED PRODUCTS. In the event the amount of loss of or damage to "perishable stock" does not exceed the Limit of Insurance shown in the Declarations for REFRIGERATED PRODUCTS, you may at your option, apply the remainder of such Limit of Insurance to your actual loss Business Income or necessary Extra Expense, if any, subject to the terms and conditions of the BUSINESS INCOME AND EXTRA EXPENSE endorsement.
4. Under **SECTION B. EXCLUSIONS**:
 - a. exclusion **1.e. Power Failure** is deleted and replaced by the following exclusion.
 - e. **Off-Premises Services**
We shall not pay for loss or damage caused by or resulting from the failure to supply "power supply services" from any regional or national grid.
 - b. Exclusion **2.d.(6)** is deleted and replaced by the following exclusion for this Additional Coverage only:
 - (6) Mechanical breakdown, including rupture or bursting caused by centrifugal force. However, this does not apply to any resulting loss or damage caused by elevator collision or mechanical breakdown of refrigeration systems.

5. Definitions
The following definitions apply only to this Additional Coverage:

"Local Utility Service" means your billing entity, repair entity or service entity directly providing "power supply services" to the premises described in the Declarations.

"Perishable stock" means merchandise held in storage or for sale that is refrigerated for preservation and is susceptible to loss or damage if the refrigeration fails.

"Power Supply Services" means the following types of property supplying electricity to the described premises that are not located on a described premises and not rented, leased or owned by any insured:

 - (1) Utility generating plants;
 - (2) Switching stations;
 - (3) Substations;
 - (4) Transformers; and
 - (5) Transmission lines.

All other policy terms and conditions apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EQUIPMENT BREAKDOWN ENDORSEMENT

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS STANDARD PROPERTY COVERAGE FORM
BUSINESSOWNERS SPECIAL PROPERTY COVERAGE FORM

1. A. COVERAGE is amended as follows:

- a. Under **BUSINESSOWNERS SPECIAL PROPERTY COVERAGE FORM, 4. Limitations, a., (1) and (2)** are deleted as they apply to this endorsement only:
- (1) Steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment. But we will pay for loss of or damage to such equipment caused by or resulting from an explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.
 - (2) Hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment, other than an explosion.

b. **Additional Coverages** is amended as follows:

- (1) **Pollutant Clean Up and Removal** is deleted and replaced by the following as it applies to this endorsement only:

Pollutant Clean Up and Removal

We will pay for the pollutant clean up, removal, repair or replacement of damaged Covered Property resulting from an "Equipment Breakdown". The amount we pay is subject to the Limits of Insurance Section.

This coverage does not include contamination of perishable stock by a refrigerant.

- (2) The following **Additional Coverages** are added:

(a) **Expediting Expenses**

We will pay for the expediting expense loss resulting from an "Equipment Breakdown" with respect to your damaged Covered Property. We will pay the "reasonable extra cost" to:

- 1) Make temporary repairs;
- 2) Expedite permanent repairs; or
- 3) Expedite permanent replacement.

"Reasonable extra cost" shall mean "the extra cost of temporary repair and of expediting the repair of such damaged equipment of the insured, including overtime and the extra cost of express or other rapid means of transportation". The amount we pay is subject to the Limits of Insurance Section.

(b) Refrigerant Contamination

We will pay for loss to your Covered Property that is damaged by contamination by a refrigerant used in refrigerating, cooling or humidity control equipment at the described premises as a result of an "Equipment Breakdown". The amount we pay is subject to the Limits of Insurance Section.

(c) Spoilage Coverage

We will pay for loss of perishable goods due to spoilage resulting from lack of power, light, heat, steam or refrigeration caused by an "Equipment Breakdown" to types of property covered by this policy, that are:

- 1) Located on or within 1,000 feet of your described premises; and
- 2) Owned by you, the building owner (if you are a tenant), or owned by a public utility, or other supplier with whom you have a contract to supply you with any of the following services: electrical power, waste disposal, air conditioning, refrigeration, heating, natural gas, compressed air, water, steam, internet access, telecommunications services, wide area networks or data transmission.

However, we will not pay for any physical loss or damage caused by or resulting from any of the causes of loss listed below, unless loss or damage not otherwise excluded results, then we will pay for such resulting damage:

- 1) Fire, lightning, combustion explosion, windstorm or hail, weight of snow, ice or sleet, falling objects, smoke, aircraft or vehicles, riot or civil commotion, vandalism, sinkhole collapse, volcanic action, leakage from fire extinguishing equipment, water damage, earth movement; or
- 2) Flood, unless an "Equipment Breakdown" ensues.

