#66

MAINTENANCE AGREEMENT

This Agreement is made and entered into this 17th day of December, 2012 (the "**Effective Date**"), by and between:

ARBORWOOD COMMUNITY DEVELOPMENT DISTRICT, a local unit of special purpose government established pursuant to Chapter 190, Florida Statutes, being situated in the City of Fort Myers and Lee County, Florida, (the "**District**"); and

BRIDGETOWN AT THE PLANTATION COMMUNITY ASSOCIATION, INC., a Florida non profit corporation, (the "**Association**").

RECITALS

WHEREAS, the District is a local government organized and existing in accordance with the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended;

WHEREAS, the District, pursuant to the responsibilities and authorities vested in it by Chapter 190, Florida Statutes, desires to proceed with the discharge of its duties, including but not limited to, the management of District facilities, including the funding, the operation and the maintenance of certain surface water management system improvements within the District;

WHEREAS, the District shall employ, and fix the compensation of, a district manager. The district manager shall have charge and supervision of the works of the district and shall be responsible for preserving and maintaining any improvement or facility constructed or erected pursuant to the provisions of this act, for maintaining and operating the equipment owned by the district, and for performing such other duties as may be prescribed by the board;

WHEREAS, the surface water management system improvements include, without limitation, the wet detention lakes, dry detention areas, upland and wetland preserves, flowways, and the culverts and pipes that connect them; outfall control structures and pipes; lake littoral zone plantings; and perimeter berms, owned by the District or which the District is responsible for maintaining and located within the geographic boundary of the lands that are subject to the Association (collectively, the "**Improvements**"). The improvements do not include secondary lot and roadway drainage collection systems.

WHEREAS, the District and the Association desire to provide for operation and maintenance of the Improvements; and

WHEREAS, the Association on behalf of and for the benefit of its members has agreed to provide, pursuant to the terms of this Agreement, certain operation and maintenance services and materials;

NOW, THEREFORE, in consideration of the mutual covenants herein contained, and for Ten and no/100ths Dollars ($10.00) and other good and valuable consideration, receipt of which is hereby acknowledged, and subject to the terms and conditions hereof, the District and the Association agree as follows:

1. **Recitals**.

The above recitals are deemed true and correct to the best of the knowledge of the parties and are incorporated into this Agreement.

2. **Performance**.

The District and the Association hereby agree, as follows:

(A) the Association shall provide, and be solely responsible for all costs and liabilities that are associated with or arise out of, the operation and maintenance of the Improvements (the "**Maintenance Services**");

(B) the Maintenance Services shall be provided by the Association in a competent and professional manner using qualified and experienced employees or contractors with such frequency as is necessary and reasonable in the industry and under the circumstances in order to ensure that the Improvements are properly maintained and continue to function with their intended purpose. In addition, since each of the Improvements may require different types of maintenance and materials, the maintenance intervals and the time periods within which maintenance tasks must be performed and the materials to be used by the Association shall be flexible and adjusted periodically depending on the condition of each of the Improvements and particular maintenance needs;

(C) the Maintenance Services shall be provided by the Association in strict compliance with all governmental entities' and agencies', permits, requirements, rules, acts, statutes, ordinances, orders, regulations and restrictions, including but not limited to the following entities, if applicable, (a) the District; (b) South Florida Water Management District; (c) Florida Department of Environmental Protection; (d) Lee County, Florida; and (e) any municipality with jurisdiction, either now or in the future;

(D) the Maintenance Services shall be provided by the Association without interfering in any way with or encumbering the use, access, ingress, egress, easement, right-of-way, dedication, ownership or other right or interest of the District in the Improvements or in the real property where each Improvement is located; and

(E) the Association shall timely pay all invoices, or other manner of billing, for all persons or entities with whom the Association may have contracted or arranged to provide services or materials in fulfillment of its obligations under this Agreement, including the District as provided for in Sections 4 and 5 herein.

(F) the Association shall report periodically to the District Manager on the Association's provision of Maintenance Services so that the District Manager may report to the District Board on the management, including preservation and maintenance, of the Maintenance Services.

3. **The Association's Responsibility for Acts of Force Majeure**.

The District and the Association agree that the Maintenance Services herein assumed by the Association shall not include by way of example, but not limitation, the repair or replacement of the Improvements that are damaged as a result of a hurricane, tornado, windstorm, freeze damage, fire, drought or flooding.

4. **Emergency Intervention by the District**.

In the event of an emergency, as determined by the District in its reasonable sole discretion, and regardless of any language in this Agreement to the contrary or any language in any contract or arrangement that the Association may have with third parties concerning the Maintenance Services for the Improvements, the District reserves the unilateral and exclusive right to implement or initiate, without advance notice, the following:

(A) the provision of maintenance services or materials for any one or more of the Improvements; and

(B) the removal, modification, relocation, or replacement, as the case may be and in the District s sole discretion, of one or more of the Improvements.

Further, in such event, the Association agrees that upon the District's commencement of a maintenance program or provision of maintenance services or materials for any one of the Improvements pursuant to this section, the District shall issue to the Association a written invoice for the costs incurred pursuant to this section, and the Association shall pay said invoice in full within thirty (30) calendar days following receipt of the invoice. A failure to timely pay the invoice in full shall be deemed a material breach of this Agreement.

5. **Remedies, Default, & Specific Performance**.

The District may elect any of one or more of the following remedies, as well as any other remedies available in law or equity, if the Association should default in carrying out the terms and conditions of this Agreement, namely:

(A) Default by Association. If the Association should fail to comply with the terms of Section 2 of this Agreement, including the failure or refusal to furnish or perform any one or more of the required Maintenance Services, and such failure shall continue for thirty (30) days or more from the date of receipt of a written notice of default from the District, then, in that event, the District, at its sole discretion and without further notice, may elect to (i) initiate a maintenance program or provide such maintenance services and materials and thereby assume full maintenance responsibility as to some or all of the Improvements, or (ii) remove, modify, relocate or replace, as the case may be and in the District's reasonable sole discretion, one or more of the Improvements. Provided, however, should any failure of the Association to comply with Section 2 of this Agreement result in a permit violation, the District shall have the right to immediately take such action necessary to abate or remediate the violation and all such costs shall be reimbursed by the Association in the manner and time provided herein.

(B) Discontinuation and Reimbursement by Association. At such time as the District should commence a maintenance program or provide maintenance services or supplies for one or more of the Improvements under this section, and upon receipt of the oral or written notice from the District, the Association shall promptly discontinue the provision of Maintenance Services as to same until such time as is otherwise agreed to in writing by and between the parties hereto, and regardless of any contracts or arrangements with third parties into which the Association may have entered to perform Maintenance Services. Further, in such event, the Association agrees that upon the District's commencement of a maintenance program or provision of maintenance services or materials for any one of the Improvements and every year thereafter on or about September 30th, the District shall issue to the Association a written invoice setting forth the estimated amount of money the District reasonably calculates it will need to have on hand, for the next twelve (12) months, in order to implement and carry out its maintenance program or provision of maintenance services or materials. The Association shall pay said invoice in full within thirty (30) calendar days following receipt of the invoice. A failure to timely pay the invoice in full shall be deemed a material breach of this Agreement.

(C) Other Remedies and Opportunity to Cure. At the sole discretion of the District, a breach or material default by the Association under this Agreement, including a failure to timely pay an invoice, shall entitle the District to all remedies available in law or equity or in an administrative tribunal, which shall include but not be limited to the right of damages. However, except for emergency situations (as so reasonably determined by the District), before the District may initiate legal action for the Association's failure or default under this Agreement, the District shall provide advance written notice to the Association of the nature of the alleged failure or default and afford a thirty (30) calendar day cure

period, and the Association shall have thirty (30) calendar days following the date of receipt of said notice to cure the alleged failure or default through appropriate and substantive remedial action.

6. **Indemnification**.

The Association does hereby indemnify and hold the District harmless of and from any and all loss or liability that the District may sustain or incur by reason of the Association's assumption of the Maintenance Services for the Improvements, including any that may result from or arise out of the Association's misfeasance, malfeasance, non-feasance, negligence, gross negligence, willful misconduct, or material breach, with said indemnification and hold harmless to include but not be limited to: (i) direct costs and damages; and (ii) any and all injuries or damages sustained by persons or damage to property, including such reasonable attorney's fees and costs (including all appellate, arbitration, or mediation proceedings) that may be incurred by the District that relate thereto. Provided, however, it is understood that this section does not: 1) indemnify the District for the Association's misfeasance, malfeasance, non-feasance, negligence, gross negligence, willful misconduct, or material breach if same is caused by or at the direction of the District; or 2) authorize the Association to select or provide legal counsel on behalf of the District.

7. **Insurance**.

The Association shall be required, on or before the date of the execution of this Agreement and without any interruption or lapse thereafter, to provide to the District certificates of insurance reflecting insurance coverage for the Association as follows:

(i) The Association shall make the District an additional insured and certificate holder under the policies of insurance identified on Exhibit "A" attached hereto and made a part hereof; and

(ii) a statement that the insurance coverage represented by each certificate of insurance shall not be terminated, canceled or reduced unless thirty (30) days prior written notice of such termination, cancellation or reduction (or ten (10) days if terminated or canceled for non-payment) is mailed by first class U.S. Mail to the District.

8. **Term of Agreement**.

This Agreement shall take effect as of the Effective Date first written above. Unless terminated as otherwise permitted in this Agreement, the term of this Agreement shall expire on midnight of December 31st of the year that is five (5) years following the year of the Effective Date first written above. This Agreement shall automatically renew for additional five (5) year periods, commencing at 12:01 a.m. on January 1st of the following year, unless the Association provides written notice before 5:00 p.m. on April 1st of the year in which the then-current term will expire that the Association intends not to renew for an additional term.

In addition to the rights and methods of termination established pursuant to any other provision of this Agreement, the District may terminate this Agreement at any time for any reason in its sole discretion by providing at least ninety (90) days written notice to the Association of its intent to terminate this Agreement pursuant to this provision.

9. **Miscellaneous Provisions**.

9.1 **Time of the Essence**: Time is of the essence with respect to this Agreement.

9.2 **Notices**: All notices, requests, consents and other communications required or permitted under this Agreement shall be in writing (including facsimile) and shall be (as elected by the

person giving such notice) hand delivered by prepaid express overnight courier or messenger service, or mailed by certified (postage prepaid), return receipt requested, to the following addresses:

AS TO THE DISTRICT:

ARBORWOOD COMMUNITY
DEVELOPMENT DISTRICT
c/o DPFG
15310 Amberly DR
Suite 175
TAMPA, FL 33647
Attention: District Manager

AS TO THE ASSOCIATION:

BRIDGETOWN AT THE PLANTATION
COMMUNITY ASSOCIATION, INC.
c/o PULTE
24311 Walden Center Dr
Suite 300
Bonita Springs FL 34134
Attention: Property Manager

9.3 **Entire Agreement**: The parties agree that this instrument embodies the complete understanding of the parties with respect to the subject matter of this Agreement and supersedes all other agreements, verbal or otherwise. This Agreement contains the entire understanding between District and Association and each agrees that no representation was made by or on behalf of the other that is not contained in this Agreement, and that in entering into this Agreement neither party relied upon any representation not herein contained.

9.4 **Amendment and Waiver**: This Agreement may be amended only by a written instrument signed by both parties. If any party fails to enforce their respective rights under this Agreement, or fails to insist upon the performance of the other party's obligations hereunder, such failure shall not be construed as a permanent waiver of any rights as stated in this Agreement.

9.5 **Severability**: The parties agree that if any part, term or provision of this Agreement is held to be illegal or in conflict with any law of the State of Florida or with any federal law or regulation, such provision shall be severable, with all other provisions remaining valid and enforceable.

9.6 **Controlling Law**: This Agreement shall be construed under the laws of the State of Florida.

9.7 **Limitations on Governmental Liability.** Nothing in this Agreement shall be deemed as a waiver of immunity or limits of liability of the District beyond any statutory limited waiver of immunity or limits of liability which may have been adopted by the Florida Legislature in Section 768.28, Florida Statutes or other statute, and nothing in this Agreement shall inure to the benefit of any third party for the purpose of allowing any claim which would otherwise be barred under the Doctrine of Sovereign Immunity or by operation of law.

9.8 **Authority**: The execution of this Agreement has been duly authorized by the appropriate body or official of all parties hereto, each party has complied with all the requirements of law, and each party has full power and authority to comply with the terms and provisions of this Agreement.

9.9 **Costs and Fees**: In the event that either party is required to enforce this Agreement by court proceedings or otherwise, then the parties agree that the prevailing party shall be entitled to recover from the other all costs incurred, including reasonable attorney s fees and costs for trial, alternate dispute resolution or appellate proceedings.

9.10 **Successors and Assignment**: The rights and obligations created by this Agreement shall be binding upon and inure to the benefit of District and Association, and their respective successors and assigns. This Agreement may not be assigned without the written consent of all parties, and such written consent shall not be unreasonably withheld.

9.11 **No Third-Party Beneficiaries**: This Agreement is solely for the benefit of the formal parties herein and no right or cause of action shall accrue upon or by reason hereof, to or for the benefit of any third party not a formal party hereto. Nothing in this Agreement expressed or implied is intended or shall be construed to confer upon any person or corporation other than the parties hereto any right, remedy or claim under or by reason of this Agreement or any provisions or conditions hereof; and all of the provisions, representations, covenants and conditions herein contained shall inure to the sole benefit of and shall be binding upon the parties hereto and their respective representatives, successors and assigns.

9.12 **Arm's Length Transaction**: This Agreement has been negotiated fully between the parties in an arm's length transaction. The parties participated fully in the preparation of this Agreement with the assistance of their respective counsel. In the case of a dispute concerning the interpretation of any provision of this Agreement, the parties are deemed to have drafted, chosen and selected the language, and the disputed language will not be interpreted or construed against any party.

9.13 **Execution of Documents**: Each party covenants and agrees that it will at any time and from time to time, do such acts, and execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such documents reasonably requested by the parties necessary to carry out fully and effectuate the transaction or performance herein contemplated.

9.14 **Captions**: The captions for each section of this Agreement are for convenience and reference only and in no way define, describe, extend, or limit the scope of intent of this Agreement, or the intent of any provision hereof.

9.15 **Counterparts**: This Agreement may be executed in counterparts, each of which shall be and be taken to be an original, and all collectively deemed one instrument.

IN WITNESS WHEREOF, the parties hereto execute this Agreement and further agree that it shall take effect as of the Effective Date first above written.

ATTEST:

ARBORWOOD COMMUNITY DEVELOPMENT DISTRICT

_____, Secretary

By: _____
Richard McCormick, Chair

Address:
c/o _____
_____
_____

STATE OF FLORIDA)
) SS:
COUNTY OF LEE)

The foregoing instrument was acknowledged before me this 17th day of DECEMBER, 2012, by RICHARD McCORMICK, as Chair of the Board of Supervisors for **ARBORWOOD COMMUNITY DEVELOPMENT DISTRICT**, who is personally known w/ _____, ~~or has produced _____ as identification,~~ who being duly sworn, deposes and says that the aforementioned is true and correct to the best of his or her knowledge.

_____
Notary Public

My commission expires:

VALERIE J. WOODS
MY COMMISSION # EE 213988
EXPIRES: July 4, 2016
Bonded Thru Budget Notary Services

STATE OF FLORIDA)
) SS:
COUNTY OF LEE)

The foregoing instrument was acknowledged before me this 17th day of DECEMBER, 2012, by JOHN DAUGIRDA, as Secretary for **ARBORWOOD COMMUNITY DEVELOPMENT DISTRICT**, who is personally known _____, ~~or has produced _____ as identification,~~ who being duly sworn, deposes and says that the aforementioned is true and correct to the best of his or her knowledge.

_____
Notary Public

My commission expires:

VALERIE J. WOODS
MY COMMISSION # EE 213988
EXPIRES: July 4, 2016
Bonded Thru Budget Notary Services

WITNESSES:

BRIDGETOWN AT THE PLANTATION COMMUNITY ASSOCIATION, INC.,
a Florida non profit corporation

By: _____
Name: SCOTT BROOKS
Title: President

Print Name: BRIAN YOWALEY

Print Name: David S. Wilkson

(CORPORATE SEAL)

STATE OF FLORIDA)
) SS:
COUNTY OF LEE)

The foregoing instrument was acknowledged before me this 17th day of DECEMBER 2012, by SCOTT BROOKS as PRESIDENT of the **BRIDGETOWN AT THE PLANTATION COMMUNITY ASSOCIATION, INC.**, who is personally known ~~or has produced _____ as identification~~, who being duly sworn, deposes and says that the aforementioned is true and correct to the best of his or her knowledge.

_____
Notary Public

My commission expires:

VALERIE J. WOODS
MY COMMISSION # EE 213988
EXPIRES: July 4, 2016
Bonded Thru Budget Notary Services

EXHIBIT "A"

Association Insurance Policies



A Message for Our Customers in New Jersey . . .

New Jersey Property and Liability Insurance Guaranty Association Surcharge - (PLIGA) - 800001 10 06

The New Jersey Insurance Commissioner has instructed us to pay an assessment for the state Property and Liability Insurance Guaranty Association. The Guaranty Association is maintained to make funds available should an insurance company be unable to meet its financial obligations to all policyholders. In such circumstances, New Jersey law authorizes insurers to surcharge their customers to recoup these assessments.

Your policy premium includes this surcharge. The amount of this surcharge is shown on your declarations page as **PLIGA SURCHARGE** .

As always, we encourage you to contact your Fireman's Fund Insurance Companies insurance representative if you have any questions about this message, your policy, or your premium.



Important Notice Regarding Terrorism Coverage - 380139 12 07

You are hereby notified that this policy will apply with respect to a "certified act of terrorism", if coverage for such "certified act of terrorism" is provided by all scheduled **Primary Insurance** or **Underlying Insurance** that are subject to the Terrorism Risk Insurance Act, as amended.

As used in this message, "certified act of terrorism" means an 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 pursuant to the Terrorism Risk Insurance Act, as amended ("The Act"). The criteria contained in The Act for a "certified act of terrorism" includes the following:

1. The act resulted in insured losses in excess of $5 million in the aggregate attributable to all types of insurance subject to the Terrorism Risk Insurance Act, as amended; and

2. The act resulted in damage:

    a. Within the United States (including its territories and possessions and Puerto Rico); or

    b. Outside the United States in the case of:

        (1) An air carrier (as defined in Section 40102 of title 49, United States code) or United states flag vessel (or a vessel based principally in the United States, on which United States income tax is paid and whose insurance coverage is subject to regulation in the United States) regardless of where the loss occurs; or

        (2) The premises of any United States mission; and

3. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act, as amended, exceed $100 billion in a Program Year (January 1 through December 31) and we have met our insurer deductible under the Terrorism Risk Insurance Act, as amended, then we shall not be liable for the payment of any portion of the amount of such losses that exceeds $100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

If you have any questions, please contact your agent or broker representing the Fireman's Fund Insurance Companies.

Fireman's Fund®

Excess Liability Policy Declarations

SUO-000-4859-8155
Policy Number
SUO48598155-3012
Certificate Number

Renewal or Replacement of

Coverage is provided by:
Fireman's Fund Insurance Companies
Coverage is provided in the following company, a stock company
07 National Surety Corporation

ITEM ONE

Named Insured and Mailing Address:
Bridgetown at Plantation Homeowner's Assn
C/o Community Associations Program, 200 E. Randolph St. Chicago, IL 60601.

In return for the payment of the premium, and subject to all the terms of this policy, we agree with you to provide the insurance as stated in this policy.

ITEM TWO

Policy Period: From 8/1/2012 to 8/1/2013 12:01 a.m. Standard Time at the Named Insured's address stated above.

ITEM THREE

Limits of Insurance are:

(a) Each Occurrence Limit:	$5,000,000
(b) Aggregate Limit:	$5,000,000

ITEM FOUR

SCHEDULE OF UNDERLYING INSURANCE:
This schedule is described within Form No. 178300-06-92 which forms a part of this policy's declarations.

ITEM FIVE

Premium:

Total Premium:	**$ 740.00**
Taxes:	**$ 9.62**
Policy/RPG Fee:	**$ 148.00**

Minimum Earned Premium: 25%
Includes Terrorism Risk Insurance Act - Certified Acts Coverage: Included

ITEM SIX

SCHEDULE OF ENDORSMENTS:
This schedule is described within Form No. 178250-04-04 which forms a part of this policy's declarations.

Producer Name and Address:
Trivedi - Capacity Assoc., LLC
1 International Blvd. 3rd Floor
Mahwah, NJ 07495

Producer Number: 29-490-445

Countersigned by_____ Date of Issue August 8,2012
Authorized Representative

This declarations page is issued in conjunction with and forms a part of Policy Form 5400 10-03

Fireman's Fund®

CERTIFICATE NO. SUO48598155-3012

Policy Period:	8/1/2012 to 8/1/2013
Effective Date	**8/1/2012**
Insured	HARP Inc
Policy Number	**SUO-000-4859-8155**
Date Issued	August 8, 2012
Name of Company	National Surety Corporation

Who Is An Insured/Excess Follow-Form Coverage A And Umbrella Coverage B

The following is added as named insured:

Bridgetown at Plantation Homeowner's Assn, DBA: C/O Community Associations Program
12950 Kentfield Lane, Ft. Meyers, FL 33913

The period of time for which this insured status applies:
begins at 12:01 AM standard time on: **8/1/2012**
and ends at 12:01 AM standard time on: **8/1/2013**

at the location(s) of the insured shown below:.

The Limits of Insurance applicable to the insured are:

Excess Coverage Other Aggregate Limit:	**$5,000,000**
Umbrella Coverages Aggregate Limit:	**$5,000,000**
Products Completed Operations Aggregate Limit:	**$5,000,000**
Advertising Injury and Personal Injury Aggregate Limit:	**$5,000,000**
Each Occurrence Limit:	**$5,000,000**

Schedule Of Underlying Insurance

For the insured shown above, and subject to all the terms and conditions of Coverage/Excess Follow-Form Coverage A, this insurance follows form on to those coverages:

- which are indicated below by an [X] and
- for which policies of underlying insurance for at least the limits shown have been issued to and remain in force for such insured.

[X] Commercial General Liability:
$1,000,000 Per Occurrence
$2,000,000 General Aggregate (per location if more than one location)
$1,000,000 Products/Completed Operations Aggregate
$1,000,000 Personal & Advertising Injury

Carrier: Westchester Surplus Lines Insurance Company
Policy No: G24220631 002
Policy Period: 08/01/2012 TO 08/01/2013.

[ ] Employee Benefits Liability:
$1,000,000 Per Claim
$1,000,000 Aggregate

[ ] Claims Made
Retroactive Date:
***Note retroactive date is the same as the policy inception date**

Carrier:
Policy No:
Policy Period:

Occurrence [ ]

[ ] Liquor Liability:
$1,000,000 Each Common Cause
$1,000,000 Aggregate

Carrier:
Policy No:
Policy Period:

[X] Commercial Automobile Liability:
$1,000,000 Combined Single Limit

Carrier: Westchester Surplus Lines Insurance Company
Policy No: G24220631 002
Policy Period: 08/01/2012 TO 08/01/2013.

[ ] Employers Liability:
$500,000 Each Accident
$500,000 Disease Policy Limit
$500,000 Disease Each Employee

Carrier:
Policy No:
Policy Period:

☐ Garage Keeper Legal Liability:
$1,000,000 Each Occurrence
$1,000,000 Aggregate

Carrier: Policy No:
Policy Period:

☒ Directors & Officers: (Condo/Co-Op)
$1,000,000 Each Claim
$1,000,000 Aggregate Per Association (Defense in addition to the limit)

Carrier: Continental Casualty Company
Policy No: 251292547
Policy Period: 08/01/2012 TO 08/01/2013.

The following Condition is added.

Conditions

Continuation Of Coverage

In the event that the policy to which this endorsement attaches is cancelled midterm, coverage as provided under this endorsement will remain in effect:

- for the benefit of the named insured shown above; and
- for the term of insured status shown above (and will not be renewed);

as if the first named insured's policy had not been cancelled, unless such named insured requests earlier cancellation of this endorsement.

Coverages/Umbrella Coverage B
Bodily Injury And Property Damage Liability Coverage

Under Coverages/UmbrellaCoverage B Bodily Injury and Property Damage Liability Coverage, the following provision is added:

Coverage provided under this insurance only applies to loss arising out of the premises designated below and any premises you acquire during the policy period provided you notify us within 30 days after the acquisition.

Limitation To Designated Premises

Designated Premises:
12950 Kentfield Lane, Ft. Meyers, FL 33913

Coverage/Excess Follow-Form Coverage A

Under Coverage/ExcessFollow-Form Coverage A, the following provision is added:

Coverage provided under this insurance only applies to loss arising out of the premises designated below and any premises you acquire during the policy period provided you notify us within 30 days after the acquisition.

Limitation To Designated Premises

Designated Premises:
12950 Kentfield Lane, Ft. Meyers, FL 33913

All other terms and conditions remain unchanged.

Authorized Representative

Fireman's Fund

178250 04 04 SCHEDULE OF ENDORSEMENTS

100002			POLICY TERM ENDORSEMENT
100003			NON-CUMULATION OF LIMITS ENDORSEMENT
100004			RISK PURCHASING GROUPS - PROGRAM MANAGER ENDORSEME
100005			OCCUPATIONAL OR ENVIRONMENTAL DISEASE EXCLUSION
100006			EMPLOYMENT PRACTICES EXCLUSION - COVERAGE A
100007			CLAIMS-MADE COVERAGE AMENDMENT AND EXCLUSION
178575	05	04	SILICA PARTICLES EXCLUSION
178587	12	07	DISCLOSURE OF PREMIUM AND ESTIMATED PREMIUM FOR CERTIFIED ACTS OF TERRORISM COVERAGE (PURSUANT TO TERRORISM RISK INSURANCE ACT OF 2002)
178751	03	98S	EMPLOYEE BENEFIT PLAN EXCLUSION - COVERAGE B
178771	03	98	LEAD EXCLUSION
178789	10	01	POLLUTION - ABSOLUTE EXCLUSION - COVERAGE B
178792 B	03	98R	PRODUCTS-COMPLETED OPERATIONS HAZARD EXCLUSION-COVERAGE
178794	10	01	PROFESSIONAL SERVICES EXCLUSION
178846	10	02 NJ	NEW JERSEY AMENDATORY
178862	10	03	LIQUOR LIABILITY EXCLUSION - COVERAGE B
178905	10	01	DISCRIMINATION LIABILITY EXCLUSION - COVERAGE B
178909	09	98R	PERSONAL AND ADVERTISING INJURY EXCLUSION - COVER AGE B
178913	10	01	ABUSE, ASSAULT AND MOLESTATION EXCLUSION - COVERAGE B

178250 04 04 SCHEDULE OF ENDORSEMENTS

178923	10 03	CARE, CUSTODY OR CONTROL OF REAL AND PERSONAL PROPERTY EXCLUSION - COVERAGE B
178944	10 01	INTELLECTUAL PROPERTY EXCLUSION
178947	10 01	DESIGNATED OPERATIONS EXCLUSION
178950	04 02R	FUNGI OR BACTERIA EXCLUSION
178993	12 07	COVERAGE FOR CERTIFIED ACTS OF TERRORISM
179020	12 07	ADDITIONAL POLICY PROVISIONS
179032	11 04	DIRECTORS AND OFFICERS EXCLUSION - COVERAGE B
179033	05 09	VIOLATION OF STATUTES EXCLUSION (EMAILS, FAX, PHONE CALLS OR OTHER METHODS OF RECORDING OR DISTRIBUTION OF MATERIAL OR INFORMATION)

UMBRELLA AND EXCESS LIABILITY POLICY AMENDMENT

Endorsement Number: 100002

Endorsement Title: POLICY TERM ENDORSEMENT

The master policy term will be 04/01/2012 to 04/01/2014 (24 months). Those Participants who are a Lead Named Insured will be provided twelve months coverage from their respective effective date, unless otherwise approved, not to exceed beyond the 04/01/2014 expiration date of the master policy.

All additions and deletions made by an existing Participant will be subject to the expiration date designated for the Lead Named Insured.

For the purpose of this endorsement, Lead Named Insured shall be defined as the First Named Insured for each Participant covered under HARP Inc.

ESRMAN19-97

This Form must be attached to Change Endorsement when issued after the policy is written.
One of the **Fireman's Fund Insurance Companies** as named in the policy

Secretary

President

UMBRELLA AND EXCESS LIABILITY POLICY AMENDMENT

Endorsement Number: 100003

Endorsement Title: NON-CUMULATION OF LIMITS ENDORSEMENT

PAGE 01 OF 01

If an occurrence, claim or suit covered under this policy is also covered under another Commercial Excess and Umbrella Insurance policy or Commercial Excess Insurance policy or other similar policy issued by us of any other member insurer of the Fireman's Fund Insurance Companies, the combined maximum amount paid for such occurrence, claim or suit under all applicable policies will not exceed the amount stated in the Declarations of the policy with the highest Each Occurrence Limit Of Insurance.

Payments made for such occurrence, claim or suit will be treated as paid under each of the applicable policies for purposes to determine the Limits Of Insurance available under the aggregate limits as respects any subsequent occurrence, claim or suit.

ESFMAN1 9-97

This Form must be attached to Change Endorsement when issued after the policy is written.
One of the **Fireman's Fund Insurance Companies** as named in the policy

Secretary

President

UMBRELLA AND EXCESS LIABILITY POLICY AMENDMENT

Endorsement Number: 100004

Endorsement Title: RISK PURCHASING GROUPS- PROGRAM MANAGER ENDORSEMENT

It is hereby agreed that those entities or group of related entities designated as members of the risk purchasing group that is the first named insured in this policy on the individual member's Certificate of Coverage are included as named insured's under this policy.

Coverage only apply to liability arising out of the operation(s) at the specified locations scheduled on the individual member's Certificate of Coverage, but only as respects:

- the specific named insured's listed in that Certificate of Coverage and designated as the owner(s), manager(s), or lessee(s) of those specified locations and

- the coverages shown on that Certificate of Coverage, subject to the terms and conditions of this insurance.

It is agreed that those named insureds listed in an individual Certificate of Coverage issued by the risk purchasing group during this policy period are provided coverage for the time period specified in such Certificate of Coverage, not to exceed twelve months.

All additions and deletions made for a named insured will be subject to the expiration date designated in the Individual Certificate of Coverage for that named insured.

This Form must be attached to Change Endorsement when issued after the policy is written.
One of the **Fireman's Fund Insurance Companies** as named in the policy

Secretary

President

UMBRELLA AND EXCESS LIABILITY POLICY AMENDMENT

Endorsement Number: 100005

Endorsement Title: OCCUPATIONAL OR ENVIRONMENTAL DISEASE EXCLUSION

Regardless of whether or not such coverage is afforded by any :underlying insurance", this insurance does not apply:

To any liability or injury resulting from any occupational or environmental disease arising out of the operations or products of any "insured" and affecting:
a. Any employees of any "insured", or
b. Any other person.

ESRMAN19-97

This Form must be attached to Change Endorsement when issued after the policy is written.
One of the **Fireman's Fund Insurance Companies** as named in the policy

Secretary

President

UMBRELLA AND EXCESS LIABILITY POLICY AMENDMENT

Endorsement Number: 100006

Endorsement Title: EMPLOYMENTPRACTICESEXCLUSION- COVERAGEA

Section I. Excess Liability - Coverage A, C. Coverage A - Exclusions, 5. Employment Practices is deleted in its entirety and replaced by the following:

5. EMPLOYMENT PRACTICES - To any liability arising out of any employment-related or personnel practices, policies, acts or omissions. This includes, but is not limited to:
a. Refusal to employ;
b. Termination of employment;
c. Coercion, criticism, demotion, failure to promote, evaluation, reassignment, discipline, defamation, self-defamation, harassment, humiliation, discrimination, libel, slander, false arrest and imprisonment, or violation of a person's right of privacy; or
d. Any consequential injury or damages as a result of a., b. or c. above.
This exclusion applies:
a. To all claims, demands, charges, complaints or Suits by any person(s) or organization(s) for damages because of such injury or liability, including damages for care and loss of services;
b. Whether any Insured may be held liable as an employer or in any other capacity either directly or indirectly related to employment; and
c. To any obligation to share damages with or repay someone else who must pay damages because of such injury or liability.

This exclusion applies:
-whether the insured may be liable as an employer or in any other capacity; and
- to any obligation to share damages with or repay someone else who must pay damages because of any of the foregoing.

This exclusion does not apply to Excess Liability - Coverage A to the extent that insurance is provided under a Directors & Officers Liability policy shown in the Schedule of Underlying Insurance.

ESRMAN1 9-97

This Form must be attached to Change Endorsement when issued after the policy is written.
One of the **Fireman's Fund Insurance Companies** as named in the policy

Secretary

President

UMBRELLA AND EXCESS LIABILITY POLICY AMENDMENT

Endorsement Number: 100007

Endorsement Title: CLAIMS-MADE COVERAGEAMENDMENTAND EXCLUSION

COVERAGE PROVIDED BY THIS ENDORSEMENT APPLIES ON A CLAIMS-MADE BASIS. PLEASE READ THE ENTIRE ENDORSEMENT CAREFULLY.

A. 1. Claims-Made Coverage - Coverage A

Solely with respect to Coverage A of this policy in excess of **Primary Insurance** which applies on the basis of Claims-Made, we adopt the terms of **Primary Insurance** with respect to what must occur after the **Primary Insurance** Retroactive Date, if any, in order for coverage to apply.

However, we do not adopt terms of any:

a. **Primary Insurance** Retroactive Date, if any; and

b. **Primary Insurance** inception and termination dates.

2. All of the following apply with respect to the above:

a. SECTION I. EXCESS LIABILITY - COVERAGE A, A. COVERAGE A - INSURING AGREEMENT, subsection 1.b. does not apply with respect to coverage in excess of Claims-Made basis **Primary Insurance**; and

b. Our Coverage A Retroactive Date for Claims-Made coverage provided by this endorsement is: Various; and Per the Scheduled Underlying Insurance retroactive date (if any).

c. For Coverage A to apply, the claim must be first made during our Policy Period as well as during the **Primary Insurance** policy period.

As used in 2.b. above, the term "Retroactive Date" means the date that is the earliest date on which the wrongful act, error or omission may first take place for coverage to apply.

B. Limits of Insurance Amendment - Coverage A

Subject to our Limits of Insurance, the most we will pay under

ESRMAN19-97

This Form must be attached to Change Endorsement when issued after the policy is written.
One of the **Fireman's FundInsurance Companies**as named in the policy

Secretary

President

Coverage A of this policy for coverage under A. above is:

"SEE CERTIFICATE" Each Claim or Wrongful Act of the term that is used to determine the exhaustion of the limit of insurance in **Primary Insurance**

"SEE CERTIFICATE" Aggregate

These Limits of Insurance are included within, and are not in addition to, the Each Occurrence Limit of Insurance and the Aggregate Limit of Insurance shown in our Declarations.

C. Notice of Claim - Coverage A

Notwithstanding anything to the contrary contained in this policy, notice of an **Occurrence** is not notice of a claim under that part of Coverage A which provides coverage on the basis of Claims-Made pursuant to this endorsement. All conditions of such **Primary Insurance** that require you to provide **Primary Insurers** with notice of claims or **Suits** also apply separately and distinctly to us with respect to any claim or **Suit** which may reasonably be expected to result in a claim against this policy. You must give such notice to us on the same basis that you are to give notice to such **Primary Insurer.**

D. Extended Reporting Period - Coverage A

If a **Primary Policy** provides coverage for claims made under an Extended Reporting Period then Coverage A of this policy will provide an Extended Reporting Period in the same manner, subject to all of the following:

1. Our Extended Reporting Period under Coverage A of this policy will not reinstate or increase the Limits of Insurance of this policy or extend our Policy Period.

2. Our Extended Reporting Period will not be longer than twelve (12) months unless we expressly agree in writing at the time the Extended Reporting Period becomes effective.

3. If the **Primary Policy** requires you to make a written request in order for its Extended Reporting Period to apply to their policy, then:

All other terms and conditions of the supplement remain unchanged.

ESRMAN2 9-97

a. We must also receive a written request from you for an Extended Reporting Period for our policy no later than sixty (60) days after the termination date of this policy.

b. If our Extended Reporting Period is for a period of more than sixty (60) days, you must promptly pay us any additional premium we require. The premium for our Extended Reporting Period will not exceed 200% of the annual premium of this policy if the Extended Reporting Period is for no more than a twelve (12) month period, and will be deemed fully earned at the inception of the Extended Reporting Period.

E. Wrongful Acts Policy Exclusion

This policy does not apply to any liability arising out of any criminal, malicious, fraudulent, intentional, knowingly wrongful, or dishonest, act or omission by any person or organization whether or not an **Insured**. This exclusion applies even if the claim or **Suit** alleges negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by any **Insured**.

This exclusion does not apply to Excess Liability - Coverage A - to the extent that **Primary Insurance** is provided under a Directors and Officers liability policy shown in the Primary Schedule of Underlying Insurance.

F. Contractual Liability Limitation

This policy does not apply to any liability arising out of:

1. Any **Insured's** obligation to pay damages by reason of any **Insured's** assumption of the liability of another person or organization in any contract or agreement for the rendering of or failure to render any professional service; or

2. Any breach of any contract, agreement, warranty, guarantee or representation.

ESRMAN29-97

All other terms and conditions of the supplement remain unchanged.

Silica Particles Exclusion - 178575 05 04

Policy Amendment - Umbrella Policy - Excess Liability Policy

The policy does not apply to any claim or liability arising, in whole or in part, directly or indirectly out of, or which is in any way related to, "Silica".

As used in this exclusion, the term "Silica" includes, but is not limited to, silicon dioxide, silica, silica products, silica fibers, silica dust, any other silica byproducts, and silica, whether alone or in combination with any substance, product or material.

Without limiting the foregoing, this exclusion applies to every injury, damage, loss, cost or expense otherwise covered by this policy, if any.

All other terms and conditions of the policy remain unchanged.

This Form must be attached to Change Endorsement when issued after the policy is written.
One of the **Fireman's Fund Insurance Companies** as named in the policy

Secretary

President

178575 5-04

Disclosure of Premium and Estimated Premium for Certified Acts of Terrorism Coverage; Cap on Insurer Participation in Payment of Terrorism Losses (Pursuant to Terrorism Risk Insurance Act)

Terrorism 07
178587 12
Policy Amendment - Umbrella Policy - Excess Liability Policy

This Endorsement is attached to and made part of your policy in response to the disclosure requirements of the Terrorism Risk Insurance Act.

A. **Disclosure of Premium**

In accordance with the federal Terrorism Risk Insurance Act, as amended, we are required to provide you with a notice disclosing the portion of your premium, if any, attributable to coverage for terrorist acts certified under the Terrorism Risk Insurance Act, as amended. The portion of your premium attributable to such coverage is shown in the policy Declarations. This premium is based on the rates in effect at the time of policy issuance or policy anniversary and was calculated for the full term of the current policy period.

B. **Disclosure of Federal Participation in Payment of Terrorism Losses**

The United States Government, Department of the Treasury, will pay a share of terrorism losses insured under the federal program. The federal share equals 85% of that portion of the amount of such insured losses that exceeds the applicable insurer retention. However, if aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act, as amended, exceed $100 billion in a Program Year (January 1 through December 31), the Treasury shall not make any payment for any portion of the amount of such losses that exceed $100 billion.

C. **Cap on Insurer Participation in Payment of Terrorism Losses**

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act, as amended, exceed $100 billion in a Program Year (January 1 through December 31) and we have met our insurer deductible under the Terrorism Risk Insurance Act, as amended, then we shall not be liable for the payment of any portion of the amount of such losses that exceeds $100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

This Form must be attached to Change Endorsement when issued after the policy is written.
One of the **Fireman's Fund Insurance Companies** as named in the policy

Secretary

President

178587 12-07
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D. **Possibility of Additional or Return Premium**

The premium for certified acts of terrorism coverage is calculated based in part on the federal participation in payment of terrorism losses as set forth in the Terrorism Risk Insurance Act, as amended. If the federal program terminates or if the level or terms of federal participation change, the premium charge for acts of terrorism as shown in the Declarations of this policy may also change. If this policy contains a Conditional Exclusion, continuation of coverage for certified acts of terrorism, or termination of such coverage, will be determined upon disposition of the federal program, subject to the terms and conditions of the Conditional Exclusion. If this policy does not contain a Conditional Exclusion, coverage for certified acts of terrorism will continue. In either case, when disposition of the federal program is determined, we will recalculate the premium charge made for those acts of terrorism covered by the Terrorism Risk Insurance Act, as amended, that remain covered by this policy after the disposition of the federal program. We will calculate the premium charge as follows:

1. We will calculate the pro-rated premium shown in the Declarations for acts of terrorism from the effective date of your policy to the date of expiration or change of the federal program.

2. We will calculate the pro-rated premium charge for acts of terrorism that remain covered for the policy period that remains in effect from the expiration or change of the federal Program to the anniversary or expiration date of your policy.

3. We will add the amount determined in D.1. above to the amount determined in D.2. above. Such premium will be your revised annual premium for coverage for acts of terrorism.

    a. If the revised annual premium determined above is an additional premium, this additional premium may be waived by us for the remainder of the policy term.

    b. If the revised annual premium determined above is a return premium, we will refund this amount to you.

All other terms and conditions of the policy remain unchanged.

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Employee Benefit Program Exclusion - Coverage B - 178751 03 98S

Policy Amendment - Umbrella Policy

A. Coverage B of the policy does not apply to any liability arising out of the "Administration" of any "Employee Benefit Program."

B. As used in this endorsement, the following terms have the following meanings:

1. "Employee Benefit Program" includes but is not limited to group life insurance, group accident or health insurance, profit sharing plans, pension plans and stock subscription plans, unemployment insurance, social security benefits, workers' compensation and disability benefits insurance.

2. "Administration" includes but is not limited to performing or failure to perform any of the following functions with respect to an "Employee Benefit Program":

   a. Application of rules determining eligibility for or participation in benefits;

   b. Calculation of service and compensation credit for benefits;

   c. Preparation of **Employee** communications material;

   d. Maintenance of participants' service and employment records;

   e. Preparation of reports required by government agencies;

   f. Calculation of benefits;

   g. Orientation of new participants and advising participants of their rights and options under the plan;

   h. Collection of contributions and application of contributions as provided in the plan;

   i. Preparation of reports concerning participants' benefits;

   j. Processing of claims; or

   k. Rendering or providing advice, other than legal advice.

All other terms and conditions of the policy remain unchanged.

This Form must be attached to Change Endorsement when issued after the policy is written.
One of the **Fireman's Fund Insurance Companies** as named in the policy

Secretary

President

Lead Exclusion - 178771 03 98

Policy Amendment - Umbrella Policy - Excess Liability Policy

The policy does not apply to any liability arising in whole or in part, out of or in any way related to "Lead".

As used in this exclusion, the term "Lead" includes but is not limited to, lead, lead products, lead contained in paint, and lead contained in any products or materials.

All other terms and conditions of the policy remain unchanged.

This Form must be attached to Change Endorsement when issued after the policy is written.
One of the **Fireman's Fund Insurance Companies** as named in the policy

Secretary

President

178771 3-98

Pollution - Absolute Exclusion - Coverage B - 178789 10 01

Policy Amendment - Umbrella Policy

A. SECTION II. UMBRELLA LIABILITY - COVERAGE B, C. COVERAGE B - EXCLUSIONS, subsection 12. POLLUTION is replaced by the following:

12. POLLUTION

a. To any liability arising:

(1) Directly;

(2) Indirectly; or

(3) In concurrence, or in any sequence, with a cause for which coverage may be afforded by this policy;

out of the actual, alleged or threatened existence, discharge, dispersal, seepage, migration, release or escape of **Pollutants.**

b. To any loss, cost, or expense arising out of any:

(1) Request, demand, order, or statutory or regulatory requirement that any **Insured** or others test for, monitor, clean up, remove, contain, treat, detoxify, neutralize, or in any way respond to or assess the effects of **Pollutants**; or

(2) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, **Pollutants**.

c. It is the intent and effect of this exclusion to exclude any or all coverage afforded by Coverage B of this policy for any claim, action, judgment, liability, settlement, defense, or expense in any way arising out of the existence, discharge, dispersal, seepage, migration, release or escape of **Pollutants.** It applies whether such results from any **Insured's** activities or the activities of others. It applies whether such is sudden, gradual, accidental, intended, foreseeable, expected, fortuitous, or inevitable. And it applies wherever or however such occurs.

All other terms and conditions of the policy remain unchanged.

This Form must be attached to Change Endorsement when issued after the policy is written.
One of the **Fireman's Fund Insurance Companies** as named in the policy

Secretary

President

Products-Completed Operations Hazard Exclusion - Coverage B 178792 03 98R

Policy Amendment - Umbrella Policy

COVERAGE B of the policy does not apply to any liability arising out of the **Products-Completed Operations Hazard**; nor to any liability assumed under that part of an **Insured Contract** that indemnifies a person or organization for any liability arising out of the **Products-Completed Operations Hazard**.

All other terms and conditions of the policy remain unchanged.

This Form must be attached to Change Endorsement when issued after the policy is written.
One of the **Fireman's Fund Insurance Companies** as named in the policy

Secretary

President

Professional Services Exclusion - 178794 10 01

Policy Amendment - Umbrella Policy - Excess Liability Policy

The policy does not apply to any liability arising out of the rendering of or failure to render any "professional" services.

As used in this endorsement, a "professional" service is one arising out of a vocation, calling, occupation, or employment involving specialized knowledge, labor, or skill. It also means relating to or characteristic of a learned profession that often requires special licensing by an agency or society with such authority.

All other terms and conditions of the policy remain unchanged.

This Form must be attached to Change Endorsement when issued after the policy is written.
One of the **Fireman's Fund Insurance Companies** as named in the policy

Secretary

President

178794 10-01

New Jersey Amendatory - 178846 10 02 NJ

Policy Amendment - Umbrella - Excess Liability Policy

A. Pursuant to New Jersey law, this policy cannot be cancelled or nonrenewed for any underwriting reason or guideline which is arbitrary, capricious or unfairly discriminatory or without adequate prior notice to the **First Named Insured**. The underwriting reasons or guidelines that we can use to cancel or nonrenew this policy are maintained by us in writing and will be furnished to the **First Named Insured** and/or his lawful representative upon written request.

This provision shall not apply to any policy which has been in effect for less than sixty (60) days at the time notice of cancellation is mailed or delivered, unless the policy is a renewal policy.

B. The policy CONDITIONS, CANCELLATION, subsection 2.a. is replaced by the following:

2. a. Ten (10) days before the effective date of cancellation if we cancel for:

(1) Nonpayment of premium; or

(2) Existence of a moral hazard, as defined in N.J.A.C. 11:1-20.2(f) as follows:

(a) The risk, danger or probability that the **Insured** will destroy, or permit to be destroyed, the insured property for the purpose of collecting the insurance proceeds. Any change in the circumstances of an **Insured** that will increase the probability of such a destruction may be considered a 'moral hazard'; and

(b) The substantial risk, danger or probability that the character, circumstances or personal habits of the **Insured** may increase the possibility of loss or liability for which an insurer will be held responsible. Any change in the character or circumstances of an individual, corporate, partnership or other **Insured** that will increase the probability of such a loss or liability may be considered a 'moral hazard'.

C. The following is added to the policy CONDITIONS, subsection 2.:

If this policy has been in effect for sixty (60) days or more, or is a renewal of a policy we issued, we may cancel this policy only for one or more of the following reasons:

a. Nonpayment of premium;

b. Existence of a moral hazard, as defined in N.J.A.C. 11:1-20.2(f);

c. Material misrepresentation or nondisclosure to us of a material fact at the time of acceptance of the risk;

d. Increased hazard or material change in the risk assumed which we could not have reasonably contemplated at the time of assumption of the risk;

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One of the **Fireman's Fund Insurance Companies** as named in the policy

Secretary

President

e. Substantial breaches of contractual duties, conditions or warranties that materially affect the nature and/or insurability of the risk;

f. Lack of cooperation from the **Insured** on loss control matters materially affecting insurability of the risk;

g. Fraudulent acts against us by the **Insured** or its representative that materially affect the nature of the risk insured;

h. Loss of or reduction in available insurance capacity;

i. Material increase in exposure arising out of changes in statutory or case law subsequent to the issuance of the insurance contract or any subsequent renewal;

j. Loss of or substantial changes in applicable reinsurance;

k. Failure by the **Insured** to comply with any Federal, State or local fire, health, safety or building or construction regulation, law or ordinance with respect to an insured risk which substantially increases any hazard insured against within sixty (60) days or written notification of a violation of any such law, regulation or ordinance;

l. Failure by the **Insured** to provide reasonable and necessary underwriting information to us upon written request therefor and a reasonable opportunity to respond;

m. Agency termination, provided:

(1) We document that replacement coverage at comparable rates and terms has been provided to the **First Named Insured**, and we have informed the **First Named Insured**, in writing, of the right to continue coverage with us; or

(2) We have informed the **First Named Insured**, in writing, of the right to continue coverage with us and the **First Named Insured** has agreed, in writing, to the cancellation or nonrenewal based on the termination of the **First Named Insured's** appointed agent; or

n. Any other reasons in accordance with our underwriting guidelines for cancellation of commercial lines coverage.

However, we need not send notice of cancellation if you have replaced coverage elsewhere or specifically requested termination.

D. The following is added to the policy CONDITIONS:

NONRENEWAL BY US

1. We may elect not to renew this policy for any reason permitted to cancel it. If we elect not to renew this policy, we will mail by first class or certified mail to the **First Named Insured** and to the agent or broker of record, at their addresses known to us, written notice stating the reason for nonrenewal, at least thirty (30) days but not more than one hundred twenty (120) days before the effective date of nonrenewal.

2. Notice of nonrenewal will state the effective date of nonrenewal. The Policy Period will end on the date of nonrenewal.

3. A post office certificate of mailing or a certified mail receipt will be sufficient proof of mailing of notice.

4. We need not mail or deliver this notice if you have:

a. Replaced coverage elsewhere; or

b. Specifically requested termination.

All other terms and conditions of the policy remain unchanged.

Liquor Liability Exclusion - Coverage B - 178862 10 03

Policy Amendment - Umbrella Policy

Coverage B of the policy does not apply to any liability arising out of:

A. Causing or contributing to the intoxication of any person;

B. The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol;

C. Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages; or

D. Owning or leasing premises used for selling or serving alcoholic beverages.

All other terms and conditions of the policy remain unchanged.

This Form must be attached to Change Endorsement when issued after the policy is written.
One of the **Fireman's Fund Insurance Companies** as named in the policy

Secretary

President

178862 10-03

Discrimination Liability Limitation - Coverage B - 178905 10 01

Policy Amendment - Umbrella Policy

A. SECTION VI. DEFINITIONS, N. PERSONAL AND ADVERTISING INJURY, subsection 7. is deleted.

B. Coverage B of the policy does not apply to any liability arising out of or alleging "discrimination" against any person or organization.

"Discrimination" includes, but is not limited to, discrimination because of race, color, ethnic or national origin, religion, age, gender, marital status, physical disability or impairment, or any employment practices related to the foregoing.

All other terms and conditions of the policy remain unchanged.

This Form must be attached to Change Endorsement when issued after the policy is written.
One of the **Fireman's Fund Insurance Companies** as named in the policy

Secretary

President

Personal and Advertising Injury Exclusion - Coverage B
178909 09 98R

Policy Amendment - Umbrella Policy

COVERAGE B of the policy does not apply to any liability arising out of **Personal and Advertising Injury** .

All other terms and conditions of the policy remain unchanged.

This Form must be attached to Change Endorsement when issued after the policy is written.
One of the **Fireman's Fund Insurance Companies** as named in the policy

Secretary

President

178909 9-98R

Abuse, Assault and Molestation Exclusion - Coverage B
178913 10 01

Policy Amendment - Umbrella Policy

Coverage B of the policy does not apply to any:

A. Liability arising directly or indirectly out of any actual, alleged or threatened:

1. Sexual abuse, sexual assault, sexual molestation, sexual harassment or sexual misconduct;

2. Physical abuse, physical assault, physical battery;

3. Mental abuse; or

4. Child molestation;

B. Injury to any person who is so abused, assaulted, battered, molested or harassed; or

C. Liability for:

1. Failing to prevent or deter any of the above; or

2. Negligently hiring or supervising any persons who cause or contribute to any of the above.

All other terms and conditions of the policy remain unchanged.

This Form must be attached to Change Endorsement when issued after the policy is written.
One of the **Fireman's Fund Insurance Companies** as named in the policy

Secretary

President

Care, Custody or Control of Real and Personal Property Exclusion Coverage B - 178923 10 03

Policy Amendment - Umbrella Policy

Coverage B of the policy does not apply to any liability arising out of **Property Damage** to real and personal property of others in the care, custody or control of any **Insured**.

All other terms and conditions of the policy remain unchanged.

This Form must be attached to Change Endorsement when issued after the policy is written.
One of the **Fireman's Fund Insurance Companies** as named in the policy

Secretary

President

178923 10-03

Intellectual Property Exclusion - 178944 10 01

Policy Amendment - Umbrella Policy - Excess Liability Policy

The policy does not apply to any liability arising out of any actual or alleged infringement, disparagement, defamation, violation, misappropriation, or unfair usage of any form of intellectual property, including but not limited to:

A. Copyright, slogan or title;

B. Patent;

C. Trademark, service mark, collective mark, or certification mark, including without limitation any word, name, symbol, device or any combination thereof used to identify or distinguish the origin of a good, product or service;

D. Trade secret;

E. Trade dress including without limitation, any shape, color, design or appearance used to distinguish the origin of a good, product or service;

F. False designation of the origin of a good, product or service;

G. Advertising ideas, concepts, campaigns, or style of doing business; or

H. Any other intellectual property rights recognized or implied by law.

All other terms and conditions of the policy remain unchanged.

This Form must be attached to Change Endorsement when issued after the policy is written.
One of the **Fireman's Fund Insurance Companies** as named in the policy

Secretary

President

Designated Operations Exclusion - 178947 10 01

Policy Amendment - Umbrella Policy - Excess Liability Policy

The policy does not apply to any liability arising out of any operations performed by or on behalf of any **Insured**, nor to any liability assumed under that part of any contract or agreement that indemnifies a person or organization for liability arising out of operations listed below:

Any construction and/or development with the exception of alteration or renovation operations and/or maintenance or repair operations.

This exception does not apply to any structural alteration that involves changing the size of, or any demolishing or moving of any building or other structure.

All other terms and conditions of the policy remain unchanged.

This Form must be attached to Change Endorsement when issued after the policy is written.
One of the **Fireman's Fund Insurance Companies** as named in the policy

Secretary

President

178947 10-01

Fungi or Bacteria Exclusion - 178950 04 02R

Policy Amendment - Umbrella Policy - Excess Liability Policy

The policy does not apply to:

A. Any claims or liability arising, in whole or in part, out of, resulting from, caused by, or in any way related to "fungi" or bacteria; or

B. The cost to test for, monitor, abate, mitigate, remove, dispose of or remediate "fungi" or bacteria.

This exclusion applies regardless of any other cause, event, material, product or building component that contributed concurrently or in any sequence to such liability. However, this exclusion does not apply to bacteria that is, is on, or contained in, a good or product intended for human ingestion.

"Fungi" is defined to include but is not limited to fungus, mildew, mold or resulting spores and byproducts, including mycotoxins or allergens. However, "fungi" does not include "fungi" intended for human ingestion.

All other terms and conditions of the policy remain unchanged.

This Form must be attached to Change Endorsement when issued after the policy is written.
One of the **Fireman's Fund Insurance Companies** as named in the policy

Secretary

President

Coverage for Certified Acts of Terrorism - 178993 12 07

Policy Amendment - Umbrella Policy

A. Coverage A of this policy will apply with respect to a "certified act of terrorism".

B. Coverage B of this policy does not apply to any liability arising, directly or indirectly, out of any "certified act of terrorism".

C. As used in this endorsement, "certified act of terrorism" means an 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 pursuant to the Terrorism Risk Insurance Act, as amended. The criteria contained in the Terrorism Risk Insurance Act, as amended, for a "certified act of terrorism" include the following:

1. The act resulted in insured losses in excess of $5 million in the aggregate attributable to all types of insurance subject to the Terrorism Risk Insurance Act, as amended; and

2. The act resulted in damage:

   a. Within the United States (including its territories and possessions and Puerto Rico); or

   b. Outside the United States in the case of:

      (1) An air carrier (as defined in Section 40102 of title 49, United States code) or United States flag vessel (or a vessel based principally in the United States, on which United States income tax is paid and whose insurance coverage is subject to regulation in the United States) regardless of where the loss occurs; or

      (2) The premises of any United States mission; and

3. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

D. If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act, as amended, exceed $100 billion in a Program Year (January 1 through December 31) and we have met our insurer deductible under the Terrorism Risk Insurance Act, as amended, then we shall not be liable for the payment of any portion of the amount of such losses that exceeds $100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

All other terms and conditions of the policy remain unchanged.

This Form must be attached to Change Endorsement when issued after the policy is written.
One of the **Fireman's Fund Insurance Companies** as named in the policy

Secretary

President

178993 12-07

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Additional Policy Provisions - 179020 12 07

Policy Amendment - Umbrella Policy

Unless otherwise amended by any other endorsement to this policy issued on or after the date this endorsement is added, this policy is amended as follows:

A. SECTION II. UMBRELLA LIABILITY - COVERAGE B, C. COVERAGE B - EXCLUSIONS, 2. PERSONAL AND ADVERTISING INJURY, subsection h is replaced by the following:

h. Arising out of the infringement of copyright, patent, trademark, trade secret or other intellectual property rights. Under this exclusion, such other intellectual property rights do not include the use of another's advertising idea in your **Advertisement**. However, this exclusion does not apply to infringement, in your **Advertisement**, of copyright, trade dress or slogan.

B. SECTION I. EXCESS LIABILITY - COVERAGE A, C. COVERAGE A - EXCLUSIONS, 4. POLLUTION, subsection (6) is replaced by the following:

(6) BUILDING HEATING EQUIPMENT- Subsection a.(1) above does not apply to bodily injury if sustained within a building and caused by smoke, fumes, vapor or soot produced by or originating from equipment that is used to heat, cool or dehumidify the building, or equipment that is used to heat water for personal use, by the building's occupants or their guests.

C. SECTION I. EXCESS LIABILITY - COVERAGE A, C. COVERAGE A - EXCLUSIONS 5. EMPLOYMENT PRACTICES and SECTION II. UMBRELLA LIABILITY - COVERAGE B, C. COVERAGE B - EXCLUSIONS, 7. EMPLOYMENT PRACTICES, are replaced by the following:

EMPLOYMENT PRACTICES

a. To any liability arising out of any employment-related or personnel practices, policies, acts or omissions. This includes, but is not limited to:

(1) Refusal to employ;

(2) Termination of employment;

(3) Coercion, criticism, demotion, failure to promote, evaluation, reassignment, discipline, defamation, self-defamation, harassment, humiliation, discrimination, libel, slander, false arrest or imprisonment, violation of a person's right of privacy, or malicious prosecution; or

(4) Any consequential injury or damages as a result of (1), (2) or (3) above.

This Form must be attached to Change Endorsement when issued after the policy is written.
One of the **Fireman's Fund Insurance Companies** as named in the policy

Secretary

President

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b. This exclusion applies:

(1) To all claims, demands, charges, complaints or **Suits** by any person(s) or organization(s) for damages because of such injury or liability, including damages for care and loss of services, whether such injury-causing event occurs before employment, during employment or after employment;

(2) Whether any **Insured** may be held liable as an employer or in any other capacity either directly or indirectly related to employment; and

(3) To any obligation to share damages with or repay someone else who must pay damages because of such injury or liability.

D. The following is added to SECTION II. UMBRELLA LIABILITY - COVERAGE B, C. COVERAGE B - EXCLUSIONS:

ELECTRONIC DATA - To damages arising out of the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

As used in this exclusion, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

E. SECTION III. SUPPLEMENTARY PAYMENTS, subsection 1. is replaced by the following:

1. Costs taxed against any **Insured** in the **Suit**. However, these payments do not include attorneys' fees or attorneys' expenses taxed against the **Insured**.

F. SECTION VI. DEFINITIONS, C. AUTO is replaced by the following:

C. AUTO under Coverage B, means:

1. A land motor vehicle, trailer, or semitrailer designed for travel on public roads, including any attached machinery or equipment; or

2. Any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state where it is licensed or principally garaged.

However, **Auto** does not include **Mobile Equipment**.

G. SECTION VI. DEFINITIONS, I. INSURED CONTRACT, subsection 6. is replaced by the following:

6. That part of any contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another to pay for **Bodily Injury**, **Personal and Advertising Injury** or **Property Damage** to a third person or organization, provided injury or damage is caused, in whole or in part, by you or by those acting on your behalf. "Tort liability" means a liability that would be imposed by law in the absence of any contract or agreement.

This subsection 6. does not include that part of any contract or agreement:

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a. That indemnifies a railroad for liability arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, roadbeds, tunnel, underpass or crossing;

b. That indemnifies an architect, engineer or surveyor for injury or damage arising out of:

(1) Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports surveys, field orders, change orders or drawings and specifications; or

(2) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or

c. Under which the **Insured**, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the **Insured's** rendering or failure to render professional services, including those listed in b. above and supervisory, inspection, architectural or engineering activities.

H. The following is added to SECTION VI. DEFINITIONS, J. MOBILE EQUIPMENT:

However, **Mobile Equipment** does not include any land vehicles that are subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state where it is licensed or principally garaged. Land vehicles subject to a compulsory or financial responsibility law or other motor vehicle insurance law are considered **Autos**.

All other terms and conditions of the policy remain unchanged.

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Directors and Officers Exclusion - Coverage B - 179032 11 04

Policy Amendment - Umbrella Policy

Coverage B of the policy does not apply to any liability arising out of any "wrongful act."

As used in this endorsement, "wrongful act" means any actual or alleged error or misstatement or misleading statement or act or omission or neglect or breach of duty by any director, officer, trustee, governor, regent, commissioner, committee member, managing member or member of any board of managers or any board of directors, or any similar governing body, of any organization of any **Insured** in the discharge of their duties, individually or collectively, or any matter claimed against them solely by reason of being directors or officers.

All other terms and conditions of the policy remain unchanged.

This Form must be attached to Change Endorsement when issued after the policy is written.
One of the **Fireman's Fund Insurance Companies** as named in the policy

Secretary

President

179032 11-04

Violation of Statutes Exclusion (E-Mails, Fax, Phone Calls or Other Methods of Recording or Distribution of Material or Information) 179033 05 09

Policy Amendment - Umbrella Policy - Excess Liability Policy

The policy does not apply to any liability arising directly or indirectly out of any action or omission that violates or is alleged to violate:

A. The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law; or

B. The CAN-SPAM Act of 2003, including any amendment of or addition to such law; or

C. The Fair Credit Reporting Act (FCRA), and any amendment of our addition to such law, including the Fair and Accurate Credit Transaction Act (FACTA); or

D. Any federal, state or local statute, ordinance or regulation, other than the TCPA, CAN-SPAM Act of 2003 or FCRA and their amendments and additions, that addresses, prohibits or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information.

All other terms and conditions of the policy remain unchanged.

This Form must be attached to Change Endorsement when issued after the policy is written.
One of the **Fireman's Fund Insurance Companies** as named in the policy

Secretary

President

179033 5-09
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QUICK REFERENCE

THE FUND UMBRELLA®

This insurance is provided by one of THE FIREMAN'S FUND INSURANCE COMPANIES as shown on the Declarations Page. Our mailing address is: P.O. Box 777, Novato, California 94998.

At inception, The Fund Umbrella policy consists of: the Declarations, The Fund Umbrella policy form, and the endorsements listed on the Declarations.

DECLARATIONS PAGE

Policy Period; Named Insured; Limits of Insurance; Premium; Schedule of Primary Insurance; Listing of Endorsements

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Read the entire policy carefully to determine rights, duties and what is and is not covered.

The words "you" and "your" refer to the **Named Insured** shown in the Declarations. The words "we", "us" and "our" refer to the company providing this insurance. Other words and phrases that are boldfaced have special meaning. Refer to the DEFINITIONS and WHO IS AN INSURED sections.

By accepting this policy, you agree that:

1. The statements in the Declarations and Application are your agreements and representations;
2. Those statements are accurate and complete;
3. This policy is issued and continued in reliance upon the truth of those representations; and
4. This policy contains all agreements existing between you, us, and our agents, relating to this insurance.

SECTION I. EXCESS LIABILITY - COVERAGE A

A. COVERAGE A - INSURING AGREEMENT

1. We will pay on behalf of any **Insured** those sums in excess of **Primary Insurance** that any **Insured** becomes legally obligated to pay as damages or a **Covered Pollution Cost or Expense** provided that such damages and **Covered Pollution Cost or Expense**:
   a. Are covered by **Primary Insurance**;
   b. Arise from injury or damage that occurs, or from an offense committed, during our Policy Period; and
   c. Take place anywhere in the world.
2. The terms and conditions of **Primary Insurance** apply to Coverage A, unless they are inconsistent with any provision of this policy.
3. The amount we will pay is limited as described in Limits of Insurance.
4. a. Subject to Section I.B. and Section I.E.5., we will only pay defense expenses we incur in addition to the applicable Limits of Insurance.
   b. If we are prevented by law from investigating or settling any claim or defending any **Insured** against any **Suit**, we will pay any expense incurred by any **Insured** with our consent.

B. COVERAGE A - WHEN WE WILL HAVE A DUTY TO DEFEND

1. We will have the right and duty to defend any **Insured** against any **Suit** seeking damages or a **Covered Pollution Cost or Expense** to which Coverage A applies but only:
   a. After the applicable limits of insurance of **Primary Insurance** and **Other Insurance** cease to apply because of exhaustion by the payment of judgments or settlements, or because of exhaustion by the payment of defense expenses by the terms of that policy; and
   b. If no **Other Insurance** affording a defense or indemnity against such a **Suit** is available to any **Insured**.

   We will pay only those defense expenses we incur.

2. We have the right but not the duty, to associate with **Primary Insurers** in the defense and control of any **Occurrence**, claim or **Suit** to which we think Coverage A may apply.

3. At our discretion we may:

   a. Investigate any **Occurrence**, claim or **Suit**; or

   b. Settle any claim or **Suit**.

4. We have no duty to defend any **Insured** against any **Suit** seeking damages or a **Covered Pollution Cost or Expense**:

   a. To which Coverage A does not apply;

   b. After our applicable Limits of Insurance have been exhausted by the payment of judgments or settlements, or exhausted by the payment of defense expenses or reimbursements in the same manner as the terms of **Primary Insurance** or **Other Insurance**; or

   c. To which **Primary Insurance** or **Other Insurance**, by its terms, has no duty to defend provided that such **Primary Insurance** or **Other Insurance** does not defend for reasons other than the exhaustion of its limits of insurance.

C. COVERAGE A - EXCLUSIONS

Coverage A of this policy does not apply:

1. **ASBESTOS** - To any liability arising, in whole or in part, out of or in any way related to **Asbestos**.

2. **E.R.I.S.A.** - To any liability of any **Insured** under, or any claim based upon:

   a. The Employees' Retirement Income Securities Act (E.R.I.S.A.) of 1974 and any amendment thereto; or

   b. Similar provisions of any federal, state, or local statutory law or common law.

3. **WORKERS COMPENSATION AND SIMILAR LAWS** - To any obligation of any **Insured** under a Law of:

   a. Workers compensation;

   b. Disability benefits;

   c. Unemployment compensation; or

   d. Any similar law.

4. **POLLUTION**

   a. To any liability arising out of the actual, alleged or threatened, discharge, dispersal, seepage, migration, release or escape of **Pollutants**:

      (1) At or from any premises, site or location which is or was at any time:

         (a) Owned or occupied by; or

         (b) Rented or loaned to;

         any **Insured**;

      (2) At or from any premises, site or location which is or was at any time used by or for:

(a) Any **Insured**; or

(b) Others;

for the handling, storage, disposal, processing or treatment of waste;

(3) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for:

(a) Any **Insured**; or

(b) Any person or organization for whom you may be legally responsible;

(4) At or from any premises, site or location on which any **Insured**, or any contractors or subcontractors working directly or indirectly on any **Insured's** behalf are performing operations:

(a) If the **Pollutants** are brought on or to such premises, site or location, in connection with such operations by such **Insured**, contractor or subcontractor; or

(b) If the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, **Pollutants**;

(5) That are, or that are contained in, any property that is:

(a) Being transported or towed by, handled or handled for movement into, onto or from; any auto covered by **Primary Insurance**;

(b) Otherwise in the course of transit by or on behalf of any **Insured**; or

(c) Being stored, disposed of, treated or processed, in or upon any auto covered by **Primary Insurance**; or

(6) (a) Before the **Pollutants**, or any property in which the **Pollutants** are contained, are moved from the place where they are accepted by any **Insured** for movement into or onto any auto covered by **Primary Insurance**; or

(b) After the **Pollutants**, or any property in which the **Pollutants** are contained, are moved from any auto covered by **Primary Insurance** to the place where they are finally delivered, disposed of or abandoned by any **Insured**.

b. To any loss, cost or expense arising out of any:

(1) Request, demand, order or statutory or regulatory requirement that any **Insured** or others:

(a) Test for, monitor, clean up, remove, contain, treat, detoxify or neutralize; or

(b) In any way respond to, or assess the effects of;

Pollutants; or

(2) Claim or suit by or on behalf of a governmental authority for damages because of:

(a) Testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing; or

(b) In any way responding to, or assessing the effects of;

Pollutants.

This subsection 4.b. does not apply to:

(1) A **Covered Pollution Cost or Expense** to which Coverage A applies; or

(2) Liability for damages because of property damage that the **Insured** would have in the absence of such request, demand or order or statutory or regulatory requirement, or such claim or **Suit** by or on behalf of a governmental authority.

c. (1) HOSTILE FIRE - Subsections a.(1) and a.(4)(a) above do not apply to bodily injury or property damage arising out of heat, smoke or fumes from a **Hostile Fire**.

(2) MOBILE EQUIPMENT FUELS - Subsection a.(4)(a) above does not apply to bodily injury or property damage arising out of the escape of fuels, lubricants, or other operating fluids, which are needed to perform the normal electrical, hydraulic, or mechanical functions necessary for the operation of **Mobile Equipment** or its parts, if such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them.

This exception does not apply if:

(a) The fuels, lubricants or other operating fluids are intentionally discharged, dispersed or released; or

(b) Such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged or released as part of the operations being performed by such **Insured**, contractor or subcontractor.

(3) AUTO FUELS - Subsection a.(5) above does not apply to fuels, lubricants, fluids, exhaust gasses or other similar **Pollutants**, that are needed for or result from the normal electrical, hydraulic or mechanical functioning of any auto or its parts, covered by **Primary Insurance** if:

(a) The **Pollutants** escape, seep, migrate, or are discharged, dispersed or released directly from an auto part designed by its manufacturer to hold, store, receive or dispose of such **Pollutants**; and

(b) The bodily injury, property damage or **Covered Pollution Cost or Expense** does not arise out of the operation of any equipment listed in subsections 6.(b) and (c) of definition J. of **Mobile Equipment**, under SECTION VI. DEFINITIONS.

(4) AUTO UPSET/OVERTURN/DAMAGE - Subsection a.(6) above does not apply to **Occurrences** that occur away from premises owned by or rented to any **Insured** with respect to **Pollutants** not in or upon any auto covered by **Primary Insurance** if:

(a) The **Pollutants** or any property in which the **Pollutants** are contained are upset, overturned or damaged as a result of the maintenance or use of any auto covered by **Primary Insurance**; and

(b) The discharge, dispersal, seepage, migration, release or escape of the **Pollutants** is caused directly by such upset, overturn or damage.

(5) PRODUCTS/COMPLETED OPERATIONS - Subsection a. above does not apply to bodily injury or property damage included within the products-completed operations hazard provided that your product or your work has not at any time been:

(a) Discarded, dumped, abandoned, thrown away; or

(b) Treated or handled as waste;

by anyone.

(6) BUILDING HEATING EQUIPMENT - Subsection a.(1) above does not apply to bodily injury if sustained within a building and caused by smoke, fumes, vapor or soot from equipment used to heat that building.

(7) PESTICIDE OR HERBICIDE APPLICATOR - With respect to pesticide or herbicide application by any **Insured**, subsection a.(4)(a) above does not apply if the operations meet all standards of any statute, ordinance, regulation or license requirement of any federal, state or local government which apply to those operations.

(8) CONTRACTORS - subsection a.(1) above does not apply to bodily injury or property damage for which you may be held liable if:

(a) You are a contractor; and

(b) The owner or lessee of such premises, site or location has been added to this policy as an additional **Insured** with respect to your ongoing operations performed for that additional **Insured** at that premises, site or location; and

(c) Such premises, site or location is not and never was owned or occupied by, or rented or loaned to, any **Insured**, other than the owner or lessee of that premises who has been added to the policy as an additional **Insured**.

(9) MATERIALS - Subsection a.(4)(a) above does not apply to bodily injury or property damage sustained within a building and caused by the release of gasses fumes or vapors from materials brought into that building in connection with operations being performed by you or on your behalf by a contractor or subcontractor.

5. **EMPLOYMENT PRACTICES** - To any liability arising out of any employment-related or personnel practices, policies, acts or omissions. This includes, but is not limited to:

a. Refusal to employ;

b. Termination of employment;

c. Coercion, criticism, demotion, failure to promote, evaluation, reassignment, discipline, defamation, self-defamation, harassment, humiliation, discrimination, libel, slander, false arrest and imprisonment, or violation of a person's right of privacy; or

d. Any consequential injury or damages as a result of a., b. or c. above.

This exclusion applies:

a. To all claims, demands, charges, complaints or **Suits** by any person(s) or organization(s) for damages because of such injury or liability, including damages for care and loss of services;

b. Whether any **Insured** may be held liable as an employer or in any other capacity either directly or indirectly related to employment; and

c. To any obligation to share damages with or repay someone else who must pay damages because of such injury or liability.

6. **WAR** - To any liability arising, directly or indirectly, out of:

a. War, including undeclared or civil war;

b. Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or

c. Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

D. COVERAGE A - WHO IS AN INSURED

Each of the following is an **Insured** under Coverage A:

1. NAMED INSURED - Any person or organization shown in the Named Insured section of our Declarations.

2. NEWLY ACQUIRED OR FORMED ORGANIZATIONS - Any organization you newly acquire or form during our Policy Period. However, Coverage A does not apply to any injury, damage or **Occurrence**, which took place or was committed before you acquired or formed the organization.

3. PERSONS OR ORGANIZATIONS INSURED IN PRIMARY POLICIES - Any person or organization that is an insured in **Primary Policies**. However, any person or organization that becomes an insured in **Primary Policies** after the inception date of our policy is an **Insured** under Coverage A of our policy only if, prior to the time of an **Occurrence**, you agreed in a written contract to provide such insurance as is afforded by Coverage A of this policy.

E. COVERAGE A - LIMITS OF INSURANCE

1. The Limits of Insurance shown in the Declarations and the terms below fix the most we will pay regardless of the number of:

   a. Coverages provided by this policy;

   b. **Insureds**;

   c. Claims made or **Suits** brought; or

   d. Persons or organizations making claims or bringing **Suits**.

2. OCCURRENCE LIMIT

   a. The "each occurrence" limit shown in our Declarations is the most we will pay under Coverages A and B combined, for the sum of damages and **Covered Pollution Cost or Expense** arising out of any one **Occurrence**.

      Any amount we pay for damages or a **Covered Pollution Cost or Expense** arising out of an **Occurrence** will reduce or exhaust the amount of our applicable aggregate Limit of Insurance available for payment of damages or a **Covered Pollution Cost or Expense** arising out of any other **Occurrence**.

   b. Coverage A applies only in excess of the Limit of Insurance shown in our Schedule of Primary Insurance. But if a **Primary Policy** has a limit of insurance:

      (1) Greater than the amount shown, our policy applies excess of the greater amount; or

      (2) Less than the amount shown, our policy applies excess of the amount shown in our Schedule.

   c. If the limit of insurance of a **Primary Policy** is:

(1) Reduced; or

(2) Exhausted;

by payment of judgments or settlements arising out of **Occurrences**, Coverage A will apply in excess of such reduced or exhausted limit of insurance.

3. SAME BASIS AGGREGATE LIMIT - The Limit of Insurance shown in our Declarations as "aggregate" is the most we will pay under Coverage A for the sum of damages and **Covered Pollution Cost or Expense**. Our aggregate limit will apply only when a **Primary Policy** applies an aggregate limit, and will apply on the same basis as a **Primary Policy**.

4. POLICY PERIOD EXTENSIONS - The Limits of Insurance of this policy apply separately to each consecutive annual period and to any remaining period of less than twelve (12) months, starting with the beginning of the Policy Period shown in the Declarations. However, if we extend our Policy Period after this policy is issued, we will consider the additional period as part of the last preceding annual period for purposes of determining the Limits of Insurance.

5. SAME BASIS DEFENSE EXPENSES - If the limits of insurance of any **Primary Policy** or **Other Insurance** are reduced by defense expenses by the terms of that policy then any defense expense payments we make to defend any **Insured** or reimbursements we make to any **Insured** for defense expenses will reduce our applicable Limits of Insurance in the same manner.

SECTION II. UMBRELLA LIABILITY - COVERAGE B

A. COVERAGE B - INSURING AGREEMENT

1. We will pay on behalf of any **Insured** those sums that any **Insured**:

   a. Becomes legally obligated to pay as damages because of **Bodily Injury** or **Property Damage**, but only if:

      (1) The **Bodily Injury** or **Property Damage** occurs during our Policy Period;

      (2) The **Bodily Injury** or **Property Damage** is caused by an **Occurrence**; and

      (3) Prior to the Policy Period, no **Insured**, and no **Employee** authorized by you to give or receive notice of an **Occurrence** or claim, knew that the **Bodily Injury** or **Property Damage** had occurred, in whole or in part. If such an **Insured** or authorized **Employee** knew, prior to the Policy Period, that the **Bodily Injury** or **Property Damage** occurred, then any continuation, change or resumption of such **Bodily Injury** or **Property Damage** during or after the Policy Period will be deemed to have been known prior to the Policy Period.

   However, under this subsection A.1.a.:

   (1) **Bodily Injury** or **Property Damage** which occurs during the Policy Period and was not, prior to the Policy Period known to have occurred by any **Insured** or by any **Employee** authorized by you to give or receive notice of an **Occurrence** or claim, includes any continuation, change or resumption of that **Bodily Injury** or **Property Damage** after the end of the Policy Period.

   (2) **Bodily Injury** or **Property Damage** will be deemed to have been known to have occurred at the earliest time when any **Insured**, or any **Employee** authorized by you to give or receive notice of an **Occurrence** or claim:

(a) Reports all, or any part, of the **Bodily Injury** or **Property Damage** to us or any other insurer;

(b) Receives a written or verbal demand or claim for damages because of the **Bodily Injury** or **Property Damage**; or

(c) Becomes aware by any other means that **Bodily Injury** or **Property Damage** has occurred or has begun to occur.

b. Becomes legally obligated to pay as damages because of **Personal and Advertising Injury** but only if:

(1) Caused by an offense arising out of your business; and

(2) The offense was committed during our Policy Period.

The Policy Period for this policy may be comprised of more than one consecutive annual period. However, whether or not this policy of insurance applies to more than one consecutive annual period the most we will pay for all damages for **Personal and Advertising Injury** arising out of an offense committed during one annual period is the Limits of Insurance available under that one annual period. This provision applies even if the **Personal and Advertising Injury** which arises from an offense committed during one annual period continues or progressively deteriorates into a subsequent annual period(s).

2. Coverage B does not apply to any claim or **Suit**:

a. Which is covered by **Primary Insurance** or Coverage A of this policy; or

b. Which would have been covered by **Primary Insurance** or Coverage A of this policy except for the exhaustion of the limits of such insurance.

3. Damages because of **Bodily Injury** include damages claimed by any person or organization for care, loss of services or death resulting at any time from the **Bodily Injury**.

4. Coverage B applies anywhere in the world.

5. The amount we will pay is limited as described in Limits of Insurance.

6. a. Subject to Section II.B. and Section II.E.5., we will only pay defense expenses we incur in addition to the applicable Limits of Insurance.

b. If we are prevented by law from investigating or settling any claim or defending any **Insured** against any **Suit**, we will pay any expense incurred by any **Insured** with our consent.

B. COVERAGE B - WHEN WE WILL HAVE A DUTY TO DEFEND

1. We will have the right and duty to defend any **Insured** against any **Suit**, seeking damages to which Coverage B applies, but only:

a. If Coverage A or **Primary Insurance** does not apply or owe a duty of defense against such a **Suit**; and

b. If no **Other Insurance** affording a defense or indemnity against such a **Suit** is available to any **Insured**.

We will pay only those defense expenses we incur.

2. We have the right but not the duty, to associate with **Other Insurance** insurers in the defense and control of any **Occurrence**, claim or **Suit** to which we think Coverage B may apply.

3. At our discretion we may:

   a. Investigate any **Occurrence**, claim or **Suit**; and

   b. Settle any claim or **Suit**.

4. We have no duty to defend any **Insured** against any **Suit** seeking damages:

   a. To which Coverage B does not apply;

   b. After our applicable Limits of Insurance have been exhausted by the payment of judgments or settlements, or exhausted by the payment of defense expenses in the same manner as the terms of **Other Insurance**; or

   c. To which any **Other Insurance**, by its terms, has no duty to defend provided that such **Other Insurance** does not defend for reasons other than the exhaustion of its limits of insurance.

C. COVERAGE B - EXCLUSIONS

Coverage B of this policy does not apply:

1. **AIRCRAFT** - To any liability arising out of the ownership, maintenance, operation, use, entrustment to others, loading or unloading of any aircraft:

   a. Owned, leased, hired, rented or borrowed by or on behalf of you; or

   b. Chartered without crew by or on behalf of you.

   This exclusion:

   a. Applies even if the claims against any **Insured** allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that **Insured**; and

   b. Does not apply to liability assumed under an **Insured Contract**.

2. **PERSONAL AND ADVERTISING INJURY** - To **Personal and Advertising Injury**:

   a. Caused by or at the direction of the **Insured** with the knowledge that the act would violate the rights of another and would inflict **Personal and Advertising Injury**.

   b. Arising out of oral or written publication of material, if done by or at the direction of the **Insured** with knowledge of its falsity.

   c. Arising out of oral or written publication of material whose first publication took place before the beginning of the Policy Period.

   d. Arising out of a criminal act committed by or at the direction of the **Insured**.

   e. Arising out of a breach of contract, except an implied contract to use another's advertising idea in your **Advertisement**.

   f. Arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your **Advertisement**.

   g. Arising out of the wrong description of the price of goods, products or services stated in your **Advertisement**.

h. Arising out of the infringement of copyright, patent, trademark, trade secret or other intellectual property rights. However, this exclusion does not apply to infringement, in your **Advertisement**, of copyright, trade dress or slogan.

i. Committed by an **Insured** whose business is:

(1) Advertising, broadcasting, publishing or telecasting;

(2) Designing or determining content of web-sites for others; or

(3) An internet search, access, content or service provider.

However, this exclusion i. does not apply to subsections 1., 2. and 3. of definition N. Personal and Advertising Injury, under SECTION VI. DEFINITIONS.

For the purposes of this exclusion i., the placing of frames, borders or links, or advertising, for you or others anywhere on the Internet is not by itself, considered the business of advertising, broadcasting, publishing or telecasting.

j. Arising out of an electronic chatroom or bulletin board the **Insured** hosts, owns, or over which the **Insured** exercises control.

k. Arising out of the unauthorized use of another's name or product in your e-mail address, domain name or metatag, or any other similar tactics to mislead another's potential customers.

3. **ASBESTOS** - To any liability arising, in whole or in part, out of or in any way related to **Asbestos**.

4. **CONTRACTUAL LIABILITY** - To any liability for which any **Insured** is obligated to pay damages by reason of the assumption of liability in any contract or agreement. This exclusion does not apply to liability for damages:

a. Assumed in a contract or agreement that is an **Insured Contract**, provided the **Bodily Injury**, **Personal and Advertising Injury** or **Property Damage** occurs after the execution of the contract or agreement; or

b. That the **Insured** would have in the absence of the contract or agreement.

5. **DAMAGE TO INSURED'S PROPERTY** - To **Property Damage** to property of one **Insured** in the care, custody or control of another **Insured**.

6. **DAMAGE TO YOUR PRODUCT OR WORK** - To **Property Damage** to:

a. **Your Product** arising out of it or any part of it; or

b. **Your Work** arising out of it or any part of it and included in the **Products-Completed Operations Hazard**. This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor.

7. **EMPLOYMENT PRACTICES** - To any liability arising out of any employment-related or personnel practices, policies, acts or omissions. This includes, but is not limited to:

a. Refusal to employ;

b. Termination of employment;

c. Coercion, criticism, demotion, failure to promote, evaluation, reassignment, discipline, defamation, self-defamation, harassment, humiliation, discrimination, libel, slander, false arrest or imprisonment, and violation of a person's right of privacy; or

d. Any consequential injury or damages as a result of a., b. or c. above.

This exclusion applies:

a. To all claims, demands, charges, complaints or **Suits** by any person(s) or organization(s) for damages because of such injury or liability, including damages for care and loss of services;

b. Whether any **Insured** may be held liable as an employer or in any other capacity either directly or indirectly related to employment; and

c. To any obligation to share damages with or repay someone else who must pay damages because of such injury or liability.

8. **E.R.I.S.A.** - To any liability of any **Insured** under, or any claim based upon:

a. The Employees' Retirement Income Securities Act (E.R.I.S.A.) of 1974 and any amendment thereto; or

b. Similar provisions of any federal, state, or local statutory law or common law.

9. **EXPECTEDOR INTENDED** - To **Bodily Injury** or **Property Damage** expected or intended from the standpoint of the **Insured**. This exclusion does not apply to **Bodily Injury** or **Property Damage** which results from the use of reasonable force to protect persons or property.

10. **IMPAIRED PROPERTY** - To **Property Damage** to **Impaired Property** or property that has not been physically injured arising out of:

a. A defect, deficiency, inadequacy or dangerous condition in **Your Product** or **Your Work**; or

b. A delay or failure by any **Insured** or anyone acting on any **Insured's** behalf to perform a contract or agreement in accordance with its terms.

This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to **Your Product** or **Your Work** after it has been put to its intended use.

11. **WAR** - To any liability arising, directly or indirectly, out of:

a. War, including undeclared or civil war;

b. Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or

c. Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

12. **POLLUTION**

a. To any liability arising out of the actual, alleged or threatened, discharge, dispersal seepage, migration, release or escape of **Pollutants**:

(1) At or from any premises, site or location which is or was at any time:

(a) Owned or occupied by; or

(b) Rented or loaned to;

any **Insured**;

(2) At or from any premises, site or location which is or was at any time used by or for:

(a) Any **Insured**; or

(b) Others;

for the handling, storage, disposal, processing or treatment of waste;

(3) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for:

(a) Any **Insured**; or

(b) Any person or organization for whom you may be legally responsible; or

(4) At or from any premises, site or location on which any **Insured**, or any contractors or subcontractors working directly or indirectly on any **Insured's** behalf are performing operations:

(a) If the **Pollutants** are brought on or to such premises, site or location, in connection with such operations by such **Insured**, contractor or subcontractor; or

(b) If the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of **Pollutants**;

(5) That are, or that are contained in, any property that is:

(a) Being transported or towed by, handled, or handled for movement into, onto, or from, any **Auto** covered by Coverage B;

(b) Otherwise in the course of transit by or on behalf of any **Insured**; or

(c) Being stored, disposed of, treated or processed in or upon any **Auto** covered by Coverage B;

(6) (a) Before the **Pollutants** or any property in which the **Pollutants** are contained are moved from the place where they are accepted by any **Insured** for movement into or onto any **Auto** covered by Coverage B; or

(b) After the **Pollutants** or any property in which the **Pollutants** are contained are moved from any **Auto** covered by Coverage B to the place where they are finally delivered, disposed of or abandoned by any **Insured**.

b. To any loss, cost or expense arising out of any:

(1) Request, demand, order or statutory or regulatory requirement that any **Insured** or others:

(a) Test for, monitor, clean up, remove, contain, treat, detoxify or neutralize; or

(b) In any way respond to, or assess the effects of;

Pollutants; or

(2) Claim or suit by or on behalf of a governmental authority for damages because of:

(a) Testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing; or

(b) In any way responding to, or assessing the effects of;

Pollutants.

This subsection 12.b. does not apply to liability for damages because of **Property Damage** that the **Insured** would have in the absence of such request, demand, order or statutory or regulatory requirement, or such claim or **Suit** by or on behalf of a governmental authority.

c. HOSTILE FIRE - Subsections a.(1) and a.(4)(a) above do not apply to **Bodily Injury** or **Property Damage** arising out of heat, smoke or fumes from a **Hostile Fire**.

13. **RECALL OF PRODUCTS** - To damages claimed for any loss, cost or expense incurred by any **Insured** or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

a. **Your Product**;

b. **Your Work**; or

c. **Impaired Property**;

if such product, work or property is withdrawn or recalled:

a. From the market; or

b. From use;

by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

14. **WORKERS COMPENSATION AND SIMILAR LAWS** - To any obligation of any **Insured** under a law of:

a. Workers compensation;

b. Disability benefits;

c. Unemployment compensation; or

d. Any similar laws.

D. COVERAGE B - WHO IS AN INSURED

1. Each of the following is an **Insured** under Coverage B:

a. NAMED INSURED - Any person or organization shown in the Named Insured section of our Declarations and:

(1) If you are an individual, you and your spouse are **Insureds**, but only with respect to the conduct of a business of which you are the sole owner.

(2) If you are a partnership or joint venture, you, your members, your partners and their spouses are **Insureds**, but only with respect to the conduct of your business.

(3) If you are a limited liability company, your members are **Insureds**, but only with respect to the conduct of your business. Your managers are **Insureds**, but only with respect to their duties as your managers.

(4) If you are an organization other than a partnership, joint venture or limited liability company, your executive officers and directors are **Insureds**, but only with respect to their duties as your officers or directors. Your stockholders are **Insureds**, but only with respect to their liability as stockholders.

(5) If you are a trust, your trustees are **Insureds**, but only with respect to their duties as trustees.

b. NEWLY ACQUIRED OR FORMED ORGANIZATIONS - Any organization you acquire or form during our Policy Period other than a partnership, joint venture or limited liability company. But Coverage B applies only:

(1) If you maintain majority ownership or majority interest in such organization; and

(2) To an injury, damage or **Occurrence**, that took place or was committed after you acquired or formed the organization.

c. SUBSIDIARIES - Any subsidiary you wholly own, either directly or indirectly, at the inception of our policy.

d. REAL ESTATE MANAGERS - Any person or any organization while acting as your real estate manager.

e. CUSTODIANS - Any person or organization having proper temporary custody of your property if you die, but only:

(1) With respect to liability arising out of the maintenance or use of that property; and

(2) Until your legal representative has been appointed.

f. LEGAL REPRESENTATIVES- Your legal representative if you die, but only with respect to their duties as such.

g. Your **Volunteer Workers** but only while performing duties related to the conduct of your business, or your **Employees**, other than:

(1) Your **Executive Officers** (if you are an organization other than a partnership, joint venture or limited liability company); or

(2) Your managers (if you are a limited liability company);

are **Insureds**, but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business.

However, none of these **Employees** or **Volunteer Workers** are **Insureds** for injury:

(a) To you;

(b) To your partners or members (if you are a partnership or joint venture);

(c) To your members (if you are a limited liability company);

(d) To a co-**Employee** while in the course of his or her employment or performing duties related to the conduct of your business;

(e) To your other **Volunteer Workers** while performing duties related to the conduct of your business;

(f) To the spouse, child, parent, brother or sister of that co-**Employee** or **Volunteer Worker** as a consequence of subsections (a) through (e) above;

(g) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in subsections (a) through (f) above; or

(h) Arising out of his or her providing or failing to provide professional health care services.

2. The following persons and organizations are not **Insureds** under Coverage B:

No person or organization is an **Insured** with respect to the conduct of any current, past or newly acquired or formed:

a. Partnership;

b. Joint venture; or

c. Limited liability company;

that is not shown as a **Named Insured** in our Declarations.

E. COVERAGE B - LIMITS OF INSURANCE

1. The Limits of Insurance shown in the Declarations and the terms below fix the most we will pay regardless of the number of:

a. Coverages provided by this policy;

b. **Insureds**;

c. Claims made or **Suits** brought; or

d. Persons or organizations making claims or bringing **Suits**.

2. OCCURRENCE LIMIT - The "each occurrence" limit shown in our Declarations is the most we will pay under Coverages A and B combined, for the sum of damages and **Covered Pollution Cost or Expense** arising out of any one **Occurrence**.

Any amount we pay for damages or **Covered Pollution Cost of Expense** arising out of an **Occurrence** will reduce or exhaust the amount of our applicable aggregate Limit of Insurance available for payment of damages or **Covered Pollution Cost or Expense** arising out of any other **Occurrence**.

3. AGGREGATE LIMIT - The Limit of Insurance shown in our Declarations as "aggregate" is the most we will pay under Coverage B, and applies separately for each of the following:

a. GENERAL AGGREGATE - Our aggregate limit is the most we will pay for the sum of damages except for damages under subsections b. and c. below.

b. PRODUCTS AND COMPLETED OPERATIONS AGGREGATE - Our aggregate limit is the most we will pay for damages included in the **Products-Completed Operations Hazard**.

c. OCCUPATIONAL DISEASE AGGREGATE - Our aggregate limit is the most we will pay for damages arising out of injury by disease to your officers or **Employees**.

4. POLICY PERIOD EXTENSIONS - The Limits of Insurance of this policy apply separately to each consecutive annual period and to any remaining period of less than twelve (12) months, starting with the beginning of the Policy Period shown in the Declarations. However, if we extend our Policy Period after this policy is issued, we will consider the additional period as part of the last preceding period for purposes of determining the Limits of Insurance.

5. SAME BASIS DEFENSE EXPENSES - If the limits of Insurance of any **Primary Insurance** or **Other Insurance** are reduced by defense expenses by the terms of that policy then any

defense expense payments we make to defend any **Insured** will reduce our applicable Limits of Insurance in the same manner.

SECTION III. SUPPLEMENTARY PAYMENTS

When we have the duty under this policy to defend any **Insured** against any **Suit**, we will pay the following expenses in addition to our Limit of Insurance to the extent that they are not covered by **Primary Insurance** or **Other Insurance** by the terms of that insurance:

1. Costs taxed against any **Insured** in the **Suit**.
2. Up to $2000 for cost of bail bonds required. We do not have to furnish these bonds.
3. The cost of bonds to release attachments, but only for bond amounts within our applicable Limit of Insurance. We do not have to furnish these bonds.
4. Reasonable expenses incurred by any **Insured** when we request the **Insured** to assist us in the investigation of the claim or defense of the **Suit**. This includes actual loss of earnings up to $500 a day, because of time off from work.
5. Prejudgment interest awarded against any **Insured** on that part of the judgment we pay. If we make an offer to pay the applicable Limit of Insurance we will not pay any prejudgment interest based on that period of time after the offer.
6. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within our applicable Limit of Insurance.

SECTION IV. CONDITIONS

A. APPEALS - If any **Primary Insurer** elects not to appeal a judgment in excess of the amount of the **Primary Insurance** or **Other Insurance**, we may elect to appeal. If we appeal, we will pay the expenses of such appeal. Such payments will not reduce our Limits of Insurance.

B. BANKRUPTCY

1. Bankruptcy or insolvency of any **Insured** or **Insured's** estate does not relieve us of our obligations under this policy.
2. If any **Primary Insurer** becomes bankrupt or insolvent, this policy:
   a. Does not replace such **Primary Insurance**; and
   b. Applies as though such **Primary Insurance** were available and collectible.

C. CANCELLATION

1. The **First Named Insured** may cancel this policy by mailing or delivering advance written notice to us, or the agent or broker of record. The Policy Period will end on the effective date requested.
2. We may cancel this policy by mailing by first class or certified mail to the **First Named Insured** and to the agent or broker of record, at their last addresses known to us, written notice of cancellation stating the reason for cancellation, at least:

a. Ten (10) days before the effective date of cancellation if we cancel for nonpayment of premium; or

b. Ninety (90) days before the effective date of cancellation if we cancel for any other reason.

3. Notice of cancellation will state the effective date of cancellation. The Policy Period will end on the date of cancellation.

4. If this policy is cancelled, we will send the **First Named Insured** any premium refund due.

   a. If we cancel, the refund will be pro rata unearned premium.

   b. If the **First Named Insured** cancels, the refund may be less than pro rata.

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

5. A post office certificate of mailing or a certified mail receipt will be sufficient proof of mailing of notice.

D. CHANGES - The **First Named Insured** is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by a written endorsement issued by us and made a part of this policy.

E. CONFORMITY WITH LAWS - Any terms of this policy which are in conflict with the laws of the state or Canadian province where this policy is issued are amended to conform to such laws.

F. DUTIES OF INSUREDS IN THE EVENT OF OCCURRENCE, CLAIM OR SUIT

You must see to it that:

1. We are notified as soon as practicable:

   a. Of any **Occurrence** which may result in a claim under this policy, when the **Occurrence** is known to:

      (1) You, if you are an individual;

      (2) Your partner, if you are a partnership;

      (3) Your member, if you are a joint venture;

      (4) Your member or manager, if you are a limited liability company; or

      (5) Your officer or insurance manager, if you are an organization other than a partnership or joint venture; and

   b. If a claim is made or **Suit** is brought against any **Insured**.

2. **Insureds**:

   a. Cooperate with us in the investigation or settlement of any claim, or defense of any **Insured** against any **Suit**;

   b. Enforce any right, upon our request, against any person or organization which may be liable to any **Insured** because of injury or damage to which this policy applies; and

   c. Make no admission of liability, incur no expense other than first aid, and assume no obligation, without our consent.

3. In jurisdictions in which we are prevented from investigating, defending or settling a claim, or defending any **Insured** against any **Suit**, you must make or cause to be made such investigation, defense or settlement as may be reasonably necessary. However, settlement requires our prior written authorization. Also, you must see to it that **Insureds** continue to comply with their duty to cooperate in the defense.

G. MAINTENANCE OF PRIMARY INSURANCE

While this policy is in effect you agree:

1. To maintain **Primary Insurance** in full force, except for the reduction of limits of insurance due to the payment of judgments or settlements;

2. The terms and conditions of **Primary Insurance** will not materially change; and

3. Renewals or replacements of **Primary Insurance** will not materially change from the expiring **Primary Insurance.**

If you fail to comply with the above this policy shall apply as if **Primary Insurance** had been so maintained.

H. PAYMENT OF LOSS UNDER THIS POLICY - This policy will not apply until the **Insured** or the **Primary Insurer** is obligated to pay the full amount of the **Primary Insurance** limits of insurance. When the amount of judgment or settlement has finally been determined, we will promptly pay on behalf of the **Insured** the amount of damages which falls within the terms of this policy.

I. PREMIUM

1. The **First Named Insured**:

   a. Is responsible for the payment of all premiums; and

   b. Will be the payee for any return premiums.

2. The Advance Premium for this policy is shown in the Declarations. It is not subject to adjustment unless the Basis of Premium shown in the Declarations is other than: "flat charge".

3. If the Advance Premium is subject to adjustment, the earned premium will be determined at the end of our Policy Period. If the earned premium is:

   a. More than the Advance Premium, the **First Named Insured** will pay the excess to us; or

   b. Less than the Advance Premium, we will return to the **First Named Insured** the unearned portion. However, the earned premium is subject to the Annual Minimum Premium shown in our Declarations for each twelve (12) months of our Policy Period.

J. TITLES OR CAPTIONS - The titles or captions used in this policy are solely for convenience or reference. They do not affect the provisions to which they relate.

K. TRANSFER OF YOUR RIGHTS AND DUTIES UNDER THIS POLICY - Your rights and duties under this policy may not be transferred without our written consent. If you die, your rights and duties are transferred to your legal representative but only while they are acting within the scope of their duties as such. Until one is appointed, anyone having proper temporary custody of your property will have your rights and duties with respect to that property.

L. SUBROGATION

1. If any **Insured** has rights to recover all or part of any payment we make under this policy, those rights are transferred to us. The **Insured** must do nothing after loss to impair them. At our request, the **Insured** will bring **Suit** or transfer those rights to us and help us enforce them.

2. Any recoveries shall be distributed as follows:

   a. First, we shall be entitled to recover to the extent of our payment; and

   b. Next, any remaining amounts shall be paid to the **Primary Insurers** or any other party to the extent of their payment.

   c. The expenses of the recovery will be distributed in proportion to the share of each party's recovery. But, if we conduct the recovery proceedings by ourselves:

      (1) We will pay all expenses; and

      (2) If we make a recovery, we will be reimbursed in full from the recovery for our expenses before the recovery is distributed.

M. OTHER INSURANCE - If there is any **Other Insurance** available to any **Insured**, this policy applies excess of and does not contribute with such **Other Insurance**. However:

1. At your option, our policy will apply before **Other Insurance** applies when you agree in a written **Insured Contract** prior to the time of an **Occurrence** that such insurance as is afforded by this policy will apply in that manner.

2. This does not apply if the **Other Insurance** is specifically written to be excess over this policy.

N. SEPARATION OF INSUREDS - Except with respect to the Limits of Insurance and any rights or duties specifically assigned to the **First Named Insured**, this insurance applies:

1. As if each **Named Insured** were the only **Named Insured**; and

2. Separately to each **Insured** against whom claim is made or **Suit** is brought.

O. INSPECTION AND AUDIT

1. We have the right but not the duty to:

   a. Make inspections and surveys at any time;

   b. Give you reports on the conditions we find; and

   c. Recommend changes.

2. Any inspections, surveys, reports or recommendations relate only to insurability and the premiums to be charged. We do not:

   a. Make safety inspections;

   b. Undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public; or

   c. Warrant that conditions are:

      (1) Safe or healthful; or

(2) Comply with laws, regulations, codes or standards.

3. This condition applies:

   a. To us; and

   b. To any rating, advisory, rate service or similar organization, which makes insurance inspections, surveys, reports or recommendations.

4. We may examine and audit your books and records as they relate to this policy:

   a. At any time during our Policy Period; and

   b. Up to one hundred eighty (180) days afterward.

P. UNINTENTIONAL FAILURE TO DISCLOSE - If you unintentionally fail to disclose to us all of:

1. **Your Products**;

2. **Your Work**; or

3. Property owned or used by you;

which exist at the inception date of this policy, we will not deny coverage under this policy because of such failure.

Q. WAIVER OF SUBROGATION SAME AS PRIMARY - If you and the **Primary Insurer**, prior to the time of an **Occurrence**, waive any right of recovery against a specific person or organization for injury or damage, we will also waive any rights we may have against such person or organization.

SECTION V. NUCLEAR ENERGY LIABILITY EXCLUSION

A. The policy does not apply:

1. Under any coverage, to injury, sickness, disease, death or destruction:

   a. With respect to which any **Insured** under this policy is also an insured under a nuclear energy liability policy issued by:

      (1) Nuclear Energy Liability Insurance Association;

      (2) Mutual Atomic Energy Liability Underwriters; or

      (3) Nuclear Insurance Association of Canada;

      or would be insured under any such policy but for its termination upon exhaustion of its limit of liability; or

   b. Resulting from the "Hazardous Properties" of "Nuclear Material" and with respect to which:

      (1) Any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof; or

      (2) Any **Insured** is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.

2. Under any liability coverage, to injury, sickness, disease, death or destruction resulting from the "Hazardous Properties" of "Nuclear Material", if:

   a. The "Nuclear Material":

      (1) Is at any "Nuclear Facility" owned by, or operated by or on behalf of, any **Insured**, or

      (2) Has been discharged or dispersed therefrom;

   b. The "Nuclear Material" is contained in "Spent Fuel" or "Waste" at any time possessed, handled, used, processed, stored, transported or disposed of, by or on behalf of any **Insured**; or

   c. The injury, sickness, disease, death or destruction arises out of the furnishing by any **Insured** of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any "Nuclear Facility". But if such facility is located within the United States of America, its territories or possessions or Canada, subsection c. applies only to injury to or destruction of property at such "Nuclear Facility".

B. As used in this exclusion:

1. "Hazardous Properties" includes radioactive, toxic or explosive properties.

2. "Nuclear Material" means "Source Material", "Special Nuclear Material" or "By-Product Material".

3. "Source Material", "Special Nuclear Material", and "By-Product Material" have the meaning given them in the Atomic Energy Act of 1954 or in any law amendatory thereof.

4. "Spent Fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a "Nuclear Reactor".

5. "Waste" means any material which:

   a. Contains "By-Product Material" other than the tailings or wastes produced by the extraction or concentration of uranium or thorium, from any ore processed primarily for its Source Material content; and

   b. Results from the operation by any person or organization of any "Nuclear Facility" included under a. and b. of the definition of "Nuclear Facility".

6. "Nuclear Facility" means:

   a. Any "Nuclear Reactor";

   b. Any equipment or device designed or used for:

      (1) Separating the isotopes of uranium or plutonium;

      (2) Processing or utilizing "Spent Fuel"; or

      (3) Handling, processing or packaging "Waste";

   c. Any equipment or device used for processing, fabricating or alloying of "Special Nuclear Material" if, at any time, the total amount of such material in the custody of any **Insured** at the premises where such equipment or device is located consists of or contains more than 25 grams of:

      (1) Plutonium; or

(2) Uranium 233; or

any combination thereof, or more than 250 grams of uranium 235;

d. Any structure, basin, excavation, premises or place, prepared or used for the storage or disposal of "Waste";

and includes:

a. The site on which any of the foregoing is located;

b. All operations conducted on such site; and

c. All premises used for such operations.

7. "Nuclear Reactor" means any apparatus designed or used to:

a. Sustain nuclear fission in a self-supporting chain reaction; or

b. Contain a critical mass of fissionable material.

8. With respect to injury to or destruction of property, the words "injury" or "destruction" include all forms of radioactive contamination of property.

SECTION VI. DEFINITIONS

A. ADVERTISEMENT under Coverage B, means a notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers and supporters. For the purposes of this definition:

1. Notices that are broadcast or published include material placed on the Internet or on similar electronic means of communication; and

2. Regarding web-sites, only that part of a web-site that relates to your goods, products or services for the purposes of attracting customers or supporters is considered an **Advertisement**.

B. ASBESTOS under Coverages A and B, includes but is not limited to: asbestos, asbestos products, asbestos fibers, asbestos dust, and asbestos contained in products or materials.

C. AUTO under Coverage B, means a land motor vehicle, trailer, or semitrailer designed for travel on public roads, including any attached machinery or equipment. But **Auto** does not include **Mobile Equipment**.

D. BODILY INJURY under Coverage B, means bodily injury, sickness or disease sustained by a person including death or mental anguish resulting from any of these at any time. Mental anguish means any type of mental or emotional illness or disease.

E. COVERED POLLUTION COST OR EXPENSE under Coverage A, means any cost or expense arising out of any:

1. Request, demand, order or statutory or regulatory requirement; or

2. Claim or **Suit** by or on behalf of a governmental authority;

demanding that the **Insured** or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of **Pollutants**.

Covered Pollution Cost or Expense does not include any cost or expense arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of **Pollutants**:

1. That are, or that are contained in any property that is:

   a. Being transported or towed by, handled, or handled for movement into, onto or from, any **Auto** covered by this policy;

   b. Otherwise in the course of transit by or on behalf of any **Insured**;

   c. Being stored, disposed of, treated or processed in or upon any **Auto** covered by this policy;

2. Before the **Pollutants**, or any property in which the **Pollutants** are contained, are moved from the place where they are accepted by any **Insured** for movement into or onto any **Auto** covered by this policy; or

3. After the **Pollutants**, or any property in which the **Pollutants** are contained, are moved from any **Auto** covered by this policy to the place where they are finally delivered, disposed of or abandoned by any **Insured**.

Subsection 1. above does not apply to fuels, lubricants, fluids, exhaust gases or other similar **Pollutants**, that are needed for or result from the normal electrical, hydraulic or mechanical functioning of any **Auto** covered by this policy, or its parts, if:

a. The **Pollutants** escape, seep, migrate, or are discharged, dispersed or released directly from an **Auto** part designed by its manufacturer to hold, store, receive or dispose of such **Pollutants**; and

b. The **Bodily Injury**, **Property Damage** or **Covered Pollution Cost or Expense** does not arise out of the operation of any equipment listed in subsections 6.b. or c. of the definition of **Mobile Equipment**.

Subsections 2. and 3. above do not apply to **Occurrences** that occur away from premises owned by or rented to any **Insured** with respect to **Pollutants** not in or upon any **Auto** covered by this policy if:

a. The **Pollutants** or any property in which the **Pollutants** are contained are upset, overturned or damaged as a result of the maintenance or use of any **Auto** covered by this policy; and

b. The discharge, dispersal, seepage, migration, release or escape of the **Pollutants** is caused directly by such upset, overturn or damage.

F. FIRST NAMED INSURED under Coverages A and B, means the person or organization shown first in the Named Insured section of our Declarations.

G. HOSTILE FIRE under Coverages A and B, means one which becomes uncontrollable or breaks out from where it was intended to be.

H. IMPAIRED PROPERTY under Coverage B, means tangible property, other than **Your Product** or **Your Work**, that cannot be used or is less useful because:

1. It incorporates **Your Product** or **Your Work** that is known or thought to be defective, deficient, inadequate or dangerous; or

2. You have failed to fulfill the terms of a contract or agreement;

if such property can be restored to use by:

1. The repair, replacement, adjustment or removal of **Your Product** or **Your Work**; or

2. Your fulfilling the terms of the contract or agreement.

I. **INSURED CONTRACT** under Coverage B, means:

1. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an **Insured Contract**;

2. A sidetrack agreement;

3. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;

4. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;

5. An elevator maintenance agreement;

6. That part of any contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another to pay for **Bodily Injury**, **Personal and Advertising Injury** or **Property Damage** to a third person or organization. "Tort liability" means a liability that would be imposed by law in the absence of any contract or agreement.

   This subsection 6. does not include that part of any contract or agreement:

   a. That indemnifies a railroad for liability arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, roadbeds, tunnel, underpass or crossing;

   b. That indemnifies an architect, engineer or surveyor for injury or damage arising out of:

      (1) Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports surveys, field orders, change orders or drawings and specifications; or

      (2) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or

   c. Under which the **Insured**, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the **Insured's** rendering or failure to render professional services, including those listed in b. above and supervisory, inspection, architectural or engineering activities.

J. **MOBILE EQUIPMENT** under Coverages A and B, means any of the following types of land vehicles, including any attached machinery or equipment:

1. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;

2. Vehicles maintained for use solely on or next to premises you own or rent;

3. Vehicles that travel on crawler treads;

4. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted;

a. Power cranes, shovels, loaders, diggers or drills; or

b. Road construction or resurfacing equipment such as graders, scrapers or rollers;

5. Vehicles not described in subsections 1., 2., 3. or 4. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:

   a. Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or

   b. Cherry pickers and similar devices used to raise or lower workers.

6. Vehicles not described in subsections 1., 2., 3. or 4. above maintained primarily for purposes other than the transportation of persons or cargo. However, self-propelled vehicles with the following types of permanently attached equipment are not **Mobile Equipment** but will be considered **Autos**:

   a. Equipment designed primarily for:

      (1) Snow removal;

      (2) Road maintenance, but not construction or resurfacing; or

      (3) Street cleaning;

   b. Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and

   c. Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting or well servicing equipment.

K. NAMED INSURED under Coverages A and B, means any person or organization shown in the Named Insured section of our Declarations.

L. OCCURRENCE:

1. Under Coverage A, has the same meaning as has the term "occurrence" contained in **Primary Insurance**. But with respect to personal and advertising injury as defined in **Primary Policies**, the term means a personal and advertising injury offense.

2. Under Coverage B, means an accident, including continuous or repeated exposure to substantially the same general harmful conditions. With respect to **Personal and Advertising Injury**, the term means an offense which causes such injury.

M. OTHER INSURANCE under Coverages A and B, means insurance that is available to any **Insured** and covers damage to which this policy applies, other than:

1. **Primary Insurance**; or

2. Insurance that is specifically purchased by you to be excess of the insurance afforded by this policy.

N. PERSONAL AND ADVERTISING INJURY under Coverage B, means injury, including consequential **Bodily Injury**, arising out of one or more of the following offenses:

1. False arrest, detention or imprisonment;

2. Malicious prosecution or abuse of process;

3. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that the person occupies by or on behalf of its owner, landlord or lessor;

4. Oral or written publication, in any manner, of material that:

   a. Slanders or libels a person or organization;

   b. Disparages a person's or organization's goods, products or services; or

   c. Violates a person's right of privacy;

5. The use of another's advertising idea in your **Advertisement**;

6. Infringing upon another's copyright, trade dress or slogan in your **Advertisement**; or

7. "Discrimination" when based solely on either disparate impact or vicarious liability (unless insurance thereof is prohibited by law). As used in this definition N, the term "discrimination" means the unlawful treatment of individuals based on race, color, religion, gender, age, or national origin.

O. POLLUTANTS under Coverages A and B, means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals, and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

P. PRIMARY INSURER under Coverages A and B, means the insurer of the **Primary Insurance** or **Other Insurance** policies.

Q. PRIMARY POLICY, PRIMARY POLICIES or **PRIMARY INSURANCE** under Coverage A and B, means the policy or policies of insurance shown in our Schedule of Primary Insurance.

R. PRODUCTS-COMPLETED OPERATIONS HAZARD under Coverage B, includes all **Bodily Injury** and **Property Damage** occurring away from premises you own or rent and arising out of **Your Product** or **Your Work** except:

1. Products that are still in your physical possession; or

2. Work that has not yet been completed or abandoned.

Your Work will be deemed completed at the earliest of the following times:

1. When all of the work called for in your contract has been completed;

2. When all of the work to be done at the site has been completed if your contract calls for work at more than one site; or

3. When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

S. PROPERTY DAMAGE under Coverage B, means:

1. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or

2. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the **Occurrence** that caused it.

For the purposes of this insurance, "electronic data" is not tangible property.

As used in this definition, "electronic data" means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

T. SUIT under Coverages A and B, means a civil proceeding in which damages insured by this policy are alleged. The term includes:

1. An arbitration proceeding in which such damages are claimed and to which any **Insured** must submit or does submit with our consent; or
2. Any other alternative dispute resolution proceeding in which such damages are claimed and to which any **Insured** submits with our consent.

U. YOUR PRODUCT under Coverage B, means:

1. Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
   a. You;
   b. Others trading under your name; or
   c. A person or organization whose business or assets you have acquired; and
2. Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

Your Product includes:

1. Warranties or representations made at any time as respects the fitness, quality, durability, performance or use of **Your Product**; and
2. The providing of or failure to provide warnings or instructions.

Your Product does not include vending machines or any other property rented to or located for the use of others but not sold.

V. YOUR WORK under Coverage B means:

1. Work or operations performed by you or on your behalf; and
2. Materials, parts or equipment furnished in connection with such work or operations.

Your Work includes:

1. Warranties or representations made at any time as respects the fitness, quality, durability, performance or use of **Your Work**; and
2. The providing of or failure to provide warnings or instructions.

W. EMPLOYEE under Coverage B, includes a **Leased Worker**. **Employee** does not include a **Temporary Worker**.

X. EXECUTIVE OFFICER under Coverage B, means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.

Y. LEASED WORKER under Coverage B, means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. **Leased Worker** does not include a **Temporary Worker**.

Z. TEMPORARY WORKER under Coverage B, means a person who is furnished to you to substitute for a permanent **Employee** on leave or to meet seasonal or short-term workload conditions.

AA. VOLUNTEER WORKER under Coverage B, means a person who is not your **Employee**, and who donates his or her work and acts at the direction of and within the scope of duties determined by you, and is not paid a fee, salary or other compensation by you or anyone else for their work performed for you.

To show that we agree with the terms of this policy, we have had it signed by our President and Secretary. But where countersignature is required by law, it shall not bind us unless it has been countersigned on the Declarations Page by one of our authorized agents.

Secretary

President

0000267808
8/01/2012
CNF

J. Bryant Steele
AON RISK SERVICES - CENTEX
3000 Town Center, Suite 3000
Attn: Lynn Forkey/Bryant Steele
Southfield, MI 48075

Fax Number: 248-359-6066
Phone Number: 248-936-5226

CNF Standard Policy Letter Kit

MGON1

IAN H. GRAHAM INSURANCE
We've Got Community Associations Covered

15303 Ventura Blvd. 12th Floor, Sherman Oaks, CA 91403 (800)621-2324 fax (866)229-3754 / www.ihginsurance.com

5/03/2012

J. Bryant Steele
AON RISK SERVICES - CENTEX
3000 Town Center, Suite 3000
Attn: Lynn Forkey/Bryant Steele
Southfield, MI 48075

RE: BRIDGETOWN AT PLANTATION
Continental Insurance Company Fidelity and Crime Policy
Policy No.: 0251241940
Policy Period: 8/01/2012 to 8/01/2013

Dear J. Bryant Steele:

Thank you for your interest in the Ian H. Graha m Insurance Non Profit Community Association Insurance Program. We at Ian H. Graham Insurance look forward to serving you.

We are pleased to enclose the Fidelity and Crime Policy you requested on behalf of the above captioned Community Association. Please review the policy carefully to confirm that it accurately reflects the coverages, limits and effective dates requested.

We also enclose an invoice for the premium due. The premium is due immediately upon receipt of the policy and invoice. Please remit payment in full. Failure to remit payment may result in cancellation pursuant to the terms and conditions of the policy.

If you have any questions or comments, or if we can be of further assistance with respect to this or any other matters, please feel free to contact us.

Very truly yours,
Ian H. Graha m Insurance

Martha Gonzales
Underwriter

Community Association Policy

Declarations

NOTICE:

WITH RESPECT TO ASSOCIATION LIABILITY COVERAGE PART, THIS IS A CLAIMS MADE POLICY AND, SUBJECT TO ITS PROVISIONS, APPLIES ONLY TO ANY CLAIM FIRST MADE AGAINST THE NAMED ENTITY INSUREDS DURING THE POLICY PERIOD. NO COVERAGE EXISTS FOR CLAIMS FIRST MADE AFTER THE END OF THE POLICY PERIOD UNLESS, AND TO THE EXTENT THAT, THE EXTENDED REPORTING PERIOD APPLIES.

THE CRIME COVERAGE PART APPLIES TO A COVERED LOSS SUSTAINED RESULTING FROM ACTS OR EVENTS OCCURRING DURING THE POLICY PERIOD UNLESS CERTAIN CONDITIONS CONCERNING PRIOR INSURANCE ARE MET.

DEFENSE COSTS INCURRED UNDER COVERAGE PARTS A REDUCE THE LIMIT OF LIABILITY AND ARE SUBJECT TO THE RETENTION. PLEASE REVIEW THE POLICY CAREFULLY AND DISCUSS THE COVERAGE WITH YOUR INSURANCE AGENT OR BROKER.

NAMED ENTITY AND MAILING ADDRESS	NAMED ENTITY NUMBER AND PHYSICAL ADDRESS
Item1. BRIDGETOWN AT PLANTATION HOMEOWNERS ASSN. c/o Landarc 2391 PONTIAC ROAD Auburn Hills, MI 48326	 BRIDGETOWN AT PLANTATION HOMEOWNERS ASSN. 12950 KENTFIELD LANE Ft Myers, FL 33913

POLICY NUMBER	INSURER
0251241940	Continental Casualty Company CNA Plaza, Chicago, IL 60685

Item 2. **Policy Period:** 8/01/2012 to 8/01/2013
12:01 a.m. local time at the address stated in Item 1.

Item 3. **Policy Premium:** $538.00

$6.99 FL Hurricane Surcharge

$544.99 Total

Item 4. Notices to Insurer:

Claims: Claim Manager
CNA Global Specialty Lines
40 Wall Street, 8th Floor
New York, New York 10005

All other notices:
Ian H. Graham Insurance, a division of
Affinity Insurance Services, Inc.
Managing General Underwriter
15303 Ventura Blvd, 12th Floor
Sherman Oaks, CA 91403

Item 5. Coverage:

This Policy is issued with the Limits of Liability and Retentions set forth, subject to the Prior or Pending Date, if applicable all as set forth in the schedule below.

Defense Costs are included within the applicable limit of liability for **Association Liability Coverage Part** . Defense costs are neither covered nor included within the applicable limits(s) of liability for the **Crime Coverage Part** .

This Policy includes *only* those coverages designated with a "Yes" as "Included" in column **1** of the Coverage Schedule set forth below. *If neither "Yes" or "No" is designated for a* ***Coverage Part*** *or a specific* ***Crime Coverage Part*** *Insuring Agreement, such* ***Coverage Part*** *or specific Crime* ***Coverage Part*** insuring agreemetn is not included

COVERAGE PART	1 INCLUDED (YES OR NO)	2 SCHEDULED LIMITS OF LIABILITY	3 SCHEDULED RETENTIONS	4 PRIOR OR PENDING DATE
Association Liability	N	n/a Aggregate Limit of Liability for all **Loss** paid on behalf of all **Named Entity Insureds** for all **Claims** first made during each **Policy Period**.	n/a	n/a
Crime:		$ per loss		Not Applicable
Insuring Agreement 1: Employee Theft	Y	$100,000	$1,000	
Insuring Agreement 2: Forgery or Alteration	Y	$100,000	$1,000	
Insuring Agreement 3: Theft, Disappearance and Destruction	Y	$100,000	$0	
Insuring Agreement 4: Computer Fraud and Wire Transfer Fraud	Y	$100,000	$1,000	

Item 6. Any natural person or entity property manager hired by the **Named Entity** to provide **Property Management Services.**

Item 7. Endorsements forming a part of this Policy at issuance:

G-145127-A09 06 - Cancellation and Non-renewal endt.
G-145128-A09 06 - Amendatory Endorsement
G-145129-A09 04 - Amendatory Changes
G-145172-A - Policy Form
G-147098-A09 04 - Amends CCC for state compliance
GSL8400XX (2-09) - Amend Commercial Crime Coverage Part
GTC G-145170-A - General Terms & Conditions

These Declarations, along with the completed and signed **Application**, the Policy, and any written endorsements attached shall constitute the contract between the **Named Entity Insureds** and the Insurer.