Our payment will be based upon the actual replacement cost of the perishable goods at the time of loss. The amount we pay is subject to the Limits of Insurance Section.

(d) CFC Refrigerants

We will pay for the "additional costs" to repair or replace Covered Property because of the use or presence of a refrigerant containing CFC (chlorofluorocarbon) substances.

"Additional costs" mean those in excess of what would have been required to repair or replace Covered Property, had no CFC refrigerant been involved. We will also pay for additional loss as described under Spoilage Coverage or loss of Business Income Coverage provided by this endorsement, caused by the presence of a refrigerant containing CFC substances.

We will pay no more than the least of the following:

- 1) The cost to repair the damaged property and replace any lost CFC refrigerant;
- 2) The cost to repair the damaged property, retrofit the system to accept a non-CFC refrigerant, and charge the system with a non-CFC refrigerant; or
- 3) The cost to replace the system with one using a non-CFC refrigerant.

The amount we pay is subject to the Limits of Insurance Section.

(e) Computer Equipment

We will pay for direct physical loss or damage to your computers as a result of an "Equipment Breakdown". The amount we pay is subject to the Limits of Insurance Section.

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(f) Business Interruption, Extra Expense and Service Interruption

Any insurance provided for Business Income or Extra Expense is extended to apply to your loss, damage or expense caused by an "Equipment Breakdown" to equipment that is owned by a utility, landlord or other supplier with whom you have a contract to supply you with any of the following services: electrical power, waste disposal, air conditioning, refrigeration, heating, natural gas, compressed air, water, steam, internet access, telecommunications services, wide area networks or data transmission. The equipment must meet the definition of "Equipment Breakdown" except that it is not Covered Property.

We will pay:

- 1) Your actual loss sustained from a total or partial interruption of business; and
- 2) The reasonable extra expense you sustain to run your business during the interruption, caused solely by an "Equipment Breakdown", including an "Equipment Breakdown" to any transformer, electrical apparatus, or any covered equipment that is:
 - a) Located on or within 1,000 feet of your described premises;
 - b) Owned by you, the building owner (if you are a tenant), or owned by a public utility company; and
 - c) Used to supply electrical power, waste disposal, air conditioning, refrigeration, heating, natural gas, compressed air, water, steam, internet access, telecommunications services, wide area networks or data transmission.

The amount we pay is subject to the Limits of Insurance Section.

(g) Data Restoration

We will pay for your reasonable and necessary cost to research, replace and restore the lost information on electronic media and records as a result of an "Equipment Breakdown". The amount we pay is subject to the Limits of Insurance Section.

This will be part of and not in addition to the limits provided by the "valuable papers and records" coverage under the property form to which this endorsement is attached.

(3) The following is added to Coverage Extensions:

Replacement Cost Coverage

We will pay you the amount you actually spend to repair or replace your damaged property with new property of like kind, capacity, size and quality, whichever is less except for the following:

If any damaged property is not repaired or replaced, then we will pay only the actual cash value at the time of the "Equipment Breakdown".

2. EXCLUSIONS are amended as follows:

Under BUSINESSOWNERS STANDARD PROPERTY COVERAGE FORM, the following exclusions are deleted as they apply to this endorsement only:

a. Electrical Apparatus:

Artificially generated electrical current, including electric arcing, that disturbs electrical devices, appliances or wires. But if loss or damage by fire results, we will pay for that resulting loss or damage.

d. Steam Apparatus:

Explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control. But if loss or damage by fire or combustion explosion results, we will pay for that resulting loss or damage.

e. Mechanical Breakdown:

Mechanical Breakdown, including rupture or bursting caused by centrifugal force. But if loss or damage by a Covered Cause of Loss results, we will pay for that resulting loss or damage.

Under BUSINESSOWNERS SPECIAL PROPERTY COVERAGE FORM, the following exclusions are deleted as they apply to this endorsement only:

a. Electrical Apparatus:

Artificially generated electric current, including electric arcing, that disturbs electrical devices, appliances or wires. But if loss or damage by fire results, we will pay for that resulting loss or damage.

d. (6) Mechanical breakdown, including rupture or bursting caused by centrifugal force; or

e. Steam Apparatus:

Explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control. But if loss or damage by fire or combustion explosion results, we will pay for that resulting loss or damage. We will also pay for loss or damage caused by or resulting from the explosion of gases or fuel within the furnace of any fire vessel or within the flues or passages through which the gases of combustion pass.