Authorized Representative: John S Brand

Date: 5/03/2012

I. INSURING AGREEMENTS

1. **Employee Theft**

The Insurer will pay the **Named Entity,** any **Subsidiary** and any **Plan** for loss of, and loss from damage to, Covered Property resulting directly from a Covered Cause of Loss.

a. Covered Property: **Money**, **Securities**, and **Property Other Than Money and Securities**.

b. Covered Cause of Loss: **Employee Theft.**

The Insurer will provide the following coverages to the **Named Entity** and any **Subsidiary:.**

2. **Forgery or Alteration**

The Insurer will pay for loss involving Covered Instruments resulting directly from a Covered Cause of Loss.

a. Covered Instruments: Checks, drafts, promissory notes, or similar written promises, orders or directions to pay a sum certain in **Money** that are actually or purportedly:

(1) made or drawn by or drawn upon the **Named Entity** and any **Subsidiary**;

(2) made or drawn by one acting as an agent for the **Named Entity** and any **Subsidiary**

b. Covered Cause of Loss: **Forgery** or **Alteration** of, on or in any Covered Instrument.

c. Coverage Extension: If the **Named Entity** and any **Subsidiary** are sued for refusing to pay any Covered Instrument on the basis that it has been forged or altered, and the **Named Entity** and any **Subsidiary** have the Insurer's prior written consent to defend against the suit, the Insurer will pay for any reasonable legal expenses that the **Named Entity** and any **Subsidiary** incur and pay in that defense. The amount the Insurer will pay under this extension is in addition to the Limit of Insurance applicable to this Insuring Agreement and is not subject to the Retention.

Mechanically reproduced facsimile signatures shall be deemed handwritten signatures.

3. **Theft**, Disappearance and Destruction

The Insurer will pay for loss of Covered Property resulting directly from a Covered Cause of Loss.

a. Section 1--Inside the Premises

(1) Covered Property: **Money** and **Securities** inside the **Premises** or a **Banking Premises**.

(2) Covered Causes of Loss:

(a) **Theft**

(b) Disappearance

(c) Destruction

(3) Coverage Extensions:

(a) Containers of Covered Property: The Insurer will pay for loss of, and loss from damage to, a locked safe, vault, cash register, cash box or cash drawer located in the **Premises** resulting directly from an actual or attempted:

(i) **Theft** of, or

(ii) unlawful entry into,

those containers.

(b) Premises Damage: The Insurer will pay for loss from damage to the **Premises** or its exterior resulting directly from an actual or attempted **Theft** of Covered Property if the **Named Entity** and any **Subsidiary** are the owner of the **Premises** or are liable for damage to it.

b. Section 2--Outside the Premises

(1) Covered Property: **Money** and **Securities** outside the **Premises** in the care and custody of a **Messenger**.

(2) Covered Causes of Loss:

(a) **Theft**

(b) Disappearance

(c) Destruction

(3) Coverage Extension:

The Insurer will pay for loss of Covered Property resulting directly from a Covered Cause of Loss while outside the **Premises** in the care and custody of an armored motor vehicle company. But the Insurer will pay only for the amount of loss that the **Named Entity** and any **Subsidiary** cannot recover:

(a) Under the **Named Entity** and any **Subsidiary's** contract with the armored motor vehicle company; and

(b) From any insurance or indemnity carried by, or for the benefit of customers of, the armored motor vehicle company.

4. Computer Fraud and Wire Transfer Communication Fraud

The Insurer will pay for loss of, and loss from damage to, Covered Property resulting directly from a Covered Cause of Loss.

a. Covered Property: **Money**, **Securities** and **Property Other Than Money and Securities**.

b. Covered Cause of Loss: **Computer Fraud.**

It is a condition of coverage for loss from an account of the **Named Entity** and any **Subsidiary** at a banking institution that the **Named Entity Insureds** authorize, pursuant to written agreements with such banking institutions, the electronic or wire transfer of Covered Property at the **Named Entity** and any **Subsidiary 's** request that:

a. Contains a listing of the **Named Entity** and any **Subsidiary's Employees** who are authorized to initiate wire transfers;

b. Requires that the banking institution verify by telephone conversation with the **Named Entity** and any **Subsidiary's** authorized **Employees** any electronic or wire transfer instructions communicated by the **Named Entity** and any **Subsidiary** other than:

(1) **Prearranged Transfers**; or

(2) transfers made through an automated teller machine,

before transferring Covered Property;

c. Requires the banking institution to confirm completed transfers in writing to the **Named Entity** and any **Subsidiary** within five working days; and

d. Does not impair the **Named Entity** and any **Subsidiary's** right of action against the banking institution for any loss of Covered Property resulting from failure to exercise reasonable care or to comply with the **Named Entity** and any **Subsidiary's** communication instructions.

II. DEFINITIONS

For purposes of this **Coverage Part**:

1. **Alteration** means the material modification of an original document by a person acting without authority and with intent to deceive.

2. **Banking Premises** means the interior of that portion of any building occupied by a banking institution or similar safe depository.

3. **Computer Fraud** means:

   a. **Theft** of Covered Property following and directly related to the use of any computer to fraudulently cause a transfer of that property from inside the **Premises** or **Banking Premises** to a person (other than a **Messenger**) outside those **Premises** or to a place outside those **Premises**; and

   b. **Theft** of **Money** or **Securities** following and directly related to use of written or verbal instructions which are purported to have been made by the **Named Entity Insureds**, to fraudulently cause an electronic transfer of that property from the **Banking Premises** to:

      (i) another account, except an account controlled by the **Named Entity Insureds**, within the **Banking Premises**; or

      (ii) a person (other than a **Messenger**) or place outside the **Banking Premises.**

4. **Custodian** means the **Named Entity Insureds**, any of their partners or any **Employee** while having care and custody of the property inside the **Premises**, excluding any person while acting as a **Watchperson** or janitor.

5. **Employee** means:

   a. Any natural person while in **Named Entity's** or any **Subsidiary's** service (and for 30 days after termination of service), if **Named Entity's** or any **Subsidiary's** (i) compensates such natural person directly by salary, wages or commissions, and (ii) has the right to direct and control such natural person while performing services for the **Named Entity** or any **Subsidiary** ; or

   b. Any natural person performing services for **Named Entity** or any **Subsidiary** on a leased, loaned, volunteer, non-compensated, temporary or part-time basis, but only while and to the extent such persons are subject to **Named Entity** or any **Subsidiary** direction and control and performing services for **Named Entity** or any **Subsidiary** , including but not limited to **Property Manager**; or

   c. With respect to any **Plan**:

      (i) A natural person who is a trustee, officer, employee or a manager, except an administrator or a manager who is an independent contractor; and

      (ii) A natural person who is a director or trustee of the **Named Entity** or any **Subsidiary**, while handling funds or other property of the **Plan**.

   However, **Employee** does not mean any sponsor, developer, or developer of the **Named Entity** or any **Subsidiary**.

6. **Employee Theft** means the unlawful taking of Covered Property to the deprivation of the **Insured**, where such unlawful taking is committed by an **Employee** acting alone or in collusion with others.

7. **Forgery** means the signing of the name of another person or organization, including a facsimile signature, without authority and with intent to deceive; but it does not include a signature consisting in whole or in part of one's own name, signed with or without authority, in any capacity, for any purpose.

8. **Messenger** means an **Employee** of the **Named Entity Insureds** , or any of **Named Entity Insured's** partners while having care and custody of the property outside the **Premises**.

9. **Money** means:
   a. Currency, coins and bank notes in current use and having a face value; and
   b. Travelers checks, register checks and money orders held for sale to the public.

10. **Plan** means any of the **Named Entity's** or **Subsidiaries'** Employee Welfare or Pension Plan which is subject to the provisions of ERISA.

11. **Prearranged Transfer** means an electronic transfer which is part of a regular or scheduled series of electronic transfers, authorized by written agreement, to a designated banking institution specifying:
    a. the amount of Covered Property to be transferred; and
    b. account number to be credited.

12. **Premises** means the interior of that portion of any building that the **Named Entity Insureds** occupy in conducting its business.

13. **Property Other Than Money and Securities** means any tangible property, other than **Money** or **Securities**, that has intrinsic value, but does not include any property listed in any **Crime Coverage Part** as property which is not covered.

14. **Securities** means negotiable and non-negotiable instruments or contracts representing either **Money** or other property and includes:
    a. Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and
    b. Evidences of debt issued in connection with credit or charge cards, which cards are not issued by the **Named Entity Insureds**; but does not include **Money**.

15. **Theft** means any act of stealing.

16. **Wire Transfer Communication Fraud** means **Theft** of Covered Property following and directly related to use of written or verbal instructions which are purported to have been made by you, to fraudulently cause an electronic transfer of that property from the **Banking Premises** to:
    a. another account, except an account controlled by you, within the **Banking Premises**; or
    b. a person (other than a messenger) or place outside the **Banking Premises**.

III. EXCLUSIONS

The Insurer shall not be liable to pay the following loss under this Crime Coverage Part:

1. Acts committed by any sponsor, builder, or developer of the **Named Entity Insureds**, while acting in their capacity as a sponsor, builder or developer.

2. Loss caused by any **Employee** by acts committed after the **Named Entity Insureds** or any of its directors or officers not in collusion with the **Employee** first learn of any dishonest act committed by the **Employee**, whether before or after becoming employed by the **Named Entity Insureds**.

3. Loss resulting from seizure or destruction of property by order of governmental authority.

4. Loss that is an indirect result of any Covered Cause of Loss including, but not limited to, loss resulting from:

    a. The **Named Entity Insureds'** inability to realize income that **Named Entity Insureds** would have realized had there been no loss of, or loss from damage to, Covered Property.

    b. Payment of damages of any type for which the **Named Entity Insureds** are legally liable. However, the Insurer will pay compensatory damages arising directly from a loss covered under this insurance.

    c. Payment of costs, fees or other expenses that the **Named Entity Insureds** incur in establishing either the existence or the amount of loss under this insurance.

5. Loss which is potential income, including but not limited to interest and dividends, not realized by the **Named Entity Insureds** .

6. Fees and expenses related to any legal action, except as may be provided under Subsection c of Insuring Agreement 2.

7. Loss resulting from any nuclear reaction, radiation or contamination, or any actual, alleged or threatened discharge, release, escape, or disposal of, or exposure to, **Pollutants**; any request, direction or order that the **Named Entity Insureds** test for, monitor, clean up, remove, contain, treat, detoxify, neutralize or in any way respond to or assess the effect of **Pollutants** or nuclear reaction, radiation or contamination, or any voluntary decision to do so; or any actual or alleged property damage, or bodily injury, sickness, disease or death of any person, or financial loss to **Named Entity Insureds**, their security holders, or their creditors resulting from any of the aforementioned matters.

8. Loss resulting from actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, growth or presence of **Fungi** or **Microbes**; or the actual, alleged or threatened failure to detect, report, test for, monitor, clean up, remove, contain, treat, detoxify, neutralize, remediate, dispose of or in any way respond to, assess the effects of or advise of the existence of any **Fungi** or **Microbes**. This exclusion applies regardless of any other cause or event that contributes concurrently or in any sequence to the losses claimed.

9. Loss resulting from war, whether or not declared, warlike action, insurrection, rebellion or revolution, or any related act or incident.

10. Under Insuring Agreement 1, loss caused by any **Employee** of the **Named Entity Insureds**, or predecessor in interest of the **Named Entity Insureds**, for whom similar prior insurance has been canceled and not reinstated since the last such cancellation.

11. Under Insuring Agreements 1 and 4, loss, or that part of any loss, the proof of which as to its existence or amount is dependent upon:

    a. an inventory computation; or

    b. a profit and loss computation.

12. Loss resulting from any dishonest or criminal act committed by any **Named Entity Insureds's Employees**, directors, trustees or authorized representatives:

    a. acting alone or in collusion with other persons; or

    b. while performing services for the **Named Entity Insureds** or otherwise

    However, this exclusion does not apply to Insuring Agreement 1.

13. Under Insuring Agreement 3, loss resulting from accounting or arithmetical errors or omissions.

14. Under Insuring Agreement 3, loss resulting from the giving or surrendering of property in any exchange or purchase.

15. Under Insuring Agreement 3, loss from damage to the **Premises** resulting from fire, however caused.

16. Under Insuring Agreement 3, loss of property contained in any money operated device unless the amount of **Money** deposited in it is recorded by a continuous recording instrument in the device.

17. Under Insuring Agreement 3, loss of property after it has been transferred or surrendered to a person or place outside the **Premises** or **Banking Premises:**

    a. On the basis of unauthorized instructions; or

b. As a result of a threat to do:

(1) Bodily harm to any person; or

(2) Damage to any property.

However, this exclusion does not apply under Section 2 of Insuring Agreement 3 , or Section 2 of ins to loss of Covered Property while outside the **Premises** or **Banking Premises** in the care and custody of a **Messenger** if the **Named Entity Insureds**:

(i) Had no knowledge of any threat at the time the conveyance began; or

(ii) Had knowledge of a threat at the time the conveyance began, but the loss was not related to the threat.

18. Under Insuring Agreement 3, loss from damage to the **Premises** or its exterior, to property, or to containers of Covered Property by vandalism or malicious mischief.

19. Under Insuring Agreement 3, loss resulting from the **Named Entity Insureds** or anyone acting on its express or implied authority, being induced by any dishonest act to voluntarily part with title to or possession of any property.

IV. OTHER CONDITIONS

1. The property covered under this **Coverage Part** is limited to property:

a. that the **Named Entity Insureds** own or hold; or

b. for which the **Named Entity** is legally liable.

However, this Coverage Part is for the **Named Entity Insured's** benefit only. It provides no rights or benefits to any other person or organization.

2. Valuation -- Settlement:

a. Subject to the applicable Limit Of Insurance provision the Insurer will pay for:

(1) Loss of **Money** but only up to and including its face value. The Insurer may, at its option, pay for loss of **Money** issued by any country other than the United States of America:

(a) At face value in the **Money** issued by that country; or

(b) In the United States of America dollar equivalent determined by the rate of exchange on the day the loss was discovered.

(2) Loss of **Securities** but only up to and including their value at the close of business on the day the loss was discovered. The Insurer may, at the Insurer's option:

(a) Pay the value of such **Securities** or replace them in kind, in which event the **Named Entity** must assign to the Insurer all of the **Named Entity Insureds'** rights, title and interest in and to those **Securities**;

(b) Pay the cost of any lost securities bond required in connection with issuing duplicates of the **Securities**. However, the Insurer will be liable only for the payment of so much of the cost of the bond as would be charged for a bond having a penalty not exceeding the **lesser** of the:

(i) value of the **Securities** at the close of business on the day the loss was discovered; or

(ii) Limit of insurance.

(3) Loss of, or loss from damage to, **Property Other Than Money and Securities** or loss from damage to the **Premises** for not more than the:

(a) actual cash value of the property on the day the loss was discovered;

(b) cost of repairing the property or **Premises**; or

(c) cost of replacing the property with property of like kind and quality.

The Insurer may, at the Insurer's option, pay the actual cash value of the property, or repair or replace it.

If the Insurer cannot agree with the **Named Entity Insureds** upon the actual cash value or the cost of repair or replacement, the value or cost will be determined by arbitration.

b. The Insurer may, at its option, pay for loss of, or loss from damage to, **Property Other Than Money and Securities**:

(1) in the **Money** of the country in which the loss occurred; or

(2) in the United States of America dollar equivalent of the **Money** of the country in which the loss occurred determined by the rate of exchange on the day the loss was discovered.

c. Any property that the Insurer pays for or replaces becomes the Insurer's property.

3. With respect to any **Plan** insured under this **Coverage Part** which is subject to the provisions of ERISA:

a. If any **Plan** is insured jointly with any other entity under this **Coverage Part**, the **Named Entity** or the **Plan** Administrator must select a Limit of Insurance for the Employee Dishonesty Insuring Agreement that is sufficient to provide an amount of insurance for each **Plan** that is at least equal to that required if each **Plan** were separately insured.

b. If the first **Named Insured** in the Declarations is an entity other than a **Plan**, any payment made to that first **Named Insured** for loss sustained by any **Plan** will be held by that first **Named Insured** for the use and benefit of the **Plans** sustaining the loss.

c. If two or more **Plans** are insured under this Coverage Part any payment made for loss:

(1) Sustained by two or more **Plans**; or

(2) Of commingled funds or other property of two or more **Plans** that arises out of one occurrence, is to be shared by each **Plan** sustaining loss, in the proportion that the amount of insurance required for each such **Plan** under ERISA provisions bears to the total of those amounts.

d. No Retention applies to loss that is covered under Insuring Agreement 1 sustained by a **Plan**.

4. If two or more Insuring Agreements of this Coverage Part apply to the same loss, the Insurer will pay the lesser of:

a. The actual amount of loss; or

b. The sum of the limits of insurance applicable to those Insuring Agreements.

5. If **Named Entity Insureds**, or any predecessor in interest, sustained loss during the period of any prior policy that it or the predecessor in interest could have recovered under that policy except that the time within which to discover loss had expired, Insurer will pay for it under this Policy, provided:

   a. This Policy became effective at the time of cancellation or termination of the prior policy; and
   b. The loss would have been covered by this Policy had it been in effect when the acts or events causing the loss were committed or occurred.

   The insurance under this condition is part of, not in addition to, the Limits of Insurance applying to this Policy and is limited to the lesser of the amount recoverable under:

   (1) This Policy as of its effective date; or
   (2) The prior policy had it remained in effect.

6. If any loss is covered:
   a. Partly by this Policy; and
   b. Partly by any prior cancelled or terminated policy that Insurer or any affiliate had issued to **Named Entity Insureds** or any predecessor in interest;

   the most Insurer will pay is the larger of the amount recoverable under this Policy or the prior policy.

7. **Named Entity Insureds** shall keep records of all Covered Property so Insurer can verify the amount of any **Crime Loss**.

In consideration of the payment of the premium and in reliance upon all statements made in the **Application** furnished to the Insurer designated in the Declarations, a stock insurance corporation, hereafter called the Insurer, the Insurer and the **Named Entity Insureds** agree as follows:

I. TERMS AND CONDITIONS

The terms and conditions of each **Coverage Part** apply only to that **Coverage Part** and shall not apply to any other **Coverage Part**. If any provision in these General Terms & Conditions is inconsistent or in conflict with the terms and conditions of any **Coverage Part**, the terms and conditions of that **Coverage Part** shall control for purposes of that **Coverage Part**.

II. DEFINITIONS

Words set forth in bold have the meaning set forth below. However, any bolded word defined in these General Terms & Conditions that is defined differently in a **Coverage Part** shall, for purposes of coverage under that **Coverage Part**, have the meaning defined in that **Coverage Part**.

1. **Application** means all applications for this Policy and for any policy in an uninterrupted series of policies issued by the Insurer or any affiliate of the Insurer of which this Policy is a renewal or replacement. **Application** includes any materials submitted or required to be submitted with the **Application.** An "affiliate of the Insurer" means an insurer controlling, controlled by or under common control with the Insurer.

2. **Coverage Part** means only those coverage parts designated in the Declarations as "Included" in this Policy and attached hereto.

3. **Crime Coverage Part** means the Crime Coverage Part, if such **Coverage Part** is designated as "Included" in the Declarations and attached hereto.

4. **Crime Loss** means loss sustained under the **Crime Coverage Part**.

5. **Defense Costs** means all reasonable and necessary fees charged by attorneys designated by the Insurer, or by the **Named Entity Insureds** with the Insurer's written consent. **Defense Costs** also include all other reasonable and necessary fees, costs and expenses resulting from the investigation, adjustment, defense and appeal of a **Liability Claim** if incurred by the Insurer, or by the **Named Entity Insureds** with the written consent of the Insurer, including the costs of appeal, attachment or similar bonds. However, the Insurer has no obligation to provide such bonds. **Defense Costs** shall not include salaries, wages, fees, overhead or benefit expenses associated with the directors, officers, employees, trustees, committee members, or volunteers of **Named Entity,** any **Subsidiary**, or **Property Manager**.

6. **ERISA or any Similar Act** means the Employee Retirement Income Security Act of 1974, as amended, or any similar common or statutory law of the United States or its states, territories or possessions, or any other jurisdiction anywhere in the world.

7. **Executive Officer** means with respect to **Named Entity,** any **Subsidiary**, or **Property Manager**, its trustees, chairperson, chief executive officer, president, chief financial officer, in-house general counsel, and the director of human resources or equivalent position.

8. **Financial Insolvency** means, with respect to any **Named Entity** covered under any **Coverage Part** designated as "included" in the Declarations attached hereto:

a. the appointment by any state or federal official, agency or court of a receiver, conservator, liquidator, trustee, rehabilitator or similar official to take control of, supervise, manage or liquidate such **Named Entity**; or such **Named Entity** becoming a debtor in possession; and

b. except with respect to a **Change in Status**, the inability of such organization financially or under applicable law to advance **Defense Costs** or indemnify the **Insureds** for **Liability Loss.**

9. **Fungi** means any form of fungus, including but not limited to yeast, mold, mildew, rust, smut or mushroom, and any spores, mycotoxins, odors or any other substances, products, or by products produced by, released by, or arising out of the current or past presence of fungi.

10. **Insured Person** means any natural person covered under the **Liability Coverage Part.**

11. **Interrelated Wrongful Acts** means any **Wrongful Acts** which are logically or causally connected by reason of any common fact, circumstance, situation, transaction or event.

12. **Liability Claim** means any claim covered under the **Liability Coverage Part.**

13. **Liability Coverage Part** only means the **Association Liability Coverage Part** , if such **Coverage Part** is designated as "Included" in the Declarations attached to this policy .

14. **Liability Loss** means loss covered under the **Liability Coverage Part.**

15. **Loss** means all **Liability Loss** and all **Crime Loss.**

16. **Microbe** means any non-fungal microorganism or non-fungal colony-form organism that causes infection or disease including but not limited to any spores, mycotoxins, odors or any other substances, products, or by products produced by, released by, or arising out of the current or past presence of microbes.

17. **Named Entity** means the association named in Item 1 of the Declarations, including such association as a debtor in possession under Chapter 11 of the United States Bankruptcy Code or an equivalent status under the law of any other country.

18. **Named Entity Insureds** means the **Named Entity, Subsidiaries, Property Manager** and **Insured Persons** covered under under any **Coverage Part** designated as "Included" in the Declarations.

19. **Policy Period** means the period from the effective date of this Policy to the Policy expiration date stated in Item 2 of the Declarations, or its earlier cancellation date.

20. **Policy Premium** means the original premium and the fully annualized amount of any additional premiums, other than the Extended Reporting Period premium, charged by the Insurer before or during the **Policy Period.**

21. **Pollutants** means any substance exhibiting hazardous characteristics as, is or may be defined or identified on any list of hazardous substances issued by the United States Environmental Protection Agency or any state or local or foreign counterpart. **Pollutants** also means, without limitation, any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals or waste (including materials to be recycled, reconditioned or reclaimed), as well as anyair emission, odor, waste water, oil or oil products, infectious or medical waste, asbestos, or asbestos products.

22. **Property Manager** means the entity or natural person specified in Item 6 of the Declarations. If an entity is specified in Item 6, **Property Manager** shall also include **Property Manager Employees** employed by such entity to provide real estate **Property Management Services** to the **Named Entity.**

23. **Property Manager Employee** means any natural person in the regular service of a **Property Manager** in the ordinary course of such **Property Manager's** business, whom such **Property Manager** governs and directs in the performance of such service, including any part-time, seasonal, leased or temporary employee, or any duly elected or appointed director, officer, member of the board of managers or management committee member while performing **Property Management Services** within the usual scope of a **Property Manager Employee.**

24. **Subsidiary** means any entity which qualifies as a non-profit entity under Internal Revenue Code Section 501(c)(3) and any amendment thereto, during any time in which the **Named Entity** owns or controls, directly or through one or more **Subsidiaries**, the right to elect or appoint more than 50% of the entity's directors or trustees.

25. **Change in Status** means the consolidation or merger of the **Named Entity** into or with another entity, or **Financial Insolvency**:

III. EXTENDED REPORTING PERIOD/DISCOVERY

1. Solely with respect to any **Liability Coverage Part,** if the Insurer non-renews this Policy, the **Named Entity** shall be provided, at no additional charge, an extension of this Policy for a period of 30 days immediately following the end of the **Policy Period**, but only with respect to **Claims** made against **Named Entity Insureds** and reported to the Insurer during such extension by reason of any **Wrongful Act** committed before the earlier of the end of the **Policy Period** or the effective date of any **Change in Status.**

   This period shall be referred to as the automatic Extended Reporting Period.

2. If the Insurer non-renews this Policy, the **Named Entity** shall have the right to purchase, upon payment of an additional premium equal to 100% of the annualized **Policy Premium**, an extension of this Policy for a period of 12 months immediately following the end of the **Policy Period**, but only with respect to;

   a. under the **Liability Coverage Part**,. any **Wrongful Act** committed before the earlier of the end of the **Policy Period** or the effective date of any **Change in Status;**

   b. under the **Crime Coverage Part**, loss sustained completely prior to the earlier of the end of the **Policy Period** or the effective date of any **Change in Status**, which is discovered by the **Named Entity** no later than one year from the date of that termination or cancellation.

This period shall be referred to as the optional Extended Reporting Period.

3. As a condition precedent to the right to purchase the optional Extended Reporting Period, (i) the total premium for this Policy must have been paid; (ii) the **Named Entity** must request such Extended Reporting Period in writing, and such request must be received by the Insurer, at the address for notices set forth in Item 4 of the Declarations page, within 30 days of the end of the **Policy Period** or the effective date of any **Change in Status**, and (iii) the full payment of the premium for such Extended Reporting Period must be received by the Insurer within 30 days after the end of the **Policy Period**.

4. If the optional Extended Reporting Period is purchased, the entire premium shall be deemed fully earned at its commencement without any obligation by the Insurer to return any portion thereof.

5. There is no separate or additional limit of liability for the automatic or optional Extended Reporting Period.

6. No receiver, conservator, liquidator, trustee, rehabilitator, or similar official and no governmental agency, body or representative can exercise the right to: (i) purchase extended discovery with respect to the **Crime Coverage Part**; or (ii) report any claim under the **Crime Coverage Part**. In addition, the Extended Reporting Period terminates immediately with respect to the **Crime Coverage Part** on the effective date of any other insurance obtained by **Named Entity Insureds** or any other party which replaces, in whole or in part, the coverage afforded by the **Crime Coverage Part**, regardless of whether such insurance provides coverage for **Loss** sustained prior to the effective date of this Policy.

IV. ESTATES, LEGAL REPRESENTATIVES AND SPOUSES

The estates, heirs, legal representatives, assigns, spouses and legally recognized domestic partners of **Insured Persons** shall be considered **Named Entity Insureds** under the **Liability Coverage Part**; provided, however, coverage is afforded to such estates, heirs, legal representatives, assigns, spouses and legally recognized domestic partners only for a **Claim** arising solely out of their status as such and, in the case of a spouse, where such **Claim** seeks damages from marital community property, jointly held property or property transferred from the **Insured Person** to the spouse. No coverage is provided for any act, error or omission of an estate, heir, legal representative, assign, spouse or legally recognized domestic partners. All terms and conditions of this Policy, including without limitation the retention applicable to **Liability Loss** incurred by the **Insured Person**, shall also apply to loss incurred by such estates, heirs, legal representatives, assigns, spouses and legally recognized domestic partners.

V. LIMIT OF LIABILITY/RETENTIONS

1. Limit of Liability

   a. The Scheduled Limits of Liability set forth in Item 6 of the Declarations as the Scheduled Limits of Liability for the **Association Liability Coverage Part** shall be the maximum aggregate Limits of Liability of the Insurer for all **Liability Loss** under such **Coverage Part**, regardless of the number of **Claims** made against the **Named Entity Insureds**;

   b. The Scheduled Limit of Liability set forth in Item 6 of the Declarations as the Scheduled Limit of Liability for the **Crime Coverage Part** shall be the maximum

limit of liability of the Insurer for each **Crime Loss** under the **Crime Coverage Part.** Such limit of liability shall not accumulate from **Policy Period** to **Policy Period**

c. If the Limit of Liability for any **Coverage Part** is exhausted by payment of **Loss**, the Insurer's obligations under such **Coverage Part** shall be deemed completely fulfilled and extinguished.

d. The Insurer shall pay **Liability Loss** on behalf of the **Named Entity Insureds**, and shall pay **Crime Loss** as incurred by the **Named Entity Insureds**, without consideration of other future obligations.

e. The liability of the Insurer for all **Crime Loss** sustained by more than one **Named Entity Insured** shall not exceed the amount that the Insurer would pay if all **Crime Loss** had been sustained by one **Named Entity Insured.**

f. In the event any loss is covered partly by the **Crime Coverage Part** and partly by any prior canceled or terminated insurance that the Insurer or any affiliate issued to the **Named Entity Insureds**, the most the Insurer will pay with respect to such loss is the larger of the amount recoverable under the **Crime Coverage Part** or the prior insurance.

g. If any loss is covered partly by the **Crime Coverage Part** and partly by any prior canceled or terminated insurance issued by any carrier other than the Insurer or any affiliate: (i) any retention amount applicable to the loss under the **Crime Coverage Part** will be reduced by any deductible or retention amount applicable under the prior insurance, and (ii) the limit applicable to the loss under the **Crime Coverage Part** will be reduced by any amount paid or payable to the **Named Entity Insured** under the prior insurance.

2. Retentions

a. Subject to paragraph c below, the Insurer is liable to pay only that amount of **Loss** in excess of any applicable retention. The Insurer will have no obligation to pay all or any portion of any applicable retention.

b. Separate Retentions as set forth in Item 6 of the Declarations as the Scheduled Retentions shall apply to each **Loss** under each **Coverage Part.**

c. No retention applies with respect to any **Liability Loss** in a **Claim** against any **Insured Persons** if the **Named Entity**, or any **Subsidiary** are not permitted to advance **Defense Costs** or to indemnify such **Insured Persons** for **Liability Loss** by reason of:

(1) **Financial Insolvency**; or

(2) a good faith determination by **Named Entity**, or any **Subsidiary** that such payment is not permitted under the broadest construction of applicable law.

d. Subject to Section XII below, if a **Loss** is covered under more than one **Coverage Part** and if more than one retention applies to such **Loss**, the maximum total retention amount applicable to such **Loss** shall be the amount of the largest applicable retention.

VI. DEFENSE AND SETTLEMENT OF LIABILITY CLAIMS

1. Defense of **Claims**

   The Insurer has the right and duty to defend all **Liability Claims**, even if the allegations are groundless, false or fraudulent. The Insurer shall have the right to appoint counsel and to make such investigation and defense of a **Liability Claim** as it deems necessary. The Insurer's obligation to defend any **Liability Claim** or pay any **Liability Loss**, including **Defense Costs**, shall be completely fulfilled and extinguished if the limit of liability has been exhausted by payment of **Liability Loss**, or if the **Named Entity** has failed to pay its full retention for reasons other than **Financial Insolvency**.

2. Settlement

   The Insurer shall not settle a **Liability Claim** without the consent of the **Named Entity Insureds**, other than any **Property Manager**, which shall not be unreasonably withheld. If the **Named Entity Insureds**, other than any **Property Manager** unreasonably refuse to consent to a settlement or compromise recommended by the Insurer, and acceptable to the claimant, then the applicable limit of liability under this Policy shall be reduced to the amount for which the **Liability Claim** could have been settled plus all **Defense Costs** incurred up to the time the Insurer made its recommendation.

3. Cooperation of **Named Entity Insureds**

   The **Named Entity Insureds** shall not admit liability, consent to any judgment, agree to any settlement or make any settlement offer without the Insurer's prior written consent, such consent not to be unreasonably withheld. The Insurer shall not be liable for any **Loss** to which it has not consented. The **Named Entity Insureds** agree that they shall not knowingly take any action which increases the Insurer's exposure for **Loss** under this Policy. The **Named Entity Insureds** shall furnish the Insurer with copies of reports, investigations, pleadings, and all related papers, and such other information, assistance and cooperation as the Insurer may reasonably request.

VII. NOTICE/DATE OF CLAIM/INTERRELATED CLAIM CLAUSE/ SWORN PROOF OF LOSS

1. If, during the **Policy Period** or any Extended Reporting Period, if applicable, any **Claim** is first made against the **Named Entity Insureds,** the **Named Entity Insureds** shall, as a condition precedent to the obligations of the Insurer under this Policy, give a written notice to the Insurer as soon as reasonably possible.

2. If, during the **Policy Period** the **Named Entity Insureds** first become aware of a specific **Wrongful Act** which may reasonably give rise to a future **Liability Claim** and during such period give written notice to the Insurer of:

   a. the names of any potential claimants and a description of the **Wrongful Act** which forms the basis of their potential **Claim**;

b. the identity of the specific **Named Entity Insureds** allegedly responsible for such specific **Wrongful Act**;

c. the consequences that have resulted or may result from such specific **Wrongful Act**;

d. the nature of the potential monetary damages or non-monetary relief which may be sought in consequence of such specific **Wrongful Act**; and

e. the circumstances by which **Named Entity Insureds** first became aware of such specific **Wrongful Act**;

then any **Liability Claim** otherwise covered pursuant to the **Liability Coverage Part** which is subsequently made and which arises out of such **Wrongful Act** shall be deemed to have been first made and reported to the Insurer by the **Named Entity Insureds** at the time such written notice was received by the Insurer. No coverage is provided for fees and expenses incurred prior to the time such notice results in a **Liability Claim**.

3. Except as provided in subsection 2 above, a **Liability Claim** shall be deemed made:

   a. in the case of a civil, criminal, administrative, regulatory proceeding or arbitration, on the earliest of the date of service upon or other receipt by any **Named Entity Insured** of a complaint, indictment, notice of charge or similar document against the **Named Entity Insured** in such proceeding or arbitration;

   b. in the case of a written demand for monetary damages or non-monetary relief, on the **Named Entity Insureds'** receipt of such written demand.

4. More than one **Liability Claim** involving the same **Wrongful Act** or **Interrelated Wrongful Acts** shall be considered as one **Liability Claim** which shall be deemed made on the earlier of:

   a. the date on which the earliest such **Liability Claim** was first made, or

   b. the first date valid notice was given by the **Named Entity Insureds** to the Insurer under this Policy of any **Wrongful Act** or under any prior policy of any **Wrongful Act**, or any fact, circumstance, situation, event or transaction which underlies any such **Liability Claim**.

5. With respect to the **Crime Coverage Part**, within 90 days after discovery the **Named Entity Insured** sustained a loss, the **Named Entity Insured** shall provide a detailed sworn proof of loss. The **Named Entity Insureds** will, upon request of the Insurer, submit to an examination under oath. The **Named Entity Insureds** will also notify the police if they have reason to believe that any loss involves a violation of law.

6. The **Named Entity Insureds** shall give written notice to the Insurer under this Policy as specified in Item 4 of the Declarations, which shall be effective upon receipt.

VIII. CANCELLATION

1. The Insurer may not cancel this Policy except for non-payment of any premium when due by providing to **Named Entity** written notice stating when, not less than 20 days thereafter, such cancellation shall be effective. This Policy is issued in consideration of the payment of the premium. If there is non-payment of the premium due on inception of the **Policy Period**, this policy does not take effect, and the Named Insured will be so notified.

2. The **Named Entity Insureds** grant the exclusive authority to cancel this Policy to **Named Entity. Named Entity** may cancel this Policy by providing the Insurer written notice stating when thereafter such cancellation shall be effective. The mailing or delivery of such notice shall be sufficient. The unearned premium shall be computed pro rata and premium adjustment may be made at the time cancellation is effected or as soon as practicable.

IX. NOTICES TO THE NAMED ENTITY

Any notices required under Section VIII, **CANCELLATION**, shall be provided to **Named Entity** at the address set forth in Item 1 of the Declarations and to the **Property Manager** if and at the address, specified in Item of the Declarations for this Policy. The mailing of such notice shall be sufficient.

X. OTHER INSURANCE

If any **Loss** resulting from any **Claim** is insured under any other policies, this Policy shall apply only to the extent the **Loss** exceeds the amount paid under such other insurance whether such other insurance is stated to be primary, contributory, excess, contingent or otherwise, unless such other insurance is written only as specific excess insurance over this Policy.

XI. APPLICATION

The **Named Entity Insureds** represent and acknowledge that the statements contained in the **Application** are true, are the basis of this Policy and are to be considered as incorporated into and constituting a part of this Policy, and shall be deemed material to the acceptance of this risk or the hazard assumed by the Insurer under this Policy. This Policy is issued in reliance upon the truth of such representations.

XII. COORDINATION AMONG COVERAGE PARTS

Should two or more **Coverage Parts** apply to the same **Loss**, the Insurer will not pay more than the actual **Loss** incurred by the **Named Entity Insureds**.

XIII. COVERAGE FOR NEW SUBSIDIARIES

1. If, after the effective date of this Policy, (i) **Named Entity,** or any **Subsidiary** creates or acquires an entity, or (ii) **Named Entity**, or any **Subsidiary** merges with another entity such that **Named Entity**, or any **Subsidiary** is the surviving entity, then such entity, and any subsidiaries, directors, officers, trustees or employees of such entity who otherwise would thereby become a **Named Entity Insured,** shall be covered under this Policy, subject to its terms and conditions, only if the Insurer, at its sole option, upon submission of such information as the Insurer may require and payment of any additional premium and/or amendment of the provisions of the Policy, agrees to provide coverage for such entity, subsidiaries, directors, officers or employees.
2. There shall be no coverage under the **Liability Coverage Part** for any **Wrongful Act** by such created, acquired or merged entity, or by any persons or entities considered to be **Named Entity Insureds** pursuant to Section XII.1 above, where such **Wrongful Act** occurred in whole or in part before the effective date of such acquisition or merger or for any **Wrongful Act** occurring on or after such date which,

together with any **Wrongful Acts** occurring before such date, would be considered **Interrelated Wrongful Acts**. There is no coverage under the **Crime Coverage Part** (if included) for any event discovered prior to the effective date of such creation, merger or acquisition either by **Named Entity Insured,** or by the created, acquired or merged entity.

XIV. CHANGE OF STATUS

1. **Change in Status** of **Named Entity**

   In the event of a **Change in Status** of **Named Entity**, coverage under this Policy shall continue until this Policy is otherwise terminated, but only with respect to **Wrongful Acts** occurring, or **Loss** under the **Crime Coverage Part** sustained, before the effective date of the **Change in Status**, unless (i) the Insurer is notified in writing of the **Change in Status** prior to the **Change in Status** effective date and agrees in writing to provide coverage for **Wrongful Acts** occurring, or **Crime Loss** sustained, on or after such effective date, and (ii) **Named Entity** accepts any special terms, conditions, exclusions or additional premium charge required by the Insurer.

2. Cessation of **Subsidiary**

   If any organization ceases to be a **Subsidiary**:

   a. there shall be no coverage under the **Liability Coverage Part** for any **Wrongful Act** by such organization or any **Insured Person** of such organization occurring after the date such organization ceased to be a **Subsidiary**; and

   b. there shall be no coverage under the **Crime Coverage Part** (if included) for **Crime Loss** sustained by the **Subsidiary** after the date it ceased to be a **Subsidiary**.

3. Transfer of a **Plan**

   If the sponsorship of a **Plan** is transferred so that **Named Entity.** or any **Subsidiary** is no longer the sole employer sponsor of such **Plan**, there shall be no coverage under the **Crime Coverage Part** (if included) for **Crime Loss** sustained by or with respect to such **Plan** after the date of such transfer.

XV. SUBROGATION AND RECOVERY

1. To the extent it pays any **Loss**, the Insurer shall be subrogated to all the **Named Entity Insureds'** rights of recovery therefor. The **Named Entity Insureds** shall execute all papers necessary to secure such rights, including executing any documents necessary to enable the Insurer effectively to bring suit in their name, and shall not act or fail to act in any way that impairs the Insurer's rights of subrogation or recovery.

2. If a **Loss** is in part insured and in part uninsured under this Policy or is in an amount in excess of the applicable limit of liability, the **Named Entity Insureds** and the Insurer shall attempt to agree upon an equitable allocation of any recoveries made, whether before or after payment of the **Loss** by the Insurer, from any person or source responsible for causing the **Loss**. Reasonable expenses incurred in making a recovery shall always have priority of payment from all such recoveries. If, after exerting their best efforts, the **Named Entity Insureds** and the Insurer are unable to

agree upon such an allocation after taking into account due consideration for the respective parties' willingness to pay the expenses of making any recovery, the Insurer, if requested by the **Named Entity Insureds**, shall submit the dispute to binding arbitration. The rules of the American Arbitration Association shall apply with respect to the selection of the arbitration panel, which shall consist of one arbitrator selected by the **Named Entity Insureds**, one arbitrator selected by the Insurer, and a third independent arbitrator selected by the first two arbitrators.

3. In no event shall the **Named Entity Insureds** be entitled to recoup from recoveries any amount to satisfy any retention until after all amounts which the Insurer is required to pay or pays under any applicable **Coverage Part** are reimbursed to the Insurer.

4. Any allocation of recoveries for purposes of this Section **XV** shall not change any provisions dealing with calculation of insured **Crime Loss** under the **Crime Coverage Part**.

XVI. CHANGES

Notice to or knowledge possessed by any agent or other person acting on behalf of the Insurer shall not effect a waiver or a change in any part of this Policy or stop the Insurer from asserting any right under the provisions of this Policy, nor shall the provisions be waived or changed except by written endorsement issued to form a part of this Policy.

XVII. NAMED ENTITY AUTHORIZATION

1. The **Named Entity Insureds** agree that **Named Entity** will act on behalf of the **Named Entity Insureds** with respect to giving of all notice to the Insurer (except notices provided in Section VII.1 or 2), the receipt of notices from the Insurer, the payment of the premiums, the receipt of any return premiums that may become due under this Policy, and the acceptance of endorsements.

2. Payment of **Crime Loss** covered under the **Crime Coverage Part** to **Named Entity** shall discharge the Insurer from all further obligations under the **Crime Coverage Part** with respect to such **Crime Loss**, regardless of which **Named Entity Insured** sustained the **Crime Loss**.

XVIII. NO ACTION AGAINST INSURER

1. No action shall be taken against the Insurer unless, as a condition precedent, there shall have been full compliance with all the provisions of this Policy nor until the amount of the **Named Entity Insureds'** obligation to pay shall have been finally determined either by final and nonappealable judgment against the **Named Entity Insureds** after trial or by written agreement of the **Named Entity Insureds**, the claimant and the Insurer.

2. No person or organization shall have any right under this Policy to join the Insurer as a party to any **Liability Claim** against the **Named Entity Insureds** to determine the **Named Entity Insureds'** liability, nor shall the Insurer be impleaded by the **Named Entity Insureds** or their legal representatives in any such **Liability Claim**.

3. Legal proceedings for the recovery of any **Loss** claimed under the **Crime Coverage Part** shall not be brought prior to the expiration of 90 days after proof of loss was received by the Insurer nor more than two years after the loss was discovered.

XIX. ASSIGNMENT OF INTEREST

Assignment of interest under this Policy shall not bind the Insurer unless its consent is endorsed to this Policy.

XX. TERRITORY

Coverage shall apply solely to **Claims** brought and maintained entirety within and subject to the laws of the United States of America or any territory, possession, state, province or subdivision thereof.

XXI. ENTIRE AGREEMENT

The **Named Entity Insureds** agree that this Policy, consisting of the **Application**, the **Coverage Parts**, and all endorsements listed in the Declarations, constitute the entire contract existing between them and the Insurer or any of its agents relating to this insurance.

XXII. ECONOMIC AND TRADE SANCTIONS

In accordance with laws and regulations of the United States concerning economic and trade embargoes, this policy is void from its inception with respect to any term or condition of this policy that violates any laws or regulations of the United States concerning economic and trade embargoes including, but not limited to the following:

1. Any **Named Entity Insured**, or any person or entity claiming the benefits of a **Named Entity Insured**, who is or becomes a Specially Designated National or Blocked Person or who is otherwise subject to U.S. economic or trade sanctions;
2. Any **Claim** that is brought in a Sanctioned Country or by a Sanctioned Country Government, where any action in connection with such **Claim** is prohibited by U.S. economic or trade sanctions;
3. Any **Claim** that is brought by any Specially Designated National or Blocked Person or any person or entity who is otherwise subject to U.S. economic or trade sanctions;
4. Property that is located in a Sanctioned Country or that is owned by, rented to or in the care, custody or control of a Sanctioned Country Government, where any activities related to such property are prohibited by U.S. economic or trade sanctions; or
5. Property that is owned by, rented to or in the care, custody or control of a Specially Designated National or Blocked Person, or any person or entity who is otherwise subject to U.S. economic or trade sanctions.

As used in this Policy, a Specially Designated National or Blocked Person is any person or entity that is on the list of Specially Designated Nationals and Blocked Persons issued by the U.S. Treasury Department's Office of Foreign Asset Control (O.F.A.C.) as it may be from time to time amended.

As used in this Policy, a Sanctioned Country is any country that is the subject of trade or economic embargoes imposed by the laws or regulations of the United States of America.

IN WITNESS WHEREOF, the Insurer has caused this Policy to be signed by its Chairman and Secretary at Chicago, Illinois, but the same shall not be binding upon the Insurer unless countersigned by a duly authorized representative of the Insurer.



Chairman



Secretary

CANCELLATION AND NONRENEWAL ENDORSEMENT - FLORIDA

In consideration of the premium paid for this Policy, it is agreed that the ***General Terms & Conditions*** are amended as follows:

Section VIII., **CANCELLATION** is deleted in its entirety and replaced with the following:

VIII. Cancellation/Nonrenewal

1. Cancellation by the **Named Entity**

   The **Named Entity** has the right to cancel this Policy at any time by giving notice to the Insurer stating when thereafter the cancellation shall be effective.

2. Cancellation by the Insurer

   a. The Insurer has the right to cancel the **Named Entity's** Policy at any time and for any reason within the first ninety (90) days. The Insurer must mail notice of cancellation at least twenty (20) days prior to the effective date of such cancellation. If the Insurer cancels for non-payment of premium, the Insurer must mail notice of cancellation at least ten (10) days prior to the effective date of such cancellation. However, the Insurer may cancel immediately for material misrepresentation or failure to comply with underwriting requirements.

   b. After the **Named Entity's** Policy has been in effect for ninety-one (91) days or more, it may be canceled only for one of the following reasons:

      (1) Nonpayment;
      (2) Policy obtained through material misrepresentation;
      (3) The **Named Entity Insured** violated the terms and conditions of the policy;
      (4) The risk originally accepted has measurably increased;
      (5) The cancellation is for all insureds under such policies for a given class of insureds.

      The Insurer must mail notice of cancellation at least forty-five (45) days prior to the effective date of such cancellation. If the Insurer cancels for non-payment of premium, the Insurer must mail notice of cancellation at least ten (10) days prior to the effective date of such cancellation.

   c. All notices shall be mailed to the **Named Entity** at the last mailing address known to the Insurer and shall state the reason for cancellation.

3. Non-Renewal by the Insurer

   The Insurer has the right to non-renew the **Named Entity's** Policy effective on any Policy anniversary date. All notices of non-renewal must be mailed to the **Named Entity** at the last mailing address known to the Insurer, at least forty-five (45) days prior to the effective date of non-renewal and shall provide a specific explanation of the reason(s) for non-renewal.

All other provisions of the Policy remain unchanged.

CNA

This endorsement forms a part of the policy. It is subject to the same inception date, unless otherwise stated. This endorsement expires concurrently with said policy.

01 Must be Completed	
ENDT. NO. G-145127-A09 06/03	POLICY NO. 0251241940

Complete Only When This Endorsement Is Not Prepared with the Policy or is Not to be Effective with the Policy	
ISSUED TO	EFFECTIVE DATE OF THIS ENDORSEMENT

I127FL

Authorized Representative

AMENDATORY ENDORSEMENT - FLORIDA

In consideration of the premium paid for this Policy, it is agreed that the ***General Terms & Conditions*** are amended as follows:

1. The following item is added to the policy:

   If a **Named Entity Insured** has any questions regarding this policy please call 1-800-621-2324 for assistance.

2. Section II., **DEFINITIONS**, paragraph 21 is deleted in its entirety and replaced with the following:

   21. **Pollutants** means any substance exhibiting hazardous characteristics as, is or may be defined or identified on any list of hazardous substances issued by the United States Environmental Protection Agency or any state or local or foreign counterpart. **Pollutants** also means, without limitation, any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals or waste (including materials to be recycled, reconditioned or reclaimed), as well as anyair emission, odor, waste water, oil or oil products, infectious or medical waste.

3. Section II., **DEFINITIONS** is amended by the addition of the following new definition:

   Asbestos means the mineral in any form, whether or not the **Asbestos** was at any time:
   a. airborne as a fiber, particle or dust;
   b. contained in or formed a part of a product, structure, or other real or personal property;
   c. carried on clothing;
   d. inhaled or ingested; or
   e. transmitted by any other means.

All other provisions of the Policy remain unchanged.

CNA

This endorsement forms a part of the policy. It is subject to the same inception date, unless otherwise stated. This endorsement expires concurrently with said policy.

02 Must be Completed	
ENDT. NO. G-145128-A09 06/03	POLICY NO. 0251241940

Complete Only When This Endorsement Is Not Prepared with the Policy or is Not to be Effective with the Policy	
ISSUED TO	EFFECTIVE DATE OF THIS ENDORSEMENT

John S Brandt

Authorized Representative

I128FL

AMENDATORY CHANGES - FLORIDA

In consideration of the premium paid for this Policy, it is agreed that the ***Association Liability Coverage Part*** is amended as follows:

1. Section II., **DEFINITIONS**, paragraph 4 is deleted in its entirety and replaced with the following:

   4. **Loss** means damages, settlements, judgments (including any award of pre-judgment and post-judgment interest) and **Defense Costs** for which the **Named Entity Insureds** are legally obligated to pay on account of a covered **Claim. Loss** shall not include:
      a. criminal or civil fines or penalties imposed by law;
      b. taxes;
      c. any amounts for which there is no legal recourse against the **Named Entity Insureds**; or
      d. matters which are uninsurable under the law pursuant to which this Policy is construed.

2. Section III., **EXCLUSIONS**, paragraph 1. Exclusions Applicable to all **Loss**, sub-item d is deleted in its entirety and replaced with the following:

   d. based upon, directly or indirectly arising out of, or in any way involving: any nuclear reaction, radiation or contamination, or any actual, alleged or threatened discharge, release, escape, or disposal of, or exposure to, **Pollutants** or **Asbestos**; any request, direction or order that any of the **Named Entity Insureds** test for, monitor, clean up, remove, contain, treat, detoxify, neutralize or in any way respond to or assess the effect of **Pollutants** or **Asbestos** or nuclear reaction, radiation or contamination, or any voluntary decision to do so; or any actual or alleged property damage, or bodily injury, sickness, disease or death of any person, or financial loss to **Named Entity** or any **Subsidiary**, their security holders, or their creditors resulting from any of the aforementioned matters; provided however, this exclusion shall not apply to any **Claim** for retaliatory treatment of the claimant by the **Named Entity Insureds** on account of the claimant s actual or threatened disclosure of the matters described in this exclusion;

All other provisions of the Policy remain unchanged.

CNA

This endorsement forms a part of the policy. It is subject to the same inception date, unless otherwise stated. This endorsement expires concurrently with said policy.

03 Must be Completed	
ENDT. NO. G-145129-A09 04/04	POLICY NO. 0251241940

Complete Only When This Endorsement Is Not Prepared with the Policy or is Not to be Effective with the Policy	
ISSUED TO	EFFECTIVE DATE OF THIS ENDORSEMENT

John S Brand

Authorized Representative

I129FL

AMENDATORY - FLORIDA

In consideration of the premium paid for this Policy, it is agreed that the ***Commercial Crime Coverage Part*** is amended as follows:

1. Section III., **EXCLUSIONS**, paragraph 7 is deleted in its entirety and replaced with the following:

   7. Loss resulting from any nuclear reaction, radiation or contamination, or any actual, alleged or threatened discharge, release, escape, or disposal of, or exposure to, **Pollutants** or **Asbestos**; any request, direction or order that the **Named Entity Insureds** test for, monitor, clean up, remove, contain, treat, detoxify, neutralize or in any way respond to or assess the effect of **Pollutants** or **Asbestos** or nuclear reaction, radiation or contamination, or any voluntary decision to do so; or any actual or alleged property damage, or bodily injury, sickness, disease or death of any person, or financial loss to **Named Entity Insureds**, their security holders, or their creditors resulting from any of the aforementioned matters.

All other provisions of the Policy remain unchanged.

CNA

This endorsement forms a part of the policy. It is subject to the same inception date, unless otherwise stated. This endorsement expires concurrently with said policy.

04 Must be Completed	
ENDT. NO. G-147098-A09 04/04	POLICY NO. 0251241940

Complete Only When This Endorsement Is Not Prepared with the Policy or is Not to be Effective with the Policy	
ISSUED TO	EFFECTIVE DATE OF THIS ENDORSEMENT

I098FL

Authorized Representative

CNA

AMEND COMMERCIAL CRIME COVERAGE PART

In consideration of additional premium paid, it is agreed the **Commercial Crime Coverage Part** is amended as follows:

1. Section I. INSURING AGREEMENTS, Insuring Agreement 2 **Forgery or Alteration** paragraph a. is deleted in its entirety and replaced as follows:

   2. **Forgery** or **Alteration**

   The Insurer will pay for loss involving Covered Instruments resulting directly from a Covered Cause of Loss.

   a. Covered **Instruments**: Checks, drafts, promissory notes, credit card or similar written promises, orders or directions to pay a sum certain in **Money** that are actually or purportedly:

      (1) made or drawn by or drawn upon the **Named Entity** and any **Subsidiary**;

      (2) made or drawn by one acting as an agent for the **Named Entity** and any **Subsidiary**

2. Section II. DEFINITIONS, is amended as follows:

   A. Definition 3 **Computer Fraud** is deleted in its entirety and replaced as follows:

      3. **Computer Fraud** means:

         a. **Theft** of Covered Property following and directly related to the use of any computer to fraudulently cause a transfer of that property to a person (other than a **Messenger**); and

         b. **Theft** of **Money** or **Securities** following and directly related to use of written or verbal instructions which are purported to have been made by the **Named Entity Insureds**, to fraudulently cause an electronic transfer of that property from the banking institution to:

            i. another account, except an account controlled by the **Named Entity Insureds**,; or

            ii. person (other than a **Messenger**).

   B. Definition 6. **Employee Theft** is deleted in its entirety and replaced as follows:

      6. **Employee Theft** means the unlawful taking of Covered Property to the deprivation of the **Named Entity**, any **Subsidiary** or **Plan** where such unlawful taking is committed by an **Employee** acting alone or in collusion with others.

   C. Definition 15. **Theft** is deleted in its entirety and replaced as follows:

      15. **Theft** means the unlawful taking of **Money, Securities** and **Other Property** to the deprivation of the **Named Entity** or any **Subsidiary.**

Must be Completed	
ENDT. NO.	POLICY NO. 0251241940

Complete Only When This Endorsement Is Not Prepared with the Policy or is Not to be Effective with the Policy	
ISSUED TO	EFFECTIVE DATE OF THIS ENDORSEMENT



3. Section III. EXCLUSIONS, Exclusion 11. is amended to add the following new language:

However, where it is established wholly apart from such computations that the **Named Entity Insureds** have sustained a loss covered under a covered loss, then the **Named Entity Insureds** may offer inventory records and an actual physical count of inventory in support of other evidences as to the amount of loss claimed.

4. Section IV. OTHER CONDITIONS, is amended as follows:

A. Paragraph 3. is deleted in its entirety and replaced as follows:

3. With respect to any **Plan** insured under this **Coverage Part** which is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as long as the **Named Entity** is not a **Plan**:

a. Any payment the Insurer makes to the **Named Entity, Subsidiary or Plan** for loss sustained by any **Plan** will be held by the **Named Entity, Subsidiary or Plan** for the use and benefit of the **Plan** sustaining the loss.

b. If two or more **Plans** are insured under this insurance, any payment the Insurer makes for loss:

i. sustained by two or more **Plans** or
ii. of commingled funds or other property of two or more **Plans**

is to be shared by each **Plan** sustaining loss in the proportion that the amount of insurance required for each such **Plan** under ERISA provisions bears to the total of those amounts.

c. The retention applicable to Insuring Agreement 1 does not apply.

d. The Limit of Insurance applicable to Insuring Agreement 1 must be at least equal to the minimum amount required by ERISA for any covered Employee Benefit Plans. If plans are insured jointly with any other entity under this Policy the Limit of Insurance must be at least equal to the minimum amount required by ERISA if each **Plan** were insured independently.

e. If, during the **Policy Period**, the **Plan** assets increase, resulting in a Limit of Insurance applicable to Insuring Agreement 1 that is less than the amount required under ERISA, then that Limit of Insurance will be automatically increased to a Limit of Insurance equal to 10% of the total assets for that **Plan**.

Must be Completed	
ENDT. NO.	POLICY NO. 0251241940

Complete Only When This Endorsement Is Not Prepared with the Policy or Is Not to be Effective with the Policy	
ISSUED TO	EFFECTIVE DATE OF THIS ENDORSEMENT



B. The following new section is added

- **Termination of Coverage as Respects Acts of Any Employee**

  Coverage as respects any **Employee** is terminated:

  a. immediately upon discovery by **Named Entity Insureds** or any partners, not in collusion with the **Employee,** of any dishonest act committed by that **Employee**:

     i. while employed by the **Named Entity,** any **Subsidiary** or **Plan**; or
     ii. prior to becoming employed by the **Named Entity,** any **Subsidiary** or **Plan,** provided dishonest acts committed prior to becoming employed by the **Named Entity,** any **Subsidiary** or **Plan,** resulted in a loss equal to or exceeding $10,000.

  b. on the date specified in the notice mailed to the **Named Entity**. That date will be at least 60 days after the date of mailing.

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy and expires concurrently with said Policy unless another effective date is shown below.

By Authorized Representative _____
(No signature is required if issued with the Policy or if it is effective on the Policy Effective Date)

Must be Completed	
ENDT. NO.	POLICY NO. 0251241940

Complete Only When This Endorsement Is Not Prepared with the Policy or Is Not to be Effective with the Policy	
ISSUED TO	EFFECTIVE DATE OF THIS ENDORSEMENT

IMPORTANT INFORMATION

FOR OUR FLORIDA COMMERCIAL LINES POLICYHOLDERS

Your policy premium includes a Florida Hurricane Catastrophe Fund surcharge.

Hurricanes Dennis, Katrina, Rita and Wilma, caused substantial property damage in Florida during the 2005 hurricane season. Certain of the hurricanes causing property damage in the 2005 hurricane season caused insured losses covered by the Fund. The State Board of Administration (BOARD) has determined that the amount of revenue produced under Section 215.555(5), Florida Statutes is insufficient to fund the obligations, costs, and expenses of the Florida Hurricane Catastrophe Fund (FUND) and the Florida Hurricane Catastrophe Fund Corporation (CORPORATION), including repayment of revenue bonds and that portion of the debt service coverage not met by reimbursement.

Pursuant to the provisions of S.215.555(6)(b), Florida Statutes, the Board has directed the Office of Insurance Regulation (OFFICE) to levy, by order, an emergency assessment on direct premiums for all property and casualty lines of business in this state, excluding policy premiums for workers compensation, accident and health, medical malpractice and the National Flood Insurance Program. This Order was released as Case No. 86203-06.

This assessment shall be collected from each property and casualty policyholder with a policy that is issued or renewed during an assessment period. An assessment period begins on January 1 and continues for twelve-months. The emergency assessment shall be assessed in each successive assessment period until further Order of the Office.

The Florida Hurricane Catastrophe Fund surcharge has been set at 1% of your premium.

If you have questions about this surcharge, please contact either your CNA agent or the Florida Office of Insurance Regulation.

455 Market Street
17th Floor
San Francisco, CA 94105

415-547-4400 *main*
415-547-4582 *fax*
www.acelimited.com

Westchester Specialty Insurance Services, Inc.

08/28/2012

AIS AFFINITY INSURANCE AGENCY INC
15303 VENTURA BLVD
12TH FLOOR
SHERMAN OAKS, CA 91403

ATTN: JULIE GRUNENWALD

RE: Insured Name: Community Associations Program

Policy No.: G24220631002
Company: Westchester Surplus Lines Insurance Co

X Enclosed please find the original and copies of the captioned policy. Please check to see that everything is in order, and let us know if there are any discrepancies or if you have any questions.

X Attached to this policy is the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC") Advisory Notice to Policyholder.

_ Enclosed please find the original and copies of Endorsement(s) for the captioned policy: Endorsement No.(s) .

_ In order to complete our file, please forward :

- _ A copy of the underlying Liability policy, including all subsequent endorsements and/or policy changes.
- _ A copy of the Lead Umbrella policy.
- _ Copies of the Declarations Pages for the underlying Liability policies
- _ Other:

_ Attached to this policy is the State Surplus Lines Notice.

X Please note that you are responsible for obtaining/supplying surplus lines information as shown on Form No. SLPD (03/08).

_ Other:

Thank you for working with us on the placement of this risk. We appreciate your support and look forward to working with you in the future.

Regards,

Diane M. Anzore

Diane M. Anzore
Assistant Vice President - Casualty Division

Please be advised that we do not review Certificates of Insurance issued by you, or by any party, relating to this policy of insurance either for content or accuracy. Accordingly, we request that you do not provide copies of certificates to us for review or for our records. Authority is granted to you for the limited purpose of issuing **unmodified ACORD Certificates (ACORD 25-S for Casualty and ACORD 24 for Property and Inland Marine) only.** It is your responsibility to see that any Certificate provides an accurate representation of the coverage form and endorsements applicable to this policy at the time the Certificate is issued. **Any modification of the approved ACORD forms specifically set forth above, or the issuance of a non-approved Certificate of Insurance ACORD or other is prohibited.** Certificates of Insurance are never recognized as endorsements or policy change requests. You must submit a separate written request if an endorsement or policy change (including but not limited to adding additional insureds, loss payees and mortgagees and/or alteration of notice requirements for cancellation) is requested. In the event a policy change is requested, the underwriter will advise if the request is acceptable to the Company.