3. C. LIMITS OF INSURANCE is deleted and replaced by the following for this endorsement only:

C. LIMITS OF INSURANCE

- (1) The most we will pay for "Equipment Breakdown" for one or more coverages in any one occurrence at any one location is the amount equal to the "total insured value" at each location where "Equipment Breakdown" is shown in the Declarations. This provision does not apply to paragraph (4) below.
- (2) The limit of insurance for **Pollutant Clean Up and Removal, Refrigerant Contamination, Spoilage Coverage** and **Data Restoration** are not additional Limits of Insurance, but are included in the "total insured value". We will pay the lesser of "total insured value" or:
 - (a) For Pollutant Clean Up and Removal, the greater of \$25,000 or the limit shown in an endorsement that is attached to the property form;
 - (b) For Refrigerant Contamination, up to \$750,000 for loss or damage;
 - (c) For Spoilage Coverage, up to \$750,000 for loss or damage; and
 - (d) For Data Restoration, up to \$25,000 for loss, damage or expense including actual loss of Business Income you sustain and necessary Extra Expense you incur.
- (3) In no event will we pay more than the "total insured value" for each location where "Equipment Breakdown" is shown in the Declarations.
- (4) As regards Business Interruption, Extra Expense and Service Interruption, our limit of liability for any one "Equipment Breakdown" is equal to twelve (12) consecutive months of actual loss sustained for a total or

partial interruption of your business. The twelve (12) consecutive months begin on the date of the "Equipment Breakdown".

4. Under **PROPERTY GENERAL CONDITIONS**, the following conditions are added as they apply to this endorsement only:

a. Suspension

Whenever Covered Property is found to be in, or exposed to, a dangerous condition, any of our representatives may immediately suspend the insurance against loss to that Covered Property for the perils covered by this endorsement. Coverage can be suspended and possibly reinstated by delivering or mailing a written notice of suspension or coverage reinstatement to:

- (1) Your last known address; or
- (2) The address where the property is located.

If we suspend your insurance, you will get a pro rata refund of premium. But the suspension will be effective even if we have not yet made or offered a refund.

b. Jurisdictional Inspections

If any Covered Property under this endorsement requires inspection to comply with state or municipal boiler and pressure vessel regulations, we agree to perform such inspection on your behalf. We do not warrant that conditions are safe or healthful.

c. Environmental, Safety and Efficiency Improvements

If Covered Property requires replacement due to an "Equipment Breakdown", we will pay your additional cost to replace with equipment that is better for the environment, safer, or more efficient than the equipment being replaced.

However, we will not pay more than 125% of what the cost would have been to repair or replace with like kind and quality. This condition does not apply to any property to which Actual Cash Value applies.

d. Green Environmental and Efficiency Improvements

If Covered Property requires repair or replacement due to an "Equipment Breakdown", we will pay:

- (1) The lesser of the reasonable and necessary additional cost incurred by you to repair or replace physically damaged Covered Property with equipment of like kind and quality which qualifies as "Green". Like kind and quality includes similar size and capacity.
- (2) The additional reasonable and necessary fees incurred by you for an accredited professional certified by a "Green Authority" to participate in the repair or replacement of physically damaged Covered Property as "Green".
- (3) The additional reasonable and necessary cost incurred by you for certification or recertification of the repaired or replaced Covered Property as "Green".
- (4) The additional reasonable and necessary cost incurred by you for "Green" in the removal, disposal or recycling of damaged Covered Property.
- (5) The business interruption (if covered within the policy to which this Equipment Breakdown Endorsement is attached) loss during the additional time required for repair or replacement of Covered Property, consistent with "Green", in the coverages above.

We will not pay more than 125%, up to a maximum limit of \$100,000, of what the cost would have been to repair or replace with equipment of like kind and quality inclusive of fees, costs and any business interruption loss incurred as stated above.

Green Environmental and Efficiency Improvements does not cover any of the following:

- (1) Covered Property does not include stock, raw materials, finished goods, "production machinery", merchandise, electronic data processing equipment not used in the functional support of the real property, process water, molds and dies, property in the open, property of others for which you are legally liable, or personal property of others.
- (2) Any loss adjusted on any valuation basis other than a repair or replacement cost basis as per E. PROPERTY LOSS CONDITIONS, **6. Loss Payment**.
- (3) Any loss covered under any other section of this policy.
- (4) Any cost incurred due to any law or ordinance with which you were legally obligated to comply with prior to the time of the "Equipment Breakdown".

e. Other Insurance Issued By Us

If this policy provides coverage for Data Processing Equipment Coverages, Electronic Data Processing Equipment, Refrigerated Products or Mechanical Breakdown where two or more of this policy's coverages apply to the same loss or damage, the Coverage of this endorsement shall supercede any coverages provided outside of this Equipment Breakdown Endorsement for the loss or damage that arises out of an "Equipment Breakdown" loss.