One of the ACE Group of Insurance & Reinsurance Companies

Westchester Surplus Lines
INSURANCE COMPANY

11575 Great Oaks Way, Suite 200
Alpharetta, GA 30022

NOTICE

POLICY NO: G24220631002

NAME OF INSURED: Community Associations Program

ADDRESS: 200 East Randolph Street
Chicago, IL 60601

We are pleased to enclose your policy for this account.

Please be advised that by binding this risk with the above referenced Surplus Lines Insurance Company, you agree that as the Surplus Lines Broker responsible for the placement of this insurance policy, it is your obligation to comply with all States Surplus Lines Laws including completion of any declarations/affidavits that must be filed as well as payment of any and all Surplus Lines taxes that must be remitted to the State(s). We will look to you for indemnification if controlling Surplus Lines Laws are violated by you as the Surplus Lines Broker responsible for the placement.

You further confirm that any applicable state requirement concerning a diligent search for coverage by admitted carriers has been fulfilled in accordance with state law.

Thank you for this placement and your regulatory compliance.

Date: 08/28/2012



ACE Producer Compensation
Practices & Policies

ACE believes that policyholders should have access to information about ACE's practices and policies related to the payment of compensation to brokers and independent agents. You can obtain that information by accessing our website at http://www.aceproducercompensation.com or by calling the following toll-free telephone number: 1-866-512-2862.



QUESTIONS ABOUT YOUR INSURANCE?

Answers to questions about your insurance, coverage information, or assistance in resolving complaints can be obtained by contacting:

ACE Customer Support Services Department:
436 Walnut Street
Philadelphia, Pennsylvania 19106-3703

Telephone Number: 1-800-352-4462

The **Illinois Division of Insurance** may also be contacted for assistance. Insurance analysts are available to answer general questions by phone at our toll-free Consumer Assistance Hotline (866) 445-5364. **However, complaints must be submitted in writing.**

How to file a complaint with the Insurance Department:

Complaints may be submitted in the following ways:

- On-line at **www.ins.state.il.us** and by following the instructions posted.
- By fax: (217) 558-2083
- By mail: 320 W. Washington St. Springfield, IL 62767

Claims Directory
Primary General Liability and Auto

Claims or Loss Notices related to this policy should be reported to the following:

Claim Office	Email and Fax	Location
ACE Westchester Claims	First Notices Email: WSGCASCLAIMS@ACEGROUP.COM First Notices Fax: 215.640.5041 or 1.877.746.4686 General Correspondence Fax: 1-866-635-5688	P.O. Box 5119 Scranton, PA 18505-0549

RECORDING AND DISTRIBUTION OF MATERIAL OR INFORMATION IN VIOLATION OF LAW EXCLUSION ENDORSEMENT ADVISORY NOTICE TO POLICYHOLDERS

This Notice does not form a part of your insurance contract. No coverage is provided by this Notice, nor can it be construed to replace any provisions of your policy (including its endorsements). If there is any conflict between this Notice and the policy (including its endorsements), the provisions of the policy (including its endorsements) shall prevail.

Carefully read your policy, including the endorsements attached to your policy.

This Notice provides information concerning the following new endorsement, which applies to your renewal policy being issued by us:

Recording And Distribution Of Material Or Information In Violation Of Law Exclusion Endorsement
CG 00 68 05 09

This endorsement replaces the current Distribution Of Material In Violation Of Statutes Exclusion in your policy with a revised exclusion, newly titled Recording And Distribution Of Material Or Information In Violation Of Law Exclusion. The revised exclusion contains language that elaborates on the intent of the Distribution of Material In Violation Of Statutes Exclusion to reflect that, in addition to the TCPA and CAN-SPAM Act of 2003, the exclusion will more explicitly exclude liability coverage for bodily injury, property damage or personal and advertising injury arising out of any action or omission that violates, or is alleged to violate, the Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair and Accurate Credit Transactions Act (FACTA) and any other similar federal, state or local statute, ordinance or regulation concerning disposal and dissemination of personal information.

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ILLINOIS NOTICE TO POLICYHOLDERS REGARDING THE RELIGIOUS FREEDOM PROTECTION AND CIVIL UNION ACT

Dear Policyholder:

This is to provide notice that, pursuant to Illinois Department of Insurance Company Bulletin 2011-06 (CB 2011-06), this policy is in compliance with the Illinois Religious Freedom Protection and Civil Union Act ("the Act", 750 ILL. COMP. STAT. 75/1). The Act, which became effective on June 1, 2011, creates a legal relationship between two persons of either the same or opposite sex who establish a civil union.

The Act provides that parties to a civil union are entitled to the same legal obligations, responsibilities, protections and benefits that are afforded or recognized by the law of Illinois to spouses, whether they are derived from statute, administrative rule, policy, common law or any source of civil or criminal law. In addition, this law requires recognition of a same-sex civil union, marriage, or other substantially similar legal relationship, except for common law marriage, legally entered into in other jurisdictions. The Act further provides that "party to a civil union" shall be included in any definition or use of the terms "spouse", "family", "immediate family", "dependent", "next of kin" and other terms descriptive of spousal relationships as those terms are used throughout the law. According to CB 2011-06, this includes the terms "marriage" or "married" or any variations thereof. CB 2011-06 also states that if policies of insurance provide coverage for children, the children of civil unions must also be provided coverage.

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U.S. TREASURY DEPARTMENT'S OFFICE OF FOREIGN ASSETS CONTROL ("OFAC") ADVISORY NOTICE TO POLICYHOLDERS

No coverage is provided by this Policyholder Notice nor can it be construed to replace any provisions of your policy. You should read your policy and review your Declarations page for complete information on the coverages you are provided.

This Notice provides information concerning possible impact on your insurance coverage due to directives issued by OFAC. **Please read this Notice carefully.**

The Office of Foreign Assets Control (OFAC) administers and enforces sanctions policy, based on Presidential declarations of "national emergency". OFAC has identified and listed numerous:

- Foreign agents;
- Front organizations;
- Terrorists;
- Terrorist organizations; and
- Narcotics traffickers;

as "Specially Designated Nationals and Blocked Persons". This list can be located on the United States Treasury's web site – http//www.treas.gov/ofac.

In accordance with OFAC regulations, if it is determined that you or any other insured, or any person or entity claiming the benefits of this insurance has violated U.S. sanctions law or is a Specially Designated National and Blocked Person, as identified by OFAC, this insurance will be considered a blocked or frozen contract and all provisions of this insurance are immediately subject to OFAC. When an insurance policy is considered to be such a blocked or frozen contract, no payments nor premium refunds may be made without authorization from OFAC. Other limitations on the premiums and payments also apply.

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Policy Declarations

Policy No: G24220631002	Renewal of: G24220631001

NAMED INSURED & MAILING ADDRESS

Community Associations Program

200 East Randolph Street
Chicago, IL 60601

POLICY PERIOD

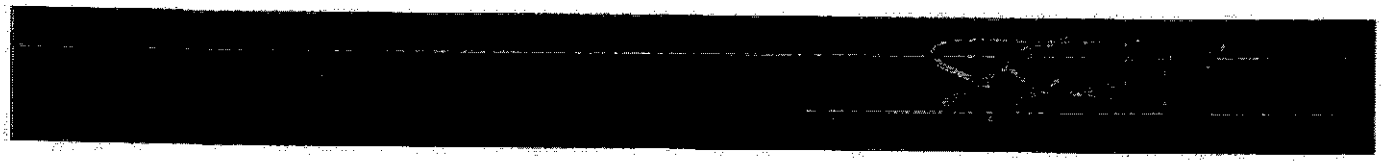
When Coverage Begins:	08/01/2012	12:01 A.M. Local Time At Named Insured's Address
When Coverage Ends:	08/01/2013	12:01 A.M. Local Time At Named Insured's Address

INSURING COMPANY	Producer's Name & Address:
Westchester Surplus Lines Insurance Co	AIS AFFINITY INSURANCE AGENCY INC 15303 VENTURA BLVD 12TH FLOOR SHERMAN OAKS CA 91403 Producer No.278375

This contract is issued, pursuant to Section 445 of the Illinois Insurance Code, by a company not authorized and licensed to transact business in Illinois and as such is not covered by the Illinois Insurance Guaranty Fund.

ATTACHED FORMS

This policy is completed by the following: WSG 054 (01/10) and forms and endorsements attached thereto.



Commercial General Liability Policy Declarations

Policy No: G24220631002	Renewal of: G24220631001

Item 1. NAMED INSURED & MAILING ADDRESS

Community Associations Program

200 East Randolph Street
Chicago, IL 60601

Item 2. POLICY PERIOD

When Coverage Begins:	08/01/2012	12:01 A.M. Local Time At Named Insured's Address
When Coverage Ends:	08/01/2013	12:01 A.M. Local Time At Named Insured's Address

Item 3.

INSURING COMPANY	Producer's Name & Address:
Westchester Surplus Lines Insurance Co	AIS AFFINITY INSURANCE AGENCY INC 15303 VENTURA BLVD 12TH FLOOR SHERMAN OAKS CA 91403 Producer No. 278375

Item 4. LIMITS OF INSURANCE

A.	**EACH OCCURRENCE LIMIT**	$ 1,000,000	
	DAMAGE TO PREMISES RENTED TO YOU	$ 100,000	Any One Premises
	MEDICAL EXPENSE LIMIT	$ 5,000	Any One Person
B.	**PERSONAL & ADVERTISING INJURY LIMIT**	$ 1,000,000	Any One Person Or Organization
C.	**GENERAL AGGREGATE LIMIT** (OTHER THAN PRODUCTS/COMPLETED OPERATIONS)	$ 2,000,000	
D.	**PRODUCTS/COMPLETED OPERATIONS AGGREGATE LIMIT**	$ 2,000,000	

Item 5. ATTACHED FORMS

Endorsements as Listed on Schedule of Endorsements No. CPFS2

Commercial General Liability Policy Declarations

Policy No: G24220631002	Renewal of: G24220631001

Item 6.

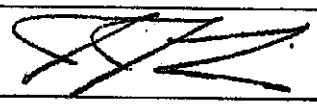
PREMIUM ☐ FLAT (except for acquisitions)
☒ ADJUSTABLE
Minumum Premium Applies ☒ Yes ☐ No

Advance Premium:	$322,858.00	Rate: See Rates Schedule Endorsement - GLE 0033 (01/99)
Total Amount Due:	$322,858.00	Estimated Exposure: 18,025 Single Family Units 3,144 Multi Family Units 64 Pools 102 Associations

Item 7.

Authorization Information

Countersigned by:



Forms Schedule

SYM: GLW **Policy ID:** G24220631002

Company: Westchester Surplus Lines Insurance Co

Policy Period

When Coverage Begins: 08/01/2012 12:01 A.M. Standard Time At Named Insured's Address

When Coverage Ends: 08/01/2013 12:01 A.M. Standard Time At Named Insured's Address

Form Number	Form Title
SLPD (03/08)	Policy Declarations
WSG 054 (01/10)	Commercial General Liability Policy Declarations
LD-5S23i (12/11)	Signature Endorsement
CG 00 01 (12/07)	Commercial General Liability Coverage Form
IL 00 17 (11/98)	Common Policy Conditions
ALL-21101 (11/06)	Trade Or Economic Sanctions Endorsement
CG 20 04 (11/85)	Additional Insured - Condominium Unit Owners
CG 20 26 (07/04)	Additional Insured - Designated Person Or Organization
CG 21 70 (01/08)	Cap On Losses From Certified Acts Of Terrorism
CG 25 04 (05/09)	Designated Location(s) General Aggregate Limit
GLE0027 (08/98)	Employee Benefits Liability Endorsement
GLE0033 (01/99)	Rates Schedule Endorsement
GLE0037 (06/99)	Hired And Non-Owned Auto Liability Coverage
GLE0052 (02/07)	Minimum Earned Premium Provision
IL 01 47 (09/11)	ILLINOIS CIVIL UNION
IL 09 85 (01/08)	Disclosure Pursuant To Terrorism Risk Insurance Act
CG 00 68 (05/09)	Recording And Distribution of Material or Information In Violation of Law Exclusion
CG 21 16 (07/98)	Exclusion - Designated Professional Services
CG 21 34 (01/87)	Exclusion - Designated Work
CG 21 41 (11/85)	Exclusion - Intercompany Products Suits
CG 21 44 (07/98)	Limitation Of Coverage To Designated Premises Or Project
CG 21 46 (07/98)	Abuse Or Molestation Exclusion
CG 21 47 (12/07)	Employment-Related Practices Exclusion
CG 21 54 (01/96)	Exclusion - Designated Operations Covered By A Consolidated (Wrap-Up) Insurance Program
CG 21 65 (12/04)	Total Pollution Exclusion With A Building Heating Equipment Exception And A Hostile Fire Exception
CG 21 67 (12/04)	Fungi Or Bacteria Exclusion
CG 21 96 (03/05)	Silica Or Silica Related Dust Exclusion

Forms Schedule

SYM: GLW **Policy ID:** G24220631002

Company: Westchester Surplus Lines Insurance Co

Policy Period

When Coverage Begins:	08/01/2012	12:01 A.M. Standard Time At Named Insured's Address
When Coverage Ends:	08/01/2013	12:01 A.M. Standard Time At Named Insured's Address

Form Number	Form Title
CG 22 34 (07/98)	Exclusion - Construction Management Errors And Omissions
CG 22 43 (07/98)	Exclusion - Engineers, Architects Or Surveyors Professional Liability
CG 22 94 (10/01)	Exclusion - Damage To Work Performed By Subcontractors On Your Behalf
GLX0001 (01/96)	Discrimination Exclusion
GLX0011 (06/99)	Exclusion - Designated Entity
IL 00 21 (09/08)	Nuclear Energy Liability Exclusion Endorsement (Broad Form)
MANA 0087 (05/02)	Exterior Insulation And Finish System Exclusion (EFIS)
ULX0005 (01/97)	Lead Exclusion
ULX0006 (04/98)	Absolute Asbestos Exclusion
XS-2X35c (11/11)	Service of Suit Endorsement - Illinois
MS 2728 (07/11)	Exclusion - Animals
MS 3367 (08/11)	Imported Building Materials Exclusion

Named Insured Community Associations Program			Endorsement Number
Policy Symbol GLW	Policy Number G24220631002	Policy Period 08/01/2012 to 08/01/2013	Effective Date of Endorsement 08/01/2012
Insured By (Name of Insurance Company) Westchester Surplus Lines Insurance Co			

SIGNATURE ENDORSEMENT

THE ONLY SIGNATURES APPLICABLE TO THIS POLICY ARE THOSE REPRESENTING THE COMPANY NAMED ON THE FIRST PAGE OF THE DECLARATIONS.

By signing and delivering the policy to you, we state that it is a valid contract when countersigned by our authorized representative.

ILLINOIS UNION INSURANCE COMPANY (A stock company)
525 W. Monroe Street, Suite 400, Chicago, Illinois 60661

WESTCHESTER SURPLUS LINES INSURANCE COMPANY (A stock company)
Royal Centre Two, 11575 Great Oaks Way, Suite 200, Alpharetta, GA 30022

CARMINE A. GIGANTI, Secretary

JOHN J. LUPICA, President

Authorized Representative

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

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

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations, and any other person or organization qualifying as a Named Insured under this policy. The words "we", "us" and "our" refer to the company providing this insurance.

The word "insured" means any person or organization qualifying as such under Section **II** – Who Is An Insured.

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

SECTION I – COVERAGES

COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY

1. Insuring Agreement

   a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury" or "property damage" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "bodily injury" or "property damage" to which this insurance does not apply. We may, at our discretion, investigate any "occurrence" and settle any claim or "suit" that may result. But:

      (1) The amount we will pay for damages is limited as described in Section **III** – Limits Of Insurance; and

      (2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages **A** or **B** or medical expenses under Coverage **C**.

      No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments – Coverages **A** and **B**.

   b. This insurance applies to "bodily injury" and "property damage" only if:

      (1) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory";

      (2) The "bodily injury" or "property damage" occurs during the policy period; and

      (3) Prior to the policy period, no insured listed under Paragraph 1. of Section II – Who Is An Insured and no "employee" authorized by you to give or receive notice of an "occurrence" or claim, knew that the "bodily injury" or "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "bodily injury" or "property damage" occurred, then any continuation, change or resumption of such "bodily injury" or "property damage" during or after the policy period will be deemed to have been known prior to the policy period.

   c. "Bodily injury" or "property damage" which occurs during the policy period and was not, prior to the policy period, known to have occurred by any insured listed under Paragraph 1. of Section **II** – Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim, includes any continuation, change or resumption of that "bodily injury" or "property damage" after the end of the policy period.

   d. "Bodily injury" or "property damage" will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraph 1. of Section **II** – Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim:

      (1) Reports all, or any part, of the "bodily injury" or "property damage" to us or any other insurer;

      (2) Receives a written or verbal demand or claim for damages because of the "bodily injury" or "property damage"; or

      (3) Becomes aware by any other means that "bodily injury" or "property damage" has occurred or has begun to occur.

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e. Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".

2. **Exclusions**

This insurance does not apply to:

a. **Expected Or Intended Injury**

"Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" resulting from the use of reasonable force to protect persons or property.

b. **Contractual Liability**

"Bodily injury" or "property damage" for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages:

(1) That the insured would have in the absence of the contract or agreement; or

(2) Assumed in a contract or agreement that is an "insured contract", provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed in an "insured contract", reasonable attorney fees and necessary litigation expenses incurred by or for a party other than an insured are deemed to be damages because of "bodily injury" or "property damage", provided:

(a) Liability to such party for, or for the cost of, that party's defense has also been assumed in the same "insured contract"; and

(b) Such attorney fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which damages to which this insurance applies are alleged.

c. **Liquor Liability**

"Bodily injury" or "property damage" for which any insured may be held liable by reason of:

(1) Causing or contributing to the intoxication of any person;

(2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or

(3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies only if you are in the business of manufacturing, distributing, selling, serving or furnishing alcoholic beverages.

d. **Workers' Compensation And Similar Laws**

Any obligation of the insured under a workers' compensation, disability benefits or unemployment compensation law or any similar law.

e. **Employer's Liability**

"Bodily injury" to:

(1) An "employee" of the insured arising out of and in the course of:

(a) Employment by the insured; or

(b) Performing duties related to the conduct of the insured's business; or

(2) The spouse, child, parent, brother or sister of that "employee" as a consequence of Paragraph (1) above.

This exclusion applies whether the insured may be liable as an employer or in any other capacity and to any obligation to share damages with or repay someone else who must pay damages because of the injury.

This exclusion does not apply to liability assumed by the insured under an "insured contract".

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f. **Pollution**

(1) "Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":

(a) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any insured. However, this subparagraph does not apply to:

(i) "Bodily injury" if sustained within a building and caused by smoke, fumes, vapor or soot produced by or originating from equipment that is used to heat, cool or dehumidify the building, or equipment that is used to heat water for personal use, by the building's occupants or their guests;

(ii) "Bodily injury" or "property damage" for which you may be held liable, if you are a contractor and the owner or lessee of such premises, site or location has been added to your policy as an additional insured with respect to your ongoing operations performed for that additional insured at that premises, site or location and such premises, site or location is not and never was owned or occupied by, or rented or loaned to, any insured, other than that additional insured; or

(iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire";

(b) At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;

(c) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for:

(i) Any insured; or

(ii) Any person or organization for whom you may be legally responsible; or

(d) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the "pollutants" are brought on or to the premises, site or location in connection with such operations by such insured, contractor or subcontractor. However, this subparagraph does not apply to:

(i) "Bodily injury" or "property damage" arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of "mobile equipment" or its parts, if such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them. This exception does not apply if the "bodily injury" or "property damage" arises out of the intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged, dispersed or released as part of the operations being performed by such insured, contractor or subcontractor;

(ii) "Bodily injury" or "property damage" sustained within a building and caused by the release of gases, fumes or vapors from materials brought into that building in connection with operations being performed by you or on your behalf by a contractor or subcontractor; or

(iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire".

(e) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants".

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(2) Any loss, cost or expense arising out of any:

(a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or

(b) Claim or "suit" by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

However, this paragraph does not apply to liability for damages because of "property damage" that the insured would have in the absence of such request, demand, order or statutory or regulatory requirement, or such claim or "suit" by or on behalf of a governmental authority.

g. Aircraft, Auto Or Watercraft

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft owned or operated by or rented or loaned to any insured. Use includes operation and "loading or unloading".

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft that is owned or operated by or rented or loaned to any insured.

This exclusion does not apply to:

(1) A watercraft while ashore on premises you own or rent;

(2) A watercraft you do not own that is:

(a) Less than 26 feet long; and

(b) Not being used to carry persons or property for a charge;

(3) Parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the insured;

(4) Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft or watercraft; or

(5) "Bodily injury" or "property damage" arising out of:

(a) The operation of machinery or equipment that is attached to, or part of, a land vehicle that would qualify under the definition of "mobile equipment" if it were not subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state where it is licensed or principally garaged; or

(b) the operation of any of the machinery or equipment listed in Paragraph **f.(2)** or **f.(3)** of the definition of "mobile equipment".

h. Mobile Equipment

"Bodily injury" or "property damage" arising out of:

(1) The transportation of "mobile equipment" by an "auto" owned or operated by or rented or loaned to any insured; or

(2) The use of "mobile equipment" in, or while in practice for, or while being prepared for, any prearranged racing, speed, demolition, or stunting activity.

i. War

"Bodily injury" or "property damage", however caused, arising, directly or indirectly, out of:

(1) War, including undeclared or civil war;

(2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or

(3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

j. Damage To Property

"Property damage" to:

(1) Property you own, rent, or occupy, including any costs or expenses incurred by you, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;

(2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;

(3) Property loaned to you;

(4) Personal property in the care, custody or control of the insured;

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(5) That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the "property damage" arises out of those operations; or

(6) That particular part of any property that must be restored, repaired or replaced be cause "your work" was incorrectly performed on it.

Paragraphs (1), (3) and (4) of this exclusion do not apply to "property damage" (other than damage by fire) to premises, including the contents of such premises, rented to you for a period of 7 or fewer consecutive days. A separate limit of insurance applies to Damage To Premises Rented To You as described in Section III – Limits Of Insurance.

Paragraph (2) of this exclusion does not apply if the premises are "your work" and were never occupied, rented or held for rental by you.

Paragraphs (3), (4), (5) and (6) of this exclusion do not apply to liability assumed under a side track agreement.

Paragraph (6) of this exclusion does not apply to "property damage" included in the "products-completed operations hazard".

k. **Damage To Your Product**

"Property damage" to "your product" arising out of it or any part of it.

l. **Damage To Your Work**

"Property damage" to "your work" arising out of it or any part of it and included in the "products-completed operations hazard".

This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor.

m. **Damage To Impaired Property Or Property Not Physically Injured**

"Property damage" to "impaired property" or property that has not been physically injured, arising out of:

(1) A defect, deficiency, inadequacy or dangerous condition in "your product" or "your work"; or

(2) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to "your product" or "your work" after it has been put to its intended use.

n. **Recall Of Products, Work Or Impaired Property**

Damages claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

(1) "Your product";

(2) "Your work"; or

(3) "Impaired property";

if such product, work, or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

o. **Personal And Advertising Injury**

"Bodily injury" arising out of "personal and advertising injury".

p. **Electronic Data**

Damages arising out of the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

As used in this exclusion, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

q. **Distribution Of Material In Violation Of Statutes**

"Bodily injury" or "property damage" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

(1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law; or

(2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law; or

(3) Any statute, ordinance or regulation, other than the TCPA or CAN-SPAM Act of 2003, that prohibits or limits the sending, transmitting, communicating or distribution of material or information.

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Exclusions c. through n. do not apply to damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner. A separate limit of insurance applies to this coverage as described in Section III – Limits Of Insurance.

COVERAGE B PERSONAL AND ADVERTISING INJURY LIABILITY

1. **Insuring Agreement**

   a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "personal and advertising injury" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "personal and advertising injury" to which this insurance does not apply. We may, at our discretion, investigate any offense and settle any claim or "suit" that may result. But:

      (1) The amount we will pay for damages is limited as described in Section III – Limits Of Insurance; and

      (2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages **A** or **B** or medical expenses under Coverage **C**.

      No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments – Coverages **A** and **B**.

   b. This insurance applies to "personal and advertising injury" caused by an offense arising out of your business but only if the offense was committed in the "coverage territory" during the policy period.

2. **Exclusions**

   This insurance does not apply to:

   a. **Knowing Violation Of Rights Of Another**

      "Personal and advertising injury" caused by or at the direction of the insured with the knowledge that the act would violate the rights of another and would inflict "personal and advertising injury".

   b. **Material Published With Knowledge Of Falsity**

      "Personal and advertising injury" arising out of oral or written publication of material, if done by or at the direction of the insured with knowledge of its falsity.

   c. **Material Published Prior To Policy Period**

      "Personal and advertising injury" arising out of oral or written publication of material whose first publication took place before the beginning of the policy period.

   d. **Criminal Acts**

      "Personal and advertising injury" arising out of a criminal act committed by or at the direction of the insured.

   e. **Contractual Liability**

      "Personal and advertising injury" for which the insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement.

   f. **Breach Of Contract**

      "Personal and advertising injury" arising out of a breach of contract, except an implied contract to use another's advertising idea in your "advertisement".

   g. **Quality Or Performance Of Goods – Failure To Conform To Statements**

      "Personal and advertising injury" arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your "advertisement".

   h. **Wrong Description Of Prices**

      "Personal and advertising injury" arising out of the wrong description of the price of goods, products or services stated in your "advertisement".

   i. **Infringement Of Copyright, Patent, Trademark Or Trade Secret**

      "Personal and advertising injury" arising out of the infringement of copyright, patent, trademark, trade secret or other intellectual property rights. Under this exclusion, such other intellectual property rights do not include the use of another's advertising idea in your "advertisement".

      However, this exclusion does not apply to infringement, in your "advertisement", of copyright, trade dress or slogan.

   j. **Insureds In Media And Internet Type Businesses**

      "Personal and advertising injury" committed by an insured whose business is:

      (1) Advertising, broadcasting, publishing or telecasting;

      (2) Designing or determining content of web-sites for others; or

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(3) An Internet search, access, content or service provider.

However, this exclusion does not apply to Paragraphs 14.a., b. and c. of "personal and advertising injury" under the Definitions Section.

For the purposes of this exclusion, the placing of frames, borders or links, or advertising, for you or others anywhere on the Internet, is not by itself, considered the business of advertising, broadcasting, publishing or telecasting.

k. **Electronic Chatrooms Or Bulletin Boards**

"Personal and advertising injury" arising out of an electronic chatroom or bulletin board the insured hosts, owns, or over which the insured exercises control.

l. **Unauthorized Use Of Another's Name Or Product**

"Personal and advertising injury" arising out of the unauthorized use of another's name or product in your e-mail address, domain name or metatag, or any other similar tactics to mislead another's potential customers.

m. **Pollution**

"Personal and advertising injury" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time.

n. **Pollution-Related**

Any loss, cost or expense arising out of any:

(1) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or

(2) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

o. **War**

"Personal and advertising injury", however caused, arising, directly or indirectly, out of:

(1) War, including undeclared or civil war;

(2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or

(3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

p. **Distribution Of Material In Violation Of Statutes**

"Personal and advertising injury" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

(1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law; or

(2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law; or

(3) Any statute, ordinance or regulation, other than the TCPA or CAN-SPAM Act of 2003, that prohibits or limits the sending, transmitting, communicating or distribution of material or information.

COVERAGE C MEDICAL PAYMENTS

1. **Insuring Agreement**

a. We will pay medical expenses as described below for "bodily injury" caused by an accident:

(1) On premises you own or rent;

(2) On ways next to premises you own or rent; or

(3) Because of your operations;

provided that:

(a) The accident takes place in the "coverage territory" and during the policy period;

(b) The expenses are incurred and reported to us within one year of the date of the accident; and

(c) The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.

b. We will make these payments regardless of fault. These payments will not exceed the applicable limit of insurance. We will pay reasonable expenses for:

(1) First aid administered at the time of an accident;

(2) Necessary medical, surgical, x-ray and dental services, including prosthetic devices; and

(3) Necessary ambulance, hospital, professional nursing and funeral services.

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2. **Exclusions**

We will not pay expenses for "bodily injury":

a. **Any Insured**

To any insured, except "volunteer workers".

b. **Hired Person**

To a person hired to do work for or on behalf of any insured or a tenant of any insured.

c. **Injury On Normally Occupied Premises**

To a person injured on that part of premises you own or rent that the person normally occupies.

d. **Workers Compensation And Similar Laws**

To a person, whether or not an "employee" of any insured, if benefits for the "bodily injury" are payable or must be provided under a workers' compensation or disability benefits law or a similar law.

e. **Athletics Activities**

To a person injured while practicing, instructing or participating in any physical exercises or games, sports, or athletic contests.

f. **Products-Completed Operations Hazard**

Included within the "products-completed operations hazard".

g. **Coverage A Exclusions**

Excluded under Coverage A.

SUPPLEMENTARY PAYMENTS – COVERAGES A AND B

1. We will pay, with respect to any claim we investigate or settle, or any "suit" against an insured we defend:

a. All expenses we incur.

b. Up to $250 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the Bodily Injury Liability Coverage applies. We do not have to furnish these bonds.

c. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.

d. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to $250 a day because of time off from work.

e. All court costs taxed against the insured in the "suit". However, these payments do not include attorneys' fees or attorneys' expenses taxed against the insured.

f. Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer.

g. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

These payments will not reduce the limits of insurance.

2. If we defend an insured against a "suit" and an indemnitee of the insured is also named as a party to the "suit", we will defend that indemnitee if all of the following conditions are met:

a. The "suit" against the indemnitee seeks damages for which the insured has assumed the liability of the indemnitee in a contract or agreement that is an "insured contract";

b. This insurance applies to such liability assumed by the insured;

c. The obligation to defend, or the cost of the defense of, that indemnitee, has also been assumed by the insured in the same "insured contract";

d. The allegations in the "suit" and the information we know about the "occurrence" are such that no conflict appears to exist between the interests of the insured and the interests of the indemnitee;

e. The indemnitee and the insured ask us to conduct and control the defense of that indemnitee against such "suit" and agree that we can assign the same counsel to defend the insured and the indemnitee; and

f. The indemnitee:

(1) Agrees in writing to:

(a) Cooperate with us in the investigation, settlement or defense of the "suit";

(b) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "suit";

(c) Notify any other insurer whose coverage is available to the indemnitee; and

(d) Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee; and

(2) Provides us with written authorization to:

(a) Obtain records and other information related to the "suit"; and

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(b) Conduct and control the defense of the indemnitee in such "suit".

So long as the above conditions are met, attorneys' fees incurred by us in the defense of that indemnitee, necessary litigation expenses incurred by us and necessary litigation expenses incurred by the indemnitee at our request will be paid as Supplementary Payments. Notwithstanding the provisions of Paragraph 2.b.(2) of Section I – Coverage A – Bodily Injury And Property Damage Liability, such payments will not be deemed to be damages for "bodily injury" and "property damage" and will not reduce the limits of insurance.

Our obligation to defend an insured's indemnitee and to pay for attorneys' fees and necessary litigation expenses as Supplementary Payments ends when we have used up the applicable limit of insurance in the payment of judgments or settlements or the conditions set forth above, or the terms of the agreement described in Paragraph f. above, are no longer met.

SECTION II – WHO IS AN INSURED

1. If you are designated in the Declarations as:
   a. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
   b. A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.
   c. A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.
   d. An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.
   e. A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.
2. Each of the following is also an insured:
   a. Your "volunteer workers" only while performing duties related to the conduct of your business, or your "employees", other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, none of these "employees" or "volunteer workers" are insureds for:
      (1) "Bodily injury" or "personal and advertising injury":
         (a) To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), to a co-"employee" while in the course of his or her employment or performing duties related to the conduct of your business, or to your other "volunteer workers" while performing duties related to the conduct of your business;
         (b) To the spouse, child, parent, brother or sister of that co-"employee" or "volunteer worker" as a consequence of Paragraph (1)(a) above;
         (c) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraphs (1)(a) or (b) above; or
         (d) Arising out of his or her providing or failing to provide professional health care services.
      (2) "Property damage" to property:
         (a) Owned, occupied or used by,
         (b) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by

      you, any of your "employees", "volunteer workers", any partner or member (if you are a partnership or joint venture), or any member (if you are a limited liability company).

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b. Any person (other than your "employee" or "volunteer worker"), or any organization while acting as your real estate manager.

c. Any person or organization having proper temporary custody of your property if you die, but only:

(1) With respect to liability arising out of the maintenance or use of that property; and

(2) Until your legal representative has been appointed.

d. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Coverage Part.

3. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:

a. Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the policy period, whichever is earlier;

b. Coverage A does not apply to "bodily injury" or "property damage" that occurred before you acquired or formed the organization; and

c. Coverage B does not apply to "personal and advertising injury" arising out of an offense committed before you acquired or formed the organization.

No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

SECTION III – LIMITS OF INSURANCE

1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:

a. Insureds;

b. Claims made or "suits" brought; or

c. Persons or organizations making claims or bringing "suits".

2. The General Aggregate Limit is the most we will pay for the sum of:

a. Medical expenses under Coverage C;

b. Damages under Coverage A, except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard"; and

c. Damages under Coverage B.

3. The Products-Completed Operations Aggregate Limit is the most we will pay under Coverage A for damages because of "bodily injury" and "property damage" included in the "products-completed operations hazard".

4. Subject to Paragraph 2. above, the Personal and Advertising Injury Limit is the most we will pay under Coverage B for the sum of all damages because of all "personal and advertising injury" sustained by any one person or organization.

5. Subject to Paragraph 2. or 3. above, whichever applies, the Each Occurrence Limit is the most we will pay for the sum of:

a. Damages under Coverage A; and

b. Medical expenses under Coverage C

because of all "bodily injury" and "property damage" arising out of any one "occurrence".

6. Subject to Paragraph 5. above, the Damage To Premises Rented To You Limit is the most we will pay under Coverage A for damages because of "property damage" to any one premises, while rented to you, or in the case of damage by fire, while rented to you or temporarily occupied by you with permission of the owner.

7. Subject to Paragraph 5. above, the Medical Expense Limit is the most we will pay under Coverage C for all medical expenses because of "bodily injury" sustained by any one person.

The Limits of Insurance of this Coverage Part apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS

1. **Bankruptcy**

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this Coverage Part.

2. **Duties In The Event Of Occurrence, Offense, Claim Or Suit**

a. You must see to it that we are notified as soon as practicable of an "occurrence" or an offense which may result in a claim. To the extent possible, notice should include:

(1) How, when and where the "occurrence" or offense took place;

(2) The names and addresses of any injured persons and witnesses; and

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(3) The nature and location of any injury or damage arising out of the "occurrence" or offense.

b. If a claim is made or "suit" is brought against any insured, you must:

(1) Immediately record the specifics of the claim or "suit" and the date received; and

(2) Notify us as soon as practicable.

You must see to it that we receive written notice of the claim or "suit" as soon as practicable.

c. You and any other involved insured must:

(1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";

(2) Authorize us to obtain records and other information;

(3) Cooperate with us in the investigation or settlement of the claim or defense against the "suit"; and

(4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury or damage to which this insurance may also apply.

d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

3. Legal Action Against Us

No person or organization has a right under this Coverage Part:

a. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or

b. To sue us on this Coverage Part unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured; but we will not be liable for damages that are not payable under the terms of this Coverage Part or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

4. Other Insurance

If other valid and collectible insurance is available to the insured for a loss we cover under Coverages **A** or **B** of this Coverage Part, our obligations are limited as follows:

a. **Primary Insurance**

This insurance is primary except when Paragraph b. below applies. If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in Paragraph c. below.

b. **Excess Insurance**

(1) This insurance is excess over:

(a) Any of the other insurance, whether primary, excess, contingent or on any other basis:

(i) That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for "your work";

(ii) That is Fire insurance for premises rented to you or temporarily occupied by you with permission of the owner;

(iii) That is insurance purchased by you to cover your liability as a tenant for "property damage" to premises rented to you or temporarily occupied by you with permission of the owner; or

(iv) If the loss arises out of the maintenance or use of aircraft, "autos" or watercraft to the extent not subject to Exclusion g. of Section I – Coverage **A** – Bodily Injury And Property Damage Liability.

(b) Any other primary insurance available to you covering liability for damages arising out of the premises or operations, or the products and completed operations, for which you have been added as an additional insured by attachment of an endorsement.

(2) When this insurance is excess, we will have no duty under Coverages **A** or **B** to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

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(3) When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

(a) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and

(b) The total of all deductible and self-insured amounts under all that other insurance.

(4) We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Coverage Part.

c. **Method Of Sharing**

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

5. **Premium Audit**

a. We will compute all premiums for this Coverage Part in accordance with our rules and rates.

b. Premium shown in this Coverage Part as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period and send notice to the first Named Insured. The due date for audit and retrospective premiums is the date shown as the due date on the bill. If the sum of the advance and audit premiums paid for the policy period is greater than the earned premium, we will return the excess to the first Named Insured.

c. The first Named Insured must keep records of the information we need for premium computation, and send us copies at such times as we may request.

6. **Representations**

By accepting this policy, you agree:

a. The statements in the Declarations are accurate and complete;

b. Those statements are based upon representations you made to us; and

c. We have issued this policy in reliance upon your representations.

7. **Separation Of Insureds**

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this Coverage Part to the first Named Insured, this insurance applies:

a. As if each Named Insured were the only Named Insured; and

b. Separately to each insured against whom claim is made or "suit" is brought.

8. **Transfer Of Rights Of Recovery Against Others To Us**

If the insured has rights to recover all or part of any payment we have made under this Coverage Part, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them.

9. **When We Do Not Renew**

If we decide not to renew this Coverage Part, we will mail or deliver to the first Named Insured shown in the Declarations written notice of the nonrenewal not less than 30 days before the expiration date.

If notice is mailed, proof of mailing will be sufficient proof of notice.

SECTION V – DEFINITIONS

1. "Advertisement" means a notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters. For the purposes of this definition:

a. Notices that are published include material placed on the Internet or on similar electronic means of communication; and

b. Regarding web-sites, only that part of a web-site that is about your goods, products or services for the purposes of attracting customers or supporters is considered an advertisement.

2. "Auto" means:

a. A land motor vehicle, trailer or semitrailer designed for travel on public roads, including any attached machinery or equipment; or

b. Any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state where it is licensed or principally garaged.

However, "auto" does not include "mobile equipment".

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3. "Bodily injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.

4. "Coverage territory" means:

   a. The United States of America (including its territories and possessions), Puerto Rico and Canada;

   b. International waters or airspace, but only if the injury or damage occurs in the course of travel or transportation between any places included in Paragraph a. above; or

   c. All other parts of the world if the injury or damage arises out of:

      (1) Goods or products made or sold by you in the territory described in Paragraph a. above;

      (2) The activities of a person whose home is in the territory described in Paragraph a. above, but is away for a short time on your business; or

      (3) "Personal and advertising injury" offenses that take place through the Internet or similar electronic means of communication

   provided the insured's responsibility to pay damages is determined in a "suit" on the merits, in the territory described in Paragraph a. above or in a settlement we agree to.

5. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".

6. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.

7. "Hostile fire" means one which becomes uncontrollable or breaks out from where it was intended to be.

8. "Impaired property" means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:

   a. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or

   b. You have failed to fulfill the terms of a contract or agreement;

   if such property can be restored to use by the repair, replacement, adjustment or removal of "your product" or "your work" or your fulfilling the terms of the contract or agreement.

9. "Insured contract" means:

   a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";

   b. A sidetrack agreement;

   c. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;

   d. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;

   e. An elevator maintenance agreement;

   f. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

      Paragraph f. does not include that part of any conntract or agreement:

      (1) That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, roadbeds, tunnel, underpass or crossing;

      (2) That indemnifies an architect, engineer or surveyor for injury or damage arising out of

         (a) Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or

         (b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or

      (3) Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in (2) above and supervisory, inspection, architectural or engineering activities.

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10. "Leased worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".

11. "Loading or unloading" means the handling of property:

    a. After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "auto";

    b. While it is in or on an aircraft, watercraft or "auto"; or

    c. While it is being moved from an aircraft, water craft or "auto" to the place where it is finally delivered;

    but "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or "auto".

12. "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:

    a. Buildozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;

    b. Vehicles maintained for use solely on or next to premises you own or rent;

    c. Vehicles that travel on crawler treads;

    d. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:

        (1) Power cranes, shovels, loaders, diggers or drills; or

        (2) Road construction or resurfacing equipment such as graders, scrapers or rollers;

    e. Vehicles not described in Paragraph a., b., c. or d. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:

        (1) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or

        (2) Cherry pickers and similar devices used to raise or lower workers;

    f. Vehicles not described in Paragraph a., b., c. or d. above maintained primarily for purposes other than the transportation of persons or cargo.

    However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":

    (1) Equipment designed primarily for:

        (a) Snow removal;

        (b) Road maintenance, but not construction or resurfacing; or

        (c) Street cleaning;

    (2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and

    (3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

    However, "mobile equipment" does not include any land vehicles that are subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state where it is licensed or principally garaged. Land vehicles subject to a compulsory or financial responsibility law or other motor vehicle insurance law are considered "autos".

13. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.

14. "Personal and advertising injury" means injury, including consequential "bodily injury", arising out of one or more of the following offenses:

    a. False arrest, detention or imprisonment;

    b. Malicious prosecution;

    c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;

    d. Oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;

    e. Oral or written publication, in any manner, of material that violates a person's right of privacy;

    f. The use of another's advertising idea in your "advertisement"; or

    g. Infringing upon another's copyright, trade dress or slogan in your "advertisement".

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15. "Pollutants" mean any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

16. "Products-completed operations hazard":

    a. Includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:

        (1) Products that are still in your physical posses sion; or

        (2) Work that has not yet been completed or abandoned. However, "your work" will be deemed completed at the earliest of the following times:

            (a) When all of the work called for in your contract has been completed.

            (b) When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site.

            (c) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

        Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

    b. Does not include "bodily injury" or "property damage" arising out of:

        (1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the "loading or unloading" of that vehicle by any insured;

        (2) The existence of tools, uninstalled equipment or abandoned or unused materials; or

        (3) Products or operations for which the classification, listed in the Declarations or in a policy schedule, states that products-completed operations are subject to the General Aggregate Limit.

17. "Property damage" means:

    a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or

    b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurence" that caused it.

    For the purposes of this insurance, electronic data is not tangible property.

    As used in this definition, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

18. "Suit" means a civil proceeding in which damages because of "bodily injury", "property damage" or "personal and advertising injury" to which this insurance applies are alleged. "Suit" includes:

    a. An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or

    b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.

19. "Temporary worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.

20. "Volunteer worker" means a person who is not your "employee", and who donates his or her work and acts at the direction of and within the scope of duties determined by you, and is not paid a fee, salary or other compensation by you or anyone else for their work performed for you.

21. "Your product":

    a. Means:

        (1) Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:

            (a) You;

            (b) Others trading under your name; or

            (c) A person or organization whose business or assets you have acquired; and

        (2) Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

    b. Includes:

        (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and

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(2) The providing of or failure to provide warnings or instructions.

c. Does not include vending machines or other property rented to or located for the use of others but not sold.

22. "Your work":

a. Means:

(1) Work or operations performed by you or on your behalf; and

(2) Materials, parts or equipment furnished in connection with such work or operations.

b. Includes:

(1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work", and

(2) The providing of or failure to provide warnings or instructions.

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COMMON POLICY CONDITIONS

All Coverage Parts included in this policy are subject to the following conditions.

A. Cancellation

1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
   a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
   b. 30 days before the effective date of cancellation if we cancel for any other reason.
3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
5. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
6. If notice is mailed, proof of mailing will be sufficient proof of notice.

B. Changes

This policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.

C. Examination Of Your Books And Records

We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward.

D. Inspections And Surveys

1. We have the right to:
   a. Make inspections and surveys at any time;
   b. Give you reports on the conditions we find; and
   c. Recommend changes.
2. We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:
   a. Are safe or healthful; or
   b. Comply with laws, regulations, codes or standards.
3. Paragraphs 1. and 2. of this condition apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.
4. Paragraph 2. of this condition does not apply to any inspections, surveys, reports or recommendations we may make relative to certification, under state or municipal statutes, ordinances or regulations, of boilers, pressure vessels or elevators.

E. Premiums

The first Named Insured shown in the Declarations:

1. Is responsible for the payment of all premiums; and
2. Will be the payee for any return premiums we pay.

F. Transfer Of Your Rights And Duties Under This Policy

Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual named insured.

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

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Named Insured Community Associations Program			Endorsement Number
Policy Symbol GLW	Policy Number G24220631002	Policy Period 08/01/2012 TO 08/01/2013	Effective Date of Endorsement 08/01/2012
Insured By (Name of Insurance Company) Westchester Surplus Lines Insurance Co			

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

TRADE OR ECONOMIC SANCTIONS ENDORSEMENT

This insurance does not apply to the extent that trade or economic sanctions or other laws or regulations prohibit us from providing insurance, including, but not limited to, the payment of claims. All other terms and conditions of policy remain unchanged.

Authorized Agent

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED – CONDOMINIUM UNIT OWNERS

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART.

WHO IS AN INSURED (Section II) is amended to include as an insured each individual unit owner of the insured condominium, but only with respect to liability arising out of the ownership, maintenance or repair of that portion of the premises which is not reserved for that unit owner's exclusive use or occupancy.

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ADDITIONAL INSURED – DESIGNATED PERSON OR ORGANIZATION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Name Of Additional Insured Person(s) Or Organization(s)
As required by written contract signed by both parties prior to loss.
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

Section II – Who Is An Insured is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf:

A. In the performance of your ongoing operations; or

B. In connection with your premises owned by or rented to you.

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CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
RAILROAD PROTECTIVE LIABILITY COVERAGE PART
UNDERGROUND STORAGE TANK POLICY

If aggregate insured losses attributable to terrorist acts certified under the federal Terrorism Risk Insurance Act exceed $100 billion in a Program Year (January 1 through December 31) and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds $100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

"Certified act of terrorism" means an 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 pursuant to the federal Terrorism Risk Insurance Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:

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

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DESIGNATED LOCATION(S) GENERAL AGGREGATE LIMIT

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Designated Location(s):
Per bordereau on file with company.
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

A. For all sums which the insured becomes legally obligated to pay as damages caused by "occurrences" under Section I – Coverage **A**, and for all medical expenses caused by accidents under Section I – Coverage **C**, which can be attributed only to operations at a single designated "location" shown in the Schedule above:

1. A separate Designated Location General Aggregate Limit applies to each designated "location", and that limit is equal to the amount of the General Aggregate Limit shown in the Declarations.
2. The Designated Location General Aggregate Limit is the most we will pay for the sum of all damages under Coverage **A**, except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard", and for medical expenses under Coverage **C** regardless of the number of:
   a. Insureds;
   b. Claims made or "suits" brought; or
   c. Persons or organizations making claims or bringing "suits".
3. Any payments made under Coverage **A** for damages or under Coverage **C** for medical expenses shall reduce the Designated Location General Aggregate Limit for that designated "location". Such payments shall not reduce the General Aggregate Limit shown in the Declarations nor shall they reduce any other Designated Location General Aggregate Limit for any other designated "location" shown in the Schedule above.
4. The limits shown in the Declarations for Each Occurrence, Damage To Premises Rented To You and Medical Expense continue to apply. However, instead of being subject to the General Aggregate Limit shown in the Declarations, such limits will be subject to the applicable Designated Location General Aggregate Limit.

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B. For all sums which the insured becomes legally obligated to pay as damages caused by "occurrences" under Section I – Coverage A, and for all medical expenses caused by accidents under Section I – Coverage C, which cannot be attributed only to operations at a single designated "location" shown in the Schedule above:

1. Any payments made under Coverage A for damages or under Coverage C for medical expenses shall reduce the amount available under the General Aggregate Limit or the Products-completed Operations Aggregate Limit, whichever is applicable; and
2. Such payments shall not reduce any Designated Location General Aggregate Limit.

C. When coverage for liability arising out of the "products-completed operations hazard" is provided, any payments for damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard" will reduce the Products-completed Operations Aggregate Limit, and not reduce the General Aggregate Limit nor the Designated Location General Aggregate Limit.

D. For the purposes of this endorsement, the **Definitions** Section is amended by the addition of the following definition:

"Location" means premises involving the same or connecting lots, or premises whose connection is interrupted only by a street, roadway, waterway or right-of-way of a railroad.

E. The provisions of Section III – Limits Of Insurance not otherwise modified by this endorsement shall continue to apply as stipulated.

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Named Insured Community Associations Program			Endorsement Number
Policy Symbol GLW	Policy Number G24220631002	Policy Period 08/01/2012 TO 08/01/2013	Effective Date of Endorsement 08/01/2012
Insured By (Name of Insurance Company) Westchester Surplus Lines Insurance Co			

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EMPLOYEE BENEFITS LIABILITY ENDORSEMENT

1. Item Four of the Declarations, Limits of Insurance, is amended to include the following:

   (E) $ 1,000,000 EACH "WRONGFUL ACT" OR SERIES OF RELATED "WRONGFUL ACTS"

   $ 1,000,000 "EMPLOYEE BENEFITS" LIABILITY AGGREGATE

2. I. INSURING AGREEMENT

   A. We will pay those sums which the insured shall become legally obligated to pay as damages because of a "wrongful act" in the "administration" of "Employee Benefits". We will have the right and duty to defend any "suit" seeking those damages. We may at our discretion investigate any "wrongful act" and settle any claim or "suit" that may result. But

      (1) The amount that we will pay for damages is limited as described above in paragraph 1.; and

      (2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements.

   B. This insurance applies only to a "wrongful act" in the "administration" of the insured's "Employee Benefits" which occur during the policy period and take place in the "coverage territory".

   II. EXCLUSIONS

   This insurance does not apply to:

   (1) Any dishonest, fraudulent, criminal or malicious act or omission, libel, slander, discrimination or humiliation or willful or reckless violation of any statute.

   (2) Any fines, penalties or taxes.

   (3) Any claim or "suit" arising out of loss of currency, coins, bank notes, bullion, checks, money orders and all negotiable and non-negotiable instruments or contracts representing money.

   (4) Any claim or "suit" arising out of the insured's failure to comply with any law concerning Workers' Compensation, Unemployment Insurance, Social Security, Disability Benefits or any similar law.

(5) Any claim or "suit" arising out of failure of performance of contract by any insurer.

(6) Any claim or "suit" based upon:

(i) Failure of any investment to perform; or

(ii) Advice given by an insured to participate or not to participate in any "Employee Benefit" Plan.

(7) Any claim or "suit" arising out of an insufficiency of funds to meet any obligation under any "Employee Benefits" Plan.

(8) Any known claim(s) or "suit(s)" arising out of any "wrongful act" which has occurred, been notified to any insurer or known to the insured prior to the inception of this policy.

(9) Any "breach of fiduciary duty" by any other person for which the insured is legally responsible and arising out of the insured's activity as a fiduciary of any plan covered by this endorsement.

For the purpose of this endorsement, the term "breach of fiduciary duty" shall mean the violation of any of the responsibilities or obligations of duties imposed upon fiduciaries by the EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974 or amendments thereto with respect to any plan covered by this endorsement.

(10) Any claim or "suit" made against the insured based on or attributable to any "wrongful act" or failure on the part of the insured to effect and maintain insurance or bonding for plan property or assets.

(11) Any liability arising out of the bankruptcy or insolvency of the insured.

(12) "Bodily Injury", "Property Damage", "Personal Injury" or "Advertising Injury".

III. DEFINITIONS

For the purposes of this endorsement, the following Definitions are added to the policy:

(1) "EMPLOYEE BENEFITS" means group life insurance, group accident or health insurance, profit-sharing plans, pension plans, employee stock subscription plans, 401K savings plan, workers' compensation, unemployment insurance, social security and disability benefits insurance.

(2) "ADMINISTRATION". As respects the insurance afforded hereby, the unqualified word "administration" wherever used shall mean:

(a) Giving counsel to employees, including their dependents and beneficiaries, with respect to the "Employee Benefits";

(b) Interpreting "Employee Benefits";

(c) Handling records in connection with "Employee Benefits";

(d) Effecting enrollment, termination or cancellation of employees under "Employee Benefit" Programs;

Performed by a person authorized by the Named Insured to do such acts.

(3) "WRONGFUL ACT" means any actual or alleged negligent act, error or omission in the "administration" of the "Employee Benefits" Plan.

IV. LIMITS OF INSURANCE

The following is added to Section III, LIMITS OF INSURANCE, as paragraph 8.:

8. The Employee Benefits Liability Aggregate is the most we will pay for all damages because of a "wrongful act" included in the Employee Benefits Liability Endorsement.

V. CONDITIONS

The Conditions of the policy apply to this insurance unless specifically modified below:

Insured's Duties In The Event Of Occurrence, Offense, Claim Or Suit.

Condition 2. of the policy applies, provided that wherever the word "occurrence" appears, it is deleted and the phrase "wrongful act" is substituted.

Authorized Representative

Named Insured Community Associations Program			Endorsement Number
Policy Symbol	Policy Number	Policy Period	Effective Date of Endorsement
GLW	G24220631002	08/01/2012 TO 08/01/2013	08/01/2012
Insured By (Name of Insurance Company) Westchester Surplus Lines Insurance Co			

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

RATES SCHEDULE ENDORSEMENT

The final premium shall be determined at audit by the application of the following rates:

$ 8.160	Per Single Family Housing Unit
$ 22.440	Per Multi Family Housing Unit
$867.000	Per Swimming Pool
$306.000	Per Association for Hired and Non Owned Auto
$TBD	Rates for 55+over communities - Refer to Underwriter

Authorized Representative

Named Insured Community Associations Program			Endorsement Number
Policy Symbol GLW	Policy Number G24220631002	Policy Period 08/01/2012 TO 08/01/2013	Effective Date of Endorsement 08/01/2012
Insured By (Name of Insurance Company) Westchester Surplus Lines Insurance Co			

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

HIRED AND NON-OWNED AUTO LIABILITY COVERAGE

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Insurance is provided only with respect to those coverages for which a specific premium charge is shown:

Coverage		Additional Premium
Hired Auto Liability	$1,000,000	$ Included
Non-Ownership Liability		$

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

HIRED AUTO LIABILITY

This insurance provided under COVERAGE A (Section I) applies to "bodily injury" or "property damage" arising out of the maintenance or use of a "hired auto" by you or your employees in the course of your business.

NON-OWNED AUTO LIABILITY

The insurance provided under COVERAGE A (Section I) applies to "bodily injury" or "property damage" arising out of any "non-owned auto" in your business by any person other than you.

With respect to the insurance provided by this endorsement:

1. The exclusions, under COVERAGE A (Section I), other than exclusions a, b, d, f and i and the Nuclear Energy Liability Exclusion (Broad Form) are deleted and replaced by the following:

   a. "Bodily injury":

      (1) To any employee of the insured arising out of and in the course of employment by the insured; or

      (2) To the spouse, child, parent, brother or sister of that employee as a consequence of (1) above.

      This exclusion applies:

      (1) Whether the insured may be liable as an employer or in any other capacity;

(2) To any obligation to share damages with or repay someone else who must pay damages because of injury.

This exclusion does not apply to:

(1) Liability assumed by the insured under an "insured contract"; or

(2) "Bodily injury" arising out of and in the course of domestic employment by the insured unless benefits for such injury are in part either payable or required to be provided under any workers compensation law.

b. "Property Damage" to:

(1) Property owned or being transported by, or rented or loaned to the insured; or

(2) Property in the care, custody or control of the insured.

2. WHO IS AN INSURED (Section II) is replaced by the following:

Each of the following is an insured under this insurance to the extent set forth below:

a. You;

b. Any other person using a "hired auto" with your permission;

c. With respect to a "non-owned auto", any partner or executive officer of yours, but only while such "non-owned auto" is being used in your business;

d. Any other person or organization, but only with respect to their liability because of acts or omissions of an insured under a., b., or c. above.

None of the following is an insured:

a. Any person engaged in the business of his or her employer with respect to "bodily injury" to any co-employee of such person injured in the course of employment;

b. Any partner or executive officer with respect to any "auto" owned by such partner or officer or a member of his or her household;

c. Any person while employed in or otherwise engaged in duties in connection with an "auto business";

d. The owner or lessee (of whom you are a sub-lessee) of a "hired auto" or the owner of a "non-owned auto" or any agent or employee of such owner or lessee;

e. Any person or organization with respect to the conduct of any current or past partnership or joint venture that is not shown as a Named Insured in the Declarations.

3. LIMITS OF INSURANCE (SECTION III)

The general aggregate limit does not apply to the insurance provided by this endorsement.

4. The following additional definitions apply:

"Auto business" means the business or occupation of selling, repairing, servicing, storing or parking "autos".

"Hired auto" means any "auto" you lease, hire or borrow. This does not include any "auto" you lease, hire or borrow from any of your employees or members of their households, or from any partner or executive officer of yours.

"Non-owned auto" means any "auto" you do not own, lease, hire or borrow which is used in connection with your business. However, if you are a partnership, a "non-owned auto" does not include any "auto" owned by any partner.

The following is added to the definition of "insured contract":

"Insured contract" means that part of any contract or agreement entered into, as part of your business, by you or any of your employees pertaining to the rental or lease of any "auto";

An "insured contract" does not include that part of any contract or agreement:

1. That pertains to the loan, lease or rental of any "auto" to you or any of your employees, if the "auto" is loaned, leased or rented with a driver; or

2. That holds a person or organization engaged in the business of transporting property by "auto" for hire harmless for your use of an "auto" over a route or territory that person or organization is authorized to serve by public authority.

5. OTHER INSURANCE

The insurance provided by this endorsement is excess over any other valid and collectible insurance available to the insured.

_____

Authorized Representative

Named Insured			Endorsement Number
Community Associations Program			
Policy Symbol	**Policy Number**	**Policy Period**	**Effective Date of End.**
GLW	G24220631 002	8/01/2012 To 8/1/2013	8/01/2012
Issued By (Name of Insurance Company)			
Westchester Surplus Lines Insurance Company			

PREMIUM AUDIT
TERM MINIMUM PREMIUM
MINIMUM EARNED PREMIUM

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART

1. Premium Audit

Condition **5. Premium Audit** under SECTION IV- CONDITIONS is deleted in its entirety and replaced by the following:

Premium Audit

a. At the close of each audit period, we may at our sole discretion, compute the audit premium for that period. If the audit premium is less than any applicable **Term Minimum Premium** as determined by item **3.** below, then there will be no return premium due. If the audit premium exceeds the advance premium paid, then you will be responsible for paying as additional premium the difference between the audit premium and advance premium paid.

b. The first Named Insured must keep records of the information we need for premium computation, and send us copies at such times as we may request.

2. Minimum Earned Premium

In the event this policy is cancelled before the expiration date shown in Item 2. of the Declarations, the **Minimum Earned Premium** for this policy is the greater of:

a. The audit premium, if applicable, as described in **1.** above; or

b. The pro-rata amount of the advance premium based on the length of the cancelled policy term; or

c. 25% of the advance premium if cancellation is at the request of the Insured. If no percentage is stated here, then item **2.** of this endorsement does not apply.

If cancellation is at the request of the insured, items **a.** or **b.** above may also be subject to a short rate adjustment.

3. Term Minimum Premium

If this policy continues in effect until the expiration date shown in Item 2. of the Declarations, and if the premium is to be determined on an adjustable basis, then the **Term Minimum Premium** for this policy is, Not Applicable – Changes made via bordereaus, % of the advance premium. If no percentage is stated here, then item **3.** of this endorsement does not apply.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ILLINOIS CHANGES – CIVIL UNION

This endorsement modifies insurance provided under the following:

COMMERCIAL AUTOMOBILE COVERAGE PART
COMMERCIAL GENERAL LIABILITY COVERAGE PART
COMMERCIAL LIABILITY UMBRELLA COVERAGE PART
FARM COVERAGE PART
FARM UMBRELLA LIABILITY POLICY
LIQUOR LIABILITY COVERAGE PART
MEDICAL PROFESSIONAL LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCT WITHDRAWAL COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
UNDERGROUND STORAGE TANK POLICY

A. The term "spouse" is replaced by the following:

Spouse or party to a civil union recognized under Illinois law.

B. Under the Commercial Auto Coverage Part, the term "family member" is replaced by the following:

"Family member" means a person related to the:

1. Individual Named Insured by blood, adoption, marriage or civil union recognized under Illinois law, who is a resident of such Named Insured's household, including a ward or foster child; or
2. Individual named in the Schedule by blood, adoption, marriage or civil union recognized under Illinois law, who is a resident of the individual's household, including a ward or foster child, if the Drive Other Car Coverage – Broadened Coverage For Named Individual Endorsement is attached.

C. With respect to coverage for the ownership, maintenance, or use of "covered autos" provided under the Commercial Liability Umbrella Coverage Part, the term "family member" is replaced by the following:

"Family member" means a person related to you by blood, adoption, marriage or civil union recognized under Illinois law, who is a resident of your household, including a ward or foster child.