This Condition supercedes any similar Condition when provided by us in this policy.

5. OPTIONAL COVERAGES are amended as follows:

- a. **1.c.(5)** Mechanical breakdown is deleted as it applies to this endorsement only.
- b. The provisions of this endorsement supercede **OPTIONAL COVERAGE 5. Mechanical Breakdown**.

6. H. PROPERTY DEFINITIONS are amended as follows as applied to this endorsement only:

- a. Under the **BUSINESSOWNERS SPECIAL PROPERTY COVERAGE FORM, "Specified Causes of Loss"** is amended to include "Equipment Breakdown".
- b. Under **BUSINESSOWNERS SPECIAL PROPERTY COVERAGE FORM** and **BUSINESSOWNERS STANDARD PROPERTY COVERAGE FORM**, the following definitions are added:

"Equipment Breakdown" means:

- (1) Physical loss or damage both originating within:
 - (a) Boilers, fired or unfired pressure vessels, vacuum vessels, and pressure piping, all normally subject to vacuum or internal pressure other than static pressure of contents, excluding:
 - 1) waste disposal piping;
 - 2) any piping forming part of a fire protective system;
 - 3) furnaces; and

- 4)** any water piping other than:
 - a)** boiler feed water piping between the feed pump and the boiler;
 - b)** boiler condensate return piping; or
 - c)** water piping forming part of a refrigerating or air conditioning system.

(b) All mechanical, electrical, electronic or fiber optic equipment; and

(2) Caused by, resulting from, or consisting of:

- (a)** Mechanical breakdown;
- (b)** Electrical or electronic breakdown; or
- (c)** Rupture, bursting, bulging, implosion, or steam explosion.

However, "Equipment Breakdown" does not mean:

Physical loss or damage caused by or resulting from any of the following; however, if loss or damage not otherwise excluded results, then we will pay for such resulting damage:

- (1)** Wear and tear;
- (2)** Rust or other corrosion, decay, deterioration, hidden or latent defect, "fungi", wet rot, dry rot, bacteria or any other quality in property that causes it to damage or destroy itself;
- (3)** Smog;
- (4)** Settling, cracking, shrinking or expansion;
- (5)** Nesting or infestation, or discharge or release of waste products or secretions, by insects, birds, rodents or other animals;
- (6)** Any accident, loss, damage, cost, claim, or expense, whether preventive, remedial, or otherwise, directly or indirectly arising out of or relating to the recognition, interpretation, calculation, comparison, differentiation, sequencing, or processing of data by any computer system including any hardware, programs or software;
- (7)** Scratching or marring; and
- (8)** Loss, damage, cost or expense directly caused by, contributed to by, resulting from or arising out of the following causes of loss:
 - (a)** Fire, lightning, combustion explosion, windstorm or hail, weight of snow, ice or sleet, falling objects, smoke, aircraft or vehicles, riot or civil commotion, vandalism, sinkhole collapse, volcanic action, leakage from fire extinguishing equipment, water damage, earth movement; or
 - (b)** Flood, unless an "Equipment Breakdown" ensues.

"Total insured value" means:

The sum of the limits for the following coverages if shown at the location where "Equipment Breakdown" is shown in the Declarations:

- (1) Building;
- (2) Business Personal Property;
- (3) Stock;
- (4) Personal Property of Others;
- (5) Tenants Improvements and Betterments;
- (6) Improvements and Alterations;
- (7) Furniture;
- (8) Fixtures;
- (9) Machinery and Equipment;
- (10) Personal Property in the Open;
- (11) Legal Liability Real Property;
- (12) Business Income and Extra Expense (when Business Income and Extra Expense - 12 months - Actual Loss Sustained is shown, Business Income and Extra Expense applies at 25% of the sum of the building and business personal property limits at that location);
- (13) Business Income (Without Extra Expense); and
- (14) Extra Expense.

"Green" means products, materials, methods and processes certified by a "Green Authority" that conserve natural resources, reduce energy or water consumption, avoid toxic or other polluting emissions or otherwise minimize environmental impact.

"Green Authority" means an authority on "Green" buildings, products, materials, methods or processes certified and accepted by Leadership in Energy and Environmental Design (LEED ®), "Green" Building Initiative Green Globes ®, Energy Star Rating System or any other recognized "Green" rating system.

"Production machinery" means any machine which processes, forms, shapes, or transports raw materials, materials in process, waste materials or finished products.

All other policy terms and conditions apply.