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

DISCLOSURE PURSUANT TO TERRORISM RISK INSURANCE ACT

SCHEDULE

Terrorism Premium (Certified Acts) $ 15,375.00
This premium is the total Certified Acts premium attributable to the following Coverage Part(s), Coverage Form(s) and/or Policy(s):
Additional information, if any, concerning the terrorism premium:
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

A. Disclosure Of Premium

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

B. Disclosure Of Federal Participation In Payment Of Terrorism Losses

The United States Government, Department of the Treasury, will pay a share of terrorism losses insured under the federal program. The federal share equals 85% of that portion of the amount of such insured losses that exceeds the applicable insurer retention. However, if aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed $100 billion in a Program Year (January 1 through December 31), the Treasury shall not make any payment for any portion of the amount of such losses that exceeds $100 billion.

C. Cap On Insurer Participation In Payment Of Terrorism Losses

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed $100 billion in a Program Year (January 1 through December 31) and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds $100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

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RECORDING AND DISTRIBUTION OF MATERIAL OR INFORMATION IN VIOLATION OF LAW EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

A. Exclusion **q.** of Paragraph **2. Exclusions** of Section **I – Coverage A – Bodily Injury And Property Damage Liability** is replaced by the following:

2. Exclusions

This insurance does not apply to:

q. Recording And Distribution Of Material Or Information In Violation Of Law

"Bodily injury" or "property damage" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

(1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law;

(2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law;

(3) The Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair and Accurate Credit Transaction Act (FACTA); or

(4) Any federal, state or local statute, ordinance or regulation, other than the TCPA, CAN-SPAM Act of 2003 or FCRA and their amendments and additions, that addresses, prohibits, or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information.

B. Exclusion **p.** of Paragraph **2. Exclusions** of Section **I – Coverage B – Personal And Advertising Injury Liability** is replaced by the following:

2. Exclusions

This insurance does not apply to:

p. Recording And Distribution Of Material Or Information In Violation Of Law

"Personal and advertising injury" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

(1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law;

(2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law;

(3) The Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair and Accurate Credit Transaction Act (FACTA); or

(4) Any federal, state or local statute, ordinance or regulation, other than the TCPA, CAN-SPAM Act of 2003 or FCRA and their amendments and additions, that addresses, prohibits, or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information.

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EXCLUSION – DESIGNATED PROFESSIONAL SERVICES

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Description Of Professional Services:

1. Real Estate Operations

2.

3.

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

With respect to any professional services shown in the Schedule, the following exclusion is added to Paragraph **2., Exclusions** of **Section I – Coverage A – Bodily Injury And Property Damage Liability** and Paragraph **2., Exclusions** of **Section I – Coverage B – Personal And Advertising Injury Liability:**

This insurance does not apply to "bodily injury", "property damage" or "personal and advertising injury" due to the rendering of or failure to render any professional service.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – DESIGNATED WORK

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

SCHEDULE

Description of your work:

Construction of, or any other work related to, any residential building, including but not limited to, any single-family dwelling, multi-family dwelling, multi-tract housing development, townhouse, condominium, cooperative or apartment.

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

This insurance does not apply to "bodily injury" or "property damage" included in the "products-completed operations hazard" and arising out of "your work" shown in the Schedule.

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EXCLUSION – INTERCOMPANY PRODUCTS SUITS

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

This insurance does not apply to any claim for damages by any Named Insured against another Named Insured because of "bodily injury" or "property damage" arising out of "your products" and included within the "products-completed operations hazard."

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LIMITATION OF COVERAGE TO DESIGNATED PREMISES OR PROJECT

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Premises:	Per bordereau on file with company.
Project:	

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

This insurance applies only to "bodily injury", "property damage", "personal and advertising injury" and medical expenses arising out of:

1. The ownership, maintenance or use of the premises shown in the Schedule and operations necessary or incidental to those premises; or
2. The project shown in the Schedule.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ABUSE OR MOLESTATION EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

The following exclusion is added to Paragraph **2., Exclusions of Section I – Coverage A – Bodily Injury And Property Damage Liability** and Paragraph **2., Exclusions of Section I – Coverage B – Personal And Advertising Injury Liability:**

This insurance does not apply to "bodily injury", "property damage" or "personal and advertising injury" arising out of:

1. The actual or threatened abuse or molestation by anyone of any person while in the care, custody or control of any insured, or
2. The negligent:
   a. Employment;
   b. Investigation;
   c. Supervision;
   d. Reporting to the proper authorities, or failure to so report; or
   e. Retention;

   of a person for whom any insured is or ever was legally responsible and whose conduct would be excluded by Paragraph 1. above.

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EMPLOYMENT-RELATED PRACTICES EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

A. The following exclusion is added to Paragraph **2., Exclusions** of Section I – **Coverage A – Bodily Injury And Property Damage Liability:**

This insurance does not apply to:

"Bodily injury" to:

(1) A person arising out of any:

(a) Refusal to employ that person;

(b) Termination of that person's employment; or

(c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination or malicious prosecution directed at that person; or

(2) The spouse, child, parent, brother or sister of that person as a consequence of "bodily injury" to that person at whom any of the employment-related practices described in Paragraphs **(a)**, **(b)**, or **(c)** above is directed.

This exclusion applies:

(1) Whether the injury-causing event described in Paragraphs **(a)**, **(b)** or **(c)** above occurs before employment, during employment or after employment of that person;

(2) Whether the insured may be liable as an employer or in any other capacity; and

(3) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

B. The following exclusion is added to Paragraph **2., Exclusions** of Section I – **Coverage B – Personal And Advertising Injury Liability:**

This insurance does not apply to:

"Personal and advertising injury" to:

(1) A person arising out of any:

(a) Refusal to employ that person;

(b) Termination of that person's employment; or

(c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination or malicious prosecution directed at that person; or

(2) The spouse, child, parent, brother or sister of that person as a consequence of "personal and advertising injury" to that person at whom any of the employment-related practices described in Paragraphs **(a)**, **(b)**, or **(c)** above is directed.

This exclusion applies:

(1) Whether the injury-causing event described in Paragraphs **(a)**, **(b)** or **(c)** above occurs before employment, during employment or after employment of that person;

(2) Whether the insured may be liable as an employer or in any other capacity; and

(3) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – DESIGNATED OPERATIONS COVERED BY A CONSOLIDATED (WRAP-UP) INSURANCE PROGRAM

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Description and Location of Operation(s):

Any prior or ongoing operation(s) where you participated in a consolidated (Wrap-Up) insurance program.

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

The following exclusion is added to paragraph 2., Exclusions of COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY (Section I – Coverages):

This insurance does not apply to "bodily injury" or "property damage" arising out of either your ongoing operations or operations included within the "products-completed operations hazard" at the location described in the Schedule of this endorsement, as a consolidated (wrap-up) insurance program has been provided by the prime contractor/project manager or owner of the construction project in which you are involved.

This exclusion applies whether or not the consolidated (wrap-up) insurance program:

(1) Provides coverage identical to that provided by this Coverage Part;

(2) Has limits adequate to cover all claims; or

(3) Remains in effect.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

TOTAL POLLUTION EXCLUSION WITH A BUILDING HEATING, COOLING AND DEHUMIDIFYING EQUIPMENT EXCEPTION AND A HOSTILE FIRE EXCEPTION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

Exclusion f. under Paragraph **2. Exclusions** of **Section I – Coverage A – Bodily Injury And Property Damage Liability** is replaced by the following:

This insurance does not apply to:

f. **Pollution**

(1) "Bodily injury" or "property damage" which would not have occurred in whole or part but for the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time.

This exclusion does not apply to:

(a) "Bodily injury" if sustained within a building which is or was at any time owned or occupied by, or rented or loaned to, any insured and caused by smoke, fumes, vapor or soot produced by or originating from equipment that is used to heat, cool or dehumidify the building, or equipment that is used to heat water for personal use, by the building's occupants or their guests; or

(b) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire" unless that "hostile fire" occurred or originated:

(i) At any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste; or

(ii) At any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations to test for, monitor, clean up, remove, contain, treat, detoxify, neutralize or in any way respond to, or assess the effects of, "pollutants".

(2) Any loss, cost or expense arising out of any:

(a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or

(b) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FUNGI OR BACTERIA EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

A. The following exclusion is added to Paragraph **2. Exclusions of Section I – Coverage A – Bodily Injury And Property Damage Liability:**

2. Exclusions

This insurance does not apply to:

Fungi Or Bacteria

a. "Bodily injury" or "property damage" which would not have occurred, in whole or in part, but for the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, any "fungi" or bacteria on or within a building or structure, including its contents, regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to such injury or damage.

b. Any loss, cost or expenses arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to, or assessing the effects of, "fungi" or bacteria, by any insured or by any other person or entity.

This exclusion does not apply to any "fungi" or bacteria that are, are on, or are contained in, a good or product intended for bodily consumption.

B. The following exclusion is added to Paragraph **2. Exclusions of Section I – Coverage B – Personal And Advertising Injury Liability:**

2. Exclusions

This insurance does not apply to:

Fungi Or Bacteria

a. "Personal and advertising injury" which would not have taken place, in whole or in part, but for the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of any "fungi" or bacteria on or within a building or structure, including its contents, regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to such injury.

b. Any loss, cost or expense arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to, or assessing the effects of, "fungi" or bacteria, by any insured or by any other person or entity.

C. The following definition is added to the **Definitions** Section:

"Fungi" means any type or form of fungus, including mold or mildew and any mycotoxins, spores, scents or byproducts produced or released by fungi.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SILICA OR SILICA-RELATED DUST EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

A. The following exclusion is added to Paragraph **2., Exclusions of Section I – Coverage A – Bodily Injury And Property Damage Liability:**

2. Exclusions

This insurance does not apply to:

Silica Or Silica-Related Dust

a. "Bodily injury" arising, in whole or in part, out of the actual, alleged, threatened or suspected inhalation of, or ingestion of, "silica" or "silica-related dust".

b. "Property damage" arising, in whole or in part, out of the actual, alleged, threatened or suspected contact with, exposure to, existence of, or presence of, "silica" or "silica-related dust".

c. Any loss, cost or expense arising, in whole or in part, out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to or assessing the effects of, "silica" or "silica-related dust", by any insured or by any other person or entity.

B. The following exclusion is added to Paragraph **2., Exclusions of Section I – Coverage B – Personal And Advertising Injury Liability:**

2. Exclusions

This insurance does not apply to:

Silica Or Silica-Related Dust

a. "Personal and advertising injury" arising, in whole or in part, out of the actual, alleged, threatened or suspected inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, "silica" or "silica-related dust".

b. Any loss, cost or expense arising, in whole or in part, out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to or assessing the effects of, "silica" or "silica-related dust", by any insured or by any other person or entity.

C. The following definitions are added to the **Definitions** Section:

1. "Silica" means silicon dioxide (occurring in crystalline, amorphous and impure forms), silica particles, silica dust or silica compounds.

2. "Silica-related dust" means a mixture or combination of silica and other dust or particles.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – CONSTRUCTION MANAGEMENT ERRORS AND OMISSIONS

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

The following exclusion is added to Paragraph **2., Exclusions of Section I – Coverage A – Bodily Injury And Property Damage Liability** and Paragraph **2., Exclusions of Section I – Coverage B – Personal And Advertising Injury Liability:**

This insurance does not apply to "bodily injury", "property damage" or "personal and advertising injury" arising out of:

1. The preparing, approving, or failure to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications by any architect, engineer or surveyor performing services on a project on which you serve as construction manager; or
2. Inspection, supervision, quality control, architectural or engineering activities done by or for you on a project on which you serve as construction manager.

This exclusion does not apply to "bodily injury" or "property damage" due to construction or demolition work done by you, your "employees" or your subcontractors.

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EXCLUSION – ENGINEERS, ARCHITECTS OR SURVEYORS PROFESSIONAL LIABILITY

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

The following exclusion is added to Paragraph **2., Exclusions of Section I – Coverage A – Bodily Injury And Property Damage Liability** and Paragraph **2., Exclusions of Section I – Coverage B – Personal And Advertising Injury Liability:**

This insurance does not apply to "bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of or failure to render any professional services by you or any engineer, architect or surveyor who is either employed by you or performing work on your behalf in such capacity.

Professional services include:

1. The preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; and
2. Supervisory, inspection, architectural or engineering activities.

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EXCLUSION – DAMAGE TO WORK PERFORMED BY SUBCONTRACTORS ON YOUR BEHALF

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

Exclusion l. of **Section I – Coverage A – Bodily Injury And Property Damage Liability** is replaced by the following:

2. Exclusions

This insurance does not apply to:

l. Damage To Your Work

"Property damage" to "your work" arising out of it or any part of it and included in the "products-completed operations hazard".

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Named Insured Community Associations Program			Endorsement Number
Policy Symbol	Policy Number	Policy Period	Effective Date of Endorsement
GLW	G24220631002	08/01/2012 TO 08/01/2013	08/01/2012
Insured By (Name of Insurance Company) Westchester Surplus Lines Insurance Co			

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DISCRIMINATION EXCLUSION

This policy does not apply to any liability or damage caused by the acts or omissions of any insured or insured's employee or any person acting on behalf of the insured arising out of:

1. Discrimination of any kind; and

2. Any actual or alleged defamation, emotional distress, humiliation or harassment which arises out of discrimination of any kind.

Authorized Representative

Named Insured Community Associations Program			Endorsement Number
Policy Symbol GLW	Policy Number G24220631002	Policy Period 08/01/2012 TO 08/01/2013	Effective Date of Endorsement 08/01/2012
Insured By (Name of Insurance Company) Westchester Surplus Lines Insurance Co			

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – DESIGNATED ENTITY

DESIGNATED ENTITY SCHEDULE:

All operations of Centex Hospitality Group

This insurance does not apply to "Bodily Injury ", "Property Damage ", "Personal Injury " or "Advertising Injury" arising out of the entity shown in the schedule.

_____

Authorized Representative

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT

(Broad Form)

This endorsement modifies insurance provided under the following:

COMMERCIAL AUTOMOBILE COVERAGE PART
COMMERCIAL GENERAL LIABILITY COVERAGE PART
FARM COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
MEDICAL PROFESSIONAL LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
RAILROAD PROTECTIVE LIABILITY COVERAGE PART
UNDERGROUND STORAGE TANK POLICY

1. The insurance does not apply:
   - **A.** Under any Liability Coverage, to "bodily injury" or "property damage":
     - **(1)** With respect to which an "insured" under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or
     - **(2)** Resulting from the "hazardous properties" of "nuclear material" and with respect to which **(a)** any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or **(b)** the "insured" is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.
   - **B.** Under any Medical Payments coverage, to expenses incurred with respect to "bodily injury" resulting from the "hazardous properties" of "nuclear material" and arising out of the operation of a "nuclear facility" by any person or organization.
   - **C.** Under any Liability Coverage, to "bodily injury" or "property damage" resulting from "hazardous properties" of "nuclear material", if:
     - **(1)** The "nuclear material" **(a)** is at any "nuclear facility" owned by, or operated by or on behalf of, an "insured" or **(b)** has been discharged or dispersed therefrom;
     - **(2)** The "nuclear material" is contained in "spent fuel" or "waste" at any time possessed, handled, used, processed, stored, transported or disposed of, by or on behalf of an "insured"; or
     - **(3)** The "bodily injury" or "property damage" arises out of the furnishing by an "insured" of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any "nuclear facility", but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion **(3)** applies only to "property damage" to such "nuclear facility" and any property thereat.
2. As used in this endorsement:

   "Hazardous properties" includes radioactive, toxic or explosive properties.

   "Nuclear material" means "source material", "special nuclear material" or "by-product material".

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"Source material", "special nuclear material", and "by-product material" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof.

"Spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a "nuclear reactor".

"Waste" means any waste material (a) containing "by-product material" other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its "source material" content, and (b) resulting from the operation by any person or organization of any "nuclear facility" included under the first two paragraphs of the definition of "nuclear facility".

"Nuclear facility" means:

(a) Any "nuclear reactor";

(b) Any equipment or device designed or used for (1) separating the isotopes of uranium or plutonium, (2) processing or utilizing "spent fuel", or (3) handling, processing or packaging "waste";

(c) Any equipment or device used for the processing, fabricating or alloying of "special nuclear material" if at any time the total amount of such material in the custody of the "insured" at the premises where such equipmentor device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;

(d) Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of "waste";

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations.

"Nuclear reactor" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material.

"Property damage" includes all forms of radioactive contamination of property.

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Named Insured Community Associations Program			Endorsement Number
Policy Symbol	Policy Number	Policy Period	Effective Date of Endorsement
GLW	G24220631002	08/01/2012 TO 08/01/2013	08/01/2012
Insured By (Name of Insurance Company) Westchester Surplus Lines Insurance Co			

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXTERIOR INSULATION AND FINISH SYSTEM EXCLUSION (EFIS)

I. This policy does not apply to "Bodily Injury", "Property Damage", "Personal Injury" or "Advertising Injury" arising out of:

A. The design, manufacture, construction, fabrication, preparation, installation, application, maintenance or repair, including remodeling, service, correction or replacement of an "exterior insulation and finish system" (commonly referred to as synthetic stucco) or any part of thereof, or any substantially similar system or any part thereof, including the application or use of conditioners, primers, accessories, flashings, coatings, caulkings or scalants in connection with such a system.

B. Any work or operations with respect to any exterior component, fixture or feature of any structure if an "exterior insulation and finish system" is used on any part of that structure.

This exclusion applies to "your work" described in Paragraph A. or Paragraph B. above.

II. For the purpose of this endorsement, an "exterior insulation and finish system" means an exterior cladding or finish system used on any part of any structure, and consisting of:

A. a rigid or semi-rigid insulation board made of expanded polystyrene or other materials, and
B. the adhesive and/or mechanical fasteners used to attach the insulation board to the substrate, and
C. a reinforced base coat, and
D. a finish coat providing surface texture and color.

Authorized Representative

Named Insured Community Associations Program			Endorsement Number
Policy Symbol	Policy Number	Policy Period	Effective Date of Endorsement
GLW	G24220631002	08/01/2012 TO 08/01/2013	08/01/2012
Insured By (Name of Insurance Company) Westchester Surplus Lines Insurance Co			

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LEAD EXCLUSION

This policy does not apply to:

1. "Bodily injury", property damage", "personal injury", "advertising injury" or any other liability or damage arising out of or involving lead, paint containing lead or any other product containing lead; or

2. Any fees, costs or expenses of any nature whatsoever in the investigation or defense of any "claim" or "suit" arising out of or involving lead, paint containing lead or any other product containing lead.

Authorized Representative

Named Insured	Community Associations Program		Endorsement Number
Policy Symbol	Policy Number	Policy Period	Effective Date of Endorsement
GLW	G24220631002	08/01/2012 TO 08/01/2013	08/01/2012
Insured By (Name of Insurance Company)	Westchester Surplus Lines Insurance Co		

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ABSOLUTE ASBESTOS EXCLUSION

1. This policy does not apply to "bodily injury", "property damage", "personal injury", or "advertising injury" or any other liability or damage arising out of or involving asbestos, asbestos fibers, or any product containing asbestos or asbestos fibers.

2. Coverage for any fees, costs or expenses of any nature whatsoever in the investigation or defense of any claim or "suit" arising out of or involving asbestos, asbestos fibers or any product containing asbestos or asbestos fibers.

Authorized Representative

Named Insured Community Associations Program				Endorsement Number
Policy Symbol	Policy Number	Policy Period		Effective Date of Endorsement
GLW	G24220631002	08/01/2012	to 08/01/2013	08/01/2012
Issued By (Name of Insurance Company) Westchester Surplus Lines Insurance Co				

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SERVICE OF SUIT ENDORSEMENT – ILLINOIS

It is agreed that in the event of the failure of the company hereon to pay any amount claimed to be due hereunder, the company hereon, at the request of the Insured, will submit to the jurisdiction of any court of competent jurisdiction within the United States of America and will comply with all requirements necessary to give such court jurisdiction and all matters arising hereunder shall be determined in accordance with the law and practice of such court. However, nothing in this endorsement constitutes a waiver of company's right to remove an action to a United States District Court, or to seek a transfer of a case to another court as permitted by the laws of the United States or of any state in the United States.

It is further agreed that service of process in such suit may be made upon the Claims Manager, or his nominee, at 525 W. Monroe Street, Suite 400, Chicago, Illinois 60661, and that in any suit instituted against this policy, the company will abide by the final decision of such court or of any Appellate court in the event of an appeal.

The above-named Claims Manager is authorized and directed to accept service of process on behalf of the Company in any such suit and/or upon the request of the Insured to give a written undertaking to the Insured that it or they will enter a general appearance upon the Company's behalf in the event such a suit shall be instituted.

Further, pursuant to any statute of any state, territory or district of the United States of America, which makes provision therefore, the company hereon designates the Superintendent, Commissioner or Director of Insurance or other officer specified for that purpose in the statute or their successor or successors in office as their true and lawful attorney upon whom may be served any lawful process of any action, suit or proceeding instituted by or on behalf of the Insured or any beneficiary, hereunder arising out of his contract of insurance, and hereby designates the above named Claims Manager as the person to whom the said officer is authorized to mail such process or true copy thereof.

The address of the Illinois Director of Insurance is:
Department of Insurance
State of Illinois
320 West Washington Street
Springfield, Illinois 62767

If the Insured is resident in Canada, it is agreed that the foregoing provisions shall also apply as respects any province of Canada.

NOTHING HEREIN CONTAINED SHALL BE HELD TO VARY, ALTER WAIVE OR EXTEND ANY OF THE TERMS, CONDITIONS, OR LIMITATIONS OF THE POLICY TO WHICH THIS ENDORSEMENT IS ATTACHED OTHER THAN AS ABOVE STATED

Authorized Agent

Named Insured			Endorsement Number
Community Associations Program			
Policy Symbol: GLW	Policy Number: G24220631 002	Policy Period: 08/01/2012 To 8/01/2013	Effective Date of Endorsement: 08/01/2012
Issued By (Name of Insurance Company): Westchester Surplus Lines Insurance Co.			

EXCLUSION - ANIMALS

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

THIS ENDORSEMENT MODIFIES INSURANCE PROVIDED UNDER THE FOLLOWING:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

The Following is added to:

SECTION I - COVERAGES,

COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY, 2. Exclusions, and
COVERAGE B PERSONAL AND ADVERTISING INJURY LIABILITY, 2. Exclusions, and
COVERAGE C MEDICAL PAYMENTS, 2. Exclusions

This insurance does not apply to "bodily injury," "property damage" or "personal and advertising injury" arising out of or caused in whole or in part by animals, including but not limited to dogs, cats, horses, cattle or birds.

All other terms and conditions of the policy remain unchanged.

Includes copyrighted material of Insurance Services Office, Inc with its permission

Named Insured			Endorsement Number
Community Associations Program			
Policy Symbol	Policy Number	Policy Period	Effective Date of Endorsement
GLW	G24220631 002	08/01/2012 To 08/01/2013	08/01/2012
Issued By (Name of Insurance Company)			
Westchester Surplus Lines Insurance Co.			

IMPORTED BUILDING MATERIALS EXCLUSION

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

THIS ENDORSEMENT MODIFIES INSURANCE PROVIDED UNDER THE FOLLOWING:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SECTION I - COVERAGES, COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY, 2. Exclusions and **COVERAGE B PERSONAL AND ADVERTISING INJURY LIABILITY, 2. Exclusions** are amended and the following added:

This insurance does not apply to "bodily injury," "property damage" or "personal and advertising injury" arising out of, caused by, related or attributable to, in whole or in part, "drywall", plasterboard, sheetrock or gypsum board, or any materials used in the manufacture of "drywall", plasterboard, sheetrock or gypsum board, including but not limited to "synthetic gypsum", or any other materials used in the construction of interior walls, that were manufactured in, originated or exported from China or incorporated any component parts or materials made in, originated or exported from China.

The following definitions are added to the policy:

"Drywall" means any type or brand of rigid paper-faced boards or panels used as building material.

"Synthetic gypsum", also known as recaptured gypsum, means calcium sulfate or any sulfate material or any other byproduct of any industrial de-sulfurization or acid neutralization processes and used as an ingredient in "drywall", cement, plaster or other building product. It includes gypsum made from recycled gypsum waste.

The addition of this endorsement does not imply that other policy provisions, including but not limited to any pollution exclusion, do not also exclude coverage for the same types of loss excluded by this endorsement.

All other terms and conditions of the policy remain unchanged.

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Accepted on 9/24/2012 9:58:00 AM - SLA Countersignature #IL20120082148.

Notice to Policyholder: This contract is issued, pursuant to Section 445 of the Illinois Insurance Code, by a company not authorized and licensed to transact business in Illinois and as such is not covered by the Illinois Insurance Guaranty Fund.

Service of process under this contract may be made upon the Director pursuant to paragraph 10 of Section 445 of the Code.

Policy Id	IL20120082148
Filing Type	Policy

Insurance Company	Percent
Westchester Surplus Lines Ins Co	100.000000
TOTALS: COUNT: 1	100.000000

Policy Number	G24220631002
Insured	COMMUNITY ASSOCIATIONS PROGRAM (RPG)
Address 1	200 EAST RANDOLPH STREET
Address 2	5TH FLOOR
City	CHICAGO
State	IL
Zip	60601
Effective Date	8/1/2012
Term (months)	12
Amount	2,000,000

Coverage Code	Premium	Fire Marshal Tax
Liability General (BI & PD) | CGL	322,858	0
TOTALS: COUNT: 1	322,858	0

Surplus Line Tax	11,300
Stamping Fee	323
Last Update	9/24/2012 9:58:00 AM

0000267808
8/01/2012
CND

J. Bryant Steele
AON RISK SERVICES - CENTEX
3000 Town Center, Suite 3000
Attn: Lynn Forkey/Bryant Steele
Southfield, MI 48075

Fax Number: 248-359-6066
Phone Number: 248-936-5226

CND Auto Policy Letter Kit

MGON1

IAN H. GRAHAM INSURANCE
We've Got Community Associations Covered

P.O. Box 7022 North Hollywood CA 91615-9324 Phone 800-621-2324 Fax 866-229-3754 www.ihginsurance.com License #0795465

5/09/2012

J. Bryant Steele
AON RISK SERVICES - CENTEX
3000 Town Center, Suite 3000
Attn: Lynn Forkey/Bryant Steele
Southfield, MI 48075

RE: BRIDGETOWN AT PLANTATION
CNA Non Profit Community Association Directors' & Officers' Liability Policy
Policy No.: 0251292547
Policy Period: 8/01/2012 to 8/01/2013

Dear J. Bryant Steele:

AUTOMATIC RENEWAL: The enclosed policy is an automatic renewal of a policy scheduled to expire in approximately 60 days. The expiring policy is eligible for our automatic renewal program. The policy qualifies for an automatic renewal, because (1) there have been no losses during the expiring policy period, and (2) there have been no material changes to this risk. This automatic renewal is void, if there have been any material changes during the past year. In the event of any material changes, you MUST contact our office for renewal terms

PREMIUM INCREASE: To comply with state regulations on renewal procedures, we are notifying you that the renewal policy transmitted with this letter contains an increase in premium. The increased premium is set forth on the renewal policy declarations page. This will serve as the only notice of this change.

CHANGES: If the property manager or any relevant addresses need to be changed or updated, please advise us and we will endorse the policy.

PREMIUM PAYMENT: Renewal of the enclosed policy is subject to payment of the premium and a $20.00 policy administrative charge in full. If payment is not received on or 30 days after the policy effective date, the policy will be void as of the renewal inception date. The renewal policy and invoice are enclosed.

If you do not want this renewal, please return the policy with instructions to non renew. If you have any questions, please feel free to contact your Aon/IHG Underwriter.

Very truly yours,
Aon/Ian H. Graham Insurance

Martha Gonzales

Martha Gonzales
Underwriter

Community Association Policy

Declarations

NOTICE:

WITH RESPECT TO ASSOCIATION LIABILITY COVERAGE PART, THIS IS A CLAIMS MADE POLICY AND, SUBJECT TO ITS PROVISIONS, APPLIES ONLY TO ANY CLAIM FIRST MADE AGAINST THE NAMED ENTITY INSUREDS DURING THE POLICY PERIOD. NO COVERAGE EXISTS FOR CLAIMS FIRST MADE AFTER THE END OF THE POLICY PERIOD UNLESS, AND TO THE EXTENT THAT, THE EXTENDED REPORTING PERIOD APPLIES.

THE CRIME COVERAGE PART APPLIES TO A COVERED LOSS SUSTAINED RESULTING FROM ACTS OR EVENTS OCCURRING DURING THE POLICY PERIOD UNLESS CERTAIN CONDITIONS CONCERNING PRIOR INSURANCE ARE MET.

DEFENSE COSTS INCURRED UNDER COVERAGE PARTS A REDUCE THE LIMIT OF LIABILITY AND ARE SUBJECT TO THE RETENTION. PLEASE REVIEW THE POLICY CAREFULLY AND DISCUSS THE COVERAGE WITH YOUR INSURANCE AGENT OR BROKER.

NAMED ENTITY AND MAILING ADDRESS	NAMED ENTITY NUMBER AND PHYSICAL ADDRESS
Item1. BRIDGETOWN AT PLANTATION HOMEOWNERS ASSN. c/o LANDARC 2391 Pontiac Rd Auburn Hills, MI 48326	BRIDGETOWN AT PLANTATION HOMEOWNERS ASSN. 12950 KENTFIELD LANE Ft Myers, FL 33913
POLICY NUMBER	**INSURER**
0251292547	Continental Casualty Company CNA Plaza, Chicago, IL 60685

Item 2. **Policy Period:** 8/01/2012 to 8/01/2013
12:01 a.m. local time at the address stated in Item 1.

Item 3. **Policy Premium:** $1,175.00

$15.28 FL Hurricane Surcharge

$20.00 IHG Admin Fee

$1,215.18 Total

Item 4. Notices to Insurer:

Claims: Claim Manager
CNA Global Specialty Lines
40 Wall Street, 8th Floor
New York, New York 10005

All other notices:
Ian H. Graham Insurance, a division of
Affinity Insurance Services, Inc.
Managing General Underwriter
15303 Ventura Blvd, 12th Floor
Sherman Oaks, CA 91403

Item 5. Coverage:

This Policy is issued with the Limits of Liability and Retentions set forth, subject to the Prior or Pending Date, if applicable all as set forth in the schedule below.

Defense Costs are included within the applicable limit of liability for **Association Liability Coverage Part** . Defense costs are neither covered nor included within the applicable limits(s) of liability for the **Crime Coverage Part** .

This Policy includes *only* those coverages designated with a "Yes" as "Included" in column **1** of the Coverage Schedule set forth below. *If neither "Yes" or "No" is designated for a* ***Coverage Part*** *or a specific* ***Crime Coverage Part*** *Insuring Agreement, such* ***Coverage Part*** *or specific Crime* ***Coverage Part*** insuring agreemetn is not included

COVERAGE PART	1 INCLUDED (YES OR NO)	2 SCHEDULED LIMITS OF LIABILITY	3 SCHEDULED RETENTIONS	4 PRIOR OR PENDING DATE
Association Liability	Y	$1,000,000 Aggregate Limit of Liability for all **Loss** paid on behalf of all **Named Entity Insureds** for all **Claims** first made during each **Policy Period**.	$1,000	8/01/2010
Crime:		$ per loss		Not Applicable
Insuring Agreement 1: Employee Theft	N	n/a	n/a	
Insuring Agreement 2: Forgery or Alteration	N	n/a	n/a	
Insuring Agreement 3: Theft, Disappearance and Destruction	N	n/a	n/a	
Insuring Agreement 4: Computer Fraud and Wire Transfer Fraud	N	n/a	n/a	

Item 6. Any natural person or entity property manager hired by the **Named Entity** to provide **Property Management Services**.

Item 7. Endorsements forming a part of this Policy at issuance:

G-145127-A09 06 - Cancellation and Non-renewal endt.
G-145128-A09 06 - Amendatory Endorsement
G-145129-A09 04 - Amendatory Changes
G-145171-A - Policy Form
G-147098-A09 04 - Amends CCC for state compliance
GSL11876FL (4-09) - Bi -Lateral Optional Extended Reporting Period Fl
GTC G-145170-A - General Terms & Conditions
GSL8394 (12/06) - Breach Of Contract Defense Coverage
GSL4393 04/05 - Defense Costs Limits Endorsement

These Declarations, along with the completed and signed **Application**, the Policy, and any written endorsements attached shall constitute the contract between the **Named Entity Insureds** and the Insurer.

Authorized Representative: John S Brandt

Date: 5/09/2012



DEFENSE COSTS LIMITS ENDORSEMENT

In consideration of additional premium paid, it is hereby understood and agreed that, solely with respect to the **Liability Coverage Part**, the Policy is amended as follows:

1. The notices at the top of the Declarations and page 1 of the Policy are deleted in their entirety and the following is inserted:

   WITH RESPECT TO ASSOCIATION LIABILITY COVERAGE PART, THIS IS A CLAIMS MADE POLICY AND, SUBJECT TO ITS PROVISIONS, APPLIES ONLY TO ANY CLAIM FIRST MADE AGAINST THE NAMED ENTITY INSUREDS DURING THE POLICY PERIOD. NO COVERAGE EXISTS FOR CLAIMS FIRST MADE AFTER THE END OF THE POLICY PERIOD UNLESS, AND TO THE EXTENT THAT, THE EXTENDED REPORTING PERIOD APPLIES.

   THE CRIME COVERAGE PART APPLIES TO A COVERED LOSS SUSTAINED RESULTING FROM ACTS OR EVENTS OCCURRING DURING THE POLICY PERIOD UNLESS CERTAIN CONDITIONS CONCERNING PRIOR INSURANCE ARE MET.

   DEFENSE COSTS INCURRED UNDER THE ASSOCIATION LIABILITY COVERAGE PART ARE SUBJECT TO AN ADDITIONAL SEPARATE DEFENSE COSTS LIMIT OF LIABILITY. HOWEVER, IF THE ADDITIONAL SEPARATE LIMIT OF LIABILITY FOR DEFENSE COSTS IS EXHAUSTED, DEFENSE COSTS WILL REDUCE AND MAY EXHAUST THE REMAINING LIMITS OF LIABILITY AVAILABLE UNDER THE POLICY. DEFENSE COSTS ARE SUBJECT TO THE RETENTION AMOUNTS. PLEASE REVIEW THE POLICY CAREFULLY AND DISCUSS THE COVERAGE WITH YOUR INSURANCE AGENT OR BROKER.

2. Item 5 of the Declarations, Coverage, is deleted in its entirety and amended as follows:

   Item 5. Coverage

   This Policy is issued with the Limits of Liability and Retentions set forth, subject to the Prior or Pending Date, if applicable as set forth in the schedule below.

   Defense Costs are in addition to the Limit of Liability for **Association Liability Coverage Part. Defense Costs** are neither covered nor included within the applicable limits(s) of liability for the **Crime Coverage Part.**

   a. Association Liability Scheduled Limit of Liability for All **Liability Loss**
   $1,000,000 aggregate Limit of Liability applicable to all **Liability Loss** paid on behalf of all **Named Entity Insureds** for all **Claims** first made during each **Policy Period.**

   b. Association Liability Scheduled Additional Limit of Liability for **Defense Costs**
   $1,000,000 *aggregate additional Limit of Liability applicable to* **Defense Costs** paid on behalf of all **Named Entity Insureds** for all **Claims** first made during each **Policy Period.**



This endorsement forms a part of the policy. It is subject to the same inception date, unless otherwise stated. This endorsement expires concurrently with said policy.

01 Must be Completed	
ENDT. NO. GSL4393 4/05	POLICY NO. 0251292547

Complete Only When This Endorsement Is Not Prepared with the Policy or is Not to be Effective with the Policy	
ISSUED TO	EFFECTIVE DATE OF THIS ENDORSEMENT

John S Brand

Authorized Representative

DEOL01

3. The General Terms & Conditions, Section **V, LIMIT OF LIABILITY/RETENTIONS** , is amended as follows:

Paragraph 1.c. is deleted in its entirety;

The following new language is added:

All **Defense Costs** shall first be applied to the **Defense Costs** limit of liability. If and when such limit of liability for **Defense Costs** is exhausted by payment of **Defense Costs**, then and in that event only shall any remaining **Defense Costs** be applied to the applicable limit of liability for **Liability Loss**.

The Insurer is not obligated to investigate, defend, pay or settle, or continue to investigate, defend, pay or settle a **Claim** or pay any **Loss**, if the aggregate limit of liability applicable to **Liability Loss** has been exhausted by the payment of **Loss** other than **Defense Costs** , payment of **Defense Costs** , or the payment of both , even if any of the additional limit of liability applicable to **Defense Costs** remains. In such case, the Insurer shall have the right to withdraw from the further investigation, defense or settlement of such **Claim** by tendering such investigation, defense or settlement to the **Named Entity Insureds**.

However, if the aggregate additional Limit of Liability applicable to **Defense Costs** is exhausted and the Limit of Liability applicable to **Liability Loss** is not yet exhausted, the Insurer's obligation to defend any **Liability Claim** or pay **Liability Loss**, including **Defense Costs**, shall not be extinguished, unless and until the maximum aggregate Limit of Liability for all **Liability Loss** is exhausted.

4. The General Terms & Conditins, Section **VI, DEFENSE AND SETTLEMENT** , subparagraph 1 is deleted in its entirety and replaced with the following:

1. Defense of **Claims**

The Insurer has the right and duty to defend all **Liability Claims**, even if the allegations are groundless, false or fraudulent. The Insurer shall have the right to appoint counsel and to make such investigation and defense of a **Liability Claim** as it deems necessary The Insurer s obligation to defend any **Liability Claim** or pay any **Liability Loss**, including **Defense Costs** , shall be completely fulfilled and extinguished if the Limit of Liability applicable to all **Loss**, set forth in Item 5 of the Declarations, has been exhausted, even if any Limit of Liability applicable to **Defense Costs**, set forth in Item 5 of the Declarations, remains. In such case, the Insurer shall have the right to withdraw from the further investigation, defense or settlement of such **Liability Claim** by tendering such investigation, defense or settlement to the **Named Entity Insureds**. or if the **Named Entity** has failed to pay its full retention for reasons other than **Financial Insolvency**.

All other terms and conditions of the Policy remain unchanged

CNA

This endorsement forms a part of the policy. It is subject to the same inception date, unless otherwise stated. This endorsement expires concurrently with said policy.

01 Must be Completed	
ENDT. NO. GSL4393 4/05	POLICY NO. 0251292547

Complete Only When This Endorsement Is Not Prepared with the Policy or is Not to be Effective with the Policy	
ISSUED TO	EFFECTIVE DATE OF THIS ENDORSEMENT

John S Brand

Authorized Representative

CNA

BREACH OF CONTRACT DEFENSE COVERAGE
WITH SUBLIMIT ENDORSEMENT

In consideration of the premium paid, it is hereby understood and agreed that the **Liability Coverage Part**, Section **III, EXCLUSIONS**, is amended as follows:

1. Paragraph 1, Exclusions Applicable to All **Loss**, subparagraph m. is deleted in its entirety and replaced as follows:

   m. for:
   (1) a **Named Entity Insured s** actual or alleged liability under any oral contract or agreement, including but not limited to express warranties or guarantees. Provided, however, that this exclusion shall not apply to any **Claim** for liability under an employment contract;
   (2) liability of others assumed by the **Named Entity Insured** under any oral or written contract or agreement,

   except that coverage otherwise available to a **Named Entity Insured** shall apply to such **Named Entity Insured s** liability that exists in the absence of such contract or agreement; or

2. Paragraph 2. Exclusions Applicable to **Loss** Other than **Defense Costs**, is amended to add the following new Exclusion:

   The Insurer shall not be liable to pay that portion of **Loss**, other than **Defense Costs**, for:
   a **Named Entity Insured s** actual or alleged liability under any written contract or agreement, including but not limited to express warranties or guarantees. Provided, however, that this exclusion shall not apply to any **Claim** for liability under an employment contract;
   except that coverage otherwise available to a **Named Entity Insured** shall apply to such **Named Entity Insured s** liability that exists in the absence of such written contract or agreement.
   Defense Costs coverage provided herein shall be subject to the following Retention and Sublimit. Such sublimit shall be included within, and not in addition to, the aggregate Limit of Liability for all **Liability Loss** as stated in Item 5. on the Declarations.

   Retention: $ 1000 per **Claim**
   Sublimit: $ 1000000 per **Claim** and in the aggregate

All other terms and conditions of the Policy remain unchanged.

CNA

This endorsement forms a part of the policy. It is subject to the same inception date, unless otherwise stated. This endorsement expires concurrently with said policy.

02 Must be Completed	
ENDT. NO. GSL8394 12/06	POLICY NO. 0251292547

Complete Only When This Endorsement Is Not Prepared with the Policy or is Not to be Effective with the Policy	
ISSUED TO	EFFECTIVE DATE OF THIS ENDORSEMENT

John S Brandt
Authorized Representative

G8394

I. INSURING AGREEMENT

The Insurer shall pay all **Loss** resulting from any **Claim** first made against any **Named Entity**, **Subsidiary**, **Insured Person** or **Property Manager** during the **Policy Period** or the Extended Reporting Period, if applicable, for a **Wrongful Act** committed, attempted, or allegedly committed or attempted, by such **Named Entity Insured** before or during the **Policy Period**.

II. DEFINITIONS

For purposes of coverage under this **Coverage Part**:

1. **Claim** means:
   a. a written demand for monetary damages or nonmonetary relief against a **Named Entity Insured** for a **Wrongful Act**;
   b. a civil, criminal, or administrative adjudicatory proceeding against a **Named Entity Insured** for a **Wrongful Act**, including any appeal therefrom; or
   c. a proceeding before the United States Equal Employment Opportunity Commission or any similar state, local or territorial governmental agency, against a **Named Entity Insured** for a **Wrongful Act** which is a **Wrongful Employment Practice**.

2. **Construction Defect** means any alleged or actual defective, faulty or delayed construction or any other matter recognized as a construction defect under applicable common or statutory law, whether or not as a result of (i) faulty or incorrect design or architectural plans, (ii) improper soil testing, (iii) inadequate or insufficient protection from subsoil, ground water or earth movement or subsidence, (iv) the construction, manufacture or assembly of any tangible property, (v) the failure to provide construction related goods or services as represented or to pay for such goods or services, or (vi) the supervision of such activities.

3. **Insured Persons** means all past, present or future duly elected or appointed directors, officers, trustees, employees (including full time, part time, seasonal, temporary, leased or loaned employees), or committee members of **Named Entity** or any **Subsidiary**; volunteers acting on behalf of and at the specific direction of the **Named Entity** or any **Subsidiary;** or **Property Manager Employees**.

4. **Loss** means damages, settlements, judgments (including any award of pre-judgment and post-judgment interest) and **Defense Costs** for which the **Named Entity Insureds** are legally obligated to pay on account of a covered **Claim**. **Loss** shall not include:
   a. criminal or civil fines or penalties imposed by law;
   b. taxes;
   c. any amounts for which there is no legal recourse against the **Named Entity Insureds**; or
   d. matters which are uninsurable under the law pursuant to which this Policy is construed.

   Loss shall include punitive, exemplary or multiple damages, if insurable, to the fullest extent permitted by any applicable law.

5. **Publishers' Wrongful Act** means a **Wrongful Act** that is:
   a. copyright, trademark, trade name, trade dress or service mark infringement;
   b. unauthorized use of title;
   c. plagiarism; or

d. misappropriation of ideas.

6. **Property Manager Services** means the following services provided by the **Property Manager** for **Named Entity** for a fee:
   a. development and implementation of management plans and budget;
   b. oversight of physical maintenance of property;
   c. solicitation, evaluation and securing of tenants and management of tenant relations, collection of rent and processing evictions;
   d. development, implementation and management of loss control and risk management plans for real property;
   e. development, implementation and management of contracts and subcontracts (excluding property and liability insurance contracts) necessary to the daily functioning of the property;
   f. feasibility studies and recommendations regarding maintenance, repairs, renovations or alterations of managed premises, provided said maintenance, repairs, renovation or alterations do not involve the services of an architect; and
   g. personnel administration and record keeping, including tax filings, in connection with a managed property.

7. **Specified Peril** means aircraft or self propelled missiles; explosion; fire; lightning; flood, surface water, waves, tidal water, overflow of a body of water or spray from any of the foregoing, even if driven by wind; hail; leakage from fire equipment; mechanical breakdown; smoke; soil, subsoil or earth movement or subsidence; whether by earthquake, landslide, mudslide, volcanic eruption or other natural or man-made causes; or wind.

8. **Wrongful Act** means any actual or alleged error, misstatement, misleading statement, act, omission, neglect or breach of duty committed or attempted by:
   a. the **Insured Persons** in their capacity as such, or any matter claimed against the **Insured Person** solely by reason of serving in such capacity;
   b. any **Named Entity** or **Subsidiary**; or
   c. a **Property Manager**, but solely in the capacity as a **Property Manager** performing **Property Manager Services,**

   including but not limited to any **Publishers' Wrongful Act**, any **Wrongful Employment Practice**, and any **Wrongful Personal Injury**.

9. **Wrongful Employment Practice** means any **Wrongful Act** constituting or relating to:
   a. wrongful dismissal or discharge or termination of employment, whether actual or constructive;
   b. employment-related misrepresentation;
   c. violation of any federal, state or local laws (whether common-law or statutory) concerning employment or discrimination in employment, including the Americans with Disabilities Act of 1992, the Civil Rights Act of 1991, the Age Discrimination in Employment Act of 1967, Title VII of the Civil Rights Act of 1964 and the Civil Rights Act of 1866;
   d. sexual harassment or other unlawful harassment in the work place;
   e. wrongful deprivation of career opportunity or failure to employ or promote;
   f. wrongful discipline of employees;
   g. retaliation against employees for the exercise of any legally protected right or for engaging in any legally protected activity;
   h. negligent evaluation of employees;

i. failure to adopt adequate workplace or employment policies and procedures;
j. employment-related defamation or invasion of privacy; or
k. employment-related wrongful infliction of emotional distress.

10. **Wrongful Personal Injury** means a **Wrongful Act** of :
a. false arrest, wrongful detention or imprisonment;
b. malicious prosecution;
c. libel, slander or other defamation;
d. publication or an utterance in violation of an individual's right to privacy;
e. wrongful entry or eviction, or other invasion of the right to private occupancy; or
f. discrimination, other than employment related discrimination.

III. EXCLUSIONS

1. Exclusions Applicable to all **Loss**

The Insurer shall not be liable to pay any **Loss** in connection with any **Claim**:

a. based upon, directly or indirectly arising out of, or in any way involving any:
(1) actual or alleged bodily injury, sickness, disease, emotional distress, mental anguish or death of any person (except employment-related wrongful infliction of emotional distress in a **Claim** for a **Wrongful Employment Practice**);
(2) actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, growth or presence of **Fungi** or **Microbes**; or the actual, alleged or threatened failure to detect, report, test for, monitor, clean up, remove, contain, treat, detoxify, neutralize, remediate, dispose of or in any way respond to, assess the effects of or advise of the existence of any **Fungi** or **Microbes**. This exclusion applies regardless of any other cause or event that contributes concurrently or in any sequence to the **Losses** claimed;
(3) **Construction Defect**;
(4) **Specified Peril** (except that part of **Loss** which constitutes **Defense Costs** in a **Claim** for such **Specified Peril**); or
(5) damage to tangible property; loss of use or view, or destruction or deterioration of any tangible property; or failure to supervise, repair or maintain tangible property. However, this exclusion shall not apply to that part of **Loss** which constitutes **Defense Costs** in **Claims** for (a) decisions by the board of the **Named Entity** or any committee thereof to impose assessments upon residents, unit owners or members of the **Named Entity**; or (b) decisions of the board of the **Named Entity** in approving or rejecting the request to make physical changes to tangible property, but in no event decisions relating to the execution or quality of such physical changes;

b. based upon, directly or indirectly arising out of, or in any way involving:
(1) any **Wrongful Act** or any matter, fact, circumstance, situation, transaction, or event which has been the subject of any notice given under any prior policy, in whole or in part, regardless of whether such prior policy affords coverage; or

(2) any other **Wrongful Act** whenever occurring, which, together with a **Wrongful Act** described in (1) above, would constitute **Interrelated Wrongful Acts**;

c. based upon, directly or indirectly arising out of, or in any way involving or constituting any civil, criminal, administrative or regulatory proceeding, investigation or arbitration against any of the **Named Entity Insureds**:

(1) pending prior to the applicable Prior or Pending Date set forth in the Coverage Schedule of the Declarations; or

(2) which has been the subject of any notice given under any prior policy, regardless whether such prior policy affords coverage for such proceeding, investigation, or arbitration;

or any fact, circumstance, situation, transaction or event underlying or alleged in such proceeding, investigation or arbitration;

d. based upon, directly or indirectly arising out of, or in any way involving: any nuclear reaction, radiation or contamination, or any actual, alleged or threatened discharge, release, escape, or disposal of, or exposure to, **Pollutants**; any request, direction or order that any of the **Named Entity Insureds** test for, monitor, clean up, remove, contain, treat, detoxify, neutralize or in any way respond to or assess the effect of **Pollutants** or nuclear reaction, radiation or contamination, or any voluntary decision to do so; or any actual or alleged property damage, or bodily injury, sickness, disease or death of any person, or financial loss to **Named Entity** or any **Subsidiary**, their security holders, or their creditors resulting from any of the aforementioned matters; provided however, this exclusion shall not apply to any **Claim** for retaliatory treatment of the claimant by the **Named Entity Insureds** on account of the claimant's actual or threatened disclosure of the matters described in this exclusion;

e. for any **Wrongful Act** by **Insured Persons** in the discharge of their duties in their capacities, or solely by reason of their status, as directors, officers, trustees, regents, governors or employees of any entity other than **Named Entity**, any **Subsidiary** or the **Property Manager**, even if directed or requested by **Named Entity**, any **Subsidiary** or the **Property Manager** to serve as directors, officers, trustees, regents, governors or employees of such other entity;

f. where it is established in a final adjudication by the judge, jury or arbitrator in such **Claim** that such **Named Entity Insured** gained any profit, remuneration or pecuniary advantage to which they were not legally entitled. For purposes of determining the applicability of this exclusion, the **Wrongful Act** of an **Insured Person** shall not be imputed to any other **Insured Person**, and only facts pertaining to and knowledge possessed by an **Executive Officer** shall be imputed to the **Named Entity**, any **Subsidiary** or **Property Manager** for the purpose of determining if coverage is available;

g. where it is established in a final adjudication by the judge, jury or arbitrator in such **Claim** that such **Named Entity Insured** committed any fraudulent or criminal **Wrongful Act** with actual knowledge of its wrongful nature or with intent to cause damage. For purposes of determining the applicability of this exclusion, the **Wrongful Act** of an **Insured Person** shall not be imputed to any other **Insured Person**, and only facts pertaining to and knowledge possessed by an **Executive Officer** shall be imputed to the **Named Entity**, any

Subsidiary or **Property Manager** for the purpose of determining if coverage is available;

h. based upon, directly or indirectly arising out of, or in any way involving a lockout, strike, picket line, replacement or other similar actions resulting from labor disputes or labor negotiations, or the Workers' Adjustment and Retraining Notification Act, Public Law 100-379 (1988), or any amendment thereto, or any similar federal, state, local or common law;

i. based upon, directly or indirectly arising out of, or in any way involving any actual or alleged violation of (i) **ERISA or any Similar Act**; (ii) any law governing workers' compensation, unemployment insurance, social security, disability or similar law, (iii) the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA), (iv) the Fair Labor Standards Act (except the Equal Pay Act), (v) the National Labor Relations Act, (vi) the Occupational Safety and Health Act of 1970 (OSHA), or (vii) any similar federal, state or local law. However, this exclusion shall not apply to any **Claim** for retaliatory treatment of the claimant by the **Named Entity Insureds** on account of claimant's exercise of a right pursuant to any such laws;

j. by or derivatively on behalf of the **Named Entity** or any **Subsidiary**;

l. for:

(1) any **Wrongful Act** by **Insured Persons** of any **Subsidiary** occurring before the date such entity became a **Subsidiary**, or

(2) any other **Wrongful Act** whenever occurring, which, together with a **Wrongful Act** described in (1) above, would constitute **Interrelated Wrongful Acts**;

m. for:

(1) a **Named Entity Insured's** actual or alleged liability under any oral or written contract or agreement, including but not limited to express warranties or guarantees. Provided, however, that this exclusion shall not apply to any **Claim** for liability under an employment contract;

(2) liability of others assumed by the **Named Entity Insured** under any oral or written contract or agreement,

except that coverage otherwise available to a **Named Entity Insured** shall apply to such **Named Entity Insured's** liability that exists in the absence of such contract or agreement; or

n. made against any of the **Insureds** in their capacity as sponsors, builders or developers of the **Named Entity**, or based upon, directly or indirectly arising out of, or in any way involving any actual or alleged misconduct of a sponsor, builder or developer of the **Named Entity**, including but not limited to actual or alleged conflict of interest, self-dealing, or disputes concerning conversion, construction or development.

2. Exclusions Applicable to **Loss** other than **Defense Costs**

The Insurer shall not be liable to pay that portion of **Loss**, other than **Defense Costs**, which constitutes:

a. the cost of any non-monetary relief, including without limitation any costs associated with any injunctive relief of any kind or nature imposed by any judgment or settlement;

b. the costs associated with providing any reasonable accommodations required by, made as a result of, or to conform with the requirements of, the Americans With Disabilities Act and any amendments thereto or any similar federal, state or local statute, regulation, or common laws;

c. medical or insurance benefits to which the claimant allegedly was entitled or would have been entitled had **Named Entity** or any **Subsidiary** provided the claimant with a continuation or conversion of insurance; or

d. **Loss** arising out of the failure to maintain or effect insurance.

3. Exclusions Applicable to **Property Manager**

The Insurer shall not be liable to pay any **Loss** of the **Property Manager** based upon, directly or indirectly arising out of, or in any way involving:

a. the commingling, misappropriation or improper use of, or failure to pay, collect, or safeguard funds;

b. advice as to property value;

c. the transfer or failure to tranfer funds;

d. notarization certification or acknowledgment of a signature;

e. any cease and desist order; or

f. the failure to give timely notice of claim or loss under any insurance policy

g. any **Claim** brought by or derivatively on behalf of the **Named Entity Insured** against a **Property Manager** or a **Property Manager Employee**.

In consideration of the payment of the premium and in reliance upon all statements made in the **Application** furnished to the Insurer designated in the Declarations, a stock insurance corporation, hereafter called the Insurer, the Insurer and the **Named Entity Insureds** agree as follows:

I. TERMS AND CONDITIONS

The terms and conditions of each **Coverage Part** apply only to that **Coverage Part** and shall not apply to any other **Coverage Part**. If any provision in these General Terms & Conditions is inconsistent or in conflict with the terms and conditions of any **Coverage Part**, the terms and conditions of that **Coverage Part** shall control for purposes of that **Coverage Part**.

II. DEFINITIONS

Words set forth in bold have the meaning set forth below. However, any bolded word defined in these General Terms & Conditions that is defined differently in a **Coverage Part** shall, for purposes of coverage under that **Coverage Part**, have the meaning defined in that **Coverage Part**.

1. **Application** means all applications for this Policy and for any policy in an uninterrupted series of policies issued by the Insurer or any affiliate of the Insurer of which this Policy is a renewal or replacement. **Application** includes any materials submitted or required to be submitted with the **Application**. An "affiliate of the Insurer" means an insurer controlling, controlled by or under common control with the Insurer.
2. **Coverage Part** means only those coverage parts designated in the Declarations as "Included" in this Policy and attached hereto.
3. **Crime Coverage Part** means the Crime Coverage Part, if such **Coverage Part** is designated as "Included" in the Declarations and attached hereto.
4. **Crime Loss** means loss sustained under the **Crime Coverage Part**.
5. **Defense Costs** means all reasonable and necessary fees charged by attorneys designated by the Insurer, or by the **Named Entity Insureds** with the Insurer's written consent. **Defense Costs** also include all other reasonable and necessary fees, costs and expenses resulting from the investigation, adjustment, defense and appeal of a **Liability Claim** if incurred by the Insurer, or by the **Named Entity Insureds** with the written consent of the Insurer, including the costs of appeal, attachment or similar bonds. However, the Insurer has no obligation to provide such bonds. **Defense Costs** shall not include salaries, wages, fees, overhead or benefit expenses associated with the directors, officers, employees, trustees, committee members, or volunteers of **Named Entity**, any **Subsidiary**, or **Property Manager**.
6. **ERISA or any Similar Act** means the Employee Retirement Income Security Act of 1974, as amended, or any similar common or statutory law of the United States or its states, territories or possessions, or any other jurisdiction anywhere in the world.
7. **Executive Officer** means with respect to **Named Entity**, any **Subsidiary**, or **Property Manager**, its trustees, chairperson, chief executive officer, president, chief financial officer, in-house general counsel, and the director of human resources or equivalent position.
8. **Financial Insolvency** means, with respect to any **Named Entity** covered under any **Coverage Part** designated as "included" in the Declarations attached hereto:

a. the appointment by any state or federal official, agency or court of a receiver, conservator, liquidator, trustee, rehabilitator or similar official to take control of, supervise, manage or liquidate such **Named Entity**; or such **Named Entity** becoming a debtor in possession; and

b. except with respect to a **Change in Status**, the inability of such organization financially or under applicable law to advance **Defense Costs** or indemnify the **Insureds** for **Liability Loss**.

9. **Fungi** means any form of fungus, including but not limited to yeast, mold, mildew, rust, smut or mushroom, and any spores, mycotoxins, odors or any other substances, products, or by products produced by, released by, or arising out of the current or past presence of fungi.

10. **Insured Person** means any natural person covered under the **Liability Coverage Part**.

11. **Interrelated Wrongful Acts** means any **Wrongful Acts** which are logically or causally connected by reason of any common fact, circumstance, situation, transaction or event.

12. **Liability Claim** means any claim covered under the **Liability Coverage Part.**

13. **Liability Coverage Part** only means the **Association Liability Coverage Part** , if such **Coverage Part** is designated as "Included" in the Declarations attached to this policy .

14. **Liability Loss** means loss covered under the **Liability Coverage Part.**

15. **Loss** means all **Liability Loss** and all **Crime Loss.**

16. **Microbe** means any non-fungal microorganism or non-fungal colony-form organism that causes infection or disease including but not limited to any spores, mycotoxins, odors or any other substances, products, or by products produced by, released by, or arising out of the current or past presence of microbes.

17. **Named Entity** means the association named in Item 1 of the Declarations, including such association as a debtor in possession under Chapter 11 of the United States Bankruptcy Code or an equivalent status under the law of any other country.

18. **Named Entity Insureds** means the **Named Entity, Subsidiaries, Property Manager** and **Insured Persons** covered under under any **Coverage Part** designated as "Included" in the Declarations.

19. **Policy Period** means the period from the effective date of this Policy to the Policy expiration date stated in Item 2 of the Declarations, or its earlier cancellation date.

20. **Policy Premium** means the original premium and the fully annualized amount of any additional premiums, other than the Extended Reporting Period premium, charged by the Insurer before or during the **Policy Period**.

21. **Pollutants** means any substance exhibiting hazardous characteristics as, is or may be defined or identified on any list of hazardous substances issued by the United States Environmental Protection Agency or any state or local or foreign counterpart. **Pollutants** also means, without limitation, any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals or waste (including materials to be recycled, reconditioned or reclaimed), as well as anyair emission, odor, waste water, oil or oil products, infectious or medical waste, asbestos, or asbestos products.

22. **Property Manager** means the entity or natural person specified in Item 6 of the Declarations. If an entity is specified in Item 6, **Property Manager** shall also include **Property Manager Employees** employed by such entity to provide real estate **Property Management Services** to the **Named Entity**.

23. **Property Manager Employee** means any natural person in the regular service of a **Property Manager** in the ordinary course of such **Property Manager's** business, whom such **Property Manager** governs and directs in the performance of such service, including any part-time, seasonal, leased or temporary employee, or any duly elected or appointed director, officer, member of the board of managers or management committee member while performing **Property Management Services** within the usual scope of a **Property Manager Employee**.

24. **Subsidiary** means any entity which qualifies as a non-profit entity under Internal Revenue Code Section 501(c)(3) and any amendment thereto, during any time in which the **Named Entity** owns or controls, directly or through one or more **Subsidiaries**, the right to elect or appoint more than 50% of the entity's directors or trustees.

25. **Change in Status** means the consolidation or merger of the **Named Entity** into or with another entity, or **Financial Insolvency**:

III. EXTENDED REPORTING PERIOD/DISCOVERY

1. Solely with respect to any **Liability Coverage Part,** if the Insurer non-renews this Policy, the **Named Entity** shall be provided, at no additional charge, an extension of this Policy for a period of 30 days immediately following the end of the **Policy Period**, but only with respect to **Claims** made against **Named Entity Insureds** and reported to the Insurer during such extension by reason of any **Wrongful Act** committed before the earlier of the end of the **Policy Period** or the effective date of any **Change in Status.**

   This period shall be referred to as the automatic Extended Reporting Period.

2. If the Insurer non-renews this Policy, the **Named Entity** shall have the right to purchase, upon payment of an additional premium equal to 100% of the annualized **Policy Premium**, an extension of this Policy for a period of 12 months immediately following the end of the **Policy Period**, but only with respect to;

   a. under the **Liability Coverage Part**,. any **Wrongful Act** committed before the earlier of the end of the **Policy Period** or the effective date of any **Change in Status;**

   b. under the **Crime Coverage Part**, loss sustained completely prior to the earlier of the end of the **Policy Period** or the effective date of any **Change in Status**, which is discovered by the **Named Entity** no later than one year from the date of that termination or cancellation.

This period shall be referred to as the optional Extended Reporting Period.

3. As a condition precedent to the right to purchase the optional Extended Reporting Period, (i) the total premium for this Policy must have been paid; (ii) the **Named Entity** must request such Extended Reporting Period in writing, and such request must be received by the Insurer, at the address for notices set forth in Item 4 of the Declarations page, within 30 days of the end of the **Policy Period** or the effective date of any **Change in Status**, and (iii) the full payment of the premium for such Extended Reporting Period must be received by the Insurer within 30 days after the end of the **Policy Period**.

4. If the optional Extended Reporting Period is purchased, the entire premium shall be deemed fully earned at its commencement without any obligation by the Insurer to return any portion thereof.

5. There is no separate or additional limit of liability for the automatic or optional Extended Reporting Period.

6. No receiver, conservator, liquidator, trustee, rehabilitator, or similar official and no governmental agency, body or representative can exercise the right to: (i) purchase extended discovery with respect to the **Crime Coverage Part**; or (ii) report any claim under the **Crime Coverage Part**. In addition, the Extended Reporting Period terminates immediately with respect to the **Crime Coverage Part** on the effective date of any other insurance obtained by **Named Entity Insureds** or any other party which replaces, in whole or in part, the coverage afforded by the **Crime Coverage Part**, regardless of whether such insurance provides coverage for **Loss** sustained prior to the effective date of this Policy.

IV. ESTATES, LEGAL REPRESENTATIVES AND SPOUSES

The estates, heirs, legal representatives, assigns, spouses and legally recognized domestic partners of **Insured Persons** shall be considered **Named Entity Insureds** under the **Liability Coverage Part**; provided, however, coverage is afforded to such estates, heirs, legal representatives, assigns, spouses and legally recognized domestic partners only for a **Claim** arising solely out of their status as such and, in the case of a spouse, where such **Claim** seeks damages from marital community property, jointly held property or property transferred from the **Insured Person** to the spouse. No coverage is provided for any act, error or omission of an estate, heir, legal representative, assign, spouse or legally recognized domestic partners. All terms and conditions of this Policy, including without limitation the retention applicable to **Liability Loss** incurred by the **Insured Person**, shall also apply to loss incurred by such estates, heirs, legal representatives, assigns, spouses and legally recognized domestic partners.

V. LIMIT OF LIABILITY/RETENTIONS

1. Limit of Liability

   a. The Scheduled Limits of Liability set forth in Item 6 of the Declarations as the Scheduled Limits of Liability for the **Association Liability Coverage Part** shall be the maximum aggregate Limits of Liability of the Insurer for all **Liability Loss** under such **Coverage Part**, regardless of the number of **Claims** made against the **Named Entity Insureds**;

   b. The Scheduled Limit of Liability set forth in Item 6 of the Declarations as the Scheduled Limit of Liability for the **Crime Coverage Part** shall be the maximum

limit of liability of the Insurer for each **Crime Loss** under the **Crime Coverage Part**. Such limit of liability shall not accumulate from **Policy Period** to **Policy Period**

c. If the Limit of Liability for any **Coverage Part** is exhausted by payment of **Loss**, the Insurer's obligations under such **Coverage Part** shall be deemed completely fulfilled and extinguished.

d. The Insurer shall pay **Liability Loss** on behalf of the **Named Entity Insureds**, and shall pay **Crime Loss** as incurred by the **Named Entity Insureds**, without consideration of other future obligations.

e. The liability of the Insurer for all **Crime Loss** sustained by more than one **Named Entity Insured** shall not exceed the amount that the Insurer would pay if all **Crime Loss** had been sustained by one **Named Entity Insured**.

f. In the event any loss is covered partly by the **Crime Coverage Part** and partly by any prior canceled or terminated insurance that the Insurer or any affiliate issued to the **Named Entity Insureds**, the most the Insurer will pay with respect to such loss is the larger of the amount recoverable under the **Crime Coverage Part** or the prior insurance.

g. If any loss is covered partly by the **Crime Coverage Part** and partly by any prior canceled or terminated insurance issued by any carrier other than the Insurer or any affiliate: (i) any retention amount applicable to the loss under the **Crime Coverage Part** will be reduced by any deductible or retention amount applicable under the prior insurance, and (ii) the limit applicable to the loss under the **Crime Coverage Part** will be reduced by any amount paid or payable to the **Named Entity Insured** under the prior insurance.

2. Retentions

a. Subject to paragraph c below, the Insurer is liable to pay only that amount of **Loss** in excess of any applicable retention. The Insurer will have no obligation to pay all or any portion of any applicable retention.

b. Separate Retentions as set forth in Item 6 of the Declarations as the Scheduled Retentions shall apply to each **Loss** under each **Coverage Part.**

c. No retention applies with respect to any **Liability Loss** in a **Claim** against any **Insured Persons** if the **Named Entity**, or any **Subsidiary** are not permitted to advance **Defense Costs** or to indemnify such **Insured Persons** for **Liability Loss** by reason of:

(1) **Financial Insolvency**; or

(2) a good faith determination by **Named Entity**, or any **Subsidiary** that such payment is not permitted under the broadest construction of applicable law.

d. Subject to Section XII below, if a **Loss** is covered under more than one **Coverage Part** and if more than one retention applies to such **Loss**, the maximum total retention amount applicable to such **Loss** shall be the amount of the largest applicable retention.

VI. DEFENSE AND SETTLEMENT OF LIABILITY CLAIMS

1. Defense of **Claims**

   The Insurer has the right and duty to defend all **Liability Claims**, even if the allegations are groundless, false or fraudulent. The Insurer shall have the right to appoint counsel and to make such investigation and defense of a **Liability Claim** as it deems necessary. The Insurer's obligation to defend any **Liability Claim** or pay any **Liability Loss**, including **Defense Costs**, shall be completely fulfilled and extinguished if the limit of liability has been exhausted by payment of **Liability Loss**, or if the **Named Entity** has failed to pay its full retention for reasons other than **Financial Insolvency**.

2. Settlement

   The Insurer shall not settle a **Liability Claim** without the consent of the **Named Entity Insureds**, other than any **Property Manager**, which shall not be unreasonably withheld. If the **Named Entity Insureds**, other than any **Property Manager** unreasonably refuse to consent to a settlement or compromise recommended by the Insurer, and acceptable to the claimant, then the applicable limit of liability under this Policy shall be reduced to the amount for which the **Liability Claim** could have been settled plus all **Defense Costs** incurred up to the time the Insurer made its recommendation.

3. Cooperation of **Named Entity Insureds**

   The **Named Entity Insureds** shall not admit liability, consent to any judgment, agree to any settlement or make any settlement offer without the Insurer's prior written consent, such consent not to be unreasonably withheld. The Insurer shall not be liable for any **Loss** to which it has not consented. The **Named Entity Insureds** agree that they shall not knowingly take any action which increases the Insurer's exposure for **Loss** under this Policy. The **Named Entity Insureds** shall furnish the Insurer with copies of reports, investigations, pleadings, and all related papers, and such other information, assistance and cooperation as the Insurer may reasonably request.

VII. NOTICE/DATE OF CLAIM/INTERRELATED CLAIM CLAUSE/ SWORN PROOF OF LOSS

1. If, during the **Policy Period** or any Extended Reporting Period, if applicable, any **Claim** is first made against the **Named Entity Insureds,** the **Named Entity Insureds** shall, as a condition precedent to the obligations of the Insurer under this Policy, give a written notice to the Insurer as soon as reasonably possible.
2. If, during the **Policy Period** the **Named Entity Insureds** first become aware of a specific **Wrongful Act** which may reasonably give rise to a future **Liability Claim** and during such period give written notice to the Insurer of:
   a. the names of any potential claimants and a description of the **Wrongful Act** which forms the basis of their potential **Claim**;

b. the identity of the specific **Named Entity Insureds** allegedly responsible for such specific **Wrongful Act**;

c. the consequences that have resulted or may result from such specific **Wrongful Act**;

d. the nature of the potential monetary damages or non-monetary relief which may be sought in consequence of such specific **Wrongful Act**; and

e. the circumstances by which **Named Entity Insureds** first became aware of such specific **Wrongful Act**;

then any **Liability Claim** otherwise covered pursuant to the **Liability Coverage Part** which is subsequently made and which arises out of such **Wrongful Act** shall be deemed to have been first made and reported to the Insurer by the **Named Entity Insureds** at the time such written notice was received by the Insurer. No coverage is provided for fees and expenses incurred prior to the time such notice results in a **Liability Claim**.

3. Except as provided in subsection 2 above, a **Liability Claim** shall be deemed made:

   a. in the case of a civil, criminal, administrative, regulatory proceeding or arbitration, on the earliest of the date of service upon or other receipt by any **Named Entity Insured** of a complaint, indictment, notice of charge or similar document against the **Named Entity Insured** in such proceeding or arbitration;

   b. in the case of a written demand for monetary damages or non-monetary relief, on the **Named Entity Insureds'** receipt of such written demand.

4. More than one **Liability Claim** involving the same **Wrongful Act** or **Interrelated Wrongful Acts** shall be considered as one **Liability Claim** which shall be deemed made on the earlier of:

   a. the date on which the earliest such **Liability Claim** was first made, or

   b. the first date valid notice was given by the **Named Entity Insureds** to the Insurer under this Policy of any **Wrongful Act** or under any prior policy of any **Wrongful Act,** or any fact, circumstance, situation, event or transaction which underlies any such **Liability Claim**.

5. With respect to the **Crime Coverage Part**, within 90 days after discovery the **Named Entity Insured** sustained a loss, the **Named Entity Insured** shall provide a detailed sworn proof of loss. The **Named Entity Insureds** will, upon request of the Insurer, submit to an examination under oath. The **Named Entity Insureds** will also notify the police if they have reason to believe that any loss involves a violation of law.

6. The **Named Entity Insureds** shall give written notice to the Insurer under this Policy as specified in Item 4 of the Declarations, which shall be effective upon receipt.

VIII. CANCELLATION

1. The Insurer may not cancel this Policy except for non-payment of any premium when due by providing to **Named Entity** written notice stating when, not less than 20 days thereafter, such cancellation shall be effective. This Policy is issued in consideration of the payment of the premium. If there is non-payment of the premium due on inception of the **Policy Period**, this policy does not take effect, and the Named Insured will be so notified.

2. The **Named Entity Insureds** grant the exclusive authority to cancel this Policy to **Named Entity. Named Entity** may cancel this Policy by providing the Insurer written notice stating when thereafter such cancellation shall be effective. The mailing or delivery of such notice shall be sufficient. The unearned premium shall be computed pro rata and premium adjustment may be made at the time cancellation is effected or as soon as practicable.

IX. NOTICES TO THE NAMED ENTITY

Any notices required under Section VIII, **CANCELLATION**, shall be provided to **Named Entity** at the address set forth in Item 1 of the Declarations and to the **Property Manager** if and at the address, specified in Item of the Declarations for this Policy. The mailing of such notice shall be sufficient.

X. OTHER INSURANCE

If any **Loss** resulting from any **Claim** is insured under any other policies, this Policy shall apply only to the extent the **Loss** exceeds the amount paid under such other insurance whether such other insurance is stated to be primary, contributory, excess, contingent or otherwise, unless such other insurance is written only as specific excess insurance over this Policy.

XI. APPLICATION

The **Named Entity Insureds** represent and acknowledge that the statements contained in the **Application** are true, are the basis of this Policy and are to be considered as incorporated into and constituting a part of this Policy, and shall be deemed material to the acceptance of this risk or the hazard assumed by the Insurer under this Policy. This Policy is issued in reliance upon the truth of such representations.

XII. COORDINATION AMONG COVERAGE PARTS

Should two or more **Coverage Parts** apply to the same **Loss**, the Insurer will not pay more than the actual **Loss** incurred by the **Named Entity Insureds**.

XIII. COVERAGE FOR NEW SUBSIDIARIES

1. If, after the effective date of this Policy, (i) **Named Entity,** or any **Subsidiary** creates or acquires an entity, or (ii) **Named Entity**, or any **Subsidiary** merges with another entity such that **Named Entity**, or any **Subsidiary** is the surviving entity, then such entity, and any subsidiaries, directors, officers, trustees or employees of such entity who otherwise would thereby become a **Named Entity Insured,** shall be covered under this Policy, subject to its terms and conditions, only if the Insurer, at its sole option, upon submission of such information as the Insurer may require and payment of any additional premium and/or amendment of the provisions of the Policy, agrees to provide coverage for such entity, subsidiaries, directors, officers or employees.
2. There shall be no coverage under the **Liability Coverage Part** for any **Wrongful Act** by such created, acquired or merged entity, or by any persons or entities considered to be **Named Entity Insureds** pursuant to Section XII.1 above, where such **Wrongful Act** occurred in whole or in part before the effective date of such acquisition or merger or for any **Wrongful Act** occurring on or after such date which,

together with any **Wrongful Acts** occurring before such date, would be considered **Interrelated Wrongful Acts**. There is no coverage under the **Crime Coverage Part** (if included) for any event discovered prior to the effective date of such creation, merger or acquisition either by **Named Entity Insured,** or by the created, acquired or merged entity.

XIV. CHANGE OF STATUS

1. **Change in Status** of **Named Entity**

   In the event of a **Change in Status** of **Named Entity**, coverage under this Policy shall continue until this Policy is otherwise terminated, but only with respect to **Wrongful Acts** occurring, or **Loss** under the **Crime Coverage Part** sustained, before the effective date of the **Change in Status**, unless (i) the Insurer is notified in writing of the **Change in Status** prior to the **Change in Status** effective date and agrees in writing to provide coverage for **Wrongful Acts** occurring, or **Crime Loss** sustained, on or after such effective date, and (ii) **Named Entity** accepts any special terms, conditions, exclusions or additional premium charge required by the Insurer.

2. Cessation of **Subsidiary**

   If any organization ceases to be a **Subsidiary**:

   a. there shall be no coverage under the **Liability Coverage Part** for any **Wrongful Act** by such organization or any **Insured Person** of such organization occurring after the date such organization ceased to be a **Subsidiary**; and

   b. there shall be no coverage under the **Crime Coverage Part** (if included) for **Crime Loss** sustained by the **Subsidiary** after the date it ceased to be a **Subsidiary**.

3. Transfer of a **Plan**

   If the sponsorship of a **Plan** is transferred so that **Named Entity.** or any **Subsidiary** is no longer the sole employer sponsor of such **Plan**, there shall be no coverage under the **Crime Coverage Part** (if included) for **Crime Loss** sustained by or with respect to such **Plan** after the date of such transfer.

XV. SUBROGATION AND RECOVERY

1. To the extent it pays any **Loss**, the Insurer shall be subrogated to all the **Named Entity Insureds'** rights of recovery therefor. The **Named Entity Insureds** shall execute all papers necessary to secure such rights, including executing any documents necessary to enable the Insurer effectively to bring suit in their name, and shall not act or fail to act in any way that impairs the Insurer's rights of subrogation or recovery.

2. If a **Loss** is in part insured and in part uninsured under this Policy or is in an amount in excess of the applicable limit of liability, the **Named Entity Insureds** and the Insurer shall attempt to agree upon an equitable allocation of any recoveries made, whether before or after payment of the **Loss** by the Insurer, from any person or source responsible for causing the **Loss**. Reasonable expenses incurred in making a recovery shall always have priority of payment from all such recoveries. If, after exerting their best efforts, the **Named Entity Insureds** and the Insurer are unable to

agree upon such an allocation after taking into account due consideration for the respective parties' willingness to pay the expenses of making any recovery, the Insurer, if requested by the **Named Entity Insureds**, shall submit the dispute to binding arbitration. The rules of the American Arbitration Association shall apply with respect to the selection of the arbitration panel, which shall consist of one arbitrator selected by the **Named Entity Insureds**, one arbitrator selected by the Insurer, and a third independent arbitrator selected by the first two arbitrators.

3. In no event shall the **Named Entity Insureds** be entitled to recoup from recoveries any amount to satisfy any retention until after all amounts which the Insurer is required to pay or pays under any applicable **Coverage Part** are reimbursed to the Insurer.

4. Any allocation of recoveries for purposes of this Section **XV** shall not change any provisions dealing with calculation of insured **Crime Loss** under the **Crime Coverage Part**.

XVI. CHANGES

Notice to or knowledge possessed by any agent or other person acting on behalf of the Insurer shall not effect a waiver or a change in any part of this Policy or stop the Insurer from asserting any right under the provisions of this Policy, nor shall the provisions be waived or changed except by written endorsement issued to form a part of this Policy.

XVII. NAMED ENTITY AUTHORIZATION

1. The **Named Entity Insureds** agree that **Named Entity** will act on behalf of the **Named Entity Insureds** with respect to giving of all notice to the Insurer (except notices provided in Section VII.1 or 2), the receipt of notices from the Insurer, the payment of the premiums, the receipt of any return premiums that may become due under this Policy, and the acceptance of endorsements.

2. Payment of **Crime Loss** covered under the **Crime Coverage Part** to **Named Entity** shall discharge the Insurer from all further obligations under the **Crime Coverage Part** with respect to such **Crime Loss**, regardless of which **Named Entity Insured** sustained the **Crime Loss**.

XVIII. NO ACTION AGAINST INSURER

1. No action shall be taken against the Insurer unless, as a condition precedent, there shall have been full compliance with all the provisions of this Policy nor until the amount of the **Named Entity Insureds'** obligation to pay shall have been finally determined either by final and nonappealable judgment against the **Named Entity Insureds** after trial or by written agreement of the **Named Entity Insureds**, the claimant and the Insurer.

2. No person or organization shall have any right under this Policy to join the Insurer as a party to any **Liability Claim** against the **Named Entity Insureds** to determine the **Named Entity Insureds'** liability, nor shall the Insurer be impleaded by the **Named Entity Insureds** or their legal representatives in any such **Liability Claim**.

3. Legal proceedings for the recovery of any **Loss** claimed under the **Crime Coverage Part** shall not be brought prior to the expiration of 90 days after proof of loss was received by the Insurer nor more than two years after the loss was discovered.

XIX. ASSIGNMENT OF INTEREST

Assignment of interest under this Policy shall not bind the Insurer unless its consent is endorsed to this Policy.

XX. TERRITORY

Coverage shall apply solely to **Claims** brought and maintained entirety within and subject to the laws of the United States of America or any territory, possession, state, province or subdivision thereof.

XXI. ENTIRE AGREEMENT

The **Named Entity Insureds** agree that this Policy, consisting of the **Application**, the **Coverage Parts**, and all endorsements listed in the Declarations, constitute the entire contract existing between them and the Insurer or any of its agents relating to this insurance.

XXII. ECONOMIC AND TRADE SANCTIONS

In accordance with laws and regulations of the United States concerning economic and trade embargoes, this policy is void from its inception with respect to any term or condition of this policy that violates any laws or regulations of the United States concerning economic and trade embargoes including, but not limited to the following:

1. Any **Named Entity Insured**, or any person or entity claiming the benefits of a **Named Entity Insured**, who is or becomes a Specially Designated National or Blocked Person or who is otherwise subject to U.S. economic or trade sanctions;
2. Any **Claim** that is brought in a Sanctioned Country or by a Sanctioned Country Government, where any action in connection with such **Claim** is prohibited by U.S. economic or trade sanctions;
3. Any **Claim** that is brought by any Specially Designated National or Blocked Person or any person or entity who is otherwise subject to U.S. economic or trade sanctions;
4. Property that is located in a Sanctioned Country or that is owned by, rented to or in the care, custody or control of a Sanctioned Country Government, where any activities related to such property are prohibited by U.S. economic or trade sanctions; or
5. Property that is owned by, rented to or in the care, custody or control of a Specially Designated National or Blocked Person, or any person or entity who is otherwise subject to U.S. economic or trade sanctions.

As used in this Policy, a Specially Designated National or Blocked Person is any person or entity that is on the list of Specially Designated Nationals and Blocked Persons issued by the U.S. Treasury Department's Office of Foreign Asset Control (O.F.A.C.) as it may be from time to time amended.

As used in this Policy, a Sanctioned Country is any country that is the subject of trade or economic embargoes imposed by the laws or regulations of the United States of America.

IN WITNESS WHEREOF, the Insurer has caused this Policy to be signed by its Chairman and Secretary at Chicago, Illinois, but the same shall not be binding upon the Insurer unless countersigned by a duly authorized representative of the Insurer.



Chairman



Secretary

CANCELLATION AND NONRENEWAL ENDORSEMENT - FLORIDA

In consideration of the premium paid for this Policy, it is agreed that the ***General Terms & Conditions*** are amended as follows:

Section VIII., **CANCELLATION** is deleted in its entirety and replaced with the following:

VIII. Cancellation/Nonrenewal

1. Cancellation by the **Named Entity**

   The **Named Entity** has the right to cancel this Policy at any time by giving notice to the Insurer stating when thereafter the cancellation shall be effective.

2. Cancellation by the Insurer

   a. The Insurer has the right to cancel the **Named Entity's** Policy at any time and for any reason within the first ninety (90) days. The Insurer must mail notice of cancellation at least twenty (20) days prior to the effective date of such cancellation. If the Insurer cancels for non-payment of premium, the Insurer must mail notice of cancellation at least ten (10) days prior to the effective date of such cancellation. However, the Insurer may cancel immediately for material misrepresentation or failure to comply with underwriting requirements.

   b. After the **Named Entity's** Policy has been in effect for ninety-one (91) days or more, it may be canceled only for one of the following reasons:

      (1) Nonpayment;
      (2) Policy obtained through material misrepresentation;
      (3) The **Named Entity Insured** violated the terms and conditions of the policy;
      (4) The risk originally accepted has measurably increased;
      (5) The cancellation is for all insureds under such policies for a given class of insureds.

      The Insurer must mail notice of cancellation at least forty-five (45) days prior to the effective date of such cancellation. If the Insurer cancels for non-payment of premium, the Insurer must mail notice of cancellation at least ten (10) days prior to the effective date of such cancellation.

   c. All notices shall be mailed to the **Named Entity** at the last mailing address known to the Insurer and shall state the reason for cancellation.

3. Non-Renewal by the Insurer

   The Insurer has the right to non-renew the **Named Entity's** Policy effective on any Policy anniversary date. All notices of non-renewal must be mailed to the **Named Entity** at the last mailing address known to the Insurer, at least forty-five (45) days prior to the effective date of non-renewal and shall provide a specific explanation of the reason(s) for non-renewal.

All other provisions of the Policy remain unchanged.

CNA

This endorsement forms a part of the policy. It is subject to the same inception date, unless otherwise stated. This endorsement expires concurrently with said policy.

03 Must be Completed	
ENDT. NO. G-145127-A09 06/03	POLICY NO. 0251292547

Complete Only When This Endorsement Is Not Prepared with the Policy or is Not to be Effective with the Policy	
ISSUED TO	EFFECTIVE DATE OF THIS ENDORSEMENT

John S Brand

Authorized Representative

I127FL

AMENDATORY ENDORSEMENT - FLORIDA

In consideration of the premium paid for this Policy, it is agreed that the ***General Terms & Conditions*** are amended as follows:

1. The following item is added to the policy:

   If a **Named Entity Insured** has any questions regarding this policy please call 1-800-621-2324 for assistance.

2. Section II., **DEFINITIONS**, paragraph 21 is deleted in its entirety and replaced with the following:

   21. **Pollutants** means any substance exhibiting hazardous characteristics as, is or may be defined or identified on any list of hazardous substances issued by the United States Environmental Protection Agency or any state or local or foreign counterpart. **Pollutants** also means, without limitation, any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals or waste (including materials to be recycled, reconditioned or reclaimed), as well as anyair emission, odor, waste water, oil or oil products, infectious or medical waste.

3. Section II., **DEFINITIONS** is amended by the addition of the following new definition:

   Asbestos means the mineral in any form, whether or not the **Asbestos** was at any time:
   a. airborne as a fiber, particle or dust;
   b. contained in or formed a part of a product, structure, or other real or personal property;
   c. carried on clothing;
   d. inhaled or ingested; or
   e. transmitted by any other means.

All other provisions of the Policy remain unchanged.

CNA

This endorsement forms a part of the policy. It is subject to the same inception date, unless otherwise stated. This endorsement expires concurrently with said policy.

04 Must be Completed	
ENDT. NO. G-145128-A09 06/03	POLICY NO. 0251292547

Complete Only When This Endorsement Is Not Prepared with the Policy or is Not to be Effective with the Policy	
ISSUED TO	EFFECTIVE DATE OF THIS ENDORSEMENT

I128FL

Authorized Representative

AMENDATORY CHANGES - FLORIDA

In consideration of the premium paid for this Policy, it is agreed that the ***Association Liability Coverage Part*** is amended as follows:

1. Section II., **DEFINITIONS**, paragraph 4 is deleted in its entirety and replaced with the following:

   4. **Loss** means damages, settlements, judgments (including any award of pre-judgment and post-judgment interest) and **Defense Costs** for which the **Named Entity Insureds** are legally obligated to pay on account of a covered **Claim. Loss** shall not include:
      a. criminal or civil fines or penalties imposed by law;
      b. taxes;
      c. any amounts for which there is no legal recourse against the **Named Entity Insureds**; or
      d. matters which are uninsurable under the law pursuant to which this Policy is construed.

2. Section III., **EXCLUSIONS**, paragraph 1. Exclusions Applicable to all **Loss**, sub-item d is deleted in its entirety and replaced with the following:

   d. based upon, directly or indirectly arising out of, or in any way involving: any nuclear reaction, radiation or contamination, or any actual, alleged or threatened discharge, release, escape, or disposal of, or exposure to, **Pollutants** or **Asbestos**; any request, direction or order that any of the **Named Entity Insureds** test for, monitor, clean up, remove, contain, treat, detoxify, neutralize or in any way respond to or assess the effect of **Pollutants** or **Asbestos** or nuclear reaction, radiation or contamination, or any voluntary decision to do so; or any actual or alleged property damage, or bodily injury, sickness, disease or death of any person, or financial loss to **Named Entity** or any **Subsidiary**, their security holders, or their creditors resulting from any of the aforementioned matters; provided however, this exclusion shall not apply to any **Claim** for retaliatory treatment of the claimant by the **Named Entity Insureds** on account of the claimant s actual or threatened disclosure of the matters described in this exclusion;

All other provisions of the Policy remain unchanged.

CNA

This endorsement forms a part of the policy. It is subject to the same inception date, unless otherwise stated. This endorsement expires concurrently with said policy.

05 Must be Completed	
ENDT. NO. G-145129-A09 04/04	POLICY NO. 0251292547

Complete Only When This Endorsement Is Not Prepared with the Policy or is Not to be Effective with the Policy	
ISSUED TO	EFFECTIVE DATE OF THIS ENDORSEMENT

John S Brand

Authorized Representative

I129FL

AMENDATORY - FLORIDA

In consideration of the premium paid for this Policy, it is agreed that the ***Commercial Crime Coverage Part*** is amended as follows:

1. Section III., **EXCLUSIONS**, paragraph 7 is deleted in its entirety and replaced with the following:

   7. Loss resulting from any nuclear reaction, radiation or contamination, or any actual, alleged or threatened discharge, release, escape, or disposal of, or exposure to, **Pollutants** or **Asbestos**; any request, direction or order that the **Named Entity Insureds** test for, monitor, clean up, remove, contain, treat, detoxify, neutralize or in any way respond to or assess the effect of **Pollutants** or **Asbestos** or nuclear reaction, radiation or contamination, or any voluntary decision to do so; or any actual or alleged property damage, or bodily injury, sickness, disease or death of any person, or financial loss to **Named Entity Insureds**, their security holders, or their creditors resulting from any of the aforementioned matters.

All other provisions of the Policy remain unchanged.

CNA

This endorsement forms a part of the policy. It is subject to the same inception date, unless otherwise stated. This endorsement expires concurrently with said policy.

06 Must be Completed	
ENDT. NO. G-147098-A09 04/04	POLICY NO. 0251292547

Complete Only When This Endorsement Is Not Prepared with the Policy or is Not to be Effective with the Policy	
ISSUED TO	EFFECTIVE DATE OF THIS ENDORSEMENT

I098FL

Authorized Representative

CNA

BI-LATERAL OPTIONAL EXTENDED REPORTING PERIOD
FLORIDA

In consideration of the premium paid for this Policy, it is agreed that the **General Terms & Conditions**, Section III. **EXTENDED REPORTING PERIOD/DISCOVERY**, paragraph 2 is deleted in its entirety and replaced with the following:

2. If the **Named Entity** cancels or non-renews or the Insurer non-renews this Policy, the **Named Entity** shall have the right to purchase, upon payment of an additional premium equal to 100% of the annualized **Policy Premium**, an extension of this Policy for a period of 12 months immediately following the end of the automatic Extended Reporting Period, but only with respect to;

   a. under the **Liability Coverage Part**, any **Wrongful Act** committed before the earlier of the end of the **Policy Period** or the effective date of any **Change in Status**;

   b. under the **Crime Coverage Part**, loss sustained completely prior to the earlier of the end of the **Policy Period** or the effective date of any **Change in Status**, which is discovered by the **Named Entity** no later than one year from the date of that termination or cancellation.

   This period shall be referred to as the optional Extended Reporting Period.

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy and expires concurrently with said Policy unless another effective date is shown below.

By Authorized Representative _____
(No signature is required if issued with the Policy or if it is effective on the Policy Effective Date)

Must be Completed	
07	
ENDT. NO.	POLICY NO.
GSL11876FL (4-09)	0251292547

Complete Only When This Endorsement Is Not Prepared with the Policy or is Not to be Effective with the Policy	
ISSUED TO	EFFECTIVE DATE OF THIS ENDORSEMENT

IMPORTANT INFORMATION

FOR OUR FLORIDA COMMERCIAL LINES POLICYHOLDERS

Your policy premium includes a Florida Hurricane Catastrophe Fund surcharge.

Hurricanes Dennis, Katrina, Rita and Wilma, caused substantial property damage in Florida during the 2005 hurricane season. Certain of the hurricanes causing property damage in the 2005 hurricane season caused insured losses covered by the Fund. The State Board of Administration (BOARD) has determined that the amount of revenue produced under Section 215.555(5), Florida Statutes is insufficient to fund the obligations, costs, and expenses of the Florida Hurricane Catastrophe Fund (FUND) and the Florida Hurricane Catastrophe Fund Corporation (CORPORATION), including repayment of revenue bonds and that portion of the debt service coverage not met by reimbursement.

Pursuant to the provisions of S.215.555(6)(b), Florida Statutes, the Board has directed the Office of Insurance Regulation (OFFICE) to levy, by order, an emergency assessment on direct premiums for all property and casualty lines of business in this state, excluding policy premiums for workers compensation, accident and health, medical malpractice and the National Flood Insurance Program. This Order was released as Case No. 86203-06.

This assessment shall be collected from each property and casualty policyholder with a policy that is issued or renewed during an assessment period. An assessment period begins on January 1 and continues for twelve-months. The emergency assessment shall be assessed in each successive assessment period until further Order of the Office.

The Florida Hurricane Catastrophe Fund surcharge has been set at 1% of your premium.

If you have questions about this surcharge, please contact either your CNA agent or the Florida Office of Insurance Regulation.

Policy Declarations

Policy No.	Renewal of:
D37388956 002 212	D37388956 001

NAMED INSURED & MAILING ADDRESS

Bridgetown at Plantation Homeowner's Assn.
c/o Evergreen Lifestyles Management
10401 Dartington Drive
Fort Myers, FL 33913

POLICY PERIOD

When Coverage Begins:	08/01/2012	12:01 A. M. Local Time At Named Insured's Address
When Coverage Ends:	08/01/2013	12:01 A. M. Local Time At Named Insured's Address

INSURING COMPANY	Producer's Name & Address:
Illinois Union Insurance Company	**AIS AFFINITY INSURANCE AGENCY, INC** **15303 VENTURA BOULEVARD, 12TH FLOOR** **SHERMAN OAKS, CA 91403** Producer No: **278375**

NO FLAT CANCELLATIONS PERMITTED

ATTACHED FORMS

This policy is completed by the following: **BB-5W58a** and forms and endorsements attached thereto.

Authorization Information

Dated: 8/1/2012

Mark M Duncan

Authorized Representative

SLPD (03/08)

Common Policy Declarations

Policy Number: D37388956 002 212 Company Name: **Illinois Union Insurance Company**

Named Insured & Mailing Address

Bridgetown at Plantation Homeowner's Assn.
c/o Evergreen Lifestyles Management
10401 Dartington Drive
Fort Myers, FL 33913

Producer's Name & Address

AIS AFFINITY INSURANCE AGENCY , INC
15303 VENTURA BOULEVARD, 12TH FLOOR
SHERMAN OAKS, CA 91403
278375-_____

General Policy Information

Policy Period: **12 months**

Business Description: **Single Family Community Association**

When Coverage Begins: 08/01/2012 12:01 A.M. Local Time at Named Insured's Address

When Coverage Ends: 08/01/2013 12:01 A.M. Local Time at Named Insured's Address

In return for the payment of premium, and subject to all the terms and conditions of this policy, we agree to provide the insurance as stated in this policy.

The premium for this policy is indicated below next to the applicable Coverage Form(s).

Coverage Form	
Commercial Property	$ **500**
	$
	$
	$
	$
Total Premium:	$ **500**
Total Assessments, Fees, Surcharges, Taxes:	$
Total Amount Due:	$ **500**
Minimum Earned Premium:	$ **125**

(Subject to Hurricane Minimum Earned Premium Endorsement, or whichever is greater)

Attached Forms Information

See Forms Schedule CPfs2

Authorization Information

Date:

Authorized Representative:

These Declarations together with the Coverage Declarations, Common Policy Conditions and Coverage Conditions (if applicable), Coverage Form(s) and Forms and Endorsements, if any, issued to form a part thereof, complete the above numbered policy

Company: **Illinois Union Insurance Company**
SYM: **FS** Policy ID: D37388956 002 212

Location

☐ Schedule on file with Company ☐ See attached Schedule CPs2

Loc. No.	Bld. No.	Address
1	1	12950 Kentfield Lane Ft. Meyers, FL 33913 **and all completed properties per application on file with Company which have received an executed certificate of occupancy or its equivalent and for which the homeowners association is responsible to purchase and maintain property insurance in accordance with the applicable homeowners association bylaws or its equivalent.**

Coverages and Limits Provided

Insurance At Described Location Applies Only For Coverages For Which A Limit Of Liability Is Shown

Loc. No.	Bld. No	Coverage	Covered Causes of Loss Form	Co-Ins-urance %	Limit of Insurance $
1	1	**Real Property - Incl. Foundations, Business Personal Property, Extra Expense, Fine Arts, Outdoor Property**	**Special**	**Nil**	**$70,000**

Deductible

See CPsd2 (Supplemental Declarations)

Special Deductible Provisions

☐ See Multiple Deductible Form ☒ See Windstorm or Hail % Deductible Form
☐ See Hurricane % Deductible

Coverage Options:

The following coverage options are provided where indicated by an x or entry:

Building ☐ Agreed Value Exp. Date ☒ Replacement Cost

Personal Property ☐ Agreed Value Exp. Date
☒ Replacement Cost (☐ Inc. Stock) (☐ Inc. Personal Property of Others)

Business Income: ☐ Monthly Limit of Indemnity ☐ Maximum Period of Indemnity
☐ Extended Period of Indemnity Days

Attached Forms Information

☒ Refer to Forms Schedule CPfs2

Commercial Property
Supplemental Declarations

Company: **Illinois Union Insurance Company**
SYM: **FS** Policy ID: **D37388956 002**

Deductibles	**AOP (Single Family Locations): $2,500 per occurrence except VMM $10,000 per occurrence** **Named Windstorm/Hail Florida counties: Dade, Broward, Palm Beach, Hillsborough, Monroe): 5% Per Location of the sum of all values listed in the most recent Schedule of Values on file with the Company for each location that has sustained a loss or damage and for which a claim is being made under this policy; subject to the minimum deductible of $50,000 per occurrence.** **Named Windstorm/Hail All other Tier 1 counties: 2% Per Location of the sum of all values listed in the most recent Schedule of Values on file with the Company for each location that has sustained a loss or damage and for which a claim is being made under this policy; subject to the minimum deductible of $50,000 per occurrence** **All Other Wind/Hail: $5,000 per location per occurrence** **7 Days Waiting Period as respects Civil Authority and Ingress/Egress**

Forms Schedule

Company: **Illinois Union Insurance Company**
SYM: **FS** Policy ID: **D37388956 002**

When Coverage Begins:	**08/01/2012**	12:01 A. M. Local Time At Named Insured's Address
When Coverage Ends:	**08/01/2013**	12:01 A. M. Local Time At Named Insured's Address

Applicable to all Coverage Parts

SLPD (03/08) - Policy Declarations
BB-5W58a (03/08) - Common Policy Declarations
CPd2 (06/02) - Commercial Property Declarations
CPsd2 (06/02) - Commercial Property Supplemental Declarations
ACE0213 (05/10) - Accounts Receivable Coverage Endorsement - Sub Limit
ACE063 (10/06) - Occurrence Limit of Liability
ACE061 (02/04) - Asbestos Material Endorsement
ACE0210 (01/08) - Nuclear, Biological, Chemical, Radiological Exclusion Endorsement
ACE0239 (06/06) - Hurricane Minimum Earned Premium Endorsement
ACE0244 (01/06) - Named Storm Deductible and Named Storm Definition
ACE0247 (12/05) - Windstorm Percentage Deductible - Total Insurable Values per Location
ACE0279 (12/06) - Tier 1 Wind Definition Endorsement
ACE0377 (06/08) - Sub-Limit Provision Endorsement
ACE0484 (06/11) - Newly Acquired Or Constructed Property Amendment
ALL-21101 (11/06) - Trade Or Economic Sanctions Endorsement
CP 00 17 (06/07) - Condominium Association Coverage Form
CP 00 50 (06/07) - Extra Expense Coverage Form
CP 00 90 (07/88) - Commercial Property Conditions
CP 04 05 (04/02) - Ordinance or Law Coverage
CP 10 30 (06/07) - Causes Of Loss - Special Form
CP 10 32 (08/08) - Water Exclusion Endorsement
CP 14 10 (06/95) - Additional Covered Property
IL 00 17 (11/98) - Common Policy Conditions
IL 02 49 (09/08) - South Carolina Changes - Cancellation And Nonrenewal
IL 04 15 (04/98) - Protective Safeguards
IL 09 52 (03/08) - Cap On Losses From Certified Acts Of Terrorism
LD-5S23i (12/11) - Signature Endorsement
MA-608255p (08/09) - Claims Directory Property and Inland Marine
SL-34255 (09/11) - Service of Suit Endorsement
TRIA11b (01/08) - Disclosure Pursuant To Terrorism Risk Insurance Act
ACE0359 (12/10) - Earthquake Sprinkler Leakage Exclusion
ACE0380 (05/10) - Transit Endorsement
ACE0381 (05/10) - Valuable Papers Endorsement
ACE0372 (05/10) - Pollution Clean-Up And Removal Sub-Limit Endorsement
ACE0356 (06/08) - Back Up Of Sewer And Drain Endorsement
ACE0363 (05/10) - Fine Arts Endorsement
CP 04 17 (06/07) - Utility Services - Direct Damage
CP 14 30 (10/00) - Outdoor Trees, Shrubs and Plants
ACE0537 (05/10) - Debris Removal Endorsement
ACE0357 (05/10) - Cancellation Provision Endorsement
ACE0681 (10/11) - Definition of Loss Occurrence Endorsement
ACE0541 (08/11) - Newly Acquired Or Constructed Property Sub-Limit Endorsement
ACE0543 (08/11) - Ordinance Or Law Sub-Limit Endorsement
ACE0678 (08/11) - Fire Department Service Charge Sublimit
CC-3R19 (7/97) - General Endorsement - ACE A - Personal Property of Others
CC-3R19 (7/97) - General Endorsement - ACE B - Additional Exclusions
CC-3R19 (7/97) - General Endorsement - ACE C - Emergency Vacating Expense
CC-3R19 (7/97) - General Endorsement - ACE D - Outdoor Property

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Forms Schedule

	CC-3R19 (7/97) - General Endorsement - ACE E - Amendment CC-3R19 (7/97) - General Endorsement - ACE F - Reporting Values Endorsement CC-3R19 (7/97) - General Endorsement - ACE G - Additional Conditions CC-3R19 (7/97) - General Endorsement - ACE H - Ingress Egress Time Element Endorsement

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ACCOUNTS RECEIVABLE COVERAGE ENDORSEMENT - SUB LIMIT

Named Insured			Endorsement Number
Community Associations Program			
Policy Symbol	Policy Number	Policy Period	Effective Date of Endorsement
FS	**D37388956 002**	**08/01/2012 to 08/01/2013**	
Issued By (Name of Insurance Company)			
Illinois Union Insurance Company			

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

THIS ENDORSEMENT MODIFIES INSURANCE PROVIDED UNDER THE FOLLOWING:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM

CONDOMINIUM ASSOCIATION COVERAGE FORM

CAUSE OF LOSS – SPECIAL FORM

Schedule

Limit: **See ACE0377**

A. Accounts Receivable
   1. You may extend the insurance that applies to Business Personal Property to apply to covered losses and expenses that you incur as a result of loss to your records of "accounts receivable." But this extension does not apply to "accounts receivable" which exist as electronic data, unless the loss results from "specified causes of loss." The most we will pay under this coverage extension for all loss or damage sustained in any one policy year, regardless of the number of occurrences of loss or damage or the number of premises, is the limit stated in the Schedule. This additional coverage is provided within, not in addition to, the Limit of Insurance stated in the Declarations as applicable to Business Personal Property.
   2. Losses and expenses under this coverage are:
      a) All amounts due from your customers that you are unable to collect;
      b) Interest charges on any loan required to offset amounts you are unable to collect pending our payment of these amounts;
      c) Collection expenses in excess of your normal collection expenses that are made necessary by the loss; and
      d) Other reasonable expenses that you incur to re-establish your records of "accounts receivable."
   3. If you cannot accurately establish the amount of "accounts receivable" outstanding as of the time of loss, the following method will be used to determine the loss:
      a) Determine the total of the average monthly amounts of "accounts receivable" for the 12 months immediately preceding the month in which the loss occurred; and
      b) Adjust that total for any normal fluctuations in the amount of "accounts receivable" for the month in which the loss occurred or for any demonstrated variance from the average for that month.
   4. The following will be deducted from the total amount of "accounts receivable," however that amount is established:
      a) The amount of the accounts for which there is no loss;
      b) The amount of the accounts that you are able to re-establish or collect;
      c) An amount to allow for probable bad debts that you are normally unable to collect; and
      d) All unearned interest and service charges.
   5. You will pay us the amount of all recoveries you receive for a loss paid by us. But you will not pay us any recoveries in excess of the amount we have paid.

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B. "Accounts Receivable" means:
   1. All amounts due from your customers that you are unable to collect;
   2. Interest charges on any loan required to offset amounts you are unable to collect pending our payment of these amounts;
   3. Collection expenses in excess of your normal collection expenses that are made necessary by the loss; and
   4. Other reasonable expenses that you incur to re-establish your records of "accounts receivable."

C. Under this additional coverage, electronic data has the meaning described under Property Not Covered – Electronic Data in the Building and Personal Property Coverage Form.

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OCCURRENCE LIMIT OF LIABILITY

Named Insured **Community Associations Program**			Endorsement Number
Policy Symbol **FS**	Policy Number **D37388956 002**	Policy Period **08/01/2012 to 08/01/2013**	Effective Date of Endorsement
Issued By (Name of Insurance Company) **Illinois Union Insurance Company**			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART

COMMERCIAL INLAND MARINE COVERAGE PART

The following terms and conditions will apply to this policy:

1. The amount of insurance shown on the face of this policy is an amount per occurrence. In no event will the liability of this Company exceed this amount in any one covered loss, disaster or casualty, irrespective of the number of locations involved.

2. The premium for this policy is based upon the Statement of Values on file with the Company. In the event of covered loss, liability of the Company shall be limited to the least of the following:

   (a) the actual adjusted amount of covered loss, less applicable deductible(s);

   (b) for covered loss sustained to any specifically scheduled item or element of coverage, as scheduled in the most current Statement of Values on file with the Company, 100% of the individually stated amount for each individually scheduled item or element of coverage, less applicable deductibles, regardless of any reference to any sum total amount of specifically scheduled items or elements of coverage by location as may be listed or contained in the Statement of Values.

   (c) the Limit of Liability or amount of insurance shown on the face of this policy.

All other terms and conditions remain unchanged.

_____

Authorized Representative

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ASBESTOS MATERIAL ENDORSEMENT

This policy does not insure loss or expense resulting from:

1. asbestos material removal unless the asbestos is itself damaged by fire, lightning, aircraft impact, explosion, riot, civil commotion, smoke, vehicle impact, windstorm or hail, vandalism, malicious mischief, leakage or accidental discharge from automatic fire protective systems;

2. demolition or increased cost of construction, repair, debris removal or loss of use necessitated by the enforcement of any law or ordinance regulating asbestos material;

3. any governmental direction or request declaring that asbestos material present in or part of or utilized on any undamaged portion of the insured's property can no longer be used for the purpose for which it was intended or installed and must be removed or modified.

All other terms and conditions remain unchanged.

_____
Authorized Representative

NUCLEAR, BIOLOGICAL, CHEMICAL, RADIOLOGICAL EXCLUSION ENDORSEMENT

Named Insured **Community Associations Program**			Endorsement Number
Policy Symbol **FS**	Policy Number **D37388956 002**	Policy Period **08/01/2012 to 08/01/2013**	Effective Date of Endorsement
Issued By (Name of Insurance Company) **Illinois Union Insurance Company**			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

THIS ENDORSEMENT CHANGES YOUR POLICY. PLEASE READ IT CAREFULLY.

This Endorsement modifies insurance provided under the following:

BOILER AND MACHINERY COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
CRIME AND FIDELITY COVERAGE PART

The following exclusions are added to your Policy or Coverage Part.

This insurance does not apply to:

A. Loss or damage arising directly or indirectly from nuclear detonation, reaction, nuclear radiation or radioactive contamination, all whether controlled or uncontrolled, or due to any act or condition incident to any of the foregoing, whether such loss be direct or indirect, proximate or remote, or be in whole or in part caused by, contributed to, or aggravated by, any physical loss or damage insured against by this Policy or Coverage Part, however such nuclear detonation, reaction, nuclear radiation or radioactive contamination may have been caused. This exclusion replaces any other nuclear detonation, nuclear reaction, nuclear radiation or radioactive contamination exclusions found elsewhere in this Policy.

B. Loss or damage arising directly or indirectly from the dispersal, application or release of, or exposure to, chemical, radiological, or biological materials or agents, all whether controlled or uncontrolled, or due to any act or condition incident to any of the foregoing, whether such loss be direct or indirect, proximate or remote, or be in whole or in part caused by, contributed to, or aggravated by, any physical loss or damage insured against by this Policy or Coverage Part, however such dispersal, application, release or exposure may have been caused.

C. If this endorsement is attached to a Commercial Inland Marine Policy or Coverage Part, the term loss or damage is changed to *Loss*.

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Named Insured **Community Associations Program**			Endorsement Number
Policy Symbol **FS**	Policy Number **D37388956 002**	Policy Period **08/01/2012 to 08/01/2013**	Effective Date of Endorsement
Issued By (Name of Insurance Company) **Illinois Union Insurance Company**			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

Commercial Property Coverage Part

Commercial Inland Marine Coverage Part

HURRICANE MINIMUM EARNED PREMIUM ENDORSEMENT

The following terms and conditions will apply to this policy:

1. If you cancel this policy, remove a location or reduce the amount of insurance on a location that is within 100 miles of the Atlantic Ocean and/or the Gulf of Mexico and/or the Hawaii Islands, and coverage existed any time during the period of June 1st to November 30th, the amount of premium we will return will be the Unearned Premium for the location. The Unearned Premium is the annual premium for the policy (or for the location removed or coverage reduced, as applicable) multiplied by the Unearned Factor noted below. The location premium is the 100% annual rate multiplied by the location value as scheduled in the most current Statement of Values on file with the Company.

1 year Policy

Days Policy In Force	Unearned Factor
1 to 180	20%
181 to 210	15%
211 to 240	10%
241 to 270	7.5%
271 to 300	5.0%
301 to 330	2.5%
331 to 365	0.0%

2. If a Location that is within 100 miles of the Atlantic Ocean and/or the Gulf of Mexico and/or the Hawaii Islands is added during the term of the policy and coverage exists at any time during the period of June 1st to November 30th, the rate will be calculated as 100% of the annual rate, less the Unearned Factor as calculated in No. 1 above based upon the number of days remaining in the policy term.

3. The provisions of this endorsement replace any short rate provisions stipulated in this policy for all locations that are within 100 miles of the Atlantic Ocean and/or the Gulf of Mexico and/or the Hawaii Islands and coverage existed any time during the period of June 1st to November 30th.

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4. Nothing herein will act to provide coverage outside the automatic acquisition clause, if any, that is located elsewhere in the policy.

All other terms and conditions remain unchanged.

Authorized Representative

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Named Insured **Community Associations Program**			Endorsement Number
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Issued By (Name of Insurance Company) **Illinois Union Insurance Company**			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

Commercial Property Coverage Part

NAMED STORM DEDUCTIBLE AND NAMED STORM DEFINITION

The **Named Storm** deductible, shown in the declarations or otherwise set forth in the policy, applies to all covered loss or covered damage to Covered Property, occurring during the **Named Storm** deductible period and resulting from:

1. wind and/or hail directly or indirectly from a **Named Storm;**
2. rain damage to the interior of any building or structure, or the property inside the building or structure, whether the rain is driven by wind or not, provided the building or structure first sustains wind or hail damage to its roof or walls through which the rain enters.

A **Named Storm** is a storm system that has been declared to be either a Tropical Depression or Tropical Storm, or a Hurricane, by the National Hurricane Center of the National Weather Service.

The **Named Storm** deductible period begins at the time a watch or warning is issued by the National Hurricane Center and ends 72 hours after the termination of the last watch or warning issued.

All other terms and conditions remain unchanged.

Authorized Representative

Named Insured **Community Associations Program**			Endorsement Number
Policy Symbol **FS**	Policy Number **D37388956 002**	Policy Period **08/01/2012 to 08/01/2013**	Effective Date of Endorsement
Issued By (Name of Insurance Company) **Illinois Union Insurance Company**			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

Commercial Property Coverage Part

WINDSTORM PERCENTAGE DEDUCTIBLE
Total Insurable Values per Location

Schedule:

Deductible Percentage: **See Supplemental Declarations**

Minimum Deductible **See Supplemental Declarations** Per Occurrence

Applicable to "Named Storm" only: ☒Yes ☐No
Applicable to "Hawaii Hurricane" only: ☐Yes ☒No

The following Deductible will apply as respects loss or damage caused by:

1. wind and hail, and
2. rain damage to the interior of any building or structure, or the property inside the building or structure, whether the rain is driven by wind or not, provided the building or structure first sustains wind or hail damage to its roof or walls through which the rain enters.

Deductible:
The percentage, shown in the schedule above, of the sum of all values listed in the most recent Schedule of Values on file with the Company for each location that has sustained a loss or damage and for which a claim is being made under this policy; subject to the minimum deductible shown in the schedule.

Calculation of the Deductible:

A deductible is calculated separately for, and applies separately to:

1. The Total Insurable Values (TIV) per each separate location. The TIV per location shall be calculated as the sum of all values listed in the most recent Schedule of Values on file with the Company for Buildings, Personal Property, Business Income, and any other values for which coverage is provided under this policy at that Location.
2. Personal property in the open. The TIV for personal property in the open shall be the sum of all personal property in the open per location.

If a covered location is not included on the Schedule of Values, the values at that location at the time and place of loss will be used.

If coverage is provided for Business Income, the deductible shown above applies in addition to the 72 hour waiting period as stated in Form CP 0030 "Business Income (and Extra Expense) Coverage Form" or Form CP 0032 "Business Income (without Extra Expense) Coverage Form" as regards loss described above.

If indicated in the Schedule, the provisions of this endorsement apply only to "Named Storms" or "Hawaii Hurricane" as defined in the Named Storm Deductible and Named Storm Definition Endorsement, form ACE0244 (0106) or the Hawaii Hurricane Definition and Hawaii Hurricane Deductible Endorsement, form ACE ACE0249 (0106) attached to this policy.

All other terms and conditions remain unchanged.

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Authorized Representative

TIER 1 WIND DEFINITION ENDORSEMENT

Named Insured			Endorsement Number
Community Associations Program			
Policy Symbol **FS**	Policy Number **D37388956 002**	Policy Period **08/01/2012 to 08/01/2013**	Effective Date of Endorsement
Issued By (Name of Insurance Company) **Illinois Union Insurance Company**			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

THIS ENDORSEMENT CHANGES THE POLICY – PLEASE READ IT CAREFULLY

THIS ENDORSEMENT MODIFIES INSURANCE PROVIDED UNDER THE FOLLOWING:

COMMERCIAL PROPERTY COVERAGE PART

The following Counties, Parishes and Territories are defined as Tier 1.

STATE/TERRITORY	COUNTIES/PARISHES
ALABAMA	Baldwin, Mobile
CONNECTICUT	New Haven, Fairfield, Middlesex, New London
DELAWARE	Kent, Sussex
FLORIDA	All Counties
GEORGIA	Bryan, Camden, Chatham, Glynn, Liberty, McIntosh
HAWAII	All Counties
LOUISIANA	Cameron, Iberia, Jefferson, Lafourche, Orleans, Plaquemines, St. Bernard, St. Mary, St. Tammany, Terrebonne, Vermilion
MAINE	Cumberland, Hancock, Knox, Lincoln, Sagadahoc, Waldo, York, Washington
MARYLAND	Worcester, Calvert, St. Marys, Dorchester, Wicomico, Somerset
MASSACHUSETTS	Barnstable, Bristol, Dukes, Essex, Middlesex, Nantucket, Norfolk, Plymouth, Suffolk
MISSISSIPPI	George, Hancock, Harrison, Jackson, Pearl River, Stone
NEW HAMPSHIRE	Rockingham
NEW JERSEY	Atlantic, Burlington, Cape May, Cumberland, Monmouth, Ocean
NEW YORK	Kings, Nassau, Queens, Richmond, Suffolk
NORTH CAROLINA	Beaufort, Berlie, Brunswick, Camden, Carteret, Chowan, Currituck, Dare, Hyde, Jones, New Hanover, Onslow, Pamilco, Pasquotank, Pender, Perquimans, Tyrrell, Washington
RHODE ISLAND	Bristol, Newport, Washington
SOUTH CAROLINA	Beaufort, Berkeley, Charleston, Colleton, Georgetown, Jasper, Horry
TEXAS	Aransas, Brazoria, Calhoun, Cameron Chambers, Galveston, Harris, Jackson, Jefferson, Kennedy, Kleberg, Matagorda Nueces, Orange, Refugio, San Patricio, Willacy

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VIRGINIA	Accomack, Gloucester, Isle of Wight, James City, Lancaster, Mathews, Middlesex, Northampton, Northumberland, Southampton, Surry, York.
TERRITORIES	Puerto Rico, US Virgin Island

Authorized Representative

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SUB-LIMIT PROVISION ENDORSEMENT

Named Insured			Endorsement Number
Community Associations Program			
Policy Symbol **FS**	Policy Number **D37388956 002**	Policy Period **08/01/2012 to 08/01/2013**	Effective Date of Endorsement
Issued By (Name of Insurance Company) **Illinois Union Insurance Company**			

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

THIS ENDORSEMENT MODIFIES INSURANCE PROVIDED UNDER THE FOLLOWING:

COMMERCIAL PROPERTY COVERAGE PART

COMMERCIAL INLAND MARINE COVERAGE PART

Schedule:

$ 25,000	**Valuable Papers (incl. offsite storage) - see ACE0381**	**Per Occurrence**
$ 25,000	**Extra Expense - see CP0050**	**Per Occurrence**
$ 25,000	**Fine Arts (max $1,000 for any one item) - see ACE0363**	**Per Occurrence**
$ 10,000	**Fire Dept Service Charge - see CP0017 & ACE0678**	**Per Occurrence**
$ 25,000	**Accounts Receivable - see ACE0213**	**Per Occurrence**
$250,000	**Newly Acquired Property (90 Day reporting) - see CP0017 & ACE0484**	**Per Occurrence**
$100,000	**Debris Removal or 25% of loss whichever is less - see ACE 0537**	**Per Occurrence**
$ 50,000	**Pollution Clean Up - see ACE0372 (Annual Aggregate Applies)**	**Per Occurrence**
$ 10,000	**Property in Transit - see ACE0380**	**Per Occurrence**
$ 5,000	**Sewer Backup - see ACE0356 (Annual Aggregate Applies)**	**Per Occurrence**
$100,000	**Roadways, walkways, patios, swimming pools, recreational courts retaining walls and other paved surfaces,**	**Per Occurrence**
$100,000	**Building Ordinance or Law (B & C combined sublimit) - see CP0405 & ACE0543 Included Building Ordinance or Law (A) (included in the Building Limit**	**Per Occurrence**
$100,000	**Utility Services - Direct Damage (Power Supply not incl. overhead transmission lines) - see CP0417**	**Per Occurrence**
30 Days	**Civil Authority - see CP0050**	**Per Occurrence**
30 Days	**Ingress / Egress - see ACE H**	**Per Occurrence**
$ 25,000	**Trees, Shrubs & Plants (max $1,000 any one item) - see CP1430**	**Per Occurrence**
$ 10,000	**Property of Others - see CP0017 and ACE A**	**Per Occurrence**
$ 10,000	**Property Off Premises**	**Per Occurrence**
$ 5,000	**Emergency Vacating Expense - see ACE C**	**Per Occurrence**
	Per SOV Outdoor Property except $5,000 at specified locations per ACE G attached (fences, entry walls, signs, playground equipment covered for (Named Perils only) - see ACE D	

The maximum Limit of Insurance is stated in the Commercial Property coverage part declaration Page; however, if a Sub-limit of Liability is stated above or elsewhere in this Policy, the lesser limit shall apply.

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The Sub-limit(s) are the most the Company will pay in any one occurrence for various extensions, endorsements, coverage Parts, Perils, causes of Loss or locations. If an annual aggregate is provided, the occurrence Sub-limit of Insurance is the most the Company will pay in any one-policy year for such extensions, endorsement, coverage parts, Perils, causes of Loss or locations.

The Sub-limit(s) are part of and not in addition to the Limit of Insurance. The Sub-limit(s) do not increase the Limit of Insurance or any other Sub-limit.

All other terms and conditions remain unchanged.

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NEWLY ACQUIRED OR CONSTRUCTED PROPERTY AMENDMENT

Named Insured			Endorsement Number
Community Associations Program			
Policy Symbol	Policy Number	Policy Period	Effective Date of Endorsement
FS	**D37388956 002**	**08/01/2012 to 08/01/2013**	
Issued By (Name of Insurance Company)			
Illinois Union Insurance Company			

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

THIS ENDORSEMENT MODIFIES INSURANCE PROVIDED UNDER THE FOLLOWING:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM

CONDOMINIUM ASSOCIATION COVERAGE FORM

A. Coverage Section **5. Coverage Extensions a. Newly Acquired or Constructed Property** is amended to include the following:

It is a condition of this policy that there will be no additions without prior approval (may be subject to separate rating and/or may require a higher attachment point).

All other terms and conditions remain unchanged.

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TRADE OR ECONOMIC SANCTIONS ENDORSEMENT

Named Insured **Community Associations Program**			Endorsement Number
Policy Symbol **FS**	Policy Number **D37388956 002**	Policy Period **08/01/2012 to 08/01/2013**	Effective Date of Endorsement
Issued By (Name of Insurance Company) **Illinois Union Insurance Company**			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This insurance does not apply to the extent that trade or economic sanctions or other laws or regulations prohibit us from providing insurance, including, but not limited to, the payment of claims. All other terms and conditions of the policy remain unchanged.

Authorized Agent

CONDOMINIUM ASSOCIATION COVERAGE FORM

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

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

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

A. Coverage

We will pay for direct physical loss of or damage to Covered Property at the premises described in the Declarations caused by or resulting from any Covered Cause of Loss.

1. Covered Property

Covered Property, as used in this Coverage Part, means the type of property described in this section, **A.1.**, and limited in **A.2.**, Property Not Covered, if a Limit of Insurance is shown in the Declarations for that type of property.

a. Building, meaning the building or structure described in the Declarations, including:

(1) Completed additions;

(2) Fixtures, outside of individual units, including outdoor fixtures;

(3) Permanently installed:

(a) Machinery; and

(b) Equipment;

(4) Personal property owned by you that is used to maintain or service the building or structure or its premises, including:

(a) Fire-extinguishing equipment;

(b) Outdoor furniture;

(c) Floor coverings; and

(d) Appliances used for refrigerating, ventilating, cooking, dishwashing or laundering that are not contained within individual units;

(5) If not covered by other insurance:

(a) Additions under construction, alterations and repairs to the building or structure;

(b) Materials, equipment, supplies, and temporary structures, on or within 100 feet of the described premises, used for making additions, alterations or repairs to the building or structure; and

(6) Any of the following types of property contained within a unit, regardless of ownership, if your Condominium Association Agreement requires you to insure it:

(a) Fixtures, improvements and alterations that are a part of the building or structure; and

(b) Appliances, such as those used for refrigerating, ventilating, cooking, dishwashing, laundering, security or housekeeping.

But Building does not include personal property owned by, used by or in the care, custody or control of a unit-owner except for personal property listed in Paragraph **A.1.a.(6)** above.

b. Your Business Personal Property located in or on the building described in the Declarations or in the open (or in a vehicle) within 100 feet of the described premises, consisting of the following:

(1) Personal property owned by you or owned indivisibly by all unit-owners;

(2) Your interest in the labor, materials or services furnished or arranged by you on personal property of others;

(3) Leased personal property for which you have a contractual responsibility to insure, unless otherwise provided for under Personal Property Of Others.

But Your Business Personal Property does not include personal property owned only by a unit-owner.

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c. **Personal Property Of Others** that is:

(1) In your care, custody or control; and

(2) Located in or on the building described in the Declarations or in the open (or in a vehicle) within 100 feet of the described premises.

However, our payment for loss of or damage to personal property of others will only be for the account of the owner of the property.

2. **Property Not Covered**

Covered Property does not include:

a. Accounts, bills, currency, food stamps or other evidences of debt, money, notes or securities. Lottery tickets held for sale are not securities;

b. Animals, unless owned by others and boarded by you;

c. Automobiles held for sale;

d. Bridges, roadways, walks, patios or other paved surfaces;

e. Contraband, or property in the course of illegal transportation or trade;

f. The cost of excavations, grading, backfilling or filling;

g. Foundations of buildings, structures, machinery or boilers if their foundations are below:

(1) The lowest basement floor; or

(2) The surface of the ground if there is no basement;

h. Land (including land on which the property is located), water, growing crops or lawns;

i. Personal property while airborne or waterborne;

j. Bulkheads, pilings, piers, wharves or docks;

k. Property that is covered under this or any other policy in which it is more specifically described, except for the excess of the amount due (whether you can collect on it or not) from that other insurance;

l. Retaining walls that are not part of a building;

m. Underground pipes, flues or drains;

n. Electronic data, except as provided under the Additional Coverage, Electronic Data. Electronic data means information, facts or computer programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs, referred to in the foregoing description of electronic data, means a set of related electronic instructions which direct the operations and functions of a computer or device connected to it, which enable the computer or device to receive, process, store, retrieve or send data;

o. The cost to replace or restore the information on valuable papers and records, including those which exist as electronic data. Valuable papers and records include but are not limited to proprietary information, books of account, deeds, manuscripts, abstracts, drawings and card index systems. Refer to the Coverage Extension for Valuable Papers And Records (Other Than Electronic Data) for limited coverage for valuable papers and records other than those which exist as electronic data;

p. Vehicles or self-propelled machines (including aircraft or watercraft) that:

(1) Are licensed for use on public roads; or

(2) Are operated principally away from the described premises.

This paragraph does not apply to:

(a) Vehicles or self-propelled machines or autos you manufacture or warehouse;

(b) Vehicles or self-propelled machines, other than autos, you hold for sale;

(c) Rowboats or canoes out of water at the described premises; or

(d) Trailers, but only to the extent provided for in the Coverage Extension for Non-owned Detached Trailers;

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q. The following property while outside of buildings:

(1) Grain, hay, straw or other crops; or

(2) Fences, radio or television antennas (including satellite dishes) and their leadin wiring, masts or towers, trees, shrubs or plants (other than "stock" of trees, shrubs or plants), all except as provided in the Coverage Extensions.

3. Covered Causes Of Loss

See applicable Causes Of Loss Form as shown in the Declarations.

4. Additional Coverages

a. Debris Removal

(1) Subject to Paragraphs **(3)** and **(4),** we will pay your expense to remove debris of Covered Property caused by or resulting from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date of direct physical loss or damage.

(2) Debris Removal does not apply to costs to:

(a) Extract "pollutants" from land or water; or

(b) Remove, restore or replace polluted land or water.

(3) Subject to the exceptions in Paragraph **(4),** the following provisions apply:

(a) The most we will pay for the total of direct physical loss or damage plus debris removal expense is the Limit of Insurance applicable to the Covered Property that has sustained loss or damage.

(b) Subject to **(a)** above, the amount we will pay for debris removal expense is limited to 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage.

(4) We will pay up to an additional $10,000 for debris removal expense, for each location, in any one occurrence of physical loss or damage to Covered Property, if one or both of the following circumstances apply:

(a) The total of the actual debris removal expense plus the amount we pay for direct physical loss or damage exceeds the Limit of Insurance on the Covered Property that has sustained loss or damage.

(b) The actual debris removal expense exceeds 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage.

Therefore, if **(4)(a)** and/or **(4)(b)** apply, our total payment for direct physical loss or damage and debris removal expense may reach but will never exceed the Limit of Insurance on the Covered Property that has sustained loss or damage, plus $10,000.

(5) Examples

The following examples assume that there is no Coinsurance penalty.

EXAMPLE #1

Limit of Insurance:	$ 90,000
Amount of Deductible:	$ 500
Amount of Loss:	$ 50,000
Amount of Loss Payable:	$ 49,500
	($50,000 – $500)
Debris Removal Expense:	$ 10,000
Debris Removal Expense Payable:	$ 10,000
($10,000 is 20% of $50,000.)	

The debris removal expense is less than 25% of the sum of the loss payable plus the deductible. The sum of the loss payable and the debris removal expense ($49,500 + $10,000 = $59,500) is less than the Limit of Insurance. Therefore the full amount of debris removal expense is payable in accordance with the terms of Paragraph **(3).**

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EXAMPLE #2

Limit of Insurance:	$ 90,000
Amount of Deductible:	$ 500
Amount of Loss:	$ 80,000
Amount of Loss Payable:	$ 79,500
	($80,000 – $500)
Debris Removal Expense:	$ 30,000
Debris Removal Expense Payable	
Basic Amount:	$ 10,500
Additional Amount:	$ 10,000

The basic amount payable for debris removal expense under the terms of Paragraph **(3)** is calculated as follows: $80,000 ($79,500 + $500) x .25 = $20,000; capped at $10,500. The cap applies because the sum of the loss payable ($79,500) and the basic amount payable for debris removal expense ($10,500) cannot exceed the Limit of Insurance ($90,000).

The additional amount payable for debris removal expense is provided in accordance with the terms of Paragraph **(4),** because the debris removal expense ($30,000) exceeds 25% of the loss payable plus the deductible ($30,000 is 37.5% of $80,000), and because the sum of the loss payable and debris removal expense ($79,500 + $30,000 = $109,500) would exceed the Limit of Insurance ($90,000). The additional amount of covered debris removal expense is $10,000, the maximum payable under Paragraph **(4).** Thus the total payable for debris removal expense in this example is $20,500; $9,500 of the debris removal expense is not covered.

b. Preservation Of Property

If it is necessary for you to move Covered Property from the described premises to preserve it from loss or damage by a Covered Cause of Loss, we will pay for any direct physical loss or damage to that property:

(1) While it is being moved or while temporarily stored at another location; and

(2) Only if the loss or damage occurs within 30 days after the property is first moved.

c. Fire Department Service Charge

When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay up to $1,000, unless a higher limit is shown in the Declarations, for your liability for fire department service charges:

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

(2) Required by local ordinance.

No Deductible applies to this Additional Coverage.

d. Pollutant Clean-up And Removal

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

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

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

e. Increased Cost Of Construction

(1) This Additional Coverage applies only to buildings to which the Replacement Cost Optional Coverage applies.

(2) In the event of damage by a Covered Cause of Loss to a building that is Covered Property, we will pay the increased costs incurred to comply with enforcement of an ordinance or law in the course of repair, rebuilding or replacement of damaged parts of that property, subject to the limitations stated in **e.(3)** through **e.(9)** of this Additional Coverage.

(3) The ordinance or law referred to in **e.(2)** of this Additional Coverage is an ordinance or law that regulates the 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.

(4) Under this Additional Coverage, we will not pay any costs due to an ordinance or law that:

(a) You were required to comply with before the loss, even when the building was undamaged; and

(b) You failed to comply with.

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(5) Under this Additional Coverage, we will not pay for:

(a) The enforcement of any ordinance or law which requires 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

(b) Any costs associated with the enforcement of an 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.

(6) The most we will pay under this Additional Coverage, for each described building insured under this Coverage Form, is $10,000 or 5% of the Limit of Insurance applicable to that building, whichever is less. If a damaged building is covered under a blanket Limit of Insurance which applies to more than one building or item of property, then the most we will pay under this Additional Coverage, for that damaged building, is the lesser of: $10,000 or 5% times the value of the damaged building as of the time of loss times the applicable Coinsurance percentage.

The amount payable under this Additional Coverage is additional insurance.

(7) With respect to this Additional Coverage:

(a) We will not pay for the Increased Cost of Construction:

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

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

(b) If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay for the Increased Cost of Construction, subject to the provisions of **e.(6)** of this Additional Coverage, is the increased cost of construction at the same premises.

(c) If the ordinance or law requires relocation to another premises, the most we will pay for the Increased Cost of Construction, subject to the provisions of **e.(6)** of this Additional Coverage, is the increased cost of construction at the new premises.

(8) This Additional Coverage is not subject to the terms of the Ordinance Or Law Exclusion, to the extent that such Exclusion would conflict with the provisions of this Additional Coverage.

(9) The costs addressed in the Loss Payment and Valuation Conditions, and the Replacement Cost Optional Coverage, in this Coverage Form, do not include the increased cost attributable to enforcement of an ordinance or law. The amount payable under this Additional Coverage, as stated in **e.(6)** of this Additional Coverage, is not subject to such limitation.

f. Electronic Data

(1) Under this Additional Coverage, electronic data has the meaning described under Property Not Covered, Electronic Data.

(2) Subject to the provisions of this Additional Coverage, we will pay for the cost to replace or restore electronic data which has been destroyed or corrupted by a Covered Cause of Loss. To the extent that electronic data is not replaced or restored, the loss will be valued at the cost of replacement of the media on which the electronic data was stored, with blank media of substantially identical type.

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(3) The Covered Causes of Loss applicable to Your Business Personal Property apply to this Additional Coverage, Electronic Data, subject to the following:

(a) If the Causes Of Loss – Special Form applies, coverage under this Additional Coverage, Electronic Data, is limited to the "specified causes of loss" as defined in that form, and Collapse as set forth in that form.

(b) If the Causes Of Loss – Broad Form applies, coverage under this Additional Coverage, Electronic Data, includes Collapse as set forth in that form.

(c) If the Causes Of Loss Form is endorsed to add a Covered Cause of Loss, the additional Covered Cause of Loss does not apply to the coverage provided under this Additional Coverage, Electronic Data.

(d) The Covered Causes of Loss include a virus, harmful code or similar instruction introduced into or enacted on a computer system (including electronic data) or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation. But there is no coverage for loss or damage caused by or resulting from manipulation of a computer system (including electronic data) by any employee, including a temporary or leased employee, or by an entity retained by you or for you to inspect, design, install, modify, maintain, repair or replace that system.

(4) The most we will pay under this Additional Coverage, Electronic Data, is $2,500 for all loss or damage sustained in any one policy year, regardless of the number of occurrences of loss or damage or the number of premises, locations or computer systems involved. If loss payment on the first occurrence does not exhaust this amount, then the balance is available for subsequent loss or damage sustained in but not after that policy year. With respect to an occurrence which begins in one policy year and continues or results in additional loss or damage in a subsequent policy year(s), all loss or damage is deemed to be sustained in the policy year in which the occurrence began.

5. Coverage Extensions

Except as otherwise provided, the following Extensions apply to property located in or on the building described in the Declarations or in the open (or in a vehicle) within 100 feet of the described premises.

If a Coinsurance percentage of 80% or more is shown in the Declarations, you may extend the insurance provided by this Coverage Part as follows:

a. Newly Acquired Or Constructed Property

(1) Buildings

You may extend the insurance that applies to Building to apply to:

(a) Your new buildings while being built on the described premises; and

(b) Buildings you acquire at locations, other than the described premises, intended for:

(i) Similar use as the building described in the Declarations; or

(ii) Use as a warehouse.

The most we will pay for loss or damage under this Extension is $250,000 at each building.

(2) Your Business Personal Property

(a) If this policy covers Your Business Personal Property, you may extend that insurance to apply to:

(i) Business personal property, including such property that you newly acquire, at any location you acquire other than at fairs, trade shows or exhibitions;

(ii) Business personal property, including such property that you newly acquire, located at your newly constructed or acquired buildings at the location described in the Declarations; or

(iii) Business personal property that you newly acquire, located at the described premises.

The most we will pay for loss or damage under this Extension is $100,000 at each building.

(b) This Extension does not apply to:

(i) Personal property of others that is temporarily in your possession in the course of installing or performing work on such property; or

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(ii) Personal property of others that is temporarily in your possession in the course of your manufacturing or wholesaling activities.

(3) Period Of Coverage

With respect to insurance on or at each newly acquired or constructed property, coverage will end when any of the following first occurs:

(a) This policy expires;

(b) 30 days expire after you acquire the property or begin construction of that part of the building that would qualify as covered property; or

(c) You report values to us.

We will charge you additional premium for values reported from the date you acquire the property or begin construction of that part of the building that would qualify as covered property.

b. Personal Effects And Property Of Others

You may extend the insurance that applies to Your Business Personal Property to apply to:

(1) Personal effects owned by you, your officers, your partners or members, your managers or your employees. This Extension does not apply to loss or damage by theft.

(2) Personal property of others in your care, custody or control.

The most we will pay for loss or damage under this Extension is $2,500 at each described premises. Our payment for loss of or damage to personal property of others will only be for the account of the owner of the property.

c. Valuable Papers And Records (Other Than Electronic Data)

(1) You may extend the insurance that applies to Your Business Personal Property to apply to the cost to replace or restore the lost information on valuable papers and records for which duplicates do not exist. But this Extension does not apply to valuable papers and records which exist as electronic data. Electronic data has the meaning described under Property Not Covered, Electronic Data.

(2) If the Causes Of Loss – Special Form applies, coverage under this Extension is limited to the "specified causes of loss" as defined in that form, and Collapse as set forth in that form.

(3) If the Causes Of Loss – Broad Form applies, coverage under this Extension includes Collapse as set forth in that form.

(4) Under this Extension, the most we will pay to replace or restore the lost information is $2,500 at each described premises, unless a higher limit is shown in the Declarations. Such amount is additional insurance. We will also pay for the cost of blank material for reproducing the records (whether or not duplicates exist), and (when there is a duplicate) for the cost of labor to transcribe or copy the records. The costs of blank material and labor are subject to the applicable Limit of Insurance on Your Business Personal Property and therefore coverage of such costs is not additional insurance.

d. Property Off-premises

(1) You may extend the insurance provided by this Coverage Form to apply to your Covered Property while it is away from the described premises, if it is:

(a) Temporarily at a location you do not own, lease or operate;

(b) In storage at a location you lease, provided the lease was executed after the beginning of the current policy term; or

(c) At any fair, trade show or exhibition.

(2) This Extension does not apply to property:

(a) In or on a vehicle; or

(b) In the care, custody or control of your salespersons, unless the property is in such care, custody or control at a fair, trade show or exhibition.

(3) The most we will pay for loss or damage under this Extension is $10,000.

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e. Outdoor Property

You may extend the insurance provided by this Coverage Form to apply to your outdoor fences, radio and television antennas (including satellite dishes), trees, shrubs and plants (other than "stock" of trees, shrubs or plants), including debris removal expense, caused by or resulting from any of the following causes of loss if they are Covered Causes of Loss:

(1) Fire;

(2) Lightning;

(3) Explosion;

(4) Riot or Civil Commotion; or

(5) Aircraft.

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

f. Non-owned Detached Trailers

(1) You may extend the insurance that applies to Your Business Personal Property to apply to loss or damage to trailers that you do not own, provided that:

(a) The trailer is used in your business;

(b) The trailer is in your care, custody or control at the premises described in the Declarations; and

(c) You have a contractual responsibility to pay for loss or damage to the trailer.

(2) We will not pay for any loss or damage that occurs:

(a) While the trailer is attached to any motor vehicle or motorized conveyance, whether or not the motor vehicle or motorized conveyance is in motion;

(b) During hitching or unhitching operations, or when a trailer becomes accidentally unhitched from a motor vehicle or motorized conveyance.

(3) The most we will pay for loss or damage under this Extension is $5,000, unless a higher limit is shown in the Declarations.

(4) This insurance is excess over the amount due (whether you can collect on it or not) from any other insurance covering such property.

Each of these Extensions is additional insurance unless otherwise indicated. The Additional Condition, Coinsurance, does not apply to these Extensions.

B. Exclusions And Limitations

See applicable Causes Of Loss Form as shown in the Declarations.

C. Limits Of Insurance

The most we will pay for loss or damage in any one occurrence is the applicable Limit of Insurance shown in the Declarations.

The most we will pay for loss or damage to outdoor signs, whether or not the sign is attached to a building, is $2,500 per sign in any one occurrence.

The amounts of insurance stated in the following Additional Coverages apply in accordance with the terms of such coverages and are separate from the Limit(s) of Insurance shown in the Declarations for any other coverage:

1. Fire Department Service Charge;

2. Pollutant Clean-up And Removal;

3. Increased Cost Of Construction; and

4. Electronic Data.

Payments under the Preservation Of Property Additional Coverage will not increase the applicable Limit of Insurance.

D. Deductible

In any one occurrence of loss or damage (hereinafter referred to as loss), we will first reduce the amount of loss if required by the Coinsurance Condition or the Agreed Value Optional Coverage. If the adjusted amount of loss is less than or equal to the Deductible, we will not pay for that loss. If the adjusted amount of loss exceeds the Deductible, we will then subtract the Deductible from the adjusted amount of loss, and will pay the resulting amount or the Limit of Insurance, whichever is less.

When the occurrence involves loss to more than one item of Covered Property and separate Limits of Insurance apply, the losses will not be combined in determining application of the Deductible. But the Deductible will be applied only once per occurrence.

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EXAMPLE #1

(This example assumes there is no Coinsurance penalty.)

Deductible:	$	250
Limit of Insurance – Building #1:	$	60,000
Limit of Insurance – Building #2:	$	80,000
Loss to Building #1:	$	60,100
Loss to Building #2:	$	90,000

The amount of loss to Building #1 ($60,100) is less than the sum ($60,250) of the Limit of Insurance applicable to Building #1 plus the Deductible.

The Deductible will be subtracted from the amount of loss in calculating the loss payable for Building #1:

$ 60,100
– 250
$ 59,850 Loss Payable – Building #1

The Deductible applies once per occurrence and therefore is not subtracted in determining the amount of loss payable for Building #2. Loss payable for Building #2 is the Limit of Insurance of $80,000.

Total amount of loss payable:

$59,850 + $80,000 = $139,850

EXAMPLE #2

(This example, too, assumes there is no Coinsurance penalty.)

The Deductible and Limits of Insurance are the same as those in Example #1.

Loss to Building #1:	$	70,000
(Exceeds Limit of Insurance plus Deductible)		
Loss to Building #2:	$	90,000
(Exceeds Limit of Insurance plus Deductible)		
Loss Payable – Building #1:	$	60,000
(Limit of Insurance)		
Loss Payable – Building #2:	$	80,000
(Limit of Insurance)		
Total amount of loss payable:	$	140,000

E. Loss Conditions

The following conditions apply in addition to the Common Policy Conditions and the Commercial Property Conditions.

1. Abandonment

There can be no abandonment of any property to us.

2. Appraisal

If we and you disagree on the value of the property or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the value of the property and amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

a. Pay its chosen appraiser; and

b. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

3. Duties In The Event Of Loss Or Damage

a. You must see that the following are done in the event of loss or damage to Covered Property:

(1) Notify the police if a law may have been broken.

(2) Give us prompt notice of the loss or damage. Include a description of the property involved.

(3) As soon as possible, give us a description of how, when and where the loss or damage occurred.

(4) Take all reasonable steps to protect the Covered Property from further damage, and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.

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(5) At our request, give us complete inventories of the damaged and undamaged property. Include quantities, costs, values and amount of loss claimed.

(6) As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.

Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.

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

(8) Cooperate with us in the investigation or settlement of the claim.

b. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.

4. Loss Payment

a. In the event of loss or damage covered by this Coverage Form, at our option, we will either:

(1) Pay the value of lost or damaged property;

(2) Pay the cost of repairing or replacing the lost or damaged property, subject to **b.** below;

(3) Take all or any part of the property at an agreed or appraised value; or

(4) Repair, rebuild or replace the property with other property of like kind and quality, subject to **b.** below.

We will determine the value of lost or damaged property, or the cost of its repair or replacement, in accordance with the applicable terms of the Valuation Condition in this Coverage Form or any applicable provision which amends or supersedes the Valuation Condition.

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

c. We will give notice of our intentions within 30 days after we receive the sworn proof of loss.

d. We will not pay you more than your financial interest in the Covered Property.

e. We may adjust losses with the owners of lost or damaged property if other than you. If we pay the owners, such payments will satisfy your claims against us for the owners' property. We will not pay the owners more than their financial interest in the Covered Property.

f. We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.

g. We will pay for covered loss or damage to Covered Property within 30 days after we receive the sworn proof of loss, if you have complied with all of the terms of this Coverage Part and:

(1) We have reached agreement with you on the amount of loss; or

(2) An appraisal award has been made.

If you name an insurance trustee, we will adjust losses with you, but we will pay the insurance trustee. If we pay the trustee, the payments will satisfy your claims against us.

h. A party wall is a wall that separates and is common to adjoining buildings that are owned by different parties. In settling covered losses involving a party wall, we will pay a proportion of the loss to the party wall based on your interest in the wall in proportion to the interest of the owner of the adjoining building. However, if you elect to repair or replace your building and the owner of the adjoining building elects not to repair or replace that building, we will pay you the full value of the loss to the party wall, subject to all applicable policy provisions including Limits of Insurance, the Valuation and Coinsurance Conditions and all other provisions of this Loss Payment Condition. Our payment under the provisions of this paragraph does not alter any right of subrogation we may have against any entity, including the owner or insurer of the adjoining building, and does not alter the terms of the Transfer Of Rights Of Recovery Against Others To Us Condition in this policy.

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5. Recovered Property

If either you or we recover any property after loss settlement, that party must give the other prompt notice. At your option, the property will be returned to you. You must then return to us the amount we paid to you for the property. We will pay recovery expenses and the expenses to repair the recovered property, subject to the Limit of Insurance.

6. Unit-owner's Insurance

A unit-owner may have other insurance covering the same property as this insurance. This insurance is intended to be primary, and not to contribute with such other insurance.

7. Vacancy

a. Description Of Terms

(1) As used in this Vacancy Condition, the term building and the term vacant have the meanings set forth in **(1)(a)** and **(1)(b)** below:

(a) When this policy is issued to a tenant, and with respect to that tenant's interest in Covered Property, building means the unit or suite rented or leased to the tenant. Such building is vacant when it does not contain enough business personal property to conduct customary operations.

(b) When this policy is issued to the owner or general lessee of a building, building means the entire building. Such building is vacant unless at least 31% of its total square footage is:

(i) Rented to a lessee or sub-lessee and used by the lessee or sub-lessee to conduct its customary operations; and/or

(ii) Used by the building owner to conduct customary operations.

(2) Buildings under construction or renovation are not considered vacant.

b. Vacancy Provisions

If the building where loss or damage occurs has been vacant for more than 60 consecutive days before that loss or damage occurs:

(1) We will not pay for any loss or damage caused by any of the following even if they are Covered Causes of Loss:

(a) Vandalism;

(b) Sprinkler leakage, unless you have protected the system against freezing;

(c) Building glass breakage;

(d) Water damage;

(e) Theft; or

(f) Attempted theft.

(2) With respect to Covered Causes of Loss other than those listed in **b.(1)(a)** through **b.(1)(f)** above, we will reduce the amount we would otherwise pay for the loss or damage by 15%.

8. Valuation

We will determine the value of Covered Property in the event of loss or damage as follows:

a. At actual cash value as of the time of loss or damage, except as provided in **b.** and **c.** below.

b. If the Limit of Insurance for Building satisfies the Additional Condition, Coinsurance, and the cost to repair or replace the damaged building property is $2,500 or less, we will pay the cost of building repairs or replacement.

The cost of building repairs or replacement does not include the increased cost attributable to enforcement of any ordinance or law regulating the construction, use or repair of any property. However, the following property will be valued at the actual cash value even when attached to the building:

(1) Awnings or floor coverings;

(2) Appliances for refrigerating, ventilating, cooking, dishwashing or laundering; or

(3) Outdoor equipment or furniture.

c. Glass at the cost of replacement with safety-glazing material if required by law.

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9. Waiver Of Rights Of Recovery

We waive our rights to recover payment from any unit-owner of the condominium that is shown in the Declarations.

F. Additional Conditions

The following conditions apply in addition to the Common Policy Conditions and the Commercial Property Conditions.

1. Coinsurance

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

a. We will not pay the full amount of any loss if the value of Covered Property at the time of loss times the Coinsurance percentage shown for it in the Declarations is greater than the Limit of Insurance for the property.

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

(1) Multiply the value of Covered Property at the time of loss by the Coinsurance percentage;

(2) Divide the Limit of Insurance of the property by the figure determined in Step **(1);**

(3) Multiply the total amount of loss, before the application of any deductible, by the figure determined in Step **(2);** and

(4) Subtract the deductible from the figure determined in Step **(3).**

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

EXAMPLE #1 (UNDERINSURANCE)

When:	The value of the property is:	$250,000
	The Coinsurance percentage for it is:	80%
	The Limit of Insurance for it is:	$100,000
	The Deductible is:	$ 250
	The amount of loss is:	$ 40,000

Step **(1):** $250,000 x 80% = $200,000
(the minimum amount of insurance to meet your Coinsurance requirements)

Step **(2):** $100,000 ÷ $200,000 = .50

Step **(3):** $40,000 x .50 = $20,000

Step **(4):** $20,000 – $250 = $19,750

We will pay no more than $19,750. The remaining $20,250 is not covered.

EXAMPLE #2 (ADEQUATE INSURANCE)

When:	The value of the property is:	$ 250,000
	The Coinsurance percentage for it is:	80%
	The Limit of Insurance for it is:	$ 200,000
	The Deductible is:	$ 250
	The amount of loss is:	$ 40,000

The minimum amount of insurance to meet your Coinsurance requirement is $200,000 ($250,000 x 80%). Therefore, the Limit of Insurance in this example is adequate and no penalty applies. We will pay no more than $39,750 ($40,000 amount of loss minus the deductible of $250).

b. If one Limit of Insurance applies to two or more separate items, this condition will apply to the total of all property to which the limit applies.

EXAMPLE #3

When:	The value of the property is:	
	Building at Location #1:	$ 75,000
	Building at Location #2:	$ 100,000
	Personal Property at Location #2:	$ 75,000
		$ 250,000
	The Coinsurance percentage for it is:	90%
	The Limit of Insurance for Buildings and Personal Property at Locations #1 and #2 is:	$ 180,000
	The Deductible is:	$ 1,000
	The amount of loss is:	
	Building at Location #2:	$ 30,000
	Personal Property at Location #2:	$ 20,000
		$ 50,000

Step **(1):** $250,000 x 90% = $225,000
(the minimum amount of insurance to meet your Coinsurance requirements and to avoid the penalty shown below)

Step **(2):** $180,000 ÷ $225,000 = .80

Step **(3):** $50,000 x .80 = $40,000

Step **(4):** $40,000 – $1,000 = $39,000

We will pay no more than $39,000. The remaining $11,000 is not covered.

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2. **Mortgageholders**

   a. The term mortgageholder includes trustee.

   b. We will pay for covered loss of or damage to buildings or structures to each mortgageholder shown in the Declarations in their order of precedence, as interests may appear.

   c. The mortgageholder has the right to receive loss payment even if the mortgageholder has started foreclosure or similar action on the building or structure.

   d. If we deny your claim because of your acts or because you have failed to comply with the terms of this Coverage Part, the mortgageholder will still have the right to receive loss payment if the mortgageholder:

      (1) Pays any premium due under this Coverage Part at our request if you have failed to do so;

      (2) Submits a signed, sworn proof of loss within 60 days after receiving notice from us of your failure to do so; and

      (3) Has notified us of any change in ownership, occupancy or substantial change in risk known to the mortgageholder.

      All of the terms of this Coverage Part will then apply directly to the mortgageholder.

   e. If we pay the mortgageholder for any loss or damage and deny payment to you because of your acts or because you have failed to comply with the terms of this Coverage Part:

      (1) The mortgageholder's rights under the mortgage will be transferred to us to the extent of the amount we pay; and

      (2) The mortgageholder's right to recover the full amount of the mortgageholder's claim will not be impaired.

      At our option, we may pay to the mortgageholder the whole principal on the mortgage plus any accrued interest. In this event, your mortgage and note will be transferred to us and you will pay your remaining mort gage debt to us.

   f. If we cancel this policy, we will give written notice to the mortgageholder at least:

      (1) 10 days before the effective date of cancellation if we cancel for your nonpayment of premium; or

      (2) 30 days before the effective date of cancellation if we cancel for any other reason.

   g. If we elect not to renew this policy, we will give written notice to the mortgageholder at least 10 days before the expiration date of this policy.

G. Optional Coverages

If shown as applicable in the Declarations, the following Optional Coverages apply separately to each item.

1. **Agreed Value**

   a. The Additional Condition, Coinsurance, does not apply to Covered Property to which this Optional Coverage applies. We will pay no more for loss of or damage to that property than the proportion that the Limit of Insurance under this Coverage Part for the property bears to the Agreed Value shown for it in the Declarations.

   b. If the expiration date for this Optional Coverage shown in the Declarations is not extended, the Additional Condition, Coinsurance, is reinstated and this Optional Coverage expires.

   c. The terms of this Optional Coverage apply only to loss or damage that occurs:

      (1) On or after the effective date of this Optional Coverage; and

      (2) Before the Agreed Value expiration date shown in the Declarations or the policy expiration date, whichever occurs first.

2. **Inflation Guard**

   a. The Limit of Insurance for property to which this Optional Coverage applies will automatically increase by the annual percentage shown in the Declarations.

   b. The amount of increase will be:

      (1) The Limit of Insurance that applied on the most recent of the policy inception date, the policy anniversary date, or any other policy change amending the Limit of Insurance, times

      (2) The percentage of annual increase shown in the Declarations, expressed as a decimal (example: 8% is .08), times

      (3) The number of days since the beginning of the current policy year or the effective date of the most recent policy change amending the Limit of Insurance, divided by 365.

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EXAMPLE

(2) The cost to replace the lost or damaged

If: The applicable Limit of Insurance is: $ 100,000
The annual percentage increase is: 8%
The number of days since the beginning of the policy year (or last policy change) is: 146
The amount of increase is: $100,000 x .08 x 146 ÷ 365 = $ 3,200

3. Replacement Cost

a. Replacement Cost (without deduction for depreciation) replaces Actual Cash Value in the Loss Condition, Valuation, of this Coverage Form.

b. This Optional Coverage does not apply to:

(1) Personal property of others;

(2) Contents of a residence; or

(3) Works of art, antiques or rare articles, including etchings, pictures, statuary, marbles, bronzes, porcelains and bric-a-brac.

Under the terms of this Replacement Cost Optional Coverage, personal property owned indivisibly by all unit-owners, and the property covered under Paragraph **A.1.a.(6)** of this Coverage Form, are not considered to be the personal property of others.

c. You may make a claim for loss or damage covered by this insurance on an actual cash value basis instead of on a replacement cost basis. In the event you elect to have loss or damage settled on an actual cash value basis, you may still make a claim for the additional coverage this Optional Coverage provides if you notify us of your intent to do so within 180 days after the loss or damage.

d. We will not pay on a replacement cost basis for any loss or damage:

(1) Until the lost or damaged property is actually repaired or replaced; and

(2) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage.

e. We will not pay more for loss or damage on a replacement cost basis than the least of **(1), (2)** or **(3),** subject to **f.** below:

(1) The Limit of Insurance applicable to the lost or damaged property;

(2) The cost of repair or replacement of the lost or damaged property with other property:

(a) Of comparable material and quality; and

(b) Used for the same purpose; or

(3) The amount actually spent that is necessary to repair or replace the lost or damaged property.

If a building is rebuilt at a new premises, the cost described in **e.(2)** above is limited to the cost which would have been incurred if the building had been rebuilt at the original premises.

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

4. Extension Of Replacement Cost To Personal Property Of Others

a. If the Replacement Cost Optional Coverage is shown as applicable in the Declarations, then this Extension may also be shown as applicable. If the Declarations show this Extension as applicable, then Paragraph **3.b.(1)** of the Replacement Cost Optional Coverage is deleted and all other provisions of the Replacement Cost Optional Coverage apply to replacement cost on personal property of others.

b. With respect to replacement cost on the personal property of others, the following limitation applies:

If an item(s) of personal property of others is subject to a written contract which governs your liability for loss or damage to that item(s), then valuation of that item(s) will be based on the amount for which you are liable under such contract, but not to exceed the lesser of the replacement cost of the property or the applicable Limit of Insurance.

H. Definitions

1. "Fungus" means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.

2. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

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EXTRA EXPENSE COVERAGE FORM

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

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

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

A. Coverage

We will pay the actual and necessary Extra Expense you sustain due to direct physical loss of or damage to property at premises which are described in the Declarations and for which an Extra Expense Limit of Insurance is shown in the Declarations. The loss or damage must be caused by or result from a Covered Cause of Loss. With respect to loss of or damage to personal property in the open or personal property in a vehicle, the described premises include the area within 100 feet of the site at which the described premises are located.

With respect to the requirements set forth in the preceding paragraph, if you occupy only part of the site at which the described premises are located, your premises means:

a. The portion of the building which you rent, lease or occupy; and

b. Any area within the building or on the site at which the described premises are located, if that area services, or is used to gain access to, the described premises.

1. Extra Expense

Extra Expense means necessary expenses you incur during the "period of restoration" that you would not have incurred if there had been no direct physical loss or damage to property. Coverage pertains to expenses (other than the expense to repair or replace property) which are incurred to:

a. Avoid or minimize the "suspension" of business and to continue "operations" at the described premises or at replacement premises or temporary locations, including relocation expenses and costs to equip and operate the replacement location or temporary location.

b. Minimize the "suspension" of business if you cannot continue "operations".

We will also pay Extra Expense to repair or replace property, but only to the extent it reduces the amount of loss that otherwise would have been payable under this Coverage Form.

2. Covered Causes Of Loss, Exclusions And Limitations

See applicable Causes Of Loss Form as shown in the Declarations.

3. Additional Limitation – Interruption Of Computer Operations

a. Coverage for Extra Expense does not apply when action is taken to avoid or minimize a "suspension" of "operations" caused by destruction or corruption of electronic data, or any loss or damage to electronic data, except as provided under the Additional Coverage – Interruption Of Computer Operations.

b. Electronic data means information, facts or computer programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs, referred to in the foregoing description of electronic data, means a set of related electronic instructions which direct the operations and functions of a computer or device connected to it, which enable the computer or device to receive, process, store, retrieve or send data.

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4. Additional Coverages

a. Alterations And New Buildings

We will pay for the actual and necessary Extra Expense you incur due to direct physical loss or damage at the described premises caused by or resulting from any Covered Cause of Loss to:

(1) New buildings or structures, whether complete or under construction;

(2) Alterations or additions to existing buildings or structures; and

(3) Machinery, equipment, supplies or building materials located on or within 100 feet of the described premises and:

(a) Used in the construction, alterations or additions; or

(b) Incidental to the occupancy of new buildings.

b. Civil Authority

In this Additional Coverage – Civil Authority, the described premises are premises to which this Coverage Form applies, as shown in the Declarations.

When a Covered Cause of Loss causes damage to property other than property at the described premises, we will pay for the actual and necessary Extra Expense you incur caused by action of civil authority that prohibits access to the described premises, provided that both of the following apply:

(1) Access to the area immediately surrounding the damaged property is prohibited by civil authority as a result of the damage, and the described premises are within that area but are not more than one mile from the damaged property; and

(2) The action of civil authority is taken in response to dangerous physical conditions resulting from the damage or continuation of the Covered Cause of Loss that caused the damage, or the action is taken to enable a civil authority to have unimpeded access to the damaged property.

Civil Authority Coverage will begin immediately after the time of the first action of civil authority that prohibits access to the described premises and will end four consecutive weeks after the date of that action.

c. Interruption Of Computer Operations

(1) Under this Additional Coverage, electronic data has the meaning described under Additional Limitation – Interruption Of Computer Operations.

(2) Subject to all provisions of this Additional Coverage, you may extend the insurance that applies to Extra Expense to apply to a "suspension" of "operations" caused by an interruption in computer operations due to destruction or corruption of electronic data due to a Covered Cause of Loss.

(3) With respect to the coverage provided under this Additional Coverage, the Covered Causes of Loss are subject to the following:

(a) If the Causes Of Loss – Special Form applies, coverage under this Additional Coverage – Interruption Of Computer Operations is limited to the "specified causes of loss" as defined in that form, and Collapse as set forth in that form.

(b) If the Causes Of Loss – Broad Form applies, coverage under this Additional Coverage – Interruption Of Computer Operations includes Collapse as set forth in that form.

(c) If the Causes Of Loss Form is endorsed to add a Covered Cause of Loss, the additional Covered Cause of Loss does not apply to the coverage provided under this Additional Coverage – Interruption Of Computer Operations.

(d) The Covered Causes of Loss include a virus, harmful code or similar instruction introduced into or enacted on a computer system (including electronic data) or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation. But there is no coverage for an interruption related to manipulation of a computer system (including electronic data) by any employee, including a temporary or leased employee, or by an entity retained by you or for you to inspect, design, install, maintain, repair or replace that system.

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(4) The most we will pay under this Additional Coverage – Interruption Of Computer Operations is $2,500 for all loss sustained in any one policy year, regardless of the number of interruptions or the number of premises, locations or computer systems involved. If loss payment relating to the first interruption does not exhaust this amount, then the balance is available for loss sustained as a result of subsequent interruptions in that policy year. A balance remaining at the end of a policy year does not increase the amount of insurance in the next policy year. With respect to any interruption which begins in one policy year and continues or results in additional loss in a subsequent policy year(s), all loss is deemed to be sustained in the policy year in which the interruption began.

(5) This Additional Coverage – Interruption Of Computer Operations does not apply to loss sustained after the end of the "period of restoration", even if the amount of insurance stated in (4) above has not been exhausted.

5. Coverage Extension

You may extend the insurance provided by this Coverage Part as follows:

NEWLY ACQUIRED LOCATIONS

a. You may extend your Extra Expense Coverage to apply to property at any location you acquire other than fairs or exhibitions.

b. The most we will pay for loss under this Extension is $100,000 at each location.

c. Insurance under this Extension for each newly acquired location will end when any of the following first occurs:

(1) This policy expires;

(2) 30 days expire after you acquire the property; or

(3) You notify us of how you want this coverage to apply to that location.

We will charge you additional premium from the date you acquire the property.

B. Limits Of Insurance

The most we will pay for loss in any one occurrence is the applicable Limit of Insurance shown in the Declarations.

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

1. Alterations And New Buildings; or
2. Civil Authority.

The amounts of insurance stated in the Interruption Of Computer Operations Additional Coverage and the Newly Acquired Locations Coverage Extension apply in accordance with the terms of those coverages and are separate from the Limit(s) of Insurance shown in the Declarations for any other coverage.

C. Loss Conditions

The following conditions apply in addition to the Common Policy Conditions and the Commercial Property Conditions.

1. Appraisal

If we and you disagree on the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

a. Pay its chosen appraiser; and

b. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

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2. Duties If You Incur Extra Expense

a. You must see that the following are done if you incur Extra Expense:

(1) Notify the police if a law may have been broken.

(2) Give us prompt notice of the direct physical loss or damage. Include a description of the property involved.

(3) As soon as possible, give us a description of how, when, and where the direct physical loss or damage occurred.

(4) Take all reasonable steps to protect the Covered Property from further damage, and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.

(5) As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.

Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.

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

(7) Cooperate with us in the investigation or settlement of the claim.

(8) If you intend to continue your business, you must resume all or part of your "operations" as quickly as possible.

b. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.

3. Limits On Loss Payment

We will not pay more for Extra Expense than the percentages shown in the Declarations times the Limit of Insurance.

When the "period of restoration" is:

a. 30 days or less, the first percentage applies.

b. 60 days or less, but more than 30 days, the second percentage applies.

c. More than 60 days, the third percentage applies.

EXAMPLE

The Limit of Insurance is:	$ 100,000
The percentages shown in the Declarations are:	40%–80%–100%
The "period of restoration" is:	45 days
The amount of Extra Expenses incurred is:	$ 90,000

We will not pay more than $100,000 times 80% (the percentage applicable for a "period of restoration" of 31–60 days), or $80,000. The remaining $10,000 is not covered.

4. Loss Determination

a. The amount of Extra Expense will be determined based on:

(1) All expenses that exceed the normal operating expenses that would have been incurred by "operations" during the "period of restoration" if no direct physical loss or damage had occurred. We will deduct from the total of such expenses:

(a) The salvage value that remains of any property bought for temporary use during the "period of restoration", once "operations" are resumed; and

(b) Any Extra Expense that is paid for by other insurance, except for insurance that is written subject to the same plan, terms, conditions and provisions as this insurance; and

(2) Necessary expenses that reduce the Extra Expense otherwise incurred.

b. We will reduce the amount of your Extra Expense loss to the extent you can return "operations" to normal and discontinue such Extra Expense.

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c. If you do not resume "operations", or do not resume "operations" as quickly as possible, we will pay based on the length of time it would have taken to resume "operations" as quickly as possible.

5. Loss Payment

We will pay for any loss within 30 days after we receive the proof of loss, if you have complied with all of the terms of this Coverage Part and:

a. We reach agreement with you on the amount of loss; or

b. An appraisal award has been made.

D. Definitions

1. "Operations" means your business activities occurring at the described premises.

2. "Period of restoration" means the period of time that:

   a. Begins with the date of direct physical loss or damage caused by or resulting from any Covered Cause of Loss at the described premises; and

   b. Ends on the earlier of:

      (1) The date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality; or

      (2) The date when business is resumed at a new permanent location.

   "Period of restoration" does not include any increased period required due to the enforcement of any ordinance or law that:

      (1) Regulates the construction, use or repair, or requires the tearing down, of any property; or

      (2) 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".

   The expiration date of this policy will not cut short the "period of restoration".

3. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

4. "Suspension" means the slowdown or cessation of your business activities.

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COMMERCIAL PROPERTY CONDITIONS

This Coverage Part is subject to the following conditions, the Common Policy Conditions and applicable Loss Conditions and Additional Conditions in Commercial Property Coverage Forms.

A. CONCEALMENT, MISREPRESENTATION OR FRAUD

This Coverage Part is void in any case of fraud by you as it relates to this Coverage Part at any time. It is also void if you or any other insured, at any time, intentionally conceal or misrepresent a mate-rial fact concerning:

1. This Coverage Part;
2. The Covered Property;
3. Your interest in the Covered Property; or
4. A claim under this Coverage Part.

B. CONTROL OF PROPERTY

Any act or neglect of any person other than you beyond your direction or control will not affect this insurance.

The breach of any condition of this Coverage Part at any one or more locations will not affect cover-age at any location where, at the time of loss or damage, the breach of condition does not exist.

C. INSURANCE UNDER TWO OR MORE COVER-AGES

If two or more of this policy's coverages apply to the same loss or damage, we will not pay more than the actual amount of the loss or damage.

D. LEGAL ACTION AGAINST US

No one may bring a legal action against us under this Coverage Part unless:

1. There has been full compliance with all of the terms of this Coverage Part; and
2. The action is brought within 2 years after the date on which the direct physical loss or dam-age occurred.

E. LIBERALIZATION

If we adopt any revision that would broaden the coverage under this Coverage Part without addi-tional premium within 45 days prior to or during the policy period, the broadened coverage will imme-diately apply to this Coverage Part.

F. NO BENEFIT TO BAILEE

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

G. OTHER INSURANCE

1. You may have other insurance subject to the same plan, terms, conditions and provisions as the insurance under this Coverage Part. If you do, we will pay our share of the covered loss or damage. Our share is the proportion that the applicable Limit of Insurance under this Cover-age Part bears to the Limits of Insurance of all insurance covering on the same basis.
2. If there is other insurance covering the same loss or damage, other than that described in 1. above, we will pay only for the amount of cov-ered loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not. But we will not pay more than the applicable Limit of Insurance.

H. POLICY PERIOD, COVERAGE TERRITORY

Under this Coverage Part:

1. We cover loss or damage commencing:
   a. During the policy period shown in the Declarations; and
   b. Within the coverage territory.
2. The coverage territory is:
   a. The United States of America (including its territories and possessions);
   b. Puerto Rico; and
   c. Canada.

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I. TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

If any person or organization to or for whom we make payment under this Coverage Part has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything neces-sary to secure our rights and must do nothing after loss to impair them. But you may waive your rights against another party in writing:

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

This will not restrict your insurance.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ORDINANCE OR LAW COVERAGE

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
CONDOMINIUM ASSOCIATION COVERAGE FORM
STANDARD PROPERTY POLICY

SCHEDULE*

Bldg. No./ Prem. No.	Cov. A	Cov. B Limit Of Insur.	Cov. C Limit Of Insur.	Cov. B and C Combined Limit Of Insur.
All / All	☒	$	$	$ See ACE0377 **
/	☐	$	$	$ **
/	☐	$	$	$ **

*Information required to complete the Schedule, if not shown on this endorsement, will be shown in the Declarations.

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.

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:

a. Regulates the demolition, construction or repair of buildings, or establishes zoning or land use requirements at the described premises; and

b. Is in force at the time of loss.

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

2.a. The building sustains direct physical damage that is covered under this policy and such damage results in enforcement of the ordinance or law; or

b. 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.

c. But 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, we will not pay the full amount of loss otherwise payable under the terms of Coverages **A, B,** and/or **C** of this endorsement. Instead, we will pay a proportion of such loss; meaning the proportion that the covered direct physical damage bears to the total direct physical damage.

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

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

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

1. Enforcement of 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.

D. Coverage

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

With respect to the building that has sustained covered direct physical damage, we will pay under Coverage **A** for the loss in value of the undamaged portion of the building as a consequence of 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 in the Declarations as applicable to the covered building. Coverage **A** does not increase the Limit of Insurance.

2. Coverage B – Demolition Cost Coverage

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

The Coinsurance Additional Condition does not apply to Demolition Cost Coverage.

3. Coverage C – Increased Cost Of Construction Coverage

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

(1) Repair or reconstruct damaged portions of that building; and/or

(2) Reconstruct or remodel undamaged portions of that building, whether or not demolition is required;

when the increased cost is a consequence of 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) We will not pay for the increased cost of construction if the building is not repaired, reconstructed or remodeled.

The Coinsurance Additional Condition does not apply to Increased Cost of Construction Coverage.

b. When a building is damaged or destroyed and Coverage **C** applies to that building in accordance with **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 Property Not Covered, 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 en-dorsement.

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2. When there is a loss in value of an undamaged portion of a building to which Coverage **A** ap-plies, the loss payment for that building, in-cluding damaged and undamaged portions, will be determined as follows:

   a. If the Replacement Cost Coverage Option applies and the property is being repaired or replaced, on the same or another premises, we will not pay more than the lesser of:

      (1) The amount you would actually spend to repair, rebuild or reconstruct the building, but not for more than the amount it would cost to restore the building on the same premises and to the same height, floor area, style and comparable quality of the original property insured; or

      (2) The Limit of Insurance shown in the Declarations as applicable to the covered building.

   b. If the Replacement Cost Coverage Option applies and the property is **not** repaired or replaced, or if the Replacement Cost Coverage Option does **not** apply, we will not pay more than the lesser of:

      (1) The actual cash value of the building at the time of loss; or

      (2) The Limit of Insurance shown in the Declarations as applicable to the covered building.

3. Unless Paragraph **E.5.** applies, loss payment under Coverage **B** – Demolition Cost Coverage will be determined as follows:

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

   a. The amount you actually spend to demolish and clear the site of the described premises; or

   b. The applicable Limit of Insurance shown for Coverage **B** in the Schedule above.

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

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

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

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

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

      (1) The increased cost of construction at the same premises; or

      (2) The applicable Limit of Insurance shown for Coverage **C** in the Schedule above.

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

      (1) The increased cost of construction at the new premises; or

      (2) The applicable Limit of Insurance shown for Coverage **C** in the Schedule above.

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 follow-ing loss payment provisions apply instead:

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

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

   b. With respect to the Increased Cost of Construction:

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

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

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

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

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

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

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

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

2. You failed to comply with.

H. Example of Proportionate Loss Payment for Ordi-nance Or Law Coverage Losses (procedure as set forth in Section **B.3.** of this endorsement.)

Assume:

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

Step **1:**

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

$30,000 ÷ $100,000 = .30

Step **2:**

Apply that proportion to the Ordinance or Law loss.

$60,000 x .30 = $18,000

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

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

I. The following definition is added:

"Fungus" means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.

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CAUSES OF LOSS – SPECIAL FORM

Words and phrases that appear in quotation marks have special meaning. Refer to Section **G.**, Definitions.

A. Covered Causes Of Loss

When Special is shown in the Declarations, Covered Causes of Loss means Risks Of Direct Physical Loss unless the loss is:

1. Excluded in Section **B.**, Exclusions; or
2. Limited in Section **C.**, Limitations;

that follow.

B. Exclusions

1. We will not pay for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

a. Ordinance Or Law

The enforcement of any ordinance or law:

(1) Regulating the construction, use or repair of any property; or

(2) Requiring the tearing down of any property, including the cost of removing its debris.

This exclusion, Ordinance Or Law, applies whether the loss results from:

(a) An ordinance or law that is enforced even if the property has not been damaged; or

(b) The increased costs incurred to comply with an ordinance or law in the course of construction, repair, renovation, remodeling or demolition of property, or removal of its debris, following a physical loss to that property.

b. Earth Movement

(1) Earthquake, including any earth sinking, rising or shifting related to such event;

(2) Landslide, including any earth sinking, rising or shifting related to such event;

(3) Mine subsidence, meaning subsidence of a man-made mine, whether or not mining activity has ceased;

(4) Earth sinking (other than sinkhole collapse), rising or shifting including soil conditions which cause settling, cracking or other disarrangement of foundations or other parts of realty. Soil conditions include contraction, expansion, freezing, thawing, erosion, improperly compacted soil and the action of water under the ground surface.

But if Earth Movement, as described in **b.(1)** through **(4)** above, results in fire or explosion, we will pay for the loss or damage caused by that fire or explosion.

(5) Volcanic eruption, explosion or effusion. But if volcanic eruption, explosion or effusion results in fire, building glass breakage or Volcanic Action, we will pay for the loss or damage caused by that fire, building glass breakage or Volcanic Action.

Volcanic Action means direct loss or damage resulting from the eruption of a volcano when the loss or damage is caused by:

(a) Airborne volcanic blast or airborne shock waves;

(b) Ash, dust or particulate matter; or

(c) Lava flow.

All volcanic eruptions that occur within any 168-hour period will constitute a single occurrence.

Volcanic Action does not include the cost to remove ash, dust or particulate matter that does not cause direct physical loss or damage to the described property.

c. Governmental Action

Seizure or destruction of property by order of governmental authority.

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

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d. Nuclear Hazard

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

But if nuclear reaction or radiation, or radioactive contamination, results in fire, we will pay for the loss or damage caused by that fire.

e. Utility Services

The failure of power, communication, water or other utility service supplied to the described premises, however caused, if the failure:

(1) Originates away from the described premises; or

(2) Originates at the described premises, but only if such failure involves equipment used to supply the utility service to the described premises from a source away from the described premises.

Failure of any utility service includes lack of sufficient capacity and reduction in supply.

Loss or damage caused by a surge of power is also excluded, if the surge would not have occurred but for an event causing a failure of power.

But if the failure or surge of power, or the failure of communication, water or other utility service, results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

Communication services include but are not limited to service relating to Internet access or access to any electronic, cellular or satellite network.

f. War And Military Action

(1) War, including undeclared or civil war;

(2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or

(3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

g. Water

(1) Flood, surface water, waves, tides, tidal waves, overflow of any body of water, or their spray, all whether driven by wind or not;

(2) Mudslide or mudflow;

(3) Water that backs up or overflows from a sewer, drain or sump; or

(4) Water under the ground surface pressing on, or flowing or seeping through:

(a) Foundations, walls, floors or paved surfaces;

(b) Basements, whether paved or not; or

(c) Doors, windows or other openings.

But if Water, as described in **g.(1)** through **g.(4)** above, results in fire, explosion or sprinkler leakage, we will pay for the loss or damage caused by that fire, explosion or sprinkler leakage.

h. "Fungus", Wet Rot, Dry Rot And Bacteria

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

But if "fungus", wet or dry rot or bacteria results in a "specified cause of loss", we will pay for the loss or damage caused by that "specified cause of loss".

This exclusion does not apply:

1. When "fungus", wet or dry rot or bacteria results from fire or lightning; or

2. To the extent that coverage is provided in the Additional Coverage – Limited Coverage For "Fungus", Wet Rot, Dry Rot And Bacteria with respect to loss or damage by a cause of loss other than fire or lightning.

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

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

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

(1) Electrical or electronic wire, device, appliance, system or network; or

(2) Device, appliance, system or network utilizing cellular or satellite technology.

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For the purpose of this exclusion, electrical, magnetic or electromagnetic energy includes but is not limited to:

(a) Electrical current, including arcing;

(b) Electrical charge produced or conducted by a magnetic or electromagnetic field;

(c) Pulse of electromagnetic energy; or

(d) Electromagnetic waves or microwaves.

But if fire results, we will pay for the loss or damage caused by that fire.

b. Delay, loss of use or loss of market.

c. Smoke, vapor or gas from agricultural smudging or industrial operations.

d. **(1)** Wear and tear;

(2) Rust or other corrosion, decay, deterioration, hidden or latent defect or any 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) Mechanical breakdown, including rupture or bursting caused by centrifugal force. But if mechanical breakdown results in elevator collision, we will pay for the loss or damage caused by that elevator collision.

(7) The following causes of loss to personal property:

(a) Dampness or dryness of atmosphere;

(b) Changes in or extremes of temperature; or

(c) Marring or scratching.

But if an excluded cause of loss that is listed in **2.d.(1)** through **(7)** results in a "specified cause of loss" or building glass breakage, we will pay for the loss or damage caused by that "specified cause of loss" or building glass breakage.

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

f. Continuous or repeated seepage or leakage of water, or the presence or condensation of humidity, moisture or vapor, that occurs over a period of 14 days or more.

g. Water, other liquids, powder or molten material that leaks or flows from plumbing, heating, air conditioning or other equipment (except fire protective systems) caused by or resulting from freezing, unless:

(1) You do your best to maintain heat in the building or structure; or

(2) You drain the equipment and shut off the supply if the heat is not maintained.

h. Dishonest or criminal act by you, any of your partners, members, officers, managers, employees (including leased employees), directors, trustees, authorized representatives or anyone to whom you entrust the property for any purpose:

(1) Acting alone or in collusion with others; or

(2) Whether or not occurring during the hours of employment.

This exclusion does not apply to acts of destruction by your employees (including leased employees); but theft by employees (including leased employees) is not covered.

i. Voluntary parting with any property by you or anyone else to whom you have entrusted the property if induced to do so by any fraudulent scheme, trick, device or false pretense.

j. Rain, snow, ice or sleet to personal property in the open.

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k. Collapse, including any of the following conditions of property or any part of the property:

(1) An abrupt falling down or caving in;

(2) Loss of structural integrity, including separation of parts of the property or property in danger of falling down or caving in; or

(3) Any cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion as such condition relates to **(1)** or **(2)** above.

But if collapse results in a Covered Cause of Loss at the described premises, we will pay for the loss or damage caused by that Covered Cause of Loss.

This exclusion, **k.**, does not apply:

(a) To the extent that coverage is provided under the Additional Coverage – Collapse; or

(b) To collapse caused by one or more of the following:

(i) The "specified causes of loss";

(ii) Breakage of building glass;

(iii) Weight of rain that collects on a roof; or

(iv) Weight of people or personal property.

l. Discharge, dispersal, seepage, migration, release or escape of "pollutants" unless the discharge, dispersal, seepage, migration, release or escape is itself caused by any of the "specified causes of loss". But if the discharge, dispersal, seepage, migration, release or escape of "pollutants" results in a "specified cause of loss", we will pay for the loss or damage caused by that "specified cause of loss".

This exclusion, **l.**, does not apply to damage to glass caused by chemicals applied to the glass.

m. Neglect of an insured to use all reasonable means to save and preserve property from further damage at and after the time of loss.

3. We will not pay for loss or damage caused by or resulting from any of the following, **3.a.** through **3.c.** But if an excluded cause of loss that is listed in **3.a.** through **3.c.** results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

a. Weather conditions. But this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in Paragraph **1.** above to produce the loss or damage.

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

c. Faulty, inadequate or defective:

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

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

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

(4) Maintenance;

of part or all of any property on or off the described premises.

4. Special Exclusions

The following provisions apply only to the specified Coverage Forms.

a. Business Income (And Extra Expense) Coverage Form, Business Income (Without Extra Expense) Coverage Form, Or Extra Expense Coverage Form

We will not pay for:

(1) Any loss caused by or resulting from:

(a) Damage or destruction of "finished stock"; or

(b) The time required to reproduce "finished stock".

This exclusion does not apply to Extra Expense.

(2) Any loss caused by or resulting from direct physical loss or damage to radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers.

(3) Any increase of loss caused by or resulting from:

(a) Delay in rebuilding, repairing or replacing the property or resuming "operations", due to interference at the location of the rebuilding, repair or replacement by strikers or other persons; or

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(b) Suspension, lapse or cancellation of any license, lease or contract. But if the suspension, lapse or cancellation is directly caused by the "suspension" of "operations", we will cover such loss that affects your Business Income during the "period of restoration" and any extension of the "period of restoration" in accordance with the terms of the Extended Business Income Additional Coverage and the Extended Period Of Indemnity Optional Coverage or any variation of these.

(4) Any Extra Expense caused by or resulting from suspension, lapse or cancellation of any license, lease or contract beyond the "period of restoration".

(5) Any other consequential loss.

b. Leasehold Interest Coverage Form

(1) Paragraph **B.1.a.,** Ordinance Or Law, does not apply to insurance under this Coverage Form.

(2) We will not pay for any loss caused by:

(a) Your cancelling the lease;

(b) The suspension, lapse or cancellation of any license; or

(c) Any other consequential loss.

c. Legal Liability Coverage Form

(1) The following exclusions do not apply to insurance under this Coverage Form:

(a) Paragraph **B.1.a.,** Ordinance Or Law;

(b) Paragraph **B.1.c.,** Governmental Action;

(c) Paragraph **B.1.d.,** Nuclear Hazard;

(d) Paragraph **B.1.e.,** Utility Services; and

(e) Paragraph **B.1.f.,** War And Military Action.

(2) The following additional exclusions apply to insurance under this Coverage Form:

(a) Contractual Liability

We will not defend any claim or "suit", or pay damages that you are legally liable to pay, solely by reason of your assumption of liability in a contract or agreement. But this exclusion does not apply to a written lease agreement in which you have assumed liability for building damage resulting from an actual or attempted burglary or robbery, provided that:

(i) Your assumption of liability was executed prior to the accident; and

(ii) The building is Covered Property under this Coverage Form.

(b) Nuclear Hazard

We will not defend any claim or "suit", or pay any damages, loss, expense or obligation, resulting from nuclear reaction or radiation, or radioactive contamination, however caused.

5. Additional Exclusion

The following provisions apply only to the specified property.

LOSS OR DAMAGE TO PRODUCTS

We will not pay for loss or damage to any merchandise, goods or other product caused by or resulting from error or omission by any person or entity (including those having possession under an arrangement where work or a portion of the work is outsourced) in any stage of the development, production or use of the product, including planning, testing, processing, packaging, installation, maintenance or repair. This exclusion applies to any effect that compromises the form, substance or quality of the product. But if such error or omission results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

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C. Limitations

The following limitations apply to all policy forms and endorsements, unless otherwise stated.

1. We will not pay for loss of or damage to property, as described and limited in this section. In addition, we will not pay for any loss that is a consequence of loss or damage as described and limited in this section.
   a. 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.
   b. 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.
   c. The interior of any building or structure, or to personal property in the building or structure, caused by or resulting from rain, snow, sleet, ice, sand or dust, whether driven by wind or not, unless:
      (1) The building or structure first sustains damage by a Covered Cause of Loss to its roof or walls through which the rain, snow, sleet, ice, sand or dust enters; or
      (2) The loss or damage is caused by or results from thawing of snow, sleet or ice on the building or structure.
   d. Building materials and supplies not attached as part of the building or structure, caused by or resulting from theft.

      However, this limitation does not apply to:
      (1) Building materials and supplies held for sale by you, unless they are insured under the Builders Risk Coverage Form; or
      (2) Business Income Coverage or Extra Expense Coverage.
   e. Property that is missing, where the only evidence of the loss or damage is a shortage disclosed on taking inventory, or other instances where there is no physical evidence to show what happened to the property.
   f. Property that has been transferred to a person or to a place outside the described premises on the basis of unauthorized instructions.
2. We will not pay for loss of or damage to the following types of property unless caused by the "specified causes of loss" or building glass breakage:
   a. Animals, and then only if they are killed or their destruction is made necessary.
   b. Fragile articles such as statuary, marbles, chinaware and porcelains, if broken. This restriction does not apply to:
      (1) Glass; or
      (2) Containers of property held for sale.
   c. Builders' machinery, tools and equipment owned by you or entrusted to you, provided such property is Covered Property.

      However, this limitation does not apply:
      (1) If the property is located on or within 100 feet of the described premises, unless the premises is insured under the Builders Risk Coverage Form; or
      (2) To Business Income Coverage or to Extra Expense Coverage.
3. The special limit shown for each category, **a.** through **d.**, is the total limit for loss of or damage to all property in that category. The special limit applies to any one occurrence of theft, regardless of the types or number of articles that are lost or damaged in that occurrence. The special limits are:
   a. $2,500 for furs, fur garments and garments trimmed with fur.
   b. $2,500 for jewelry, watches, watch movements, jewels, pearls, precious and semiprecious stones, bullion, gold, silver, platinum and other precious alloys or metals. This limit does not apply to jewelry and watches worth $100 or less per item.
   c. $2,500 for patterns, dies, molds and forms.
   d. $250 for stamps, tickets, including lottery tickets held for sale, and letters of credit.

   These special limits are part of, not in addition to, the Limit of Insurance applicable to the Covered Property.

   This limitation, **C.3.**, does not apply to Business Income Coverage or to Extra Expense Coverage.

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4. We will not pay the cost to repair any defect to a system or appliance from which water, other liquid, powder or molten material escapes. But we will pay the cost to repair or replace damaged parts of fire-extinguishing equipment if the damage:

   a. Results in discharge of any substance from an automatic fire protection system; or

   b. Is directly caused by freezing.

   However, this limitation does not apply to Business Income Coverage or to Extra Expense Coverage.

D. Additional Coverage – Collapse

The coverage provided under this Additional Coverage – Collapse applies only to an abrupt collapse as described and limited in **D.1.** through **D.7.**

1. For the purpose of this Additional Coverage – Collapse, abrupt collapse means an abrupt falling down or caving in of a building or any part of a building with the result that the building or part of the building cannot be occupied for its intended purpose.

2. We will pay for direct physical loss or damage to Covered Property, caused by abrupt collapse of a building or any part of a building that is insured under this Coverage Form or that contains Covered Property insured under this Coverage Form, if such collapse is caused by one or more of the following:

   a. Building decay that is hidden from view, unless the presence of such decay is known to an insured prior to collapse;

   b. Insect or vermin damage that is hidden from view, unless the presence of such damage is known to an insured prior to collapse;

   c. Use of defective material or methods in construction, remodeling or renovation if the abrupt collapse occurs during the course of the construction, remodeling or renovation.

   d. Use of defective material or methods in construction, remodeling or renovation if the abrupt collapse occurs after the construction, remodeling or renovation is complete, but only if the collapse is caused in part by:

      (1) A cause of loss listed in **2.a.** or **2.b.;**

      (2) One or more of the "specified causes of loss";

      (3) Breakage of building glass;

      (4) Weight of people or personal property; or

      (5) Weight of rain that collects on a roof.

3. This **Additional Coverage – Collapse** does **not** apply to:

   a. A building or any part of a building that is in danger of falling down or caving in;

   b. A part of a building that is standing, even if it has separated from another part of the building; or

   c. A building that is standing or any part of a building that is standing, even if it shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.

4. With respect to the following property:

   a. Outdoor radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers;

   b. Awnings, gutters and downspouts;

   c. Yard fixtures;

   d. Outdoor swimming pools;

   e. Fences;

   f. Piers, wharves and docks;

   g. Beach or diving platforms or appurtenances;

   h. Retaining walls; and

   i. Walks, roadways and other paved surfaces;

   if an abrupt collapse is caused by a cause of loss listed in **2.a.** through **2.d.,** we will pay for loss or damage to that property only if:

      (1) Such loss or damage is a direct result of the abrupt collapse of a building insured under this Coverage Form; and

      (2) The property is Covered Property under this Coverage Form.

5. If personal property abruptly falls down or caves in and such collapse is **not** the result of abrupt collapse of a building, we will pay for loss or damage to Covered Property caused by such collapse of personal property only if:

   a. The collapse of personal property was caused by a cause of loss listed in **2.a.** through **2.d.;**

   b. The personal property which collapses is inside a building; and

   c. The property which collapses is not of a kind listed in **4.,** regardless of whether that kind of property is considered to be personal property or real property.

   The coverage stated in this Paragraph **5.** does not apply to personal property if marring and/or scratching is the only damage to that personal property caused by the collapse.

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6. This Additional Coverage – Collapse does not apply to personal property that has not abruptly fallen down or caved in, even if the personal property shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.
7. This Additional Coverage – Collapse will not increase the Limits of Insurance provided in this Coverage Part.
8. The term Covered Cause of Loss includes the Additional Coverage – Collapse as described and limited in **D.1.** through **D.7.**

E. Additional Coverage – Limited Coverage For "Fungus", Wet Rot, Dry Rot And Bacteria

1. The coverage described in **E.2.** and **E.6.** only applies when the "fungus", wet or dry rot or bacteria is the result of one or more of the following causes that occurs during the policy period and only if all reasonable means were used to save and preserve the property from further damage at the time of and after that occurrence.
   a. A "specified cause of loss" other than fire or lightning; or
   b. Flood, if the Flood Coverage Endorsement applies to the affected premises.
2. We will pay for loss or damage by "fungus", wet or dry rot or bacteria. As used in this Limited Coverage, the term loss or damage means:
   a. Direct physical loss or damage to Covered Property caused by "fungus", wet or dry rot or bacteria, including the cost of removal of the "fungus", wet or dry rot or bacteria;
   b. The cost to tear out and replace any part of the building or other property as needed to gain access to the "fungus", wet or dry rot or bacteria; and
   c. The cost of testing performed after removal, repair, replacement or restoration of the damaged property is completed, provided there is a reason to believe that "fungus", wet or dry rot or bacteria are present.
3. The coverage described under **E.2.** of this Limited Coverage is limited to $15,000. Regardless of the number of claims, this limit is the most we will pay for the total of all loss or damage arising out of all occurrences of "specified causes of loss" (other than fire or lightning) and Flood which take place in a 12-month period (starting with the beginning of the present annual policy period). With respect to a particular occurrence of loss which results in "fungus", wet or dry rot or bacteria, we will not pay more than a total of $15,000 even if the "fungus", wet or dry rot or bacteria continues to be present or active, or recurs, in a later policy period.
4. The coverage provided under this Limited Coverage does not increase the applicable Limit of Insurance on any Covered Property. If a particular occurrence results in loss or damage by "fungus", wet or dry rot or bacteria, and other loss or damage, we will not pay more, for the total of all loss or damage, than the applicable Limit of Insurance on the affected Covered Property.

   If there is covered loss or damage to Covered Property, not caused by "fungus", wet or dry rot or bacteria, loss payment will not be limited by the terms of this Limited Coverage, except to the extent that "fungus", wet or dry rot or bacteria causes an increase in the loss. Any such increase in the loss will be subject to the terms of this Limited Coverage.
5. The terms of this Limited Coverage do not increase or reduce the coverage provided under Paragraph **F.2.** (Water Damage, Other Liquids, Powder Or Molten Material Damage) of this Causes Of Loss Form or under the Additional Coverage – Collapse.
6. The following, **6.a.** or **6.b.**, applies only if Business Income and/or Extra Expense Coverage applies to the described premises and only if the "suspension" of "operations" satisfies all terms and conditions of the applicable Business Income and/or Extra Expense Coverage Form.

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a. If the loss which resulted in "fungus", wet or dry rot or bacteria does not in itself necessitate a "suspension" of "operations", but such "suspension" is necessary due to loss or damage to property caused by "fungus", wet or dry rot or bacteria, then our payment under Business Income and/or Extra Expense is limited to the amount of loss and/or expense sustained in a period of not more than 30 days. The days need not be consecutive.

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

F. Additional Coverage Extensions

1. Property In Transit

This Extension applies only to your personal property to which this form applies.

a. You may extend the insurance provided by this Coverage Part to apply to your personal property (other than property in the care, custody or control of your salespersons) in transit more than 100 feet from the described premises. Property must be in or on a motor vehicle you own, lease or operate while between points in the coverage territory.

b. Loss or damage must be caused by or result from one of the following causes of loss:

(1) Fire, lightning, explosion, windstorm or hail, riot or civil commotion, or vandalism.

(2) Vehicle collision, upset or overturn. Collision means accidental contact of your vehicle with another vehicle or object. It does not mean your vehicle's contact with the roadbed.

(3) Theft of an entire bale, case or package by forced entry into a securely locked body or compartment of the vehicle. There must be visible marks of the forced entry.

c. The most we will pay for loss or damage under this Extension is $5,000.

This Coverage Extension is additional insurance. The Additional Condition, Coinsurance, does not apply to this Extension.

2. Water Damage, Other Liquids, Powder Or Molten Material Damage

If loss or damage caused by or resulting from covered water or other liquid, powder or molten material damage loss occurs, we will also pay the cost to tear out and replace any part of the building or structure to repair damage to the system or appliance from which the water or other substance escapes. This Coverage Extension does not increase the Limit of Insurance.

3. Glass

a. We will pay for expenses incurred to put up temporary plates or board up openings if repair or replacement of damaged glass is delayed.

b. We will pay for expenses incurred to remove or replace obstructions when repairing or replacing glass that is part of a building. This does not include removing or replacing window displays.

This Coverage Extension, **F.3.**, does not increase the Limit of Insurance.

G. Definitions

1. "Fungus" means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.

2. "Specified causes of loss" means the following: fire; lightning; explosion; windstorm or hail; smoke; aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire-extinguishing equipment; sinkhole collapse; volcanic action; falling objects; weight of snow, ice or sleet; water damage.

a. Sinkhole collapse means the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite. This cause of loss does not include:

(1) The cost of filling sinkholes; or

(2) Sinking or collapse of land into man-made underground cavities.

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b. Falling objects does not include loss or damage to:

(1) Personal property in the open; or

(2) The interior of a building or structure, or property inside a building or structure, unless the roof or an outside wall of the building or structure is first damaged by a falling object.

c. Water damage means accidental discharge or leakage of water or steam as the direct result of the breaking apart or cracking of a plumbing, heating, air conditioning or other system or appliance (other than a sump system including its related equipment and parts), that is located on the described premises and contains water or steam.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WATER EXCLUSION ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART
STANDARD PROPERTY POLICY

A. The exclusion in Paragraph **B.** replaces the **Water** Exclusion in this Coverage Part or Policy.

B. Water

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

2. Mudslide or mudflow;

3. Water that backs up or overflows or is otherwise discharged from a sewer, drain, sump, sump pump or related equipment;

4. Water under the ground surface pressing on, or flowing or seeping through:

a. Foundations, walls, floors or paved surfaces;

b. Basements, whether paved or not; or

c. Doors, windows or other openings; or

5. Waterborne material carried or otherwise moved by any of the water referred to in Paragraph **1.**, **3.** or **4.**, or material carried or otherwise moved by mudslide or mudflow.

This exclusion applies regardless of whether any of the above, in Paragraphs **1.** through **5.**, is caused by an act of nature or is otherwise caused. An example of a situation to which this exclusion applies is the situation where a dam, levee, seawall or other boundary or containment system fails in whole or in part, for any reason, to contain the water.

But if any of the above, in Paragraphs **1.** through **5.**, results in fire, explosion or sprinkler leakage, we will pay for the loss or damage caused by that fire, explosion or sprinkler leakage (if sprinkler leakage is a Covered Cause of Loss).

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL COVERED PROPERTY

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
CONDOMINIUM ASSOCIATION COVERAGE FORM
CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM
STANDARD PROPERTY POLICY

The following is withdrawn from PROPERTY NOT COVERED and added to PROPERTY COVERED:

SCHEDULE*

Prem. No.	Bldg. No.	Paragraph Reference	Description of Property	Type of Property Coverage (Enter BUILDING or PERSONAL PROPERTY)
All	All	A.2.d.	Roadways, walkways, patios and other paved surfaces	Building

* Information required to complete this Schedule, if not shown on this endorsement, will be shown in the Declarations.

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COMMON POLICY CONDITIONS

All Coverage Parts included in this policy are subject to the following conditions.

A. Cancellation

1. The first Named Insured shown in the Declara-tions may cancel this policy by mailing or deliv-ering to us advance written notice of cancella-tion.
2. We may cancel this policy by mailing or deliver-ing to the first Named Insured written notice of cancellation at least:
   a. 10 days before the effective date of cancel-lation if we cancel for nonpayment of pre-mium; or
   b. 30 days before the effective date of cancel-lation if we cancel for any other reason.
3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
5. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be ef-fective even if we have not made or offered a refund.
6. If notice is mailed, proof of mailing will be suffi-cient proof of notice.

B. Changes

This policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.

C. Examination Of Your Books And Records

We may examine and audit your books and re-cords as they relate to this policy at any time dur-ing the policy period and up to three years after-ward.

D. Inspections And Surveys

1. We have the right to:
   a. Make inspections and surveys at any time;
   b. Give you reports on the conditions we find; and
   c. Recommend changes.
2. We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to in-surability and the premiums to be charged. We do not make safety inspections. We do not un-dertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:
   a. Are safe or healthful; or
   b. Comply with laws, regulations, codes or standards.
3. Paragraphs **1.** and **2.** of this condition apply not only to us, but also to any rating, advisory, rate service or similar organization which makes in-surance inspections, surveys, reports or rec-ommendations.
4. Paragraph **2.** of this condition does not apply to any inspections, surveys, reports or recom-mendations we may make relative to certifica-tion, under state or municipal statutes, ordi-nances or regulations, of boilers, pressure ves-sels or elevators.

E. Premiums

The first Named Insured shown in the Declara-tions:

1. Is responsible for the payment of all premiums; and
2. Will be the payee for any return premiums we pay.

F. Transfer Of Your Rights And Duties Under This Policy

Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual named insured.

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representa-tive. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SOUTH CAROLINA CHANGES – CANCELLATION AND NONRENEWAL

This endorsement modifies insurance provided under the following:

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

A. Paragraphs **2.** and **3.** of **Cancellation** Common Policy Condition are replaced by the following:

2. We may cancel this policy by mailing or delivering to the first Named Insured and the agent, if any, written notice of cancellation at least:

a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or

b. 30 days before the effective date of cancellation if we cancel for any other reason.

3. We will mail or deliver our notice to the first Named Insured's and agent's last known addresses.

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

7. Cancellation Of Policies In Effect For 120 Days Or More

If this policy has been in effect for 120 days or more, or is a renewal or continuation of a policy we issued, we may cancel this policy only for one or more of the following reasons:

a. Nonpayment of premium;

b. Material misrepresentation of fact which, if known to us, would have caused us not to issue the policy;

c. Substantial change in the risk assumed, except to the extent that we should reasonably have foreseen the change or contemplated the risk in writing the policy;

d. Substantial breaches of contractual duties, conditions or warranties; or

e. Loss of our reinsurance covering all or a significant portion of the particular policy insured, or where continuation of the policy would imperil our solvency or place us in violation of the insurance laws of South Carolina.

Prior to cancellation for reasons permitted in this Item e., we will notify the Commissioner, in writing, at least 60 days prior to such cancellation and the Commissioner will, within 30 days of such notification, approve or disapprove such action.

Any notice of cancellation will state the precise reason for cancellation.

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C. The following is added and supersedes any provisions to the contrary:

Nonrenewal

1. We will not refuse to renew a policy issued for a term of more than one year, until expiration of its full term, if anniversary renewal has been guaranteed by additional premium consideration.
2. If we decide not to renew this policy, we will:
   a. Mail or deliver written notice of nonrenewal to the first Named Insured and agent, if any, before:
      (1) The expiration date of this policy, if the policy is written for a term of one year or less; or
      (2) An anniversary date of this policy, if the policy is written for a term of more than one year or for an indefinite term; and
   b. Provide at least:
      (1) 60 days' notice of nonrenewal, when nonrenewal is to become effective between November 1 and May 31; or
      (2) 90 days' notice of nonrenewal, when nonrenewal is to become effective between June 1 and October 31.
3. Any notice of nonrenewal will be mailed or delivered to the first Named Insured's and agent's last known addresses. If notice is mailed, proof of mailing will be sufficient proof of notice.
4. Any notice of nonrenewal will state the precise reason for nonrenewal.

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POLICY NUMBER: **D37388956 002**

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PROTECTIVE SAFEGUARDS

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART
FARM COVERAGE PART

SCHEDULE*

Prem. No.	Bldg. No.	Protective Safeguards Symbols Applicable
7642 Ballybay Drive, Indianapolis, IN **25707 Westbourne Drive, Katy, TX** **1350 Flattop Drive, Mesquite, NV** **4876 Barefoot Bridge Road, North Myrtle Beach, SC** **103 Whistler's Walk, Bluffton, SC** **1550 Artesia Blvd., Prosper, TX** **4876 Barefoot Resort Bridge Road #C, North Myrtle Beach, SC** **8722 Spurflower Path Lane, Houston, TX** **Describe any "P-9":**	**All**	**"P-1"**

* Information required to complete this Schedule, if not shown on this endorsement, will be shown in the Declarations.

A. The following is added to the:

Commercial Property Conditions
General Conditions in the Farm Property – Other Farm Provisions Form – Additional Coverages, Conditions, Definitions
General Conditions in the Mobile Agricultural Machinery and Equipment Coverage Form
General Conditions in the Livestock Coverage Form

PROTECTIVE SAFEGUARDS

1. As a condition of this insurance, you are required to maintain the protective devices or services listed in the Schedule above.
2. The protective safeguards to which this endorsement applies are identified by the following symbols:

"P-1" Automatic Sprinkler System, including related supervisory services.

Automatic Sprinkler System means:

a. Any automatic fire protective or extinguishing system, including connected:

(1) Sprinklers and discharge nozzles;

(2) Ducts, pipes, valves and fittings;

(3) Tanks, their component parts and supports; and

(4) Pumps and private fire protection mains.

b. When supplied from an automatic fire protective system:

(1) Non-automatic fire protective systems; and

(2) Hydrants, standpipes and outlets.

"P-2" Automatic Fire Alarm, protecting the entire building, that is:

a. Connected to a central station; or

b. Reporting to a public or private fire alarm station.

"P-3" Security Service, with a recording system or watch clock, making hourly rounds covering the entire building, when the premises are not in actual operation.

"P-4" Service Contract with a privately owned fire department providing fire protection service to the described premises.

"P-9" The protective system described in the Schedule.

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B. The following is added to the EXCLUSIONS section of:

CAUSES OF LOSS – BASIC FORM
CAUSES OF LOSS – BROAD FORM
CAUSES OF LOSS – SPECIAL FORM
MORTGAGE HOLDERS ERRORS AND OMISSIONS COVERAGE FORM
STANDARD PROPERTY POLICY
CAUSES OF LOSS FORM – FARM PROPERTY
MOBILE AGRICULTURAL MACHINERY AND EQUIPMENT COVERAGE FORM
LIVESTOCK COVERAGE FORM

We will not pay for loss or damage caused by or resulting from fire if, prior to the fire, you:

1. Knew of any suspension or impairment in any protective safeguard listed in the Schedule above and failed to notify us of that fact; or
2. Failed to maintain any protective safeguard listed in the Schedule above, and over which you had control, in complete working order.

If part of an Automatic Sprinkler System is shut off due to breakage, leakage, freezing conditions or opening of sprinkler heads, notification to us will not be necessary if you can restore full protection within 48 hours.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM

This endorsement modifies insurance provided under the following:

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

A. Cap On Certified Terrorism Losses

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism pursuant to the federal Terrorism Risk Insurance Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:

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

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed $100 billion in a Program Year (January 1 through December 31) and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds $100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

B. Application Of Exclusions

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

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SIGNATURE ENDORSEMENT

Named Insured			Endorsement Number
Community Associations Program			
Policy Symbol	Policy Number	Policy Period	Effective Date of Endorsement
FS	**D37388956 002**	**08/01/2012 to 08/01/2013**	
Issued By (Name of Insurance Company)			
Illinois Union Insurance Company			

THE ONLY SIGNATURES APPLICABLE TO THIS POLICY ARE THOSE REPRESENTING THE COMPANY NAMED ON THE FIRST PAGE OF THE DECLARATIONS.

By signing and delivering the policy to you, we state that it is a valid contract when countersigned by our authorized representative.

ILLINOIS UNION INSURANCE COMPANY (A stock company)
525 W. Monroe Street, Suite 400, Chicago, Illinois 60661

WESTCHESTER SURPLUS LINES INSURANCE COMPANY (A stock company)
Royal Centre Two, 11575 Great Oaks Way, Suite 200, Alpharetta, GA 30022

CARMINE A. GIGANTI, Secretary

JOHN J. LUPICA, President

Authorized Representative

Claims Directory
Property and Inland Marine

Claims or Loss Notices related to this policy should be reported to the following:

Claim Office	Email and Fax	Location
ACE Westchester Claims	First Notices Email: WSGPROP-INLCLAIMS@ACEGROUP.COM First Notices Fax: 215.640.5057 or 1.877.746.4640 General Correspondence Fax: 1-866-635-5688	P.O. Box 5119 Scranton, PA 18505-0549

SERVICE OF SUIT ENDORSEMENT

Named Insured **Community Associations Program**			Endorsement Number
Policy Symbol **FS**	Policy Number **D37388956 002**	Policy Period **08/01/2012 to 08/01/2013**	Effective Date of Endorsement
Issued By (Name of Insurance Company) **Illinois Union Insurance Company**			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Information about service of suits upon the company is given below. Service of process of suits against the company may be made upon the following person, or another person the company may designate:

Saverio Rocca, Assistant General Counsel
ACE Group of Insurance Companies
436 Walnut Street
Philadelphia, PA 19106-3703

The person named above is authorized and directed to accept service of process on the company's behalf in any action, suit or proceeding instituted against the company. If the insured requests, the company will give the insured a written promise that a general appearance will be entered on the company's behalf if a suit is brought.

If the insured requests, the company will submit to the jurisdiction of any court of competent jurisdiction. The company will accept the final decision of that court or any Appellate Court in the event of an appeal. However, nothing in this endorsement constitutes a waiver of company's right to remove an action to a United States District Court, or to seek a transfer of a case to another court as permitted by the laws of the United States or of any state in the United States.

The law of some jurisdictions of the United States of America requires that the Superintendent, Commissioner or Director of Insurance (or their successor in office) be designated as the company's agent for service of process. In these jurisdictions, the company designates the Director of Insurance as the company's true and lawful attorney upon whom service of process on the company's behalf may be made. The company also authorizes the Director of Insurance to mail process received on the company's behalf to the company person named above.

If the insured is a resident of Canada, the insured may also serve suit upon the company by serving the government official designated by the law of the insured's province.

NOTHING HEREIN CONTAINED SHALL BE HELD TO VARY, ALTER, WAIVE OR EXTEND ANY OF THE TERMS, CONDITIONS, OR LIMITATIONS OF THE POLICY TO WHICH THIS ENDORSEMENT IS ATTACHED OTHER THAN AS ABOVE STATED.

Authorized Representative

DISCLOSURE PURSUANT TO TERRORISM RISK INSURANCE ACT

Named Insured **Community Associations Program**			Endorsement Number
Policy Symbol **FS**	Policy Number **D37388956 002**	Policy Period **08/01/2012 to 08/01/2013**	Effective Date of Endorsement
Issued By (Name of Insurance Company) **Illinois Union Insurance Company**			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Disclosure Of Premium

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

Disclosure Of Federal Participation In Payment Of Terrorism Losses

The United States Government, Department of the Treasury, will pay a share of terrorism losses insured under the federal program. The federal share equals 85% of that portion of the amount of such insured losses that exceeds the applicable insurer retention. However, if aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed $100 billion in a Program Year (January 1 through December 31), the Treasury shall not make any payment for any portion of the amount of such losses that exceeds $100 billion.

Cap On Insurer Participation In Payment Of Terrorism Losses

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed $100 billion in a Program Year (January 1 through December 31) and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds $100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

Terrorism Risk Insurance Act premium: $ **Included**

_____
Authorized Agent

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EARTHQUAKE SPRINKLER LEAKAGE EXCLUSION

Named Insured			Endorsement Number
Community Associations Program			
Policy Symbol	Policy Number	Policy Period	Effective Date of Endorsement
FS	**D37388956 002**	**08/01/2012 to 08/01/2013**	
Issued By (Name of Insurance Company)			
Illinois Union Insurance Company			

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

THIS ENDORSEMENT MODIFIES INSURANCE PROVIDED UNDER THE FOLLOWING:

COMMERCIAL PROPERTY COVERAGE PART

COMMERCIAL INLAND MARINE COVERAGE PART

This policy does not insure against loss caused directly or indirectly by any of the following. Such loss is excluded regardless of any other cause or event contributing concurrently or in any sequence to the loss.

Loss or damage by sprinkler leakage caused directly by earthquake, earth movement or volcanic eruption.

Definitions

Sprinkler leakage means:

A. Leakage or discharge of water or other substances from within any automatic sprinkler system, or

B. Direct loss caused by collapse or fall of a tank forming a part of such system.

Automatic sprinkler system means:

Any automatic fire protective system including sprinklers, discharge nozzles and ducts, pipes, valves, fittings, tanks (including their component parts and supports), pumps and private fire protection mains, all connected with and constituting a part of an automatic protective system; and non-automatic fire protective systems, hydrants, standpipes or outlets supplied from an automatic fire protective system.

All other terms and conditions remain unchanged.

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TRANSIT ENDORSEMENT

Named Insured			Endorsement Number
Community Associations Program			
Policy Symbol	Policy Number	Policy Period	Effective Date of Endorsement
FS	**D37388956 002**	**08/01/2012 to 08/01/2013**	
Issued By (Name of Insurance Company)			
Illinois Union Insurance Company			

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

THIS ENDORSEMENT MODIFIES INSURANCE PROVIDED UNDER THE FOLLOWING:

COMMERCIAL PROPERTY COVERAGE PART

COMMERCIAL INLAND MARINE COVERAGE PART

This Policy is extended to cover Personal Property, as described elsewhere in this Policy, except as excluded by this Policy, while such property is in transit.

It is agreed that coverage under this extension shall include the following;

(a) Personal Property shipped to customers on F.O.B., C & F, or similar terms. The Insured's contingent interest in such shipments is admitted.

(b) The interest of the Insured in, and legal liability for Personal Property of others in the actual or constructive custody of the Insured.

(c) Personal Property of others sold by the Insured which the Insured has agreed prior to loss to insure during course of delivery.

It is agreed that the following additional exclusions apply to coverage as provided under this extension;

(a) Samples in the custody of salespersons or selling agents.

(b) Property insured under import or export ocean cargo policies.

(c) Waterborne shipments via the Panama Canal and waterborne or airborne shipments to and from Alaska, Puerto Rico, and Hawaii.

(d) Shipments made by air unless via the regularly scheduled airlines.

(e) Property shipped by mail.

(f) Property of others, including the Insured's legal liability therefore, hauled on vehicles owned, leased, or operated by the Insured when acting as a common or contract carrier as defined by the Interstate Commerce Commission Regulations or other state regulatory agencies.

(g) Any transporting vehicle or conveyance.

This extension of coverage attaches from the time the property leaves the original port of shipment for the commencement of transit and covers thereafter continuously in the due course of transit within the Policy territory until delivered at destination.

Coverage on export shipments not insured under ocean cargo policies does not extend beyond the time when the property is loaded on board overseas vessels or aircraft. Coverage on import shipments not insured under ocean cargo policies does not attach until after discharge from overseas vessels or aircraft.

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This extension of coverage does not insure against loss or damage caused by or resulting from delay, loss of market, or Time Element.

In case of loss, the basis of adjustment shall be;

(a) Property shipped to or for the account of the Insured shall be valued at actual invoice to the Insured together with such costs and charges as may have accrued and become legally due thereon;

(b) Property which has been sold by the Insured and has been shipped to or account of the purchaser (if covered hereunder) is valued at the amount of the insured's selling invoice, including prepaid or advanced freight;

(c) Property not under invoice shall be valued at the actual market value at the point of destination on the date of occurrence, less any charges saved which would have become due and payable upon delivery at destination;

(d) Property of the Insured not under invoice shall be valued in accordance with the valuation provisions of the Policy applying at the location from which such property is being transported, less any charges saved which would have become due and payable delivery at destination.

Permission is granted the Insured without prejudice to this insurance to accept the ordinary bills of lading used by carriers, including released and/or undervalued bills of lading and/or shipping or messenger receipts; and the Insured may waive subrogation against railroads under side track agreements; and the Insured shall not enter into any special agreement with carriers releasing them from their common law or statutory liability.

Payment made hereunder shall be subject to the Sub-limit of Liability, if any, specified elsewhere in this Policy.

All other terms and conditions remain unchanged.

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VALUABLE PAPERS ENDORSEMENT

Named Insured			Endorsement Number
Community Associations Program			
Policy Symbol	Policy Number	Policy Period	Effective Date of Endorsement
FS	**D37388956 002**	**08/01/2012 to 08/01/2013**	
Issued By (Name of Insurance Company)			
Illinois Union Insurance Company			

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

THIS ENDORSEMENT MODIFIES INSURANCE PROVIDED UNDER THE FOLLOWING:

COMMERCIAL PROPERTY COVERAGE PART

COMMERCIAL INLAND MARINE COVERAGE PART

The following is added to Covered Property:

1) Valuable Papers and Records

Valuable papers and records" means inscribed, printed or written documents, manuscripts or records, including abstracts, books, deeds, drawings, films, maps or mortgages.

But "valuable papers and records" does not mean "money" or "securities", converted data, programs or instructions used in your data processing operations, including the materials on which the data is recorded.

All other terms and conditions remain unchanged.

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POLLUTION CLEAN-UP AND REMOVAL SUB-LIMIT ENDORSEMENT

Named Insured			Endorsement Number
Community Associations Program			
Policy Symbol	Policy Number	Policy Period	Effective Date of Endorsement
FS	**D37388956 002**	**08/01/2012 to 08/01/2013**	
Issued By (Name of Insurance Company)			
Illinois Union Insurance Company			

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

THIS ENDORSEMENT MODIFIES INSURANCE PROVIDED UNDER THE FOLLOWING:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM

CONDOMINIUM ASSOCIATION COVERAGE FORM

Schedule:

$ See ACE0377 Per Occurrence Annual Aggregate

Section A., 4, d. Pollutant Clean Up and Removal, is deleted in its entirety and replaced as follows:

d. Pollutant Clean Up And Removal

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

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

The most we will pay under this coverage for each described premises is the limit shown in the Schedule for the sum of all covered expenses arising out of Covered Causes of Loss occurring during each separate 12 month period of this policy. The amount shown in the Schedule is not an additional limit of insurance but is included in the Limit of Insurance applicable to the covered property that has sustained loss or damage.

All other terms and conditions remain unchanged.

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BACK UP OF SEWER AND DRAIN ENDORSEMENT

Named Insured **Community Associations Program**			Endorsement Number
Policy Symbol **FS**	Policy Number **D37388956 002**	Policy Period **08/01/2012 to 08/01/2013**	Effective Date of Endorsement
Issued By (Name of Insurance Company) **Illinois Union Insurance Company**			

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

THIS ENDORSEMENT MODIFIES INSURANCE PROVIDED UNDER THE FOLLOWING:

CAUSES OF LOSS – SPECIAL FORM

Section B. EXCLUSIONS, item g., (3) is deleted subject to the limit of liability specified below

Sub Limit: **$ See ACE0377** per occurrence and annual aggregate

All other terms and conditions remain unchanged

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FINE ARTS ENDORSEMENT

Named Insured			Endorsement Number
Community Associations Program			
Policy Symbol	Policy Number	Policy Period	Effective Date of Endorsement
FS	**D37388956 002**	**08/01/2012 to 08/01/2013**	
Issued By (Name of Insurance Company)			
Illinois Union Insurance Company			

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

THIS ENDORSEMENT MODIFIES INSURANCE PROVIDED UNDER THE FOLLOWING:

COMMERCIAL PROPERTY COVERAGE PART

COMMERCIAL INLAND MARINE COVERAGE PART

Coverage is extended to insure Fine Arts being paintings, etchings, pictures, tapestries, and other bona fide works of art (such as statuary, marbles, bronzes, antique furniture, rare books, antique silver, manuscripts, porcelains, rare glass and bric-a-brac) of rarity, historical value or artistic merit.

It is agreed that Fine Arts shall include unspecified Fine Arts. However, if such property cannot be replaced with other of like kind and quality then such property will not be considered unspecified and must be specifically declared and described in order to be covered under this extension of coverage.

In the event of loss or damage covered under this endorsement the liability of this Company shall not exceed the lesser of:

(a) The cost to repair or restore the article to the condition that existed immediately prior to the loss; or

(b) The cost to replace the article; or

(c) The value designated for the article on the Schedule of Fine Arts.

In the event of loss or damage by a peril insured against to any article or articles of fine arts which are a part of a pair or set, the measure of loss or damage to such article or articles shall be a reasonable and fair proportion of the total value of the pair or set, giving consideration to the importance of said article or articles, but in no event shall such loss or damage be construed to mean total loss to the pair or set.

Payment made hereunder shall be subject to the Sublimit of Liability, if any, specified elsewhere in this Policy.

All other terms and conditions remain unchanged.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

UTILITY SERVICES – DIRECT DAMAGE

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
BUILDERS' RISK COVERAGE FORM
CONDOMINIUM ASSOCIATION COVERAGE FORM
CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM
STANDARD PROPERTY POLICY
TOBACCO SALES WAREHOUSES COVERAGE FORM

SCHEDULE

Prem. No.	Bldg. No.	Utility Services Limit Of Insurance	Enter "X" for each applicable Property				
			Water Supply Property	**Communication Supply Property** (including overhead transmission lines)	**Communication Supply Property** (not including overhead transmission lines)	**Power Supply Property** (including overhead transmission lines)	**Power Supply Property** (not including overhead transmission lines)
All	**All**	**$ See ACE0377**					**X**
Covered Property:		**Per Location shown on Form CPd2 (06/02)**					
Causes Of Loss Form Applicable:		**Special**					
		$					
Covered Property:							
Causes Of Loss Form Applicable:							
		$					
Covered Property:							
Causes Of Loss Form Applicable:							
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.							

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A. Coverage

We will pay for loss of or damage to Covered Property described in the Schedule, caused by an interruption in utility service to the described premises. The interruption in utility service must result from direct physical loss or damage by a Covered Cause of Loss (as indicated in the Schedule) to the property described in Paragraph **C.** if such property is indicated by an "X" in the Schedule.

B. Exception

Coverage under this endorsement for loss or damage to Covered Property does not apply to loss or damage to electronic data, including destruction or corruption of electronic data. The term electronic data has the meaning set forth in the Coverage Form to which this endorsement applies.

C. Utility Services

1. **Water Supply Services,** meaning the following types of property supplying water to the described premises:
   - **a.** Pumping stations; and
   - **b.** Water mains.
2. **Communication Supply Services,** meaning property supplying communication services, including telephone, radio, microwave or television services to the described premises, such as:
   - **a.** Communication transmission lines, including optic fiber transmission lines;
   - **b.** Coaxial cables; and
   - **c.** Microwave radio relays except satellites.

   It does not include overhead transmission lines unless indicated by an "X" in the Schedule.
3. **Power Supply Services,** meaning the following types of property supplying electricity, steam or gas to the described premises:
   - **a.** Utility generating plants;
   - **b.** Switching stations;
   - **c.** Substations;
   - **d.** Transformers; and
   - **e.** Transmission lines.

   It does not include overhead transmission lines unless indicated by an "X" in the Schedule.

D. If a Utility Services Limit Of Insurance is shown in the Schedule, such limit is part of, not in addition to, the Limit of Insurance stated in the Declarations or in the Separation Of Coverage endorsement as applicable to the Covered Property.

If no Limit of Insurance is shown for Utility Services, coverage under this endorsement is subject to the applicable Limit of Insurance on the Covered Property as shown in the Declarations or in the Separation Of Coverage endorsement. But this Utility Services endorsement does not increase the applicable Limit of Insurance.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

OUTDOOR TREES, SHRUBS AND PLANTS

This endorsement modifies insurance provided under the following:

BUILDERS' RISK COVERAGE FORM
BUILDING AND PERSONAL PROPERTY COVERAGE FORM
CONDOMINIUM ASSOCIATION COVERAGE FORM
CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM
STANDARD PROPERTY POLICY

SCHEDULE*

Prem. No.	Bldg. No.	Limit Of Insurance				Causes Of Loss Form Applicable	Vehicle Exclusion	Additional Premium
		Each Tree	Each Shrub	Each Plant	All Items			
All	All				See form ACE0377	Special		Included

*Information required to complete this Schedule, if not shown on this endorsement, will be shown in the Declarations.

A. The following is added to **Covered Property:**

Outdoor trees, shrubs and plants at locations described in the Schedule.

B. The following is deleted from **Property Not Covered:**

"Trees, shrubs or plants"

C. The most we will pay for loss or damage to covered trees, shrubs and plants in any one occurrence is the Limit of Insurance for All Items, subject to the separate limit applicable to Each Tree, Shrub or Plant, shown in the Schedule.

D. Outdoor trees, shrubs and plants are subject to all applicable provisions of the Causes Of Loss Form indicated in the Schedule, as well as to the following exclusions:

We will not pay for loss or damage to outdoor trees, shrubs or plants, caused by or resulting from any of the following:

1. Dampness or dryness of atmosphere;
2. Changes in or extremes of temperature; or
3. Rain, snow, ice or sleet.

E. If the Vehicle Exclusion option is designated in the Schedule by an "X", we will not pay for loss or damage caused by vehicles to outdoor trees, shrubs or plants.

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DEBRIS REMOVAL ENDORSEMENT

Named Insured			Endorsement Number
Community Associations Program			
Policy Symbol	Policy Number	Policy Period	Effective Date of Endorsement
FS	**D37388956 002**	**08/01/2012 to 08/01/2013**	
Issued By (Name of Insurance Company)			
Illinois Union Insurance Company			

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

THIS ENDORSEMENT MODIFIES INSURANCE PROVIDED UNDER THE FOLLOWING:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM

CONDOMINIUM ASSOCIATION COVERAGE FORM

Schedule:

$ See ACE0377 per occurrence or 25% of the loss amount, whichever is less.

Section A., 4, a. Debris Removal, is deleted in its entirety and replaced as follows:

a. Debris Removal

(1) Subject to Paragraph **(3),** we will pay your expense to remove debris of Covered Property caused by or resulting from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date of direct physical loss or damage.

(2) Debris Removal does not apply to costs to:

(a) Extract "pollutants" from land or water; or

(b) Remove, restore or replace polluted land or water.

(3) The following provision applies:

The most we will pay for the total of direct physical loss or damage plus debris removal expense is the Limit of Insurance applicable to the Covered Property that has sustained loss or damage.

(If a percentage amount is shown above it is a percentage of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained direct physical loss or damage)

All other terms and conditions remain unchanged.

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CANCELLATION PROVISION ENDORSEMENT

Named Insured			Endorsement Number
Community Associations Program			
Policy Symbol	Policy Number	Policy Period	Effective Date of Endorsement
FS	**D37388956 002**	**08/01/2012 to 08/01/2013**	
Issued By (Name of Insurance Company)			
Illinois Union Insurance Company			

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

THIS ENDORSEMENT MODIFIES INSURANCE PROVIDED UNDER THE FOLLOWING:

COMMERCIAL PROPERTY COVERAGE PART

COMMERCIAL INLAND MARINE COVERAGE PART

With respects to all coverage parts and policies addressed, the cancellation conditions contained in the Cancellation and Non-Renewal Form No. **IL0249** And in the Common Policy Conditions Form No. IL0017 (11/98) are amended as follows:

We may cancel this policy by giving, mailing or delivering to the First Named Insured and Agent, if any, written notice of cancellation at least **60** days before the effective date of cancellation if we cancel for any other reason.

All other terms and conditions remain unchanged.

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DEFINITION OF LOSS OCCURRENCE ENDORSEMENT

Named Insured **Community Associations Program**			Endorsement Number
Policy Symbol **FS**	Policy Number **D37388956 002**	Policy Period **08/01/2012 to 08/01/2013**	Effective Date of Endorsement
Issued By (Name of Insurance Company) **Illinois Union Insurance Company**			

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

THIS ENDORSEMENT MODIFIES INSURANCE PROVIDED UNDER THE FOLLOWING:

COMMERCIAL PROPERTY COVERAGE PART

COMMERCIAL INLAND MARINE COVERAGE PART

The following definition is added to this policy; supersedes any other definition, express or implied, of the term "Loss Occurrence" in any term, provision or endorsement to this policy; and applies not withstanding such term, provision or endorsement:

1. "Loss Occurrence" means the sum of all individual losses arising out of and directly caused by any one disaster, accident or loss or series of disasters, accidents or losses arising out of one event which occurs anywhere within the Coverage Territory. The duration and extent of any one Loss Occurrence will be limited to all individual losses sustained by the Insured occurring during any period of 72 consecutive hours arising out of and directly caused by the same event, except:

   A. As regards Windstorm (including Tier 1 Counties), Flood, Hail or Tornado, including ensuing collapse, Flood and Water Damage: all individual losses sustained by the Insured occurring during any period of 96 consecutive hours arising out of and directly caused by the same event.

   B. As regards the perils of riot, strike or civil commotion, vandalism and malicious mischief, including losses from all other perils covered hereunder following as a result of the aforesaid perils: all losses or series of losses occurring during any period of 72 consecutive hours arising out of and directly caused by the same event. The maximum duration of 72 consecutive hours may be extended in respect of individual losses which occur beyond such 72 consecutive hours during the continued occupation of the Insured's premises by strikers, provided such occupation commenced during the aforesaid period.

   C. As regards the peril of Earthquake, including losses from all other perils covered hereunder following as a result of Earthquake: only those individual losses covered hereunder, which commence during the period of 168 consecutive hours, may be included in the Loss Occurrence.

   D. As regards the peril of freeze: only those individual losses directly caused by collapse, breakage of glass, water and/or liquid damage due to burst pipes tanks or pressure vessels; damage to machinery or equipment, stock and/or work in progress due to freeze; and/or individual losses arising directly out of the lack of supply of power, current, coolant and/or fuel due to frozen pipes and/or frozen feed lines may be included in the Loss Occurrence.

   Except for those Loss Occurrences referred to in sub-paragraphs A. and B. above, the Insured may chose the date and time when such period of consecutive hours commences, provided that it is not earlier than the date and time of the occurrence of the first recorded individual loss sustained by the Insured arising out of that disaster, accident or loss and provided that only one such period of consecutive hours will apply with respect to one event.

   However, as respects those Loss Occurrences referred to in sub-paragraphs A. and B. above, if the disaster, accident or loss occasioned by the event is of greater duration than the specified period of consecutive hours, then the Insured may divide that disaster, accident or loss into two or more Loss Occurrences, provided no two periods overlap and no individual loss is included in more than one such period and provided that no period commences earlier than the date and time of the occurrence of the first recorded individual loss sustained by the Insured arising from that disaster, accident or loss.

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However, we shall not be liable hereunder for any loss or damage:

a) Occurring before this policy becomes effective; or
b) Arising from an "occurrence" which is in progress at the time this policy becomes effective, even if such loss or damage occurs after this policy becomes effective; or
c) Occurring after the expiration of this policy, except loss or damage arising from an "occurrence" in progress at the time this policy expires.

This provision in no way alters any Policy Limit of Liability or Sub-limit of Liability.

All other terms and conditions remain unchanged.

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NEWLY ACQUIRED OR CONSTRUCTED PROPERTY SUB-LIMIT ENDORSEMENT

Named Insured **Community Associations Program**			Endorsement Number
Policy Symbol **FS**	Policy Number **D37388956 002**	Policy Period **08/01/2012 to 08/01/2013**	Effective Date of Endorsement
Issued By (Name of Insurance Company) **Illinois Union Insurance Company**			

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

THIS ENDORSEMENT MODIFIES INSURANCE PROVIDED UNDER THE FOLLOWING:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM

CONDOMINIUM ASSOCIATION COVERAGE FORM

Schedule:

Sub-limits of Insurance:

$ Not Applicable	Per Occurrence for Building
$ Not Applicable	Per Occurrence for Business Personal Property
$ See ACE 0377	Per Occurrence for Building And Business Personal Property Combined

Section A. Coverage, 5. Coverage Extensions, a. Newly Acquired or Constructed Property, (1) & (2), are deleted in their entirety and replaced as follows:

(1) Buildings

If this policy covers Building and a Limit of Insurance is shown in the Schedule above, you may extend that insurance to apply to:

(a). Your new buildings while being built on the described premises, intended for:

(i). Similar use as the building described in the Declarations; or

(ii). Use as a warehouse.

(b). Buildings you acquire at locations, other than the described premises, intended for:

(i). Similar use as the building described in the Declarations; or

(ii). Use as a warehouse.

(2) Your Business Personal Property

(a). If this policy covers Your Business Personal Property and a Limit of Insurance is shown in the Schedule above, you may extend that insurance to apply to:

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(i). Business personal property, including such property that you newly acquire, at any location you acquire other than at fairs, trade shows or exhibitions;

(ii). Business personal property, including such property that you newly acquire, located at your newly constructed or acquired buildings at the location described in the Declarations; or

(iii). Business personal property that you newly acquire, located at the described premises.

(b). This Extension does not apply to:

(i). Personal property of others that is temporarily in your possession in the course of installing or performing work on such property; or

(ii). Personal property of others that is temporarily in your possession in the course of your manufacturing or wholesaling activities.

(3) The most we will pay for loss or damage under this Extension for buildings and business personal property is shown in the Schedule above. The maximum Limit of Insurance is stated in the Commercial Property coverage part declaration Page; however, if a Sub-limit of Liability is stated below or elsewhere in this Policy, the lesser limit shall apply. The Sub-limit(s) are the most the Company will pay in any one occurrence for various extensions, endorsements, coverage Parts, Perils, causes of Loss or locations. If an annual aggregate is provided, the occurrence Sub-limit of Insurance is the most the Company will pay in any one-policy year for such extensions, endorsement, coverage parts, Perils, causes of Loss or locations. The Sub-limit(s) are part of and not in addition to the Limit of Insurance. The Sub-limit(s) do not increase the Limit of Insurance or any other Sub-limit.

The coverage provided under this endorsement has a time limitation of **90** days from the date the property is acquired or you become responsible to insure it. After that time, coverage will revert to that for Unnamed locations, and may be subject to a lower Sub-limit of Liability.

All other terms and conditions remain unchanged

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ORDINANCE OR LAW SUB-LIMIT ENDORSEMENT

Named Insured **Community Associations Program**			Endorsement Number
Policy Symbol **FS**	Policy Number **D37388956 002**	Policy Period **08/01/2012 to 08/01/2013**	Effective Date of Endorsement
Issued By (Name of Insurance Company) **Illinois Union Insurance Company**			

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

THIS ENDORSEMENT MODIFIES INSURANCE PROVIDED UNDER THE FOLLOWING:

ORDINANCE OR LAW COVERAGE FORM

Ordinance or Law Coverage provided in Form CP0405 under this policy will apply as follows and shall be included in the per occurrence Limit of Liability:

Schedule:

Premises No. **All** /Building No. **All**

$ Included	Per Occurrence sub-limit applies to **Coverage A**
$ Not Applicable	Per Occurrence sub-limit applies to **Coverage B**
$ Not Applicable	Per Occurrence sub-limit applies to **Coverage C**
$ See ACE0377	Per Occurrence sub-limit applies to **Coverage B&C** Combined

Paragraph "F" Page 4 of 4 of Ordinance or Law Coverage Form is deleted in its entirety.

The maximum Limit of Insurance is stated in the Commercial Property coverage part declaration Page; however, if a Sub-limit of Liability is stated above or elsewhere in this Policy, the lesser limit shall apply.

The Sub-limit(s) are the most the Company will pay in any one occurrence for various extensions, endorsements, coverage parts, perils, causes of loss or locations. If an annual aggregate is provided, the Annual Aggregate Sub-limit of Insurance is the most the Company will pay in any one-policy year for such extensions, endorsement, coverage parts, perils, causes of loss or locations, regardless of the number of Occurrences.

The Sub-limit(s) are part of and not in addition to the Limit of Insurance. The Sub-limit(s) do not increase the Limit of Insurance or any other Sub-limit.

All other terms and conditions remain unchanged.

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FIRE DEPARTMENT SERVICE CHARGE SUBLIMIT ENDORSEMENT

Named Insured **Community Associations Program**			Endorsement Number
Policy Symbol **FS**	Policy Number **D37388956 002**	Policy Period **08/01/2012 to 08/01/2013**	Effective Date of Endorsement
Issued By (Name of Insurance Company) **Illinois Union Insurance Company**			

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

THIS ENDORSEMENT MODIFIES INSURANCE PROVIDED UNDER THE FOLLOWING:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM

CONDOMINIUM ASSOCIATION COVERAGE FORM

Section A. Coverage 4. Additional Coverages, c. Fire Department Service Charge is deleted in its entirety and replaced as follows:

When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay up to **$ See ACE0377** for your liability for fire department service charges:

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

(2) Required by local ordinance.

No deductible shall apply to this coverage

The Sub-limit(s) are part of and not in addition to the Limit of Insurance. The Sub-limit(s) do not increase the Limit of Insurance or any other Sub-limit.

All other terms and conditions remain unchanged.

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General Endorsement
ACE A - Personal Property of Others

General Policy Information

Named Insured: **Community Associations Program**

Policy Symbol: **FS** Policy Number: **D37388956 002**

Endorsement Number: Effective date of Endorsement:

Policy Period: **08/01/2012 to 08/01/2013**

Issued by: **Illinois Union Insurance Company**
(Name of Insurance Company)

This Endorsement changes the policy – Please read it carefully
This endorsement modifies insurance provided under the following:

Condominium Association COVERAGE FORM

Endorsement Information

Personal Property of Others

This endorsement modifies insurance provided under the following:

Condominium Association Coverage Form CP 00 17

Clause 5. Coverage Extensions

b. Personal Effects and Property of Others

(2) Personal property of others in your care, custody or control

The most we will pay for loss or damage under this extension is (see ACE0377) at each described premises.

Authorized Agent

General Endorsement
ACE B - Additional Exclusions

General Policy Information

Named Insured: **Community Associations Program**

Policy Symbol: **FS** Policy Number: **D37388956 002**

Endorsement Number: Effective date of Endorsement:

Policy Period: **08/01/2012 to 08/01/2013**

Issued by: **Illinois Union Insurance Company**
(Name of Insurance Company)

This Endorsement changes the policy – Please read it carefully
This endorsement modifies insurance provided under the following:

Commercial Property COVERAGE FORM

Endorsement Information

The following exclusions are made a part of this policy:

Golf Courses (greens, tees, fairways)

Buildings under course of construction

Newly Acquired coverage for locations in Tier 1 wind counties

Authorized Agent

General Endorsement
ACE C - Emergency Vacating Expense

General Policy Information

Named Insured: **Community Associations Program**

Policy Symbol: **FS** Policy Number: **D37388956 002**

Endorsement Number: Effective date of Endorsement:

Policy Period: **08/01/2012 to 08/01/2013**

Issued by: **Illinois Union Insurance Company**
(Name of Insurance Company)

This Endorsement changes the policy – Please read it carefully
This endorsement modifies insurance provided under the following:

Commercial Property COVERAGE FORM

Endorsement Information

The insurance provided by this Coverage Form is extended to apply to the reasonable and necessary expenses you incur when a civil authority orders the emergency vacating of:

(a) Residents; tenants; or
(b) Lawful occupants;

from the premises described in the Declarations as a direct result of immediately impending physical loss or damage of the type insured by this policy.

No coverage is provided if the emergency evacuation results from:

(a) A strike, bomb threat or false fire alarm, unless vacating is ordered by a civil authority;

(b) A planned vacating drill; or

(c) The vacating of one or more residents or tenants that is due and confined to their individual medical condition;

The most we will pay for Emergency Vacating Expense in any one occurrence under this Extension is $5,000.

Authorized Agent

General Endorsement
ACE D - Outdoor Property

General Policy Information

Named Insured: **Community Associations Program**

Policy Symbol: **FS** Policy Number: **D37388956 002**

Endorsement Number: Effective date of Endorsement:

Policy Period: **08/01/2012 to 08/01/2013**

Issued by: **Illinois Union Insurance Company**
(Name of Insurance Company)

This Endorsement changes the policy – Please read it carefully
This endorsement modifies insurance provided under the following:

Condominium Association COVERAGE FORM

Endorsement Information

Outdoor Property

It is hereby understood and agreed that the following is added as Covered Property in form CP0017, Paragraph A.1.a.:

Fences
Entry walls
Signs
Playground Equipment

Covered Perils:
We will pay for loss or damage to fences, entry walls, signs and playground equipment caused by the following perils only:

Fire or lightning damage

Windstorm or hail damage but not including:

a. Frost or cold weather;

b. Ice (other than Hail), snow or sleet, whether driven by wind or not

Smoke causing sudden and accidental loss or damage. This cause of loss does not include smoke from agricultural smudging or industrial operations

Aircraft damage

Vehicle damage. We will not pay for loss or damage caused by or resulting from vehicles you own or which are operated in the course of your business

Authorized Agent

General Endorsement
ACE D - Outdoor Property Continued

General Policy Information

Named Insured: **Community Associations Program**

Policy Symbol: **FS** Policy Number: **D37388956 002**

Endorsement Number: Effective date of Endorsement:

Policy Period: **08/01/2012 to 08/01/2013**

Issued by: **Illinois Union Insurance Company**
(Name of Insurance Company)

This Endorsement changes the policy – Please read it carefully
This endorsement modifies insurance provided under the following:

Condominium Association COVERAGE FORM

Endorsement Information

Riot or civil commotion

Vandalism, meaning willful and malicious damage to, or destruction of, the described property. We will not pay for loss or damage caused by or resulting from theft, except for building damage caused by the breaking in or exiting of burglars

Volcanic eruption

All other terms and conditions remain unchanged

Authorized Agent

General Endorsement
ACE E - Amendment

General Policy Information

Named Insured: **Community Associations Program**

Policy Symbol: **FS** Policy Number: **D37388956 002**

Endorsement Number: Effective date of Endorsement:

Policy Period: **08/01/2012 to 08/01/2013**

Issued by: **Illinois Union Insurance Company**
(Name of Insurance Company)

This Endorsement changes the policy – Please read it carefully
This endorsement modifies insurance provided under the following:

Condominium Association COVERAGE FORM

Endorsement Information

The following amendments is made a part of this policy:

CONDOMINIUM ASSOCIATION COVERAGE FORM

Additional Covered Property Provided under CP 00 17 (06/07)

The following is withdrawn from Property Not Covered (A.2.g.) and added to Covered Property (A.1.a.).

Foundations

Authorized Agent

General Endorsement
ACE F - Reporting Values Endorsement

General Policy Information

Named Insured: **Community Associations Program**

Policy Symbol: **FS** Policy Number: **D37388956 002**

Endorsement Number: Effective date of Endorsement:

Policy Period: **08/01/2012 to 08/01/2013**

Issued by: **Illinois Union Insurance Company**
(Name of Insurance Company)

This Endorsement changes the policy – Please read it carefully
This endorsement modifies insurance provided under the following:

Commercial Property COVERAGE FORM

Endorsement Information

You are required to report any properties and their specific values that have been completed and issued a certificate of occupancy or its equivalent subsequent to the effective date of this policy and for which the homeowners association is required to purchase and maintain property insurance in accordance with the applicable homeowners association bylaws or its equivalent within 90 days of completion and issuance of a certificate of occupancy or its equivalent.

You are required to remit additional premium for the increased values.

We will not pay for any loss or damage to any properties that are not reported consistent with the requirements set forth in this endorsement.

All other terms and conditions remain unchanged.

Authorized Agent

General Endorsement
ACE G - Additional Conditions

General Policy Information

Named Insured: **Community Associations Program**

Policy Symbol: **FS** Policy Number: **D37388956 002**

Endorsement Number: Effective date of Endorsement:

Policy Period: **08/01/2012 to 08/01/2013**

Issued by: **Illinois Union Insurance Company**
(Name of Insurance Company)

This Endorsement changes the policy – Please read it carefully
This endorsement modifies insurance provided under the following:

Commercial Property COVERAGE FORM

Endorsement Information

$5,000 per location per occurrence sublimit Outdoor Property applies to the following locations:

Ardrey Chase HOA, 4229 Paxton Run Road, Charlotte, NC 28227

Baynard Park & Parkside Rec, 81 Bainbridge Way/20 Marsh Creek Drive, Bluffton, SC 29910

Baynard Park Property Owners Assn, 20 Spring Meadow Drive, Bluffton, SC 29910

Bridgetown at Plantation HOA, 12950 Kentfield Lane, Ft. Meyers, FL 33913

Emerson Square Community Association, Inc., 5601 Emerson Square Blvd., Fort Meyers, FL 33908

Fieldstone Farms HOA, 3008 Gray Farm Road, Indian Trail, NC 28079

The Presidio Homeowners, 10835 Arguello Trial NE, Albuquerque, NM 87124

Willow Creek HOA, 873 Willow Creek Drive, Gastonia, NC 28054

Woodbury HOA, 7108 Bear Grass Lane, Charlotte, NC 28277

Authorized Agent

General Endorsement
ACE H - Ingress Egress Time Element Endorsement

General Policy Information

Named Insured: **Community Associations Program**

Policy Symbol: **FS** Policy Number: **D37388956 002**

Endorsement Number: Effective date of Endorsement:

Policy Period: **08/01/2012 to 08/01/2013**

Issued by: **Illinois Union Insurance Company**
(Name of Insurance Company)

This Endorsement changes the policy – Please read it carefully
This endorsement modifies insurance provided under the following:

Commercial Property COVERAGE FORM

Endorsement Information

a. **This Policy is extended to cover the Actual Loss Sustained by the Insured because of the necessary interruption of the Insured's business due to physical prevention of ingress to or egress from an Insured Location, where such physical prevention:**

(1) **occurs at or within 1 statutory mile of such Insured Location, whether or not the premises or property of the Insured is damaged, and**

(2) **is a direct result of physical damage of the type insured by this Policy, to the kind of property not excluded by this Policy.**

b. **The amount of coverage provided under this Ingress/Egress coverage extension will be the lesser of:**

(1) **the Actual Loss Sustained from the time that such physical prevention of ingress to or egress from the affected Insured Location begins and ending at the earlier of:**

i. **the time when the physical prevention of ingress to or egress from an Insured Location described in sub-paragraph a. above ends, in whole or part, or**

ii. **the expiration of a Time Limit of 30 consecutive days; or**

(2) **the Sub-Limit of Liability for Ingress/Egress Time Element shown in Sub-Limit Provision Endorsement.**

Authorized Agent

General Endorsement
ACE H - Ingress Egress Time Element Endorsement Continued

General Policy Information

Named Insured: **Community Associations Program**

Policy Symbol: **FS** Policy Number: **D37388956 002**

Endorsement Number: Effective date of Endorsement:

Policy Period: **08/01/2012 to 08/01/2013**

Issued by: **Illinois Union Insurance Company**
(Name of Insurance Company)

This Endorsement changes the policy – Please read it carefully
This endorsement modifies insurance provided under the following:

Commercial Property COVERAGE FORM

Endorsement Information

c. **With respect to this Ingress/Egress coverage extension, the following exclusions apply:**

This Policy does not insure loss resulting from:

(1) **lack of incoming or outgoing service consisting of electric, fuel, gas, water, steam, refrigerant, sewerage, voice, data, or video.**

(2) **picketing or other action by strikers except for physical damage not excluded by this Policy.**

(3) **physical loss or damage caused by or resulting from an Act of Terrorism, regardless of any other cause or event, whether or not insured under this Policy, contributing concurrently or in any other sequence to the loss.**

d. **Coverage under this coverage extension does not apply for more than the number of consecutive days shown in the Sub-Limit Provision Endorsement.**

e. **Coverage under this coverage extension is subject to a Waiting Period of 168 hours. If no waiting period is provided, coverage under this coverage extension is subject to the applicable Deductible shown in the Declarations.**

f. **This coverage extension does not apply if there is coverage for the loss under Civil Authority.**

All other terms and conditions of the policy remain unchanged.

Authorized Agent



ACE Producer Compensation
Practices & Policies

ACE believes that policyholders should have access to information about ACE's practices and policies related to the payment of compensation to brokers and independent agents. You can obtain that information by accessing our website at http://www.aceproducercompensation.com or by calling the following toll-free telephone number: 1-866-512-2862.

U.S. TREASURY DEPARTMENT'S OFFICE OF FOREIGN ASSETS CONTROL ("OFAC") ADVISORY NOTICE TO POLICYHOLDERS

No coverage is provided by this Policyholder Notice nor can it be construed to replace any provisions of your policy. You should read your policy and review your Declarations page for complete information on the coverages you are provided.

This Notice provides information concerning possible impact on your insurance coverage due to directives issued by OFAC. **Please read this Notice carefully.**

The Office of Foreign Assets Control (OFAC) administers and enforces sanctions policy, based on Presidential declarations of "national emergency". OFAC has identified and listed numerous:

- Foreign agents;
- Front organizations;
- Terrorists;
- Terrorist organizations; and
- Narcotics traffickers;

as "Specially Designated Nationals and Blocked Persons". This list can be located on the United States Treasury's web site – http//www.treas.gov/ofac.

In accordance with OFAC regulations, if it is determined that you or any other insured, or any person or entity claiming the benefits of this insurance has violated U.S. sanctions law or is a Specially Designated National and Blocked Person, as identified by OFAC, this insurance will be considered a blocked or frozen contract and all provisions of this insurance are immediately subject to OFAC. When an insurance policy is considered to be such a blocked or frozen contract, no payments nor premium refunds may be made without authorization from OFAC. Other limitations on the premiums and payments also apply.

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FLOOD COVERAGE
ADVISORY NOTICE TO POLICYHOLDERS

THIS POLICY DOES NOT COVER DAMAGE FROM FLOOD.

FOR INFORMATION ABOUT FLOOD INSURANCE, PLEASE CONTACT THE NATIONAL FLOOD INSURANCE PROGRAM OR YOUR INSURANCE AGENT.

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